



AGENDA
REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, AUGUST 13, 2019
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 July 23, 2019

Minutes of the Closed City Council Meeting on July 23, 2019

3. APPROVAL OF THE AGENDA

4. VISITORS AND PRESENTATIONS

A. Recognition of retiring Environmental Advisory Commission Member June Sinnett

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

A. Second reading of a request by Paul Bruggeman to rezone the portion of the property north of County Road D at 2687 County Road D to R-6 – Medium Density Residential (Case No. 19-2-Z)

9. NEW BUSINESS

A. Resolution establishing fees collectable from charitable gambling associations

B. Resolution authorizing the Mayor and City Manager to execute a contract extension for auditing services with Abdo, Eick and Meyers

10. CONSENT

- A. Resolution approving 3.2 off sale, tobacco and gasoline pump licenses for Applegreen Midwest, LLC
- B. Resolution authorizing a caterer at Railroad Park for the Special Teams Charities, Beyond the Yellow Ribbon care packages donation collect event

11. DISCUSSION

Nothing scheduled

12. COMMUNICATIONS FROM THE CITY MANAGER

13. ADJOURNMENT



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JULY 23, 2019
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 were present. Staff members present were City Manager Ellen Hiniker, Assistant Manager Rick Juba, Community Development Director Anne Kane, City Engineer Paul Kauppi, Finance Director Kerri Kindsvater and City Attorney Troy Gilchrist.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on July 9, 2019

It was moved by Councilmember **Walsh** seconded by Councilmember **Jones**, to approve the Minutes of the Regular City Council Meeting on July 9, 2019.

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. White Bear Lake Lions Club – All Abilities Park Donation

Jim Francis, from the White Bear Lake Lions Club presented Mayor Emerson with a check for \$25,000 for the development of an all abilities park.

B. Manitou Days 2019 Report – Dale Grambush

Dale Grambush, Chair of the Manitou Days Committee presented a summary of the 2019 Manitou Days festivities.

5. PUBLIC HEARINGS

Nothing scheduled

6. LAND USE

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. ORDINANCES

- A. First reading of an ordinance revision to the gambling regulatory tax of 2% charged to licensed gambling premises organizations.

Finance Director Kindsvater reported that Minnesota Statute, section 349.213, subdivision 3, allows cities to impose a gambling regulatory tax on licensed lawful gambling organizations up to 3% of gross receipts as reimbursement for regulatory expenditures incurred during the year. She stated, cities can also choose to pass ordinances allowing for contributions of up to 10% of net profits toward a fund held by the city and designated for use on qualifying charitable expenditures.

Ms. Kindsvater noted the Gambling Control Board provides audits of gambling associations and activities, while the cities have a small role attributed to gambling regulation. As a result, Ms. Kindsvater explained, many cities have rescinded the regulatory tax since the cost of regulation was not high enough to account for the funds being collected. She stated, some of those cities have instead adopted ordinances to allow for collection of up to 10% of gross receipts that would be designated for use toward a qualifying charitable contribution expenditure permitted by statute.

City Manager Hiniker relayed staff's recommendation to rescind the gambling regulatory tax, currently set at 2%, and adopt an ordinance pursuant Minnesota Statute 349.12, which provides for a 2% contribution toward qualifying expenditures. She stated, the Park Improvement Fund will no longer receive charitable contribution funds, rather the City would maintain a separate fund for payment of qualifying charitable contribution expenditures defined in statute.

In response to Councilmember Edberg, Ms. Hiniker stated the City collects approximately \$50,000 – 60,000 annually. She explained that the charitable gambling organizations in White Bear Lake that do quite well, are generous with their charitable contributions to city-wide projects. She referenced the smaller organizations in which charitable gambling proceeds direct their proceeds to internal operations.

Councilmember Walsh did not support taxing charitable gambling associations for non-regulatory uses. He understood the need for government regulatory expense reimbursement, but these organizations are already suffering state tax and should not be taxed further by the City. He did not feel the City should be involved beyond the regulatory cost, rather, let the charitable organizations retain this money to support their own operations.

