



AGENDA
REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, MAY 28, 2024
7 P.M. IN THE COUNCIL CHAMBERS

Navigable Agenda

1. CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on May 14, 2024

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

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

- A. Resolution approving a temporary liquor license for Pine Tree Apple Classic Fund
- B. Resolution approving a temporary liquor license for Church of St. Mary of the Lake
- C. Resolution authorizing a cooperative and maintenance agreement with Ramsey County for County Road F Improvements
- D. Resolution approving a joint powers agreement with Ramsey County for construction and long-term maintenance of the Bruce Vento Trail, Phase I Trail Improvements

5. VISITORS AND PRESENTATIONS

- A. City Attorney Recognition
- B. 2023 Annual Comprehensive Financial Report

6. PUBLIC HEARINGS

Nothing scheduled

7. UNFINISHED BUSINESS

Nothing scheduled

8. NEW BUSINESS

- A. Second Accessory Structure Variance Request, 4728 Stewart Avenue

9. DISCUSSION

- A. On Street Parking / Traffic Concerns Near North Campus

10. COMMUNICATIONS FROM THE CITY MANAGER

11. ADJOURNMENT



**MINUTES
REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
TUESDAY, MAY 14, 2024
7 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ROLL CALL

Mayor Dan Louismet called the meeting to order at 7:04 p.m. The City Clerk took attendance for Councilmembers Kevin Edberg, Steven Engstran, Heidi Hughes, Bill Walsh, and Andrea West. Staff in attendance were City Manager Lindy Crawford, Assistant City Manager Rick Juba, Public Works Director/City Engineer Paul Kauppi, Community Development Director Jason Lindahl, Fire Chief Greg Peterson, Environmental Specialist/Water Resources Engineer Connie Taillon, City Attorney Troy Gilchrist, and City Clerk Caley Longendyke.

Technical difficulties hindered the display of PowerPoint presentations. Printed copies of the presentation were distributed to elected officials and members of the public.

PLEDGE OF ALLEGIANCE

2. APPROVAL OF MINUTES

A. Minutes of the Regular City Council Meeting on April 23, 2024

It was moved by Councilmember **Engstran**, seconded by Councilmember **West**, to approve the minutes. Motion carried unanimously.

3. APPROVAL OF THE AGENDA

Mayor Louismet reported the addition of an agenda item under *Visitors and Presentations* to recognize Public Works employees. It was moved by Councilmember **Engstran**, seconded by Councilmember **Edberg**, to approve the agenda as amended. Motion carried unanimously.

4. CONSENT AGENDA

- A. Accept minutes: March White Bear Lake Conservation District, March Park Advisory Commission, March Environmental Advisory Commission, April Planning Commission
- B. Resolution approving the use of Railroad Park by Main Street, Inc. for Dog Days Downtown **Res. No. 13357**
- C. Resolution approving a license agreement with the White Bear Lake Youth Football Association for improvements at Podvin Park **Res. No. 13358**
- D. Resolution approving a minor subdivision and variances at 1783 Highway 96 **Res. No. 13359**
- E. Resolution accepting a Source Water Protection Implementation Grant from the MN Department of Health **Res. No. 13360**
- F. Resolution accepting a Firearms Storage Grant from MN Department of Public Safety **Res. No. 13361**

It was moved by Councilmember **Edberg**, seconded by Councilmember **Engstran**, to approve the consent agenda. Motion carried unanimously.

5. VISITORS AND PRESENTATIONS

A. Swear in Assistant Chief / Fire Marshal – Josh Waylander

Fire Chief Peterson introduced Josh Waylander as the new assistant chief / fire marshal and shared his background. The City Clerk administered the Oath of Service.

B. Minnesota City/County Managers Association Outstanding Service Award Recognition – Rick Juba

City Manager Crawford recognized Assistant City Manager Juba for receiving the 2024 Minnesota City / County Managers Association Outstanding Service Award, an award that is given to one local government manager in the state each year. City Manager Crawford read his nomination, which she submitted. Assistant City Manager Juba shared his appreciation for the recognition. He passed along the recognition to elected officials and City staff for supporting his work. Mayor Louismet commended and thanked him for his hard work and dedication to the City.

C. Public Works Week Proclamation and Recognition

Mayor Louismet read a proclamation recognizing the dedication and service of public works professionals in the community and the observation of Public Works Week in White Bear Lake from May 19-25, 2024. He shared his appreciation to City staff for their hard work and said he and the Council receive compliments from community members about their services. City Manager Crawford reminded the public of the Public Works Open House scheduled for May 22.

6. PUBLIC HEARINGS

A. Minor subdivision and vacation of drainage and utility easement requests at 5005 Bald Eagle Avenue

Community Development Director Lindahl presented a request for a minor subdivision to split the property at 5005 Bald Eagle Avenue into two parcels and vacation of existing drainage and utility easements to reestablish them along the new lot line. Director Lindahl provided historical information on the property lines. Based on the findings made in the report, both the Planning Commission and staff recommends approval of this request.

It was moved by Councilmember **Edberg**, seconded by Councilmember **Hughes**, to approve **Res. No. 13362**, accepting granting a minor subdivision for 5005 Bald Eagle Avenue. Motion carried unanimously.

It was moved by Councilmember **West**, seconded by Councilmember **Hughes**, to approve **Res. No. 13363**, accepting resolution vacating certain public easements. Motion carried unanimously.

B. 2023 Storm Water Pollution Prevention Program

Environmental Specialist / Water Resources Engineer Taillon presented the annual report on the Stormwater Pollution Prevention Program (SWPPP). She shared information on the Municipal Separate Storm Sewer System (MS4), which is the system of stormwater

conveyance, such as streets, curb and gutter, ditches, and storm sewer. The system must satisfy requirements of the MS4 General Permit, issued by the Minnesota Pollution Control Agency (MPCA). The permit reduces the amount of sediment and other pollutants entering state waters from stormwater systems. Taillon presented the required six components of the stormwater pollution prevention program and what the City's has done in response to the areas. She said if a city's MS4 flows into an impaired water body, there are additional requirements for a city to help restore those lakes. These impairments include specific pollutants, such as nutrients, sediment, chloride, and bacteria. She shared the various impaired water bodies connected by the City's MS4 and how the City is addressing them. Other MS4 permit requirements include distribution of educational materials and maintaining certain ordinances addressing City responsibilities (e.g. salt storage) and community member responsibilities (e.g. picking up pet waste on City-owned property). Taillon thanked partnering organizations and volunteers who support the City.

Councilmember Edberg asked about the main source of phosphorous in Oak Knoll Pond. Taillon explained that the watershed district of Oak Knoll Pond is mostly residential, so it is likely a combination of yard treatment runoff, leaves, and grass clippings. She said property owners on the water are encouraged to create a native buffer on their shorefront to help filter pollutants. Besides the native buffer, Councilmember Edberg asked what other solutions are being offered to residents. Taillon said the MS4 permit requirements address this, including the City having to educate residents. He asked how the City is controlling chloride use, and Public Works Director / City Engineer Kauppi said the City's truck operators participate in smart salting training and the City pretreats its salt to make a lesser amount of salt more effective. Councilmember Edberg shared his support for staff to continue looking into ways to reduce salt use.

Councilmember Walsh asked for an update on the Oak Knoll Pond Spent Lime Demonstration Project. Taillon said there is likely four treatment applications left. Following each treatment, Vadnais Lake Area Watershed Management Organization (VLAWMO) monitors the pH level to ensure it doesn't affect aquatic life. By the end of the project, there will be reported data, which will indicate if it's an effective treatment for larger waterbodies.

7. UNFINISHED BUSINESS

Nothing scheduled.

8. NEW BUSINESS

A. Sale of the 2024A General Obligation Bonds

Finance Director Kindsvater reported on the bond sale for the 2024A General Obligation (GO) Capital Improvement Bonds. The Council authorized the issuance of \$2,505,000 improvement bonds on April 9, 2024. The bonds will fund the 2024 Pavement Rehabilitation Project. During the process, S&P Global Ratings assigned its AA+ rating to bonds and affirmed their AA+ long-term rating on the City's outstanding GO debt. She listed the various criteria that explain the classification of the AA+ rating and stable outlook, including very strong economy, strong budgetary performance, and strong management. The City is one step below the highest possible rating of AAA.

Director Kindsvater reported that six bids were received, all within a tenth of a percent. Compared to rates before and after the pandemic, she reported that the submitted bids are within range. The lowest bid, from BAIRD, is less than a tenth of a percent (.08 basis points) lower than the estimated 3.4889% used by Ehlers, Inc. in their original projections in the April 9, 2024 Pre-Sale Report. The lower interest rate reduces the principal and interest over the life of the bond by \$5,786. The pre-sale report estimated the annual tax levy for the bond's life to be in the range of \$175,795 to \$181,126. Based on the bond sale information, the actual tax levy will be in the range of \$175,159 to \$180,183, with an average annual decrease of approximately \$1,290. City Manager Crawford recognized the hard work of the Finance Department.

Councilmember Walsh asked if the City has to pick the lowest bid or if it can consider other options. Municipal Advisor Dan Tienter from Ehlers offered information and explained that the Council authorized a structure that would accept the lowest true interest cost on the bond, which results in the lowest possible amount of interest the City would pay over the life of the bond. There are different offering structures that allow flexibility to consider other bids. Tienter noted that the six bids being within a tenth of a percent is a good test of the market. Councilmember Walsh asked how the bids end up so close in percentage. Tienter shared information about the bidders monitoring the market in real time and researching broader metrics. Councilmember Edberg asked how White Bear Lake compares to other cities with the same bond rating. He described the various areas of comparison, but generally other cities with similar ratings should be receiving the same bids during a similar timeframe. He provided an overview of the rating metrics. City Manager Crawford asked Tienter to describe the preparation for the bond rating call. Tienter described the information exchanged between Ehlers, the City, and S&P Global Ratings. He summarized the type of questions asked by S&P Global Ratings. City Manager Crawford thanked Ehlers for their work and reaffirmed the hard work that goes into the bond rating calls.

It was moved by Councilmember **Walsh**, seconded by Councilmember **Edberg**, to approve **Res. No. 13364**, awarding the sale of General Obligation Improvement Bonds, Series 2024A, in the original aggregate principal amount of \$2,290,000; fixing their form and specifications; directing their execution and delivery, and providing for their payment. Motion carried unanimously.

B. Variance request at 3521 Century Avenue – Solid Ground

Community Development Director Lindahl presented a variance request for Solid Ground, located at 3521 Century Avenue, from the parking requirement of one enclosed parking stall per dwelling unit. The applicant is requesting the variance in order to demolish the existing garages and replace them with 19 surface parking stalls. Using the practical difficulty criteria in state statutes, the Planning Commission and staff found that the applicant hasn't demonstrated a practical difficulty with meeting the City's zoning regulations and recommends denial of this request. The staff report outlines the findings in detail.

Councilmember Walsh asked why the City has a requirement for enclosed parking. Director Lindahl explained the intent of providing an indoor space is to store vehicles and belongings. Parking has been an important component in developments and he mentioned discussions

about parking standards for market rate developments versus affordable housing. Even though the City sets its policies about off-street parking, the variance process binds staff to the review criteria set by state statutes. He said there's an opportunity to review the standards between the types of housing. Councilmember Hughes wondered if safety could be considered a factor for practical difficulty, both for the way the garage stalls are misused and the condition of the garages. Director Lindahl said safety is not included in the practical difficulty criteria. When asked if safety could fall under unique circumstances, Director Lindahl said that criteria is in regards to the land and the natural features. Councilmember West asked if there were any comments by surrounding neighbors, and Director Lindahl said there were none submitted.

Councilmember Edberg asked if there are other multi-family housing facilities that don't have enclosed parking. Director Lindahl said there are some, but noted that those facilities were probably not subject to the parking standards based on the age of the facilities and most likely pre-dating the ordinance. He provided examples of parking variances that include providing more enclosed parking and having proof of parking. He noted that Solid Ground already meets a lesser standard for parking, and would further that by removing the enclosed parking.

Mayor Louismet invited Diamond Hunter, executive director of Solid Ground, to provide comments. Hunter shared about Solid Ground and the services they provide. She said since many of the tenants are survivors of domestic abuse and live under aliases, the garages pose a safety risk by creating blind spots on the property. She said Solid Ground is updating its security measures and said removing the garages would support tenant safety.

Mayor Louismet said there is an opportunity for the City Council to review and reconsider parking standards in the future, but the variance request should follow the process currently in place and that there is a duty to honor the ordinance and the review process in state statutes. Upon a site visit, he observed personal belongings being stored in the garages and has concerns where they will be stored if the garage is demolished. The applicant later addressed this and said there are personal storage units in the building and they're working with tenants to utilize them over the garages. He recommended that City Council consider upholding the denial.

Councilmember Engstran made a motion. Discussion continued among Councilmembers. Councilmember West asked if the applicant could withdraw their application. City Attorney Gilchrist said that is an option and advised a withdrawal be in writing. Councilmember West wondered if there was an opportunity to amend the Zoning Code so this type of request wouldn't require a variance. Councilmember Walsh expressed feeling conflicted and recognized the uniqueness of the situation and the reasoning for the variance request. He would consider treating this request differently. Councilmember Hughes shared her support for the variance and understood the argument for safety. She recognized it's a different situation and didn't feel it appropriate to apply the same standards. Councilmember Edberg also expressed his conflicted feelings, but didn't see how a practical difficulty can be created based on the staff analysis. He shared concerns for other variance requests expecting to be approved if City Council moves away from the review process. Mayor Louismet agreed with this concern. Separately, he sensed that the garages are a financial burden and noted that was not an argument that falls under the practical difficulty criteria. There was discussion about the Zoning Code and reviewing the parking standards for different types of housing.

Councilmember Walsh expressed support for approving the variance and moving forward with reviewing the Zoning Code. Some wondered if other variance requests could be submitted and potentially cause inconsistency. Councilmember West suggested the Council votes to table the request to a future meeting. There was discussion between the Council, City staff and City Attorney Gilchrist about the application deadline and the option for an extension. When asked about what the vision is for tabling the item and postponing the vote, Councilmember West said it would give the applicant time to think about their options based on the Council's discussion. She added that she would most likely not vote to approve the variance based on the findings outlined in the staff report.

It was moved by Councilmember **Walsh**, seconded by Councilmember **West**, to table to resolution denying a parking stall variance at 3521 Century Avenue to the June 11 regular Council meeting. Councilmember Edberg asked if the applicant has an opportunity to resubmit an application if denied. Director Lindahl said the applicant couldn't resubmit an application that is comparable to the original request for at least one year. In response to Director Lindahl's request for direction to staff, Councilmember Hughes requested that staff compile data on parking arrangements of other housing facilities with 30% AMI in surrounding communities and whether they're allowed to opt-out of enclosed parking standards. She believed the Council should exercise the ability to offer variances for these types of situations, to support those living in the community. The motion was carried 4-1, with Councilmember Engstran voting in opposition.

9. DISCUSSION

Nothing scheduled.

10. COMMUNICATIONS FROM THE CITY MANAGER

Nothing reported.

11. CLOSED SESSION

Mayor Louismet announced that the City Council was entering into closed session to develop an offer to purchase real estate and that the conclusion of this meeting would not be video recorded.

It was moved by Councilmember **Hughes** and seconded by Councilmember **Walsh** to go into closed session at 9:12 p.m. to develop an offer to purchase the property located at the southeast corner of Bellaire Ave. and Highway 70 as permitted by Minnesota Statutes, section 13D.05, subdivision 3(c)(3). Motion carried unanimously.

It was moved by Councilmember **Hughes**, and seconded by Councilmember **Engstran** to re-open the regular City Council meeting at 9:40 p.m. Motion carried unanimously.

12. ADJOURNMENT

There being no further business before the Council, it was moved by Councilmember **Engstran**, seconded by Councilmember **West**, to adjourn the regular meeting at 9:41 p.m. Motion carried unanimously.

Dan Louismet, Mayor

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Lindy Crawford, City Manager
From: Caley Longendyke, City Clerk
Date: May 28, 2024
Subject: Temporary On-Sale Liquor License for Pine Tree Apple Classic Fund

SUMMARY

The City Council will consider approving a temporary liquor license for Pine Tree Apple Classic Fund to serve alcohol at a tennis event outside Life Time Fitness on the dates August 1-4, 2024.

BACKGROUND INFORMATION

Minnesota Statute section 340A.404, Subd. 10 states that municipalities may issue temporary on-sale liquor licenses to nonprofit organizations in existence for at least three years. The license may not exceed more than four consecutive days and cannot total more than 12 days in one year.

Pine Tree Apple Classic Fund is a charitable organization that has applied to sell alcoholic beverages for an annual tennis classic event scheduled for the dates August 1-4, 2024 outside of Life Time Fitness. The applicant meets State regulations for temporary liquor licenses and is securing liquor liability insurance required by City Code.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution approving a temporary liquor license for Pine Tree Apple Classic Fund for August 1-4, 2024.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION APPROVING A TEMPORARY LIQUOR LICENSE FOR
PINE TREE APPLE CLASSIC FUND**

WHEREAS, Pine Tree Apple Classic Fund (the Applicant) has submitted an application to serve alcohol at a tennis classic event scheduled for the dates August 1-4, 2024 outside of the Life Time Fitness; and

WHEREAS, the Applicant meets the qualifications for a temporary liquor license; and

WHEREAS, the Applicant will be submitting the necessary proof of liquor liability insurance; and

WHEREAS, the Applicant has controls in place for responsible consumption and for serving adults 21 years of age and older.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota, under authority of Minnesota Statute section 340A.404 Subd. 10, approves the temporary on-sale liquor license for the Applicant, contingent on the receipt of proof of liquor liability, for the date and location indicated:

Pine Tree Apple Classic Fund
August 1-4, 2024
Life Time Fitness
4800 White Bear Parkway
White Bear Lake, MN 55110

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

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Lindy Crawford, City Manager
From: Caley Longendyke, City Clerk
Date: May 28, 2024
Subject: Temporary On-Sale Liquor License for Church of St. Mary of the Lake

SUMMARY

The City Council will consider approving a temporary liquor license for Church of St. Mary of the Lake to serve alcohol at their Fall Festival at St. Mary of the Lake Parish Life Center on August 11, 2024.

BACKGROUND INFORMATION

Minnesota Statute section 340A.404, Subd. 10 states that municipalities may issue temporary on-sale liquor licenses to non-profit organizations in existence for at least three years. The license may not exceed more than four consecutive days and cannot total more than 12 days in one year.

Church of St. Mary of the Lake is a religious organization that has applied to sell alcoholic beverages for a fall festival scheduled for August 11, 2024 outside of St. Mary of the Lake Parish Life Center. The applicant meets State regulations for temporary liquor licenses and has secured liquor liability insurance required by City Code.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution approving a temporary liquor license for Church of St. Mary of the Lake for August 11, 2024.

ATTACHMENTS

Resolution

RESOLUTION NO.

**RESOLUTION APPROVING A TEMPORARY LIQUOR LICENSE FOR
CHURCH OF ST. MARY OF THE LAKE**

WHEREAS, Church of St. Mary of the Lake (the Applicant) has submitted an application to serve alcohol at their Fall Festival scheduled for August 11, 2024 at St. Mary of the Lake Parish Life Center; and

WHEREAS, the Applicant meets the qualifications for a temporary liquor license; and

WHEREAS, the Applicant has provided the necessary proof of liquor liability insurance; and

WHEREAS, the Applicant has controls in place for responsible consumption and for serving adults 21 years of age and older.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota, under authority of Minnesota Statute section 340A.404 Subd. 10, approves the temporary on-sale liquor license for the Applicant for the date and location indicated:

Church of St. Mary of the Lake
August 11, 2024
The Parish Life Center
4690 Bald Eagle Avenue
White Bear Lake, MN 55110

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

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake
Engineering Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Paul Kauppi, Public Works Director/City Engineer
Date: May 28, 2024
Subject: **Cooperative and Maintenance Agreement with Ramsey County for Sidewalk Construction on County Road F**

SUMMARY

The City Council will consider adopting a resolution approving a Cooperative and Maintenance Agreement with Ramsey County for sidewalk construction on County Road F.

BACKGROUND INFORMATION

Ramsey County and the City began a joint reconstruction project of South Shore Boulevard in 2022. That project included changing South Shore Boulevard from a two-way street to a one-way eastbound street between McKnight Road and Bellaire Avenue. By changing that segment of South Shore Boulevard to a one-way, forecasted traffic patterns indicated an increase in traffic volume on County Road F and an additional concern for pedestrian safety.

The City's 2040 Comprehensive Plan contains a map of existing and proposed sidewalks and trails, and indicates a missing sidewalk segment on County Road F, east of McKnight Road. This proposed project will include constructing a sidewalk along the north side of County Road F from McKnight Road to Jay Lane, which will connect existing sidewalks and fill in a gap in the City's sidewalk system. Ramsey County expects to complete the project in 2024.

The proposed cooperative agreement outlines such items as City cost participation, right of way acquisition, project engineering, construction inspection, and future infrastructure ownership and maintenance.

FINANCING

The City's cost participation for this project is estimated to be \$228,574.98 as outlined in the attached agreement. The project will be financed through the pavement management fund. Special assessments to benefiting property owners are not proposed for this project.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution approving a cooperative and maintenance agreement for sidewalk construction on County Road F.

ATTACHMENTS

Resolution

RESOLUTION NO.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A COOPERATIVE AND MAINTENANCE AGREEMENT WITH RAMSEY COUNTY FOR IMPROVEMENTS OF COUNTY ROAD F (CSAH 12) BETWEEN MCKNIGHT ROAD AND JAY LANE

WHEREAS, County Road F is a County Road located within the City of White Bear Lake that connects McKnight Road and Bellaire Avenue; and

WHEREAS, County Road F is utilized by residents and the general public in a wide variety of transportation modes (vehicles, towing trailers, bicycles, pedestrians, etc.); and

WHEREAS, the City's 2040 Comprehensive Plan identifies a missing segment of sidewalk along County Road F east of McKnight Road; and

WHEREAS, the County will be awarding a contract for the construction of a sidewalk along County Road F between McKnight Road and Jay Lane during the 2024 construction year; and

WHEREAS, the cost participation for this project is estimated to be \$228,574.98 as outlined in the cooperative and maintenance agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota hereby authorizes the City Manager to enter into a Cooperative and Maintenance Agreement (Agreement PUBW2022-12R) between Ramsey County and the City of White Bear Lake for improvements to County Road F (CSAH 12) between McKnight Road and Jay Lane.

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

Ayes:

Nays:

Passed:

Dan Louismet, Mayor

ATTEST:

Kara Coustry, City Clerk



City of White Bear Lake
Engineering Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Paul Kauppi, Public Works Director/City Engineer
Date: May 28, 2024
Subject: **Bruce Vento Trail Phase 1 Joint Powers Agreement**

SUMMARY

City Council will consider adopting a resolution approving a joint powers agreement with Ramsey County for construction and long term maintenance of the Bruce Vento Trail Phase I Improvements on city owned land.

BACKGROUND INFORMATION

The Bruce Vento Trail is a proposed 13.3 mile regional trail that will ultimately extend from downtown St. Paul, north to County Road J, of which the southern 7 miles are complete and currently terminates near Buerkle Road. The next phase, Phase 1, will extend 2.7 miles from Buerkle Road, north to the intersection of Hoffman Road and Highway 61.

A segment of the future trail is proposed to be located on city owned land, referred to as the Willow Marsh Reserve, located along the east side of Highway 61 immediately north of Buerkle Road. A joint powers agreement is required to document the responsibilities pertaining to the construction and long term maintenance. For this segment of trail, Ramsey County is assuming all costs associated with the construction along with all future maintenance responsibilities.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution approving a Joint Powers Agreement with Ramsey County for the construction and long term maintenance of the Bruce Vento Trail Phase I Improvements on city owned land.

ATTACHMENTS

Resolution

RESOLUTION NO.

RESOLUTION APPROVING A JOINT POWERS AGREEMENT WITH RAMSEY COUNTY FOR CONSTRUCTION AND LONG TERM MAINTENANCE OF THE BRUCE VENTO TRAIL PHASE I TRAIL IMPROVEMENTS ON CITY OWNED LAND

WHEREAS, Ramsey County desires to continue the Bruce Vento Regional Trail into White Bear Lake city limits in order to provide pedestrian and trail opportunities to the region; and

WHEREAS, the City of White Bear Lake has been supportive of the Bruce Vento Trail; and

WHEREAS, Phase 1 of the trail connection is a 2.7-mile segment from Buerkle Road to the intersection of Hoffman Road and Highway 61; and

WHEREAS, Ramsey County requires authorization through a Joint Powers Agreement to construct and maintain this trail upon city owned land, referred to as Willow Marsh Preserve, located on the east side of Highway 61 north of Buerkle Road; and

WHEREAS, the Ramsey County agrees to assume all costs associated with the Phase 1 trail segment construction and long term maintenance as outlined in the agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake, Minnesota that the Mayor and City Manager are hereby authorized to enter into a Joint Powers Agreement with Ramsey County for the construction and long term maintenance of the Bruce Vento Trail Phase I Improvements on city owned land.

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

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake
City Manager's Office

MEMORANDUM

To: Mayor and City Council
From: Lindy Crawford, City Manager
Date: May 28, 2024
Subject: City Attorney Recognition

SUMMARY

The City Council will recognize City Attorney Troy Gilchrist for his service to the City of White Bear Lake since 2019.

RECOMMENDATION

None – Information sharing only.

ATTACHMENTS

None



City of White Bear Lake
Finance Department

MEMORANDUM

To: Lindy Crawford, City Manager
From: Kerri Kindsvater, Finance Director
Date: May 28, 2024
Subject: **2023 Annual Comprehensive Financial Report**

SUMMARY

Abdo, the City's financial auditor, will be attending the meeting to present the results of the 2023 Annual Comprehensive Financial Report and answer questions the City Council may have.

RECOMMENDATION

Staff recommends the City Council adopt the attached resolution accepting the 2023 Annual Comprehensive Financial Report as presented.

ATTACHMENT

Resolution
2023 Annual Comprehensive Financial Report
2023 Executive Governance Summary
2023 Other Required Reports

RESOLUTION NO.

**RESOLUTION ACCEPTING THE 2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE CITY OF WHITE BEAR LAKE, MINNESOTA**

WHEREAS, the City of White Bear Lake’s auditing firm, Abdo conducted their annual audit of the White Bear Lake Financial Statements for the year ended December 31, 2023; and

WHEREAS, through the audit process, Abdo determined the financial statements referred to above were presented fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the city as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America; and

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

WHEREAS, Abdo presented their report on the 2023 audit and its results to the City Council on May 28, 2024.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of White Bear Lake that the 2023 Financial Audit Report is hereby accepted as presented.

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

Ayes:

Nays:

Passed:

Dan Louismet, Mayor

ATTEST:

Caley Longendyke, City Clerk



City of White Bear Lake, Minnesota



Annual Comprehensive Financial Report



For the Year Ended December 31, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2023

CITY OF WHITE BEAR LAKE, MINNESOTA

PREPARED BY
FINANCE DEPARTMENT

Kerri Kindsvater
Finance Director

Jessica Saari
Assistant Finance Director

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

Cover photos courtesy of White Bear Lake staff

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**CITY OF WHITE BEAR LAKE, MINNESOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023**

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

FOR THE YEAR ENDED
DECEMBER 31, 2023

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CITY OF WHITE BEAR LAKE, MINNESOTA

Elected and Administrative Officials

December 31, 2023

ELECTED OFFICIALS

TERMS EXPIRE

Mayor, Dan Louismet

January, 2026

Council Members:

