



**AGENDA**  
**REGULAR MEETING OF THE CITY COUNCIL OF**  
**THE CITY OF WHITE BEAR LAKE, MINNESOTA**  
**TUESDAY, OCTOBER 23, 2018**  
**7:00 P.M. IN THE COUNCIL CHAMBERS**

**1. CALL TO ORDER AND ROLL CALL**

PLEDGE OF ALLEGIANCE

**2. APPROVAL OF MINUTES**

Minutes of the Regular City Council Meeting on October 9, 2018

**3. APPROVAL OF THE AGENDA**

**4. VISITORS AND PRESENTATIONS**

A. Swearing in Samuel Shafer

B. Sheriff Jack Serier

**5. PUBLIC HEARINGS**

A. Resolution establishing and imposing special assessment for the year 2018 with no interest on taxable property within the Birch Lake Improvement District

B. Resolution certifying delinquent 2018 miscellaneous private property assessment for recovery of City expenses

C. Resolution certifying delinquent charges related to the municipal utility system assessment

**6. LAND USE**

Nothing scheduled

**7. UNFINISHED BUSINESS**

Nothing scheduled

**8. ORDINANCES**

Nothing scheduled

**9. NEW BUSINESS**

A. Resolution authorizing White Bear Lake Fire Relief Pension Adjustment

- B. Resolution authorizing a change to the By-Laws of the White Bear Lake Fire Relief Association
- C. Resolution authorizing the White Bear Lake Fire Relief Association to join the Statewide Volunteer Firefighter Retirement Plan
- D. Resolution accepting bids and awarding contract for the HVAC improvements to the White Bear Lake Armory, City Project No. 19-12
- E. Resolution providing benefits for employees of the City of White Bear Lake who are not covered by employment agreements

## **10. CONSENT**

- A. Resolution approving massage therapist license
- B. Acceptance of an extension to the White Bear Lake Mitsubishi lease

## **11. DISCUSSION**

- A. Rush Line Station Area Planning
- B. DNR groundwater study

## **12. COMMUNICATIONS FROM THE CITY MANAGER**

## **13. ADJOURNMENT**

**14. Closed Session:** Pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(c)(3), the City Council may move into closed session to develop or consider offers for the purchase of real property.



**MINUTES  
REGULAR MEETING OF THE CITY COUNCIL  
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA  
TUESDAY, OCTOBER 9, 2018  
7:00 P.M. IN THE COUNCIL CHAMBERS**

**1. CALL TO ORDER AND ROLL CALL**

Mayor Jo Emerson called the meeting to order at 7:00 p.m. Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran, Dan Jones and Bill Walsh in attendance. Staff members present were City Manager Ellen Hiniker, Community Development Director Anne Kane, Assistant City Engineer Jesse Farrell, Assistant Finance Director Kerri Kindsvater, City Clerk Kara Coustry and City Attorney Pat Sweeney.

PLEDGE OF ALLEGIANCE

**2. APPROVAL OF MINUTES**

It was moved by Councilmember **Edberg** seconded by Councilmember **Jones**, to approve the Minutes of the Regular City Council Meeting on September 25, 2018.

Motion carried unanimously.

**3. APPROVAL OF THE AGENDA**

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

Motion carried unanimously.

**4. VISITORS AND PRESENTATIONS**

**A. Toastmasters Proclamation**

Mayor Emerson proclaimed October 2018 as Toastmasters Month and presented a proclamation, which was accepted by Mary Torno. Ms. Torno serves as the secretary to Toastmasters. She thanked the Mayor and Council and cast out an invitation to join their meetings on Monday evenings in City Hall.

**B. Greater White Bear Lake Community Foundation**

Bill Foussard, Chair of the Greater White Bear Lake Community Foundation reported that within three years the organization has raised \$1,000,000 to support the local community. He relayed the importance of listening to the needs of the community, briefly mentioned the grant program, the Leadership Tomorrow program and the foundation's focus on legacy to ensure continued success into the future.

Jackie Reis, the Executive Director for the Greater White Bear Lake Community Foundation, mentioned the foundation started by listening to 8-9 human service organizations to get their ideas of the needs in the area. She reported, in 2017 the foundation raised \$32,000 and announced its first community grant program called the

Community Partners Fund. The group listened to the community through grant submittals, which amounted to 30 requests totaling \$140,000. The foundation gave away \$32,200 to 20 different organizations around the lake last October that service seniors, people in need, provide educational opportunities, help the environment and support arts and cultural activities.

Ms. Reis reported the foundation raised another \$45,000 this year for which a second round of grant is now being considered by their grant committee. She recapped that their goal is to listen to the needs of the community and award grants that align with the organizations' mission of inspiring philanthropy and enriching the lives of those living in the greater White Bear Lake community: Birchwood, Dellwood, Mahtomedi, White Bear Lake, White Bear Township, Willernie and Grant.

Foundation Board member Craig Drake is the Chair of the Steering Committee for the organization's Leadership Tomorrow program. He explained the program is a cooperative effort with the White Bear Rotary Club, the White Bear Area Chamber of Commerce and the AWL Group, with the goal of preparing tomorrow's leaders. The group has been meeting monthly since January at various locations depending on the topic of discussion, and a new cohort will begin in January 2019.

Board member Bob Schneeweis spoke on the topic of legacy and reiterated the importance of keeping funds local to assist people and organizations to do things that help the local community. He stated the foundation gives annually, but also manages investments to ensure perpetual giving for a long time to come.

## **5. PUBLIC HEARINGS**

Nothing scheduled

## **6. LAND USE**

### **A. Non-Consent**

1. Consideration of a Planning Commission recommendation regarding a request by Matthew Park for an amendment to a Conditional Use Permit at 2180 7<sup>th</sup> Street (Case No. 85-11-Sa).

Community Development Director Kane stated that although this item was voted unanimously for approval by the Planning Commission and there were no concerns by neighbors, staff neglected to properly post notice on-site for the Planning Commission's Public Hearing, which is why this item is on non-consent. The sign was subsequently posted on the property in advance of tonight's City Council meeting. If neighbors saw the notice, they would still have an opportunity to speak tonight.

Ms. Kane described the subject site, 2180 7<sup>th</sup> Street, located on the southwest corner of 7<sup>th</sup> Street and Highway 61. She recapped that in 1985, the City approved a conditional use permit to establish an automatic full-service indoor car wash. In 1989, the City rezoned the property to DCB, a district, which prohibits car washes. Consequently, the property became a legal non-conforming use and as such, the use is not to be extended or intensified.

Ms. Kane reported that the new owner of the business is proposing to install an automatic indoor motorcycle wash in addition to the existing car wash equipment. Consequently, the applicant is requesting a conditional use permit amendment to include an automatic indoor motorcycle wash.

Ms. Kane pointed out there would be no external changes to the building or site. A second overhead door will be converted from a feeder lane into a designated motorcycle lane. Considerable analysis was conducted, and tracking put into place to demonstrate that the addition of a motorcycle wash still fits within current water use, and does not represent an intensification of use.

Ms. Kane noted staff's concern about idling noise from motorcycles led to a recommendation for signage that cycles be turned off while waiting and by walked forward as the line advances. The hours of operation were also capped with end times of 8:30 p.m., Monday – Saturday and 6:00 p.m. on Sundays.

Councilmember Biehn commented that one of his constituents reached out to him to express support for this concept and appreciation for the new owners of the facility.

Mayor Emerson opened up to the public at 7:22 p.m. There being no one who came forward to speak, Mayor Emerson closed public comment.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Engstran** to adopt **Resolution No. 12274** approving a conditional use permit amendment for 2180 7<sup>th</sup> Street.

Motion carried unanimously.

#### B. Consent

1. Consideration of a Planning Commission recommendation regarding a request by John Manship for a variance at 4766 Peggy Lane (Case No. 18-14-V). **Resolution No. 12275**
2. Consideration of a Planning Commission recommendation regarding a request by Alexa Adams for a setback variance at 1880 4<sup>th</sup> Street (Case No. 18-15-V). **Resolution No. 12276**
3. Consideration of a Planning Commission recommendation regarding a request by Michael McHugh for a setback variance at 2262 11<sup>th</sup> Street (Case No. 18-16-V). **Resolution No. 12277**

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

Motion carried unanimously.

#### 7. UNFINISHED BUSINESS

Nothing scheduled

#### 8. ORDINANCES

- A. Ordinance adopting the 2018 International Property Maintenance Code and deletion of White Bear Lake City Ordinance, Chapter 804 related to smoke detector requirements.

Community Development Director Kane recapped that first reading occurred in August and second reading six weeks later on September 25<sup>th</sup>. At that time, Council provided an additional two weeks to address concerns raised by a local property owner as well as the Executive Director of the White Bear Area Chamber of Commerce.

Ms. Kane relayed a report by Tom Snell who outreached to the Woodbury Chamber of Commerce and learned there were no concerns expressed in their community over their recent adoption of the IPMC. Staff also received feedback from Mr. Grambush, who was pleased with the renumbering. He had suggested a 20-day appeal process and staff compromised with a change from 5 business days to 10 business days for consistency with other appeal processes in the code. Mr. Grambush also questioned the titling of the last section, whether it should be Life Safety or Rental Dwelling Units, which is a nuance.

It was moved by Councilmember **Jones**, seconded by Councilmember **Edberg** to adopt **Ordinance 18-10-2032** the adoption of 2018 International Property Maintenance Code and deletion of White Bear Lake City Ordinance, Chapter 804 related to smoke detector requirements.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Engstran** to adopt **Resolution No. 12278** establishing the title and summary approval of **Ordinance 18-10-2032** the adoption of 2018 International Property Maintenance Code and deletion of White Bear Lake City Ordinance, Chapter 804 related to smoke detector requirements.

Motion carried unanimously.

## 9. NEW BUSINESS

- A. Resolution adopting revised assessment roll for 2018 Street Reconstruction Projects (City Project No. 18-01)

Assistant City Engineer Farrell reported that the assessment roll for the 2018 Street Reconstruction Project was incorrect for 4921 Johnson Avenue. This property was not notified about a sanitary sewer wye replacement, but the owner did agree to pay half of the sewer wye assessment. The assessment roll has been corrected to reflect a change to this property's assessment. Mr. Farrell forwarded staff's recommendation that the Council adopt the revised assessment roll.

Councilmember Edberg mentioned there were a number of folks who filed assessment appeals this year and asked for an update on that process. Mr. Farrell explained that most of the assessments inquiries pertained to the alley. He reported that one of those items was clarified last week and the other outstanding item relates to a property owner who does not use the alley. He stated staff needs to have a conversation with her explaining the assessment is to the benefit of the property rather than its current use.

City Manager Hiniker clarified that staff researched and affirmed that the Code does indeed encourage use of alleyway rather than the street. This was confirmed with the

property owner, who was satisfied with that explanation. Ms. Hiniker assured Councilmember Edberg that the City is comfortable that consistent information is available in our records such that this will not happen again.

It was moved by Councilmember **Jones**, seconded by Councilmember **Edberg** to adopt **Resolution No. 12279** adopting revised assessment roll for 2018 Street Reconstruction Projects (City Project No. 18-01).

Motion carried unanimously.

- B. Resolution approving a deferred special assessment for properties at 4958 Stewart Avenue and 4926 Johnson Avenue

Assistant City Engineer Farrell stated this is typically an item on the consent agenda; however, these are opportunities for senior deferments under the City's Assessment Policy. He forwarded staff's recommendation that Council adopt the resolution that defers these special assessments for these properties.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Edberg** to adopt **Resolution No. 12280** approving a deferred special assessment for properties at 4958 Stewart Avenue and 4926 Johnson Avenue.

Motion carried unanimously.

- C. Resolution accepting work and approving final payment to Park Construction Company for 2017 Mill and Overlay Project (City Project Nos. 17-01, 17-04, 17-10 & 17-13)

Assistant City Engineer Farrell clarified this is for the 2017 Mill and Overlay Project to the same contractor that has already been paid for the 2018 Mill and Overlay Project. He explained there were outstanding items from 2017 and the City withholds a certain amount of the payment until items are completely satisfied. Staff has determined that all 2017 work has been completed satisfactorily and Mr. Farrell forwarded a recommendation to accept the work and approve final payment to Park Construction Company in the remaining amount of \$11,217.83.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones** to adopt **Resolution No. 12281** accepting work and approving final payment to Park Construction Company for 2017 Mill and Overlay Project (City Project Nos. 17-01, 17-04, 17-10 & 17-13).

Motion carried unanimously.

## 10. CONSENT

- A. Acceptance of minutes from August Park Advisory Commission; August Environmental Advisory Commission; August White Bear Lake Conservation, August Planning Commission
- B. Resolution certifying water service repairs / replacement assessing those charges to 1900 Hinkley Street. **Resolution No. 12282**

It was moved by Councilmember **Jones** seconded by Councilmember **Engstran**, to

approve the consent agenda as presented.

Motion carried unanimously.

## 11. DISCUSSION

## 12. COMMUNICATIONS FROM THE CITY MANAGER

- Winter Parking Control – A new post card communication will be distributed this year for improved notice about winter parking during snow events. Commercial and residential properties in downtown also receive mailed reminders of the City’s snow removal policy. Councilmember Edberg asked if there was a way to educate property owners and renters. Ms. Hiniker agreed this is an opportunity and also mentioned City’s planned use of social media to spread the word.
- MICAH Affordable Housing Tour – St. Andrews at 11:15 a.m. on Oct. 16.
- Lakewood Hills Park - playground equipment improvement project is complete.
- Veterans’ Memorial Flagpole – ceremony on Veteran’s Day, Nov. 11 at 11:00 a.m.
- Bruce Vento – Both Anne Kane and Jesse Farrell attended the first open house on Oct. 4. The next meeting is on Oct. 25.
- State Historical Review Hearing – Consideration of the Armory for the National Register of Historic Places
- Cable-caster leaving – Ms. Hiniker thanked Kyle Swenson, the City’s Cable-caster of seven years of very dependable service.
- Engineering Updates – Jesse Farrell, Assistant City Engineer
  - Continues monitoring drainage and sod patching related to 2018 Street Reconstruction Projects.
  - Centerville Road Project is substantially complete with an operable traffic signal.
  - Miscellaneous concrete work is being finished around town.
  - First neighborhood meeting will be held early in November for the 2019 Street Reconstruction Project. He mentioned addressing the alley assessment more heavily in the front end to answer questions.
- Community Development Updates – Anne Kane, Director
  - White Bear Mitsubishi three-month lease extension will likely be on the Consent Agenda at the next meeting.
  - Create Space will be relocating to the former Lulu and Luigi on 3<sup>rd</sup> Street.

## 13. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Biehn** seconded by Councilmember **Edberg** to adjourn the regular meeting at **7:50 p.m.**



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Jo Emerson, Mayor

**ATTEST:**

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Kara Coustry, City Clerk



**City of White Bear Lake**  
Finance Department

## *MEMORANDUM*

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 16, 2018

**Subject:** **Birch Lake Improvement District Special Assessment**

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### **BACKGROUND**

The Birch Lake Improvement District (BLID) was created in 2006 pursuant to state statutes and a petition from the affected property owners. The district was created to develop, finance and implement activities which will improve and protect the quality of Birch Lake. The improvement district authorizes the board of directors to seek a special assessment not to exceed \$25,000 per year.

### **SUMMARY**

BLID is requesting an assessment of \$18,972 for calendar year 2018, collectible in 2019. Their 2019 budget provides funding for fiscal 2019 and reflects the following expenditures:

\$ 3,650	Administrative costs (communications and insurance)
12,161	Aerator and aquatic vegetation management
<u>5,776</u>	Special projects
21,587	Total expenditures

All affected property owners received a special assessment certification notice in September 2018. The attached resolution authorizes equal assessment to all property owners with access to Birch Lake totaling \$306.

### **RECOMMENDED COUNCIL ACTION**

It is recommended that the City Council adopt the attached resolution certifying the Birch Lake Improvement District special assessment totaling \$18,972 request to support the budget estimate totaling \$21,587 for fiscal year 2019.

### **ATTACHMENTS**

Resolution  
Notice of Public Hearing  
Assessment Listing  
BLID Budget

**RESOLUTION NO.**

**RESOLUTION ESTABLISHING AND IMPOSING SPECIAL ASSESSMENT FOR THE  
YEAR 2018 WITH NO INTEREST ON TAXABLE PROPERTY WITHIN THE  
BIRCH LAKE IMPROVEMENT DISTRICT**

**WHEREAS**, pursuant to the Laws of Minnesota, Chapter 13D and the Order Establishing the Birch Lake Improvement District, the Board of Directors of the District have petitioned for a special assessment to finance water improvements to Birch lake, and;

**WHEREAS**, published and mailed notice of a public hearing on this resolution has been given and a public hearing has been held on October 23, 2018; and

**WHEREAS**, the City Council of the City of White Bear Lake determines that it is necessary and appropriate to establish and impose a special assessment in the amount of \$18,972 divided equally among the parcels listed in Attachment A hereto for the year 2019 with no interest upon property within the Birch Lake Improvement District to defray the expense of improvements to Birch Lake.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of White Bear Lake that each parcel listed in Attachment A be assessed the sum of \$306.00 payable prior to November 26, 2018 or thereafter levy for collection in 2019 without interest accrued.

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

Ayes:

Nays:

Passed:

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Jo Emerson, Mayor

ATTEST:

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Kara Coustry, City Clerk

September 1, 2018

## **NOTICE OF PUBLIC HEARING**

Notice is hereby given pursuant to MN Stat. Chapter 103B and along with the Birch Lake Improvement District's request for funding 2019 operations that the White Bear Lake City Council conduct a public hearing for a proposal to assess a special tax levy to owners of property abutting Birch Lake within the City of White Bear Lake, for the purpose of performing certain improvements or actions intended to improve the quality of Birch Lake. The total proposed levy for calendar year 2019 for all properties within the district is \$19,000. Said total, if approved, the levy would be divided equally among the total number of assessable parcels equaling \$306.00 per parcel.

The Birch Lake Improvement District has submitted this amount to the City for assessing the amount to individual properties. If you have questions or concerns regarding the purpose or use of the funds, those concerns need to be addressed to the Birch Lake Improvement Board Chairperson Dale Bacon. Mr. Bacon may be contacted by e-mail at [dbacon@msn.com](mailto:dbacon@msn.com).

The public hearing is scheduled for October 23, 2018, beginning at 7:00 p.m. in the City Council Chambers, 4701 Highway 61 and shall continue until all interested parties have been heard. Questions regarding the hearing of proposed levy may be directed to Don Rambow, Finance Director, 4701 Highway 61 (651-429-8517). Written comments received prior to the hearing shall be read at the hearing. For further information on the public hearing process, please visit the City's website at [www.whitebearlake.org/Engineering](http://www.whitebearlake.org/Engineering).

CITY OF WHITE BEAR LAKE  
SPECIAL SERVICE DISTRICT LEVY  
BIRCH LAKE IMPROVEMENT - 2018 LAVY  
ASSESSMENT # 93201809 / RESOLUTION #

	PIN	NAME	ADDRESS	ASSESSMENT AMOUNT
1	153022230010	Kuppe, Geoffrey S	1411 Birch Lake Blvd N	306.00
2	153022240013	Manke, Thomas L	1435 Birch Lake Blvd N	306.00
3	153022240014	Green, Gregory G	1445 Birch Lake Blvd N	306.00
4	153022240015	Dziura, John	1453 Birch Lake Blvd N	306.00
5	153022240025	Birch Lake Townhomes Llc	500 Washington Ave S #3000	306.00
6	153022310005	Reinhart, John P	1531 Birch Lake Blvd N	306.00
7	153022310006	Lennon, Michael A	1525 Birch Lake Blvd N	306.00
8	153022310007	Benjamin, Leann	1515 Birch Lake Blvd N	306.00
9	153022310008	Johnstone, Richard	1497 Birch Lake Blvd N	306.00
10	153022310010	Anderson, Daniel D	1481 Birch Lake Blvd N	306.00
11	153022310011	Kreuser, Rodney	1469 Birch Lake Blvd N	306.00
12	153022310012	City Of White Bear Lake	4701 Highway 61	306.00
13	153022310013	Bacon, Dale L	1493 Birch Lake Blvd N	306.00
14	153022320003	Nash, Nicholas D	1340 Birch Lake Blvd N	306.00
15	153022320015	City Of White Bear Lake	4701 Highway 61	306.00
16	153022320058	Cloisters At Birch Lake Assoc	1801 American Blvd E, Suite 21	306.00
17	153022320062	Cloisters At Birch Lake Assoc	1802 American Blvd E, Suite 21	306.00
18	153022320070	Cloisters At Birch Lake Assoc	1803 American Blvd E, Suite 21	306.00
19	153022330003	Peihl, Nick	1405 Highway 96 E	306.00
20	153022330004	Hoops, Ryan	1397 Highway 96 E	306.00
21	153022330007	Abbott, John C	1353 Hedman Way	306.00
22	153022330008	Thein, James T	1339 Hedman Way	306.00
23	153022330009	Vernon, Theodore	1337 Hedman Way	306.00
24	153022330010	Nguyen , Conrad	1323 Hedman Way	306.00
25	153022330011	Foster, Norma J	1311 Hedman Way	306.00
26	153022330012	Norman, Gary F	1303 Hedman Way	306.00
27	153022330023	Laliberte, Stephen M	1387 Highway 96	306.00
28	153022330026	Bartle, David H	1367 Hedman Way	306.00
29	153022330028	Grisim, James Roger	1417 Highway 96	306.00
30	153022330029	Rehfuss, Maureen E.	1411 Highway 96 E	306.00
31	153022330030	Auger, Ronald W	1361 Hedman Way	306.00
32	153022340002	City Of White Bear Lake	4701 Highway 61	306.00
33	153022340009	Brown, Burnell	1455 Birch Lake Blvd S	306.00
34	153022340001	Anderson, William	6230 10th Street Suite 430	306.00
35	153022340010	Pettman, Shawn P	1437 Birch Lake Blvd S	306.00
36	153022340011	Oneill, Douglas J	1425 Birch Lake Blvd S	306.00
37	153022340014	Henry, W Keith	1512 Birch Lake Blvd S	306.00
38	153022340030	Peterson, Barbara A	1474 Birch Lake Blvd S	306.00
39	153022340031	Flaspeter, Sharon	1494 Birch Lake Blvd S	306.00
40	153022340032	Monroe, Daniel R	1484 Birch Lake Blvd S	306.00
41	153022340033	Leonhart, Paul J	1504 Birch Lake Blvd S	306.00
42	153022340039	Parfievich, Andrea L	1520 Birch Lake Blvd S	306.00
43	153022340040	Gillitzer, Richard H	1528 Birch Lake Blvd S	306.00

CITY OF WHITE BEAR LAKE  
SPECIAL SERVICE DISTRICT LEVY  
BIRCH LAKE IMPROVEMENT - 2018 LAVY  
ASSESSMENT # 93201809 / RESOLUTION #

	PIN	NAME	ADDRESS	ASSESSMENT AMOUNT
44	153022420088	Sagert, Charles A	4696 Otter Lake Rd	306.00
45	153022420089	Leavitt, Patrica	4700 Otter Lake Rd	306.00
46	153022420095	Ritchie, Jason A	4686 Otter Lake Rd	306.00
47	153022420097	Vadnais, Ann Marie	4742 Otter Lake Rd	306.00
48	153022420099	Arend, Charles E	4710 Otter Lake Rd	306.00
49	153022420101	Elazab, Amanda A	4730 Otter Lake Rd	306.00
50	153022420102	Gadbois, David	4720 Otter Lake Rd	306.00
51	153022430044	Lacosse, Robert	4680 Otter Lake Rd	306.00
52	153022430045	Reineck, Paul	4660 Otter Lake Rd	306.00
53	153022430046	Strickland, Pamela Jo	4652 Otter Lake Rd	306.00
54	153022430047	Jacobsen, Mark	4644 Otter Lake Rd	306.00
55	153022430049	Roth, Mary	4630 Otter Lake Rd	306.00
56	163022440005	Jensen, Bethany Joy	1295 Hedman Way	306.00
57	163022440006	Daubenberger, Sandra L	1291 Hedman Way	306.00
58	163022440010	Jensen, Mitchell D	1297 Hedman Way	306.00
59	163022440036	Birch Cove Townhouse Assn	7260 University Ave Ne Ste 200	306.00
60	163022440040	Birch Cove Townhouse Assn	7260 University Ave Ne Ste 200	306.00
61	163022440049	Bremer Bank Na	8555 Eagle Point Blvd,	306.00
62	163022440067	CTR Partnership	950 Calle Amanecer # 300	306.00

Total

18,972.00

**Proposed Birch Lake Improvement Budget  
January 1 - December 31, 2019**

EXPENSE	
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<b>FIXED COSTS</b>	<b>\$ 3,650</b>
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- Aerator operations
- Administration
- Newsletter
- Insurance

<b>AQUATIC VEGETATION MANAGEMENT</b>	<b>\$ 12,161</b>
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- Harvester permit
- Harvester maintenance
- Subcontractor to harvest plant material

<b>SPECIAL PROJECTS</b>	<b>\$ 5,776</b>
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- Plant Survey
- Restoration Site
- Chloride monitoring

<b>TOTAL</b>	<b>\$ 21,587</b>
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INCOME	
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<b>TOTAL LEVY AMOUNT</b>	<b>\$ 19,000</b>
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<b>HARVESTER RENTAL</b>	<b>\$ 2,500</b>
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<b>SURPLUS/(DEFICIT)</b>	<b>(\$ 87)</b>
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<b># OF PROPERTIES</b>	<b>62</b>
<b>\$ PER PROPERTY</b>	<b>\$306</b>



**City of White Bear Lake**  
Finance Department

# *MEMORANDUM*

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 15, 2018

**Subject:** **Certification of City expenses incurred servicing private property**

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## **BACKGROUND**

Throughout the year, the City has provided various services to numerous property owners who have been billed for these services however, these invoices remain unpaid. These services range from lawn mowing / property clean up, and payment for boarding a dangerous animal.