Councilmember Biehn supported redirection of 2% currently received from charitable organizations but did not wish to increase that percent.

Finance Director Kindsvater stated another option would be to reduce the amount of regulatory tax collected to be more in-line with actual City expenditures. Upon further discussion, the City Council decided to forgo an ordinance amendment at

this time, but rather, consider a resolution at the next City Council meeting to set a lower regulatory tax rate so the collection is more in line with actual regulatory expenses incurred by the City.

9. NEW BUSINESS

- A. Resolution authorizing the Mayor and City Manager to execute refuse and recycling contracts

City Manager Hiniker displayed proposed rates for refuse and recycling collection, consistent with what was presented to the Council in March, stating that these rates were based on a 3% tipping fee increase and noting that the rates may change once those County fees have been established:

Proposed Monthly Hauler Rates

	Proposed 2019 2% as budgeted	Proposed 2020 Approx. 10% overall	Proposed 2021 4% increase
Senior	8.32	10.62	11.04
30	8.32	10.62	11.04
60	9.36	10.62	11.04
90	12.23	10.62	11.04

Proposed Monthly Residential Rates

	2019 Residential no change	Proposed 2020 7.5% increase*	Proposed 2021 3% increase
Senior	10.55	11.34	11.68
30	10.80	11.61	11.96
60	15.90	17.09	17.61
90	21.65	23.27	23.97

*Assumes a 3% tipping fee

Ms. Hiniker explained that since Republic Services assumed the Troje’s contract in 2016, they retained the same low rates. They have not had an increase since that time. She noted that tiered charges would remain in place for residents, however, the hauler rate that is charged to the City would be flat as the hauler pays no tipping fees to Ramsey/Washington Recycling and Energy Center in Newport and pays no recycling fees to Eureka. Ms. Hiniker stated those fees are paid by the City directly to those facilities based on the tonnage collected. The proposed contract with Republic would reflect collection services only.

Ms. Hiniker called out that language in the contract clarifies that the collection fee is 50% for refuse and 50% for recycling. She stated, this provides the City with the ability shift more of the cost share to recycling; subsequently, the 38% county tax on refuse would be applied to a smaller portion of the bill.

Ms. Hiniker stated that each of the remaining years of the 7-year term contract with Republic Services would incur a 2% increase (2022 – 2026). Relative to proposed residential rates, Ms. Hiniker indicated the tipping fee may increase more than the estimated 3%, but this will be addressed when rates are set in the fall.

Ms. Hiniker reported that yard waste fees charged directly to the resident by Republic Services would increase as follows:

Current	\$75 per year	\$30 for seasonal
Proposed	\$80 per year	\$50 for seasonal

To respond to Councilmember Edberg’s inquiry about bulky items, Assistant City Manager Juba noted that rates for bulky pick-up items had remained unchanged since 2014, and changes to the recycling market have meant less is recovered. He stated that current rates range from \$19 - \$30 and the new rate range will be \$25 - \$35. The hauler bills residents \$3.00 per bag of refuse that does not fit into the cart (overflow).

Ms. Hiniker addressed the recycling processing contract with Eureka Recycling in which a 7-year concurrent contract is proposed as follows:

Current	\$74/ton for processing	100% revenue share less processing costs
Proposed	\$80/ton for processing	100% revenue share less processing costs

Ms. Hiniker noted that with the single-sort model, there have been additional mechanical upgrades at the recycling facility to assist with sorting. Although sorting processes are improved, the contamination rate in White Bear Lake rose from 2% to 8. However, White Bear Lake still maintains one of the lowest contamination rates.

Ms. Hiniker reported that to account for the increased costs of processing, the proposed contract includes a flat processing fee of \$80/ton with annual increases of 2% or Consumer Price Index, whichever is greater. With current market conditions, this increase will raise the City’s monthly recycling processing to a range of \$3,250 - \$5,400/month. The revenue sharing formula is proposed to remain the same at 100%, meaning the City receives all revenues received minus processing costs. This formula has been beneficial to the City in the past and would be in the future should markets for recyclable materials rebound.