1st Ward, Bill Walsh

January, 2024

2nd Ward, Heidi Hughes

January, 2026

3rd Ward, Dan Jones

January, 2024

4th Ward, Kevin Edberg

January, 2026

5th Ward, Steven Engstran

January, 2024

ADMINISTRATIVE OFFICIALS

City Manager, Lindy Crawford

Assistant City Manager, Rick Juba

Community Development Director, Jason Lindahl

City Engineer, Paul Kauppi

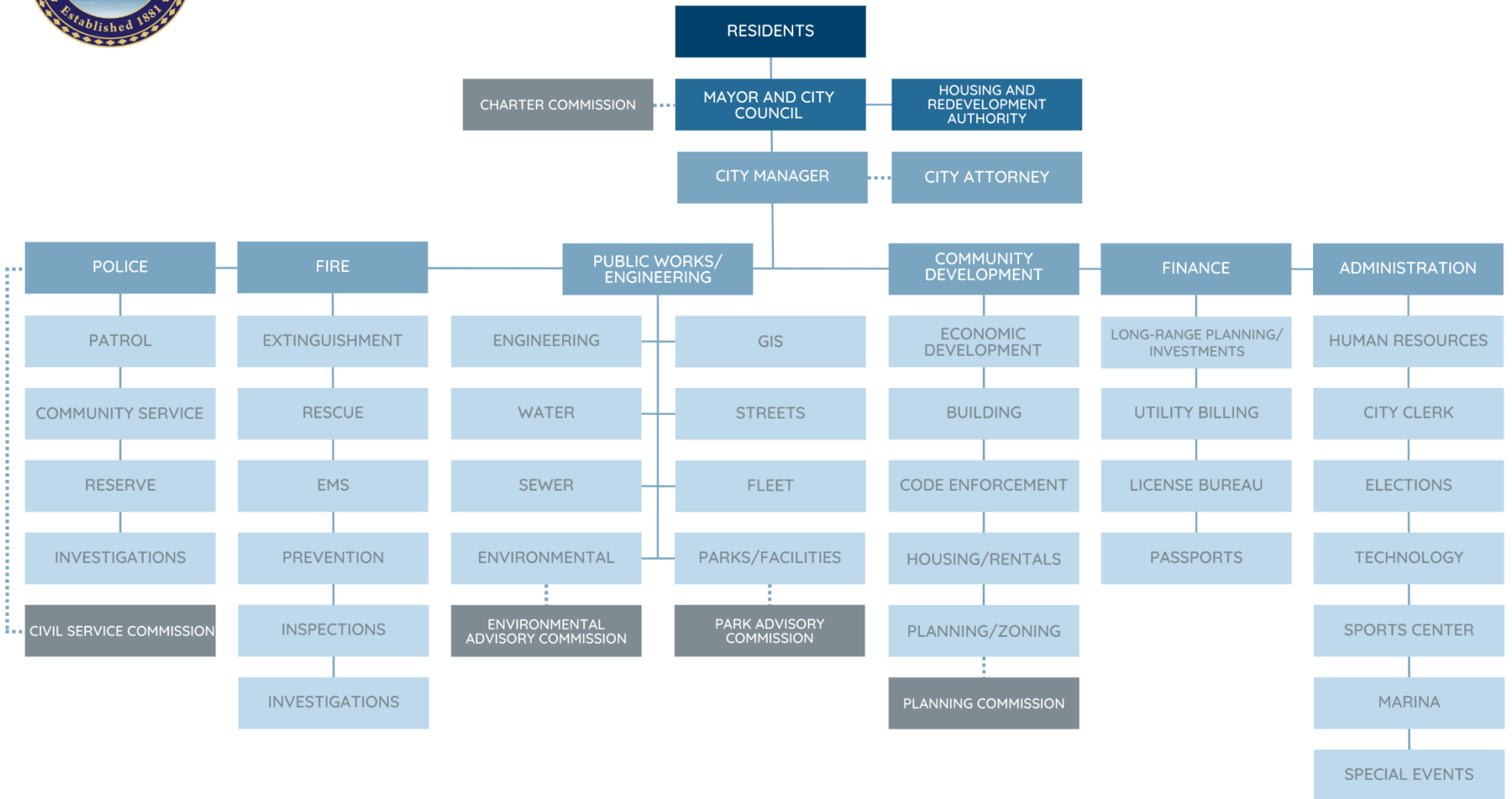
Finance Director, Kerri Kindsvater

Police Chief, Dale Hager

Fire Chief, Greg Peterson

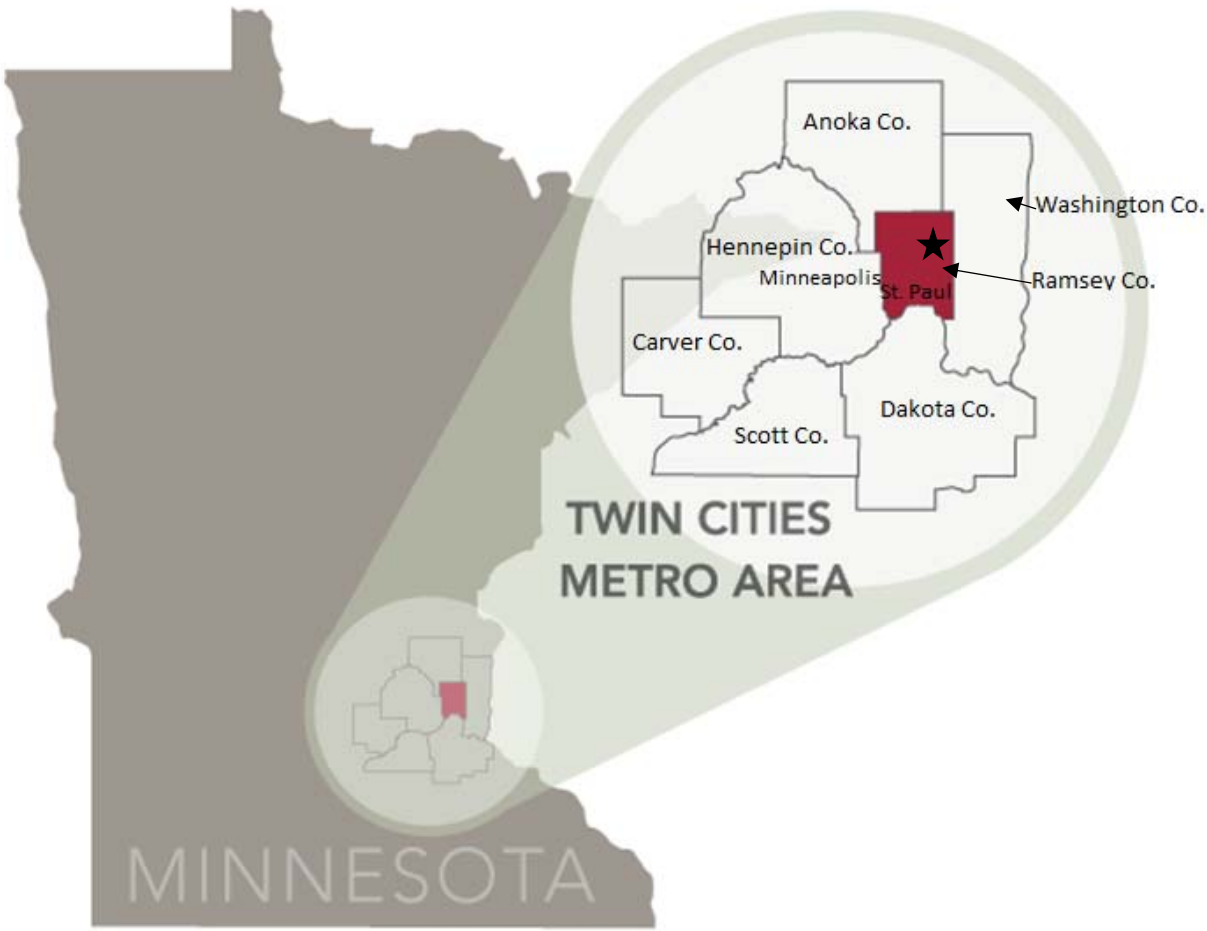


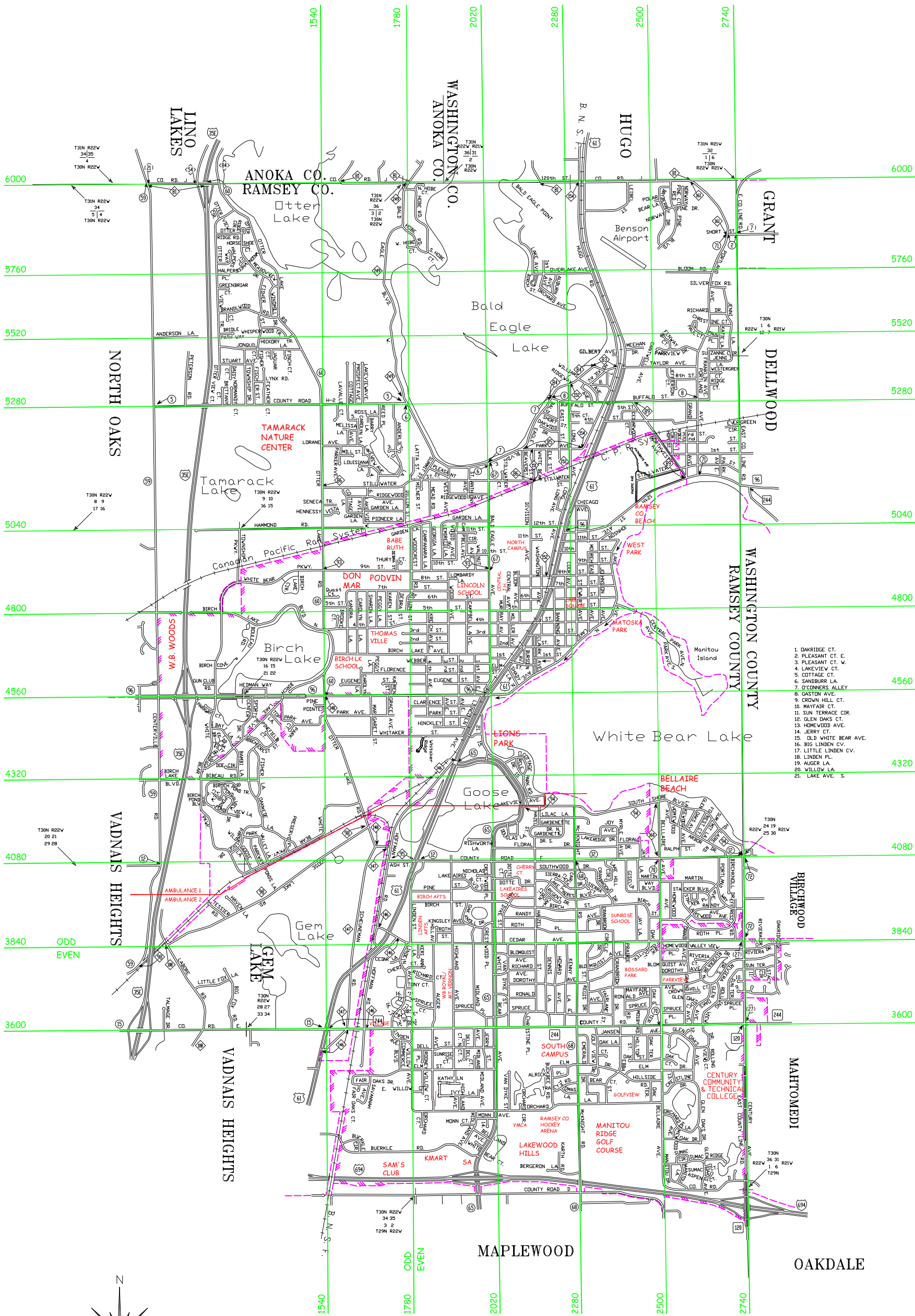
CITY OF WHITE BEAR LAKE ORGANIZATIONAL CHART



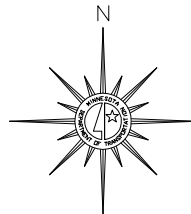
City of White Bear Lake

Geographical Location





1. DAKRIDGE CT.
2. PLEASANT CT. E.
3. PLEASANT CT. W.
4. LAKEVIEW CT.
5. COTTAGE CT.
6. SANDBURG LA.
7. O'CONNERS ALLEY
8. GASTON AVE.
9. CROWN HILL CT.
10. MAYFAIR CT.
11. SUN TERRACE CIR.
12. GLEN DAKS CT.
13. HOMEWOOD AVE.
14. JERRY CT.
15. OLD WHITE BEAR AVE.
16. BIG LINDEN CV.
17. LITTLE LINDEN CV.
18. LINDEN PL.
19. AUGER LA.
20. WILLOW LA.
21. LAKE AVE. S.

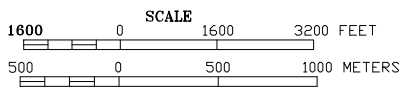


LEGEND

- INTERSTATE TRUNK HIGHWAY.....
- U.S. TRUNK HIGHWAY.....
- STATE TRUNK HIGHWAY.....
- COUNTY STATE AID HIGHWAY.....
- COUNTY ROAD.....
- CORPORATE LIMITS.....
- PUBLIC ROAD
- PRIVATE ROAD

MUNICIPALITY OF
WHITE BEAR LAKE

PREPARED BY THE
MINNESOTA DEPARTMENT OF TRANSPORTATION
PROGRAM SUPPORT GROUP
IN COOPERATION WITH
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION



2000 U.S. CENSUS - POP. 25,325
WHITE BEAR LAKE (RAMSEY & WASHINGTON COUNTIES)

2005

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

Historical Beginnings

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

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

As the resort era faded shortly after the turn of the century, other industries, including farming and lumbering, continued to prosper. In keeping pace with this steady growth and development, leaders of the community officially incorporated the City of White Bear Lake in 1921. At that time, the city was 2 ¼ square miles with a population of just over 2,000. The 1950's and 1960's were times of rapid residential expansion. By 1960, the city's area had grown to 7 square miles with a population of about 13,000 people. During the 1970's and 1980's, large parcels of land opened for development through the city's effort to extend roads and utilities. The city's aggressive economic development program led to extensive growth in its tax base and employment levels. Several nationally known companies have moved into the area while downtown redevelopment efforts continue to make great strides in expanding. Over the years, the White Bear Lake area has continued to grow and prosper. Today the city's 24,000 residents enjoy the advantages of being part of a major metropolitan area while residing in a community that has maintained its small hometown appeal.

Legend of White Bear Lake

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

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City of White Bear Lake

4701 Highway 61 N.
White Bear Lake, Minnesota 55110
651-429-8526 | www.whitebearlake.org

May 20, 2024

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

Minnesota State Statutes require each city to issue an annual report on its financial position and activity prepared in conjunction with accounting principles generally accepted in the United States of America. In accordance with the State Statutes and White Bear Lake City Charter provisions, we respectfully submit the Annual Comprehensive Financial Report (ACFR) of the City of White Bear Lake as of December 31, 2023 and for the year then ended.

The City of White Bear Lake's management is responsible for the accuracy, completeness, and the fairness of this report. We believe the report is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of City operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial conditions have been included.

The Annual Report consists of three sections: Introductory, Financial and Statistical. The Introductory section includes this transmittal letter, a list of principal officials, the City's organizational chart, maps and historical information about the City. The Financial section includes the independent auditor's report, Management's Discussion & Analysis (MD&A), financial statements and financial schedules. The Statistical section includes select financial and demographic information, generally presented on a multi-year basis.

For additional discussion of the financial information, please refer to the Management's Discussion and Analysis document.

Government Structure

The City operates with a Modified Council-Manager form of government within the structure of its home rule charter, first adopted in 1921. The city charter presents the mayor as the chief executive officer of the City, with the position responsible for the enforcement of provisions of the city charter and ordinances. The mayor does not have a vote on the council but does have veto authority over council actions. The council may reconsider any vetoed action at the next regular meeting and override the mayor's veto with a four-fifths vote of all members.

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

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

City Profile

The City of White Bear Lake is a second-tier St. Paul suburban community within two counties. The majority of the City is in northeast Ramsey County; however, a small section of the southeast area lies within western Washington County. The City incorporates an area of approximately 10 square miles, with a 2020 population of 24,883, according to data from the U.S. Census Bureau. The City is approximately 12 miles from downtown St. Paul and 20 miles from the Minneapolis/St. Paul International Airport.

Reporting Entity

This report contains the financial information relating to all funds of the City of White Bear Lake and its component units. The City provides a full range of municipal services to its citizens. These services include, but are not limited to general administration; planning; building and code enforcement; police and fire protection; construction and maintenance of streets; parks and recreational facilities; housing and economic development; water, surface water and sanitary sewer utilities; refuse collection and disposal; ambulance service, a senior housing facility, and deputy registrar services.

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

Independent Audit

The City Council appointed the Certified Public Accountants with Abdo to audit the City's financial statements. The independent audit involved examining evidence on a test basis to support both the amounts and disclosures in the financial statements; assessing the accounting principles and significant estimates used by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor rendered an unmodified or "clean" opinion that the City's financial statements, for the year ended December 31, 2023, are in conformity with Generally Accepted Accounting Principles (GAAP) accepted in the United States of America.

Accounting System and Internal Controls

This report, with its accompanying financial statements and statistical tables, was prepared in conformance with governmental accounting and financial reporting principles developed by the Governmental Accounting Standards Board (GASB).

Specific funds account for all financial transactions of the city. The City maintains its accounting records on the accrual or the modified accrual basis, as appropriate. The notes to the financial statement (Note 1) present a summary of the significant accounts policies.

In developing and evaluating the City's accounting system, management established internal controls designed to safeguard the assets and provide proper recording of all financial transactions. Because of inherent limitations, no set of control procedures can absolutely assure that all issues, including fraud, have been eliminated or detected. Inherent limitations exist through the possibility of faulty judgments, errors, circumvention, collusion and management override. To the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

Long-Term Financial Planning

The City utilizes a Capital Improvement Plan (CIP) and Financial Management Plan (FMP) for long-term planning purposes.

The CIP provides 10-year data for the major maintenance and replacement needs of all City facilities, equipment, parks, and transportation projects. Each item in the plan has a useful life used for planning purposes, not guaranteed purchase dates. Annually, management and department supervisors analyze all items in the plan to verify necessity and cost. If the item's condition does not warrant purchase or replacement in the planned year based on the review, management and department heads delay the funding to a future year.

The FMP allows the City to project expected revenues, operating expenditures, and CIP expenditures over a 10-year period to help anticipate financial requirements in future years. Staff updates the forecast each year to add the prior year final audit results, approved budget amounts, and updated CIP data. The FMP analysis only assumes known decisions and does not presume future decisions of the City Council.

Through these planning tools, the City analyzes each capital budget to determine if sufficient resources are in place to meet future infrastructure improvements with the goal of maintaining the fund balances at optimum levels set by the City Council. In years when General Fund balances exceed the fund balance requirements, City Council allocates the excess amounts to the Equipment Acquisition, Municipal Building, or Pavement Management Fund to provide additional funding and reduce the need for future debt issuance to support operations.

Budget Preparation and Controls

Preparing the City's annual budget is a formal process that incorporates the data from the CIP, FMP, cash flow projections, and department operating plans into one overall document that aligns with the City's policies for operations, financial management, debt management, reserves, investments, and amendments. The City creates a budget for all City funds.

Budget preparations begin each January with departments updating their CIP. This information flows into the FMP for discussion on funding for large-scale purchases and projects with the City Council in June. Each city department submits their operating budget requests to the finance department in July. These requests combine with projected revenue data and results from the FMP discussion to begin development of the budget. The city manager and finance director present a preliminary balanced budget to the City Council prior to September 15 each year. At that time, the City Council sets the preliminary tax levy. The City Council holds budget work sessions and a formal public hearing before adopting the final budget and tax levy before December 20. The City Council may adopt a final tax levy in December that is lower than the preliminary amount set in September; however, the levy may not increase.

The city manager has expenditure discretion within expenditure categories; however, adjustments between departments or funds require a budget amendment adopted by the City Council.

Fiscal Stewardship

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

The City's General Fund reserve for cash flow is \$4,010,000 and represents 43% of the City's projected property tax collection, local government aid (LGA), and police aid payments; which are the significant operating revenue sources not received until the second half of the fiscal year.

The City's computations of its direct debt and its legal debt margin reports that it holds \$20,455,028 in debt obligation that has general property taxes as its sole source of revenue. The City has 82% of its legal debt limit, or \$93,380,389 available for debt bonding as of December 31, 2023. Net of premiums and discounts, the City has \$20,476,414 outstanding in Tax Increment, Special Assessment, and Tax Abatement debt as of December 31, 2023.

The City anticipates incurring a debt obligation in 2024 to fund the 2024 street improvement project.

Debt Administration

In 2023, S&P Global Ratings affirmed their AA+ long-term rating to the City of White Bear Lake. The AA+ rating is one-step below the highest possible rating of AAA. S&P Global Ratings cited the City's very strong economy, strong budgetary performance, very weak debt and contingent liability profile and strong management with good financial policies and practices under their financial management assessment methodology, and strong institutional framework score as the basis for their rating.

Factors Affecting Financial Condition

This report provides the reader with a clear understanding of the City's financial condition and data needed to conduct their analysis. It is important to recognize that factors other than financial operation results and the balance sheet also influence the City's fiscal soundness. Therefore, readers should consider the financial statement information within the context of the external economic environment to gain a good understanding of the City's operations. The following three sections will provide information on the local economy, redevelopment activities and future development opportunities.

LOCAL ECONOMY

Located within the Minneapolis / Saint Paul metropolitan area, White Bear Lake benefits from being in a region that is economically resilient due to having a broad mix of industries, with no one industry dominating the regional economy. This diversity of business sectors insulate it from economic instability due to downturns in any one sector. Home to a number of Fortune 500 headquarters, the metropolitan area's vibrant business base includes companies involved in manufacturing electronics, national retail, leading-edge medical technology, milling, machine and product manufacturing, food processing, banking, higher education and research, graphic and performing arts, and professional athletics. These businesses, and others, have helped make the Twin Cities area one of the largest commercial and cultural centers between Chicago and the West Coast. Additionally, the area is well known for its high quality of life including leading health care systems, strong educational system and desirable outdoor recreation, making it easier to attract and retain a high quality labor force.

Locally, the City benefits from a highly educated workforce, engaged civic and volunteer sector, excellent access to the regional highway and interstate system, positionality to the urban cores of Downtown Saint Paul and Minneapolis and localized diversity in industries. The community is supported by a school district and a community college with a strong dedication to workforce development, both who partner with local businesses to address needs for specialization in the labor force. White Bear Lake is a regional entertainment, cultural and tourist destination, with a bustling downtown commercial district, active outdoor recreation opportunities including

lakes, trails and parks, a growing Arts District, and many community events throughout the year.

The community’s approval of a referendum in 2019 to invest \$326 million in transformational multi-year improvements and expansion of the White Bear Lake Area School District facilities makes our community an even more attractive place for families with children. The plan will unify the high school, bringing together the district’s entire 9-12 student body at one campus when the school year begins in September 2024 for the first time since 1972. Included in the improvements is a state of the art field house and outdoor athletic facilities, which allow the high school to host regional athletic events bringing both student athletes and their supporters to the area. This increased activity will benefit local business as additional visitors patronize businesses in Downtown White Bear Lake.

In addition to the City’s focus on economic development, a number of organizations, which include the White Bear Lake Economic Development Corporation, White Bear Area Chamber of Commerce, White Bear Lake Main Street Inc., and Explore White Bear, support the local business community. The presence of the organizations along with other civic groups has created a collaborative community environment that enhances the local economy and spurs strong resident support for local businesses.

According to the Bureau of Labor Statistics, the unemployment rate within the community spiked to 12.5% in May 2020 and has since returned to pre-pandemic levels, with a January 2024 unemployment rate of 3.0%. The diverse labor market within the Twin Cities area, which includes White Bear Lake, has outperformed the nation as a whole, which recorded an unemployment rate high of 11.7% in May 2020 and 3% as of January 2024.

The City realized a slight dip in building permit activities during the pandemic; however, the permitting activities exceeded pre-pandemic levels during 2023. In 2023, construction of The Lochner, a 244-unit market rate multifamily development, increased the new construction commercial valuations.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Permits Issued	2,687	2,599	2,817	3,767	3,476
Permit Valuations (all types)	\$ 65,328,427	\$ 54,730,496	\$137,576,203	\$140,811,845	\$167,738,046
New Construction:					
Residential	\$ 12,575,730	\$ 2,540,000	\$ 7,006,960	\$ 4,612,025	\$ 4,612,370
Commercial	25,000,000	8,600,000	-	8,618,144	45,385,251
	<u>\$ 37,575,730</u>	<u>\$ 11,140,000</u>	<u>\$ 7,006,960</u>	<u>\$ 13,230,169</u>	<u>\$ 49,997,621</u>

Based on the projects currently in the development pipeline, the City anticipates construction activity in 2024 to be more in line with 2019 levels.

The County Assessor’s valuation of the median value home within the community increased 1.96% to \$312,100 in 2023 for taxes payable in 2024. While there has been a dip in home sales due to the increase in mortgage interest rates and constrained inventory, the local for sale housing market remains strong in terms of increased median sales prices. Per the Minneapolis

Area Realtors Association, there has been a slight loosening of the for sale housing market, hovering between 1.1-1.7 months' supply of houses for sale beginning summer 2023 having previously been mostly below a one-month supply since Fall 2020. Despite this, there continues to be upward movement in our median home sales price, which is not surprising given a five-month supply of available for sale housing is widely considered a balanced market. As of February 2024, the rolling 12-month period median home sales price in White Bear Lake was \$340,000 - a 2.4% annual increase.

While the economic outlook for the City remains strong, potential challenges include limited opportunities for redevelopment, labor force constraints and a need for additional lifecycle housing.

REDEVELOPMENT ACTIVITIES

Construction is nearing completion for The Lochner, a 244-unit market rate multifamily project. The project will significantly increase the tax base, with a preliminary estimated market value of \$40,034,600 for taxes payable in 2025, up from an estimated market value of \$2,229,000 for taxes payable in 2024.

In the past year, the following significant redevelopment projects were completed:

- construction of a music education center near the Arts District
- development of a high capacity car wash at a former gas station on Highway 61
- renovation of a vacant carwash into a modern carwash facility in the downtown area
- renovation of a vacant medical facility into a daycare

Projects underway include the expansion SmarteCart, a local manufacturer, and the conversion of a former office building into an assisted living facility. Two additional residential projects have received land use approval including a 9-unit for-sale townhome community and a 14-bed nursing home. The City is supporting the townhome development by working with the developer to apply for redevelopment grants through various agencies.

The Ecowoods development (formerly the Rooney Farm site), was platted for an additional eight single-family home parcels in 2022. In addition to construction of the road serving the development, a model home was completed, two single-family houses in the subdivision are nearing completion and a third has received building permits. There are additional scattered site single family homes under construction throughout the city, which highlights the community's desirability as a place to live.

The White Bear Lake Area Historical Society purchased the Armory facility from the City in fall 2022. The organization has been developing plans to renovate the building into a local history museum, which would add an additional visitor attraction to the downtown area and further enhance White Bear Lake's status as a cultural destination.

FUTURE DEVELOPMENT

The City's 2040 Comprehensive Plan incorporates both a Housing and an Economic Competitiveness section, which guide the community's future development. The City expects much of this work to create new private investment opportunities for White Bear Lake, capitalize on opportunity sites, generate new resources for homeowners and businesses, and help create an economic development plan to guide the community through 2040.

While the city is nearly fully developed, opportunities remain for infill development to create additional housing options and job producing commercial development. The City controls a handful of sites with potential future uses that are in line with housing and economic development goals. Some are shovel ready, while others will require site preparation or assembly prior to moving forward with development. Currently the City has selected a preferred developer to produce additional housing on a city owned parcel on Highway 96.

Addressing the City's housing needs continues to be a strong focus of the City. In evaluating recommendations from the Housing Task Force, City Council has indicated a preference for pursuing a proactive approach in expanding housing options within the City. Additionally, they have indicated they are receptive to opportunities to preserve and maintain the existing housing stock as well as programs and policies that keep residents housed. A lack of supply and robust demand in White Bear Lake (and the Twin Cities in general) continues to cause both owner and renter occupied housing costs to increase. Development of many of the City's opportunity sites will incorporate housing and drive development within the city in future years. In 2023, the Minnesota Legislature created a Local Affordable Housing Aid program funded through a metro-wide sales tax. The City will receive an allocation of this funding, which is an additional tool the City may opt to utilize to promote development of housing for people with low and moderate incomes.

The County Road E Corridor remains a primary focus for economic development within the community. The City received funding through a Ramsey County Corridor Improvement Program to develop a Corridor Action Plan in partnership with the neighboring cities of Vadnais Heights and Gem Lake to assist in the revitalization of the corridor. The project concluded in fall 2022 after an extensive amount of community engagement and generated a significant amount of synergy between the partnering communities. In 2023, the City secured additional funding from Ramsey County in partnership with Vadnais Heights and Gem Lake. This funding will support the creation of branding, marketing and place-making strategy to enhance the perception of the corridor and attract residents and visitors to the businesses within it.

The City is currently engaged in two high level planning related projects anticipated to enhance the desirability for private investment in White Bear Lake real estate.

- The first project is a Downtown Mobility and Parking Study, which is a precursor to the near term Downtown street and public parking reconstruction projects, as well as a guide for future public realm improvements. Improvements in Downtown will increase the attractiveness of private investment in both residential and commercial projects as well as being a catalyst for tourism.

- The second project is an update of the City's zoning code, which will be the first substantial revision since 1983. Modernizing the zoning code will make the development process more predictable, which will increase the ability of the city to attract developers to produce projects aligned with the City's goals.

The Community Development Department continues to receive inquiries for potential commercial and residential projects, as well as general inquiries looking for available sites. Based on land use applications and the frequency of inquiries, it appears market pressures on real estate development, including interest rates and construction costs, have softened demand. Staff anticipates demand will pick up when the Federal Reserve begins reducing interest rates, as the community continues to remain highly desirable for residents, businesses and potential development investors.

Pension Reporting

The City's Annual Comprehensive Financial Report dated December 31, 2023 incorporates GASB Statement No. 68 "Accounting and Financial Reporting for Pensions". The Statement requires the City to report a net pension liability of \$6,656,922. The City calculates this liability by comparing its share of the Statewide plan (PERA) of \$9,606,900 with its share of the local Fire Relief Association credit (over 100% funded) of \$2,949,978.

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

Reporting Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Bear Lake for its annual comprehensive financial report for the fiscal year ended December 31, 2022. This was the thirty-sixth consecutive year that the City has received this prestigious award. To receive the Certificate of Achievement in Excellence Reporting award, the City must publish an easily readable and effectively organized annual report. This report satisfies both the General Accepted Accounting Principal and legal requirements.

A Certificate of Achievement for Excellence in Financial Report is valid for a period of one year only. The City will submit the December 31, 2023 financial report to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2023, which represents the twenty-second consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged as proficient in several categories, including as a policy document, a financial plan, an operations guide, and a

communications device.

Acknowledgements

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

Respectfully Submitted,



City Manager



Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of White Bear Lake
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

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

FOR THE YEAR ENDED
DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 35, the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, the Schedules of Employer's Share of the Net Pension Liability and the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios starting on page 124, and the Schedule of Changes in Total OPEB Liability and Related Ratios to be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information in the report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abdo
Minneapolis, Minnesota
May 20, 2024



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

This discussion and analysis presents an overview of the financial activities and financial position for the City of White Bear Lake for the year ended December 31, 2023. The discussion and analysis is intended to be read in conjunction with the transmittal letter in the Introductory Section, and the City's financial statements presented in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$100,802,388 (net position). Of this amount, \$36,198,588 (unrestricted net position) may be used to meet the government's obligations to citizens and creditors according to City policy.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$39,946,903, an increase of \$958,704. Although expenditures exceeded revenues by \$9,971,421, the issuance of \$10,000,000 in bonds and transfers in of \$2,126,485 resulted in an increase in fund balance.
- At the end of the current fiscal year, the General Fund's unassigned fund balance totaled \$8,760,173. The General Fund unassigned balance represents 65.0% of the total General Fund expenditures for the current fiscal year.
- The City's total debt increased by \$8,490,000 during the current fiscal year. The City issued 2023A G.O. CIP Bonds to finance the renovation and expansion of the Public Safety Building.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on starting on page 49 of this report.

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

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

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

The City maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Non-Bonded Debt Fund, Pavement Management Fund, Municipal Building Fund, Equipment Acquisition Fund, and Community Reinvestment Fund, which are considered to be major funds.

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

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

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

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

PROPRIETARY FUNDS

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Refuse, and Ambulance. Data from the non-major enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report.

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

FIDUCIARY FUNDS

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

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

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 75 through 121 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 124 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 142 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the City's financial position over time. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,802,388 at the close of the most recent fiscal year.

Statements of Net Position

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Current/Other Asset	\$ 62,072,721	\$ 62,025,643	\$ 9,363,226	\$ 9,251,437	\$ 71,435,947	\$ 71,277,080
Capital Assets	84,400,051	74,756,752	7,658,618	7,321,235	92,058,669	82,077,987
Total Assets	146,472,772	136,782,395	17,021,844	16,572,672	163,494,616	153,355,067
Deferred Outflows of Resources	10,320,170	12,799,938	2,976,233	1,879,386	13,296,403	14,679,324
Long-term Liabilities	48,800,396	50,935,119	5,858,577	5,415,127	54,658,973	56,350,246
Other Liabilities	4,393,512	3,162,745	790,957	1,000,945	5,184,469	4,163,690
Total Liabilities	53,193,908	54,097,864	6,649,534	6,416,072	59,843,442	60,513,936
Deferred Inflows of Resources	13,287,454	6,168,729	2,857,735	1,614,422	16,145,189	7,783,151
Net Position						
Net Investment in Capital assets	52,246,551	53,084,601	4,418,349	4,206,358	56,664,900	57,290,959
Restricted	7,938,900	10,910,400	-	-	7,938,900	10,910,400
Unrestricted	30,126,129	25,320,739	6,072,459	6,215,206	36,198,588	31,535,945
Total	\$ 90,311,580	\$ 89,315,740	\$ 10,490,808	\$ 10,421,564	\$ 100,802,388	\$ 99,737,304

By far, the largest portion of the City's net position (56.2 percent) is reflected in its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot themselves be utilized to liquidate these liabilities.

Restricted net position comprises 7.9 percent of total net position. These assets are subject to external restrictions on how they may be used. The restrictions are related to legal bond covenants and State Statutes. The remaining balance totals \$36,198,588, which represents 35.9 percent of the net position. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Deferred outflows of resources decreased \$1,382,921 from 2022 as a result of changes in actuarial assumptions and the net difference between projected and actual earnings relating to the pension plans. Deferred inflows of resources increased \$8,362,038 mainly due to changes in actuarial assumptions related to pension plans.

CHANGES IN NET POSITION

The City's net position totaled \$100,802,388 at December 31, 2023 compared to \$99,737,304 as of December 31, 2022. This represents an increase of \$1,065,084 for fiscal year 2023. The increase is mainly attributable to a significant increase in the market value of investments as of December 31, 2023, as well as an increase in property taxes levied in 2023.