## **SUMMARY**

During the past fiscal year, the City has provided the following services which remain unpaid:

<u>Amount</u>	<u>Description of service</u>
\$ 306.37	Lawn mowing (property clean-up)
<u>1,050.00</u>	Boarding Services
<u>1,356.37</u>	Total

Detail of individual billings is included for Council reference.

## **RECOMMENDED COUNCIL ACTION**

It is recommended that the City Council adopt the attached resolution certifying delinquent miscellaneous private property billings for a one (1) year period totaling \$1,356.37 at an annual interest rate of seven and one-half (7.5%) percent.

## **ATTACHMENTS**

Resolution  
Certification detail



**RESOLUTION NO.**

**RESOLUTION CERTIFYING DELINQUENT 2018 MISCELLANEOUS PRIVATE  
PROPERTY ASSESSMENT FOR RECOVERY OF CITY EXPENSES**

**WHEREAS**, Minnesota Statutes §429.101 allows the City to certify special charges associated with servicing property as special assessments with the County Auditor; and

**WHEREAS**, the City has provided various services to the attached listing of properties, invoiced those properties for services completed and has not been reimbursed as of October 18, 2018.

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

1. Nuisance charges associated with maintaining private property within the City ordinance are certified to the County Auditor for collection as special assessments.
2. The nuisance assessments are authorized per the attached worksheet totaling \$1,356.37 for recovery of the City incurred expenses.
3. Nuisance assessment shall be payable over a term of one (1) year at an annual rate of seven and one-half percent (7.5%).

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  
ASSESSMENT ROLL RAMSEY COUNTY

2018

ASSESSMENT NUMBER / RESOLUTION #  
MISCELLANEOUS ITEMS TO BE CERTIFIED TO TAXES 2018

PROPERTY IDENTIFICATION NUMBER	DELINQUENT AMOUNT	PROPERTY OWNER	PROPERTY ADDRESS	DESCRIPTION	INV #
363022120027	306.37	MACK INVESTMENT GROUP	2502 CTY ROAD E EAST	LAWN SERVICE	11731 & 11756
143022110024	1,050.00	SCOTT MARCOTTE	2216 12TH STREET	DOG BOARDING	11787

Total Assessment 1,356.37

# CITY WHITE BEAR LAKE

4701 HIGHWAY 61  
WHITE BEAR LAKE, MN 55110  
651-429-8526 fax 651-429-8500

Invoice No. 11731

## INVOICE

### Customer

Name MACK INVESTMENT GROUP LLC  
Address 327 ULYSSES ST NE  
City MINNEAPOLIS State MN ZIP 55413-2602

Date 7/17/2018

CODE VARIOUS

Qty	Description	Unit Price	TOTAL
1	LAWN CARE AT 2502 COUNTY ROAD E EAST ON JUNE 7TH, 2018 4402.6560	\$150.00	\$150.00
2	STATE TAX 4400.2420	\$10.32	\$20.64
2	TRANSIT TAX 4400.2421	\$0.75	\$1.50
	11731		
		SubTotal	\$172.14
		<b>TOTAL</b>	<b>\$172.14</b>

### Payment Details

- Cash  
 Check

#VALUE!

Office Use Only

PLEASE MAKE CHECKS PAYABLE TO THE CITY OF WHITE BEAR LAKE

PAYMENT TERMS: NET DUE UPON RECEIPT OF INVOICE

# CITY WHITE BEAR LAKE

4701 HIGHWAY 61  
WHITE BEAR LAKE, MN 55110  
651-429-8526 fax 651-429-8500

Invoice No.

11756

## INVOICE

### Customer

Name MACK INVESTMENT GROUP LLC  
Address 327 ULYSSES ST NE  
City MINNEAPOLIS State MN ZIP 55413

Date 8/10/2018

CODE VARIOUS

Qty	Description	Unit Price	TOTAL
1	LAWN CARE AT 2502 COUNTY ROAD E EAST ON JUNE 22ND, 2018 4402.6560	\$125.00	\$125.00
1	STATE TAX 4400.2420	\$8.60	\$8.60
1	TRANSIT TAX 4400.2421	\$0.63	\$0.63
	11756		
		SubTotal	\$134.23
		<b>TOTAL</b>	<b>\$134.23</b>

### Payment Details

- Cash  
 Check

#VALUE!

Office Use Only

PLEASE MAKE CHECKS PAYABLE TO THE CITY OF WHITE BEAR LAKE

PAYMENT TERMS: NET DUE UPON RECEIPT OF INVOICE

# CITY WHITE BEAR LAKE

4701 HIGHWAY 61  
WHITE BEAR LAKE, MN 55110  
651-429-8526 fax 651-429-8500

Invoice No. 11787

## INVOICE

### Customer

Name SCOTT MARCOTTE  
Address 2216 12TH STREET  
City WH BEAR LK State MN ZIP 55110

Date 8/30/2018

CODE 4402.6560

Qty	Description	Unit Price	TOTAL
1	BOARDING OF DANGEROUS DOG	\$1,020.00	\$1,020.00
1	ADMINISTRATIVE FEE	\$30.00	\$30.00
11787			
		SubTotal	\$1,050.00
		<b>TOTAL</b>	<b>\$1,050.00</b>

### Payment Details

- Cash  
 Check

#VALUE!

Office Use Only

PLEASE MAKE CHECKS PAYABLE TO THE CITY OF WHITE BEAR LAKE

PAYMENT TERMS: NET DUE UPON RECEIPT OF INVOICE



**City of White Bear Lake**  
Finance Department

# *MEMORANDUM*

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 17, 2018

**Subject:** **Certification of delinquent utility accounts**

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## **BACKGROUND**

The City water, sewer, and refuse utilities experience delinquent account collections similar to private enterprises. Bills for actual services received are mailed to each property owner quarterly and a period of 35 days is allowed for payment. The City's Ordinance Code provides that if payment is not received, a one-time late fee of 10% is charged to the user or owner. If payment is more than 60 days delinquent, late notices are sent, and if no payment is made, the City initiates a collection procedure. Minnesota Statutes 444.075, subd. 3e addresses this issue by granting municipalities the authority to certify delinquent utility accounts to property owner's real estate taxes as a special assessment for collection. This statute provides the ability collect unpaid accounts without incurring significant costs.

The City sent notices of potential certification to 969 accounts totaling \$452,129. Customers have made 453 accounts current by remitting \$143,338 against their delinquent notices. The final certification listing totals 516 accounts remaining delinquent with balances totaling \$308,791. This represents a 5.7% decrease in the total number of accounts being assessed compared to 2017.

The City maintains a policy whereby water, sewer, and refuse service are not discontinued if accounts become delinquent. The delinquent certification program provides customers with a financing option. The certification process also provides the City with assurance that delinquent utility accounts will be maintained in a near current status by moving past due amounts as of June 1 of each year to property taxes for collection.

## **SUMMARY**

The certification process provides customers with the flexibility to pay delinquent balances as of June 1, 2018 with two payment options. The first payment option would allow partial or complete payment of the delinquent amount by October 12th without incurring any additional costs or interest. The second payment option would be to allow the delinquent amount to be certified to their property taxes to be paid in two equal installments in May 2019 and October 2019. This option includes a 7.5% interest fee along with a \$30 processing fee per account. The resident could effectively have almost two years to pay for their utility service if the certification option is utilized. This payment option has no impact the residents' credit rating.

The total number of delinquent accounts eligible for assessment totals 516 customers and the list is 17 pages long. The list is available for City Council review in the Finance department but has not been attached due to the length of the listing.

Delinquent accounts were notified that they may address the City Council if they have special circumstances and believe the City should defer the certification for the year. Five customers have submitted requests for deferral of their delinquent utility amount from the assessment process. A summary of those requests and possible Council action is provided in the following section. A copy of their letters requesting deferral and a summary of their account activity is attached for the Council's information.

### **REQUESTS FOR CERTIFICATION EXEMPTION:**

#### **4088 White Bear Ave.**

The property has a pending assessment totaling \$509.55. The property owner has submitted October payments in 2016 and 2017, which eliminated pending assessments in 2016, and 2017. The resident has stated that they intend to bring their account current by the end of November. Staff is willing to work with the resident by accepting payments until late November that will be applied against the assessment amount. The concern is that if the amount is deferred and no payments are submitted, the 2019 assessment for delinquent utilities could be in the \$1,000 - \$1,250 range. This amount could further complicate the resident's future financial situation.

It is recommended that the City Council allow the certification process to proceed. Staff will reduce the assessment by payments submitted through late November.

#### **1948 Elm Street**

This property has a pending assessment totaling \$184.46 after the resident paid \$150.00 in August against the outstanding assessment. The August payment represented the only 2018 payment. Based upon a sporadic payment history and quarterly billings that equal or exceed the one-time payment, allowing the certification to proceed would maintain the account at a manageable level.

It is recommended that the City Council allow the certification process to continue based upon limited payment history and absent any submitted payment plan.

#### **3892 McKnight**

This property has a pending assessment totaling \$357.11. The resident has stated that a payment totaling \$400.00 will be submitted on October 26th. If the payment were received, the amount would be sufficient to remove the pending assessment at that time.

It is recommended that the City Council allow the certification to proceed. If a \$400 payment is received in October, the assessment will be removed.

#### **3448 Willow Court**

This property has a pending assessment totaling \$70.16 after payments totaling \$280.00 have recently been applied to the account. Based upon the resident's recent payments, which has reduced the outstanding balance to \$70.16, a deferral of the assessment would be justified.

It is recommended that the City Council defer the remaining assessment. The City would retain the ability to certify any delinquent amount in 2019.

### **2282 Lakeairies**

The resident has a pending assessment totaling \$2,704.40. This amount reflects the residents request in 2017 for deferral of delinquent utilities in 2017 totaling \$1,792.18. The resident committed to bringing the account current during 2018. No payments were received. The last recorded payment occurred in October 2016 which avoided certification at that time. Because the resident requested a deferral of the 2017 certification and made no payments against the outstanding balance, the 2018 delinquent assessment will more than likely exceed their 2019 property tax liability.

It is recommended that the City Council allow the certification process to proceed so that the outstanding balance does not continue to increase beyond a one-year period.

### **3505 Ebba**

The resident has a pending assessment totaling \$715.67. Since the resident property acquisition in early 2017, only a one-time \$500 payment has been submitted towards their outstanding utility account. The resident stated they would pay half of the pending assessment by Friday. Any payment received though the end of October will be applied against the certification amount.

It is recommended that the City Council allow the certification process to continue based upon limited payment history and that the current outstanding balance exceed \$1,000.

## **RECOMMENDED COUNCIL ACTION**

The City's utility billing department has worked with customers to arrange payment plans to help them maintain the accounts in a current status. The proposed recommendations related to specific customer requests and represents staff's proposals based upon the information provided. Staff is requesting that the City Council review the proposed utility payment recommendations.

If the Council concurs with the recommendation, the attached resolution is presented which will authorize the City to certify delinquent utility amounts as special assessments against the appropriate properties. City Council deferral of delinquent accounts will be removed from the certification list by staff before submittal to Ramsey County. A complete list of delinquent accounts is available upon request.

## **ATTACHMENTS**

Resolution  
Certification Exemption Detail



**RESOLUTION NO.**

**RESOLUTION CERTIFYING DELINQUENT CHARGES RELATED TO THE  
MUNICIPAL UTILITY SYSTEM ASSESSMENTS**

**WHEREAS**, the City has provided sewer, water, refuse services to users of the municipal utilities to properties within the City; and

**WHEREAS**, the City has invoiced these users for the services and payment on some of these invoices is delinquent, and

**WHEREAS**, Minnesota Statute §444.075 allows the City to certify charges associated with the municipal utilities as special assessments with the County Auditor.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of White Bear Lake as follows:

1. Delinquent charges associated with the municipal utilities as tabulated in the attached list dated October 16, 2018 shall be certified to the County Auditor for collection as special assessments.
2. That a processing fee of \$30.00 per account be applied to the assessment.
3. The special assessments shall be due and payable over a term of one (1) year at an annual rate of seven and one-half percent (7.5%).

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

Ayes:

Nays:

Passed:

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Jo Emerson, Mayor

ATTEST:

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Kara Coustry, City Clerk

## Jennifer Morse

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**From:** Andy Neely <aneely4088@gmail.com>  
**Sent:** Thursday, October 11, 2018 8:55 PM  
**To:** Jennifer Morse  
**Subject:** Delinquent utility bill

My name is Andy Neely and I live at 4088 White Bear Avenue. I recently got divorced and am now trying to refinance the house to keep it for my 3 children who love living here. I'm now paying all the bills and trying to get caught up as my ex left me behind on all the bills. I'm hoping to get completely caught up in the next month. Let me know what my options are.

Thanks

Andy Neely  
651-366-0530

Created Date/Time: 10/12/2018 08:13:07 AM  
 Customer Number: 00044744  
 Account Number: 0031005747  
 Service Address: 4088 WHITE BEAR AVE  
 Mailing Address:  
 ANDY NEELY  
 4088 WHITE BEAR AVE  
 WHITE BEAR LAKE MN 55110-3835

**Customer/Account Transaction History**

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
8/31/2018 0:00	Cycle Billing Due: 10/05/2018	\$141.03	\$637.38	8/30/2018 16:13	3263
7/12/2018 0:00	Penalties - Water	(\$13.20)	\$496.35	7/16/2018 13:18	12135
5/31/2018 0:00	Cycle Billing Due: 07/05/2018	\$99.63	\$509.55	5/31/2018 15:15	3236
4/17/2018 0:00	Penalties - Water	\$13.20	\$409.92	4/17/2018 10:22	11739
2/28/2018 0:00	Cycle Billing Due: 04/05/2018	\$132.03	\$396.72	3/1/2018 14:20	3204
1/16/2018 0:00	Penalties - Water	\$10.72	\$264.69	1/16/2018 14:55	11336
11/30/2017 0:00	Cycle Billing Due: 01/05/2018	\$107.17	\$253.97	12/1/2017 14:58	3163
10/17/2017 0:00	Penalties - Water	\$12.22	\$146.80	10/17/2017 11:17	10941
10/12/2017 0:00	Payment - Check	(\$512.69)	\$134.58	10/12/2017 15:09	10907
8/31/2017 0:00	Cycle Billing Due: 10/05/2017	\$122.22	\$647.27	8/31/2017 17:00	3132
7/17/2017 0:00	Penalties - Water	\$12.36	\$525.05	7/17/2017 13:04	10486
5/31/2017 0:00	Cycle Billing Due: 07/05/2017	\$123.62	\$512.69	6/2/2017 12:01	3104
4/17/2017 0:00	Penalties - Water	\$12.08	\$389.07	4/17/2017 11:12	10086
2/28/2017 0:00	Cycle Billing Due: 04/05/2017	\$120.82	\$376.99	3/1/2017 9:30	3076
1/17/2017 0:00	Penalties - Water	\$10.76	\$256.17	1/17/2017 11:02	9696
11/30/2016 0:00	Cycle Billing Due: 01/05/2017	\$107.58	\$245.41	11/30/2016 14:24	3027
10/18/2016 0:00	Penalties - Water	\$11.84	\$137.83	10/18/2016 15:04	9328
10/17/2016 0:00	Payment - Check	(\$258.27)	\$125.99	10/17/2016 10:31	9304
8/31/2016 0:00	Cycle Billing Due: 10/05/2016	\$118.38	\$384.26	9/1/2016 13:47	2991
7/15/2016 0:00	Penalties - Water	\$7.61	\$265.88	7/15/2016 9:59	8902
6/14/2016 0:00	Payment - Check	(\$330.15)	\$258.27	6/14/2016 12:56	8749
5/31/2016 0:00	Cycle Billing Due: 07/05/2016	\$113.94	\$588.42	6/3/2016 14:44	2953
4/15/2016 0:00	Penalties - Water	\$11.58	\$474.48	4/15/2016 11:01	8545
3/7/2016 0:00	Cycle Billing Due: 04/05/2016	\$115.78	\$462.90	3/9/2016 15:04	2909
1/19/2016 0:00	Penalties - Water	\$16.97	\$347.12	1/19/2016 12:34	8240
11/30/2015 0:00	Cycle Billing Due: 01/05/2016	\$104.76	\$330.15	12/1/2015 9:15	2832
11/17/2015 0:00	Payment - Check	(\$225.39)	\$225.39	11/17/2015 15:36	8034
8/31/2015 0:00	Manual Billing Due: 10/12/2015	\$102.82	\$450.78	9/24/2015 14:39	2785
6/1/2015 0:00	Cycle Billing Due: 07/13/2015	\$110.15	\$347.96	9/24/2015 14:35	2784
6/1/2015 0:00	Bill Cancellation	(\$1,094.66)	\$237.81	9/24/2015 14:33	2783
6/1/2015 0:00	Bill Cancellation	(\$243.56)	\$1,332.47	9/24/2015 14:33	2783
9/22/2015 0:00	Penalties - Water	(\$109.47)	\$1,576.03	9/22/2015 16:05	7789
8/31/2015 0:00	Cycle Billing Due: 10/05/2015	\$243.56	\$1,685.50	9/3/2015 8:57	2772

**Jennifer Morse**

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**From:** Sara Greenbaum <sarabear79@ymail.com>  
**Sent:** Friday, October 12, 2018 12:22 PM  
**To:** Jennifer Morse  
**Subject:** Utility balance re: account 0030904056

Hello,

I have a delinquent balance on my account and received a letter with a deadline for payment. I am currently in the process of filing bankruptcy. I will be able to pay \$100 on October 19th when I get paid. I am also working to create additional income so I can stay current with my utility bill in the future.

Please consider my situation.

Thank you,

**Sara Greenbaum**  
Sent from my iPhone

Created Date/Time: 10/12/2018 01:19:17 PM  
 Customer Number: 00055463  
 Account Number: 0030904056  
 Service Address: 1948 ELM ST  
 Mailing Address:  
 SARA GREENBAUM  
 1948 ELM ST  
 WHITE BEAR LAKE MN 55110-5345

0.\*

334.46+  
 150.00-  
 184.46\*

**Customer/Account Transaction History**

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
8/31/2018 0:00	Cycle Billing Due: 10/05/2018	\$129.18	\$328.72	8/30/2018 16:21	3263
8/15/2018 0:00	Payment - Check	(\$150.00)	\$199.54	8/15/2018 11:23	12297
7/16/2018 0:00	Penalties - Water	\$15.08	\$349.54	7/16/2018 9:59	12132
5/31/2018 0:00	Cycle Billing Due: 07/05/2018	\$150.78	\$334.46	5/31/2018 15:23	3236
4/17/2018 0:00	Penalties - Water	\$16.70	\$183.68	4/17/2018 10:23	11739
2/28/2018 0:00	Cycle Billing Due: 04/05/2018	\$166.98	\$166.98	3/1/2018 14:30	3204
12/14/2017 0:00	Payment - Check	(\$289.41)	\$0.00	12/14/2017 12:25	11206
11/30/2017 0:00	Cycle Billing Due: 01/05/2018	\$138.95	\$289.41	12/1/2017 15:08	3163
10/17/2017 0:00	Penalties - Water	\$12.93	\$150.46	10/17/2017 11:18	10941
9/11/2017 0:00	Payment - Check	(\$400.00)	\$137.53	9/11/2017 15:24	10715
8/31/2017 0:00	Cycle Billing Due: 10/05/2017	\$190.75	\$537.53	8/31/2017 17:09	3132
7/17/2017 0:00	Penalties - Water	\$8.20	\$346.78	7/17/2017 13:05	10486
6/22/2017 0:00	Payment - Credit Card	(\$50.00)	\$338.58	6/22/2017 15:19	10353
5/31/2017 0:00	Cycle Billing Due: 07/05/2017	\$131.95	\$388.58	6/2/2017 12:10	3104
4/28/2017 0:00	Payment - Credit Card	(\$200.00)	\$256.63	4/28/2017 15:51	10125
4/17/2017 0:00	Penalties - Water	\$12.50	\$456.63	4/17/2017 11:13	10086
2/28/2017 0:00	Cycle Billing Due: 04/05/2017	\$124.95	\$444.13	3/1/2017 9:41	3076
1/17/2017 0:00	Penalties - Water	\$16.12	\$319.18	1/17/2017 11:03	9696
11/30/2016 0:00	Cycle Billing Due: 01/05/2017	\$161.16	\$303.06	11/30/2016 14:35	3027
10/18/2016 0:00	Penalties - Water	\$11.57	\$141.90	10/18/2016 15:05	9328
8/31/2016 0:00	Cycle Billing Due: 10/05/2016	\$115.66	\$130.33	9/1/2016 13:53	2991
8/16/2016 0:00	Payment - Credit Card	(\$411.46)	\$14.67	8/16/2016 12:28	9024
7/15/2016 0:00	Penalties - Water	\$14.67	\$426.13	7/15/2016 10:00	8902
5/31/2016 0:00	Cycle Billing Due: 07/05/2016	\$146.72	\$411.46	6/3/2016 14:53	2953
4/15/2016 0:00	Penalties - Water	\$11.31	\$264.74	4/15/2016 11:02	8545
3/7/2016 0:00	Cycle Billing Due: 04/05/2016	\$113.06	\$253.43	3/9/2016 15:12	2909
1/19/2016 0:00	Penalties - Water	\$11.68	\$140.37	1/19/2016 12:35	8240
11/30/2015 0:00	Cycle Billing Due: 01/05/2016	\$116.78	\$128.69	12/1/2015 9:25	2832
10/21/2015 0:00	Payment - Check	(\$119.08)	\$11.91	10/21/2015 13:41	7932
10/16/2015 0:00	Penalties - Water	\$11.91	\$130.99	10/16/2015 9:28	7899
8/31/2015 0:00	Cycle Billing Due: 10/05/2015	\$119.08	\$119.08	9/3/2015 9:09	2772

## Jennifer Morse

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**From:** Williams, Rita (MNIT) <rita.williams@state.mn.us>  
**Sent:** Friday, October 12, 2018 8:25 AM  
**To:** Jennifer Morse  
**Subject:** 3892 McKnight Rd Utility bill

Hi,

I am writing to ask for an extension of the payment for our utility bill. There is a past due amount of \$367 and some cents. I will be able to pay \$400 dollars on Friday, October 26<sup>th</sup> (my next paycheck). I hope this is acceptable.