Ms. Hiniker stated that the overseas recycling markets are closed, which means that processors are vying for the same internal markets. She relayed that Eureka Recycling has developed strong relationships with local markets and because of that, they are still willing to accept Eureka’s materials. Ms. Hiniker also explained that there is hope this will once again become a revenue generator as more recycling processing centers are created locally.

It was moved by Councilmember Biehn seconded by Councilmember **Edberg**, to approve **Resolution No. 12424** authorizing the Mayor and City Manager to execute the refuse and recycling collection contract extension with Republic Services.

Motion carried unanimously.

It was moved by Councilmember **Jones** seconded by Councilmember **Walsh**, to approve **Resolution No. 12425** authorizing the Mayor and City Manager to execute the recycling processing contract extension with Eureka Recycling.

Motion carried unanimously.

10. CONSENT

- A. Resolution authorizing a temporary liquor license for Saint Mary of the Lake's Annual Concert. **Resolution No. 12426**
- B. Resolution authorizing a single event liquor license extension for Carbone's 3rd Annual Tent Party. **Resolution No. 12427**
- C. Resolution accepting White Bear Lions Club donation for an All Abilities Park. **Resolution No. 12428**
- D. Resolution authorizing Ladies of the Lake use of Rail Road Park Pavilion for Commerce **Resolution No. 12429**
- E. Resolution authorizing repayment of gambling tax contributions. **Resolution No. 12430**
- F. Resolution authorizing on-sale and Sunday liquor licenses for The Brickhouse LLC. **Resolution No. 12431**
- G. Resolution authorizing on-sale 3.2 and Sunday liquor licenses for The Meet Market **Resolution No. 12432**
- H. Resolution authorizing the Mayor and City Manager to execute a professional service agreement with Northwest Youth and Family Services for a mental health case worker **Resolution No. 12433**

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

11. DISCUSSION

A. Auditor Services

Finance Director Kindsvater reported the City Charter (Section 4.11) and State Statute (471.697) require the City Council to hire a professional audit firm to complete an annual audit of the City's financial records each year. She stated upon completion of the 2018 audit, the city recently concluded a three year contract with Abdo, Eick & Meyers (AE&M). She relayed the City Council can chose either to appoint a qualified audit firm or conduct a Request for Proposals (RFP) process to compare services and costs.

Ms. Kindsvater explained that AE&M has provided excellent service and city staff have benefited from efficiencies of their audit software, which saved roughly three weeks of time and allowed for in-house financial report generation. Given recent staffing changes in the Finance Department, Ms. Kindsvater expressed desire for consistency of operations and an extension of the auditor services contract with AE&M.

Councilmember Walsh inquired as to the length of time AE&M have been providing auditor services to the City. Ms. Kindsvater explained they became the City's auditor in 2011, however the City did seek proposals in 2016 at which time AE&M was selected through the competitive process. While he believes AE&M has provided great

service, he cautioned ongoing use of this firm in the future

Mayor Emerson agreed with Councilmember Walsh but would like to give this new software a real trial run now that it is in place. She stated it would make sense to seek an RFP in another two years.

Councilmember Edberg noted from the memo that in addition to the software, AE&M has provide counsel on how staff can use alternative procedures to accomplish the required tasks. Ms. Kindsvater agreed that one is a function of the other and clarified that use of this software does not bind the city to AE&M because many other auditing firms also use the same software.

Councilmember Edberg believed that recent internal staff changes in the Finance Department make it more difficult for collusion and fraud and was less concerned in the execution of a two-year extension with AE&M. Assuming negotiated rates are reasonable, he was supportive of a two-year contract with the understanding that an RFP for auditor services would be sought at the conclusion.

A consensus was reached among the Council to extend the auditor services agreement with AE&M for two years, then seek an RFP.