Governmental activities net investment in capital assets decreased \$838,050. Governmental net capital assets increased by \$9,643,299, however the net investment in capital assets was offset by an even larger increase in bonds payable. Another factor impacting governmental activities is the depreciation of streets and storm sewers (20-25 years).

Business-type net position increased by only \$69,244 or approximately 0.7 percent.

Statements of Changes in Net Position

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 5,374,311	\$ 5,384,480	\$ 11,745,614	\$ 11,202,816	\$ 17,119,925	\$ 16,587,296
Operating grants and contributions	3,391,532	3,065,285	366,699	333,838	3,758,231	3,399,123
Capital grants and contributions	357,531	1,033,013	-	175,000	357,531	1,208,013
General revenues						
Property Taxes	9,846,759	8,025,911	-	-	9,846,759	8,025,911
Other Taxes	1,050,856	1,020,896	-	-	1,050,856	1,020,896
Grants and contributions not restricted specific programs	1,127,728	1,333,615	-	-	1,127,728	1,333,615
Sale of Capital Assets	49,600	-	12,381	26,719	61,981	26,719
Other	2,211,622	(894,675)	215,610	(123,634)	2,427,232	(1,018,309)
Total Revenue	23,409,939	18,968,525	12,340,304	11,614,739	35,750,243	30,583,264
Expenses						
General government	2,622,891	2,471,461	-	-	2,622,891	2,471,461
Public Safety	8,555,389	8,929,360	-	-	8,555,389	8,929,360
Public Works	5,182,844	7,511,369	-	-	5,182,844	7,511,369
Community Development	2,584,811	1,070,005	-	-	2,584,811	1,070,005
Parks and Recreation	2,645,681	2,841,886	-	-	2,645,681	2,841,886
Interest on long-term debt	1,365,349	799,644	-	-	1,365,349	799,644
Water and Sewer	-	-	5,377,491	4,640,156	5,377,491	4,640,156
Refuse	-	-	1,777,238	1,618,519	1,777,238	1,618,519
Ambulance	-	-	3,355,106	2,349,885	3,355,106	2,349,885
Senior Housing	-	-	358,583	329,175	358,583	329,175
License Bureau	-	-	859,776	902,607	859,776	902,607
Total Expenses	22,956,965	23,623,725	11,728,194	9,840,342	34,685,159	33,464,067
Excess (deficiency) before transfers	452,974	(4,655,200)	612,110	1,774,397	1,065,084	(2,880,803)
Internal capital transfers	(10,967)	(172,657)	10,967	172,657	-	-
Internal transfers	553,833	727,000	(553,833)	(727,000)	-	-
Change in net position	995,840	(4,100,857)	69,244	1,220,054	1,065,084	(2,880,803)
Net position - January 1	89,315,740	93,416,597	10,421,564	9,201,510	99,737,304	102,618,107
Net position - December 31	\$ 90,311,580	\$ 89,315,740	\$ 10,490,808	\$ 10,421,564	\$ 100,802,388	\$ 99,737,304

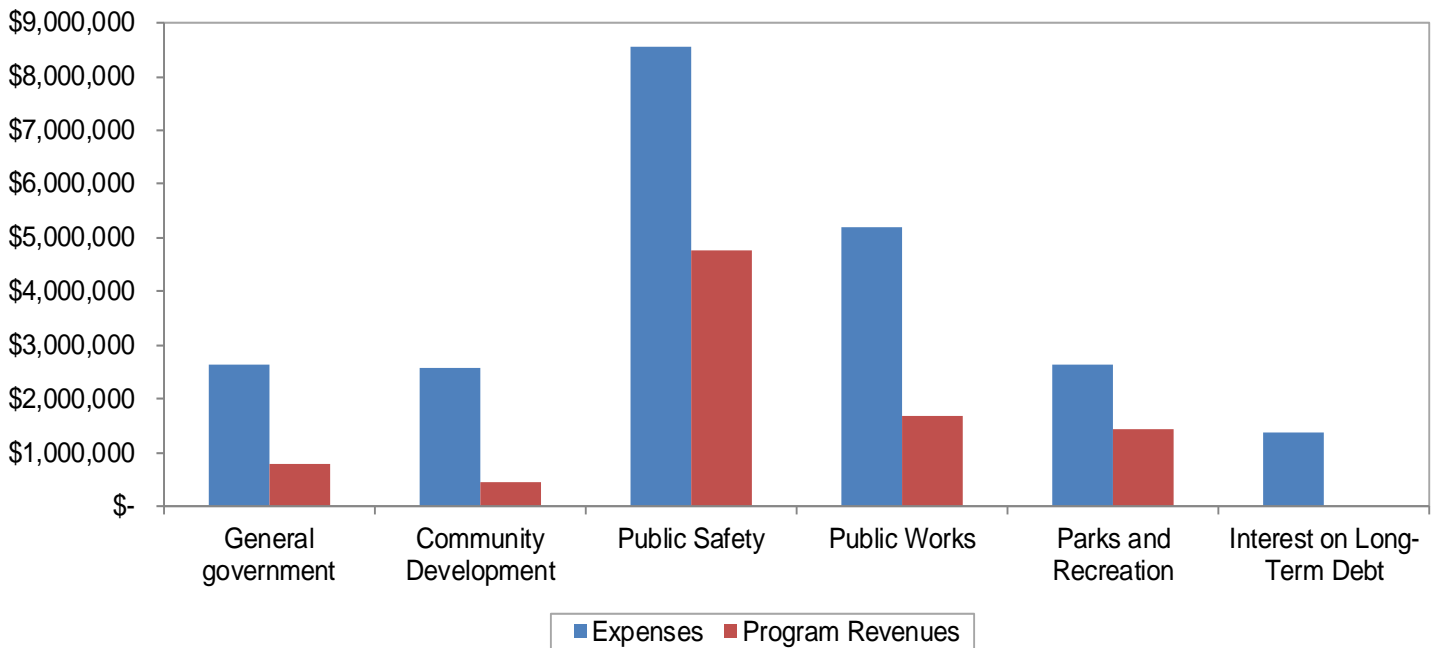
GOVERNMENTAL ACTIVITIES

The governmental activities increased the City's net position by \$995,840 thereby accounting for the overall increase in the net position of the City. Key elements of this increase, as well as other highlights of the governmental activities, are as follows:

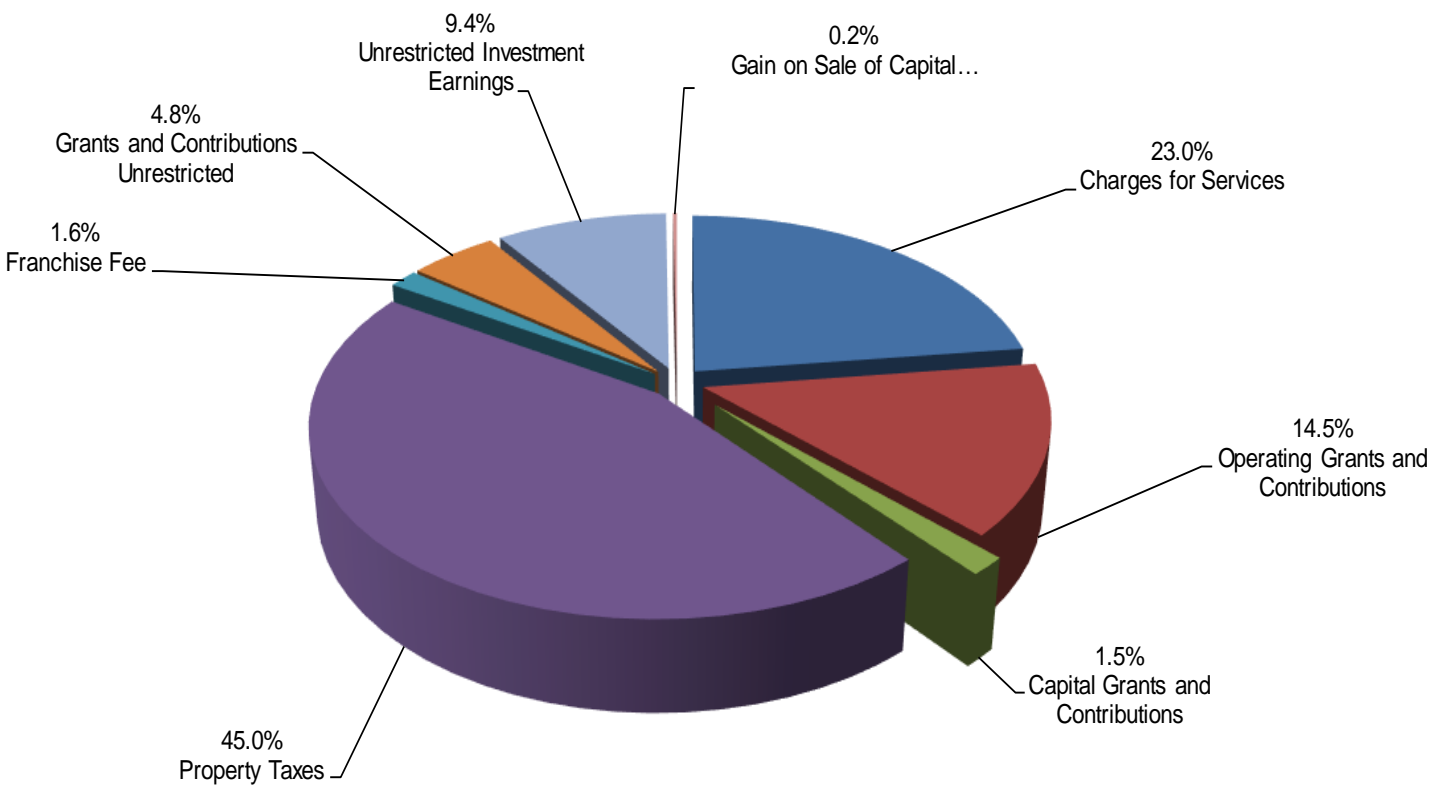
- Charges for services decreased by only \$10,169 in 2023.
- Operating grants and contributions increased by \$326,247 from 2022. This increase is mainly due to the one-time Public Safety Local Government Aid that the City received at year-end in 2023.
- Capital grants and contributions decreased by \$675,482 in 2023. This decrease is due to less revenue received for special assessments because the City did not have a street construction project in 2023 so that bonded funds could go towards the Public Safety Facility renovation.
- Other revenues increased by \$4,800,818 mainly due to a significant positive market value adjustment for investments, as well as an increase in property taxes levied.
- Governmental expenses decreased by \$666,760 compared to 2022. The most significant portion of the decrease (\$2,328,525) was in Public Works. As mentioned above, the City did not have a street construction project in 2023. This decrease was partially offset by an increase (\$1,514,806) in Community Development expenses. The City decertified one of its Tax Increment Financing (TIF) Districts and excess TIF funds of \$1,480,502 were returned to the County in 2023 so that the funds could be redistributed to the appropriate agencies.

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

Expenses and Program Revenues - Governmental Activities



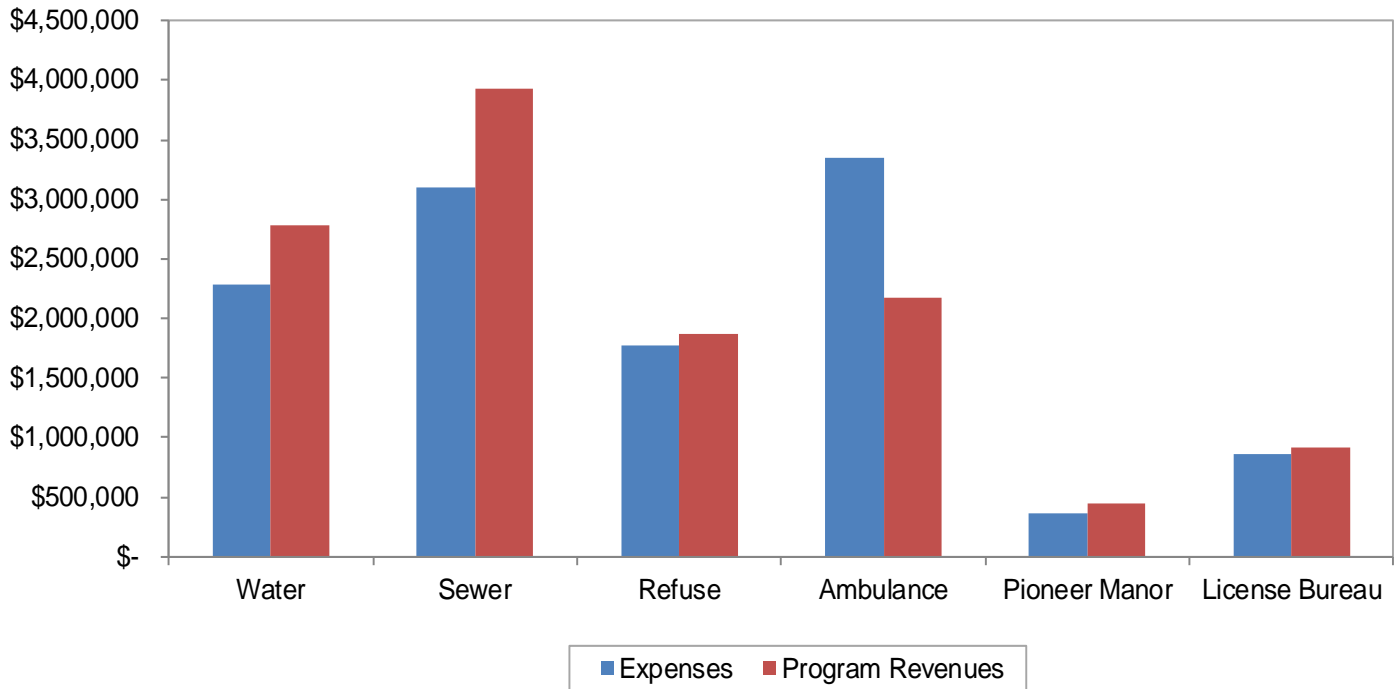
Program Revenues - Governmental Activities



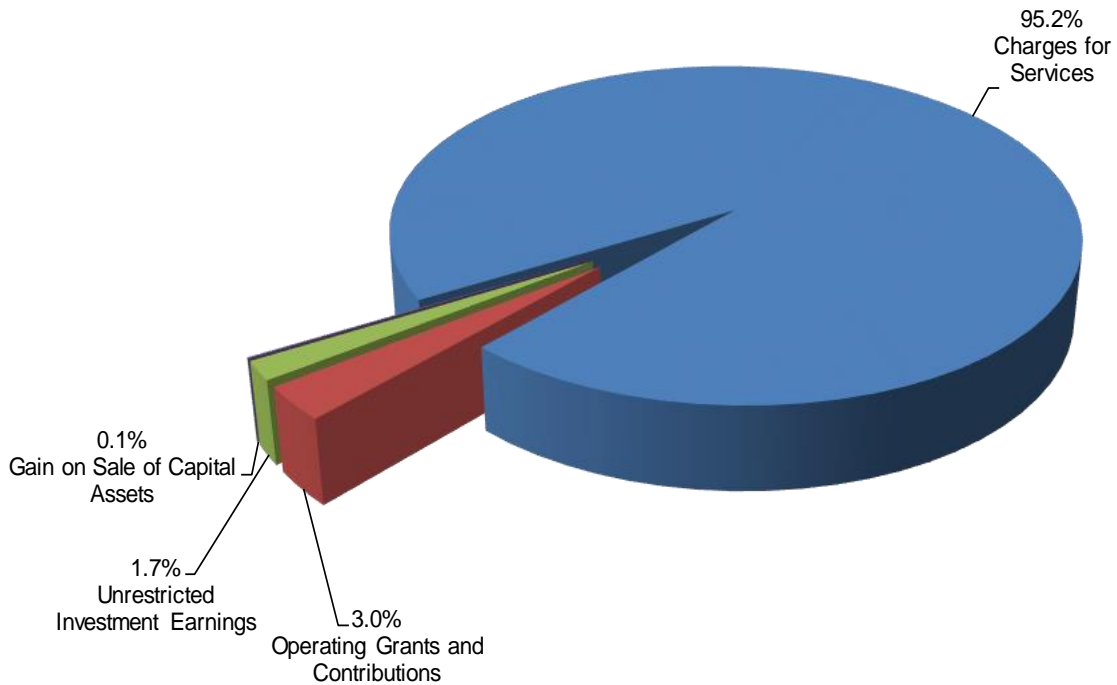
BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's net position by \$69,244, or 0.70% from 2022.

Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$39,946,903, an increase of \$958,704 in comparison with the prior year. Approximately 20.9% of this total amount, \$8,351,927, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remaining fund balance of \$31,594,976 is not available for new spending because it is either 1) nonspendable (\$5,288), 2) restricted (\$9,709,368), 3) committed (\$15,045,213) or 4) assigned (\$6,835,107). For further classification, refer to note 12 on page 114 of this report.

The General Fund revenues exceeded expenditures by \$749,358, but after including the other financing sources and uses, the net increase in fund balance was \$1,801,533. The General Fund had a fund balance of \$9,217,317 at year-end. This increase in fund balance was mainly due the receipt of approximately \$452,000 of one-time Public Safety Local Government Aid and an increased permit and plan review revenues.

The Non-Bonded Debt Fund had a fund balance of \$1,359,988 at year-end, an increase of \$265,280 from 2022. The 2023 revenues collected in this fund are special assessments of \$471,428 used to finance street construction costs, investment income of \$26,285, and a \$137,810 payment on the loan agreement for the Sports Center from the White Bear Lake Area Hockey Association.

The Pavement Management Fund balance increased \$219,362. The fund balance at year-end was \$4,634,632. The increase in fund balance is mainly due to positive investment income in 2023.

The Municipal Building Fund balance decreased \$1,226,292 in 2023. The fund balance at year-end was \$5,405,112. The City issued \$6,990,000 in G.O. CIP Bonds in December 2022 and \$10,000,000 in G.O. CIP Bonds in March 2023 for the renovation and expansion of the Public Safety Facility. The decrease in fund balance was due to the City spending the bond proceeds on the renovation and expansion.

The Equipment Acquisition Fund balance increased by \$496,313 which was mainly due to the receipt of \$645,000 in one-time Public Safety Local Government Aid at year-end in 2023.

In 2023, the Community Reinvestment Fund balance decreased by \$38,446 to \$6,954,259 due to transfers out exceeding revenues.

PROPRIETARY FUNDS

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

The total net position in the respective major proprietary funds are: Water Fund, \$4,399,738; Sewer Fund, \$4,399,159; Refuse Fund, \$396,468; Ambulance Fund, negative \$573,230.

The change in net position of the Water Fund was an increase of \$452,953. The majority of this increase was due to a 3.0% increase in water rates, as well as an increase in the quarterly infrastructure fees charged to residents and commercial customers.

The change in net position of the Sewer Fund was \$815,079. This increase was attributable to revenues exceeding expenses, as well as a decrease in disposal charges. Disposal fees fluctuate each year based on the City's percentage of the total regional flow through system.

The Ambulance Fund balance decreased \$1,084,804. The fund recognized \$746,265 of pension expense related to the PERA Police and Fire Plan in 2023 which contributed significantly to the decrease in fund balance.

The Refuse Fund balance remained consistent with the prior year and only decreased by \$13,876.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues came in over budget by \$1,027,146. There were two main factors that contributed to this variance. The first factor was building permits and plan reviews coming in higher than anticipated. The second factor was the receipt of one-time Public Safety Local Government Aid. The City budgeted to receive these funds in early 2024, however the funds were received on the final business day of 2023. Expenditures were \$696,872 under budget. This was primarily due to salaries and wages coming in less than budgeted in the Police and Building departments due to turnover and position vacancies.

There were amendments to the original budget for the General Fund in 2023. The revenue budget was increased by \$457,001 to total \$13,208,404, and the expenditure budget was decreased by \$290,013 to total \$14,182,884. Other financing sources (uses) were amended to increase sale of assets by \$2,870. Net changes to the budget resulted in a budgeted surplus of \$76,990.

CAPITAL ASSETS,

The City's investment in capital assets for its government and business-type activities as of December 31, 2023 totals \$92,058,669 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, park facilities, streets, storm sewers, and water and sewer basins.

Major capital asset additions during the current fiscal year include the following:

- Public Safety Facility Building Renovation Project work in process totaling \$11,799,217
- Replacement of City Hall air handler units totaling \$215,652
- Replacement of a lime slaker at the Water Treatment Plant totaling \$401,412
- Replacement of an ambulance totaling \$235,658
- Sports Center Energy Improvement Project addition totaling \$1,243,513
- Addition of the Lakewood Hills All Abilities Park totaling \$513,469

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

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Land and improvements	\$ 9,666,893	\$ 9,666,893	\$ -	\$ 490,275	\$ 490,275	\$ -
Work in process	13,091,381	2,587,829	10,503,552	144,615	317,272	(172,657)
Buildings and improvements	10,902,809	10,240,845	661,964	910,267	931,675	(21,408)
Other improvements	3,101,194	3,051,722	49,472	489,597	329,412	160,185
Furniture and equipment	4,049,097	4,419,909	(370,812)	1,743,106	1,228,703	514,403
Distribution/Collection System	-	-	-	3,880,758	4,023,898	(143,140)
Infrastructure						
Streets	39,213,291	40,339,058	(1,125,767)	-	-	-
Storm Sewer	4,375,386	4,450,496	(75,110)	-	-	-
Total	\$ 84,400,051	\$ 74,756,752	\$ 9,643,299	\$ 7,658,618	\$ 7,321,235	\$ 337,383

Additional information on the City of White Bear Lake's capital assets can be found in the financial statements Note 5 of the report.

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt outstanding of \$40,931,442. They are all backed by the full faith and credit of the City.

CITY OF WHITE BEAR LAKE'S OUTSTANDING DEBT

	Governmental Activities			Business-type Activities		
	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Tax Increment Bonds	\$ 1,785,000	\$ 2,045,000	\$ (260,000)	\$ -	\$ -	\$ -
Special Assessment Bonds	14,895,000	15,835,000	(940,000)	-	-	-
Tax Abatement Bonds	2,815,000	2,950,000	(135,000)	-	-	-
Capital Improvement Bonds	16,990,000	6,990,000	10,000,000	-	-	-
Utility Revenue Bonds	-	-	-	3,115,000	3,290,000	(175,000)
Premium on bonds	1,206,173	938,476	267,697	125,269	133,941	(8,672)
Total	\$ 37,691,173	\$ 28,758,476	\$ 8,932,697	\$ 3,240,269	\$ 3,423,941	\$ (183,672)

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

State statutes limit the amount of general obligation debt a Minnesota city may issue up to 3% of total Estimated Market Value. The current debt limitation for the City of White Bear Lake is \$113,835,417. The City had \$20,455,028 of debt applicable to this limit at year-end. Additional information of the City of White Bear Lake's long-term debt can be found in the financial statement Note 6 of the report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- Ramsey County had an annual average unemployment rate at the end of 2023 of 2.3%. This compares with unemployment rates of 2.6% for the State of Minnesota and 3.5% for the United States.
- The City's local tax capacity will increase by 3.3% for property taxes payable in 2024.
- City population is expected to remain stable or increase in 2024.

These factors were considered in preparing the City's budget for the 2024 fiscal year. The City's adopted 2024 budget includes a property tax levy of \$12,003,000, which is 20.6% more than the prior year's levy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

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City of White Bear Lake, Minnesota
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 47,783,567	\$ 6,040,145	\$ 53,823,712
Interest receivable	164,882	-	164,882
Accounts and loans/notes receivable, net	1,890,335	2,456,576	4,346,911
Taxes receivable	116,805	-	116,805
Special assessments receivable	3,551,036	403,906	3,954,942
Lease receivable	271,363	-	271,363
Intergovernmental receivable	523,381	12,254	535,635
Internal balances	(450,228)	450,228	-
Prepaid expenses	5,288	117	5,405
Non-current assets:			
Lease receivable	5,266,314	-	5,266,314
Net pension asset - Fire Relief Association	2,949,978	-	2,949,978
Capital assets, net of accumulated depreciation:			
Land and improvements	9,666,893	490,275	10,157,168
Buildings and improvements	10,902,809	910,267	11,813,076
Other improvements	3,101,194	489,597	3,590,791
Furniture and equipment	4,049,097	1,743,106	5,792,203
Infrastructure	43,588,677	-	43,588,677
Distribution / Collection system	-	3,880,758	3,880,758
Work in progress	13,091,381	144,615	13,235,996
Total assets	146,472,772	17,021,844	163,494,616
Deferred outflows of resources			
Deferred pension resources	8,940,295	2,976,233	11,916,528
Deferred OPEB resources	1,379,875	-	1,379,875
Total deferred outflows of resources	10,320,170	2,976,233	13,296,403
Liabilities			
Interest payable	666,850	25,153	692,003
Accounts and contracts payable	2,440,146	546,445	2,986,591
Accrued wages payable	563,223	-	563,223
Intergovernmental payable	1,218	90,252	91,470
Deposits payable	72,700	34,301	107,001
Unearned revenue	649,375	94,806	744,181
Noncurrent liabilities:			
Due within one year			
Long-term liabilities	2,089,975	188,672	2,278,647
Net pension liability	203,234	430,537	633,771
Total OPEB Liability	119,493	-	119,493
Due in more than one year			
Long-term liabilities	37,019,122	3,051,597	40,070,719
Net pension liability	6,785,358	2,187,771	8,973,129
Total OPEB Liability	2,583,214	-	2,583,214
Total liabilities	53,193,908	6,649,534	59,843,442
Deferred inflows of resources			
Deferred lease resources	5,343,652	-	5,343,652
Deferred pension resources	7,640,845	2,857,735	10,498,580
Deferred OPEB resources	302,957	-	302,957
Total deferred inflows of resources	13,287,454	2,857,735	16,145,189
Net Position			
Net investment in capital assets	52,246,551	4,418,349	56,664,900
Restricted for debt service	3,784,772	-	3,784,772
Restricted for economic development	71,116	-	71,116
Restricted for public safety	1,133,034	-	1,133,034
Restricted for Fire Relief Association	2,949,978	-	2,949,978
Unrestricted	30,126,129	6,072,459	36,198,588
Total net position	\$ 90,311,580	\$ 10,490,808	\$ 100,802,388

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

City of White Bear Lake, Minnesota
Statement of Activities
For the Year Ended December 31, 2023

Function/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,622,891	\$ 704,968	\$ 77,436	\$ -
Community development	2,584,811	415,315	29,690	-
Public safety	8,555,389	2,683,538	2,096,345	-
Public works	5,182,844	268,436	1,187,509	226,918
Parks and recreation	2,645,681	1,302,054	552	130,613
Interest on long-term debt	1,365,349	-	-	-
Total governmental activities (See Note 1)	22,956,965	5,374,311	3,391,532	357,531
Business-type activities:				
Water	2,282,156	2,782,538	3,562	-
Sewer	3,095,335	3,928,039	-	-
Refuse	1,777,238	1,801,633	62,880	-
Ambulance	3,355,106	1,931,650	239,000	-
Pioneer Manor	358,583	442,144	-	-
License Bureau	859,776	859,610	61,257	-
Total business-type activities	11,728,194	11,745,614	366,699	-
Total government	\$ 34,685,159	\$ 17,119,925	\$ 3,758,231	\$ 357,531

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

Change in net position

Net position - beginning

Net position - ending

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,840,487)	\$ -	\$ (1,840,487)
(2,139,806)	-	(2,139,806)
(3,775,506)	-	(3,775,506)
(3,499,981)	-	(3,499,981)
(1,212,462)	-	(1,212,462)
(1,365,349)	-	(1,365,349)
<u>(13,833,591)</u>	<u>-</u>	<u>(13,833,591)</u>
-	503,944	503,944
-	832,704	832,704
-	87,275	87,275
-	(1,184,456)	(1,184,456)
-	83,561	83,561
-	61,091	61,091
-	<u>384,119</u>	<u>384,119</u>
<u>(13,833,591)</u>	<u>384,119</u>	<u>(13,449,472)</u>
9,846,759	-	9,846,759
679,503	-	679,503
371,353	-	371,353
1,127,728	-	1,127,728
2,211,622	215,610	2,427,232
49,600	12,381	61,981
(10,967)	10,967	-
553,833	(553,833)	-
<u>14,829,431</u>	<u>(314,875)</u>	<u>14,514,556</u>
995,840	69,244	1,065,084
<u>89,315,740</u>	<u>10,421,564</u>	<u>99,737,304</u>
<u>\$ 90,311,580</u>	<u>\$ 10,490,808</u>	<u>\$ 100,802,388</u>

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FUND FINANCIAL STATEMENTS
CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of White Bear Lake, Minnesota
Balance Sheet
Governmental Funds
December 31, 2023

	General	Non-Bonded Debt	Pavement Management	Municipal Building	Equipment Acquisition
Assets					
Cash	\$ 9,258,312	\$ 1,003,998	\$ 5,057,520	\$ 7,698,963	\$ 2,669,325
Accounts receivable	24,033	137,810	-	-	-
Accrued interest receivable	-	-	-	-	-
Taxes receivable	88,022	-	-	-	-
Special assessments receivable	2,885	1,729,623	216,318	-	-
Due from other governments	307,982	-	-	-	135,586
Advances to other funds	-	213,750	-	-	-
Leases receivable	-	-	-	-	5,154,289
Loans receivable	-	-	-	-	-
Notes receivable	-	1,535,440	-	-	-
Prepaid items	5,205	-	-	-	-
Total assets	\$ 9,686,439	\$ 4,620,621	\$ 5,273,838	\$ 7,698,963	\$ 7,959,200
Liabilities:					
Accounts and contracts payable	\$ 263,609	\$ 8,346	\$ 422,973	\$ 1,438,851	\$ 209,048
Deposits payable	72,200	-	-	-	-
Intergovernmental payable	860	-	-	-	-
Advances from other funds	-	-	-	855,000	-
Unearned revenue - other	50,750	-	-	-	-
Total liabilities	387,419	8,346	422,973	2,293,851	209,048
Deferred Inflows of Resources					
Unavailable revenue					
Property taxes	81,703	-	-	-	-
Special assessments	-	1,716,847	216,233	-	-
Loan/Notes receivable	-	1,535,440	-	-	-
Deferred lease resources	-	-	-	-	4,922,932
Total deferred inflows of resources	81,703	3,252,287	216,233	-	4,922,932
Fund Balances:					
Nonspendable	5,205	-	-	-	-
Restricted	451,939	-	-	5,537,673	645,000
Committed	-	-	-	-	2,182,220
Assigned	-	1,359,988	4,634,632	-	-
Unassigned	8,760,173	-	-	(132,561)	-
Total fund balances	9,217,317	1,359,988	4,634,632	5,405,112	2,827,220
Total liabilities, deferred inflows of resources and fund balances	\$ 9,686,439	\$ 4,620,621	\$ 5,273,838	\$ 7,698,963	\$ 7,959,200