Thank you,  
Rita Williams-Larson

NOTICE: This email (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521. This email may be confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply back to the sender that you have received this message in error, then delete it. Thank you

Created Date/Time: 10/12/2018 08:27:14 AM

Customer Number: 00041603

Account Number: 0010202885

Service Address: 3892 MCKNIGHT RD N

Mailing Address:

RITA WILLIAMS-LARSON

3892 MCKNIGHT RD N

WHITE BEAR LAKE MN 55110-4401

### Customer/Account Transaction History

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
9/28/2018 0:00	Cycle Billing Due: 11/05/2018	\$179.27	\$733.58	9/28/2018 9:32	3271
8/16/2018 0:00	Penalties - Water	\$17.93	\$554.31	8/16/2018 11:05	12302
6/29/2018 0:00	Cycle Billing Due: 08/06/2018	\$179.27	\$536.38	6/27/2018 13:55	3243
5/16/2018 0:00	Penalties - Water	\$17.21	\$357.11	5/16/2018 11:04	11860
3/30/2018 0:00	Cycle Billing Due: 05/07/2018	\$172.07	\$339.90	3/28/2018 14:13	3211
2/15/2018 0:00	Penalties - Water	\$15.26	\$167.83	2/15/2018 9:49	11467
12/29/2017 0:00	Cycle Billing Due: 02/05/2018	\$158.69	\$152.57	12/29/2017 9:26	3172
12/18/2017 0:00	Payment - Check	(\$194.73)	(\$6.12)	12/18/2017 16:04	11220
12/18/2017 0:00	Payment - Check	(\$180.00)	\$188.61	12/18/2017 16:04	11220
11/15/2017 0:00	Penalties - Water	\$16.78	\$368.61	11/15/2017 15:49	11062
10/13/2017 0:00	Payment - Check	(\$670.00)	\$351.83	10/13/2017 13:36	10920
9/29/2017 0:00	Cycle Billing Due: 11/06/2017	\$167.79	\$1,021.83	10/2/2017 14:00	3143
8/15/2017 0:00	Penalties - Water	\$16.78	\$854.04	8/15/2017 10:59	10606
6/30/2017 0:00	Cycle Billing Due: 08/07/2017	\$167.79	\$837.26	6/28/2017 13:04	3113
5/15/2017 0:00	Penalties - Water	\$16.78	\$669.47	5/15/2017 16:28	10176
3/31/2017 0:00	Cycle Billing Due: 05/05/2017	\$167.79	\$652.69	3/31/2017 16:36	3087
2/15/2017 0:00	Penalties - Water	\$14.27	\$484.90	2/15/2017 9:12	9806
12/31/2016 0:00	Cycle Billing Due: 02/06/2017	\$142.65	\$470.63	12/28/2016 16:03	3040
11/15/2016 0:00	Penalties - Water	\$14.66	\$327.98	11/15/2016 11:13	9450
11/7/2016 0:00	Certification Garbage WriteOff	(\$1.50)	\$313.32	11/7/2016 15:31	9420
11/7/2016 0:00	Certification Water Write-Off	(\$60.15)	\$314.82	11/7/2016 15:31	9420
11/7/2016 0:00	Certification Sewer Write-Off	(\$94.40)	\$374.97	11/7/2016 15:31	9420
10/6/2016 0:00	Payment - Credit Card	(\$150.00)	\$469.37	10/7/2016 11:03	9263
9/30/2016 0:00	Cycle Billing Due: 11/07/2016	\$146.55	\$619.37	10/3/2016 14:48	3007
8/15/2016 0:00	Penalties - Water	\$15.16	\$472.82	8/15/2016 10:45	9017
6/30/2016 0:00	Cycle Billing Due: 08/05/2016	\$151.61	\$457.66	6/29/2016 14:50	2966
5/16/2016 0:00	Penalties - Water	\$14.14	\$306.05	5/16/2016 10:23	8640
3/31/2016 0:00	Cycle Billing Due: 05/05/2016	\$141.35	\$291.91	4/1/2016 8:24	2918
2/16/2016 0:00	Penalties - Water	\$13.69	\$150.56	2/16/2016 10:17	8320
12/31/2015 0:00	Cycle Billing Due: 02/05/2016	\$136.87	\$136.87	12/30/2015 15:00	2858
11/5/2015 0:00	Payment - Journal Entry	(\$1,029.73)	\$0.00	11/5/2015 14:02	7989
9/30/2015 0:00	Cycle Billing Due: 11/05/2015	\$157.91	\$1,029.73	9/30/2015 10:02	2790
8/14/2015 0:00	Penalties - Water	\$16.23	\$871.82	8/14/2015 11:16	7608

## Jennifer Morse

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**From:** TERI DUSTIN <tldustin@comcast.net>  
**Sent:** Sunday, September 09, 2018 5:54 PM  
**To:** Jennifer Morse  
**Subject:** Account 0031706062, Utility bill

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Jen,

I received a letter from you on Saturday regarding a delinquent balance on my utility bill.

I am sending you this email to let you know I am very aware of this bill, my plan was to chip away at it. As you can check your records, I just made a payment of \$150 a couple of weeks ago. I do not know if I can pay the whole balance due by October 12, most likely if I am to be honest, I can not. I am only working part time at this time and simply need more time. As I stated, my plan was to chip away at it over the next couple of months.

I am asking that you allow me to continue paying on this account, and not add this amount to my property statement for 2019, including the certification fee and interest. Thank you for your consideration. Please let me know what you decide. Teri



0.8

Created Date/Time: 10/16/2018 02:51:11 PM  
 Customer Number: 00043342  
 Account Number: 0031706062  
 Service Address: 3448 WILLOW CT  
 Mailing Address:  
 TERI DUSTIN  
 3448 WILLOW CT  
 WHITE BEAR LAKE MN 55110-5339

350.16+  
 150.00-  
 130.00-  
 -----  
 70.16\*

**Customer/Account Transaction History**

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
10/12/2018 0:00	Payment - Check	(\$130.00)	\$196.63	10/12/2018 14:07	12599
8/31/2018 0:00	Cycle Billing Due: 10/05/2018	\$115.63	\$326.63	8/30/2018 16:12	3263
8/27/2018 0:00	Payment - Check	(\$150.00)	\$211.00	8/27/2018 9:21	12350
7/16/2018 0:00	Penalties - Water	\$10.84	\$361.00	7/16/2018 9:58	12132
5/31/2018 0:00	Cycle Billing Due: 07/05/2018	\$108.43	\$350.16	5/31/2018 15:13	3236
4/17/2018 0:00	Penalties - Water	\$10.84	\$241.73	4/17/2018 10:22	11739
2/28/2018 0:00	Cycle Billing Due: 04/05/2018	\$108.43	\$230.89	3/1/2018 14:19	3204
1/16/2018 0:00	Penalties - Water	\$10.24	\$122.46	1/16/2018 14:55	11336
11/30/2017 0:00	Cycle Billing Due: 01/05/2018	\$102.40	\$112.22	12/1/2017 14:56	3163
12/1/2017 0:00	Payment - Check	(\$105.20)	\$9.82	12/1/2017 9:31	11136
10/17/2017 0:00	Penalties - Water	\$9.82	\$115.02	10/17/2017 11:17	10941
8/31/2017 0:00	Cycle Billing Due: 10/05/2017	\$98.20	\$105.20	8/31/2017 16:59	3132
8/2/2017 0:00	Payment - Check	(\$126.22)	\$7.00	8/2/2017 11:27	10546
7/17/2017 0:00	Penalties - Water	\$7.00	\$133.22	7/17/2017 13:04	10486
6/28/2017 0:00	Payment - Check	(\$102.09)	\$126.22	6/28/2017 14:39	10378
5/31/2017 0:00	Cycle Billing Due: 07/05/2017	\$116.40	\$228.31	6/2/2017 12:00	3104
4/17/2017 0:00	Penalties - Water	\$9.82	\$111.91	4/17/2017 11:11	10086
2/28/2017 0:00	Cycle Billing Due: 04/05/2017	\$98.20	\$102.09	3/1/2017 9:28	3076
2/8/2017 0:00	Payment - Check	(\$112.00)	\$3.89	2/8/2017 15:58	9785
1/17/2017 0:00	Penalties - Water	\$4.49	\$115.89	1/17/2017 11:02	9696
12/15/2016 0:00	Payment - Check	(\$111.79)	\$111.40	12/15/2016 11:18	9560
11/30/2016 0:00	Cycle Billing Due: 01/05/2017	\$100.56	\$223.19	11/30/2016 14:23	3027
10/18/2016 0:00	Penalties - Water	\$10.84	\$122.63	10/18/2016 15:04	9328
8/31/2016 0:00	Cycle Billing Due: 10/05/2016	\$108.36	\$111.79	9/1/2016 13:47	2991
8/3/2016 0:00	Payment - Check	(\$114.00)	\$3.43	8/3/2016 9:05	8972
7/15/2016 0:00	Penalties - Water	\$4.74	\$117.43	7/15/2016 9:59	8902
6/7/2016 0:00	Payment - Check	(\$151.70)	\$112.69	6/8/2016 16:39	8718
5/31/2016 0:00	Cycle Billing Due: 07/05/2016	\$103.02	\$264.39	6/3/2016 14:43	2953
4/15/2016 0:00	Penalties - Water	\$9.67	\$161.37	4/15/2016 11:01	8545
3/7/2016 0:00	Cycle Billing Due: 04/05/2016	\$96.66	\$151.70	3/9/2016 15:03	2909
1/19/2016 0:00	Penalties - Water	\$2.80	\$55.04	1/19/2016 12:34	8240
1/7/2016 0:00	Payment - Check	(\$170.00)	\$52.24	1/7/2016 13:42	8186
11/30/2015 0:00	Cycle Billing Due: 01/05/2016	\$105.32	\$222.24	12/1/2015 9:14	2832

10-12-18

Dear Sirs,

Bill & I are sorry our utility bill got so high and unpaid. We are waiting for a check and we thought for sure it would be here late September we were going to put \$2000 towards our bill.

Thank you for being so patient last year and this year 2018 we had another start to a hard year. We are now getting caught up and happy to say that Bill & I both have steady jobs.

We aren't sure when the  
check we have coming will  
be here.

We just wanted you to  
know that we haven't  
forgot this bill. You do what  
you feel to do and if this bill  
has to go on taxes we understand.

Bill & Jan King  
651-331-0755

2282 Lakeview Blvd  
White Bear Lake  
MA  
55110

Created Date/Time: 10/16/2018 03:54:45 PM

Customer Number: 00042506

Account Number: 0010201887

Service Address: 2282 LAKEAIRES BLVD

Mailing Address:

WILLIAM KUNZ

2282 LAKEAIRES BLVD

WHITE BEAR LAKE MN 55110-4419

### Customer/Account Transaction History

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
9/28/2018 0:00	Cycle Billing Due: 11/05/2018	\$170.27	\$3,061.97	9/28/2018 9:33	3271
8/16/2018 0:00	Penalties - Water	\$17.03	\$2,891.70	8/16/2018 11:05	12302
6/29/2018 0:00	Cycle Billing Due: 08/06/2018	\$170.27	\$2,874.67	6/27/2018 13:55	3243
5/16/2018 0:00	Penalties - Water	\$16.67	\$2,704.40	5/16/2018 11:04	11860
3/30/2018 0:00	Cycle Billing Due: 05/07/2018	\$166.67	\$2,687.73	3/28/2018 14:13	3211
2/15/2018 0:00	Penalties - Water	\$15.87	\$2,521.06	2/15/2018 9:49	11467
12/29/2017 0:00	Cycle Billing Due: 02/05/2018	\$158.69	\$2,505.19	12/29/2017 9:27	3172
11/15/2017 0:00	Penalties - Water	\$16.32	\$2,346.50	11/15/2017 15:49	11062
9/29/2017 0:00	Cycle Billing Due: 11/06/2017	\$163.24	\$2,330.18	10/2/2017 14:01	3143
8/15/2017 0:00	Penalties - Water	\$34.07	\$2,166.94	8/15/2017 10:59	10606
6/30/2017 0:00	Cycle Billing Due: 08/07/2017	\$340.69	\$2,132.87	6/28/2017 13:05	3113
5/15/2017 0:00	Penalties - Water	\$87.30	\$1,792.18	5/15/2017 16:28	10176
3/31/2017 0:00	Cycle Billing Due: 05/05/2017	\$873.04	\$1,704.88	3/31/2017 16:36	3087
2/15/2017 0:00	Penalties - Water	\$34.49	\$831.84	2/15/2017 9:12	9806
12/31/2016 0:00	Cycle Billing Due: 02/06/2017	\$344.85	\$797.35	12/28/2016 16:04	3040
11/15/2016 0:00	Penalties - Water	\$22.27	\$452.50	11/15/2016 11:13	9450
10/17/2016 0:00	Payment - Check	(\$890.60)	\$430.23	10/17/2016 10:31	9304
9/30/2016 0:00	Cycle Billing Due: 11/07/2016	\$222.65	\$1,320.83	10/3/2016 14:49	3007
8/15/2016 0:00	Penalties - Water	\$18.87	\$1,098.18	8/15/2016 10:45	9017
6/30/2016 0:00	Cycle Billing Due: 08/05/2016	\$188.71	\$1,079.31	6/29/2016 14:51	2966
5/16/2016 0:00	Penalties - Water	\$18.24	\$890.60	5/16/2016 10:23	8640
3/31/2016 0:00	Cycle Billing Due: 05/05/2016	\$182.35	\$872.36	4/1/2016 8:25	2918
2/16/2016 0:00	Penalties - Water	\$18.28	\$690.01	2/16/2016 10:17	8320
12/31/2015 0:00	Cycle Billing Due: 02/05/2016	\$182.76	\$671.73	12/30/2015 15:01	2858
11/17/2015 0:00	Penalties - Water	\$19.44	\$488.97	11/17/2015 8:21	8016
10/15/2015 0:00	Payment - Check	(\$360.00)	\$469.53	10/15/2015 15:30	7893
9/30/2015 0:00	Payment - Check	(\$785.02)	\$829.53	9/30/2015 18:15	7828
9/30/2015 0:00	Cycle Billing Due: 11/05/2015	\$194.37	\$1,614.55	9/30/2015 10:03	2790
8/14/2015 0:00	Penalties - Water	\$25.49	\$1,420.18	8/14/2015 11:16	7608
6/30/2015 0:00	Cycle Billing Due: 08/05/2015	\$254.91	\$1,394.69	7/1/2015 16:10	2739
5/15/2015 0:00	Penalties - Water	\$30.27	\$1,139.78	5/15/2015 10:19	7332
3/31/2015 0:00	Cycle Billing Due: 05/06/2015	\$302.73	\$1,109.51	4/3/2015 11:41	2635
2/12/2015 0:00	Penalties - Water	\$21.76	\$806.78	2/12/2015 15:05	6905



\*253022230006\*

P.O. Box 64097  
Saint Paul, MN 55164-0097

68001\*335\*\*G50\*\*1.03\*\*2/3\*\*\*\*\*\*\*AUTO5-DIGIT 55110  
WILLIAM J KUNZ  
2282 LAKEAIRES BLVD  
WHITE BEAR LAKE MN 55110-4419

**PROPERTY ADDRESS**  
2282 LAKEAIRES BLVD  
**ABBREVIATED TAX DESCRIPTION**  
LAKEAIRES NO. 5  
LOT 10 BLK 18

**PROPERTY IDENTIFICATION NUMBER (P.I.N.)**  
253022230006 9340

**2018 Property Tax Statement**  
2017 Values for Taxes Payable in **2018**

VALUES AND CLASSIFICATION		
Taxable Payable Year	2017	2018
Estimated Market Value	\$ 178,400	\$ 190,800
Improvements Excluded		
Homestead Exclusion	21,200	20,100
Taxable Market Value	157,200	170,700
New Improvements/ Expired Exclusions		
Property Classification	Res Hstd	Res Hstd
Value Notice sent March 2017		
PROPOSED TAX NOTICE		
Proposed tax sent in November 2017.		<b>\$ 2,178.00</b>
*Note: Did not include special assessments or referenda approved by the voters at the 2017 November election.		
PROPERTY TAX STATEMENT		
First-half taxes due 5/15/2018		1,114.00
Second-half taxes due 10/15/2018		1,114.00
Total Taxes Due in 2018:		2,228.00

CURRENT STEP →

2017	2018	TAXES PAYABLE YEAR
	\$ 2,185.64	1. Use this amount on Form M1PR to see if you're eligible for a property tax refund. File by August 15. <b>If box is checked, you owe delinquent taxes and are not eligible.</b> <input type="checkbox"/>
\$ 2,059.16		2. Use these amounts on Form M1PR to see if you are eligible for a special refund.
<b>Property Tax and Credits</b>		
2,059.16	2,185.64	3. Property taxes before credits
0.00	0.00	4. Agricultural credits that reduce property taxes
2,059.16	2,185.64	5. Property taxes after credits
<b>Property Tax by Jurisdiction</b>		
804.83	844.66	6. Ramsey County
60.91	65.38	a. Regional Rail Authority
73.52	76.63	b. County Library
298.19	325.31	7. City or Town - WHITE BEAR LAKE
0.00	0.00	8. State General Tax
		9. School District 624
400.25	408.71	a. Voter approved levies
379.06	420.69	b. Other local levies
		10. Special taxing districts
42.40	44.26	a. Metropolitan special taxing districts
0.00	0.00	b. Other special taxing districts
0.00	0.00	c. Tax increment
0.00	0.00	d. Fiscal disparity
0.00	0.00	11. Non-school voter approved referenda levies
2,059.16	2,185.64	12. Total property tax before special assessments
36.84	42.36	13. Special assessments and charges added to this property tax statement for taxes payable in 2018
		a. 42.36 Vadnais Lake Area Water Mgmt Organizatio
		b.
		c.
		d.
		e.
		f.
		g.
		h.
0.00	0.00	Contamination Tax
\$ 2,096.00	\$ 2,228.00	14. Total Property Tax and Special Assessments

**PROPERTY TAX REFUNDS**  
**You may be eligible for one or more refunds**  
that reduce your property taxes in 2018 – even if you haven't been eligible before.  
See enclosed insert for details or visit [revenue.state.mn.us](http://revenue.state.mn.us)

**CONTACT INFORMATION**

[ramseycounty.us/property](http://ramseycounty.us/property)  
90 Plato Blvd. West, Saint Paul, MN 55107  
**General – taxes, payments, addresses, special assessments**  
AskPropertyTaxandRecords@ramseycounty.us | 651-266-2222  
**Assessing services – value, classification, exemptions**  
AskCountyAssessor@ramseycounty.us | 651-266-2131  
**Homestead**  
AskHomesteads@ramseycounty.us | 651-266-2040  
**Delinquent taxes**  
AskPropertyTaxandRecords@ramseycounty.us | 651-266-2002

## Jennifer Morse

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**From:** Scott Schlotfeldt <sschlotfeldt@ymail.com>  
**Sent:** Tuesday, October 16, 2018 6:46 PM  
**To:** Jennifer Morse  
**Subject:** delinquent balance

Dear Jen,

I'm writing to you to ask for an extension for my delinquent balance, if you like I can pay half of it on Friday the 19th. I know that I'm technically late on the due date and time to ask for an extension but I'm unable to pay this bill at this time. It is very hard for my family to pay this bill due to me being the only one working now because I have a young family. If there is anything that you can do to help me and my family out it would be greatly appreciated.

Thanks,  
Scott Schlotfeldt

Created Date/Time: 10/17/2018 08:30:06 AM  
 Customer Number: 00056745  
 Account Number: 0010901684  
 Service Address: 3505 EBBA ST  
 Mailing Address:  
 SCOTT SCHLOTFELDT  
 3505 EBBA ST  
 WHITE BEAR LAKE MN 55110-5523

**Customer/Account Transaction History**

Trans Date	Transaction	Amount	Balance	Date/Time Updated	Batch ID
9/28/2018 0:00	Cycle Billing Due: 11/05/2018	\$153.63	\$1,040.27	9/28/2018 9:43	3271
8/16/2018 0:00	Penalties - Water	\$15.54	\$886.64	8/16/2018 11:06	12302
6/29/2018 0:00	Cycle Billing Due: 08/06/2018	\$155.43	\$871.10	6/27/2018 14:04	3243
5/16/2018 0:00	Penalties - Water	\$15.36	\$715.67	5/16/2018 11:04	11860
3/30/2018 0:00	Cycle Billing Due: 05/07/2018	\$153.63	\$700.31	3/28/2018 14:23	3211
3/5/2018 0:00	Payment - Credit Card	(\$500.00)	\$546.68	3/5/2018 13:38	11532
2/15/2018 0:00	Penalties - Water	\$15.86	\$1,046.68	2/15/2018 9:50	11467
12/29/2017 0:00	Cycle Billing Due: 02/05/2018	\$158.62	\$1,030.82	12/29/2017 9:45	3172
11/15/2017 0:00	Penalties - Water	\$16.70	\$872.20	11/15/2017 15:50	11062
9/29/2017 0:00	Cycle Billing Due: 11/06/2017	\$167.02	\$855.50	10/2/2017 14:10	3143
8/15/2017 0:00	Penalties - Water	\$12.88	\$688.48	8/15/2017 11:00	10606
7/17/2017 0:00	Transfer To Garbage AR	\$154.43	\$675.60	7/17/2017 11:54	10485
7/17/2017 0:00	Transfer To Water AR	\$166.41	\$521.17	7/17/2017 11:54	10485
7/17/2017 0:00	Transfer To Sewer AR	\$225.98	\$354.76	7/17/2017 11:54	10485
6/30/2017 0:00	Cycle Billing Due: 08/07/2017	\$128.78	\$128.78	6/28/2017 13:17	3113



**City of White Bear Lake**  
Finance Department

## *MEMORANDUM*

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 15, 2018

**Subject:** **White Bear Lake Fire Relief Association Pension Adjustment**

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### **BACKGROUND**

The White Bear Lake Fire Relief Association was established to oversee the fiduciary responsibilities of the pension plan established to provide resources to paid on-call fire fighters. The plan is designed to encourage paid on-call service retention by providing a pension based upon completion of a pre-determined number of service years.