12. COMMUNICATIONS FROM THE CITY MANAGER

- Night to Unite is Tuesday August 6, 2019
- Conservation District representatives will be invited to a future Council meeting to discuss the budget. Councilmember Edberg asked for their Balance Sheet, which was not included with the Income Statement.
- Beach water testing at Memorial Beach and the 7th Street dock area near the dog beach have returned well below the threshold of concern for bacteria and reported that testing will continue weekly through the summer.
- School District meeting at the Vadnais Heights Commons on July 31st, 6-8 p.m.
- Autonomous Vehicle pilot project continues to progress. One of three interested consultants may assist with the grant application to MNDOT and the University of Minnesota may become the lead agency rather than the City.

- Mayor Emerson met with the new Director of the Hanifl Performing Art Center to learn about planned sensory friendly performances (lower sounds, stronger lights) – the first is on August 9th and patrons only pay what they can.

- Councilmember Jones stated Vadnais Lakes Area Water Management Organization (VLAWMO) conducted a final interview today with the MPCA for a grant based funding program, specifically for small watersheds. He noted this funding would help fund large projects. He expressed gratitude for the contributions of Connie Taillon, the City’s Environmental Specialist, and noted she is an outstanding representative of the City.

- City Engineer Paul Kauppi
 - Street reconstruction is nearing completion
 - Memorial beach has new marker buoys stating boat are to be 100 feet from away from the swimming area
 - MnDot will be microsurfacing Hwy 61 from White Bear Avenue to TH 96. Starting this Thursday, July 25th, pavement removal will begin, which will

involve off-peak periodic lane closures during the day. Beginning Sunday, July 28, there will be night closures to complete the work.

- Community Development Director Kane
 - Building permits for Walser Polar Chevrolet and Shafer Richardson’s apartment complex project to be issued within the next couple of weeks.
 - As the City also provides building inspection services to Mahtomedi, staff are preparing for demolition and rebuild of the Washington County Library as well as St. Andrew’s planned expansion and renovation.

13. CLOSED MEETING

Closed session under Minnesota Statutes, section 13D.05, subdivision 3(c)(3) to develop an offer for the purchase of real estate identified with PID #143022140072

Mayor Emerson asked for a motion to close the meeting pursuant to Minnesota Statutes, section 13D.05, subdivision 3(c)(3) to develop an offer for the possible purchase of real estate identified with PID #143022140072 within the City.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to move into closed session at 8:20 p.m.

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to reopen the meeting

14. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Jones** seconded by Councilmember **Engstran** to adjourn the regular meeting at 8:53 p.m.

Motion carried unanimously.

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



MINUTES
CLOSED MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, JULY 23, 2019
IN CITY HALL

1. CALL TO ORDER AND ROLL CALL

Mayor Emerson asked for a motion to close the meeting pursuant to Minnesota Statutes, section 13D.05, subdivision 3(c)(3) to develop an offer for the possible purchase of real estate identified with PID #143022140072

It was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to move into closed session at 8:29 p.m.

Attendees included Mayor Emerson, Councilmembers Doug Biehn, Kevin Edberg, Steven Engstran, Dan Jones. Staff present included City Manager Hiniker, Community Development Director Anne Kane, Public Works Director Paul Kauppi, Finance Director Kerri Kindsvater and Assistant City Manager Rick Juba.

2. Discussion focused on whether the City should put in an offer to purchase property with PID #143022140072.

3. Reconvene City Council Meeting

There being no further related business to come before the Council, it was moved by Councilmember **Biehn**, seconded by Councilmember **Jones**, to reconvene the City Council meeting at 8:53 p.m.

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Community Development Department

MEMORANDUM

To: Ellen Hiniker, City Manager

From: The Planning Commission

Through: Ashton Miller, Planning Technician

Date: August 5, 2019 for the August 13, 2019 City Council Meeting

Subject: **SECOND READING – Paul Bruggeman Rezoning. Case No. 19-2- Z
2687 County Road D**

REQUEST

To change the zoning district classification of the portion of the property north of County Road D from R-3 “Single Family Residential” to R-6 “Medium Density Residential”.