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

Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,789,377	\$ 9,391,707	\$ 41,869,202
-	123,953	285,796
164,882	-	164,882
-	28,783	116,805
-	1,602,210	3,551,036
-	18,091	461,659
-	1,391,250	1,605,000
-	383,388	5,537,677
-	69,099	69,099
-	-	1,535,440
-	83	5,288
<u>\$ 6,954,259</u>	<u>\$ 13,008,564</u>	<u>\$ 55,201,884</u>
\$ -	\$ 94,648	\$ 2,437,475
-	500	72,700
-	358	1,218
-	750,000	1,605,000
-	598,625	649,375
-	1,444,131	4,765,768
-	3,391	85,094
-	1,591,947	3,525,027
-	-	1,535,440
-	420,720	5,343,652
-	2,016,058	10,489,213
-	83	5,288
-	3,074,756	9,709,368
6,954,259	5,908,734	15,045,213
-	840,487	6,835,107
-	(275,685)	8,351,927
<u>6,954,259</u>	<u>9,548,375</u>	<u>39,946,903</u>
<u>\$ 6,954,259</u>	<u>\$ 13,008,564</u>	<u>\$ 55,201,884</u>

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City of White Bear Lake, Minnesota
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 Governmental Funds
 December 31, 2023

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

Total fund balances - governmental funds	\$ 39,946,903
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	
Capital assets	137,540,679
Less accumulated depreciation	(53,140,628)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	5,145,561
Governmental funds do not report long-term amounts related to pensions	
Deferred outflows of pension resources	8,940,295
Net pension asset	2,949,978
Net pension liability	(6,988,592)
Deferred inflows of pension resources	(7,640,845)
Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds and maintenance of City vehicles. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	1,916,252
Governmental funds do not report a liability for accrued interest until due and payable	
	(666,850)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(36,485,000)
Bond premiums are reported as a liability within the Statement of Net Position and are reported as an other financing source in the year the debt is issued in governmental funds	
	<u>(1,206,173)</u>
Net position of governmental activities	<u><u>\$ 90,311,580</u></u>

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

City of White Bear Lake, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Non-Bonded Debt	Pavement Management	Municipal Building
Revenues				
General property taxes	\$ 8,163,075	\$ -	\$ -	\$ -
Tax increment	-	-	-	-
Franchise fees	371,353	-	-	-
Licenses and permits	1,721,660	-	-	-
Fines and forfeits	52,548	-	-	-
Intergovernmental	2,623,256	-	786,113	-
Charges for services	932,410	-	-	-
Special assessments	-	471,428	27,964	-
Investment income	272,348	26,285	192,802	923,766
Rental and lease income	45,793	-	-	-
Refunds and reimbursements	30,081	137,810	1,185	5,450
Donations	1,020	-	-	-
Dedicated fees	-	-	-	-
Miscellaneous	22,006	-	540	-
Total revenues	<u>14,235,550</u>	<u>635,523</u>	<u>1,008,604</u>	<u>929,216</u>
Expenditures				
Current				
General government	1,961,492	-	-	-
Public safety	7,940,986	-	-	126,335
Public works	2,391,763	-	394,486	-
Parks and recreation	806,092	-	-	2,036
Community development	385,679	-	-	-
Capital outlay				
General government	-	-	-	282,775
Public safety	-	-	-	11,827,858
Public works	-	-	210,000	6,994
Parks and recreation	-	-	-	103,279
Community development	-	-	-	-
Debt service				
Principal retired on bonded debt	-	-	-	-
Interest and other expenditures	-	17,866	-	207,923
Total expenditures	<u>13,486,012</u>	<u>17,866</u>	<u>604,486</u>	<u>12,557,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>749,538</u>	<u>617,657</u>	<u>404,118</u>	<u>(11,627,984)</u>
Other financing sources (uses)				
Sale of capital assets	3,395	-	244	-
Bonds issued	-	-	-	10,000,000
Premium on bonds issued	-	-	-	326,692
Transfers from other funds	1,048,600	-	115,000	75,000
Transfers to other funds	-	(352,377)	(300,000)	-
Total other financing sources (uses)	<u>1,051,995</u>	<u>(352,377)</u>	<u>(184,756)</u>	<u>10,401,692</u>
Net change in fund balance	1,801,533	265,280	219,362	(1,226,292)
Fund balance - beginning	<u>7,415,784</u>	<u>1,094,708</u>	<u>4,415,270</u>	<u>6,631,404</u>
Fund balance - ending	<u>\$ 9,217,317</u>	<u>\$ 1,359,988</u>	<u>\$ 4,634,632</u>	<u>\$ 5,405,112</u>

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

Equipment Acquisition	Community Reinvestment	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,675,923	\$ 9,838,998
-	-	679,503	679,503
-	-	-	371,353
-	-	18,225	1,739,885
-	-	-	52,548
751,770	-	351,859	4,512,998
-	-	923,981	1,856,391
-	-	314,872	814,264
78,750	251,554	277,523	2,023,028
402,975	-	794,793	1,243,561
149,198	-	7,614	331,338
-	-	13,399	14,419
-	-	122,456	122,456
80,766	-	54,681	157,993
<u>1,463,459</u>	<u>251,554</u>	<u>5,234,829</u>	<u>23,758,735</u>
175,882	-	19,327	2,156,701
132,837	-	4,269	8,204,427
21,250	-	227,694	3,035,193
5,026	-	899,843	1,712,997
-	-	2,175,551	2,561,230
18,606	-	10,216	311,597
216,026	-	-	12,043,884
117,732	-	252,920	587,646
92,748	-	528,345	724,372
-	-	20,193	20,193
-	-	1,335,000	1,335,000
-	-	811,127	1,036,916
<u>780,107</u>	<u>-</u>	<u>6,284,485</u>	<u>33,730,156</u>
<u>683,352</u>	<u>251,554</u>	<u>(1,049,656)</u>	<u>(9,971,421)</u>
45,961	-	-	49,600
-	-	-	10,000,000
-	-	-	326,692
-	-	887,885	2,126,485
<u>(233,000)</u>	<u>(290,000)</u>	<u>(397,275)</u>	<u>(1,572,652)</u>
<u>(187,039)</u>	<u>(290,000)</u>	<u>490,610</u>	<u>10,930,125</u>
496,313	(38,446)	(559,046)	958,704
<u>2,330,907</u>	<u>6,992,705</u>	<u>10,107,421</u>	<u>38,988,199</u>
<u>\$ 2,827,220</u>	<u>\$ 6,954,259</u>	<u>\$ 9,548,375</u>	<u>\$ 39,946,903</u>

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City of White Bear Lake, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended December 31, 2023

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

Net change in fund balances - total governmental funds	\$	958,704
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays were below depreciation in the current period.</p>		
Capital outlay		13,501,786
Depreciation expense		(3,829,710)
Capital contributions to enterprise funds		(10,967)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.</p>		
		(17,810)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent taxes		7,761
Special assessments		(522,374)
Notes receivable		(84,826)
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Proceeds from long-term debt		(10,000,000)
Debt issuance premium		(326,692)
Principal repayments		1,335,000
Interest payments		(387,428)
<p>Long-term pension activity is not reported in governmental funds.</p>		
Pension expense		148,431
Pension revenue		12,449
<p>Premiums are recognized when debt is issued in the governmental funds but amortized over the life of the debt in the Statement of Activities</p>		
		58,995
<p>Internal service funds are used by the City to charge the costs of certain activities, such as insurance, employee benefits to individual funds, and maintenance of City vehicles. The net revenue (expense) of the internal service funds is reported in governmental activities.</p>		
		152,521
Changes in net position of governmental activities	\$	995,840

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

City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Sewer	Refuse
Assets			
Current Assets			
Cash	\$ 1,929,422	\$ 3,095,034	\$ 416,969
Receivables:			
Unremitted special assessments	10,159	-	-
Delinquent special assessments	47,003	-	-
Unavailable special assessments	278,949	67,795	-
Accounts, net	1,475,397	322,980	158,600
Intergovernmental	4,377	5,785	2,092
Prepaid expenses	-	-	-
Total current assets	<u>3,745,307</u>	<u>3,491,594</u>	<u>577,661</u>
Noncurrent Assets			
Capital Assets			
Land	79,990	-	-
Buildings	2,060,171	109,501	-
Other improvements	-	-	-
Equipment	1,671,188	1,384,597	-
Wells	930,811	-	-
Distribution system	7,203,548	-	-
Collection system	-	5,087,041	-
Work in progress	-	144,615	-
Less accumulated depreciation	(7,596,614)	(5,334,528)	-
Total net capital assets	<u>4,349,094</u>	<u>1,391,226</u>	<u>-</u>
Total assets	<u>8,094,401</u>	<u>4,882,820</u>	<u>577,661</u>
Deferred outflows of resources			
Deferred pension resources	73,692	56,550	992
Deferred OPEB resources	-	-	-
Total deferred outflows of resources	<u>73,692</u>	<u>56,550</u>	<u>992</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 198,181	\$ 400,539	\$ 6,040,145	\$ 5,914,365
-	-	10,159	-
-	-	47,003	-
-	-	346,744	-
499,599	8,455	2,465,031	-
-	-	12,254	61,722
-	117	117	-
<u>697,780</u>	<u>409,111</u>	<u>8,921,453</u>	<u>5,976,087</u>
-	410,285	490,275	-
-	2,499,238	4,668,910	-
-	376,522	376,522	-
1,337,471	181,592	4,574,848	-
-	-	930,811	-
-	-	7,203,548	-
-	-	5,087,041	-
-	-	144,615	-
(952,375)	(1,934,435)	(15,817,952)	-
<u>385,096</u>	<u>1,533,202</u>	<u>7,658,618</u>	<u>-</u>
<u>1,082,876</u>	<u>1,942,313</u>	<u>16,580,071</u>	<u>5,976,087</u>
2,744,205	100,794	2,976,233	-
-	-	-	1,379,875
<u>2,744,205</u>	<u>100,794</u>	<u>2,976,233</u>	<u>1,379,875</u>

(Continued)

City of White Bear Lake, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Sewer	Refuse
Liabilities			
Current Liabilities:			
Accounts payable	\$ 121,617	\$ 157,020	\$ 167,734
Accrued wages payable	-	-	-
Accrued interest payable	25,153	-	-
Intergovernmental payable	1,373	79,520	9,359
Deposits payable	-	-	-
Unearned revenue	1,526	13,280	-
Compensated absences payable	-	-	-
Bonds payable (net of unamortized premiums and discounts)	188,672	-	-
Net pension liability	46,788	35,903	629
Net OPEB liability	-	-	-
Total current liabilities	<u>385,129</u>	<u>285,723</u>	<u>177,722</u>
Noncurrent Liabilities			
Bonds payable (net of unamortized premiums and discounts)	3,051,597	-	-
Net pension liability	237,746	182,443	3,199
Compensated absences payable	-	-	-
Net OPEB liability	-	-	-
Total noncurrent liabilities	<u>3,289,343</u>	<u>182,443</u>	<u>3,199</u>
Total liabilities	<u>3,674,472</u>	<u>468,166</u>	<u>180,921</u>
Deferred inflows of resources			
Deferred pension resources	93,883	72,045	1,264
Deferred OPEB resources	-	-	-
Total deferred inflows of resources	<u>93,883</u>	<u>72,045</u>	<u>1,264</u>
Net Position			
Net Investment in capital assets	1,108,825	1,391,226	-
Unrestricted	3,290,913	3,007,933	396,468
Total net position	<u>\$ 4,399,738</u>	<u>\$ 4,399,159</u>	<u>\$ 396,468</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 35,758	\$ 72,771	\$ 554,900	\$ 2,671
-	-	-	563,223
-	-	25,153	-
-	-	90,252	-
-	34,301	34,301	-
80,000	-	94,806	-
-	-	-	665,500
-	-	188,672	-
283,223	63,994	430,537	-
-	-	-	119,493
<u>398,981</u>	<u>171,066</u>	<u>1,418,621</u>	<u>1,350,887</u>
-	-	3,051,597	-
1,439,198	325,185	2,187,771	-
-	-	-	752,424
-	-	-	2,583,214
<u>1,439,198</u>	<u>325,185</u>	<u>5,239,368</u>	<u>3,335,638</u>
<u>1,838,179</u>	<u>496,251</u>	<u>6,657,989</u>	<u>4,686,525</u>
2,562,132	128,411	2,857,735	-
-	-	-	302,957
<u>2,562,132</u>	<u>128,411</u>	<u>2,857,735</u>	<u>302,957</u>
385,096	1,533,202	4,418,349	-
(958,326)	(114,757)	5,622,231	2,366,480
<u>\$ (573,230)</u>	<u>\$ 1,418,445</u>	<u>\$ 10,040,580</u>	<u>\$ 2,366,480</u>

Total net position of enterprise funds \$ 10,040,580

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time 450,228

Net position of business-type activities \$ 10,490,808

(Continued)

City of White Bear Lake, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Operating revenues			
Charges for services	\$ 2,749,020	\$ 3,915,592	\$ 1,776,978
Penalties	6,368	-	-
Rent	-	-	-
Premium reimbursement	-	-	-
Sale of recyclables	-	-	732
Other	24,535	12,447	23,920
Total operating revenues	<u>2,779,923</u>	<u>3,928,039</u>	<u>1,801,630</u>
Operating expenses			
Personal services	575,449	441,952	7,694
Supplies	297,246	36,523	1,483
Other services and charges	971,873	449,494	122,845
Disposal charges	162,611	1,998,716	1,644,274
Depreciation	210,505	161,127	-
Total operating expenses	<u>2,217,684</u>	<u>3,087,812</u>	<u>1,776,296</u>
Operating income (loss)	<u>562,239</u>	<u>840,227</u>	<u>25,334</u>
Nonoperating revenues (expenses)			
Investment income	64,141	100,022	16,907
Intergovernmental	3,562	-	62,880
Miscellaneous revenues	2,615	-	3
Interest expense	(52,622)	-	-
Gain on disposal of assets	51	4,830	-
Total nonoperating revenues	<u>17,747</u>	<u>104,852</u>	<u>79,790</u>
Income (loss) before capital contributions and transfers	579,986	945,079	105,124
Capital contributions from other funds	10,967	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(138,000)	(130,000)	(119,000)
Change in net position	452,953	815,079	(13,876)
Net position - beginning	<u>3,946,785</u>	<u>3,584,080</u>	<u>410,344</u>
Net position - ending	<u>\$ 4,399,738</u>	<u>\$ 4,399,159</u>	<u>\$ 396,468</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,926,960	\$ 859,531	\$ 11,228,081	\$ 4,231,058
-	-	6,368	-
-	438,131	438,131	-
-	-	-	107,648
-	-	732	-
4,690	721	66,313	-
<u>1,931,650</u>	<u>1,298,383</u>	<u>11,739,625</u>	<u>4,338,706</u>
2,887,386	812,045	4,724,526	3,680,702
144,839	14,066	494,157	-
204,355	297,515	2,046,082	718,747
-	-	3,805,601	-
116,626	92,278	580,536	-
<u>3,353,206</u>	<u>1,215,904</u>	<u>11,650,902</u>	<u>4,399,449</u>
(1,421,556)	82,479	88,723	(60,743)
23,252	11,288	215,610	188,594
239,000	61,257	366,699	-
-	3,371	5,989	-
-	-	(52,622)	-
7,500	-	12,381	-
<u>269,752</u>	<u>75,916</u>	<u>548,057</u>	<u>188,594</u>
(1,151,804)	158,395	636,780	127,851
-	-	10,967	-
233,000	18,667	251,667	-
<u>(166,000)</u>	<u>(252,500)</u>	<u>(805,500)</u>	<u>-</u>
(1,084,804)	(75,438)	93,914	127,851
511,574	1,493,883	9,946,666	2,238,629
<u>\$ (573,230)</u>	<u>\$ 1,418,445</u>	<u>\$ 10,040,580</u>	<u>\$ 2,366,480</u>

Change in net position from
enterprise funds \$ 93,914

Adjustment for the net effect of the
current year activity between the
internal service funds and the
enterprise funds. (24,670)

Changes in net position of business-
type activities \$ 69,244

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Cash flows from operating activities			
Receipts from customers	\$ 2,788,062	\$ 3,860,962	\$ 1,805,202
Receipts from other funds	-	-	-
Payments to vendors	(1,288,546)	(502,295)	(1,759,118)
Payments to employees	(575,449)	(441,952)	(7,694)
Payments to other governments	(152,501)	(1,948,715)	-
Other receipts	27,150	12,447	29,385
Net cash provided (used) by operating activities	<u>798,716</u>	<u>980,447</u>	<u>67,775</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	3,562	-	62,880
Transfers from other funds	-	-	-
Transfers (to) other funds	(138,000)	(130,000)	(119,000)
Net cash provided (used) by noncapital financing activities	<u>(134,438)</u>	<u>(130,000)</u>	<u>(56,120)</u>
Cash flows from capital financing activities			
Purchase of property and equipment	(468,397)	(89,885)	-
Principal paid on capital debt	(175,000)	-	-
Interest paid on debt	(63,173)	-	-
Proceeds from the sale of capital assets	51	4,830	-
Net cash provided (used) by capital financing activities	<u>(706,519)</u>	<u>(85,055)</u>	<u>-</u>
Cash flows from investing activities			
Investment income received	64,141	100,022	16,907
Increase (decrease) in cash and cash equivalents	21,900	865,414	28,562
Cash and cash equivalents at beginning of year	1,907,522	2,229,620	388,407
Cash and cash equivalents at end of year	<u>\$ 1,929,422</u>	<u>\$ 3,095,034</u>	<u>\$ 416,969</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ 1,962,805	\$ 1,304,770	\$ 11,721,801	\$ -
-	-	-	4,231,536
(348,466)	(290,603)	(4,189,028)	(2,322,010)
(2,145,811)	(803,957)	(3,974,863)	-
-	-	(2,101,216)	(1,801,903)
4,690	721	74,393	227,446
(526,782)	210,931	1,531,087	335,069
239,000	61,257	366,699	-
233,000	18,667	251,667	-
(166,000)	(252,500)	(805,500)	-
306,000	(172,576)	(187,134)	-
(292,327)	(56,343)	(906,952)	-
-	-	(175,000)	-
-	-	(63,173)	-
7,500	-	12,381	-
(284,827)	(56,343)	(1,132,744)	-
23,252	11,288	215,610	188,594
(482,357)	(6,700)	426,819	523,663
680,538	407,239	5,613,326	5,390,702
\$ 198,181	\$ 400,539	\$ 6,040,145	\$ 5,914,365

(Continued)

City of White Bear Lake, Minnesota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Water	Sewer	Refuse
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 562,239	\$ 840,227	\$ 25,334
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	210,505	161,127	-
Miscellaneous	2,615	-	3
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	3,438	10,100	(12,000)
Special assessments	29,236	(64,730)	-
Intergovernmental receivable	(4,377)	1,922	40,224
Prepaid expenses	-	-	-
Deferred outflows in OPEB resources	-	-	-
Deferred outflows in pension resources	48,804	38,596	218
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(19,427)	(16,278)	9,484
Wages payable	-	-	-
Intergovernmental payable	115	39,760	3,496
Deposits payable	-	-	-
Deferred inflows in pension resources	86,906	66,626	1,195
Deferred inflows in OPEB resources	-	-	-
Unearned revenue	-	-	-
Net pension liability	(121,338)	(96,903)	(179)
OPEB Liability	-	-	-
Compensated absences	-	-	-
Net cash provided (used) by operating activities	<u>\$ 798,716</u>	<u>\$ 980,447</u>	<u>\$ 67,775</u>
Noncash capital and related financing activities			
Acquisition of capital assets through capital contribution	<u>\$ 10,967</u>	<u>\$ -</u>	<u>\$ -</u>
Amortization of bond premium	<u>\$ (8,672)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Ambulance	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
\$ (1,421,556)	\$ 82,479	\$ 88,723	\$ (60,743)
116,626	92,278	580,536	-
-	3,371	5,989	-
274,845	3,741	280,124	478
-	-	(35,494)	-
-	-	37,769	(61,587)
-	653	653	-
-	-	-	(543,684)
(1,256,100)	71,635	(1,096,847)	-
728	20,330	(5,163)	(27,602)
-	-	-	79,608
-	(5)	43,366	-
-	(4)	(4)	-
969,996	118,590	1,243,313	-
-	-	-	(30,536)
(239,000)	-	(239,000)	-
1,027,679	(182,137)	627,122	-
-	-	-	812,735
-	-	-	166,400
<u>\$ (526,782)</u>	<u>\$ 210,931</u>	<u>\$ 1,531,087</u>	<u>\$ 335,069</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,967</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,672)</u>	<u>\$ -</u>

(Continued)

City of White Bear Lake, Minnesota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	<u>Custodial Funds</u>
Assets	
Cash	<u>\$ 346,503</u>
Liabilities	
Deposits payable	<u>320,037</u>
Net position	
Restricted for individuals, organizations, and other governments	<u>\$ 26,466</u>

City of White Bear Lake, Minnesota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Custodial Funds
Additions	
Geographic information system fees collections	\$ 37,051
Fireworks contributions collections	40,125
Manitou Days event contributions collections	8,218
Manitou Days parade fees collections	12,778
Deputy Registrar collections	55,207,291
Total revenues	55,305,463
Deductions	
Geographic information system fee disbursements	26,367
Fireworks disbursements	30,046
Manitou Days events disbursements	10,459
Manitou Days parade disbursements	8,175
Deputy Registrar disbursements	55,206,398
Total expenditures	55,281,445
Net increase (decrease) in fiduciary net position	24,018
Net position - beginning	2,448
Net position - ending	\$ 26,466

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CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

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

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

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

C. Basis of Presentation - Government Wide Financial Statements

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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

D. Basis of Presentation - Fund Financial Statements

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

The City reports the following major governmental funds:

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

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

The Pavement Management Fund accounts for transactions pertaining to public improvement construction projects.

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

The Equipment Acquisition Fund accounts for costs pertaining to capital equipment purchases.

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

The City reports the following major proprietary funds:

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

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Additionally, the City reports the following fund types:

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

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

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

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

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

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

E. Measurement Focus and Basis of Accounting

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

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

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

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

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

1. Cash and cash equivalents

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

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

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

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

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

The City has the following recurring fair value measurements as of December 31, 2023:

- US Treasury bills and notes and government agency securities of \$41,415,835 are valued using quoted market prices (Level 1 inputs)
- Negotiable certificates of deposits of \$7,779,564 are valued using a matrix pricing model (Level 2 inputs)

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

2. Accounts Receivable

Accounts receivable include amounts billed for services provided before year end. Accounts receivable of the Ambulance Fund have been reported net of uncollectible amounts estimated to be \$128,798. Delinquent utility charges are annually certified to the county for collection. As a result, there is no allowance for uncollectible amounts in the other enterprise funds.

3. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

CITY OF WHITE BEAR LAKE, MINNESOTA
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4. Prepaid expenses

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

5. Capital assets

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 - 50 years
Furnitures and fixtures	5 - 15 years
Machinery and equipment	5 - 20 years
Distribution and collection systems	25 years
Streets	20 years
Storm sewers	25 years
Intangibles	5 - 20 years

6. Deferred outflows of resources

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

CITY OF WHITE BEAR LAKE, MINNESOTA
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7. Deferred inflows of resources

In addition to liabilities, the statement of net position and fund financial statements will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four items which qualify for reporting in this category. Delinquent property taxes are reported as deferred inflows of resources because the date of collection is unknown. Unavailable special assessments are reported as deferred inflows because the actual collection is legally delayed between one and twenty years. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also recognizes a deferred lease receivable, which is reported under both the modified accrual and full accrual basis. Loan/notes receivable are reported as deferred inflows because the collection is delayed according to the payment schedule in the loan agreement. Deferred pension resources and deferred OPEB resources are reported only in the statements of net position and results from actuarial calculations.

8. Compensated Absences

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

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

Each year, compensated absence expenditures and expenses are recorded in the governmental and enterprise funds based on the total amount accrued by the employees during the year. These charges are offset by a corresponding transfer of assets from the home departments to the Employment Expense Fund to fund the liability. The personnel policy and union contracts limit the annual accumulation of benefits that can be accumulated from year to year and the amount of severance available. The City estimates \$665,500 will be due within the next fiscal year and \$752,424 will be due in more than one year.

9. Long-term obligations

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
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10. Net position flow assumption

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

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

11. Fund balance policies

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

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

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

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

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

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

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

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

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G. Revenues and Expenditures / Expenses

1. Program revenues

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

2. Property taxes

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

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

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

3. Special assessments

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
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4. Pensions

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

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

	Public Employees Retirement Association of Minnesota (PERA)			Fire Relief Association	Total All Plans
	GERP	PEPFP	DCP		
City's proportionate share	\$ 471,924	\$ 1,874,679	\$ 545	\$ (147,338)	\$ 2,199,810
Proportionate share of State's contribution	443	(14,639)	-	-	(14,196)
	<u>\$ 472,367</u>	<u>\$ 1,860,040</u>	<u>\$ 545</u>	<u>\$ (147,338)</u>	<u>\$ 2,185,614</u>

5. Bond discounts / premiums / issuance costs

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

6. Inter-fund transactions

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

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

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
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Note 2: Stewardship, Compliance and Accountability

A. Budgetary basis of accounting

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

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

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments corresponding to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The City has no outstanding encumbrances as of December 31, 2023. The City amended the General Fund budget during the year increasing revenues and other financing sources by \$457,001 and decreasing expenditures and other financing uses by \$290,013.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2023, there were no excesses of expenditures over appropriations.

C. Deficit Fund Balance/Net Position

At December 31, 2023, individual funds with deficit fund balances/net position are as follows:

Fund	Amount
Capital Project	
HRA District 27 Boatworks	\$ 275,685
Enterprise	
Ambulance	573,230
License Bureau	302,224
Internal Service Fund	
Employment Expense Fund	677,818

Deficits will be eliminated with future charges for services and tax increments.

CITY OF WHITE BEAR LAKE, MINNESOTA
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Note 3: Cash Deposits and Investments with Financial Institutions

A. Deposits

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

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

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

As of December 31, 2023, the City was not exposed to custodial credit risk because deposits were fully collateralized. The City had bank deposits of \$1,973,373 as of December 31, 2023. The City's book balance for cash as of December 31, 2023 was \$1,567,655.

B. Investments

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

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Pooled investments at amortized costs					
4M Fund	N/A	Less than 1 year	\$ 3,326,805	\$ -	\$ -
Brokered money market funds	N/A	Less than 1 year	77,556	-	-
Non-pooled investments at fair value					
US Treasury bills and notes	AAA	Less than 1 year	14,763,091	14,763,091	-
US Treasury bills and notes	AAA	1 to 3 years	5,317,232	5,317,232	-
Government agency securities	AAA	Less than 1 year	4,594,453	4,594,453	-
Government agency securities	AAA	1 to 3 years	14,866,404	14,866,404	-
Government agency securities	AAA	3 to 5 years	1,874,655	1,874,655	-
Negotiable certificates of deposits	N/A	Less than 1 year	3,145,626	-	3,145,626
Negotiable certificates of deposits	N/A	1 to 3 years	3,742,094	-	3,742,094
Negotiable certificates of deposits	N/A	3 to 5 years	891,844	-	891,844
Total investments			<u>\$ 52,599,760</u>	<u>\$ 41,415,835</u>	<u>\$ 7,779,564</u>

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Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City’s investment policy limit the City’s investments to the list above.

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

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. In accordance with the City’s investment policy, the City diversifies its investment portfolio to eliminate the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific class of securities. As of December 31, 2023, the City is in compliance with its investment policy. The City had invested 5% or more of its total investment portfolio in the following issuers: FHLB (23%), FHLMC (7%), and FFCB (7%).

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

C. Cash and Investments Summary

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

Bank Deposits	\$ 1,567,655
Investments	52,599,760
Other	
Petty Cash and Change Fund	2,800
Total Cash and Temporary Investments	\$ 54,170,215
Classification per financial statements	
Cash and Temporary Investments - Statement of Net Position	\$ 53,823,712
Cash in Fiduciary Net Position	346,503
Total	\$ 54,170,215

CITY OF WHITE BEAR LAKE, MINNESOTA
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Note 4: Lease Receivable

As of December 31, 2023, the City had the following Cell Tower lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Verizon Century Water Reservoir	5/1/1989	1.48%	\$ 82,213	\$ 1,423,449
Verizon Centerville Road	8/1/1997	1.59%	35,009	675,754
T Mobile Century Monopole	9/1/1996	1.44%	37,464	575,346
T Mobile Centerville Road	6/1/1996	1.44%	33,104	511,687
T Mobile 4701 Miller Road	2/17/1998	0.69%	32,024	96,068
SBA Stellmacher	6/1/2009	1.27%	23,696	266,888
AT&T Century Monopole	10/11/2006	1.75%	46,922	<u>1,605,096</u>
Total				<u>\$ 5,154,288</u>

Under the Cell Tower leases, the Tenants pay rent in exchange for the right to use the City's communications tower or water reservoirs for the purpose of maintaining and operating radio-based communications service facilities. Details on each cell tower lease are below.

Verizon Century Water Reservoir – under this lease, the Tenant pays \$62,665 in rent to the City annually. The current lease term extends through 4/30/2025 with three more options to renew for five-year terms. With each five-year renewal, rent increases by 27.7%.

Verizon Centerville Road – under this lease, the Tenant pays \$33,150 in rent to the City annually. The current lease term extends through 7/31/2027 with three more options to renew for five-year terms. Rent increases by 3.0% annually.

T Mobile Century Monopole – under this lease, the Tenant pays \$48,206 in rent to the City annually. The current lease term extends through 6/30/2028 with one more options to renew for five-years terms. Rent increases by 4.0% annually.

T Mobile Centerville Road - under this lease, the Tenant pays \$29,404 in rent to the City annually. The current lease term extends through 12/31/2026 with two more options to renew for five-years terms. With each five-year renewal, rent increases by 24.0%.

T Mobile 4701 Miller Road - under this lease, the Tenant pays \$32,467 in rent to the City annually. The current lease term extends through 12/31/2026 with no options to extend. Rent only increases at the beginning of the five-year lease term.

SBA Stellmacher - under this lease, the Tenant pays \$21,340 in rent to the City annually. The current lease term extends through 5/31/2024 with two more options to renew for five-years terms. Rent increases by 4.0% annually.

CITY OF WHITE BEAR LAKE, MINNESOTA
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AT&T Century Monopole - under this lease, the Tenant pays \$40,314 in rent to the City annually. The current lease term extends through 10/11/2025 with six more options to renew for five-years terms. Rent increases by 3.0% annually.

As of December 31, 2023, the City had the following Bellaire Center lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
Suburban Community Channels	6/1/2022	1.10%	66,515	\$ 27,872
Comcast	2/1/2022	1.10%	25,970	<u>82,295</u>
Total				<u>\$ 110,167</u>

Under the Suburban Community Channels lease, the Tenant pays rent in exchange for operating its business within a 6,416 square foot area of the City's 23,880 square foot Bellaire Center building. The Tenant pays \$65,122 in rent to the City annually with a 3.0% increase each year. The current lease term extends through 4/30/2025 with one option to extend for five more years.

Under the Comcast lease, the Tenant pays rent in exchange for operating its business within a 1,702 square foot area of the City's 23,880 square foot Bellaire Center building. The Tenant pays \$25,530 in rent to the City annually with a 3.0% increase each year. The current lease term extends through 1/31/2027 with one option to extend for five more years.

As of December 31, 2023, the City had the following lease receivable with The Good Table Restaurant Group:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
The Good Table Restaurant Group	12/1/2017	1.10%	\$ 21,316	<u>\$ 52,032</u>

Under The Good Table Restaurant Group lease, the Tenant pays rent in exchange for operating its business within a 1,058 square foot building owned by the City. The Tenant pays \$1,819 in rent to the City per month. The current lease term extends through 5/31/2026 with one option to extend for three more years.