The Fire Relief Association is governed by state law which is intended to ensure financial stability and maintain proper fiduciary oversight. The State Auditor's Office is responsible for reviewing independent fire relief associations' compliance with state laws and Relief Association by-laws. Pension funding is derived from three main resources which are:

1. State fire aid – which is derived from a tax on commercial fire policies.
2. Investments – State law authorizes fire pension funds to invest in financial market instruments
3. City – the city is ultimately responsible to ensure the pension financial obligations are sufficiently funded.

Since 2007 the state fire aid contribution has exceeded \$2.1 million and investment earnings have exceeded \$3.1 million. The City's last contribution occurred in 2003. The City's annual contribution was reallocated from the firefighters' pension to salaries at the request of the membership.

### Funding Stability

The Relief Association Board is responsible for the management of the fund to ensure the fund is adequately funded while providing its members with the maximum fiscally responsible pension possible. The board historically recommended pension adjustment approximately every three years.

The 2008 recession resulted in the fund losing more than 25% of the fund's value and lowered the fund's funding ratio from approximately 100% to 87%. The great recession (financial crisis) resulted in development of a recommendation that independent fire relief funds should maintain a funding ratio of approximately 118%. This funding ratio was developed to provide the fund sufficient financial stability to withstand economic (market) cycles along with recessionary periods.



Based upon the concept that the relief association pension fund should maintain a 118% funding ratio even after a pension adjustment is recommended, the current pension provisions have remained constant since 2007.

#### Funding Status / Pension Adjustment

The pension fund's December 31, 2017 financial report demonstrated that the pension's "funding" ratio was at 137.81%. This funding ratio is 17% higher than the benchmark funding and sufficient to support a pension adjustment review.

The actuarial firm Gabriel, Roder, Smith (GRS) conducted an analysis of the fund, which indicated that the fund as of January 1, 2018 could increase its maximum monthly pension annuities by \$175 and annual lump sum pension payment by \$1,040. These changes if implemented would maintain the pension fund's actuarial accrued liability ratio at 120%.

#### Relief Association Action

The White Bear Lake Fire Relief Association on September 24, 2018 considered the pension adjustment. Based upon GRS analysis that the funding ratio would be maintained at a sufficient level (120%) after the pension adjustments are implemented, recommended the by-laws related to pension payments be amended as of January 1, 2018 to reflect the new pension levels.

#### **SUMMARY**

The White Bear Lake Fire Relief Association was formed to manage a pension plan for paid on-call firefighters. The fund revenue is derived from state-aid payments and investments earnings. The City remains financially responsible for ensuring the fund ultimately has sufficient resources to meet its pension obligations. The State Auditor's office has management oversight of the pension plan.

The pension fund on December 31, 2018 is 137.81% funded as determined by an actuarial analysis. The White Bear Lake Fire Relief Board recommended a maximum pension adjustment effective January 1, 2018 totaling \$170 for monthly annuities and \$1,040 for each service year for lump sum recipients. These adjustments would maintain a pension-funding ration of 120%.

#### **RECOMMENDATION**

It is recommended that the City Council approve the attached resolution, which authorizes the White Bear Lake Fire Relief Association by-laws changes as follows:

1. Establish a minimum pension-funding ratio for the White Bear Lake Fire Relief Association actuarial accrued liability of 115% - 120%.
2. Authorize pension adjustments for annuities at base level \$745 and \$10 for each incentive point with a maximum monthly pension at \$1,245.
3. Authorize pension adjustments for lump sum recipients at base level of \$6,890 and \$15 for each incentive point with a maximum lump sum payment at \$7,640 for each service year recorded.
4. Pension adjustments would be effective January 1, 2018.

#### **ATTACHMENTS**

Resolution

Supporting documents

**RESOLUTION NO.**

**RESOLUTION AUTHORIZING WHITE BEAR LAKE FIRE RELIEF PENSION  
ADJUSTMENT EFFECTIVE JANUARY 1, 2018**

**WHEREAS**, the City of White Bear Lake supports and recognizes the sacrifice and community value provided by volunteer “paid-on-call” fire fighters; and

**WHEREAS**, the White Bear Lake Fire Relief Association was established to provide a pension to firefighters who completed a predetermined number of years of satisfactory service; and

**WHEREAS**, the City expects the Fire Relief pension fund to maintain a minimum accrued pension liability funding ratio in the 115% - 120% funding range to be considered sufficiently funded to maintain full (100%) funding during economic instability or recessionary periods; and

**WHEREAS**, the White Bear Lake Fire Relief pension fund has an actuarially reported accrued pension funded liability of 137.81% as of December 31, 2017; and

**WHEREAS**, the City of White Bear Lake is required to make contributions to the Relief Associations pension fund as determined by actuarial reports to ensure the plan’s actuarial financial stability is maintain, and

**WHEREAS**, an actuarial analysis has determined that a pension adjustment for monthly annuity maximum payments can increase to \$1,245.00 and an annual lump sum payment maximum can increase to \$7,640 without negatively impacting the accrued pension liability funding ratio; and

**WHEREAS**, the White Bear Lake Fire Relief Board on September 24, 2018, recommended its by-laws be amended to support the pension adjustment as of January 1, 2018; and

**WHEREAS**, the pension adjustment would result in the accrued pension liability-funding ratio being projected to be at 120.0% which is within the minimum funding ratio

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of White Bear Lake, that supports White Bear Lake Fire Relief Article XIII – Early Vesting Provision as follows:

Years of Service	Percentage of Pension
10	60
11	64
12	68
13	72
14	76
15	80
16	84

**RESOLUTION NO.**

**RESOLUTION AUTHORIZING WHITE BEAR LAKE FIRE RELIEF PENSION  
ADJUSTMENT EFFECTIVE JANUARY 1, 2018**

Years of Service	Percentage of Pension
17	88
18	92
19	96
20+	100

**BE IT FUTHER RESOLVED**, that the City Council of the City of White Bear Lake, that supports White Bear Lake Fire Relief Article X – Service Pension - Appendix – A “Service Pension Amounts” effective January 1, 2018 as follows:

Annuity – Monthly: Base = \$745.00; Incentive = \$500.00; Maximum = \$1,245.00  
Lump Sum – Annual: Base = \$6,890.00; Incentive = \$750.00; Maximum = \$7,640.00

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  
Fire Relief Pension  
Revenue, Expenditures, Assets and Projected Pension Obligation  
For Years 2008 - 2017

8/23/2018

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Balance Jan. 1st	5,666,408	4,115,878	4,999,243	5,492,113	5,223,158	5,579,417	6,187,011	6,413,402	5,884,703	6,357,694
Revenue										
City										
State	183,779	154,503	159,880	153,370	155,248	219,214	216,807	229,853	231,628	232,194
Earnings	(1,499,639)	978,838	570,957	(163,409)	461,992	839,987	278,508	(293,258)	495,777	966,600
Other	2,114		108				137	275		2,000
<b>Total</b>	<b>(1,313,746)</b>	<b>1,133,341</b>	<b>730,945</b>	<b>(10,039)</b>	<b>617,240</b>	<b>1,059,201</b>	<b>495,452</b>	<b>(63,130)</b>	<b>727,405</b>	<b>1,200,794</b>
Required Contribution	93,631	144,101	151,306	85,729	124,657	130,890	130,890	53,021	55,672	83,385
Actual Contribution	183,779	154,503	159,880	153,370	155,248	218,214	216,807	229,853	231,628	232,194
Excess Contribution	90,148	10,402	8,574	67,641	30,591	87,324	85,917	176,832	175,956	148,809
Expenditure										
Retirement benefits	214,094	221,197	216,361	233,121	238,543	422,465	239,818	433,174	229,516	505,020
Administrative										
Professional services	14,728	18,906	12,521	12,850	13,587	19,875	13,810	14,580	17,292	23,131
Other	7,962	9,873	9,193	12,945	8,851	9,267	15,433	17,815	7,606	6,849
<b>Total</b>	<b>22,690</b>	<b>28,779</b>	<b>21,714</b>	<b>25,795</b>	<b>22,438</b>	<b>29,142</b>	<b>29,243</b>	<b>32,395</b>	<b>24,898</b>	<b>29,980</b>
<b>Total</b>	<b>236,784</b>	<b>249,976</b>	<b>238,075</b>	<b>258,916</b>	<b>260,981</b>	<b>451,607</b>	<b>269,061</b>	<b>465,569</b>	<b>254,414</b>	<b>535,000</b>
Fund Valuation 12/31	4,125,779	4,999,243	5,492,113	5,223,158	5,579,417	6,187,011	6,413,402	5,884,703	6,357,694	7,023,488
										GASB 67 / 68 Compliance 12/31/2017
Completed Actuarial	1/1/2009	10/19/2009	12/31/2010		12/31/2012		12/31/2014		12/31/2016	
Retirement Obligation	4,737,869	4,925,923	4,873,330	5,014,541	5,131,297	5,118,132	5,256,669	5,220,886	5,386,321	5,096,518
Excess (shortage)	(612,090)	73,320	618,783	208,617	448,120	1,068,879	1,156,733	663,817	971,373	1,926,970
Percentage Funded	87.08%	101.49%	112.70%	104.16%	108.73%	120.88%	122.01%	112.71%	118.03%	137.81%
Pension Benefits										
Lump Sum										
Base	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950	5,950
Points (50 points)	650	650	650	650	650	650	650	650	650	650
Total	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Annuity										
Base	645	645	645	645	645	645	645	645	645	645
Points (50 points)	430	430	430	430	430	430	430	430	430	430
Total	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Investment										
Management Fees	76,235	47,556	53,616	55,951	59,330	57,761	61,169	60,535	62,001	68,774
Percent of Mgmt Fees to Earnings	-5.084%	4.858%	9.391%	-34.240%	12.842%	6.876%	21.963%	-20.642%	12.506%	7.115%
Percent of Mgmt Fees to Fund Valuation	1.848%	0.951%	0.976%	1.071%	1.063%	0.934%	0.954%	1.029%	0.975%	0.979%
Wells Fargo	76,235	47,556	53,616	55,951	59,330	57,761	61,169	60,535	62,001	68,774
SBI (Estimated) *	3,837	4,649	5,108	4,858	5,189	5,754	5,964	5,473	5,913	6,532
Possible Net Savings	72,398	42,907	48,508	51,093	54,141	52,007	55,205	55,062	56,088	62,242

\* Estimate based upon use of 12/31 Valuation data

Ten Year Estimated Net Savings = 549,652

## Executive Summary as of December 31, 2017

	2017
Actuarial Valuation Date	December 31, 2016
Measurement Date of the Net Pension Liability	December 31, 2017
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2017

### Membership

Number of	
- Retirees and Beneficiaries	43
- Inactive, Nonretired Members	11
- Active Members	50
- Total	104
Covered Payroll	N/A

### Net Pension Liability

Total Pension Liability	\$ 5,096,518
Plan Fiduciary Net Position	7,023,488
Net Pension Liability	\$ (1,926,970)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	137.81 %
Net Pension Liability as a Percentage of Covered Payroll	N/A

### Development of the Single Discount Rate

Single Discount Rate	5.00 %
Long-Term Expected Rate of Investment Return	5.00 %
Long-Term Municipal Bond Rate*	3.31 %
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully-funded	2117

**Total Pension Expense** \$ 72,909

### Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 129,718
Changes in assumptions	95,188	-
Net difference between projected and actual earnings on pension plan investments	242,830	647,466
<b>Total</b>	<b>\$ 338,018</b>	<b>\$ 777,184</b>

\* Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's '20-Year Municipal GO AA Index' as of December 31, 2017. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

City of White Bear Lake  
 State 2% Fire Relief Funding  
 1986 - 2017

Year	Amount	Change	Percentage Change
2017	232,194	566	0.24%
2016	231,628	2,775	1.21%
2015	228,853	12,046	5.56%
2014	216,807	(1,407)	-0.64%
2013	218,214	62,966	40.56%
2012	155,248	1,878	1.22%
2011	153,370	(6,510)	-4.07%
2010	159,880	5,377	3.48%
2009	154,503	(29,276)	-15.93%
2008	183,779	(34,133)	-15.66%
2007	217,912	(35,720)	-14.08%
2006	253,632	14,712	6.16%
2005	238,920	(7,827)	-3.17%
2004	246,747	57,574	30.43%
2003	189,173	36,104	23.59%
2002	153,069	19,441	14.55%
2001	133,628	1,246	0.94%
2000	132,382	4,630	3.62%
1999	127,752	4,514	3.66%
1998	123,238	5,323	4.51%
1997	117,915	(2,882)	-2.39%
1996	120,797	27,922	30.06%
1995	92,875	5,728	6.57%
1994	87,147	5,399	6.60%
1993	81,748	(4,763)	-5.51%
1992	86,511	343	0.40%
1991	86,168	9,118	11.83%
1990	77,050	(2,050)	-2.59%
1989	79,100	1,930	2.50%
1988	77,170	4,470	6.15%
1987	72,700	5,218	7.73%
1986	67,482		
Total	<u>4,797,592</u>		

## Don Rambow

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**From:** Don Rambow  
**Sent:** Wednesday, May 02, 2018 8:43 AM  
**To:** FireReliefBoard  
**Cc:** Dan Brumm (Retired Firefighters); Ellen Richter  
**Subject:** Fire Relief Pension Funding Status  
**Attachments:** DOC050218.pdf

Board members:

A question came up last night at during a discussion of pension funding regarding why the fund needs to be valued at more than 100% (specifically recommended at 118%) before an adjustment should be consider.

This number comes from a person (Girard Miller) who has spoken many times at finance conferences regarding the need to maintain fiscal responsibility.

Mr. Girard Miller (profile attached) has a vast background and knowledge in pensions and investments.

I have attached correspondence from the City of Golden Valley regarding Mr. Miller's view point as to the proper level of funding for a fire relief pension.

Based upon the Board's directive after completion of the 2017 fire relief audit data should then be prepared and submitted to the actuarial for another comprehensive study.

It would be my expectation that the funding level will exceed 118% and that an a pension adjustment analysis should proceed.

When the data is submitted to the actuarial I would recommend the board seek a quote as to the cost of a preliminary actuarial run based upon some concept of a pension adjustment that would maintain the fund at a level of approximately 118% funded. This number is flexible but as discussed last night should not drop below 115%.

Don  
651-429-8517

## Don Rambow

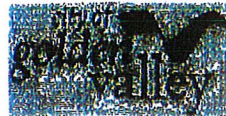
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**From:** Virnig, Sue <SVirnig@goldenvalleymn.gov>  
**Sent:** Thursday, March 01, 2018 11:02 AM  
**To:** Don Rambow  
**Subject:** FW: Information Request

.FYI- found him.

---

**Sue Virnig** | Finance Director | City of Golden Valley  
7800 Golden Valley Road | Golden Valley, MN 55427 | 763-593-8010 | 763-593-3969 (Fax) | 763-593-3968 (TTY) | [svirnig@goldenvalleymn.gov](mailto:svirnig@goldenvalleymn.gov)



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**From:** Girard Miller [mailto:[girardmiller@gmail.com](mailto:girardmiller@gmail.com)]  
**Sent:** Thursday, March 01, 2018 10:50 AM  
**To:** Virnig, Sue <SVirnig@goldenvalleymn.gov>  
**Subject:** RE: Information Request

Sue, I'm out of the biz now. As to 118%, that is the general level that the fund would have to reach before it can be called "overfunded" in light of market cycles. Going below that is inevitable when recessions occur. But purposefully underfunding is not something I'd recommend. The idea is to ensure that the fund can maintain full 100% funding when a recession hits.

That said, political experience has been that when a fund exceeds 100% funding ratio, the political pressure begins, to sweeten benefits. That is where the problems began in California in 1999-2000

Best wishes.

Girard

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**From:** Virnig, Sue [mailto:[SVirnig@goldenvalleymn.gov](mailto:SVirnig@goldenvalleymn.gov)]  
**Sent:** Thursday, March 01, 2018 7:59 AM  
**To:** 'girardmiller@gmail.com' <[girardmiller@gmail.com](mailto:girardmiller@gmail.com)>  
**Subject:** FW: Information Request

A while back you spoke at the Fall conference for the MN GFOA. I always appreciated your vast knowledge of investments and pensions. You said at one time a good rule of thumb was not to go below 118% for a funding ratio for a pension fund. Do you still believe in that number? Anything that you could give me would help.

Thanks,  
Sue V



# Girard C. Miller CFA: Executive Profile & Biography - Bloomberg

Capital Markets  
Company Overview of Orange County Employees Retirement System

May 02, 2018 9:19 AM ET

Snapshot

People

Overview | Board Members | Committees

## Executive Profile

### Girard C. Miller CFA

Chief Investment Officer, Orange County Employees Retirement System

Age 66 Total Calculated Compensation --- This person is connected to 0 Board Member in 0 organization across 1 different industries.

## Background

Mr. Girard C. Miller, CFA has been the Chief Investment Officer of The Orange County Employees Retirement System since July 2, 2012. Mr. Miller was the Senior Strategist at PFM Asset Management LLC for retirement finance and public sector investments. Prior to PFM, Mr. Miller served as the Executive Vice President and Chief Operating Officer at Janus Capital Group Inc. from June 30, 2003 to January 3, 2006. He served as Chief Operating Officer and Executive Vice President at Janus Aspen Series - Global Research Portfolio from November 2003 to December 30, 2005. He served as the President and Chief Executive Officer at the ICMA Retirement Corporation. Mr. Miller served as the President and Chief Executive Officer of Janus Aspen Worldwide Portfolio Fund from November 2003 to December 30, 2005. He has 30 years experience in investment services and financial management. From 1987 to 1993, he worked at Fidelity Investments in Boston, where he served as Senior Vice President and Head of Janus Capital's national business unit for public funds, including defined benefit and defined contribution retirement plans and treasury management products. Mr. Miller serves as a Director of Financial Accounting Foundation Inc. He served as a Director of Governmental Accounting Standards Board. Mr. Miller has written 12 publications for the GFOA, including Investing Public Funds and Pension Fund Investing, and started its Public Investor newsletter. Mr. Miller is a Chartered Financial Analyst. He holds Master's Degrees in Public Administration from Syracuse University and Master's Degrees in Economics from Wayne State University and a Bachelor's Degree in Political Economy from the University of Washington.

Collapse Detail

Corporate Headquarters  
2223 Wellington Avenue  
Santa Ana, California 92701-3101

Annual Compensation  
There is no Annual Compensation data available.

United States  
Phone: 714-558-8200  
Fax: 714-558-6296

Stocks Options  
There is no Stock Options data available.

Total Compensation  
There is no Total Compensation data available.

Board Members Memberships  
There is no Board Members Memberships data available.

Education  
**Bachelor's Degree**  
University of Washington

**Master's Degree**  
Syracuse University

**Master's Degree**  
Wayne State University

Other Affiliations  
Janus Capital Group, Inc.



August 27, 2018

CONFIDENTIAL

Mr. Donald Rambow  
Finance Director  
City of White Bear Lake  
4701 Highway 61  
White Bear Lake, MN 55110

**Re: Impact of Increase in Pension Benefits for the City of White Bear Lake Fire Department Relief Association Pension Plan**

Dear Don:

The City of White Bear Lake Fire Department Relief Association Pension Plan is considering an increase in plan benefits. This report is intended to describe the financial effect of the proposed benefit increase on the plan. We previously provided a valuation of the plan for funding purposes as of January 1, 2017. For informational purposes, the financial impact was determined as if the proposed change in the benefits as described below is effective January 1, 2018.

The proposed changes to benefits, as provided by the City of White Bear Lake Fire Department Relief Association Pension Plan, are described below:

- Increase annuity monthly pension benefit from \$645 to \$745
- Increase incentive point value from \$8.60 to \$10.00
- Increase maximum monthly pension benefit from \$1,075 to \$1,245
- Increase lump sum pension from \$5,950 to \$6,890
- Increase incentive point lump sum value from \$13.00 to \$15.00
- Increase lump sum maximum yearly amount from \$6,600 to \$7,640

We understand current retirees would be eligible to receive 33% of the proposed increase in the base benefit, or \$33, reduced by the percentage they qualified for upon early retirement. We do not have the necessary detail available to determine if a member retired early and received a reduction in benefit. For the purposes of this study, we assumed all retirees receive a \$33 per month benefit increase. We also assumed survivors receive 50% of the increase, or \$16.50 per month. Finally, there are two retirees with a portion of their benefit assigned to an alternate payee due to a divorce proceeding. We assumed the \$33/month increase in benefit would be assigned in a proportionate amount.

Unless noted otherwise, actuarial assumptions, methods, participant data, and plan provisions were consistent with those used in the actuarial valuation. Please see the City of White Bear Lake Fire Department Relief Association Pension Plan Actuarial Valuation as of January 1, 2017 for a detailed description of the actuarial assumptions, methods and plan provisions that are not described in this report.

In accordance with Minnesota State Statutes (Chapters 69, 356, and 424A), the contribution level for any given year is a contribution of the Normal Cost for the year, a provision for anticipated administration expenses, and an amount to reduce the Unfunded Actuarial Liability.

	Results as of January 1, 2017		Estimated Results as of January 1, 2018	
	Current Benefits		Current Benefits	Proposed Benefits
<b>Plan Liabilities</b>				
Annual Normal Cost	\$	154,753	\$	162,491
Actuarial Accrued Liability	\$	5,386,321	\$	5,300,482
Assets (Market Value)	\$	6,357,694	\$	7,023,488
Unfunded (Overfunded) Actuarial Accrued Liability	\$	(971,373)	\$	(1,723,006)
<b>Funded Position of Plan's Actuarial Accrued Liability*</b>		118%		133%
				120%

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

	Results as of January 1, 2017		Estimated Results as of January 1, 2018	
	Current Benefits		Current Benefits	Proposed Benefits
<b>Minimum Annual Contribution Requirements</b>				
A) Net Annual Normal Cost	\$	154,753	\$	162,491
B) Annual Amortization Payments for Funding Unfunded Actuarial Accrued Liability *	\$	(97,137)	\$	(172,301)
C) Expense allowance including refund of member dues: (Prior Year actual expenses x 1.035)	\$	25,769	\$	26,671
D) Total Minimum Annual Contribution Requirement: (D = A + B + C)	\$	83,385	\$	16,861

\* Amounts shown are equal to one-tenth of the assets in excess of liabilities, based on Minnesota Statute 424A.

We would typically recommend the minimum contribution be at least equal to the normal cost, even for plans that are well-funded. Note that actual contributions have been at least \$215,000 in each of the last 3 years. We also suggest that plans with considerable surplus assets consider reducing the risk of the plan's investment allocation to preserve surplus assets.