SUMMARY

Ten residents spoke to the matter. Concerns pertaining to wetlands, tree preservation, traffic, and the overall buildability of the site were expressed. The executor of the estate spoke of his desire to sell his father’s property to allow for infill multi-family development consistent with the surrounding land uses. On a 6-0 vote, the Planning Commission recommended approval.

RECOMMENDED COUNCIL ACTION

Approval of the attached ordinance.

ATTACHMENTS

Draft Ordinance

ORDINANCE NO. 19-08-2035

**REZONING 2687 COUNTY ROAD D
FROM R-3 SINGLE FAMILY RESIDENTIAL
TO R-6 MEDIUM DENSITY RESIDENTIAL
(CASE NO. 19-2-Z)**

**THE CITY OF WHITE BEAR LAKE CITY COUNCIL DOES HEREBY
ORDAIN:**

SECTION I. The White Bear Lake Zoning Map is hereby amended as follows:

By changing the zoning district classification from R-3 – Single Family Residential to R-6 – Medium Density Residential, with respect to the parcel legally described as follows:

The West 100 feet of the East 663 feet of the South 613 feet of the Southeast ¼ of the southeast ¼ of Section 36, Township 30, Range 22, subject to the rights of the public in the South 33 feet thereof for County Road “D”, in the County of Ramsey and State of Minnesota. Except for that portion South of County Road “D” and including that portion taken by the County for County Road “D”.

SECTION II. This Ordinance shall become effective upon its passage, after second reading and publication.

First Reading: July 9, 2019
First Publication: July 31, 2019
Second Reading: August 13, 2019
Final Publication: August 28, 2019
Codified:

Jo Emerson, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Finance Department

MEMORANDUM

To: Ellen Hiniker, City Manager

From: Kerri Kindsvater, Finance Director

Date: July 31, 2019

Subject: **Gambling Regulatory Tax Rate Change**

BACKGROUND

Minnesota Statutes, section 349.213, subdivision 3, allows local units of government to impose a lawful gambling regulatory tax of up to 3% on gross receipts of licensed lawful gambling organizations operating within the City's jurisdiction as reimbursement for regulatory expenditures incurred during the year.

On December 9, 1986, the City Council passed an ordinance based on this statute to collect a 2% tax on net receipts to cover the costs incurred by the City to regulate lawful gambling. In 1994, the Council discussed increasing the rate to 3% but in the end, there was no change to the rate.

The Minnesota Gambling Control Board (MGCB) works with local governments and charitable gambling organizations to ensure gambling activities comply with the State Statutes. The Gambling Control Board's compliance specialists conduct gambling site inspections on a routine basis, perform in depth compliance reviews of gambling organization activities, and respond to all complaints received by the department. Local governments imposing a gambling regulatory tax duplicate some of the work done by the MGCB compliance specialists.

As part of the MGCB's revamp of their new reporting and auditing processes in 2017, local governments must submit detail reports of completed regulatory activities to help coordinate regulatory efforts with their compliance specialists. The process changes also require local governments to submit reports outlining regulatory taxes collected, actual expenditures relating to regulating activities and proof that the local government refunded excess taxes collected from the gambling organizations since the excess cannot offset future regulatory costs.

Though the City incurred expenditures for the financial oversight of gambling licensing and the regulatory taxes received in 2017 and 2018, the expenditures were much lower than the taxes collected. The City Council passed a resolution at the July 23, 2019 meeting to refund the excess regulatory taxes collected to the charitable gambling organizations for the two years.

The City needs to consider a policy change to prevent excess tax collections and refunds in future years. In working with the Gambling Control Board and reviewing the Minnesota Statutes, there are three options available to the City Council:

- 1) Reduce the gambling regulatory tax to an amount that will cover the current level of regulatory expenditures experienced by the City
- 2) Increase regulation activities by Police Officers so that expenditures for the activity equal the current tax collected
- 3) Change the current ordinance from the gambling regulatory tax to the contribution requirement allowed by Statute

The City Council discussed these options at the July 23, 2019 meeting and asked staff to review tax collections and determine a regulatory tax rate that collects a tax amount equal to our annual expenditures.