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As of December 31, 2023, the City had the following Sports Center lease receivables:

Description	Issue Date	Discount Rate	Current Year Inflow of Resources	Balance at Year End
White Bear Lake Area Varsity Girls Hockey	7/1/2022	1.10%	\$ 11,148	\$ 21,790
White Bear Lake Area Hockey Association	8/11/2021	2.26%	24,735	<u>199,400</u>
				<u><u>\$ 221,190</u></u>

Under the White Bear Lake Area Varsity Girls Hockey lease, the Tenant pays rent in exchange for the dedicated use of the locker rooms at the Sports Center. The Tenant pays \$1,100 of rent per month to the City. The current lease term extends through 6/30/2025.

Under the White Bear Lake Area Hockey Association lease, the Tenant pays rent in exchange for the dedicated use of the locker rooms at the Sports Center. The Tenant pays \$2,060 of rent per month to the City with a 3% annual increase. The current lease term extends through 8/11/2031.

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Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not depreciated				
Land & improvements	\$ 9,666,893	\$ -	\$ -	\$ 9,666,893
Work in process	2,587,829	12,153,137	1,649,585	13,091,381
Total capital assets, not depreciated	<u>12,254,722</u>	<u>12,153,137</u>	<u>1,649,585</u>	<u>22,758,274</u>
Capital assets being depreciated				
Buildings & improvements	26,732,482	1,622,274	13,000	28,341,756
Other improvements	8,995,435	692,518	5,483	9,682,470
Furniture & equipment	11,454,673	672,475	355,679	11,771,469
Infrastructure				
Streets	57,478,555	-	-	57,478,555
Storm sewer	7,508,155	-	-	7,508,155
Total capital assets, depreciated	<u>112,169,300</u>	<u>2,987,267</u>	<u>374,162</u>	<u>114,782,405</u>
Less accumulated depreciation				
Buildings & improvements	16,491,637	960,310	13,000	17,438,947
Other improvements	5,943,713	642,087	4,524	6,581,276
Furniture & equipment	7,034,764	1,026,436	338,828	7,722,372
Infrastructure				
Streets	17,139,497	1,125,767	-	18,265,264
Storm sewer	3,057,659	75,110	-	3,132,769
Total accumulated depreciation	<u>49,667,270</u>	<u>3,829,710</u>	<u>356,352</u>	<u>53,140,628</u>
Total capital assets, depreciated net	<u>62,502,030</u>	<u>(842,443)</u>	<u>17,810</u>	<u>61,641,777</u>
Governmental activities				
Capital assets, net	<u>\$ 74,756,752</u>	<u>\$ 11,310,694</u>	<u>\$ 1,667,395</u>	<u>\$ 84,400,051</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not depreciated				
Land	\$ 490,275	\$ -	\$ -	\$ 490,275
Work in progress	317,272	-	172,657	144,615
Total capital assets, not depreciated	<u>807,547</u>	-	<u>172,657</u>	<u>634,890</u>
Capital assets being depreciated				
Buildings	4,612,566	56,344	-	4,668,910
Other improvements	376,522	183,623	-	560,145
Equipment	4,089,946	850,609	365,710	4,574,845
Distribution / collection system	13,037,780	-	-	13,037,780
Total capital assets	<u>22,116,814</u>	<u>1,090,576</u>	<u>365,710</u>	<u>22,841,680</u>
Less accumulated depreciation				
Buildings	3,680,891	77,752	-	3,758,643
Other improvements	47,110	23,438	-	70,548
Equipment	2,861,243	336,206	365,710	2,831,739
Distribution / collection system	9,013,882	143,140	-	9,157,022
Total accumulated depreciation	<u>15,603,126</u>	<u>580,536</u>	<u>365,710</u>	<u>15,817,952</u>
Total capital assets, depreciated net	<u>6,513,688</u>	<u>510,040</u>	<u>-</u>	<u>7,023,728</u>
Business-type activities				
Capital assets, net	<u>\$ 7,321,235</u>	<u>\$ 510,040</u>	<u>\$ 172,657</u>	<u>\$ 7,658,618</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Capital Assets (Continued)

Depreciation expense was charged to City functions as follows:

Governmental activities:

General government	\$ 379,765
Public safety	488,555
Public works	2,066,188
Parks and recreation	<u>895,202</u>

Total depreciation expense - governmental activities	<u><u>\$ 3,829,710</u></u>
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Business-type activities:

Water	\$ 210,505
Sewer	161,127
Ambulance	116,626
Pioneer manor	<u>92,278</u>

Total depreciation expense - business-type activities	<u><u>\$ 580,536</u></u>
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CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 6: Long-Term Debt

A. General Obligation Debt

The City issues general obligation bonds to provide funds for the acquisition and redevelopment of property, construction of streets and utilities, financing acquisition of capital equipment, and the construction of major capital facilities. The entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

As of December 31, 2023, the long-term bonded debt of the financial reporting entity consisted of the following:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Governmental activities					
G.O. Tax Increment Bonds					
G.O. Tax Increment Revenue Bonds, Series 2016A	2.00 - 3.00%	3/10/2016	2/1/2037	2,275,000	\$ 1,785,000
Total G.O. Tax Increment Bonds					<u>1,785,000</u>
G.O. Special Assessment Bonds					
G.O. Improvement Bonds, Series 2012B	0.40 - 2.00%	12/19/2012	2/1/2028	2,555,000	635,000
G.O. Bonds, Series 2018A	3.00 - 4.00%	6/14/2018	2/1/2039	5,850,000	4,910,000
G.O. Improvement Bonds, Series 2019A	3.00 - 4.00%	7/18/2019	2/1/2040	1,925,000	1,620,000
G.O. Improvement and Equipment Certificate Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	3,580,000	3,075,000
G.O. Improvement and Equipment Certificate Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	1,815,000	1,645,000
G.O. Improvement Bonds, Series 2022A	3.00 - 3.25%	6/2/2022	2/1/2038	3,010,000	3,010,000
Total G.O. Special Assessment Bonds					<u>14,895,000</u>
G.O. Tax Abatement Bonds					
G.O. Tax Abatement Bonds, Series 2018B	3.00 - 3.36%	6/14/2018	2/1/2039	3,330,000	2,815,000
G.O. Capital Improvement Plan Bonds					
G.O. Capital Improvement Plan Bonds, Series 2022B	4.00 - 5.00%	12/13/2022	2/1/2044	6,990,000	6,990,000
G.O. Capital Improvement Plan Bonds, Series 2023A	3.20-5.00%	3/23/2023	2/1/2044	10,000,000	10,000,000
Total G.O. Capital Improvement Plan Bonds					<u>16,990,000</u>
Bond premium					1,206,173
Compensated absences payable					1,417,924
Total OPEB liability					2,702,707
Pension liabilities					6,988,592
Total governmental activities					<u>11,109,223</u>
Total governmental indebtedness					<u>\$ 48,800,396</u>
Business-type activities					
G.O. Utility Revenue Bonds, Series 2020A	2.00 - 3.00%	7/16/2020	2/1/2041	860,000	\$ 790,000
G.O. Utility Revenue Bonds, Series 2021A	1.50 - 2.50%	6/17/2021	2/1/2037	2,465,000	2,325,000
Total G.O. Utility Revenue Bonds					<u>3,115,000</u>
Bond premium					125,269
Pension liabilities					2,618,308
Total business-type indebtedness					<u>\$ 5,858,577</u>
Total City indebtedness					<u>\$ 54,658,973</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

The above G.O. Utility Revenue Bonds will be repaid with revenues from the City’s municipal water system and with the full faith and credit and taxing powers of the City. Annual revenues from operating revenues were \$2,814,479 and principal and interest payments totaled \$243,173. The percentage of revenues covering principal and interest payments was 1,157% for 2023.

B. Minimum Debt Payments

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Governmental Activities					
	G.O. Tax Increment Bonds		G.O. Special Assessment Bonds		G.O. Tax Abatement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 95,000	\$ 42,838	\$ 1,120,000	\$ 414,287	\$ 140,000	\$ 87,450
2025	100,000	39,913	1,140,000	381,385	145,000	83,175
2026	105,000	37,363	1,145,000	349,541	150,000	78,750
2027	110,000	35,213	1,125,000	317,503	150,000	74,250
2028	115,000	32,963	1,115,000	285,453	155,000	69,675
2029-2033	650,000	124,013	4,740,000	992,661	850,000	274,059
2034-2038	610,000	35,456	3,705,000	405,672	1,005,000	126,047
2039-2043	-	-	805,000	19,525	220,000	3,850
	<u>\$ 1,785,000</u>	<u>\$ 347,759</u>	<u>\$ 14,895,000</u>	<u>\$ 3,166,027</u>	<u>\$ 2,815,000</u>	<u>\$ 797,256</u>

Year	Governmental Activities		Business-type Activities	
	G.O. CIP Bonds		G.O. Utility Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ -	\$ 846,064	\$ 180,000	\$ 58,560
2025	400,000	693,070	185,000	54,198
2026	465,000	671,445	190,000	50,098
2027	525,000	646,695	195,000	45,873
2028	575,000	619,195	200,000	41,523
2029-2033	3,750,000	2,594,600	1,055,000	143,374
2034-2038	4,540,000	1,773,984	960,000	50,770
2039-2043	5,500,000	814,644	150,000	4,500
2044	1,235,000	24,700	-	-
	<u>\$ 16,990,000</u>	<u>\$ 8,684,397</u>	<u>\$ 3,115,000</u>	<u>\$ 448,896</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

C. Changes in Long-Term Liabilities

Long-term debt activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Tax Increment Bonds	\$ 2,045,000	\$ -	\$ 260,000	\$ 1,785,000	\$ 95,000
Special Assessment Bonds	15,835,000	-	940,000	14,895,000	1,120,000
Tax Abatement Bonds	2,950,000	-	135,000	2,815,000	140,000
Capital Improvement Bonds	6,990,000	10,000,000	-	16,990,000	-
Bond premium	938,476	326,692	58,995	1,206,173	69,475
Net pension liability	19,035,147	-	12,046,555	6,988,592	203,234
Total OPEB liability	1,889,972	812,735	-	2,702,707	119,493
Compensated absences	1,251,524	996,424	830,024	1,417,924	665,500
Total governmental activities long-term liabilities	\$ 50,935,119	\$ 12,135,851	\$ 14,270,574	\$ 48,800,396	\$ 2,412,702
Business-type activities					
G.O. Utility Revenue Bonds	\$ 3,290,000	\$ -	\$ 175,000	\$ 3,115,000	\$ 180,000
Premium	133,941	-	8,672	125,269	8,672
Net pension liability	1,991,186	627,122	-	2,618,308	430,537
Total business-type activities long-term liabilities	\$ 5,415,127	\$ 627,122	\$ 183,672	\$ 5,858,577	\$ 619,209

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C. Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the years ending December 31, 2023, 2022 and 2021 were \$395,924, \$376,589 and \$356,261, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund Contributions

Police and Fire Plan members were required to contribute 11.80 percent of their annual covered salary in fiscal year 2023 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the years ending December 31, 2023, 2022 and 2021 were \$841,686, \$804,804 and \$757,809, respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2023, the City reported a liability of \$3,573,216 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$98,559. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023 relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0639 percent at the end of the measurement period and 0.0662 percent for the beginning of the period.

City Proportionate Share of the Net Pension Liability	\$ 3,573,216
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the City	<u>98,559</u>
Total	<u><u>\$ 3,671,775</u></u>

For the year ended December 31, 2023, the City recognized pension expense of \$471,924 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized \$443 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 118,360	\$ 24,615
Changes in Actuarial Assumptions	579,284	979,388
Net Difference Between Projected and Actual Investment Earnings	-	83,916
Changes in Proportion	24,555	91,081
Contributions Paid to PERA Subsequent to the Measurement Date	<u>203,234</u>	<u>-</u>
 Total	 <u>\$ 925,433</u>	 <u>\$ 1,179,000</u>

The \$203,234 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 84,496
2025	(563,681)
2026	99,900
2027	(77,516)
2028	-
Thereafter	-

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$6,033,684 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.3494 percent at the end of the measurement period and 0.3627 percent for the beginning of the period.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota’s pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$1,874,679 for its proportionate share of the Police and Fire Plan’s pension expense. In addition, the City recognized an additional -\$14,639 as pension expense (grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City recognized \$31,446 for the year ended December 31, 2023 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota’s on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan’s deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 1,688,826	\$ -
Changes in Actuarial Assumptions	7,258,588	8,483,774
Net Difference Between Projected and Actual Investment Earnings	-	262,679
Changes in Proportion	429,284	397,265
Contributions Paid to PERA Subsequent to the Measurement Date	<u>430,537</u>	<u>-</u>
 Total	 <u>\$ 9,807,235</u>	 <u>\$ 9,143,718</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

The \$430,537 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 547,610
2025	146,774
2026	1,486,985
2027	(451,394)
2028	(1,496,995)
Thereafter	-

E. Long-term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
	<u>100.0 %</u>	

F. Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0 percent was deemed to be within that range of reasonableness for financial reporting purposes.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan and 1.00 percent for the the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

Police and Fire Fund

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.4 percent to 7.0 percent.

Changes in Plan Provisions

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- The vesting requirement for new hires after June 30, 2014 was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years increasing incrementally to 100 percent after 10 years.
- A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023 prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net position of the General Employees and Police and Fire Funds were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 7: Defined Benefit Pension Plans - Statewide (Continued)

H. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1 Percent Decrease (6.0%)	Current (7.0%)	1 Percent Increase (8.0%)
General Employees Fund	\$ 6,321,307	\$ 3,573,216	\$ 1,312,808
Police and Fire Fund	11,971,548	6,033,684	1,151,965

I. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 8: Public Employees Defined Contribution Plan (Defined Contribution Plan)

Three part-time ambulance personnel of the City of White Bear Lake are covered by the Defined Contribution Plan (DCP), a multiple-employer deferred compensation plan administered by PERA. The DCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses, therefore, there is no future liability to the employer. *Minnesota statutes*, chapter 353d.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2.0 percent of employer contributions and twenty-five hundredths of 1 percent (0.25 percent) of the assets in each member's account annually.

Pension expense for the year is equal to contributions made. Total contributions made by the City during the fiscal year 2023 were:

Contribution Amount		Percentage of Covered Payroll		Required Rate
Employee	Employer	Employee	Employer	
\$ 545	\$ 545	5.00%	5.00%	5.00%

The City and member's contributions to the DCP plan for the years ending December 31, 2023, 2022 and 2021 were \$545, \$545, and \$2,079, respectively.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by the City of White Bear Lake and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 9: Defined Benefit Pension Plan - Fire Relief Association

A. Plan description

The White Bear Lake Fire Department (the Department) participates in the Statewide Volunteer Firefighter Retirement Plan (Volunteer Firefighter Plan accounted for in the Volunteer Firefighter Fund), an agent multiple-employer monthly defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). The Volunteer Firefighter Plan covers volunteer firefighters of municipal fire departments or independent nonprofit firefighting corporations that have elected to join the plan. As of December 31, 2023, the plan covered 23 active firefighters and 59 vested terminated firefighters whose pension benefits are deferred. The plan is established and administered in accordance with Minnesota statutes, chapter 353g.

B. Benefits provided

The Volunteer Firefighter Plan provides retirement, death, and supplemental benefits to covered firefighters and survivors. Benefits are paid based on the number of years of service multiplied by a benefit level approved by the City. Members are eligible for a monthly retirement benefit at 50 years of age with five years of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent.

C. Contributions

The Volunteer Firefighter Plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions. The State of Minnesota contributed \$317,500 in fire state aid to the fund for the year ended December 31, 2023. Required employer contributions are calculated annually based on statutory provisions. The City did not contribute to the Volunteer Firefighter Fund for the year ended December 31, 2023. The City's contributions were equal to the required contributions as set by state statute. In addition, the City made no voluntary contributions to the plan.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

D. Pension costs

At December 31, 2023, the City reported a net pension asset of \$2,949,978 for the plan. The net pension liability (asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by Gabriel Roeder Smith & Company applying an actuarial formula to specific census data certified by the Department as of December 31, 2023. The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning Balance January 1, 2022	\$ 4,195,650	\$ 8,413,183	\$ (4,217,533)
Changes for the Year			
Service cost	73,993	-	73,993
Interest on pension liability (asset)	243,091	-	243,091
Liability experience gains and losses	(28,562)	-	(28,562)
Changes of assumptions	19,127	-	19,127
Projected investment return	-	(1,248,748)	1,248,748
Contributions (employer)	-	289,125	(289,125)
Benefit payments	(436,261)	(436,261)	-
Administrative expenses	-	(2,283)	2,283
Other	-	2,000	(2,000)
Total Net Changes	(128,612)	(1,396,167)	1,267,555
Ending Balance December 31, 2022	\$ 4,067,038	\$ 7,017,016	\$ (2,949,978)

For the year ended December 31, 2023, the City recognized negative pension expense of \$147,338.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

At December 31, 2023, the City reported deferred inflows of resources and deferred outflows of resources, its contributions subsequent to the measurement date, related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 114,130
Changes in Actuarial Assumptions	15,623	61,732
Net Difference Between Projected and Actual Earnings on Plan Investments	850,737	-
Contributions to Plan Subsequent to the Measurement Date	<u>317,500</u>	<u>-</u>
Total	<u>\$ 1,183,860</u>	<u>\$ 175,862</u>

Deferred outflows of resources totaling \$317,500 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

2024	\$ (129,456)
2025	176,815
2026	293,311
2027	<u>349,828</u>
Total	<u>\$ 690,498</u>

E. Actuarial assumptions

The total pension liability at December 31, 2022 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Active Firefighters are assumed to retire at the later of age 53 and 20 years of service	
Salary increases	N/A
Investment rate of return	6.00%
Inflation rate of return	3.50%

The 20-year municipal bond yield actuarial assumption changed from 1.84% in 2021 to 4.05% in 2022. There were no other changes in actuarial assumptions in 2022.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan’s target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stocks	35.00 %	5.10 %
International Stocks	15.00	5.30
Bonds	45.00	0.75
Unallocated Cash	<u>5.00</u>	-
Total	<u><u>100.00 %</u></u>	

F. Discount rate

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension liability sensitivity

The following presents the City’s net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Defined benefit plan	\$ (2,553,489)	\$ (2,949,978)	\$ (3,280,682)

H. Pension plan fiduciary net position

Detailed information about the Volunteer Firefighter Fund’s fiduciary net position as of June 30, 2022, is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 10: Inter-fund Receivables, Payables, and Transfers

A. Interfund Assets/Liabilities

The internal balances amount on the Statement of Net Position represents the consolidation of internal service fund activities related to governmental and enterprise fund activities. This is a reconciliation adjustment and is not a formal due to and due from fund.

The Municipal Building Fund and the HRA Tax Increment Pool Fund have interfund balances from various funds as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Non-Bonded Debt Fund	\$ 213,750	\$ -
Municipal Building Fund	-	855,000
Economic Development Fund	1,391,250	-
HRA District 27 Boatworks Fund	-	750,000
	<hr/>	<hr/>
Total	<u>\$ 1,605,000</u>	<u>\$ 1,605,000</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

B. Transfers

The composition of inter-fund transfers for the year ended December 31, 2023 is as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water Fund	\$ 138,000	(1)
	Sewer Fund	130,000	(1)
	Refuse Fund	119,000	(1)
	Ambulance Fund	166,000	(1)
	Pavement Management Fund	300,000	(1)
	Non-Major Governmental Funds	120,100	(1)
	Non-Major Enterprise Funds	75,500	(1)
		<u>1,048,600</u>	
Construction Fund	Community Reinvestment Fund	<u>115,000</u>	(2)
Municipal Building Fund	Community Reinvestment Fund	<u>75,000</u>	(2)
Non-Major Governmental Funds	Community Reinvestment Fund	100,000	(2)
	Non-Bonded Debt Fund	352,377	(3),(5)
	Non-Major Governmental Funds	258,508	(5),(6),(7)
	Non-Major Enterprise Funds	177,000	(1),(5)
		<u>887,885</u>	
Ambulance Fund	Equipment Acquisition Fund	<u>233,000</u>	(4)
Non-Major Enterprise Funds	Non-Major Governmental Funds	<u>18,667</u>	
Total Transfers		<u>\$ 2,378,152</u>	

- 1) Provide funding for professional and administrative services
- 2) Provide funding for various capital improvement projects
- 3) Planned issuer equity contribution for debt issuance
- 4) Provide funding for the purchase of capital equipment
- 5) Provide funding for debt service payment obligations
- 6) Additional revenue to support the tax levy in paying the debt service payment
- 7) Transfer to close the HRA District 25 Downtown Expansion Fund

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 11: Note Receivable / Loans Receivable

On December 11, 2017, the City entered into an agreement with the White Bear Lake Area Hockey Association to share the cost of the Sports Center Renovation. The Association agreed to provide up to \$2,500,000 in cost sharing for the project, \$500,000 of which was fronted as an initial contribution to the project. The annual interest rate is 3.27%. Annual principal and interest payments are due December 1 of each year and are summarized below:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 87,601	\$ 50,209	\$ 137,810
2025	90,465	47,344	137,809
2026	93,423	44,386	137,809
2027	96,478	41,331	137,809
2028	99,633	38,176	137,809
2029-2033	549,220	139,828	689,048
2034-2038	518,620	43,963	562,583
Total	<u>\$ 1,535,440</u>	<u>\$ 405,237</u>	<u>\$ 1,940,677</u>

In addition, the City has economic development loans outstanding totaling \$69,099.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 12: Components of Fund Balance

At December 31, 2023, portions of the City's fund balance are not available for appropriation due either not being in spendable form (Non-spendable); a prepaid item or has legal restrictions (Restricted); and/or being held because of City Council action (Committed). The following is a summary of the components of fund balance:

	General	Non-Bonded Debt	Construction	Municipal Building	Equipment Acquisition	Community Reinvestment	Non-Major	Total
Nonspendable								
Prepaid items	\$ 5,205	\$ -	\$ -	\$ -	\$ -	\$ -	83	\$ 5,288
Restricted								
Economic Development	-	-	-	-	-	-	67,725	67,725
Public Safety Facility	-	-	-	5,537,673	-	-	-	5,537,673
Forfeiture	-	-	-	-	-	-	36,095	36,095
Public Safety LGA	451,939	-	-	-	645,000	-	-	1,096,939
Debt Service	-	-	-	-	-	-	2,970,936	2,970,936
Total Restricted	451,939	-	-	5,537,673	645,000	-	3,074,756	9,709,368
Committed								
Surface Water	-	-	-	-	-	-	143,239	143,239
Marina	-	-	-	-	-	-	462,002	462,002
Sports Center	-	-	-	-	-	-	238,435	238,435
Advances	-	-	-	-	-	-	1,391,250	1,391,250
Capital Improvement	-	-	-	-	2,182,220	6,954,259	1,185,398	10,321,877
Economic Development	-	-	-	-	-	-	2,488,410	2,488,410
Total Committed	-	-	-	-	2,182,220	6,954,259	5,908,734	15,045,213
Assigned								
Capital Improvement	-	-	4,634,632	-	-	-	-	4,634,632
Surface Water	-	-	-	-	-	-	840,487	840,487
Advances	-	213,750	-	-	-	-	-	213,750
Debt Service	-	1,146,238	-	-	-	-	-	1,146,238
Total Assigned	-	1,359,988	4,634,632	-	-	-	840,487	6,835,107
Unassigned	8,760,173	-	-	(132,561)	-	-	(275,685)	8,351,927
Total	\$ 9,217,317	\$ 1,359,988	\$ 4,634,632	\$ 5,405,112	\$ 2,827,220	\$ 6,954,259	\$ 9,548,375	\$ 39,946,903

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 13: Other Commitments and Contingencies

In connection with the normal conduct of its affairs, the City is involved in various claims, litigation and judgments. It is expected that the final settlement of these matters will not materially affect the financial condition of the City.

The City Attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

At December 31, 2023, the following commitments existed for the City's construction projects:

Project	Contractor/Payee	Revised Contract Amount	Completed to Date	Amount Remaining
Public Safety Facility - Flooring	Acoustics Associates, Inc.	\$ 99,929	\$ 92,574	\$ 7,355
Public Safety Facility - Tile	Advance Terrazzo & Tile Co.	116,650	12,820	103,830
Public Safety Facility - Metal Panels	Atomic Architectural Sheet Metal	334,546	259,078	75,467
Public Safety Facility - Landscape	Autumn Ridge Landscaping, Inc.	87,359	-	87,359
Public Safety Facility - Structural Steel - Material Only	Ben's Structural Fabrication	720,011	572,082	147,929
Public Safety Facility - Site Fencing	Century Fence Company	346,165	194,501	151,664
Public Safety Facility - Specialty Door	Crawford Door Sales Company	362,425	-	362,425
Public Safety Facility - Concrete	Ebert Construction	813,172	744,085	69,088
Public Safety Facility - Masonry	Harbor City Masonry	287,110	168,367	118,743
Public Safety Facility - Plumbing	Kraft Contracting & Mechanical	849,691	589,017	260,674
Public Safety Facility - Construction Management Services	Kraus-Anderson	1,320,095	683,981	636,114
Public Safety Facility - Roofing	Lake Area Roofing & Construction	1,180,699	1,097,092	83,607
Public Safety Facility - Demolition	Lloyd's Construction Services	138,562	117,152	21,410
Public Safety Facility - Exterior Glass and Glazing	MT Contracting, Inc.	531,000	465,324	65,677
Public Safety Facility - Carpentry	Maertens-Brenny Construction Company	397,000	88,025	308,975
Public Safety Facility - Painting	Mulcahy Nickolous, LLC	152,767	54,921	97,846
Public Safety Facility - Construction Final Cleaning	Nice & Clean Co.	25,000	5,000	20,000
Public Safety Facility - Asphalt Paving	Northwest Asphalt	215,800	174,769	41,031
Public Safety Facility - Fire Suppression	NOVA Fire Protection, Inc.	126,750	35,884	90,866
Public Safety Facility - Elevator	Otis Elevator Company	109,925	43,970	65,955
Public Safety Facility - Concrete Paving	Pember Companies, Inc.	168,500	88,013	80,487
Public Safety Facility - Site Clearing and Earthwork	Rachel Contracting, LLC.	1,226,477	1,148,462	78,015
Public Safety Facility - Structural Steel - Erection	Red Cedar Steel Erectors, Inc.	235,000	212,550	22,450
Public Safety Facility - Interior Sealant	Right-Way Caulking, Inc.	44,847	9,962	34,885
Public Safety Facility - Drywall	RTL Construction	371,383	226,808	144,575
Public Safety Facility - HVAC	St. Cloud Refrigeration	1,579,167	933,167	646,000
Public Safety Facility - Ceiling and Acoustical Treatment	Twin Cities Acoustics	60,617	30,737	29,880
Public Safety Facility - Doors, Frames, and Hardware - Material Only	Twin City Hardware	236,250	227,823	8,427
Public Safety Facility - Video Cameras	UHL	21,765	12,000	9,765
Public Safety Facility - Card Access	UHL	47,845	34,000	13,845
Public Safety Facility - Electrical	Vinco	1,602,307	1,066,317	535,991
Public Safety Facility - A/V	Wold Architects	24,000	21,360	2,640
Public Safety Facility - FF&E	Wold Architects	12,000.00	9,600.00	2,400
Public Safety Facility - CD-CA	Wold Architects	495,990.00	451,311.96	44,678
Public Safety Facility - Manufactured Casework	Woodside Industries, Inc.	295,647.19	174,243.61	121,404
Downtown Mobility and Parking Study	SEH	150,000.00	90,276.87	59,723
Total Commitment				<u>\$ 4,651,179</u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 14: Federally Assisted Programs - Compliance Audits

The City receives financial assistance from Federal and State governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2023.

Note 15: Risk Management

The City established the Insurance Fund to account for losses related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disaster. The Insurance Fund provides for losses up to \$25,000 for each claim (annual aggregate is \$100,000). The City purchases commercial insurance coverage above the deductible amount through the League of Minnesota Insurance Trust with other cities in the State. This is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through member premiums and re-insures through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies. The amount of the deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The City's workers compensation insurance is a deductible premium option. Transactions related to workers compensation insurance are reported in the Employment Expense Fund.

The Insurance and Employment Expense Funds are presented as internal service funds. All funds of the City participate in the programs and make payments to the Insurance and Employment Expense fund based on historical cost information. At December 31, 2023, there is no liability reported in the funds based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Note 16: Other Post-Employment Benefits

A. Plan description

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. Medical coverage is administered by Medica. Dental coverage is administered by Health Partners. It is the City's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for City employees and retirees. No assets are accumulated in a trust.

B. Benefits provided

The plan is required by State Statute to provide healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Retirees reimburse the city of the total cost of their healthcare insurance, plus a two percent administrative fee.

C. Contributions

Retirees contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with Medica and Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2023, the City did not contribute to the plan.

For the governmental activities, the net OPEB obligation is generally liquidated by the General Fund.

D. Members

As of December 31, 2023, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Active employees	<u>77</u>
Total	<u><u>89</u></u>

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

E. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	3.50%, net of investment expense
Salary increases	3.00% to 10.25% for General Employees; 3.00% to 11.75% for Police and Fire Employees
Inflation	2.25%
Healthcare cost trend increases	7.5% initially, gradually decreasing to an ultimate rate of 3.5% in year 12
Mortality assumption	Pub-2010 Mortality Table adjusted for mortality improvements using projection scale MP-2020

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2023 - December 31, 2023.

The discount rate used to measure the total OPEB liability was 3.77% based on the estimated yield of 20-Year-AA-rated municipal bonds.

F. Total OPEB liability

The City's total OPEB liability of \$2,702,707 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2023	\$ 1,889,972
Changes for the year	
Service cost	138,091
Interest	76,920
Change of benefit terms	16,409
Difference between expected and actual experience	632,694
Changes of assumptions	68,114
Benefit payments	<u>(119,493)</u>
Net Changes	<u>812,735</u>
Balances at December 31, 2023	<u><u>\$ 2,702,707</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.05% in 2022 to 3.77% in 2023.

G. OPEB liability sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 3.77% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

1% decrease	Current	1% increase
<u>(2.77%)</u>	<u>(3.77%)</u>	<u>(4.77%)</u>
\$ 2,963,159	\$ 2,702,707	\$ 2,473,118

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability/(Asset)		
1% decrease	Current	1% increase
(6.5% decreasing to 2.5%)	(7.5% decreasing to 3.5%)	(8.5% decreasing to 4.5%)
\$ 2,432,494	\$ 2,702,707	\$ 3,017,017

H. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended December 31, 2023, the City recognized OPEB expense of \$238,515. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,151,887	\$ 1,290
Changes of assumptions	227,988	301,667
	\$ 1,379,875	\$ 302,957
Total		

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to the Financial Statements
December 31, 2023

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Total
2024	\$ 126,588
2025	126,588
2026	126,588
2027	126,588
2028	127,355
Thereafter	443,211
Total	\$ 1,076,918

Note 17: Conduit Debt Obligations

Conduit debt obligations are certain limited obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City. The outstanding balance of conduit debt at December 31, 2023, is \$34,960,763.