Estimated results as of January 1, 2018 reflect actual market value of assets and estimated plan liabilities based on the January 1, 2017 liabilities, with changes to plan provisions as described, rolled-forward to January 1, 2018 using actual benefit payments.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions that are outlined in the January 1, 2017 valuation report. If you have reason to believe the assumptions used are unreasonable, the plan provisions are incorrectly described, important plan provisions relevant to this proposal are not described, or conditions have changed since the calculations were made, you should contact the author(s) of this report prior to relying on information in this report.

No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them.

The reader of this report should keep in mind that actuarial calculations are mathematical estimates based on current data and assumptions about future events (which may or may not materialize). Please note that actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit change may fluctuate over time, as the demographics of the group changes.

A review of these proposals for compliance with federal, state, or local law or regulation was out of scope and not performed.

Actuarial assumptions, including discount rates, mortality tables and others identified in this report, are prescribed by Minnesota Statutes Section 356.215, the Legislative Commission on Pensions and Retirement (LCPR), and the Trustees. These parties are responsible for selecting the Plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in the Valuation Procedures section of the January 1, 2017 valuation report. The Association is solely responsible for communicating to GRS any changes required thereto.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Mr. Donald Rambow  
August 27, 2018  
Page 3

This report should not be relied on for any purpose other than the purpose described herein. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Bonita J. Wurst and Sheryl L. Christensen are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. In addition, GRS meets the requirements of "approved actuary" under Minnesota Statutes Section 356.215, Subdivision 1, Paragraph (c).

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge and belief, the information contained in this report is accurate and fairly presents the actuarial position of the City of White Bear Lake Fire Department Relief Association Pension Plan as of the valuation date and was performed in accordance with the requirements of Minnesota Statutes Section 356.215, and the requirements of the Standards for Actuarial Work established by the LCPR. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We are available to answer any questions or provide further details.

Respectfully submitted,

**Gabriel, Roeder, Smith & Company**

*Bonita J. Wurst*

Bonita J. Wurst, ASA, EA, FCA, MAAA  
Senior Consultant

*Sheryl Christensen*

Sheryl L. Christensen, ASA, EA, FCA, MAAA  
Consultant

BJW/SLC:bd



After January 1, 1972 - Base Monthly Pension based on Article X, Incentive Points System

Date of Retirement	Base service pension - Monthly Annuity	Incentive per year - 50 points		Maximum pension per month
		Value	Maximum Incentive Point Annuity	
January 1, 1972 to December 31, 1977	\$75.00	\$1.00	50.00	\$125.00
January 1, 1978 to December 31, 1981	120.00	2.00	100.00	225.00
January 1, 1981 to December 31, 1983	150.00	3.00	150.00	300.00
January 1, 1984 to December 31, 1986	200.00	3.00	150.00	350.00
January 1, 1987 to December 31, 1989	225.00	4.00	200.00	425.00
January 1, 1990 to December 31, 1992	300.00	4.50	225.00	525.00
January 1, 1993 to December 31, 1995	360.00	5.00	250.00	610.00
January 1, 1996 to December 31, 1998	400.00	6.50	325.00	725.00
January 1, 1999 to December 31, 2004	500.00	7.50	375.00	875.00
January 1, 2005 to December 31, 2006	575.00	8.00	400.00	975.00
January 1, 2007 to Present	645.00	8.60	430.00	1,075.00
<i>Proposed</i> <i>January 1, 2018</i>	<i>745.00</i>	<i>10.00</i>	<i>500.00</i>	<i>1,245.00</i>

0.\*

1,245.00+

1,075.00-

170.00\*

170.00÷

1,075.00%

15.81\*

**Appendix A – Base Service Pension Amounts and Incentive Points System**

Effective Date: ~~January 1, 2007~~ January 1, 2018

**Base Sum Annuity**

Current

Base = \$645 ~~\$745~~ per month

Incentive Points Max = 50

Response %	Points Earned
40% - 44%	1.00
45% - 49%	1.25
50% - 54%	1.50
55% - 59%	1.75
60%	2.00
Each year over 20 years	3.00
Single Point Value	<del>\$8.60</del> <u>10.00</u>
Max. Monthly Annuity	\$1,075 <u>1,245</u>

**Proposed Lump Sum Base Sum**

Current

Base = \$5,950 \$6,890 per year

Incentive Points Max = 50

Response %	Points Earned
40% - 44%	1.00
45% - 49%	1.25
50% - 54%	1.50
55% - 59%	1.75
60%	2.00
Each year over 20 years	3.00
Single Point Value	<del>13.00</del> <u>\$15.00</u>
Max. Per Year Lump Sum	\$6,600 <u>7,640</u>

After January 1, 1999 - Base Service Pension - Lump Sum Option and Incentive Points based on Article X

Date of Retirement	Base service pension – per year amount	Incentive point per year		Maximum pension per year
		Point Value	Max. L.S. Calculation	
January 1, 1999 to December 31, 2004	\$5,500	N/A	N/A	\$5,500
January 1, 2005 to December 31, 2006	\$5,700	6.00	300	\$6,000
January 1, 2007 – Present	\$5,950	13.00	650	\$6,600
<i>Proposed</i> <i>January 1, 2018</i>	<i>\$6,890</i>	<i>15.00</i>	<i>750</i>	<i>\$7,640</i>

0\*\*

7,640.00+

~~6,600.00-~~

1,040.00\*

1,040.00÷

6,600.00 %

15.76\*

Section 10.4. Post-retirement Increases for Retirees. Retirees shall receive post-retirement increases as follows:

- A. Retirees or ancillary benefit recipients who are being paid a monthly annuity pension or ancillary benefit distribution based on a monthly annuity pension benefit, shall be eligible for post-retirement increases. The post-retirement increase shall be equal to 33% of any increase in the base pension amount, as approved by the City. This increase will also be available to early retirees who are receiving a reduced pension as a result of completing ten years but less than twenty service years. Early retirees being paid monthly annuity pension will be eligible for a pension increase which is equal to 33% of the base pension increased and reduced to the percentage they qualified for upon early retirement.
- B. Effective January 1, 1990, there shall be established a minimum pension for all retirees receiving a monthly annuity service pension. The minimum pension for firefighters who have served twenty (20) years shall be 30% of the current maximum monthly service pension. The sum of all benefits shall not exceed 100% of the member's earned service pension.

## **Article XI - Ancillary Benefits**

### Section 11.1. Survivors Benefits.

The following survivors of a deceased member shall receive the following survivors' benefits:

- A. A survivor benefit shall be disbursed to the member's surviving spouse upon the death of a member of the Association. If there is no surviving spouse, the benefit shall be disbursed to the member's surviving children. If there is no surviving spouse and there are no surviving children, the benefit shall be disbursed to the member's designated beneficiary and, if no beneficiary has been designated, the benefit shall be paid as a death benefit to the estate if the deceased member was an active or deferred firefighter at the time of death.

If there are no surviving children, the member's surviving spouse may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.

- B. Survivor of lump sum recipient. If a member has received a lump sum payment during the member's life, there will be no survivors benefit paid.
- C. A survivor benefit shall be payable following the death of a member receiving an annuity pension. The total survivor benefit amount shall be limited to 50% of the vested portion of the deceased's monthly annuity and is payable as follows:





**City of White Bear Lake**  
Finance Department

## *MEMORANDUM*

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 15, 2018

**Subject:** **White Bear Lake Fire Relief Association By-Laws Changes**

---

### **BACKGROUND**

The White Bear Lake Fire Relief Association is governed by its by-laws. The by-laws cover all aspects of the association from its purpose, board make-up, to how its members' pension is determined. The Association has periodically reviewed and updated its by-laws. The association has recently completed a comprehensive review of its by-law language, which has remained unchanged since 2000.

The comprehensive review incorporates numerous technical changes along with two significant pension language changes.

#### Pension Language Changes

The relief association, fire department personnel, along with senior administrative staff has recommended the following changes:

1. Article XIII-Early vesting provision incorporates early pension vesting at a 5-year level reduced from a 10-year requirement.

Current members have a difficult time recognizing their pension plan as an incentive to remain on the department because it requires a minimum of ten service years before the member is eligible for any type of "reduced" pension. Establishing pension vesting at the 5-year mark rather than at the 10-year mark provides members with a realistic goal of recognizing some pension compensation for their service. A member must be at least 50 years old before they can request a pension payment.

2. Eliminate incentive points for pension calculations – annuity and lump sum.

The incentive point system was enacted in 1972. These incentive points, which increased a member's pension upon retirement, was intended to reward a member for responding to call-outs. At the time, as outside demands began to compete for the time of paid-on-call members, additional response incentives became necessary.

The recent reorganization which expands ambulance staffing through the combined use of full-time paramedic/firefighters with the part time duty crews and paid-on-call responders eliminates the need for incentive points. The assignment of incentive points over the years has become difficult to justify and assign.

Continued application of incentive point earnings for pension no longer can be justified by departmental staff. Departmental staff has recommended reference to calculating and awarding pension incentive points be eliminated, effective October 1, 2018. The Fire Relief Association supports this recommendation and formally approved this action at its last meeting on September 24, 2018. Moving forward, future pension calculations will be based upon on completed service years.

### **SUMMARY**

The White Bear Lake Fire Relief Association completed a comprehensive by-law review. The fire relief board has recommended numerous technical changes including a vesting change from ten (10) to five (5) years and the elimination of incentive point calculation for pension allocation.

Because the City maintains financial responsibility for the pension plan, City Council approval of the by-law changes is required.

### **RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution which authorizes the fire relief association by-law changes as recommended by the Board of Trustees. The resolution specifically acknowledges changes to Article XIII early vesting provision and Article X – Service pension.

### **ATTACHMENTS**

Resolution

Draft by-laws as recommended by the Board of Trustees, September 24, 2018

**RESOLUTION NO.**

**RESOLUTION APPROVING WHITE BEAR LAKE FIRE RELIEF ASSOCIATION BY-LAW CHANGES INCLUDING EARLY VESTING, AND PENSION CHANGES EFFECTIVE OCTOBER 1, 2018**

**WHEREAS**, the White Bear Lake Fire Relief Association has by-laws governing their process; and

**WHEREAS**, the Relief Association conducted a review of the Associations by-laws which govern the Relief Association and define its member pension provisions has remained basically unchanged since October 2000; and

**WHEREAS**, Article X – Service Pension has incorporated an incentive based point calculation since 1972 which has become an ineffective fire department retention tool; and

**WHEREAS**, Article XIII – Early Vesting Provision that was incorporated into the by-laws in 1984 requires ten years of service before eligibility does not recognize cultural, operational, or organizational changes.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of White Bear Lake, supports the White Bear Lake Fire Relief by-law changes as approved and recommended by the White Bear Lake Fire Relief Board of Trustee’s on September 24, 2018; and

**NOW, THEREFORE, BE IT FUTURE RESOLVED**, that the City Council support the Fire Relief by-law Article X – Service Pension – Appendix A “Service Pension Amounts” language to be amended effective October 1, 2018 as follows:

Annuity – Monthly:	\$1,245.00
Lump Sum – Annual:	\$7,640.00

**NOW, THEREFORE, BE IT FUTURE RESOLVED**, the City Council supports the Fire Relief by-law Article XIII – Early Vesting Provision to be amended effective October 1, 2018 as follows:

Years of Service	Percentage of Pension
5	40
6	44
7	48
8	52
9	56
10	60
11	64
12	68
13	72
14	76

**RESOLUTION NO.**

**RESOLUTION APPROVING WHITE BEAR LAKE FIRE RELIEF ASSOCIATION BY-LAW CHANGES INCLUDING EARLY VESTING, AND PENSION CHANGES EFFECTIVE OCTOBER 1, 2018**

Years of Service	Percentage of Pension
15	80
16	84
17	88
18	92
19	96
20+	100

**BE IT FUTHER RESOLVED**, that the City Council of the City of White Bear Lake, that the White Bear Lake Fire Relief Association By-Law changes be effective as of October 1, 2018.

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

**The Restated Bylaws of the White Bear Lake  
Fire Department Relief Association**

**Amendment Effective ~~December 2015~~ October 1, 2018**

**Article I – Name**

Section 1.1. Name. The name of the Association shall be the White Bear Lake Fire Department Relief Association.

**Article II - Purpose**

Section 2.1. Purpose. This instrument constitutes the Bylaws of the White Bear Lake Fire Department Relief Association, hereinafter referred to as “Association,” adopted for the purpose of regulating and managing the internal affairs of the Association and shall serve as the written pension plan for the Association. The Association is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency medical services. The objectives of the plan shall be to provide service pensions and ancillary benefits as stated in these bylaws, to members and beneficiaries of the City of White Bear Lake Municipal Fire Department, hereinafter "Fire Department". All benefits issued by the Association shall be governed by these Bylaws, Federal and ~~federal and state~~State laws.

**Article III – General Definitions and Service Provisions**

For purposes of these Bylaws, the terms defined in this section shall have the following meanings ascribed to them, unless the context clearly requires otherwise:

Section 3.1. Surviving ~~spouse~~Spouse. The term "surviving spouse" means any person who was the spouse of a deceased active member or retired former member, married to the member at the time of the death of the active member or retired former member, for at least one year prior to the date of death of the deceased member or retired member.

Section 3.2. Fiduciary ~~responsibility~~Responsibility. In the discharge of their respective duties, the officers and trustees shall be held to the standard of care and all other statutory requirements enumerated in Minn. Stat. §356A et. seq. No ~~trustee~~Trustee of the Association shall cause the Association to engage in a transaction, if the Trustee knows or should know that the transaction constitutes one of the following direct or indirect transactions:

- A. ~~sale~~Sale or exchange or leasing of any real or personal property between the Association and a Trustee;
- B. ~~lending~~Lending of money or other extension of credit between the Association and a Trustee or member of the Association;
- C. ~~furnishing~~Furnishing of goods, services, or facilities to the Association by a Trustee; or
- D. ~~transfer~~Transfer to a Trustee, or use by or for the benefit of a Trustee, of any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law.

Section 3.3. Beneficiary or Beneficiaries. The beneficiaries under this plan, are those who are entitled to receive a benefit pursuant to Minn. Stat. §424A.05.

Section 3.4. Board of Trustees. The Board of Trustees of the Association as specified in Minn. Stat. §424A.04 and in Section 5.1 of the Bylaws. There shall be three ex-officio members. The three ex-officio trustees shall be the City Mayor, the City Finance Director, and the Chief of the Fire Department.

Section 3.5. Breaks in Service. A period of time in which the member does not comply with the active service requirements of the Association or Fire Department.

- A. **ACTIVE SERVICE** – ~~shall~~Shall be defined as the active performance of fire suppression or prevention duties. The performance of fire suppression duties includes responding to at least the minimum service, meeting, and drill requirements specified by the Fire Department. The Board of Trustees shall obtain certification from the Fire Department of each member’s active service participation.
- B. **BREAK IN SERVICE** – If the member is unable to perform the duties of a firefighter for any reason, including an approved leave of absence, the member shall be considered to have a break in service and shall not receive service credit in the Association for that period of time. Parts of years may be added together to ~~compute~~complete full years. If a member does not return to full service duties, any eligible retirement benefits will be based upon service time credit and benefit level the member had earned at such time the break in service commenced.

The requirements of this Section do not apply to breaks in service mandated by ~~federal~~Federal or ~~state~~State law, such as Uniform Service Leave, Minn. §424A.021, and the Family Medical Leave Act (FMLA), 29 U.S.C. §2601 et. al.

Section 3.6. Year of Active Service. For purposes of computing benefits, service pensions payable or calculating vesting requirements, a year of service shall be defined as a period of 12 full months of continuous active service (~~which need not be continuous~~) with the Fire Department.

Section 3.7. Active Service. The active performance of firefighting and emergency medical service duties or supervision of said duties. The performance of firefighting and emergency medical services or supervision of said duties includes meeting the requirements of Fire Department Standard Operating Procedures, established Fire Department ~~policies~~Policies and accruing incentive points pursuant to Section 10.3, subject to the following:

- A. Non-compliance with these requirements *will* result in the forfeiture of active service credit and may result in reduced service pension or ancillary benefit payments; and
- B. Annually, the Fire Chief shall submit a written certification to the Trustees which shall certify members' active service and incentive points accrued. Such certification shall be submitted for approval to the Trustees, by January 30 of each year.

Section 3.8. Trustees. The individuals designated as such by Minn. Stat. §424A.04 and those who qualify as the voting ex-officio trustees.

Section 3.9. Domestic Relations Order. Any judgment, decree or order (including approval of a property settlement agreement) that complies with the provisions of Minn. Stat. §§518.58, 518.581, or 518.611 and other applicable statutes.

Section 3.10. Base Service Pension. In accordance with Minn. Laws 1983, Chapter 86 Secs. 1-4., the term “Base Service Pension” means the service pension payable to a retiring member of the Association when the member has received credit for the minimum years of service and has attained the minimum age specified in the Bylaws for the commencement of a service pension.

Section 3.11. Incentive Benefit Amounts. In accordance with Minn. Laws 1983, Chapter 86 Secs. 1-4, the term “Incentive Benefit Amounts” means amounts payable in addition to the Base Service Pension. Incentive Benefit Amounts are based upon responding to the minimum percentage of calls set forth by the policies of the Fire Department and the Relief Association for entitlement to an incentive benefit or completing years of service in excess of the minimum years of service specific in the Bylaws for the commencement of a service pension. Incentive Benefit Amounts are based on an accrual system of points as provided in Appendix A, which is attached to these Bylaws and is incorporated herein by reference.

Section 3.12. Maximum Service Pension. The maximum service pension shall be the total pension amount that a member can receive per year of service under these Bylaws, state or federal laws. The maximum service pension shall not exceed the maximum service pension amount permitted under the flexible service pension maximums pursuant to section 424A.02, Subdivision 3.

Section 3.13. Surviving Child or Children. An eligible child beneficiary of a deceased member is defined as follows:

- A. A child of a deceased member, under the age of 18 years at the time of the member's death or,
- B. A child of a deceased member, 18 years of age or older, but under the age of 23 who is enrolled as a full-time student at a public or private secondary school or an institution of higher education in a post-secondary education program.

Section 3.14. Ancillary Benefit. The term Ancillary Benefit defines a benefit other than a service pension that is permitted by State Statutes and provided for in the White Bear Lake Fire Relief Association By-Laws.

#### **Article IV – Membership**

Section 4.1. Eligibility. All persons becoming members and serving as Firefighters of the Fire Department shall be eligible to become members of the Association upon meeting all the requirements of the Fire Department.

Section 4.2. Application for Membership. Application for membership may be made at any regular or special meeting of the Board of Trustees through written application to the Secretary. The application shall be reviewed for compliance with statutory and Bylaw requirements. An applicant shall become a member immediately upon approval by the Board of Trustees. If approved, the applicant shall be entered on the membership rolls.

Section 4.3. Membership Rolls. The Association shall have three membership rolls: A roll of active members; a roll of retired members who are receiving monthly pension benefits; and, a roll of deferred members (retired members who are not yet age 50 and have not begun to receive a pension distribution.)

Section 4.4. Discharge. Except as provided in Section 4.5, any active member of the Association, discharged or removed from the Fire Department, shall be dropped from the active rolls of the Association.



Section 4.5. Resignation or Discharge of Vested Members. A member's resignation or termination from the Fire Department (for reasons other than a fire-related Disability) terminates the individual's membership in the Association; provided, however, that any member who has ~~ten~~five or more years of service and who has a vested benefit pursuant to Articles X and XIII of these Bylaws may retain membership in the Association as a Deferred or Retired Member, regardless of resignation or termination. Such member shall be exempt from regulations modifying vested benefits (except post-retirement increases which may be adopted pursuant to Section 10.4), which may, from time-to-time, be imposed on active members.

## **Article V - Board of Trustees**

Section 5.1. Composition of the Board. The governance and management of the business and affairs of the Association is vested in a Board of Trustees. The Board shall consist of six members, two to be elected annually to three-year terms by the members of the association from its own members at its annual meeting. The membership may elect one retired member receiving a pension to one of the six Trustee positions elected by it. In addition, the following officials of the City of White Bear Lake shall be ex-officio members of the Board of Trustees: The Mayor, The Finance Director and the Chief of the Fire Department.

Section 5.2. Election of Officers. Officers of the Board of Trustees shall be the President, Vice President, Secretary and Treasurer and they shall be elected each year by the Trustees to serve one year terms. Any mid-year openings shall be filled by a vote of the remaining Trustees.

Section 5.3. Duties of the President. The President shall preside at all meetings of the Board of Trustees; appoint all committees; sign all orders on the Treasury of the Association; and perform such duties ~~as~~that usually pertain to such office. The President shall be bonded in an amount determined by the Trustees. The premium for such bond shall be paid by the Association. The annual salary of the President shall be set by the Board of Trustees at the annual meeting and shall be approved by the membership.

Section 5.4. Duties of Vice President. The Vice-President, in the absence or disability of the President, shall perform and discharge the duties of President. In case of the absence of both the President and Vice President, the Board of Trustees shall elect a President Pro-tem, who shall discharge and perform such duties.

Section 5.5. Duties of Secretary. The Secretary shall: keep a record of all meetings and proceedings of the Board of Trustees; pay over to the Treasurer all monies received; and, keep a correct roll of all members of the Association, including the date of joining, resignation, discharge, assessment, made and paid, relief furnished, and all investments made and redeemed. The books of the Secretary shall be subject to inspection by any member of the Board of Trustees, or otherwise required by law. The Secretary shall sign all orders on the Treasury and shall perform and discharge such other duties ~~as~~that usually pertain to such office. The Secretary shall be bonded in an amount determined by the Board of Trustees. The premium for such bond shall be paid by the Association. The annual salary of the Secretary shall be fixed by the Board of Trustees at the annual meeting and approved by the membership.

Section 5.6. Duties of Treasurer. The Treasurer shall: keep a true and correct record and account of all funds received by the Association, pay such funds out only on the order of the Board of Trustees, signed by the President and countersigned by the Secretary of the Association; make and submit a report at each meeting of the Board of Trustees; deposit all monies of the Association, in the name of the Association, in such bank or depository as the Board of Trustees may direct or designate, or invest in the name of the Association in such a manner as the Board may direct; be custodian of and responsible for the safekeeping of all funds and securities belonging to the Association; collect the interest and premiums on all securities when due; and provide the Secretary with a memorandum of all funds collected and deposited belonging to the Association monthly, giving date and amount of such deposits and from what source collected. The Treasurer shall be bonded in an amount not less than ten percent (10%) of the total assets of the Association, up to a maximum of \$500,000, as determined by the Board of Trustees. Such bond premium shall be paid for by the Association. The annual salary of the Treasurer shall be fixed by the Board of Trustees at the annual meeting and approved by the membership.

## **Article VI – Meetings**

Section 6.1. Board Meetings. A regular meeting of the Board of Trustees shall be held each month. Special meetings of the Board of Trustees may be held at such times as the President or a majority of members of the Board may deem necessary. In case of an alarm or fire sounding during any meeting of the Board of Trustees, such meeting shall stand adjourned until such time as the President ~~shall reconvene~~ reconvenes it.

Section 6.2. Board Meeting Locations. Meetings of the Board of Trustees shall be held at public locations designated by the Board of Trustees within the City of White Bear Lake unless noticed for another public place within the state.