SUMMARY

The Minnesota Gambling Control Board annual report requires the cash basis of accounting for taxes received, which means the cash is revenue in the year received. The following chart lists the taxes received by the City on cash basis for the last two years, calculates the net profits based on those taxes, and compares the taxes collected at a rate of .2% of the net profits to the actual regulatory expenditures for both years.

Year	Taxes Collected at rate of 2.0% of Net Profits	Calculated Net Profits	Annual Regulatory Expenditures	Taxes Collected if rate was .2% of Net Profits
2017	\$56,450	\$2,822,500	\$5,510	\$5,645
2018	\$64,943	\$3,247,150	\$6,258	\$6,494

If the City Council would like to continue collecting funds from local gambling organizations to recover the costs associated with the City's regulatory activities, the rate of .2% of net profits would collect an amount closer to the annual expenditures and reduce the amount of excess funds refunded each year.

Staff will review the annual expenditures for gambling regulatory activities to ensure the tax rate in effect is recouping an appropriate amount. The City's fee schedule will incorporate the gambling regulatory tax rate in 2020 to allow tracking and updating of the rate on an annual basis in future years.

RECOMMENDATION

Attached is a resolution establishing a .2% tax rate on the net profits of gambling proceeds for 2019 for Council's consideration.

ATTACHMENTS

Resolution

RESOLUTION NO.

**A RESOLUTION AMENDING THE 2019 TAX RATE ON NET PROFITS
OF GAMBLING PROCEEDS**

WHEREAS, on December 9, 1986, the City Council passed an ordinance to collect up to 3% tax on net receipts from gambling associations to recover the costs incurred by the City to regulate lawful gambling within the City of White Bear Lake; and

WHEREAS, the amount of tax collected was to have been set by resolution and reviewed annually; and

WHEREAS, since the ordinance was established in 1986, the City has maintained a 2% tax collection rate on net receipts from gambling associations; and

WHEREAS, a recent audit determined the City's expenses to regulate lawful gambling amount to only 0.2% of net receipts from gambling associations in White Bear Lake; and

WHEREAS, taxes collected in excess of the City's regulatory expenses shall be returned to the charitable gambling entities; and

NOW THEREFORE, BE IT RESOLVED that the White Bear Lake City Council approves a 0.2% tax rate on the net profits of gambling proceeds for 2019.

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
MEMORANDUM

To: Ellen Hiniker, City Manager
From: Kerri Kindsvater, Finance Director
Date: July 18, 2019
Subject: **Auditor Appointment for 2019-2020 Annual Audits**

BACKGROUND

The City Charter (Section 4.11) and State Statute (471.697) require the City Council to hire a professional audit firm to complete an annual audit of the City's financial records.

The City Council authorized staff to seek a proposal from Abdo, Eick, & Meyers for the 2019 and 2020 annual audits at their July 23, 2019 meeting.

SUMMARY

Abdo, Eick & Meyers LLP submitted a proposal for the two-year audit period with a 2% increase in fees for both years. The City paid \$28,300 for audit services in 2018. The following chart displays the proposed rates per year:

<u>Year</u>	<u>Rate</u>
2019	\$28,800
2020	\$29,400

The fees listed above do not include audit services related to requirements of a single audit or the implementation of additional governmental accounting standards. Abdo, Eick & Meyers would discuss any additional fees for either of these services with the City staff before beginning this work to have mutual agreement in the associated costs.

RECOMMENDATION

Staff recommends the City Council adopt the resolution, which authorizes the City to enter into an agreement with Abdo, Eick & Meyers, Inc. for professional auditing services for 2019 and 2020.

ATTACHMENTS

Resolution
 Abdo, Eick & Meyers LLP Letter

RESOLUTION NO.