Note 18: Subsequent Event

On May 14, 2024, the City issued \$2,290,000 General Obligation Improvement Bonds, Series 2024A to finance the City's 2024 pavement rehabilitation project. The bonds bear interest between 4.00 and 5.00 percent and mature on February 1, 2040.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.0639 %	\$ 3,573,216	\$ 98,559	\$ 3,671,775	\$ 5,083,056	70.3 %	83.1 %
6/30/2022	0.0662	5,243,062	153,844	5,396,906	4,927,083	106.4	76.7
6/30/2021	0.0639	2,728,816	83,394	2,812,210	4,574,545	59.7	87.0
6/30/2020	0.0641	3,843,088	118,549	3,961,637	4,570,467	84.1	79.0
6/30/2019	0.0649	3,588,176	111,495	3,699,671	4,708,610	76.2	80.2
6/30/2018	0.0723	4,010,908	131,615	4,142,523	4,743,584	84.6	79.5
6/30/2017	0.0734	4,685,808	58,907	4,744,715	4,549,458	103.0	75.9
6/30/2016	0.0684	5,553,741	72,541	5,626,282	4,421,512	125.6	68.9
6/30/2015	0.0717	3,715,866	-	3,715,866	4,381,773	84.8	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 395,924	\$ 395,924	\$ -	\$ 5,278,987	7.5 %
12/31/2022	376,589	376,589	-	5,021,187	7.5
12/31/2021	356,261	356,261	-	4,750,147	7.5
12/31/2020	337,960	337,960	-	4,506,133	7.5
12/31/2019	343,333	343,333	-	4,577,773	7.5
12/31/2018	357,270	357,270	-	4,763,600	7.5
12/31/2017	355,409	355,409	-	4,738,783	7.5
12/31/2016	328,868	328,868	-	4,384,906	7.5
12/31/2015	327,158	327,158	-	4,362,107	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Notes to the Required Supplementary Information - General Employees Fund

Changes in actuarial assumptions

2023 - The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

2022- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Changes in plan provisions

2023 - An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

2016 – There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Schedule of Employer's Share of PERA Net Pension Liability - Police and Fire Fund

Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2023	0.3494 %	\$ 6,033,684	\$ 243,058	\$ 6,276,742	\$ 4,588,572	131.5 %	86.5 %
6/30/2022	0.3627	15,783,271	689,419	16,472,690	4,405,863	358.2	70.5
6/30/2021	0.3613	2,788,853	125,365	2,914,218	4,269,582	65.3	93.7
6/30/2020	0.3639	4,796,591	112,977	4,909,568	4,289,713	111.8	87.2
6/30/2019	0.3236	3,445,049	-	3,445,049	3,277,385	105.1	89.3
6/30/2018	0.2543	2,710,576	-	2,710,576	2,808,744	96.5	88.8
6/30/2017	0.2540	3,429,302	-	3,429,302	2,514,962	136.4	85.4
6/30/2016	0.2500	10,032,935	-	10,032,935	2,503,201	400.8	63.9
6/30/2015	0.2530	2,874,672	-	2,874,672	2,114,755	135.9	86.6

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - Police and Fire Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2023	\$ 841,686	\$ 841,686	\$ -	\$ 4,755,288	17.7 %
12/31/2022	804,804	804,804	-	4,546,915	17.7
12/31/2021	757,809	757,809	-	4,281,407	17.7
12/31/2020	746,128	746,128	-	4,215,412	17.7
12/31/2019	657,326	657,326	-	3,878,029	17.0
12/31/2018	474,595	474,595	-	2,929,599	16.2
12/31/2017	408,224	408,224	-	2,519,899	16.2
12/31/2016	402,054	402,054	-	2,481,816	16.2
12/31/2015	400,740	400,740	-	2,473,704	16.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Notes to the Required Supplementary Information - Public Employees Police and Fire Fund

Changes in actuarial assumptions

2023 - The investment return assumption was changed from 6.5 percent to 7.00 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.5% to 5.4%.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

2020 - The mortality projection scale was changed from MP-2018 to MP-2019.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2016 to MP-2017.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The Combined Service Annuity (CSA) load was 30 percent for vested and non-vested deferred members. The CSA has been changed to 33 percent for vested members and 2 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.0 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65 percent to 60 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.6 percent to 7.5 percent.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2037 and 2.5 percent per year thereafter.

Changes in plan provisions

2023 - Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023. Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023.

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

2020 - There were no changes in plan provisions since the previous valuation.

2019 - There were no changes in plan provisions since the previous valuation.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

2018 - As set by statute, the assumed post-retirement benefit increase was changed from 1.0 percent per year through 2064 and 2.5 percent per year, thereafter, to 1.0 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 - No changes noted

2015 - The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 73,993	\$ 72,365	\$ 118,371	\$ 114,923	\$ 156,301	\$ 151,749	\$ 137,576	\$ 133,569	\$ 145,189
Interest	243,091	251,818	259,796	267,297	253,096	253,714	261,707	249,002	247,887
Changes of benefit terms	-	-	-	-	406,243	-	-	-	-
Differences between expected and actual experience	(28,562)	-	(59,709)	-	(466,686)	-	(194,578)	-	(14,592)
Changes of assumptions	19,127	-	5,106	-	(370,400)	-	-	190,378	-
Benefit payments, including refunds of employee contributions	(436,261)	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Net change in total pension liability	(128,612)	(182,071)	8,738	(324,300)	(403,235)	(99,557)	(24,811)	139,775	138,666
Total pension liability - January 1	4,195,650	4,377,721	4,368,983	4,693,283	5,096,518	5,196,075	5,220,886	5,081,111	4,942,445
Total pension liability - December 31, (a)	\$ 4,067,038	\$ 4,195,650	\$ 4,377,721	\$ 4,368,983	\$ 4,693,283	\$ 5,096,518	\$ 5,196,075	\$ 5,220,886	\$ 5,081,111
Plan fiduciary net position									
Contributions - employer	289,125	276,820	263,727	248,007	241,116	232,194	231,628	229,853	216,807
Net investment income	(1,248,748)	738,115	998,251	1,129,252	(479,034)	966,600	495,777	(293,258)	278,508
Benefit payments, including refunds of employee contributions	(436,261)	(506,254)	(314,826)	(706,520)	(381,789)	(505,020)	(229,516)	(433,174)	(239,818)
Administrative expense	(2,283)	(905)	(3,110)	(17,118)	(45,208)	(29,980)	(24,898)	(32,395)	(29,243)
Other	2,000	2,000	5,707	(59,536)	1,000	2,000	-	275	137
Net change in plan fiduciary net position	(1,396,167)	509,776	949,749	594,085	(663,915)	665,794	472,991	(528,699)	226,391
Plan fiduciary net position - January 1	8,413,183	7,903,407	6,953,658	6,359,573	7,023,488	6,357,694	5,884,703	6,413,402	6,187,011
Plan fiduciary net position - December 31 (b)	\$ 7,017,016	\$ 8,413,183	\$ 7,903,407	\$ 6,953,658	\$ 6,359,573	\$ 7,023,488	\$ 6,357,694	\$ 5,884,703	\$ 6,413,402
Fire Relief's net pension liability (asset) - December 31 (a-b)	\$ (2,949,978)	\$ (4,217,533)	\$ (3,525,686)	\$ (2,584,675)	\$ (1,666,290)	\$ (1,926,970)	\$ (1,161,619)	\$ (663,817)	\$ (1,332,291)
Plan fiduciary net position as a percentage of the total pension liability (b/a)	172.53%	200.52%	180.54%	159.16%	135.50%	137.81%	122.36%	112.71%	126.22%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire Relief's net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Benefit changes. There have been no plan changes since the January 1, 2018 valuation.

Changes of assumptions. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2018, amounts reported as changes of assumptions resulted from an adjustment to the 20-year municipal bond rate. The assumed rate of investment was changed from 5.00 percent to 6.00 percent. The base mortality table for healthy and disabled annuitants was changed from the RP-2000 fully generational table to the RF-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2017. In 2021, amounts reported as changes of assumptions resulted from the assumed rate of inflation changing from 3.00% to 2.25%. The mortality improvement scale was changed from MP-2017 to MP-2019.

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

Schedule of Employer's Fire Relief Association Contributions

Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/22	\$ 289,125	\$ 289,125	-
12/31/21	276,820	276,820	-
12/31/20	263,728	263,728	-
12/31/19	248,007	248,007	-
12/31/18	241,116	241,116	-
12/31/17	232,194	232,194	-
12/31/16	231,628	231,628	-
12/31/15	229,853	229,853	-
12/31/14	216,807	216,807	-

Schedule of Changes in Total OPEB Liability and Related Ratios

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service cost	\$ 138,091	\$ 187,283	\$ 69,413	\$ 59,639	\$ 46,821
Interest	76,920	39,302	29,148	36,519	34,686
Change of benefit terms	16,409	-	-	-	-
Difference between expected and actual experience	632,694	8,536	608,442	24,185	187,941
Changes of assumptions	68,114	(343,513)	(1,463)	89,717	201,075
Benefit payments	(119,493)	(87,984)	(83,746)	(87,266)	(80,547)
Net change in total OPEB liability	812,735	(196,376)	621,794	122,794	389,976
Beginning of year	1,889,972	2,086,348	1,464,554	1,341,760	951,784
End of year	\$ 2,702,707	\$ 1,889,972	\$ 2,086,348	\$ 1,464,554	\$ 1,341,760
Covered-employee payroll	\$ 7,153,027	\$ 6,662,986	\$ 7,102,031	\$ 6,599,353	\$ 6,264,746
Total OPEB liability as a percentage of covered-employee payroll	37.78%	28.37%	29.38%	22.19%	21.42%

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 8,233,000	\$ 8,233,000	\$ 8,163,075	\$ (69,925)
Franchise fees	325,000	371,353	371,353	-
License and permits				
Business license and permits	159,500	142,360	147,645	5,285
Non-Business license and permits	969,307	1,220,245	1,574,015	353,770
Total license and permits	1,128,807	1,362,605	1,721,660	359,055
Fines	57,000	61,275	52,548	(8,727)
Intergovernmental				
Federal grants	84,000	84,000	77,136	(6,864)
State grants	1,803,390	1,846,906	2,361,942	515,036
County grants	21,200	21,200	21,335	135
Local grants	165,000	162,843	162,843	-
Total intergovernmental	2,073,590	2,114,949	2,623,256	508,307
Charges for services				
General government	-	160	938	778
Public safety	721,126	733,126	737,275	4,149
Other	-	-	13,460	13,460
Inspection services	150,000	150,000	180,737	30,737
Total charges for services	871,126	883,286	932,410	49,124
Interest income	-	120,000	272,348	152,348
Rental Income	53,450	41,796	45,793	3,997
Refunds and reimbursements	6,300	11,185	30,081	18,896
Donations	-	450	1,020	570
Miscellaneous	6,000	8,505	22,006	13,501
Total revenues	12,754,273	13,208,404	14,235,550	1,027,146
Expenditures				
General government				
Mayor and Council				
Personal services	102,161	101,136	101,096	(40)
Supplies	14,450	14,400	6,633	(7,767)
Other services and charges	48,157	43,147	44,023	876
Total Mayor and Council	164,768	158,683	151,752	(6,931)

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
City Manager				
Personal services	\$ 429,698	\$ 520,033	\$ 521,728	\$ 1,695
Supplies	410	335	483	148
Other services and charges	21,765	22,765	21,443	(1,322)
Total city manager	<u>451,873</u>	<u>543,133</u>	<u>543,654</u>	<u>521</u>
Finance				
Personal services	614,549	515,258	520,317	5,059
Supplies	2,045	1,770	787	(983)
Other services and charges	129,448	159,929	141,604	(18,325)
Total finance	<u>746,042</u>	<u>676,957</u>	<u>662,708</u>	<u>(14,249)</u>
Legal counselor				
Other services and charges	<u>72,836</u>	<u>79,736</u>	<u>85,114</u>	<u>5,378</u>
City hall				
Personal services	82,582	81,898	81,993	95
Supplies	19,600	18,950	14,793	(4,157)
Other services and charges	<u>156,325</u>	<u>155,305</u>	<u>124,498</u>	<u>(30,807)</u>
Total city hall	<u>258,507</u>	<u>256,153</u>	<u>221,284</u>	<u>(34,869)</u>
Technology				
Personal services	132,869	116,368	115,801	(567)
Supplies	1,000	550	596	46
Other services and charges	9,090	22,230	8,668	(13,562)
Total technology	<u>142,959</u>	<u>139,148</u>	<u>125,065</u>	<u>(14,083)</u>
Elections				
Other services and charges	<u>80,405</u>	<u>79,405</u>	<u>78,854</u>	<u>(551)</u>
Total general government	<u>1,917,390</u>	<u>1,933,215</u>	<u>1,868,431</u>	<u>(64,784)</u>
Community development				
Planning				
Personal services	348,155	360,834	361,200	366
Supplies	1,650	1,370	404	(966)
Other services and charges	31,435	29,110	24,075	(5,035)
Total community development	<u>381,240</u>	<u>391,314</u>	<u>385,679</u>	<u>(5,635)</u>

(Continued)

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Public safety				
Public Safety Facility				
Supplies	\$ 3,325	\$ 3,975	\$ 3,482	\$ (493)
Other services and charges	145,430	144,145	134,707	(9,438)
Total public safety facility	<u>148,755</u>	<u>148,120</u>	<u>138,189</u>	<u>(9,931)</u>
Police				
Personal services	5,169,839	5,035,313	4,662,748	(372,565)
Supplies	218,340	205,458	213,770	8,312
Other services and charges	263,428	293,182	290,690	(2,492)
Total police	<u>5,651,607</u>	<u>5,533,953</u>	<u>5,167,208</u>	<u>(366,745)</u>
Dispatch				
Other services and charges	<u>251,800</u>	<u>251,800</u>	<u>249,137</u>	<u>(2,663)</u>
Animal control				
Personal services	18,766	11,867	11,605	(262)
Supplies	1,050	650	-	(650)
Other services and charges	7,300	4,650	4,270	(380)
Total animal control	<u>27,116</u>	<u>17,167</u>	<u>15,875</u>	<u>(1,292)</u>
Legal prosecution				
Personal services	1,463	1,463	614	(849)
Other services and charges	158,600	136,000	136,000	-
Total legal prosecution	<u>160,063</u>	<u>137,463</u>	<u>136,614</u>	<u>(849)</u>
Fire				
Personal services	1,216,585	1,212,162	1,202,287	(9,875)
Supplies	105,938	108,795	105,883	(2,912)
Other services and charges	198,654	202,036	164,116	(37,920)
Total fire	<u>1,521,177</u>	<u>1,522,993</u>	<u>1,472,286</u>	<u>(50,707)</u>
Emergency preparedness				
Supplies	6,200	3,500	1,808	(1,692)
Other services and charges	12,379	11,254	8,438	(2,816)
Total emergency preparedness	<u>18,579</u>	<u>14,754</u>	<u>10,246</u>	<u>(4,508)</u>

(Continued)

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Building and code enforcement				
Personal services	\$ 643,710	\$ 600,483	\$ 558,420	\$ (42,063)
Supplies	13,450	11,880	8,980	(2,900)
Other services and charges	192,740	180,795	184,031	3,236
Total building / code enforcement	<u>849,900</u>	<u>793,158</u>	<u>751,431</u>	<u>(41,727)</u>
Total public safety	<u>8,628,997</u>	<u>8,419,408</u>	<u>7,940,986</u>	<u>(478,422)</u>
Public works				
Shop				
Personal services	97,390	97,380	97,599	219
Supplies	30,175	31,315	24,792	(6,523)
Other services and charges	134,616	140,404	121,281	(19,123)
Total shop	<u>262,181</u>	<u>269,099</u>	<u>243,672</u>	<u>(25,427)</u>
Engineering				
Personal services	678,480	667,475	660,806	(6,669)
Supplies	9,010	8,585	5,742	(2,843)
Other services and charges	102,923	102,443	87,601	(14,842)
Total engineering	<u>790,413</u>	<u>778,503</u>	<u>754,149</u>	<u>(24,354)</u>
Garage				
Personal services	209,539	208,337	211,005	2,668
Supplies	37,280	45,195	41,792	(3,403)
Other services and charges	31,092	36,702	24,854	(11,848)
Total garage	<u>277,911</u>	<u>290,234</u>	<u>277,651</u>	<u>(12,583)</u>
Streets				
Personal services	367,843	347,041	382,557	35,516
Supplies	111,650	128,350	146,827	18,477
Other services and charges	142,142	160,222	133,188	(27,034)
Total streets	<u>621,635</u>	<u>635,613</u>	<u>662,572</u>	<u>26,959</u>
Snow and ice removal				
Personal services	111,408	111,408	70,355	(41,053)
Supplies	125,500	128,650	121,013	(7,637)
Other services and charges	50,550	65,650	49,363	(16,287)
Total snow and ice removal	<u>287,458</u>	<u>305,708</u>	<u>240,731</u>	<u>(64,977)</u>
Street lighting				
Personal services	11,494	11,495	11,224	(271)
Supplies	30,700	31,600	1,640	(29,960)
Other services and charges	202,630	221,300	200,124	(21,176)
Total street lighting	<u>244,824</u>	<u>264,395</u>	<u>212,988</u>	<u>(51,407)</u>
Total public works	<u>2,484,422</u>	<u>2,543,552</u>	<u>2,391,763</u>	<u>(151,789)</u>
Parks and recreation				
Personal services	546,614	515,493	530,479	14,986
Supplies	121,375	144,210	120,219	(23,991)
Other services and charges	147,817	148,442	155,394	6,952
Total parks and recreation	<u>815,806</u>	<u>808,145</u>	<u>806,092</u>	<u>(2,053)</u>

(Continued)

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2023

	Budget		Actual	Variances with Final Budget
	Original	Final		
Non-departmental				
General services	\$ 97,250	\$ 87,250	\$ 80,417	\$ (6,833)
Contingency	147,792	-	12,644	12,644
Total non-departmental	<u>245,042</u>	<u>87,250</u>	<u>93,061</u>	<u>5,811</u>
Total expenditures	<u>14,472,897</u>	<u>14,182,884</u>	<u>13,486,012</u>	<u>(696,872)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,718,624)</u>	<u>(974,480)</u>	<u>749,538</u>	<u>1,724,018</u>
Other financing sources (uses)				
Sale of capital assets	-	2,870	3,395	525
Transfers from other funds	1,048,600	1,048,600	1,048,600	-
Total other financing sources (uses)	<u>1,048,600</u>	<u>1,051,470</u>	<u>1,051,995</u>	<u>525</u>
Net change in fund balance	(670,024)	76,990	1,801,533	1,724,543
Fund balance - beginning	<u>6,681,169</u>	<u>7,415,784</u>	<u>7,415,784</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,011,145</u>	<u>\$ 7,492,774</u>	<u>\$ 9,217,317</u>	<u>\$ 1,724,543</u>

(Continued)

CITY OF WHITE BEAR LAKE, MINNESOTA
Notes to Required Supplemental Information
December 31, 2023

1. Budgetary Reporting

A. The Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General and Special Revenue funds. The departmental level budgets are adopted on a basis consistent with generally accepted accounting principles. The fund balance reports revenue in the period in which they become measurable and available.

B. Summary of Significant Budget Policies

The City Charter, Sections 5.03 through 5.09, sets forth the requirements that the City Manager must prepare and submit an annual budget to the City Council. The Council conducts informal budget discussions with the City Manager on an on-going basis. The Mayor, City Council, and citizens are asked to convey budget priorities to the City Manager prior to preparation of the proposed budget. The White Bear Lake City Charter requires the City Manager to enforce the provisions of the budget upon adoption. Minnesota State Law requires that the preliminary budget and proposed tax levy be approved by the City Council prior to September 30 of each year. State statutes require the preliminary property tax levy be certified to the County Auditor by September 30. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy. The City Council is required to adopt the final tax levy and submit the levy to the County Auditor by December 28.

C. Budget Amendments

After the budget resolution has been adopted, the Council, under Section 5.09 of the City Charter, shall have no power to increase the amounts fixed in the budget resolution, by insertion of new items or otherwise, beyond the estimated revenues, unless actual receipts exceed the estimates and then not beyond the actual receipts. The Council may at any time, by resolution, reduce the sums appropriated for any purpose by the budget resolution. The Council may, by four-fifths majority vote, authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes, except from dedicated funds, and subject to the limitations of the City Charter.

D. Budgetary Compliance

There were no budgetary compliance violations for the fiscal year ending December 31, 2023.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

Special Revenue Funds

	American Rescue Plan	Surface Water Pollution Prevention	Marina	Forfeiture	Economic Development	Sports Center
Assets						
Cash	\$ 575,889	\$ 965,387	\$ 466,002	\$ 36,095	\$ 2,467,282	\$ 209,331
Accounts receivable	-	37,500	-	-	37,211	49,242
Taxes receivable	-	-	-	-	-	-
Special assessments receivable	-	-	-	-	112,340	-
Due from other governments	-	-	-	-	-	18,091
Advances to other funds	-	-	-	-	1,391,250	-
Leases receivable	-	-	-	-	162,198	221,190
Loans receivable	-	-	-	-	69,099	-
Prepaid expenses	-	-	-	-	-	83
Total assets	\$ 575,889	\$ 1,002,887	\$ 466,002	\$ 36,095	\$ 4,239,380	\$ 497,937
Liabilities						
Accounts payable	\$ -	\$ 19,161	\$ 4,000	\$ -	\$ 32,441	\$ 31,123
Deposits payable	-	-	-	-	500	-
Intergovernmental payable	-	-	-	-	-	358
Advances from other funds	-	-	-	-	-	-
Unearned revenue - other	575,889	-	-	-	3,011	19,725
Total liabilities	575,889	19,161	4,000	-	35,952	51,206
Deferred Inflows of Resources						
Unavailable revenue						
Property taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	111,261	-
Deferred lease resources	-	-	-	-	212,507	208,213
Total deferred inflows of resources	-	-	-	-	323,768	208,213
Fund Balances						
Nonspendable	-	-	-	-	-	83
Restricted	-	-	-	36,095	-	-
Committed	-	143,239	462,002	-	3,879,660	238,435
Assigned	-	840,487	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	983,726	462,002	36,095	3,879,660	238,518
Total liabilities, deferred inflows of resources, and fund balances	\$ 575,889	\$ 1,002,887	\$ 466,002	\$ 36,095	\$ 4,239,380	\$ 497,937

Debt Service Funds

2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds
\$ 25,664	\$ -	\$ 34,279	\$ 436,824	\$ 236,227	\$ 378,328
-	-	-	-	-	-
-	-	-	3,244	1,946	1,180
-	-	-	226,980	-	264,347
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 25,664	\$ -	\$ 34,279	\$ 667,048	\$ 238,173	\$ 643,855
\$ 550	\$ -	\$ -	\$ -	\$ -	\$ 720
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
550	-	-	-	-	720
-	-	-	-	-	-
-	-	-	226,142	-	259,035
-	-	-	-	-	-
-	-	-	226,142	-	259,035
-	-	-	-	-	-
25,114	-	34,279	440,906	238,173	384,100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,114	-	34,279	440,906	238,173	384,100
\$ 25,664	\$ -	\$ 34,279	\$ 667,048	\$ 238,173	\$ 643,855

(Continued)

City of White Bear Lake, Minnesota
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2023

Debt Servive Funds

	2020 General Obligation Bonds	2021 General Obligation Bonds	2022 General Obligation Bonds	2022 Capital Improvement Plan Bonds	2023 Capital Improvement Plan Bonds
Assets					
Cash	\$ 597,198	\$ 329,375	\$ 419,188	\$ 158,719	\$ 323,728
Accounts receivable	-	-	-	-	-
Taxes receivable	3,804	2,374	2,979	5,382	4,483
Special assessments receivable	345,079	188,628	464,836	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Leases receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total assets	\$ 946,081	\$ 520,377	\$ 887,003	\$ 164,101	\$ 328,211
Liabilities:					
Accounts payable	475	475	475	-	475
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	475	475	475	-	475
Deferred Inflows of Resources					
Unavailable revenue -					
Property taxes	-	-	-	-	-
Special assessments	344,568	188,229	462,712	-	-
Deferred lease resources	-	-	-	-	-
Total deferred inflows of resources	344,568	188,229	462,712	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	601,038	331,673	423,816	164,101	327,736
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	601,038	331,673	423,816	164,101	327,736
Total liabilities, deferred inflows of resources, and fund balances	\$ 946,081	\$ 520,377	\$ 887,003	\$ 164,101	\$ 328,211

Capital Projects Funds				Total
Park Improvement	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks	Non-Major Governmental Funds
\$ 1,188,091	\$ -	\$ 68,216	\$ 475,884	\$ 9,391,707
-	-	-	-	123,953
-	-	-	3,391	28,783
-	-	-	-	1,602,210
-	-	-	-	18,091
-	-	-	-	1,391,250
-	-	-	-	383,388
-	-	-	-	69,099
-	-	-	-	83
<u>\$ 1,188,091</u>	<u>\$ -</u>	<u>\$ 68,216</u>	<u>\$ 479,275</u>	<u>\$ 13,008,564</u>
\$ 2,693	\$ -	\$ 491	\$ 1,569	\$ 94,648
-	-	-	-	500
-	-	-	-	358
-	-	-	750,000	750,000
-	-	-	-	598,625
<u>2,693</u>	<u>-</u>	<u>491</u>	<u>751,569</u>	<u>1,444,131</u>
-	-	-	3,391	3,391
-	-	-	-	1,591,947
-	-	-	-	420,720
-	-	-	3,391	2,016,058
-	-	-	-	83
-	-	67,725	-	3,074,756
1,185,398	-	-	-	5,908,734
-	-	-	-	840,487
-	-	-	(275,685)	(275,685)
<u>1,185,398</u>	<u>-</u>	<u>67,725</u>	<u>(275,685)</u>	<u>9,548,375</u>
<u>\$ 1,188,091</u>	<u>\$ -</u>	<u>\$ 68,216</u>	<u>\$ 479,275</u>	<u>\$ 13,008,564</u>

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds					
	American Rescue Plan	Surface Water Pollution Prevention	Marina	Forfeiture	Economic Development	Sports Center
Revenues						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	-	-	-	-	356,343	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	300,463	26,396	-	-	25,000	-
Charges for services	-	266,711	-	-	8,510	634,712
Special assessments	-	-	-	-	64,972	-
Investment income	-	34,618	17,045	1,297	82,529	7,294
Rental and lease income	-	-	431,400	-	322,410	40,983
Refunds and reimbursements	-	-	-	4,385	2,811	297
Donations	-	-	-	-	4,690	552
Dedicated fees	-	-	-	-	-	-
Miscellaneous	-	-	-	2,837	3,031	48,813
Total revenues	<u>300,463</u>	<u>327,725</u>	<u>448,445</u>	<u>8,519</u>	<u>870,296</u>	<u>732,651</u>
Expenditures						
Current						
General government	19,327	-	-	-	-	-
Public safety	-	-	-	4,269	-	-
Public works	-	227,694	-	-	-	-
Parks and recreation	-	-	92,633	-	-	759,428
Community development	-	-	-	-	638,192	-
Capital outlay						
General government	10,216	-	-	-	-	-
Public works	252,920	-	-	-	-	-
Parks and recreation	-	-	39,404	-	-	-
Community development	18,000	-	-	-	2,193	-
Debt service						
Principal retired on bonded debt	-	-	-	-	-	-
Interest and other expenditures	-	-	-	-	-	-
Total expenditures	<u>300,463</u>	<u>227,694</u>	<u>132,037</u>	<u>4,269</u>	<u>640,385</u>	<u>759,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>100,031</u>	<u>316,408</u>	<u>4,250</u>	<u>229,911</u>	<u>(26,777)</u>
Other financing sources (uses)						
Transfers from other funds	-	-	-	-	39,500	-
Transfers to other funds	-	-	(218,100)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(218,100)</u>	<u>-</u>	<u>39,500</u>	<u>-</u>
Net change in fund balance	-	100,031	98,308	4,250	269,411	(26,777)
Fund balance - beginning	-	883,695	363,694	31,845	3,610,249	265,295
Fund balance - ending	<u>\$ -</u>	<u>\$ 983,726</u>	<u>\$ 462,002</u>	<u>\$ 36,095</u>	<u>\$ 3,879,660</u>	<u>\$ 238,518</u>

Debt Service

2012 Special Assessment	2012 Refunding Tax Increment	2016 Tax Increment	2018 General Obligation Bonds	2018 Tax Abatement	2019 Improvement Bonds
\$ -	\$ -	\$ -	\$ 214,114	\$ 128,468	\$ 77,859
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	43,356	-	50,081
1,058	-	1,678	11,040	6,332	11,300
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,058	-	1,678	268,510	134,800	139,240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
165,000	170,000	90,000	245,000	135,000	105,000
13,846	2,701	46,601	167,397	95,616	58,508
178,846	172,701	136,601	412,397	230,616	163,508
(177,788)	(172,701)	(134,923)	(143,887)	(95,816)	(24,268)
178,000	160,000	137,000	145,000	98,000	-
-	(18,667)	-	-	-	-
178,000	141,333	137,000	145,000	98,000	-
212	(31,368)	2,077	1,113	2,184	(24,268)
24,902	31,368	32,202	439,793	235,989	408,368
\$ 25,114	\$ -	\$ 34,279	\$ 440,906	\$ 238,173	\$ 384,100

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2023

	2020 General Obligation Bonds	2021 General Obligation Bonds	2022 General Obligation Bonds	2022 Capital Improvement Plan Bonds	2023 Capital Improvement Plan Bonds
Revenues					
General property taxes	\$ 251,097	\$ 156,691	\$ 196,595	\$ 355,233	\$ 295,866
Tax Increment	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Special assessments	57,935	32,303	66,225	-	-
Investment income	14,883	7,626	9,623	401	3,457
Rental and lease income	-	-	-	-	-
Refunds and reimbursements	-	-	-	-	-
Donations	-	-	-	-	-
Dedicated fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>323,915</u>	<u>196,620</u>	<u>272,443</u>	<u>355,634</u>	<u>299,323</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Community development	-	-	-	-	-
Debt service					
Principal retired on bonded debt	255,000	170,000	-	-	-
Interest and other expenditures	89,341	35,737	108,883	191,533	964
Total expenditures	<u>344,341</u>	<u>205,737</u>	<u>108,883</u>	<u>191,533</u>	<u>964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,426)</u>	<u>(9,117)</u>	<u>163,560</u>	<u>164,101</u>	<u>298,359</u>
Other financing sources (uses)					
Transfers in from other funds	-	-	-	-	29,377
Transfers (to) other funds	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,377</u>
Net change in fund balance	(20,426)	(9,117)	163,560	164,101	327,736
Fund balance - beginning	<u>621,464</u>	<u>340,790</u>	<u>260,256</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ 601,038</u>	<u>\$ 331,673</u>	<u>\$ 423,816</u>	<u>\$ 164,101</u>	<u>\$ 327,736</u>

Capital Projects Funds				Total
Park Improvement	HRA District 25 Downtown Expansion	HRA District 26 Hoffman Place	HRA District 27 Boatworks	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,675,923
-	-	50,807	272,353	679,503
18,225	-	-	-	18,225
-	-	-	-	351,859
14,048	-	-	-	923,981
-	-	-	-	314,872
55,313	-	1,604	10,425	277,523
-	-	-	-	794,793
-	-	-	121	7,614
8,157	-	-	-	13,399
122,456	-	-	-	122,456
-	-	-	-	54,681
218,199	-	52,411	282,899	5,234,829
-	-	-	-	19,327
-	-	-	-	4,269
-	-	-	-	227,694
47,782	-	-	-	899,843
-	1,480,502	52,026	4,831	2,175,551
-	-	-	-	10,216
-	-	-	-	252,920
488,941	-	-	-	528,345
-	-	-	-	20,193
-	-	-	-	1,335,000
-	-	-	-	811,127
536,723	1,480,502	52,026	4,831	6,284,485
(318,524)	(1,480,502)	385	278,068	(1,049,656)
100,000	-	391	617	887,885
-	(1,008)	-	(159,500)	(397,275)
100,000	(1,008)	391	(158,883)	490,610
(218,524)	(1,481,510)	776	119,185	(559,046)
1,403,922	1,481,510	66,949	(394,870)	10,107,421
\$ 1,185,398	\$ -	\$ 67,725	\$ (275,685)	\$ 9,548,375