Section 6.3. Notice of Board Meeting. A notice of every Board of Trustees meeting shall be sent or delivered by the Secretary to each trustee including ex-officio trustees, at least 5, ~~but not more than 30~~ days, before the meeting, excluding the date of the meeting. Such notice may be delivered electronically and shall set forth the date, time, place, and in case of a special meeting, the purpose.

Section 6.4. Open Meeting Law. The Association is governed by Minn. Stat. §13D.01 which requires that all meetings of the Association and the Board of Trustees shall be open to the public unless ~~excepted otherwise indicated~~ by statute. All notices provided for in this Article shall comply with Minn. Stat. §13D.04 which requires at a minimum that:

- A. ~~A.~~ — A schedule of regular meetings be kept on file at the association offices and,
- B. ~~B.~~ — For special meetings, a notice will be placed on the door of the meeting room and the official bulletin board of each fire station and City Hall.

Section 6.5. Quorum for Board Meetings. The presence of five members of the Board of Trustees shall constitute a quorum.

Section 6.6. Meetings of the Membership.

A. Annual Meeting of the General Membership. The annual meeting of the Association shall be held in conjunction with the December Board of Trustees meeting. The Board of Trustees shall have the discretion to change the date of the annual meeting. Written notice of the annual meeting shall be given to all members at least five (5) days in advance and may be communicated electronically.

~~B.~~

B. Special Meetings of the General Membership. Special meetings of the members of the Association may be called at any time upon the written order of the President and one other member of the Board of Trustees or a written petition of 25% of the members of the Association. The Secretary shall give written notice to each member of the Board of Trustees and each member of this Association entitled to vote, of the time, place and purpose of such meeting at least five (5) days in advance, which may be communicated electronically.

C. ~~C.~~ Regular Meetings of the General Membership. A regular meeting will be held on the same night as the general meeting of the Fire Department and shall constitute the committee report of the President.

D. ~~D.~~ Quorum. Twenty-five percent of all the eligible voting members and a majority of the Board of Trustees then in office shall be present at the general membership meetings to constitute a quorum for the transaction of business. Less than a quorum may continue a meeting to a future date.

Section 6.7. Order of Business. At the annual meetings of the general membership of the Association, the order of business shall be as follows:

- |   |                                 |
|---|---------------------------------|
| A. <del>A.</del> Call to order  | F. <del>Committee reports</del> |
| B. <del>B.</del> Roll call  | G. <del>Old business</del>      |
| C. <del>C.</del> Reading <u>and approval</u> of minutes of previous meeting | H. <del>New business</del>      |
| D. <del>D.</del> Secretary's report   |                                 |
| E. <u>Treasurer's report</u>  |                                 |
| F. <u>Committee reports</u>   |                                 |
| G. <u>Old business</u>  |                                 |
| H. <u>New business</u>  |                                 |
| I. <u>Good of the Association</u>   |                                 |
| J. <del>E.</del> <u>Treasurer's report</u>                                  | J. <del>Adjournment</del>       |

Section 6.8. Voting. Each member of the Association shall be entitled to one vote on any matter voted upon by the membership. Vote shall be taken by voice vote unless the President calls for a different voting method and the methods may include rising, ballot, or roll call. Absentee ballots shall be available for Bylaw amendments and the election of officers and Trustees, provided the proposed Bylaw amendment and the proposed candidates for election are posted on the Fire Department's bulletin boards and/or communicated electronically at least ~~three weeks~~ one week prior to the date the vote is taken. Voting and meeting order shall be conducted in accordance with Robert's Rules of Order. Voting may also be completed via electronic means.

## **Article VII - Investments**

Section 7.1. Duty of Care. Trustees shall discharge their duties in good faith and with that diligence and care which an ordinarily prudent person would exercise under similar circumstances.

Section 7.2. Fiduciary Duty. It shall be the duty of the Board of Trustees to prepare modes and plans for the safe and profitable investment of the unappropriated funds of the Association and whenever investments are made, to investigate and pass upon the securities offered and to attend to the drawing and execution of necessary papers. The Board of Trustees shall order an audit of the books and accounts of the Secretary and the Treasurer annually, according to law, and shall submit a written report of the condition of the Association to the members at the annual meeting. The investment of the funds of the Association shall be in the exclusive control of the Board of Trustees, in conformance with state statutes and the Bylaws. The members of the Board shall act as Trustees with a fiduciary obligation to the State of Minnesota, to the City of White Bear Lake and the members of the Association.

Section 7.3. Brokers' Certification. The Board of Trustees shall comply with Minn. Stat. §356A.06, Subd. 8b that requires the Association to annually provide to any brokers, a written statement of investment restrictions and policies which apply to the special fund. Upon receipt of the written statement of investment restrictions, each broker handling investments of the Association shall annually acknowledge, in writing, the receipt of the investment restrictions. The acknowledgment shall contain a statement of the broker's agreement to handle the Association's investments pursuant to the written restrictions.

Section 7.4. Consultant Certificate of Insurance. Before hiring or contracting with a consultant, the Board of Trustees may, in its discretion, obtain a copy of the consultant's certificate of insurance.

Section 7.5. Continuing Education. The Board of Trustees shall develop and periodically revise a plan for continuing education for all members and officers of the Board of Trustees in order to ensure that Trustees keep abreast of their fiduciary responsibilities. New Trustees shall be required to complete twelve (12) hours of continuing education in the Trustee's first year of office. Thereafter, Trustees shall comply with the Board's plan for continuing education.

Section 7.6. Pension Increases Tied to Fund Performance. Pension increases will be considered when the account is funded  $\geq$  115% after an actuarial study has been conducted.

## **Article VIII - Funds**

Section 8.1. Funds. All money received by the Association shall be kept in two separate funds, the General Fund and the Special Fund. Disbursements from the funds shall be in accordance with Minnesota Statutes and the Bylaws of the Association.

Section 8.2. General Fund of the Association. The funds received by the Association from fines, contributions, initiation fees, entertainments and other miscellaneous sources shall be kept in the General Fund of the Association on the books of the Secretary and the Treasurer. Funds in the General Fund may be disbursed for any purpose reasonably related to the welfare of the Association or its members, subject to the approval of the Association members and the approval of the Board of Trustees.

Section 8.3. Special Fund of the Association. All funds received by the Association qualifying as state aid received pursuant to law, all taxes levied by or other revenues received from the City pursuant to law providing for municipal support for the Association, any moneys or property donated, given, granted or devised excluding fundraising proceeds, by any person, which is specified for the use for the support of the Special Fund, and any investment earnings on the assets, shall be placed in the Special Fund and shall be disbursed only for the following purposes:

- A. A.—Payment of members’ service pension benefits in accordance with these Bylaws;
- B. B.—Payment of ancillary benefits in accordance with these Bylaws;
- C. C.—Administrative expenses as limited by Minn. Stat. § 69.80; and
- D. D.—All other expenses of the Association shall be paid out of the General Fund.

Section 8.4. Disbursements. ~~No disbursement~~Disbursement of funds of the Association shall be made ~~except by~~by check or electronic funds transfer (EFT). Paper checks will be drawn by the Treasurer and countersigned by the President.

No check or EFT shall be issued on the Special Fund of the Association until the claim to which it relates has been approved by the Board of Trustees.

Section 8.5. Deposits. All funds not invested in accordance with the investment policy shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustees may designate. The Board of Trustees shall make deposits in conformance with state law, these Bylaws, and the Association’s investment policy.

Section 8.6. Dissolution. In the event this Association is dissolved, the procedure and disposition of Association Funds will be accomplished in accordance with Minn. Stat. Chapter 424B.

Section 8.7. State Reimbursement. By February 15 of each year, the Secretary shall apply to the Commissioner of Revenue for State reimbursement of the amount of supplemental benefits paid pursuant to state law.

## **Article IX – Applications for Benefits**

Section 9.1. Form of Application. All applications for benefits shall be made in writing on forms supplied by the Secretary of the Association.

Section 9.2. Applications for Pensions. All applications for pensions shall be submitted to the Board of Trustees at a regular or special meeting of the Trustees at least 90 days prior to the date of requested distribution of funds. Such application is not required to be submitted with the Notice of Intent to Retire.

Section 9.3. Oath. Applications shall be verified by an oath of the applicant and shall state the following:

- ~~a.A.~~ a.A. The age and date of birth of the applicant;
- ~~b.B.~~ b.B. The years of service and the date of retirement from the Fire Department;
- ~~e.C.~~ e.C. The length of time the applicant has been a member of the Association; and,
- ~~d.D.~~ d.D. Such other and further information as the Board of Trustees may require.

The written application of a Beneficiary shall include a certified copy of the member's death certificate.

Section 9.4. Approval of Applications. The benefit application will be reviewed by the Trustees at the meeting following receipt of the application and, if approved, payment will be made no later than 90 days following approval by the Trustees. ~~However, a~~ funeral benefit payable to a deceased member's estate, where the deceased member has no surviving spouse, shall not be distributed until the Board of Trustees has been notified in writing of the identity of the executor or personal representative of the estate.

Section 9.5. Payment. No benefits or pensions shall be paid until the application ~~therefore~~ has been approved by a majority vote of the Board of Trustees. Decisions of the Board shall be final as to the payment of such benefits or pensions, subject to appeal by following the process as defined in *Article XIV - Procedure for Review*. No person receiving a pension shall be paid any other benefits by this Association except as otherwise specifically provided herein.

Section 9.6. Notice of Intent to Take Distribution. It shall be the duty of each deferred or active member who intends to take a distribution from the Association, to file a notice of intent to take distribution. Such notice shall be in writing and shall be filed with the Secretary not less than 90 days prior to the date of requested distribution disbursement. Upon receipt of a notice of intent to take distribution, the Secretary shall provide any notices to the applicant as required by state or federal law with respect to pension or benefit payments.

~~Section 9.7. Limitations on Rejoining the Fire Department, and Thereby Rejoining the Association.~~

~~A. Retirees who maintain their full-time status with the fire department subsequent to retiring in accordance with Minn. Stat. 424A.02, Subd 1 (d.) shall be eligible for full payment of benefits provided the following occurs:~~

## **Article X - Service Pension**

Section 10.1. Eligibility for Service Pension. The following service pension benefits shall apply to members who meet the eligibility requirements established in Section 10.2:

- A. A.—Monthly Annuity Option. Members who retired prior to January 1, 2003 and have served less than 20 years and are partially vested shall be paid a monthly annuity pension once the member has achieved the incentive points accrued pursuant to the incentive points system in Appendix A. The monthly annuity shall be paid based on the member's years of active service multiplied by the base sum amounts in Appendix A. Such pension shall be reduced based on the early vesting requirements in Article XIII.
- B. B.—Monthly Annuity and Lump Sum Options. Members who have retired prior to January 1, 2003, and are fully vested with 20 years of service and those members who ~~retire after January 1, 2003~~ retired prior to October 1, 2018 and have a minimum of at least ten years of service and are therefore, partially vested, shall have one of two options:

1. Defined benefit monthly lifetime annuity service pension. The monthly annuity will be based on the member's years of active service, and accrual of incentive benefit amounts and, the amount of post-retirement increases provided by the Association pursuant to Section 10.4. The base service pension for the monthly annuity will be calculated in accordance with the formula in Appendix A.
2. ~~2.~~ Defined benefit lump sum option. The lump sum pension option will be calculated in accordance with the formula in Appendix A., including the base sum plus the value of incentive points set forth in Appendix A. Members who retire with less than 20 years of active service shall receive a reduced pension based on the early vesting tables in Article XIII.
3. pension. The monthly annuity will be based on the member's years of active service and the amount of post-retirement increases provided by the Association pursuant to Section 10.4. The base service pension for the monthly annuity will be calculated in accordance with the formula in Appendix B.
4. Defined benefit lump sum option. The lump sum pension option will be calculated in accordance with the formula in Appendix B. Members who retire with less than 20 years of active service shall receive a reduced pension based on the early vesting tables in Article XIII.

Section 10.2. Eligibility. To be eligible to receive a service pension a member must meet all of the following requirements.

- A. ~~A.~~ Be at least 50 years of age;
- B. ~~B.~~ Have retired from the Fire Department of the municipality;
- C. ~~C.~~ Have completed at least 10 years prior to their retirement date of October 1, 2018 or five years after their retirement date of October 1, 2018 of active service with Fire Department ~~before retirement~~;
- D. ~~D.~~ Have been a member of the Association in good standing at least 10 during their years of service prior to such retirement; and
- E. ~~E.~~ Have Retired prior to October 1, 2018, have complied with the Incentive Points system in Appendix A in order to receive full benefits.

Section 10.3. Incentive Points. Members who retire prior to October 1, 2018 shall accrue incentive points based on attendance in relation to all calls as determined by fire department

policy. Members who have in excess of twenty years of service shall receive additional points for each year of service after twenty years. The schedule for incentive point's accrual is attached in Appendix A.

All decisions as to incentive point's accrual shall be made by the Fire Chief as head of the Fire Department. Appeals from the Fire Chief's determination shall be made pursuant to Fire Department policy.



Section 10.4. Post-retirement Increases for Retirees. Retirees shall receive post-retirement increases as follows:

- ~~A.~~ ~~A.~~—Retirees or ancillary benefit recipients who are being paid a monthly annuity pension or ancillary benefit distribution based on a monthly annuity pension benefit, shall be eligible for post-retirement increases. The post-retirement increase shall be equal to 33% of any increase in the base pension amount, as approved by the City. This increase will also be available to early retirees who are receiving a reduced pension as a result of completing ~~ten~~five years but less than twenty service years. Early retirees being paid monthly annuity pension will be eligible for a pension increase which is equal to 33% of the base pension increased and reduced to the percentage they qualified for upon early retirement.
- ~~B.~~ ~~B.~~—Effective January 1, 1990, there shall be established a minimum pension for all retirees receiving a monthly annuity service pension. The minimum pension for firefighters who have served twenty (20) years shall be 30% of the current maximum monthly service pension. The sum of all benefits shall not exceed 100% of the member's earned service pension.

## **Article XI - Ancillary Benefits**

### Section 11.1. Survivors Benefits.

The following survivors of a deceased member shall receive the following survivors' benefits:

- A. A survivor benefit shall be disbursed to the member's surviving spouse upon the death of a member of the Association. If there is no surviving spouse, the benefit shall be disbursed to the member's surviving children. If there is no surviving spouse and there are no surviving children, the benefit shall be disbursed to the member's designated beneficiary and, if no beneficiary has been designated, the benefit shall be paid as a death benefit to the estate if the deceased member was an active or deferred firefighter at the time of death.
- ~~B.~~ If there are no surviving children, the member's surviving spouse may waive, in writing, wholly or partially, the spouse's entitlement to a survivor benefit.
- C. ~~B.~~—Survivor of lump

  - ~~1.~~ ~~4.~~ Upon the death of a White Bear Lake Firefighter who retired prior to January 1, 2009, who served on the department for at least twenty years, and who was collecting a monthly annuity payment shall be entitled to a one time funeral payment of \$2,000 to be paid to the deceased member's eligible surviving spouse or to the member's estate.

~~D.E.~~ D.E. Surviving spouse of deferred member or active member who has not begun receiving an annuity pension at time of death. In the event a deceased deferred or active member who has not begun receiving an annuity pension dies a lump sum payment shall be calculated and paid in accordance with these by-laws as defined in Article 10. An active member's ancillary benefit would be calculated without regards to the vesting percentage or minimum service or membership requirements as defined in Article 10.

Section 11.2. Permanent Disability Benefits. An active member, who is permanently disabled from performance of the duties of an active firefighter on the Fire Department due to an injury or illness incurred in the line of duty, is eligible for a disability benefit in lieu of any other retirement benefits. Upon approval of the Board of Trustees pursuant to this section, the following disability benefits will apply. A member who is permanently disabled with a service-related disability shall be eligible to collect a disability benefit equal to the total number of years of service in an amount equal to the lump sum pension benefit option under Section 10.1.B.2.1 C2 and Article XIII without regard to vesting percentages or minimum service and membership requirements. The member shall be eligible to receive the disability benefit immediately upon approval of the Board of Trustees subject to the following:

- A. ~~A.~~ A.—Limits. Any such disability benefit paid in accordance with this section shall be in lieu of all rights to further service pension and survivor's benefit.
- B. Disability defined. Disability is defined as the inability to engage in performance of the duties as a firefighter as determined by the fire chief and City that such active member has a disability and therefore, has separated from service with the fire department due to said disability.
- C. ~~C.~~ C.—Reports Required. No member shall be paid disability benefits except upon the written report of a physician of the City's workers compensation administrator's choice. This report shall set forth the diagnosis and prognosis of the disability, disease or injury of the member. Each such report shall be filed with the Association.

- ~~D. D.~~ Procedure. All applications for disability benefits shall be made within six months after such applicant has ceased to be an active member of the fire department. Written application shall be made to the Board setting out the nature and cause of such disability on such forms required by the board and verified by the city's workers compensation administrator. This application shall be under oath by the member or his or her immediate family. The application shall be tabled until the next meeting so that the applicant may be examined by a physician, surgeon or chiropractor of the city's workers compensation administrator's choice. The physician, surgeon or chiropractor shall submit a written opinion concerning the diagnosis and prognosis of the applicant's disability and its probable duration of permanence. The Board of Trustees has the discretion to request that another doctor, selected by the board, examine the applicant. Final determination of disability will be based on the reports from the city and by a 2/3 majority vote of a quorum of the Board of Trustees present at the subsequent association meeting.
- ~~E. E.~~ Proof of disability. An applicant shall not be considered under a disability unless the member furnishes adequate proof of the existence thereof. An applicant's statement as to pain or other symptoms will not alone be conclusive evidence of disability as defined in this section.
- ~~F. F.~~ Repayment. If the disabled member subsequently recovers and returns to active service on the fire department, any amount paid to him as a disability pension shall be deducted from his service pension and such amount shall immediately be repaid as required by Article IX, Section 9.6.
- ~~G. G.~~ Grievance Procedure. If the applicant for disability benefits feels the he/she has been aggrieved by any action of Board, the member shall, within thirty (30) days from notice of such action of the Board, file written objections and the reasons thereof with the Board and shall be allowed to appeal the determination pursuant to the Procedure for Review in Article XIV of these bylaws.

## **Article XII - Timing and Modes of Distribution**

Section 12.1. Because of the varying circumstances in each member's retirement planning, optional benefit payment methods are offered to members who choose the lump sum option. Each option will result in tax consequences. Therefore, selection should occur after consultation with a tax consultant, insurance and/or estate planner, or an attorney. Alternate payment methods on the Application Form shall include:

- ~~A. —A.~~ A single lump sum check payment payable to the eligible retiree;
- ~~B. —B.~~ Lump Sum payment by the Association to a licensed insurance carrier for the purchase of an insurance product; or
- ~~C. —C.~~ Rollover to an IRA account pursuant to Section 12.2.

Section 12.2. Upon written request from the retiring member who has given proper notice of intent to take distribution, the Secretary or Treasurer shall directly transfer the service pension amount into an Individual Retirement Account under Section 408(a) of the Internal Revenue Code, as amended.

### **Article XIII - Early Vesting Provision**

Section 13.1. Beginning January 1, 1984, and before October 1, 2018 in the event a member with ten years or more but less than twenty years of active service on the Fire Department resigns or otherwise becomes a deferred member, that member shall have their base pension adjusted by the number of service years completed compared to a full service pension (Example: If a member has served 12 years, their base pension would be 60% of the current amount. [Twelve divided by 20]. The member shall receive full credit for all incentive points earned. The member's benefit amount [adjusted base pension plus, if retired prior to October 1, 2018, value of accrued incentive points] shall be then multiplied by the following pension amount.

<u>Completed Years of Service</u>	<u>Percentage of Pension Amount</u>
10	60 percent%
11	64 percent%
12	68 percent%
13	72 percent%
14	76 percent%
15	80 percent%
16	84 percent%
17	88 percent%
18	92 percent%
19	96 percent%
20 and thereafter	100 percent%

Early retirees will be considered deferred members. Their deferrals will expire when they reach the age of 50.

Section 13.2. Beginning October 1, 2018, in the event a member with five years or more but less than twenty years of active service on the Fire Department resigns or otherwise becomes a deferred member, that member shall have their base pension adjusted by the number of service years completed compared to a full service pension (Example: If a member has served 12 years, their base pension would be 60% of the current amount. [Twelve divided by 20].

**Completed Years of Service      Percentage of Pension Amount**

<u>5</u>	<u>40%</u>
<u>6</u>	<u>44%</u>
<u>7</u>	<u>48%</u>
<u>8</u>	<u>52%</u>
<u>9</u>	<u>56%</u>
21	60 <del>percent</del> %
22	64 <del>percent</del> %
23	68 <del>percent</del> %
24	72 <del>percent</del> %
25	76 <del>percent</del> %
26	80 <del>percent</del> %
27	84 <del>percent</del> %
28	88 <del>percent</del> %
29	92 <del>percent</del> %
30	96 <del>percent</del> %
31 and thereafter	100 <del>percent</del> %

Early retirees will be considered deferred members. Their deferrals will expire when they reach the age of 50.

**Article XIV - Procedure for Review**

Section 14.1. Right to Appeal. In the event that the Board of Trustees denies an application for a service or ancillary pension benefit, the member shall be entitled to the right to appeal the determination.

Section 14.2. Procedure. The Board of Trustees shall return the application to the applicant within 30 days, noting thereon, with particularity, which requirements the applicant does not meet. Thereafter, the applicant shall be furnished with the opportunity to be heard in person by the Board of Trustees, on the question of whether the applicant meets all of the eligibility requirements. The member shall indicate that the member intends to appeal by furnishing the Board of Trustees with a written notice of intent to appeal which shall be filed with the Secretary of the Association within 30 days of receiving an adverse determination. The intent to appeal shall be certified, in writing, by the member.

Section 14.3. Appeal Process. Upon receipt of the written notice of intent to appeal, the Board of Trustees shall hold a special meeting within 60 days of receipt of the written intent to appeal. Timely notice of the meeting shall be given to the member at least 15 days prior to the special meeting. The member shall have the reasonable opportunity to be heard by the Board of Trustees at the special meeting with regard to the negative determination. The Board of Trustees reserves the right to engage the services of a mediator or arbitrator, acceptable to both parties, at any time during the appeal. The mediator or arbitrator shall be selected from a list of seven provided by the State of Minnesota, Bureau of Mediation Services. The cost of the mediator or arbitrator shall be split in half among both parties.

## **Article XV - Limits on benefits**

Section 15.1. Qualified Domestic Relations Order. A qualified domestic relations order shall be accepted by the plan administrator if in compliance with state and federal law. No benefits shall be paid under a qualified domestic relations order which requires the plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan or under state law.

Section 15.2. Garnishment, judgment or legal process. No service pension or ancillary benefits paid or payable from the special fund of the Association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution, or other legal process, except as provided in Minn. Stat. §§518.58, 518.581, or 518.611.

Section 15.3. Assignments. No person entitled to a service pension or ancillary benefits from the special fund of the Association may assign any service pension or ancillary benefit payments, nor shall the Association have the authority to recognize any assignment or pay over any sum which has been assigned.

Section 15.4. Limitations on Ancillary Benefits. Following the receipt of a lump sum death benefit either a member's surviving spouse or estate is entitled to any other or further financial relief or benefits from the Association.