**A RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT
WITH ABDO, EICK AND MEYERS FOR AUDIT SERVICES
FOR FISCAL YEARS ENDING DECEMBER 31, 2019 AND 2020**

WHEREAS, pursuant to the City Charter (section 4.11) and State Statute (47.647 subd.1, section C), the City of White Bear Lake is required to retain an independent auditor to conduct annual audits of the City's financial records; and

WHEREAS, the City routinely requests proposals for annual auditing services to ensure ongoing competitive rates, however, with recent staff transition and newly implemented finance software, continuation of auditor services with Abdo, Eick and Meyers (Abdo) for two more years was preferable and appropriate; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota authorizes the Mayor and City Manager to enter into an agreement with Abdo, Eick and Meyers for 2019 and 2020 auditing services in the amount of \$28,800 and \$29,400 respectively; and

BE IT FURTHER RESOLVED, that the City Council has indicated a desire to seek proposals for auditing services for the fiscal year ending December 31, 2021 when appropriate.

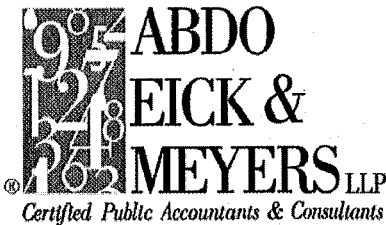
The foregoing resolution offered by Council Member _____, and supported by Council Member _____, was declared carried on the following vote:

Ayes:
Nays:
Passed:

Jo Emerson, Mayor

ATTEST

Kara Coustry, City Clerk



July 31, 2019

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

The following sets forth the engagement of our services for the certified audit of the accounts of the City of White Bear Lake, Minnesota (the City).

We will audit the financial statements of the City for the years ending December 31, 2019 and 2020 in accordance with auditing standards generally accepted in the United States of America. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express an opinion that the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements. However, we will inform you of any material errors and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods of which we are not engaged as auditors.

We will perform the auditing services discussed above for the calendar years 2019 and 2020. If at any time during this period the Council is dissatisfied with our services for any reason whatsoever, our services may be terminated by so informing us. Our Firm, however, shall be obligated at your continuing discretion to perform the audit services for the two-year period at the following fees:

<u>Year</u>	<u>City Audit</u>
2019	\$ 28,800
2020	29,400

- Our fee does not include additional audit services related to requirements of a single audit if one would be required. Nor does it include fees for additional time require for implementation of additional governmental accounting standards. Those fees would be discussed and agreed to prior to performing the services.
- Our fee includes the city audit, the management required communication letter, the Auditors Report on Minnesota Legal Compliance, the auditor presentation to the Council, and general consulting related to the audit.

Abdo, Eick & Meyers, LLP recognizes that its most important product is prompt and effective service of the highest quality. We will serve the City to its complete satisfaction and will apply the highest level of skills available in our firm to that end.

Sincerely,

ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants



Brad Falteysek, CPA
Governmental Services Partner

RESPONSE:

This letter correctly sets forth the understanding of the City of White Bear Lake, MN.

Signature: _____
Mayor

Date: _____

Signature _____
City Manager

Date: _____



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Ellen Hiniker, City Manager

From: Kara Coustry, City Clerk

Date: August 7, 2019

Subject: **Application to assume gas station, tobacco and 3.2 off-sale liquor license**

BACKGROUND

At its annual business license renewal, the City Council approved renewal of gas station, tobacco and 3.2 off-sale liquor licenses for Erickson Oil Products, Inc. for two locations in the White Bear Lake as follows:

dba Freedom Valu 4852 Highway 61 White Bear Lake, MN 55110	dba Super America 2055 County Road E White Bear Lake, MN 55110
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SUMMARY

These gas stations are in the process of being leased to Applegreen Midwest, LLC. Their president, Trevor Moore, has submitted applications to assume the same licenses at both locations effective August 29, 2019. During the background check, the Police Department found nothing to preclude issuance of the gas station, tobacco and 3.2 off-sale liquor licenses to the applicant.

At the time of this memo, the applicant had yet to provide liquor liability insurance certificates for both gas stations. Licensure would be contingent upon receipt of liquor liability insurance.

RECOMMENDED COUNCIL ACTION

Staff recommends the City Council approve the issuance of gas station, tobacco and 3.2 off-sale liquor licenses for both locations to Applegreen Midwest, LLC, contingent upon receipt of liquor liability insurance.