(Continued)

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Non-Major Proprietary Funds
December 31, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Assets			
Current Assets			
Cash	\$ 108,811	\$ 291,728	\$ 400,539
Accounts receivable	8,455	-	8,455
Prepaid expenses	117	-	117
Total current assets	<u>117,383</u>	<u>291,728</u>	<u>409,111</u>
Capital Assets			
Land	-	410,285	410,285
Buildings	5,760	2,493,478	2,499,238
Other Improvements	-	376,522	376,522
Equipment	21,569	160,023	181,592
Less accumulated depreciation	(27,329)	(1,907,106)	(1,934,435)
Total net capital assets	<u>-</u>	<u>1,533,202</u>	<u>1,533,202</u>
Total assets	<u>117,383</u>	<u>1,824,930</u>	<u>1,942,313</u>
Deferred outflows of resources			
Deferred pension resources	100,794	-	100,794
Liabilities			
Current Liabilities:			
Accounts payable	2,811	69,960	72,771
Deposits payable	-	34,301	34,301
Net pension liability	63,994	-	63,994
Total current liabilities	<u>66,805</u>	<u>104,261</u>	<u>171,066</u>
Noncurrent Liabilities			
Net pension liability	325,185	-	325,185
Total liabilities	<u>391,990</u>	<u>104,261</u>	<u>496,251</u>
Deferred inflows of resources			
Deferred pension resources	128,411	-	128,411
Net Position			
Investment in capital assets	-	1,533,202	1,533,202
Unrestricted	(302,224)	187,467	(114,757)
Total net position	<u>\$ (302,224)</u>	<u>\$ 1,720,669</u>	<u>\$ 1,418,445</u>

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-Major Proprietary Funds
For the Year Ended December 31, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Operating revenues			
Charges for services	\$ 859,531	\$ -	\$ 859,531
Rent	-	438,131	438,131
Other	49	672	721
Total operating revenues	<u>859,580</u>	<u>438,803</u>	<u>1,298,383</u>
Operating expenses			
Personal services	812,045	-	812,045
Supplies	6,392	7,674	14,066
Other services and charges	39,669	257,846	297,515
Depreciation	-	92,278	92,278
Total operating expenses	<u>858,106</u>	<u>357,798</u>	<u>1,215,904</u>
Operating income	<u>1,474</u>	<u>81,005</u>	<u>82,479</u>
Nonoperating revenues			
Investment income	4,084	7,204	11,288
Intergovernmental	61,257	-	61,257
Miscellaneous revenues	30	3,341	3,371
Total nonoperating revenues	<u>65,371</u>	<u>10,545</u>	<u>75,916</u>
Income before transfers	66,845	91,550	158,395
Transfers from other funds	-	18,667	18,667
Transfers to other funds	<u>(57,000)</u>	<u>(195,500)</u>	<u>(252,500)</u>
Change in net position	9,845	(85,283)	(75,438)
Net position - beginning	<u>(312,069)</u>	<u>1,805,952</u>	<u>1,493,883</u>
Net position - ending	<u>\$ (302,224)</u>	<u>\$ 1,720,669</u>	<u>\$ 1,418,445</u>

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the Year Ended December 31, 2023

	License Bureau	Pioneer Manor	Total Non-Major Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 861,821	\$ 442,949	\$ 1,304,770
Payments to vendors	(46,491)	(244,112)	(290,603)
Payments to employees	(803,957)	-	(803,957)
Other receipts	49	672	721
Net cash provided (used) by operating activities	<u>11,422</u>	<u>199,509</u>	<u>210,931</u>
Cash flows from noncapital financing activities			
Intergovernmental receipts	61,257	-	61,257
Transfers from other funds	-	18,667	18,667
Transfers (to) other funds	(57,000)	(195,500)	(252,500)
Net cash provided (used) by noncapital financing activities	<u>4,257</u>	<u>(176,833)</u>	<u>(172,576)</u>
Cash flows from capital financing activities			
Purchase of property and equipment	-	(56,343)	(56,343)
Cash flows from investing activities			
Investment interest	4,084	7,204	11,288
Increase (decrease) in cash and cash equivalents	19,763	(26,463)	(6,700)
Cash and cash equivalents at beginning of year	89,048	318,191	407,239
Cash and cash equivalents at end of year	<u>\$ 108,811</u>	<u>\$ 291,728</u>	<u>\$ 400,539</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,474	\$ 81,005	\$ 82,479
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	92,278	92,278
Miscellaneous	30	3,341	3,371
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	2,260	1,481	3,741
Prepaid expenses	653	-	653
Deferred outflows in pension resources	71,635	-	71,635
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(1,083)	21,413	20,330
Due to governments	-	(5)	(5)
Deposits payable	-	(4)	(4)
Deferred inflows in pension resources	118,590	-	118,590
Net pension liability	(182,137)	-	(182,137)
Net cash provided (used) by operating activities	<u>\$ 11,422</u>	<u>\$ 199,509</u>	<u>\$ 210,931</u>

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
American Rescue Plan Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Intergovernmental	\$ -	\$ 305,714	\$ 300,463	\$ (5,251)
Expenditures				
General government				
Other services and charges	10,000	-	19,327	19,327
Capital outlay	340,000	29,460	10,216	(19,244)
Total general government	350,000	29,460	29,543	83
Public safety				
Capital outlay	136,828	15,000	-	(15,000)
Public works				
Capital outlay	-	243,254	252,920	9,666
Community Development				
Other services and charges	-	18,000	18,000	-
Total expenditures	486,828	305,714	300,463	(5,251)
Excess (deficiency) of revenues over (under) expenditures	(486,828)	-	-	-
Net change in fund balance	(486,828)	-	-	-
Fund balance - beginning	487,127	-	-	-
Fund balance - ending	\$ 299	\$ -	\$ -	\$ -

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Surface Water Pollution Prevention Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Intergovernmental	\$ 20,000	\$ 26,396	\$ 26,396	\$ -
Charges for Services	254,031	254,032	266,711	12,679
Interest income	-	16,925	34,618	17,693
Total revenues	274,031	297,353	327,725	30,372
Expenditures				
Public works				
Personal services	134,280	134,280	134,186	(94)
Materials and supplies	3,750	3,750	1,777	(1,973)
Other services and charges	79,350	48,290	39,621	(8,669)
Capital outlay	152,500	155,900	52,110	(103,790)
Total expenditures	369,880	342,220	227,694	(114,526)
Net change in fund balance	(95,849)	(44,867)	100,031	144,898
Fund balance - beginning	829,386	883,695	883,695	-
Fund balance - ending	\$ 733,537	\$ 838,828	\$ 983,726	\$ 144,898

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Marina Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Rental income	\$ 432,000	\$ 431,400	\$ 431,400	\$ -
Interest income	-	7,675	17,045	9,370
Total revenues	432,000	439,075	448,445	9,370
Expenditures				
Parks and recreation				
Materials and supplies	6,850	8,400	4,377	(4,023)
Other services and charges	98,010	94,195	88,256	(5,939)
Capital outlay	180,000	134,400	39,404	(94,996)
Total expenditures	284,860	236,995	132,037	(104,958)
Excess of revenues over expenditures	147,140	202,080	316,408	114,328
Other Financing Uses				
Transfers to other funds	(218,100)	(218,100)	(218,100)	-
Net change in fund balance	(70,960)	(16,020)	98,308	114,328
Fund balance - beginning	331,643	363,694	363,694	-
Fund balance - ending	\$ 260,683	\$ 347,674	\$ 462,002	\$ 114,328

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Forfeiture Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Miscellaneous	\$ 3,000	\$ 1,552	\$ 2,837	\$ 1,285
Interest income	-	650	1,297	647
Refunds and reimbursements	10,000	4,385	4,385	-
Total revenues	<u>13,000</u>	<u>6,587</u>	<u>8,519</u>	<u>1,932</u>
Expenditures				
Current				
Public safety				
Materials and supplies	10,500	-	-	-
Other services and charges	22,600	11,100	4,269	(6,831)
Total expenditures	<u>33,100</u>	<u>11,100</u>	<u>4,269</u>	<u>(6,831)</u>
Net change in fund balance	(20,100)	(4,513)	4,250	8,763
Fund balance - beginning	<u>21,787</u>	<u>31,845</u>	<u>31,845</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,687</u>	<u>\$ 27,332</u>	<u>\$ 36,095</u>	<u>\$ 8,763</u>

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Economic Development Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Tax increment	\$ -	\$ 2,490	\$ 356,343	\$ 353,853
Intergovernmental	-	25,000	25,000	-
Charges for services				
Farmer's Market	5,000	6,320	6,715	395
Loan repayments	39,300	61,071	1,795	(59,276)
Special assessments	64,665	65,940	64,972	(968)
Rental income	330,366	348,752	322,410	(26,342)
Miscellaneous	-	600	3,031	2,431
Interest income	-	41,600	82,529	40,929
Refunds and reimbursements	-	500	2,811	2,311
Donations	-	2,820	4,690	1,870
Total revenues	439,331	555,093	870,296	315,203
Expenditures				
Community Development				
Personal services	159,456	153,677	155,849	2,172
Materials and supplies	59,775	40,160	24,322	(15,838)
Other services and charges	650,910	576,165	458,021	(118,144)
Capital outlay	145,000	152,560	2,193	(150,367)
Total expenditures	1,015,141	922,562	640,385	(282,177)
Excess (deficiency) of revenues over (under) expenditures	(575,810)	(367,469)	229,911	597,380
Other financing sources				
Transfers from other funds	-	17,000	39,500	22,500
Net change in fund balance	(575,810)	(350,469)	269,411	619,880
Fund balance - beginning	2,069,783	2,135,558	3,610,249	1,474,691
Fund balance - ending	\$ 1,493,973	\$ 1,785,089	\$ 3,879,660	\$ 2,094,571

City of White Bear Lake, Minnesota
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Sports Center Fund
For the Year Ended December 31, 2023

	Original	Final	Actual	Variances with Final Budget
Revenues				
Charges for services	\$ 603,000	\$ 635,661	\$ 634,712	\$ (949)
Interest income	-	3,825	7,294	3,469
Rental income	40,164	42,389	40,983	(1,406)
Donations	400	400	552	152
Refunds and reimbursements	-	325	297	(28)
Miscellaneous	18,250	75,993	48,813	(27,180)
Total revenues	661,814	758,593	732,651	(25,942)
Expenditures				
Parks and recreation				
Personal services	494,870	491,332	477,049	(14,283)
Materials and supplies	32,240	35,840	36,398	558
Other services and charges	273,963	276,904	245,981	(30,923)
Total expenditures	801,073	804,076	759,428	(44,648)
Net change in fund balance	(139,259)	(45,483)	(26,777)	18,706
Fund balance - beginning	170,650	255,106	265,295	10,189
Fund balance - ending	\$ 31,391	\$ 209,623	\$ 238,518	\$ 28,895

City of White Bear Lake, Minnesota
Combining Statement of Net Position
Internal Service Funds
December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Assets			
Current Assets			
Cash	\$ 3,045,039	\$ 2,869,326	\$ 5,914,365
Receivables:			
Intergovernmental	-	61,722	61,722
Total assets	<u>3,045,039</u>	<u>2,931,048</u>	<u>5,976,087</u>
Deferred Outflows of Resources			
Deferred other postemployment benefit resources	-	1,379,875	1,379,875
Liabilities			
Current Liabilities:			
Accounts payable	741	1,930	2,671
Accrued wages payable	-	563,223	563,223
Compensated absences payable	-	665,500	665,500
Net OPEB liability	-	119,493	119,493
Total current liabilities	<u>741</u>	<u>1,350,146</u>	<u>1,350,887</u>
Noncurrent Liabilities:			
Compensated absences payable	-	752,424	752,424
Net OPEB liability	-	2,583,214	2,583,214
Total noncurrent liabilities	<u>-</u>	<u>3,335,638</u>	<u>3,335,638</u>
Total liabilities	<u>741</u>	<u>4,685,784</u>	<u>4,686,525</u>
Deferred Inflows of Resources			
Deferred other postemployment benefit resources	-	302,957	302,957
Net Position			
Unrestricted	<u>\$ 3,044,298</u>	<u>\$ (677,818)</u>	<u>\$ 2,366,480</u>

City of White Bear Lake, Minnesota
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Operating revenues			
Charges for services	\$ 285,908	\$ 3,945,150	\$ 4,231,058
Premium reimbursement	106,570	1,078	107,648
Total operating revenues	<u>392,478</u>	<u>3,946,228</u>	<u>4,338,706</u>
Operating expenses			
Personal services	-	3,680,702	3,680,702
Other services and charges	453,930	264,817	718,747
Total operating expenses	<u>453,930</u>	<u>3,945,519</u>	<u>4,399,449</u>
Operating income (loss)	<u>(61,452)</u>	<u>709</u>	<u>(60,743)</u>
Nonoperating revenues			
Investment income	<u>108,647</u>	<u>79,947</u>	<u>188,594</u>
Change in net position	47,195	80,656	127,851
Net position - beginning	<u>2,997,103</u>	<u>(758,474)</u>	<u>2,238,629</u>
Net position - ending	<u>\$ 3,044,298</u>	<u>\$ (677,818)</u>	<u>\$ 2,366,480</u>

City of White Bear Lake, Minnesota
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

	Insurance	Employment Expense	Total Internal Service Funds
Cash flows from operating activities			
Receipts from other funds	\$ 286,386	\$ 3,945,150	\$ 4,231,536
Payments to vendors	(463,389)	(1,858,621)	(2,322,010)
Payments to other governments	-	(1,801,903)	(1,801,903)
Other receipts	106,570	120,876	227,446
Net cash provided (used) by operating activities	<u>(70,433)</u>	<u>405,502</u>	<u>335,069</u>
Cash flows from investing activities			
Investment income received	<u>108,647</u>	<u>79,947</u>	<u>188,594</u>
Increase (decrease) in cash and cash equivalents	38,214	485,449	523,663
Cash and cash equivalents at beginning of year	<u>3,006,825</u>	<u>2,383,877</u>	<u>5,390,702</u>
Cash and cash equivalents at end of year	<u>\$ 3,045,039</u>	<u>\$ 2,869,326</u>	<u>\$ 5,914,365</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (61,452)	\$ 709	\$ (60,743)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
(Increase) decrease in assets/deferred outflows of resources			
Accounts receivable	478	-	478
Due from governments	-	(61,587)	(61,587)
Deferred outflows in OPEB resources	-	(543,684)	(543,684)
Increase (decrease) in liabilities/deferred inflows of resources			
Accounts payable	(9,459)	(18,143)	(27,602)
Wages payable	-	79,608	79,608
Deferred inflows in OPEB resources	-	(30,536)	(30,536)
OPEB liability	-	812,735	812,735
Compensated absences	-	166,400	166,400
Net cash provided (used) by operating activities	<u>\$ (70,433)</u>	<u>\$ 405,502</u>	<u>\$ 335,069</u>

City of White Bear Lake, Minnesota
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
Assets					
Cash	\$ (2,482)	\$ 155,794	\$ 116,938	\$ 76,253	\$ 346,503
Liabilities					
Deposits payable	271	167,077	85,545	67,144	\$ 320,037
Net position					
Restricted for individuals, organizations, and other governments	\$ (2,753)	\$ (11,283)	\$ 31,393	\$ 9,109	\$ 26,466

City of White Bear Lake, Minnesota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Deputy Registrar	Ramsey County GIS User Group	Fireworks Contributions	Manitou Days	Total
Additions					
Geographic information system fees collections	\$ -	\$ 37,051	\$ -	\$ -	\$ 37,051
Fireworks contributions collections	-	-	40,125	-	40,125
Manitou Days event contributions collections	-	-	-	8,218	8,218
Manitou Days parade fees collections	-	-	-	12,778	12,778
Deputy Registrar collections	55,207,291	-	-	-	55,207,291
Total revenues	<u>55,207,291</u>	<u>37,051</u>	<u>40,125</u>	<u>20,996</u>	<u>55,305,463</u>
Deductions					
Geographic information system fee disbursements	-	26,367	-	-	26,367
Fireworks disbursements	-	-	30,046	-	30,046
Manitou Days events disbursements	-	-	-	10,459	10,459
Manitou Days parade disbursements	-	-	-	8,175	8,175
Deputy Registrar disbursements	55,206,398	-	-	-	55,206,398
Total expenditures	<u>55,206,398</u>	<u>26,367</u>	<u>30,046</u>	<u>18,634</u>	<u>55,281,445</u>
Net increase (decrease) in fiduciary net position	893	10,684	10,079	2,362	24,018
Net position - beginning	<u>(3,646)</u>	<u>(21,967)</u>	<u>21,314</u>	<u>6,747</u>	<u>2,448</u>
Net position - ending	<u>\$ (2,753)</u>	<u>\$ (11,283)</u>	<u>\$ 31,393</u>	<u>\$ 9,109</u>	<u>\$ 26,466</u>

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STATISTICAL SECTION (UNAUDITED)

CITY OF WHITE BEAR LAKE
WHITE BEAR LAKE, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2023

City of White Bear Lake, Minnesota
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Years				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 70,454,106	\$ 69,690,757	\$ 66,342,321	\$ 66,079,290	\$ 63,483,876
Restricted for stormwater	31,033	31,033	31,033	31,033	31,033
Restricted for debt service	192,389	127,709	103,228	139,623	122,200
Restricted for economic development	-	-	629,646	464,393	-
Restricted for public safety	-	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-	-
Unrestricted	27,617,496	29,293,742	28,839,930	26,022,816	31,026,459
Total governmental activities net position	\$ 98,295,024	\$ 99,143,241	\$ 95,946,158	\$ 92,737,155	\$ 94,663,568
Business-type activities					
Net investment in capital assets	\$ 4,259,544	\$ 4,189,988	\$ 4,034,239	\$ 3,935,132	\$ 5,070,706
Unrestricted	3,953,646	2,208,696	1,762,479	2,331,483	2,204,090
Total business-type activities net position	\$ 8,213,190	\$ 6,398,684	\$ 5,796,718	\$ 6,266,615	\$ 7,274,796
Total primary government					
Net investment in capital assets	\$ 74,713,650	\$ 73,880,745	\$ 70,376,560	\$ 70,014,422	\$ 68,554,582
Restricted for stormwater	31,033	31,033	31,033	31,033	31,033
Restricted for debt service	192,389	127,709	103,228	139,623	122,200
Restricted for economic development	-	-	629,646	464,393	-
Restricted for public safety	-	-	-	-	-
Restricted for Fire Relief Association	-	-	-	-	-
Unrestricted	31,571,142	31,502,438	30,602,409	28,354,299	33,230,549
Total primary government net position	\$ 106,508,214	\$ 105,541,925	\$ 101,742,876	\$ 99,003,770	\$ 101,938,364

		Fiscal Years							
		2019	2020	2021	2022	2023			
\$	62,561,789	\$	59,068,600	\$	56,335,785	\$	53,084,601	\$	52,246,551
	-		-		-		-		-
	1,847,261		2,265,278		3,153,831		3,760,306		3,784,772
	-		324,051		759,213		1,551,852		71,116
	-		82,339		74,887		31,845		1,133,034
	-		-		-		5,566,397		2,949,978
	29,497,391		31,196,628		33,092,881		25,320,739		30,126,129
\$	93,906,441	\$	92,936,896	\$	93,416,597	\$	89,315,740	\$	90,311,580
\$	4,875,313	\$	4,400,818	\$	4,140,024	\$	4,206,358	\$	4,418,349
	2,957,997		4,076,149		5,061,486		6,215,206		6,072,459
\$	7,833,310	\$	8,476,967	\$	9,201,510	\$	10,421,564	\$	10,490,808
\$	67,437,102	\$	63,469,418	\$	60,475,809	\$	57,290,959	\$	56,664,900
	-		-		-		-		-
	1,847,261		2,265,278		3,153,831		3,760,306		3,784,772
	-		324,051		759,213		1,551,852		71,116
	-		82,339		74,887		31,845		1,133,034
	-		-		-		5,566,397		2,949,978
	32,455,388		35,272,777		38,154,367		31,535,945		36,198,588
\$	101,739,751	\$	101,413,863	\$	102,618,107	\$	99,737,304	\$	100,802,388

City of White Bear Lake, Minnesota
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Years			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 1,384,578	\$ 1,289,857	\$ 1,894,885	\$ 2,032,563
Community development	2,200,586	976,641	1,274,267	1,303,137
Public safety	6,009,046	5,866,999	7,344,542	6,901,502
Public works	3,032,841	3,316,921	6,081,952	5,136,511
Parks and recreation	1,513,999	1,673,231	1,949,905	2,196,181
Interest on long-term debt	203,444	201,602	216,142	286,638
Total governmental activities expenses	14,344,494	13,325,251	18,761,693	17,856,532
Business-type activities:				
Water	1,501,481	1,218,301	1,436,995	1,522,190
Sewer	2,356,471	2,407,703	2,583,293	2,821,396
Refuse	1,269,935	1,347,339	1,266,330	1,238,814
Ambulance	1,303,816	1,561,444	1,401,154	1,300,483
Pioneer Manor	231,469	221,177	231,666	275,119
License Bureau	601,184	593,088	627,705	758,487
Total business-type activities expenses	7,264,356	7,349,052	7,547,144	7,916,489
Total primary government expenses	\$ 21,608,850	\$ 20,674,303	\$ 26,308,837	\$ 25,773,021
Program Revenues				
Governmental activities				
Charges for services				
Community development	\$ 466,380	\$ 486,528	\$ 552,222	\$ 601,369
Public safety	1,448,604	1,333,433	1,462,598	1,324,364
Public works	1,607,337	2,852,668	1,198,061	1,248,613
Other activities	1,368,593	1,964,137	1,732,107	1,653,693
Operating grants and contributions	969,094	758,819	2,013,226	1,773,381
Capital grants and contributions	3,204,949	1,235,765	236,298	193,819
Total governmental activities program revenues	9,064,957	8,631,350	7,194,512	6,795,239

		Fiscal Years									
		2018	2019	2020	2021	2022	2023				
\$	2,229,732	\$	1,780,202	\$	2,280,521	\$	2,238,562	\$	2,471,461	\$	2,622,891
	996,161		913,745		2,017,503		1,028,532		1,070,005		2,584,811
	6,938,342		8,107,785		6,698,809		7,057,931		8,929,360		8,555,389
	3,477,255		4,982,461		5,913,052		5,251,766		7,511,369		5,182,844
	2,443,894		2,110,546		2,141,183		2,376,238		2,841,886		2,645,681
	583,390		586,792		575,748		565,989		799,644		1,365,349
	16,668,774		18,481,531		19,626,816		18,519,018		23,623,725		22,956,965
	1,530,821		1,383,570		2,389,924		1,922,192		1,757,373		2,282,156
	2,717,434		2,900,620		3,014,410		3,037,166		2,882,783		3,095,335
	1,292,427		1,394,947		1,596,463		1,590,039		1,618,519		1,777,238
	1,900,790		2,177,945		2,152,677				2,349,885		3,355,106
	265,272		316,986		339,860		312,942		329,175		358,583
	860,555		869,093		606,698		693,524		902,607		859,776
	8,567,299		9,043,161		10,100,032		7,555,863		9,840,342		11,728,194
\$	25,236,073	\$	27,524,692	\$	29,726,848	\$	26,074,881	\$	33,464,067	\$	34,685,159
\$	534,884	\$	549,179	\$	575,201	\$	574,468	\$	416,393	\$	415,315
	1,491,098		1,669,572		1,710,271		2,232,412		2,699,639		2,683,538
	2,545,402		1,741,350		150,297		199,499		353,634		268,436
	1,598,321		1,873,465		1,643,239		1,976,677		1,914,814		2,007,022
	2,529,915		1,816,662		3,579,830		1,658,897		3,065,285		3,391,532
	2,786,239		234,945		1,502,431		2,054,214		1,033,013		357,531
	11,485,859		7,885,173		9,161,269		8,696,167		9,482,778		9,123,374

(Continued)

City of White Bear Lake, Minnesota
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Years			
	2014	2015	2016	2017
Business-type activities:				
Charges for services				
Water	\$ 1,130,956	\$ 1,033,562	\$ 1,317,467	\$ 1,352,090
Sewer	2,266,411	2,278,271	2,458,993	2,737,128
Refuse	1,266,393	1,331,974	1,287,837	1,313,995
Ambulance	1,467,576	1,533,843	1,364,463	1,819,626
Pioneer Manor	374,610	379,942	379,437	382,935
License Bureau	966,451	1,009,610	1,036,532	971,880
Operating grants and contributions	52,414	-	146,693	77,717
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	7,524,811	7,567,202	7,991,422	8,655,371
Total primary government program revenues	\$ 16,589,768	\$ 16,198,552	\$ 15,185,934	\$ 15,450,610
Net (Expense)/Revenue				
Governmental activities	\$ (5,279,537)	\$ (4,693,901)	\$ (11,567,181)	\$ (11,061,293)
Business-type activities	260,455	218,150	444,278	738,882
Total primary government net expense	(5,019,082)	(4,475,751)	(11,122,903)	(10,322,411)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes	5,101,437	5,430,074	5,425,913	5,638,926
Unrestricted grants and contributions	1,532,454	1,542,705	1,542,738	1,543,705
Investment earnings	435,659	275,401	314,014	390,231
Miscellaneous	-	-	-	-
Gain on sale of capital assets	5,556	205,895	39,118	-
Capital transfers	-	-	-	-
Transfers	929,620	881,506	1,048,315	279,428
Total governmental activities	8,004,726	8,335,581	8,370,098	7,852,290
Business-type activities:				
Investment earnings	-	-	-	-
Gain on sale of capital assets	-	12,236	2,071	10,443
Capital transfers	-	-	-	-
Transfers	(929,620)	(881,506)	(1,048,315)	(279,428)
Total business-type activities	(929,620)	(869,270)	(1,046,244)	(268,985)
Total primary government	\$ 7,075,106	\$ 7,466,311	\$ 7,323,854	\$ 7,583,305
Change in Net Position				
Governmental activities	\$ 2,725,189	\$ 3,641,680	\$ (3,197,083)	\$ (3,209,003)
Business-type activities	(669,165)	(651,120)	(601,966)	469,897
Total primary government	\$ 2,056,024	\$ 2,990,560	\$ (3,799,049)	\$ (2,739,106)

		Fiscal Years									
		2018	2019	2020	2021	2022	2023				
\$	1,631,823	\$	1,630,455	\$	1,949,067	\$	2,087,357	\$	2,513,365	\$	2,782,538
	3,137,600		3,301,230		3,284,394		3,665,021		3,618,815		3,928,039
	1,345,541		1,422,623		1,626,462		1,794,669		1,729,480		1,801,633
	1,617,467		1,991,667		1,738,264		1,940,031		2,166,899		1,931,650
	390,436		402,734		405,800		412,151		433,814		442,144
	972,573		972,466		545,311		688,447		740,433		859,610
	60,691		279,418		210,076		261,657		333,838		366,699
	-		2,453		379,351		-		175,000		-
	9,156,131		10,003,046		10,138,725		10,849,333		11,711,644		12,112,313
\$	20,641,990	\$	17,888,219	\$	19,299,994	\$	19,545,500	\$	21,194,422	\$	21,235,687
\$	(5,182,915)	\$	(10,596,358)	\$	(10,465,547)	\$	(9,822,851)	\$	(14,140,947)	\$	(13,833,591)
	588,832		959,885		38,693		3,293,470		1,871,302		384,119
	(4,594,083)		(9,636,473)		(10,426,854)		(6,529,381)		(12,269,645)		(13,449,472)
	6,161,456		6,753,944		7,476,766		8,338,199		9,046,807		10,897,615
	1,587,299		1,588,195		1,588,195		1,333,615		1,333,615		1,127,728
	556,126		975,843		554,412		(171,564)		(986,376)		2,211,622
	-		-		-		-		91,701		-
	84,222		50,949		394,010		114,058		-		49,600
	(1,459,723)		(9,500)		-		-		(172,657)		(10,967)
	1,056,920		479,800		(517,381)		688,244		727,000		553,833
	7,986,300		9,839,231		9,496,002		10,302,552		10,040,090		14,829,431
	-		28,826		47,455		(19,460)		(123,634)		215,610
	16,546		40,103		40,128		15,069		26,719		12,381
	1,459,723		9,500		-		-		172,657		10,967
	(1,056,920)		(479,800)		517,381		(688,244)		(727,000)		(553,833)
	419,349		(401,371)		604,964		(692,635)		(651,258)		(314,875)
\$	8,405,649	\$	9,437,860	\$	10,100,966	\$	9,609,917	\$	9,388,832	\$	14,514,556
\$	2,803,385	\$	(757,127)	\$	(969,545)	\$	479,701	\$	(4,100,857)	\$	995,840
	1,008,181		558,514		643,657		2,600,835		1,220,044		69,244
\$	3,811,566	\$	(198,613)	\$	(325,888)	\$	3,080,536	\$	(2,880,813)	\$	1,065,084

(Continued)

City of White Bear Lake, Minnesota
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Years				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	3,240,501	3,275,500	3,443,521	3,604,779	3,773,666
Total general fund	<u>3,240,501</u>	<u>3,275,500</u>	<u>3,443,521</u>	<u>3,604,779</u>	<u>3,773,666</u>
All Other Governmental Funds					
Nonspendable					
Capital improvements	-	-	-	-	-
Sports center	-	-	-	-	-
Restricted					
Surface water pollution prevention	31,033	31,033	31,033	31,033	31,033
Debt service	218,493	149,490	171,524	139,623	323,327
Public safety	-	-	-	-	-
Capital asset acquisition	-	-	-	-	-
Economic development	-	-	629,646	464,393	-
Committed					
Armory	54,033	62,013	68,460	59,643	52,867
Surface water pollution prevention	-	-	-	-	-
Marina	275,010	408,717	420,002	73,083	166,994
Sports center	348,724	344,004	347,985	283,171	270,792
Forfeiture	-	-	153,554	128,818	61,614
Debt service	1,321,100	428,022	899,591	846,323	386,091
Advances	1,325,000	1,220,000	1,025,000	1,000,000	1,750,000
Capital improvements	14,179,649	15,173,631	13,964,494	13,240,444	12,642,847
Economic development	1,116,556	1,104,556	1,113,652	2,837,301	3,261,231
Assigned					
Surface water pollution prevention	801,349	766,754	805,238	822,597	774,977
Capital improvements	3,610,771	3,553,171	3,726,267	2,775,587	5,091,368
Debt service	-	-	-	-	-
Advances	-	-	-	-	-
Economic development	2,289,733	2,386,090	1,649,148	-	-
Unassigned	(4,213,915)	(4,478,829)	(1,828,066)	(1,623,966)	(1,588,524)
Total all other governmental funds	<u>21,357,536</u>	<u>21,148,652</u>	<u>23,177,528</u>	<u>21,078,050</u>	<u>23,224,617</u>
Total fund balances	<u>\$ 24,598,037</u>	<u>\$ 24,424,152</u>	<u>\$ 26,621,049</u>	<u>\$ 24,682,829</u>	<u>\$ 26,998,283</u>