## **Article XVI – Amendments**

Section 16.1. Process. The Bylaws of the Association may be amended at any duly called meeting, regular or special, of the Association by a simple majority at a meeting called for that purpose, in which a quorum has been established, provided that written notice of any proposed amendment(s) is placed in each member's mail or notice slot (at their respective fire station) at least fourteen days (14) days prior to the meeting at which the amendment is to be acted upon. If such amendment shall change the amount of benefits or pensions, approval of the City Council must be obtained before the amendments shall be effective.

## **Article XVII – Severability and Inconsistent Laws**

Section 17.1. Inconsistent Laws. If any provision recorded in these Bylaws is in conflict with a state or federal statute, the state or federal statute shall supersede these Bylaws.

Section 17.2 Severability. If any provision of these Bylaws is found to be invalid, the remaining portions of the Bylaws shall continue in effect and shall be considered to be valid.

## Appendix A – Base Service Pension Amounts and Incentive Points System

Effective Date: January 1, 2018

<b>Base Sum Annuity</b>		<b>Proposed Lump Sum Base Sum</b>	
Current		Current	
Base =	\$745 per month	Base =	\$6,890 per year
Incentive Points	Max = 50	Incentive Points	Max = 50
	<b>Response %</b>		<b>Points Earned</b>
	40% - 44%		1.00
	45% - 49%		1.25
	50% - 54%		1.50
	55% - 59%		1.75
	60%		2.00
	Each year over		
	20 years		3.00
	Single Point		\$10.00
	Value		
	Max. Monthly		\$1,245
	Annuity		
	<b>Response %</b>		<b>Points Earned</b>
	40% - 44%		1.00
	45% - 49%		1.25
	50% - 54%		1.50
	55% - 59%		1.75
	60%		2.00
	Each year over		
	20 years		3.00
	Single Point		15.00
	Value		
	Max. Per Year		\$7,640
	Lump Sum		

After January 1, 1999 - Base Service Pension - Lump Sum Option and Incentive Points based on Article X

<b>Date of Retirement</b>	<b>Base service pension – per year amount</b>	<b><u>Incentive point per year</u></b>		<b>Maximum pension per year</b>
		<b>Point Value</b>	<b>Max. L.S. Calculation</b>	
January 1, 1999 to December 31, 2004	\$5,500	N/A	N/A	\$5,500
January 1, 2005 to December 31, 2006	\$5,700	6.00	300	\$6,000
January 1, 2007 – December 31, 2017	\$5,950	13.00	650	\$6,600
January 1, 2018 – September 30, 2018	\$6,890	15.00	750	\$7,640

After January 1, 1972 - Base Monthly Pension based on Article X, Incentive Points System

Date of Retirement	Base service pension – Monthly Annuity	Incentive per year – 50 points		Maximum pension per month
		Value	Maximum Incentive Point Annuity	
January 1, 1972 to December 31, 1977	\$75.00	\$1.00	50.00	\$125.00
January 1, 1978 to December 31, 1981	120.00	2.00	100.00	225.00
January 1, 1981 to December 31, 1983	150.00	3.00	150.00	300.00
January 1, 1984 to December 31, 1986	200.00	3.00	150.00	350.00
January 1, 1987 to December 31, 1989	225.00	4.00	200.00	425.00
January 1, 1990 to December 31, 1992	300.00	4.50	225.00	525.00
January 1, 1993 to December 31, 1995	360.00	5.00	250.00	610.00
January 1, 1996 to December 31, 1998	400.00	6.50	325.00	725.00
January 1, 1999 to December 31, 2004	500.00	7.50	375.00	875.00
January 1, 2005 to December 31, 2006	575.00	8.00	400.00	975.00
January 1, 2007 to December 31, 2017	645.00	8.60	430.00	1,075.00
January 1, 2018 to September 30, 2018	745.00	10.00	500.00	1,245.00



**Appendix B – Base Service Pension Amount. Effect for retirees after October 1, 2018**

Base Monthly Annuity: \$1,245

Base Per-Year Lump Sum: \$7,640

DRAFT



City of White Bear Lake  
Finance Department

## MEMORANDUM

**To:** Ellen Richter, City Manager

**From:** Don Rambow, Finance Director

**Date:** October 15, 2018

**Subject:** **White Bear Lake Fire Relief Association Merger with Statewide Volunteer Firefighter Retirement Plan**

### BACKGROUND

The state legislature created a Statewide Firefighter Retirement Plan (SVFRP) in 2009. The plan was designed to assist local fire relief members by eliminating the burdensome responsibility of overseeing multi-million-dollar local fire pension plans. The SVFRP relieves the local pension plans from conducting annual audits, ensuring compliance with expanding GASB standards, and monthly administration of retiree's payment. The legislation also relieves local fire relief pension boards of its investment fiduciary duties by transferring the fund's investment responsibility to the State Board of Investments (SBI). The State Board of Investments is currently responsible for managing approximately \$100 billion in various state agency funds. A significant majority of the SBI investment portfolio is derived from the State's three major pension plans.

The SVFRP is administered through PERA. PERA is responsible for the administration of the plan, but any pension changes remain within the authority of the local relief board. Furthermore, recent legislation provides local relief associations the ability to withdraw from the SVFRP if the local pension board, through the consent of the City Council, determines that the PERA administration or the SBI's investment returns are unsatisfactory.

### Rationale for Merger

Much of the administrative and investment expense being incurred on an annual basis would be eliminated, as the fund becomes part of the statewide operation. It is projected that investment, auditing, accounting and financial reporting fees could be reduced annually by \$60,000 - \$65,000. These cost savings would then become available for future pension adjustments.

State statute requires actuarial analysis for local relief boards to be calculated at 5% assumed rate of return. The same statute authorizes the SVFRP to use a 6% actuarial investment rate. This difference is based upon the SVFRP utilization of SBI for investing. This 1% difference could significantly influence future and current retiree benefit analysis.

Based upon an assumed 6% investment return, an actuarial analysis indicates the funds' pension liability would increase from August 27, 2018 pension analysis of 120% to 131%. This change

alone could provide sufficient justification for another pension adjustment, (using 120% as the minimum liability marker).

Another distinct advantage is that ongoing financial reporting requirements would be transferred from the Relief Board to PERA.

Lastly, the 5-year pension adjustment-waiting rule does not apply to the White Bear Fire Relief Association Plan because the plan has an annuity provision as well as a lump sum provision.

#### What Does Not Change

The plan remains as a separate entity within PERA. An actuarial analysis will be necessary every two years to comply with GASB reporting requirements.

Any pension adjustment would require an actuarial analysis to verify the financial impact of the potential adjustment on the fund's actuarial accrued liability.

The White Bear Lake Fire Relief Board remains responsible for recommending pension adjustments to the City Council.

The City Council would have final say on any pension adjustments, as the City remains financially responsible for any pension fund deficiencies.

#### **SUMMARY**

The fire department membership and relief board have conducted on-going discussions regarding the pros and cons to merging with SVFRP over the last several years. The 2018 legislation, which authorized local membership to withdraw, removed the last significant obstacle against merging.

The White Bear Fire Relief Board of Trustees on September 24, 2018 approved merging the relief pension plan into the statewide voluntary plan and recommended approval by the City Council.

#### **RECOMMENDATION**

It is recommended the City Council adopt the attached resolution authorizing the White Bear Lake Fire Relief Association merger into the statewide volunteer firefighter plan effective January 1, 2019.

#### **ATTACHMENTS**

Resolution  
Supporting documents

**RESOLUTION NO.**

**A RESOLUTION AUTHORIZING THE WHITE BEAR FIRE RELIEF ASSOCIATION  
TO JOIN THE VOLUNTARY STATEWIDE VOLUNTEER FIREFIGHTER  
RETIREMENT PLAN EFFECTIVE JANUARY 1, 2019**

**WHEREAS**, the City of White Bear Lake is authorized to join the Voluntary Statewide Volunteer Firefighter Retirement Plan administered by the Public Employees Retirement Association (PERA); and

**WHEREAS**, the City and the White Bear Lake Fire Relief Association have jointly consented to and obtained a cost analysis for joining the Voluntary Statewide Volunteer Firefighter Retirement Plan from PERA not more than 120 days ago; and

**WHEREAS**, the City highly values the contributions of City firefighters to the safety and well being of our community and wishes to safeguard their pension investments in a prudent manner; and

**WHEREAS**, the White Bear Lake Fire Relief Association has voted and recommended a merger into the Voluntary Statewide Volunteer Firefighter Retirement Plan; and

**WHEREAS**, the existing benefit level for the White Bear Lake Fire Relief Association is a maximum \$1,245.00 for a monthly pension annuity and \$7,640 annual maximum for a lump sum.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of White Bear Lake, Ramsey and Washington Counties, Minnesota that; the City hereby approves coverage by and requests participation in the Voluntary Statewide Volunteer Firefighter Retirement Plan administered by PERA under the terms provided in the PERA cost analysis at the monthly annuity maximum of \$1,245 or the annual maximum lump sum of \$7,640; per year of service, effective January 1, 2019; and

**BE IT FURTHER RESOLVED**, that the Mayor, City Manager, Finance Director, and City are hereby authorized to execute all documents necessary to effectuate the intent of this resolution.

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

September 7, 2018

CONFIDENTIAL

Mr. David Andrews, Accounting Director  
Public Employees Retirement Association  
of Minnesota  
60 Empire Drive, Suite 200  
Saint Paul, MN 55103

**Re: Impact of Discount Rate Change for the City of White Bear Lake Fire Department  
Relief Association Pension Plan**

Dear David:

The City of White Bear Lake Fire Department Relief Association Pension Plan is considering joining the Statewide Volunteer Firefighter Retirement Plan (SVFRP). The SVFRP is administered by the Public Employees Retirement Association (PERA) of Minnesota. Per Minnesota Statute 353G.05, an actuarial valuation must be completed by PERA's actuary and should be based on current plan provisions of the Relief Association's pension plan, the Minnesota Standards for Actuarial Work and the assumptions in the Relief Association's most recent prior actuarial valuation, except the interest rate must be 6.0%.

The Relief Association has preliminarily approved an increase in plan benefits. The changes are expected to be formally approved later this month by the Relief Association, and by the City Council in October. If any changes are made during this process, we will revise our analysis.

The updated benefits, as provided by the City of White Bear Lake Fire Department Relief Association Pension Plan, are described below:

- Eliminate incentive point benefits;
- Monthly pension benefit set at \$1,245;
- Lump sum set at \$7,640 times years of service; and
- Change vesting from 10 years to 5 years (40% vested with 5 years of service increasing 4% per year to 100% vested at 20 years of service).

The benefit changes described above are assumed to apply to all active members.

Current retiree benefits will increase \$33 per month, reduced by the percentage they qualified for upon early retirement. We do not have the necessary details available to determine if a member retired early and received a reduction in benefit. For the purposes of this study, we assumed all retirees receive a \$33 per month benefit increase. We also assumed survivors receive 50% of the increase, or \$16.50 per month. Finally, there are two retirees with a portion of their benefits assigned to an alternate payee due to a divorce proceeding. We assumed the \$33 per month increase in benefit would be assigned in a proportionate amount.

This report is intended to describe the financial effect of the proposed discount rate change on the plan. The most recent prior actuarial funding valuation used a measurement date of January 1, 2017. For informational purposes, the financial impact was determined as if the proposed change in the discount rate (from 5% to 6%) was effective January 1, 2017.

Unless noted otherwise, actuarial assumptions, methods, participant data, and plan provisions were consistent with those used in the regular actuarial valuation. In particular, the mortality table is the RP-2000 generational mortality table, white collar adjustment, projected with the mortality improvement Scale AA (set back two years for the employee table) and the cost method is individual entry-age. Please see the City of White Bear Lake Fire Department Relief Association Pension Plan Actuarial Valuation as of January 1, 2017 for a detailed description of the actuarial assumptions, methods and plan provisions that are not described in this report.

Mr. David Andrews  
 PERA of Minnesota  
 September 7, 2018  
 Page 3

Below are exhibits with the liabilities based on the current benefits and discount rate, updated benefits and current discount rate, and updated benefits and discount rate.

	Results as of January 1, 2017			Results as of January 1, 2018	
	Current Benefits	Benefit Changes at 5%	Benefit Changes at 6%	Benefit Changes at 6%	
<b>Plan Liabilities</b>					
Annual Normal Cost	\$ 154,753	\$ 192,757	\$ 156,816	\$ 166,225	
Actuarial Accrued Liability	\$ 5,386,321	\$ 5,966,069	\$ 5,398,264	\$ 5,368,214	
Assets (Market Value)	\$ 6,357,694	\$ 6,357,694	\$ 6,357,694	\$ 7,023,488	
Unfunded (Overfunded) Actuarial Accrued Liability	\$ (971,373)	\$ (391,625)	\$ (959,430)	\$ (1,655,274)	
<b>Funded Position of Plan's Actuarial Accrued Liability</b>	118%	107%	118%	131%	

	Results as of January 1, 2017			Results as of January 1, 2018	
	Current Benefits	Benefit Changes at 5%	Benefit Changes at 6%	Benefit Changes at 6%	
<b>Minimum Annual Contribution Requirements</b>					
A) Net Annual Normal Cost	\$ 154,753	\$ 192,757	\$ 156,816	\$ 166,225	
B) Annual Amortization Payments for Funding Unfunded Actuarial Accrued Liability *	\$ (97,137)	\$ (39,163)	\$ (95,943)	\$ (165,527)	
C) Expense allowance including refund of member dues: (Prior Year actual expenses x 1.035)	\$ 25,769	\$ 25,769	\$ 25,769	\$ 26,671	
D) Total Minimum Annual Contribution Requirement: (D = A + B + C)	\$ 83,385	\$ 179,363	\$ 86,642	\$ 27,369	

\* Amounts shown are equal to one-tenth of the assets in excess of liabilities, based on Minnesota Statute 424A. Minnesota Statute 353G is silent on the amortization calculation when a plan has surplus assets. See additional detail and commentary herein.



The results shown on the previous page are based on the most recent actuarial valuation as of January 1, 2017. The market value of assets increased from \$6,357,694 on January 1, 2017 to \$7,023,488 on January 1, 2018. The estimated funded position of the plan on January 1, 2018, reflecting benefit changes and a 6% discount rate, is 131%, as shown previously. Estimated results as of January 1, 2018 reflect actual market value of assets and estimated plan liabilities based on the January 1, 2017 liabilities, with changes as described, rolled-forward to January 1, 2018 using actual benefit payments.

The higher discount rate makes the plan appear to be more overfunded, but actual contribution requirements will continue to be based on actual investment returns.

In accordance with Minnesota State Statutes (Chapters 69, 353G, 356, and 424A), the contribution level for any given year is a contribution of the Normal Cost for the year, a provision for anticipated administration expenses, and an amount to reduce the Unfunded Actuarial Liability. Minnesota Statute 353G.08 Subd. 1a. specifies amortization periods for unfunded liability attributable to benefit increases, assumption or method changes, or investment losses. As discussed with PERA, statutes do not address methodology for plans with surplus assets, and do not specify how to set up initial balances when a plan transitions to the SVFRP.

As directed by PERA, we show an amortization amount equal to one-tenth of surplus assets. The basis for this interpretation is Minnesota Statutes 424A, which applies to relief associations before joining the SVFRP. Other interpretations are reasonable and possible.

We would typically recommend the minimum contribution be at least equal to the normal cost, even for plans that are well-funded. Note that actual contributions have been at least \$215,000 in each of the last three years.

While this advice may not directly apply to the SVFRP because it is a pool of many plans, we also suggest that plans with considerable surplus assets consider reducing the risk of the plan's investment allocation to preserve surplus assets.

The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon plan provisions that are outlined in the January 1, 2017 valuation report (except as noted). If you have reason to believe the assumptions used are unreasonable, the plan provisions are incorrectly described, important plan provisions relevant to this proposal are not described, or conditions have changed since the calculations were made, you should contact the author(s) of this report prior to relying on information in this report.



If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the author of the report prior to making such decision.

No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them.

The reader of this report should keep in mind that actuarial calculations are mathematical estimates based on current data and assumptions about future events (which may or may not materialize). Please note that actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit change may fluctuate over time, as the demographics of the group changes.

A review of these proposals for compliance with federal, state, or local law or regulation was out of scope and not performed.

We have provided this analysis in the same format as that used when plan or assumption changes are considered by the Trustees. For any legislative proposals, it may be necessary to follow up with a more in-depth analysis to comply with the Standards for Actuarial Work. We will provide the additional information upon request.

Actuarial assumptions, including discount rates, mortality tables and others identified in this report, are prescribed by the Minnesota Statutes Section 356.215, the Legislative Commission on Pensions and Retirement (LCPR), and the Trustees. These parties are responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods and assumptions used in this valuation are those that have been so prescribed and are described in the Valuation Procedures section of the January 1, 2017 actuarial valuation report. PERA is solely responsible for communicating to GRS any changes required thereto.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report should not be relied on for any purpose other than the purpose described herein. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The signing actuary is independent of the plan sponsor. Gabriel, Roeder, Smith & Company (GRS) has provided actuarial and consulting services to the City of White Bear Lake Fire Department Relief Association Pension Plan for at least 10 years; however, this relationship does not impair the objectivity of our work, and we are not aware of any other relationship that would impair the objectivity of our work.

Bonita J. Wurst is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. In addition, GRS meets the requirements of "approved actuary" under Minnesota Statutes Section 356.215, Subdivision 1, Paragraph (c).

This report has been prepared by an actuary who has substantial experience valuing public employee retirement systems. To the best of our knowledge and belief the information contained in this report is accurate and fairly presents the actuarial position of the City of White Bear Lake Fire Department Relief Association Pension Plan as of the valuation date and was performed in accordance with the requirements of Minnesota Statutes Section 356.215, and the requirements of the Standards for Actuarial Work established by the LCPR. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

I'm available to answer any questions or provide further details.

Respectfully submitted,

**Gabriel, Roeder, Smith & Company**

*Bonita J. Wurst*

Bonita J. Wurst, ASA, EA, FCA, MAAA  
Senior Consultant

BJW:dj



Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use the applicable following interest assumption:

(1) select and ultimate interest rate assumption

plan	ultimate interest rate assumption
teachers retirement plan	8.5%

The select preretirement interest rate assumption for the period through June 30, 2017, is eight percent.

(2) single rate interest rate assumption

plan	interest rate assumption
general state employees retirement plan	8%
correctional state employees retirement plan	8
State Patrol retirement plan	8
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	8
general public employees retirement plan	8
public employees police and fire retirement plan	8
local government correctional service retirement plan	8
St. Paul teachers retirement plan	8
Bloomington Fire Department Relief Association	6
local monthly benefit volunteer firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter retirement plan	6

# Plan Description

## Statewide Volunteer Firefighter Retirement 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 departments' 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.

A second possible disadvantage of joining the statewide plan is that 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).

## **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.

A new 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. Beginning in 2012, 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

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\* 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.

Minnesota Statutes Chapter 353.03. Fiduciary activities of the Plan must be consistent with Minnesota Statutes governing public pensions.

## **Advisory Board**

Chapter 353G provides for an Advisory Board made up of eight representatives from townships, cities, fire chiefs, volunteer firefighters, and the State Auditor's office. 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. An entity may elect to increase the benefit level after joining the Plan. The possible benefit levels provided by the Plan are shown in detail in Table 1 on page 8 of this Plan Description.

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<sup>†</sup> 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

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<sup>†</sup> 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.

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.

### **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.<sup>†</sup>

### **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.

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<sup>†</sup> 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.



## **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.

- 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 31<sup>st</sup> 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 120 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.

## *Volunteer Firefighter Retirement Plan*

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.

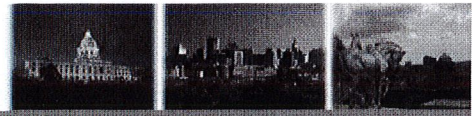
Since relief associations are non-profit corporations, they will still have an annual renewal obligation with the Secretary of State's Office, but that can be done online. Relief associations may also have an obligation as a non-profit to file Form 990 with the IRS every year, although that is an issue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

## MINNESOTA STATE BOARD OF INVESTMENT

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### About The Minnesota State Board of Investment

The Minnesota State Board of Investment is the State agency responsible for the investment management of various retirement funds, trust funds, and cash accounts.

On June 30, 2018, the market value of all assets was \$96.2 billion.

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City of White Bear Lake  
Engineering Department

## MEMORANDUM

**To:** Ellen Hiniker, City Manager

**From:** Jesse Farrell, Assistant City Engineer

**Date:** October 16, 2018

**Subject:** Award of contract for HVAC Improvements to the White Bear Lake Armory City Project No. 19-12

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### BACKGROUND

At its meeting on September 25, 2018, Council authorized staff to advertise for bids for HVAC improvements to the White Bear Lake Armory. The Historical Society has raised \$30,000 through grants and fundraising efforts to contribute toward the HVAC improvements at the Armory. The remaining funds needed would be assigned to the 2019 municipal building fund budget, as anticipated in the Capital Improvement Plan.

### SUMMARY

The City received two (2) bids for the HVAC Improvements to the White Bear Lake Armory on October 12, 2018 with New Century Systems, Inc., Corcoran, Minnesota submitting the lowest base bid of \$48,736.00.

New Century Systems, Inc. is qualified to complete this work; therefore staff recommends that the City Council accept the lowest bid and award them the contract for HVAC Improvements in the White Bear Lake Armory.

### RECOMMENDED COUNCIL ACTION

Staff recommends that the Council receive the bids and award a contract to New Century Systems, Inc. for the base bid amount of \$48,736.00.

### ATTACHMENTS

Resolution

**RESOLUTION NO.:**

**RESOLUTION ACCEPTING BIDS AND AWARDING CONTRACT  
FOR THE HVAC IMPROVEMENTS TO THE WHITE BEAR LAKE ARMORY  
CITY PROJECT NO. 19-12**

WHEREAS, specifications were drawn and advertisement for bids were made; and

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

<b>Contractor</b>	<b>Total Base Bid</b>
New Century Systems, Inc.	48,736.00
NAC Mechanical and Electrical Services	51,900.00

WHEREAS, New Century Systems, Inc. is the lowest responsible bidder; and

WHEREAS, the White Bear Lake Historical Society will contribute \$30,000 toward the cost of these improvements.

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

1. The Mayor and City Clerk are hereby authorized and directed to enter into contract with New Century Systems, Inc., in the amount of \$48,736.00.

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:** Ellen Hiniker, City Manager

**From:** Rick Juba, Assistant City Manager

**Date:** October 17, 2018

**Subject:** **Employee Benefits for Non-bargaining Employees**

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### **BACKGROUND**

A majority of the City's workforce is not represented by a collective bargaining agreement. Non-union employees are classified as clerical/technical or management/exempt due to the nature of their work. The City Council establishes compensation parameters for these employees through the Position Classification and Compensation Plan, which is reviewed annually. Other benefit changes for non-bargaining employees, including medical/life insurance, have historically been established by the City Council to coincide with premium rate adjustments and market conditions, which become effective January 1, 2019. The renewal period also allows employee benefits to be coordinated with union contract negotiations, which all have a January 1st renewal date.