ATTACHMENTS

Resolution

RESOLUTION NO.

**A RESOLUTION APPROVING ISSUANCE OF GAS STATION,
TOBACCO AND 3.2 OFF-SALE LICENSES TO
APPLEGREEN MIDWEST, LLC**

WHEREAS the Freedom Valu gas station located at 4852 Highway 61 and the Super America gas station located at 2055 County Road E are in the process of being leased by Erickson Oil Products, Inc. to Applegreen Midwest, LLC; and

WHEREAS applications for gas station, tobacco and off-sale 3.2 liquor have been submitted for licensure at both locations by the president of Applegreen Midwest, LLC, Trevor Moore; and

WHEREAS the City County had previously approved these same licenses for the existing business owner for the business cycle ending March 31, 2020; and

WHEREAS the applicant has paid the appropriate licensing fees and passed the criminal background check; and

NOW, THEREFORE, BE IT RESOLVED that the White Bear Lake City Council approves the gas station, tobacco and 3.2 off-sale liquor licenses contingent upon proof of liquor liability insurance for the following locations:

Applegreen Midwest, LLC dba Freedom Valu 4852 Highway 61 White Bear Lake, MN 55110	Applegreen Midwest, LLC dba Super America 2055 County Road E 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
City Manager's Office

MEMORANDUM

To: Ellen Hiniker, City Manager

From: Kara Coustry, City Clerk

Date: August 8, 2019

Subject: **Special Team Charities, “America is Beautiful” Event in Railroad Park**

BACKGROUND

On June 11, 2019, the City Council approved rental of Railroad Park on Saturday, August 24, 2019, to Special Team Charities to host a “Beyond Yellow Ribbon” care package collection event for deployed soldiers.

SUMMARY

Jeff Loeks, on behalf of Special Team Charities, has asked permission to have a non-local caterer at Railroad Park during the approved collection event. He had been unsuccessful in partnering with a local caterer. The proposed caterer, if approved, would be required to acquire a transient merchant license with the City of White Bear Lake.

Mr. Loeks is also requesting the approval to place a satellite toilet in the same spot as during Marketfest – across from the bike rack at Railroad Park. The toilet would not be paid for by the City.

Upon learning the scope of the event changed, City staff forwarded these additional requests to Dale Grambush and Sandy Matzdorf of the Main Street Group for their input. Neither of them expressed concern over the non-local food vender or satellite toilet at the event specifically. Concerns expressed were related to trash collection and parking in downtown. Both of these concerns are addressed resolution.

RECOMMENDED COUNCIL ACTION

Staff recommends Council adopt the resolution as presented.

ATTACHMENTS

Resolution

RESOLUTION NO.

A RESOLUTION AMENDING APPROVAL FOR “AMERICA IS BEAUTIFUL” EVENT AT RAILROAD PARK TO INCLUDE CATERING AND SATELLITE TOILET

WHEREAS, on June 11, 2019, the City Council approved rental of Railroad Park on Saturday, August 24, 2019 to Special Team Charities to host a “Beyond the Yellow Ribbon” care package collection event; and

WHEREAS, Special Team Charities paid the rental fee to utilize Railroad Park, including electricity, from 9:00 a.m. through 5:00 p.m.; and

WHEREAS, Special Team Charities has asked permission to have a non-local caterer provide food during the event and erect a satellite toilet in the same spot as during Marketfest – across from the bike rack at Railroad Park; and

WHEREAS, Any non-local caterer would be required to apply for and acquire a transient merchant license through the City of White Bear Lake; and

WHEREAS, Given a lack of downtown parking, volunteers and caterers attending this event shall not park in timed parking and public parking lots in the downtown other than initial set-up and tear down of the event; and

WHEREAS, Special Team Charities will pick up one additional recycling container and one addition compost container to have at the event.

NOW THEREFORE, BE IT RESOLVED that the White Bear Lake City Council approves the use of a non-local caterer and satellite toilet at Railroad Park by Special Teams Charities to host the “Beyond the Yellow Ribbon” event on August 24, 2019.

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