At the August 23, 2018 City Council meeting, the City Council approved a proposal from Medica to provide employee health insurance. This was the conclusion of a lengthy RFP process, which resulted in increases in premiums ranging from 9% to 15% across three plans offered by the City with an overall net increase of 12.5% to the cost of the plan.

### **SUMMARY**

#### **Employee Utilization**

Nearly two-thirds (65%) of non-bargaining employees utilizing the City's health insurance program have chosen the high deductible plan (HSA plan) which now requires the first \$2,700 for single coverage and potentially up to \$5,400 for multiple dependent coverage. This has increased \$200 for singles and \$400 for multiple dependent coverage from 2018 due to the deductible now being embedded. An embedded deductible allows for coverage to kick in after the first \$2,700 for those on multiple dependent coverage when a single individual incurs that amount of expense.

(Note: a portion of the employees' deductible is offset by city contributions to Health Care Savings Account on their behalf)

The greatest financial health care burden continues to be incurred by employees requiring multiple – dependent coverage. The City's 2019 insurance plan requires employees to potentially

pay up to an annual out-of-pocket maximum of \$5,400 or \$6,000 for multiple dependent coverage depending upon the plan they choose.

The City's total non-bargaining group contains 60 employees. 33% percent receive single coverage and 33% receive deferred insurance contributions because they receive health insurance coverage through their spouse's employer. The City's non-bargaining employee insurance utilization is reflected as follows:

NO DEPENDENTS		
Deferred Insurance	20	33%
Single	20	33%
	<hr/>	<hr/>
	40	66%
DEPENDENT		
Employee + 1	7	12%
Multiple Dependents	13	22%
	<hr/>	<hr/>
	60	100%

#### **Employee Deferred Insurance Benefit**

All employees are required to be covered by group health insurance through the City unless they can otherwise demonstrate that they have coverage through another group plan. An individual plan does not qualify as coverage under a group plan. If an employee provides proof of coverage through another group plan and opts out of the City's insurance program, they currently could receive up to \$294 per month in deferred insurance payments from the City if they are a not tobacco users. This contribution amount has remained unchanged since July 2010 and is proposed to remain at that same contribution level.

Staff is currently reviewing the practice of providing deferred insurance benefit and its overall effect on insurance premiums.

#### **Health Insurance Cost**

The 2019 employee group insurance package represents an overall 12.5% increase in premiums. This increase is based upon maintaining the same employee plans, the same co-pays and the increased embedded deductibles. The new plan with Medica is identical with the former plan with Health Partners, but now includes the Mayo Clinic as "in-network."

Employees selecting either the \$1,000 or \$2,000 Comprehensive Major Medical (CMM) plans could incur out-of-pocket costs greater than the HSA plan; however, those out-of-pocket costs would require hospitalization of multiple family members to reach their maximum deductible. Each of the two CMM plans has either a co-pay or cost-sharing option whereby overall "ongoing costs" (i.e. prescriptions) are partially paid by the insurance policy.

The HSA plan offers the lowest overall premiums, but also requires the employee to pay 100% of all medical costs up to \$2,700 for a single person or \$5,400 for multiple dependent coverage. The \$5,400 multiple coverage cost is a total contract out-of-pocket cost. The HSA plan places a potentially higher financial burden on employees choosing the plan depending on their utilization.

The HSA plan helps achieve a major health care objective, in that it has caused members to be cognizant of how the first \$2,700 or \$5,400 in medical expense is incurred. Clinic visits as well as prescriptions become the responsibility of the members. The plan anticipates a more cost-effective utilization for medical services by the members. Staff has identified that those employees selecting the HSA plan typically are incurring a higher percentage of their total medical costs than the employees choosing the other plan options. A key element of the HSA plan, however, is that the maximum out-of-pocket cost would be lower by \$300 for single and \$600 for multiple dependent coverage compared to the other two plan options.

### **Proposed City Contribution**

As premiums rise and medical costs rise, premium and deductible contributions have become key concerns of both existing and prospective employees. Staff reviewed premium and deductible contributions from comparable cities and found that our current contribution levels are below those being paid by similar cities. Consequently, staff is recommending that the City absorb the premium increase to affect a neutral impact on the employee health benefit.

Staff is also proposing changes to the fitness incentive. The fitness incentive program was established in the late 1990's using measures developed several years before that. However, the program has not evolved and the testing as a reliable measure of fitness is inconsistent. Staff is proposing that the benefit, which ranges from \$10/month to \$60/month depending upon one's insurance classification, be wrapped into the city's contribution without the fitness test component. In its place, employees will be required to participate in a new corporate wellness program provided through the YMCA. The incentives for not using tobacco would remain unchanged.

The following summary of the proposed 2019 health insurance premium contributions includes absorbing the fitness incentive, incurring the entire net 12.5% increase in premiums and assumes all employees get the non-tobacco incentive. As proposed, the employee contributions remain at the previous year level or be reduced in some cases because the fitness incentive is included.

The monthly impact on employee's selecting **single coverage** would be as follows:

Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
Premium	606.37	554.00	552.57
City Contribution*	523.21	521.67	545.27
Employee Cost	83.16	32.33	7.30

\* *City's contribution assumes non-smoking incentive*

The monthly impact on employee's selecting **Employee + 1 coverage** would be as follows:

Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
Premium	1333.34	1218.19	1215.03
City Contribution*	994.20	991.03	1,042.90
Employee Cost	339.14	227.16	172.13

\* *City's contribution assumes non-smoking incentive*

The monthly impact on employee's selecting **Multiple Dependent coverage** would be as follows:



Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
Premium	1,695.17	1,548.77	1,544.79
City Contribution*	1,206.09	1,220.06	1,268.06
Employee Cost	489.08	346.71	276.73

\* *City's contribution assumes non-smoking incentive*

### **HSA Contribution**

The City's HSA option is the plan of choice for the majority of employees. Currently, nearly two-thirds of the non-bargaining employees utilize the HSA plan for insurance coverage. It is in the City's interest to encourage participation in this plan as it continues to offer the lowest premium, making it the least expensive of the three for the City. Ultimately, migration of all employees toward HSA would be optimal. However, there is more financial uncertainty to the employee as they have more exposure to untimely medical expenses up front. The HSA plan requires first dollar out of pocket payments by the employee until the deductible is reached (\$2,700 single; \$5,400 multiple dependents). This first dollar requirement places an initial financial burden on the employee that the other two plans do not.

The City's contribution to an employee's HSA helps to mitigate this uncertainty. In order to neutralize the impact of the insurance plan adopted, staff recommends the City increase its HSA contribution to match the plan deductible increases, which are \$16.6/mo. and \$33.3/mo. for single and family coverage, respectively. The financial impact to the City, based on 2018 HSA plan participation, would be approximately \$7,600 annually.

### **Projected Cost Impact**

Under this proposal, the City's contributions for non-bargaining insurance benefits are anticipated to increase by approximately \$78,000 annually. The Employment Expense Fund has resources budgeted to meet this obligation.

### **Other Non-Bargaining Employees Benefits**

All other employee non-bargaining benefits are proposed to remaining unchanged.

### **RECOMMENDATION**

Staff recommends Council adopt the attached resolution establishing a benefit package for non-bargaining employees effective January 1, 2019.

### **ATTACHMENTS**

Resolution

**RESOLUTION NO.:**

**RESOLUTION PROVIDING BENEFITS FOR EMPLOYEES OF THE CITY OF WHITE BEAR LAKE WHO ARE NOT COVERED BY EMPLOYMENT AGREEMENTS**

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of White Bear Lake, Minnesota that the following benefits shall be provided to employees of the City who are not covered by employment agreements effective January 1, 2019.

1. **Health Insurance:** Employees may select one of the following options as the City’s contribution towards medical/health and life insurance:

Employee’s selecting **single coverage** may select one of the following:

Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
City Contribution N/S	523.21	521.67	545.27
City’s Contribution Basic	503.21	501.67	525.27

Employee’s selecting **Employee + 1 coverage** may select one of the following:

Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
City Contribution N/S	994.20	991.03	1,042.90
City’s Contribution Basic	934.20	931.03	982.90

Employee’s selecting **Multiple Dependent coverage** may select one of the following:

Item	1,000 CMM	2,000 CMM	2,500 H.S.A.
City Contribution N/S	1,206.09	1,220.06	1,268.06
City’s Contribution Basic	1,146.09	1,160.06	1,208.06

2. **H.S.A. Contribution:** Employees selecting first dollar deductible insurance coverage defined as the Health Savings Account Plan would be entitled to the following annual City contributions:

Coverage	H.S.A. Contribution
Single	\$50/mo.
Employee + 1	\$100/mo.
Multiple Dependents	\$100/mo.

3. **Deferred Insurance:** Employees with proof of group insurance elsewhere, may opt out of the City’s insurance program and receive one of the following:

City Contribution N/S (non-smoking)	294.00
City Contribution Basic	274.00

4. **Life Insurance:** In the case of Department Heads, the City shall provide life insurance according to the group policy purchased by the City.

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:** Ellen Richter, City Manager  
**From:** Kara Coustry, City Clerk  
**Date:** August 30, 2018  
**Subject:** **Business license applications**

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### **BACKGROUND**

Business licenses are valid through the City's business cycle ending March 31, 2019.

### **SUMMARY**

The City received a complete massage therapist license application from Lyne Marie Seppala to work at LifeTime Fitness located at 4800 White Bear Parkway, White Bear Lake - a licensed massage therapist establishment in the City. The White Bear Lake Police Department verified the applicant's training credentials, insurance coverage, finances and criminal history reports and found nothing to preclude issuance of this massage therapist license.

The City received a complete massage therapist license application from Jian Ping Wan to work at Red Dragonfly Therapeutic Massage located at 1350 Highway 96, White Bear Lake - a licensed massage therapy establishment in the City. The White Bear Lake Police Department is still in the process of verifying the applicant's training credentials, insurance coverage, finances and criminal history reports. Staff recommends conditional approval contingent upon a clear background report by the White Bear Lake Police Department.

The City received a complete cigarette and tobacco products license application from Rajai Abdel Wazwaz who is buying White Bear Lake Tabacconist - a recently licensed tobacco sales business located at 4711 Highway 61, White Bear Lake. Mr. Wazwaz is the current owner of Ecig Smoke Shop Inc located at 4438 Highway 61, White Bear Lake. The White Bear Lake Police Department is still in the process of verifying the applicant's application. Staff recommends conditional approval contingent upon a clear background report by the White Bear Lake Police Department.

### **RECOMMENDED COUNCIL ACTION**

Staff recommends the City Council adopt the attached resolution approving issuance of business licenses, two being contingent upon receipt of clear background reports by the White Bear Lake Police Department.

### **ATTACHMENTS**

Resolution

**RESOLUTION NO.**

**RESOLUTION APPROVING BUSINESS LICENSES  
FOR THE BUSINESS CYCLE ENDING MARCH 31, 2019**

**BE IT RESOLVED** by the City Council of the City of White Bear Lake that the following business licenses be approved for the business cycle ending March 31, 2019, contingent upon receipt of a clear criminal background report by the White Bear Lake Police Department:

**Massage Therapist Licenses**

Lyne Marie Seppala	LifeTime Fitness 4800 White Bear Parkway White Bear Lake, MN 55110
Jian Ping Wan	Red Dragonfly Therapeutic Massage 1350 Highway 96 White Bear Lake, MN 55110

**Cigarette and Tobacco Products License**

Rajai Abdel Wazwaz WBL Smoke Shop Inc dba E-cig Smoke Shop 4711 Highway 61 White Bear Lake, MN 55110
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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:** Anne Kane, Community Development Director

**DATE:** October 18, 2018 for the October 23<sup>rd</sup> City Council Meeting

**SUBJECT: WHITE BEAR MITSUBISHI/Off-Site Parking Lease Extension**

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### BACKGROUND

In April 2017, the City Council adopted Resolution No. 12017 authorizing a lease agreement between White Bear Mitsubishi and Taylor Corporation for temporary off-site parking for up to 200 passenger vehicles at Taymark, Inc. located at 4875 White Bear Parkway. The need to temporarily relocate Mitsubishi's inventory storage was triggered by a sanitary sewer lining project on a trunk sewer line owned and operated by the Metropolitan Council that runs through their vehicle storage lot located at 3400 Highway 61 North. The City's Zoning Code allows temporary off-street parking for a business not located on the premises through a Lease Agreement subject to conditions and approval by the City Council.

### SUMMARY

The Lease Agreement has an 18 month term and is scheduled to terminate October 31, 2018. The Lease includes a provision for three month extensions, subject to the approval by the City Planner. The sanitary sewer lining project is in its final stage and is expected to wrap up in the next month or so. White Bear Mitsubishi and Taymark have requested the opportunity to extend the off-site parking arrangement through January 31, 2019. While it is anticipated that the vehicles may be off the site as soon as the end of November or December, Mitsubishi has requested the full three months to provide flexibility entering into the winter season. They also state that they will not be requesting any additional time beyond this first extension, recognizing staff's initial desire to reinforce the temporary nature of the arrangement and not establish that such off-street parking for dealership inventory is appropriate in this zoning district. To date, the City has not received any complaints from neighbors. Both parties have respected and abided by the additional terms and conditions prescribed in the Lease Agreement and staff has no concerns or objections to a three month extension.

### RECOMMENDED COUNCIL ACTION

No formal action by the City Council is necessary. The Lease Agreement authorizes city staff to approve the extension and we intend to so unless there is any objection by the City Council.



**City of White Bear Lake**  
City Manager's Office

# *MEMORANDUM*

**To:** Mayor and City Council  
**From:** Ellen Hiniker, City Manager  
**Date:** October 16, 2018  
**Subject:** **Rush Line Station Area Planning**

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## **BACKGROUND**

The Rush Line Corridor is a transportation corridor extending 80 miles from Hinckley to the north, to Union Depot in downtown St. Paul to the south, roughly following Interstates 35 and 35E and Trunk Highway (TH) 61. This corridor has been identified by the Metropolitan Council/Metro Transit, the Minnesota Department of Transportation (MnDOT), the Rush Line Corridor Task Force, and the corridor counties for transportation improvements based on current and future population, employment and travel demand.

Based on the findings and recommendations of the 2001 Rush Line Transit Study and the 2009 Rush Line Corridor Alternatives Analysis, a Pre-Project Development (PPD) Study was conducted to focus on analyzing bus and rail alternatives within the 30-mile study area between Forest Lake and Union Depot. The 2009 Rush Line Corridor Alternatives Analysis identified two promising transit corridors within Interstate 35E/35 and the Ramsey County Regional Railroad Authority right-of-way. Additional alternatives were developed and evaluated as part of the PPD Study.

The key outcome of the Pre-Project Development Study was the locally preferred alternative, which includes the route, general station locations and type of transit. The locally preferred alternative is dedicated bus rapid transit (BRT) on a 14-mile route between Saint Paul and White Bear Lake. The locally preferred alternative was selected because it best met the project goals and was the most cost-effective solution. The county also intends to explore the possibility of connecting bus service from White Bear Lake to Forest Lake.

The overall transitway development process is expected to extend 5-6 years before construction begins. This process began with the environmental analysis phase this spring; this phase is a two-year process for which Ramsey County Regional Railroad Authority is the lead local agency. The project is anticipated to be handed off to the Metropolitan Council at end of the environmental analysis phase when it enters the project development phase of the Federal Transit Administration's Capital Investment Grants program as a New Starts project.

### **Environmental Analysis Phase & Station Area Planning**

For the environmental analysis phase, the project needs to follow federal and state environmental requirements. The Federal Transit Administration is the lead federal agency and the Minnesota Department of Transportation is a key partner on the project. The past 6-8 months of the environmental analysis phase have focused on working with cities on station area planning. The next 4-6 months will focus on refining station locations. Months 12 to 18 will then focus on technical analysis and documentation for the environmental review and conceptual engineering plans.

A critical component of the Environmental Analysis Phase is the identification of potential sites for station platforms along the corridor, some of which would include a parking component. There will be approximately twenty (20) locations along the corridor, three or four of which will be located within the City of White Bear Lake – (Buerkle Road has been added as a potential location). The other three sites include Cedar Avenue, White Bear Avenue/Whitaker area and the downtown area, with the downtown serving as the corridor’s terminus.

To help evaluate the potential for site options in these selected areas, staff worked with the City Council to select a committee of twelve, both residents and business owners, to serve on the Station Area Planning Working Group. This group met three times over the summer to evaluate options in consideration of the following criteria:

- Connectivity
- Future Development
- Potential Circulation/access
- Land acquisition
- Adequate Parcel Size
- Site Availability
- Compatible form, massing, and height
- Viable ground floor mixed use (along busy street)
- Good pedestrian access
- Easy access for buses and autos
- Integrated station and parking

Of the seven site areas considered in the downtown, three were considered to best fit the above-referenced criteria: the post-office site, the site on the northeast corner of 4<sup>th</sup> Street and Bloom Avenue, and Clark Avenue north of 2<sup>nd</sup> Street. The Clark Avenue site was selected as the preferred alternative among the group. The Rush Line Policy Advisory Committee, which includes elected officials representing communities along the entire corridor, accepted the study at its meeting two weeks ago and the Rush Line planning team is now working directly with City Councils representing the affected communities along the corridor to further evaluate potential sites.

The White Bear Lake City Council has had an opportunity to review the findings of the working group and will be asked in the coming weeks to select station locations along White Bear Lake’s segment of the corridor to be further evaluated by the County through a federally required environmental assessment process. An Environmental Assessment (EA) is a concise document that is prepared for an action where the significance of the social, economic, and environmental impacts are not clearly established. Following this detailed analysis, much more information will be available to determine the appropriateness of any particular site.

### **Community Feedback**

After the Station Area Planning Work Group’s findings were released, the Rush Line planning staff held two (2) listening sessions on October 11<sup>th</sup> and 12<sup>th</sup> to solicit community feedback. Staff and members of the Council have also since received many comments and questions regarding the project, with most expressing interest and/or concern regarding the downtown location. Many



have expressed concern related to the proximity to neighborhoods, disruption to the downtown and incompatibility with the historic character of the downtown. Other comments in support of this and/or other locations in the downtown have also been received.

In the weeks ahead, staff anticipates considerable discussion, comments and questions regarding the location of a downtown station platform. These will be forwarded to the Council, accordingly.

**Next Steps**

A representative from the Ramsey County Rail Authority's planning team will be at the Council meeting on October 23<sup>rd</sup> to present a brief summary of the process and related findings to date. In the coming weeks, additional public engagement opportunities with the business and residential communities will be scheduled; alternative options for a downtown location will be part of these discussions.

## Kara Coustry

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**From:** Sara Markoe Hanson <sara@whitebearhistory.org>  
**Sent:** Tuesday, October 16, 2018 4:48 PM  
**To:** 'Sara Markoe Hanson'  
**Cc:** 'Lynn Farley'  
**Subject:** November 11th - 100th anniversary of the Armistice of World War I and the Rededication of the Solders' Memorial Flagpole in WBL  
**Attachments:** Warren A Stickley Letter May 29 1940.pdf; 051 Peace 14 Nov.jpg

Hello,

The White Bear Lake Area Historical Society is working with the White Bear Lake Lion's Club, the White Bear Lake VFW and Auxiliary, and the White Bear Lake American Legion and Auxiliary to put together a rededication ceremony for the newly restored Soldiers' Memorial Flagpole and base on Highway 61 in downtown White Bear Lake. The flagpole was community project in 1939 and was dedicated on Armistice Day (November 11) of that year. The base was completed the following spring. The WBL Lion's Club Foundation took on the project of raising funds for the restoration of the stone base and 80 foot flagpole which has recently been completed. Attached is a letter written by Capt. Warren A. Stickley, leader of the original project in 1939-40. Also attached is a clipping from the White Bear Press (14 November 1918) recalling the scene in town on the morning of November 11, 1918 when Armistice was declared in the Great War. It is our hope to recreate, to the best of our ability, the ringing of the bells that occurred 100 years ago on November 11th. If your church or municipality has a bell that is able to ring and would be willing to ring it that morning (the time will be finalized and communicated soon, but is expected to be around 11am), please respond to this email and we will send additional communications as the plans develop.

Thank you for your consideration.

*Sara Markoe Hanson*  
*Executive Director*  
*White Bear Lake Area Historical Society*  
651-407-5327

[www.whitebearhistory.org](http://www.whitebearhistory.org) & [www.facebook.com/whitebearhistory](https://www.facebook.com/whitebearhistory)  
Armory Office & Resource Library: 2228 Fourth Street (top floor), White Bear Lake, MN 55110  
Fillebrown House: 4735 Lake Avenue, White Bear Lake, MN 55110  
Mailing Address: PO Box 10543, White Bear Lake, MN 55110

# PEACE

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**What the World Longed  
for Is Finally Here**

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## BELLS RING OUT NEWS

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**Followed by Great Rejoicing by  
Multitudes All Over  
the Land**

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Early Monday morning; the ringing of the fire bell, to which was quickly added the tones of the Episcopalian, Catholic, and Presbyterian Church, and school bells, announced to the sleeping citizens of White Bear that the great day had come, and that the armistice, which practically ended the great war, had been signed.

On Monday afternoon an impromptu celebration was pulled off by some of our most prominent and patriotic citizens, President Earl Jackson being right to the front with others in leading in the day's doings.

A parade was hastily organized, which set out from the fire engine house, headed by members of the White Bear School Band. Co. K fell in behind the band, and then came a good turnout of the ladies of the Red Cross, carrying their Red Cross banner. A mounted troop of men followed, dragging a dummy intended to represent the defeated kaiser, and behind that a coffin to receive the remains when the time should come.



# THE WHITE BEAR PRESS

BY W. A. STICKLEY

WHITE BEAR LAKE, MINN.

May 29, 1940

To Whom it may be that reads these lines in years to come:

## The Realization of a Dream

For a number of months as I walked up town from my home at 101 Clark avenue, I had a dream of a tall flag pole with a beautiful base, in the park at the head of the avenue. Now I am happy to say that that dream has come true.

However, as I dreamed, I realized that a determined effort would be necessary in order to bring about a realization of this dream.

In the issue of my paper, the White Bear Press, of July 7, 1939, a copy of which is herewith, I proposed the erection of a municipal flag pole. I decided afterward to dedicate it to the memory of all American soldiers.

The response of the people of White Bear was gratifying, and the officials of the Government organization WPA (Works Project Authority) made it possible to carry out the project to success. (Armistice Day)

November 7, 1939, the pole was erected and on November 11/it was dedicated with ceremony. (See photograph herewith, also copy of The Press.

The entire complement was completed Friday, May 17, 1940, and is to be dedicated ~~xxxxx~~ tomorrow (Decoration Day.)

The pole stands 78 feet above the ground, set eight feet into a steel sleeve and a concrete foundation, six feet square and eight feet deep. The center-piece around the pole is of Kasota stone, which once was a part of the cell-block in the original prison at Stillwater, and which held noted criminals, such as Frank James and the Younger Bros., and which stood for 75 years before it was razed in 1935.

It is in no small degree of satisfaction that I have seen the accomplishment of this undertaking--seen my dream in stone and steel, for it was practically a one-man job. For months I had tried to interest the public and organizations but without success. I finally undertook it alone and that is why I am so deeply interested in the dedication of it tomorrow.

I wonder how long it will stand. Today Hitler threatens the world and I wonder what the conditions will be here and elsewhere when this is read.

Respectfully submitted,