Fiscal Years				
2019	2020	2021	2022	2023
\$ -	\$ 15	\$ -	\$ 1,045	\$ 5,205
4,902,116	5,804,642	6,657,580	7,414,739	8,760,173
4,902,116	5,804,657	6,657,580	7,415,784	8,765,378
2,400	-	243,463	-	-
-	3,263	-	8,041	83
-	-	-	-	-
1,148,411	1,195,479	2,051,287	2,395,132	2,970,936
-	-	74,887	7,112,846	6,025,707
-	-	-	5,324	645,000
-	305,922	741,553	1,548,459	67,725
48,160	27,809	24,191	-	-
-	-	-	43,208	143,239
222,160	279,702	305,108	363,694	462,002
264,837	83,660	192,121	257,254	238,435
54,045	-	-	-	-
-	-	-	-	-
750,000	750,000	1,348,500	1,391,250	1,391,250
12,298,103	12,519,361	12,092,106	10,722,210	10,321,877
2,509,228	3,308,573	2,552,660	2,218,999	2,488,410
835,054	846,285	840,487	840,487	840,487
4,400,538	4,404,356	3,844,530	4,415,270	4,634,632
404,761	502,976	554,450	880,958	1,146,238
-	-	199,500	213,750	213,750
-	-	-	-	-
(57,808)	-	(2,679)	(844,467)	(408,246)
22,879,889	24,227,386	25,062,164	31,572,415	31,181,525
\$ 27,782,005	\$ 30,032,043	\$ 31,719,744	\$ 38,988,199	\$ 39,946,903

City of White Bear Lake, Minnesota
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Years			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 5,038,466	\$ 5,513,046	\$ 5,410,913	\$ 5,588,926
Licenses, fees and permits	575,525	743,511	637,247	696,282
Fines and forfeits	142,657	106,539	92,968	89,062
Charges for services	965,652	962,246	1,243,285	989,085
Special assessments	1,479,834	1,423,952	1,363,846	1,268,893
Intergovernmental	3,932,027	3,316,877	3,574,867	3,318,121
Investment earnings	402,659	238,901	271,982	350,481
Other revenues	3,476,927	3,013,404	2,271,189	2,280,430
Total revenues	16,013,747	15,318,476	14,866,297	14,581,280
Expenditures				
General government	1,227,203	1,179,741	1,396,395	1,617,010
Public safety	5,485,868	5,547,655	5,749,040	6,262,229
Public works	1,459,540	1,827,692	1,848,175	3,231,023
Parks and recreation	1,243,397	1,461,734	1,403,256	1,718,351
Social and economic development	2,186,706	967,991	1,121,905	1,294,178
Capital outlay	8,674,837	4,896,700	4,216,946	2,451,652
Debt service				
Principal	665,000	680,000	345,000	355,000
Interest	207,553	205,925	169,628	312,139
Total expenditures	21,150,104	16,767,438	16,250,345	17,241,582
Excess of revenues over (under) expenditures	(5,136,357)	(1,448,962)	(1,384,048)	(2,660,302)
Other Financing Sources (Uses)				
Bonds issued	-	-	2,275,000	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	6,647	262,667	51,960	47,082
Transfers in	3,756,935	4,484,192	4,159,689	5,101,950
Transfers out	(2,811,435)	(3,471,782)	(2,905,704)	(4,426,950)
Total other financing sources (uses)	952,147	1,275,077	3,580,945	722,082
Net changes in fund balances	\$ (4,184,210)	\$ (173,885)	\$ 2,196,897	\$ (1,938,220)
Debt service as a percentage of noncapital	7.0%	7.4%	3.5%	4.5%

		Fiscal Years									
		2018	2019	2020	2021	2022	2023				
\$	6,102,456	\$	6,829,685	\$	7,472,082	\$	8,036,638	\$	8,725,394	\$	10,518,501
	785,141		892,276		845,633		1,405,865		1,641,987		1,739,885
	78,357		87,063		60,489		78,008		68,385		52,548
	1,035,730		1,267,682		1,133,738		1,569,743		1,687,657		1,856,391
	1,405,265		1,448,465		1,424,125		1,235,409		1,225,027		814,264
	4,146,233		3,393,992		5,308,025		3,790,103		4,292,590		4,512,998
	528,626		855,613		472,064		(147,934)		(856,588)		2,023,028
	3,463,864		2,716,316		2,144,866		2,687,808		2,437,313		2,241,120
	17,545,672		17,491,092		18,861,022		18,655,640		19,221,765		23,758,735
	1,653,756		1,779,680		1,908,340		1,912,857		2,027,179		2,156,701
	6,860,710		6,498,002		6,662,012		7,251,601		7,756,025		8,204,427
	2,135,159		2,294,282		2,193,221		2,406,231		2,897,797		3,035,193
	1,854,616		1,504,270		1,366,047		1,492,158		1,673,359		1,712,997
	1,053,737		1,093,417		1,623,799		1,013,106		960,620		2,561,230
	11,211,655		5,357,364		5,012,902		3,858,090		6,110,431		13,687,692
	420,000		420,000		775,000		895,000		1,150,000		1,335,000
	425,058		606,920		560,709		592,195		787,340		1,036,916
	25,614,691		19,553,935		20,102,030		19,421,238		23,362,751		33,730,156
	(8,069,019)		(2,062,843)		(1,241,008)		(765,598)		(4,140,986)		(9,971,421)
	9,180,000		1,925,000		3,580,000		1,815,000		10,000,000		10,000,000
	67,581		164,335		341,970		101,720		360,156		326,692
	79,972		42,430		460,571		118,059		104,222		49,600
	3,856,096		5,119,617		4,281,435		3,700,136		4,858,340		2,126,485
	(2,799,176)		(4,404,817)		(5,090,591)		(3,145,892)		(4,131,340)		(1,572,652)
	10,384,473		2,846,565		3,573,385		2,589,023		11,191,378		10,930,125
\$	2,315,454	\$	783,722	\$	2,332,377	\$	1,823,425	\$	7,050,392	\$	958,704
	6.0%		6.7%		7.7%		8.7%		9.6%		11.7%

City of White Bear Lake, Minnesota
 Assessed Tax Capacity and Market Value of Property
 Last Ten Fiscal Years

Levy Year	Fiscal Year	Real Property		Personal Property	
		Assessed Tax Capacity	Market Value	Assessed Tax Capacity	Market Value
2014	2015	\$ 23,397,317	\$ 2,103,140,198	\$ 495,867	\$ 36,371,702
2015	2016	24,139,655	2,170,883,643	539,526	37,543,257
2016	2017	26,067,338	2,323,498,521	593,786	40,182,579
2017	2018	28,577,080	2,514,995,277	622,593	43,494,323
2018	2019	30,809,390	2,692,665,548	659,373	46,566,953
2019	2020	32,814,944	2,756,482,104	616,990	47,670,596
2020	2021	35,193,508	3,056,007,709	691,896	52,850,591
2021	2022	35,930,953	3,102,937,014	425,614	53,662,186
2022	2023	40,900,039	3,542,084,400	434,724	61,256,800
2023	2024	40,908,111	3,730,007,164	482,527	64,506,736

Source: Ramsey County and Washington County

Total				
Assessed Tax Capacity	Market Value	% Total of Assessed Tax Capacity to Market Value	Total Direct Tax Rate	
\$ 23,893,184	\$ 2,139,511,900	1.12%	20.367	
24,679,181	2,208,426,900	1.12%	19.690	
26,661,124	2,363,681,100	1.13%	18.969	
29,199,673	2,558,489,600	1.14%	19.058	
31,468,763	2,739,232,500	1.15%	20.143	
33,431,934	2,804,152,700	1.19%	20.629	
35,885,404	3,108,858,300	1.15%	20.355	
36,356,567	3,156,599,200	1.15%	22.271	
41,334,763	3,603,341,200	1.15%	24.054	
41,390,638	3,794,513,900	1.09%	27.263	

City of White Bear Lake, Minnesota
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Rates
(Per \$100 of Tax Capacity Valuation)
(Per \$100 of Market Valuation)

Fiscal Year	City				Ind. School District No. 624	Ramsey County	Other Special Districts	Total
	General Fund	Debt Service	Capital	Total				
(A) 2014	19.447	0.879	0.777	21.102	28.562	63.735	9.825	123.224
(A) 2014					0.273			0.273
(A) 2015	18.682	0.277	1.408	20.367	26.660	58.922	9.179	115.128
(A) 2015					0.240			0.240
(A) 2016	18.223	0.528	0.939	19.690	26.236	58.885	9.052	113.863
(A) 2016					0.235			0.235
(A) 2017	17.936	0.484	0.550	18.969	23.454	55.920	8.565	106.908
(A) 2017					0.212			0.212
(A) 2018	17.548	0.446	0.999	19.058	23.631	53.692	8.215	104.596
(A) 2018					0.223			0.223
(A) 2019	19.070	0.420	0.700	20.143	26.081	52.879	8.265	107.368
(A) 2019					0.232			0.232
(A) 2020	19.261	0.394	0.974	20.629	36.777	52.302	8.249	117.957
(A) 2020					0.220			0.220
(A) 2021	18.375	0.365	1.616	20.355	37.074	47.760	7.815	113.004
(A) 2021					0.180			0.180
(A) 2022	19.845	0.364	2.062	22.271	34.805	48.070	9.970	115.116
(A) 2022					0.190			0.190
(A) 2023	19.893	0.319	3.842	24.054	32.398	44.901	8.740	110.093
(A) 2023					0.180			0.180
(A) 2024	22.547	0.304	4.927	27.778	33.940	45.446	8.961	116.126
(A) 2024					0.160			0.160

(A) Voter approved referendums are levied against market value rather than tax capacity value of the taxing authority.

City of White Bear Lake, Minnesota
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value	Tax Capacity Value	Rank	Percentage of Total City Tax Capacity Value
White Bear Woods Apartments	\$ 703,000	1	1.96%	\$ 350,138	2	1.56%
The Barnum	553,265	2	1.54%			
Tundra Companies	455,704	3	1.27%	174,912	6	0.78%
The Waters of White Bear Lake	350,880	4	0.98%			
White Bear Marketplace	344,346	5	0.96%			
Harbor Crossing	323,961	6	0.90%			
Birch Lake Townhomes	310,924	7	0.87%			
White Bear Polar Chevrolet/Mazda	309,816	8	0.86%			
Trane Corporation	248,046	9	0.69%	240,850	3	1.07%
Xcel Energy	234,514	10	0.65%	401,762	1	1.79%
Sam's Club				217,250	4	0.97%
White Bear Shopping Center				211,702	5	0.94%
Taylor Corporation				166,802	7	0.74%
Festival Foods				144,660	8	0.64%
K Mart Corporation				137,224	9	0.61%
Life Time Fitness				134,250	10	0.60%
Total	\$ 3,834,456		10.69%	\$ 2,179,550		9.70%
Total Tax Capacity of City	\$ 35,885,404			\$ 22,476,259		

Source: Ramsey County and Washington County

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City of White Bear Lake, Minnesota
Property Tax Levies and Collections
For the Last Ten Fiscal Years

Fiscal Year	Total Levy	(1)			Total Collections to Date	
		Collection of Current Year's Levy	Percentage of Levy Collected	Collections/ Refunds in Subsequent Years	Amount	Percentage of Levy
2013	\$ 4,755,000	\$ 4,734,372	99.57%	\$ 20,628	\$ 4,755,000	100.00%
2014	4,755,000	4,606,934	96.89%	148,066	4,755,000	100.00%
2015	4,845,000	4,841,359	99.92%	3,641	4,845,000	100.00%
2016	4,927,000	4,878,320	99.01%	41,321	4,919,641	99.85%
2017	5,173,000	5,076,444	98.13%	81,037	5,157,481	99.70%
2018	5,625,000	5,540,565	98.50%	44,952	5,585,517	99.30%
2019	6,345,000	6,238,360	98.32%	70,127	6,308,487	99.42%
2020	6,908,000	6,846,046	99.10%	14,397	6,860,443	99.31%
2021	7,370,000	7,370,000	100.00%	-	7,370,000	100.00%
2022	8,080,000	7,996,739	98.97%	7,378	8,004,117	99.06%
2023	9,955,000	9,888,232	99.33%	-	9,888,232	99.33%

(1) Includes state paid property tax credits.

City of White Bear Lake, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government
	Special Assessment Bonds	Tax Increment Financing Bonds	Capital Improvement Bonds	Tax Abatement Bonds	General Obligation Bonds		
2014	\$ 2,340,000	\$ 1,745,000	\$ -	\$ -	\$ -	\$ -	\$ 4,085,000
2015	2,125,000	1,280,000	-	-	-	-	3,405,000
2016	1,920,000	3,415,000	-	-	-	-	5,335,000
2017	1,720,000	3,260,000	-	-	-	-	4,980,000
2018	7,436,187	3,035,000	-	3,336,394	-	-	13,807,581
2019	9,332,390	2,800,000	-	3,336,090	-	-	15,468,480
2020	12,825,993	2,560,000	-	3,210,784	919,389	-	19,516,166
2021	14,195,585	2,305,000	-	3,085,480	3,467,613	-	23,053,678
2022	16,428,554	2,045,000	7,329,747	2,955,175	3,423,941	-	32,182,417
2023	15,451,146	1,785,000	17,635,157	2,819,871	3,240,268	-	40,931,442

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Personal Income	Percentage of Personal Income	Population	Per Capita
\$ 1,497,574,000	0.27%	24,100	\$ 169.50
1,347,975,564	0.25%	24,159	140.94
1,458,514,512	0.37%	24,138	221.02
1,458,514,512	0.34%	25,001	199.19
1,491,125,376	0.93%	25,512	541.22
1,550,188,536	1.00%	25,752	600.67
1,601,568,384	1.22%	24,883	784.32
1,634,215,908	1.41%	25,067	919.68
1,824,877,600	1.76%	25,067	1,283.86
1,824,877,600	2.24%	25,067	1,632.88

City of White Bear Lake, Minnesota
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Less Amount Restricted to Debt Service (2)	Net General Bonded Debt	Market Value of Property	Percentage of Market Value of Property	Assessed Value of Property
2014	\$ 4,085,000	\$ 192,389	\$ 3,892,611	\$ 2,018,498,400	0.19%	\$ 22,662,159
2015	3,405,000	127,709	3,277,291	2,139,511,900	0.15%	23,893,184
2016	5,335,000	103,228	5,231,772	2,208,426,900	0.24%	24,679,181
2017	4,980,000	139,623	4,840,377	2,558,489,600	0.19%	29,199,673
2018	13,740,000	122,200	13,617,800	2,739,232,500	0.50%	31,468,763
2019	15,468,480	1,847,261	13,621,219	2,804,152,700	0.49%	33,431,934
2020	19,516,166	2,265,278	17,250,888	3,108,858,300	0.55%	35,885,404
2021	23,053,678	3,153,831	19,899,847	3,156,599,200	0.63%	36,356,567
2022	32,182,417	3,760,306	28,422,111	3,603,341,200	0.79%	41,334,763
2023	40,931,442	3,784,772	37,146,670	3,794,513,900	0.98%	41,390,638

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

Percentage of Assessed Value of Property	Population	Per Capita
17.18%	24,100	\$ 161.52
13.72%	24,159	135.66
21.20%	24,138	216.74
16.58%	25,001	193.61
43.27%	25,512	533.78
40.74%	25,752	528.94
48.07%	24,883	693.28
54.74%	25,067	793.87
68.76%	25,067	1,133.85
89.75%	25,067	1,481.90

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City of White Bear Lake, Minnesota
 Computation of Direct and Overlapping
 Bonded Debt and Comparative Debt Ratios
 December 31, 2023

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City	Amount Applicable to Government
Direct Debt:			
Special Assessments	\$ 15,451,146	100.00%	\$ 15,451,146
Tax Increment	1,785,000	100.00%	1,785,000
Capital Improvement	17,635,157	100.00%	17,635,157
Tax Abatement	2,819,871	100.00%	2,819,871
Subtotal	37,691,174		37,691,174
City of White Bear Lake	37,691,174	100.00%	37,691,174
Overlapping Debt:			
Ramsey County	143,790,224	4.90%	5,956,762
Washington County	81,623,765	0.12%	101,020
Independent School District #622	417,293,896	0.09%	377,141
Independent School District #624	383,334,036	32.43%	124,328,284
Independent School District #916	69,450,000	7.88%	5,472,736
Metropolitan Council - Parks	(6,171,757)	1.00%	(61,718)
Metropolitan Council - Regional Transit	363,499,887	1.00%	3,634,999
Total overlapping debt	1,452,820,051		139,809,224
Total direct and overlapping debt	\$ 1,490,511,225		\$ 177,500,398

Source: Information obtained from Ramsey County and Washington County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of White Bear Lake. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of White Bear Lake, Minnesota
 Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Years			
	2014	2015	2016	2017
Debt limit	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306	\$70,917,876
Total net debt applicable to limit	-	-	-	-
Legal debt margin	\$ 60,099,952	\$ 64,185,357	\$ 66,276,306	\$ 70,917,876
Total net debt applicable to the limit as a percentage of the debt limit	0.00%	0.00%	0.00%	0.00%

Market value		\$ 3,794,513,900
Debt limit - 3.00% of market value (Note A)		<u>\$ 113,835,417</u>
Total bonded debt	40,931,442	
Less (Note B)		
Tax Increment Bonds	1,785,000	
Special Assessment Bonds	15,451,146	
Revenue Bonds	<u>3,240,268</u>	
	<u>20,476,414</u>	
Total debt applicable		<u>20,455,028</u>
Legal debt margin		<u>\$ 93,380,389</u>

The debt limit percentage of market value was established at 3.00% beginning in fiscal year 2011.

Note A:

M.S.A. Section 475.53 (Limit on Net Debt)

"Subdivision 1. Generally, except as otherwise provided in Sections 475.51 to 475.75 to municipality, except a school district or a city of the first class shall incur or be subject to a net debt in excess of 3.00% of the market value of taxable property in the municipality.

Note B:

M.S.A. Section 475.51 (Definitions) "Subdivision 4. Net Debt means the amount remaining after deducting from its gross debt the aggregate of the principal of the following":

1. Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue-producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving funds.
5. Obligations issued for the acquisition, and betterment of public water works systems and public lighting, heating or power systems and of any combinations thereof, or for any combination thereof, or for any other public convenience from which a revenue is or may be derived.
6. Amount of all money and the face value of all securities held as a sinking fund for the extinguishment of obligations other than those deductible under this subdivision.
7. All other obligations which under the provisions of the law authorizing their issuance are not to be included in computing the net debt of the municipality.

Fiscal Years						
2018	2019	2020	2021	2022	2023	
\$77,077,101	\$ 82,176,975	\$ 87,849,879	\$ 94,808,283	\$ 108,100,236	\$ 113,835,417	
-	-	-	3,085,480	10,241,250	20,455,028	
\$77,077,101	\$82,176,975	\$ 87,849,879	\$ 91,722,803	\$ 97,858,986	\$ 93,380,389	
0.00%	0.00%	0.00%	3.25%	9.47%	17.97%	

(Continued)

City of White Bear Lake, Minnesota - Water Fund
Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expenses (A)	Net Revenue Available for Debt Service	Principal	Interest
2014	\$ 1,130,956	\$ 1,385,574	\$ (254,618)	\$ -	-
2015	1,043,648	1,113,192	(69,544)	-	-
2016	1,366,067	1,318,148	47,919	-	-
2017	1,375,334	1,398,799	(23,465)	-	-
2018	1,647,495	1,441,743	205,752	-	-
2019	1,653,482	1,271,411	382,071	-	-
2020	2,007,058	2,290,738	(283,680)	-	7,995
2021	2,109,547	1,751,530	358,017	-	39,084
2022	2,502,745	1,539,995	962,750	35,000	56,866
2023	2,850,292	2,007,179	843,113	175,000	63,173

(A) Direct Operating Expenses exclude related depreciation.

	Total Debt Requirements	Coverage
\$	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	-	0.00%
	7,995	-3548.22%
	39,084	916.02%
	91,866	1047.99%
	238,173	353.99%

City of White Bear Lake, Minnesota
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	School District Enrollment (3)	Ramsey County Unemployment Rate (4)
2014	24,100	\$ 1,497,574,000	\$ 62,140	8,019	3.50%
2015	24,159	1,347,975,564	55,796	8,038	3.80%
2016	24,811	1,458,514,512	58,785	8,206	3.50%
2017	25,001	1,458,514,512	58,338	8,551	2.90%
2018	25,512	1,491,125,376	58,448	8,593	2.90%
2019	25,458	1,550,188,536	60,892	8,602	2.80%
2020	25,752	1,601,568,384	62,192	8,478	5.10%
2021	24,883	1,634,215,908	65,676	8,282	2.80%
2022	25,067	1,824,877,600	72,800	8,279	2.60%
2023	25,067	1,824,877,600	72,800	8,224	2.30%

Sources:

- (1) Metropolitan Council
- (2) U.S. Department of Labor
- (3) White Bear Lake Area School District
- (4) Minnesota Department of Economic Development - Ramsey County rate

City of White Bear Lake, Minnesota
Principal Employment Industries
Current Year and Nine Years Ago

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Educational Services	2,151	1	17.34%	1,682	1	14.74%
Health Care and Social Assistance Services	1,593	2	12.84%	1,486	2	13.02%
Accommodation and Food Services	1,418	3	11.43%	1,203	4	10.54%
Retail Trade	1,387	4	11.18%	1,419	3	12.44%
Other Services (except Public Administration)	867	5	6.99%	892	6	7.82%
Professional, Scientific and Technical Services	784	6	6.32%	719	7	6.30%
Administrative, Support, Waste Management, and Remediation	782	7	6.30%	560	8	4.91%
Manufacturing	744	8	6.00%	974	5	8.54%
Wholesale Trade Services	694	9	5.59%	490	9	4.29%
Finance and Insurance Services	453	10	3.65%	374	10	3.28%
Total Industries Listed	10,873		87.65%	9,799		85.88%
Total City Employment	12,405			11,410		

Source: Minnesota Department of Employment and Economic Development's website www.mn.gov/deed

City of White Bear Lake, Minnesota
 Full-Time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

	Fiscal Years			
	2014	2015	2016	2017
General government				
Legislative	0.65	0.65	0.50	0.50
Administration	1.55	1.55	2.30	2.50
Finance	4.90	4.90	5.00	5.00
City Hall	1.00	1.00	1.40	1.40
Technology	-	-	-	-
Elections	0.20	0.25	0.40	0.20
Planning	3.00	3.00	3.00	4.00
Public Safety				
Police	31.81	31.81	32.01	32.01
Dispatch	5.75	5.75	5.50	5.50
Fire	2.75	2.75	3.00	3.00
Building / Code Enforcement	5.00	5.00	5.00	6.00
Public Works				
Streets	4.70	4.70	4.20	4.20
Engineering	6.00	6.00	6.00	6.00
Garage	1.30	1.30	1.30	1.30
Public Works Facility	-	-	-	-
Parks and recreation	5.70	5.70	6.40	6.40
Armory	-	0.35	0.35	0.35
Surface Water	-	-	0.50	0.50
Sports Center	3.85	3.50	3.50	3.50
Economic Development	-	-	-	0.50
Water	4.80	4.80	4.70	4.70
Sewer	4.50	4.50	4.40	4.40
Refuse	0.35	0.70	-	-
Ambulance	7.25	7.25	7.25	7.25
License Bureau	9.80	8.90	10.10	11.10
Total	104.86	104.36	106.81	110.31

Note: Details regarding the City's full time equivalents can be found the in the City's budget document.

Fiscal Years						
2018	2019	2020	2021	2022	2023	
0.50	0.50	0.50	0.50	0.50	0.50	0.50
2.50	2.50	2.50	2.50	2.50	2.50	3.50
5.00	5.00	5.00	5.00	5.00	5.00	4.00
2.00	2.00	2.00	2.00	2.00	1.00	1.00
-	-	-	-	-	1.00	1.00
-	-	-	-	-	-	-
3.00	3.00	3.00	3.00	3.00	3.00	3.00
32.40	35.65	36.95	38.50	38.20		38.80
2.75	-	-	-	-		-
1.75	4.10	4.10	4.10	5.25		6.00
6.00	6.00	6.00	6.00	6.00		6.00
4.00	4.00	4.00	4.00	4.00		4.00
6.00	6.00	5.00	4.50	5.00		5.00
1.00	1.00	1.00	1.50	2.00		2.00
0.90	0.90	0.90	0.90	0.90		0.90
6.00	6.00	5.00	5.00	5.00		5.00
0.35	0.35	0.35	0.35	0.35		-
0.50	0.50	0.50	1.00	1.00		1.00
4.15	4.15	4.10	4.22	4.22		4.57
1.50	1.50	1.15	1.15	1.15		1.15
4.70	4.70	4.70	4.70	4.70		4.70
4.40	4.40	4.40	4.40	4.40		4.40
-	-	-	-	-		-
13.75	11.90	11.90	11.90	12.75		14.00
11.30	12.80	9.20	9.50	9.90		9.40
114.45	116.95	112.25	114.72	117.82		119.92

City of White Bear Lake, Minnesota
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	Fiscal Years				
	2014	2015	2016	2017	2018
Building					
Building permits issued	740	968	883	1,156	1,356
Other permits issued	1,332	1,537	1,479	1,461	1,622
Police					
Number of Calls for Service	28,293	24,270	26,475	28,491	26,538
Administrative Citations					
City	295	309	207	44	30
State	455	352	292	383	409
Total	750	661	499	427	439
Fire					
Fire calls*	130	126	115	229	-
Staged responses (Silent)*	361	339	359	226	-
Rescue calls*	114	104	136	129	-
Fire/Rescue Calls*	-	-	-	-	300
Parks					
Reservations	268	242	240	311	342
Water					
Gallons pumped	805,400,000	777,995,000	815,073,000	813,123,000	731,118,167
Water main breaks	23	11	13	16	17
Refuse					
Accounts serviced each week	7,597	7,662	7,660	7,654	7,601
Ambulance					
Ambulance calls	2,971	2,739	2,631	2,948	3,047
License Bureau					
Motor Vehicle transactions	88,192	94,280	94,842	90,085	88,923
Drivers License transactions	18,547	18,634	18,696	17,724	18,090
DNR licenses	6,184	6,214	6,676	5,747	6,316
Game and Fish licenses	845	648	538	500	439

Note: Details regarding the City's operating indicators can be found in the annual finance

* In 2018, the fire department no longer has staged responses or rescue calls - fire calls are now classified as fire/rescue calls.

	Fiscal Years				
2019	2020	2021	2022	2023	
1,091	1,024	1,087	1,886	1,540	
1,594	1,575	1,730	1,878	1,936	
27,396	22,499	22,309	20,454	15,414	
21	10	6	21	9	
336	137	521	259	134	
357	147	527	280	143	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
510	822	933	958	1,090	
311	175	409	419	395	
717,745,028	727,055,858	760,002,312	719,668,225	642,488,179	
22	9	16	23	18	
7,530	7,539	7,524	7,514	7,517	
3,619	3,289	3,663	4,325	3,865	
80,122	48,739	54,185	54,323	60,279	
20,880	6,609	8,990	18,787	21,349	
5,938	4,162	4,532	5,175	4,126	
292	55	243	290	240	

City of White Bear Lake, Minnesota
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

	Fiscal Years				
	2014	2015	2016	2017	2018
Public Safety					
Police					
Stations	1	1	1	1	1
Patrol Vehicles	18	17	19	19	20
Fire					
Stations	2	2	2	2	2
Fire trucks (1)	6	6	6	6	6
Rescue boats with motors	2	2	2	2	2
Public Works					
Streets					
Miles	114.81	114.81	114.81	114.81	114.81
Street lights	515	515	515	515	523
Parks and recreation					
Public Docks (1)	9	9	9	9	9
Outdoor ice rinks	5	5	5	5	5
Playgrounds	11	11	11	11	11
Softball fields	13	13	13	13	13
Basketball court	2	2	2	2	5
Disc golf course	1	1	1	1	1
Sports Center					
Indoor ice rink	1	1	1	1	1
Racquetball courts	5	5	5	5	5
Water					
Miles of watermains	126.81	126.81	126.81	126.81	126.95
Fire hydrants	907	907	907	907	908
Water tower storage	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Sewer					
Miles of storm sewers	50.02	50.61	50.61	50.61	50.97
Miles of sanitary sewers	120.36	120.36	120.36	120.36	120.36

Sources: Various city departments

Note:

- (1) Street miles listed on this report includes City, County, MSA, State and Private mileage within the City limits.
- (2) The number of fire hydrants owned by the City increased in 2023. The City now has it's own Geographical Information System Technician who was able to provide a more accurate count.

2019	2020	Fiscal Years 2021	2022	2023
1	1	1	1	1
19	19	20	19	19
2	2	2	2	2
6	5	5	5	5
2	2	1	1	1
114.81	114.81	114.71	114.77	114.77 (1)
529	529	529	525	525
9	9	9	9	9
5	5	5	5	5
11	11	11	11	11
13	13	13	13	13
5	5	5	5	5
1	1	1	1	1
1	1	1	1	1
5	5	0	0	0
127.08	127.10	127.10	127.30	127.30
909	913	913	916	1,144 (2)
5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
51.21	51.32	51.39	51.39	51.39
120.36	120.36	120.36	120.50	120.50



Executive Governance Summary

City of White Bear Lake

White Bear Lake, Minnesota

For the year ended December 31, 2023



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

May 20, 2024

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), for the year ended December 31, 2023 and have issued our report thereon dated May 20, 2024 . Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or Minnesota statutes.

Qualitative Aspects of Accounting Practices

The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are listed below.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its lease receivable is based on the present value of lease payments expected to be received during the lease term.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not identify any such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 20, 2024 .



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management’s Discussion and Analysis, the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual, the Schedules of Employer’s Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, Schedule of Changes in the City’s OPEB Liability and Related Ratios), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules for the governmental activities, business-type activities, each major fund and the aggregate fund information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 100 - *Accounting Changes and Error Corrections* *Effective: 12/31/2024*

GASB Statement No. 101 - *Compensated Absences* *Effective: 12/31/2024*

GASB Statement No. 102 – *Certain Risk Disclosures* *Effective: 12/31/2025*

Further information on upcoming [GASB pronouncements](#).



* * * *

Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Minneapolis, Minnesota
May 20, 2024





Other Required Reports

City of White Bear Lake

White Bear Lake, Minnesota

For the year ended December 31, 2023



Edina Office

5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office

14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

City of White Bear Lake, Minnesota
Other Required Reports
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For the Year Ended December 31, 2023

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**INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2024 .

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
May 20, 2024

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White Bear Lake, Minnesota (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2024 .

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters, that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abdo
Minneapolis, Minnesota
May 20, 2024





City of White Bear Lake
Community Development Department

MEMORANDUM

TO: Lindy Crawford, City Manager
FROM: Jason Lindahl AICP, Community Development Director
 Shea Lawrence, Planning Technician
DATE: May 28, 2024
SUBJECT: Case No. 24-2-V - 4728 Stewart Ave - Second Accessory Structure over 120 sq. ft.

SUMMARY

The applicant, Dean Hedlund, requests a variance for a second accessory structure over 120 square feet per section code 1302.030, Subd.4.i.2.b. Should the city approve the variance request, the applicant plans to construct a 12' 3", 264 sq. ft. accessory structure in the rear yard of their property located at 4728 Stewart Ave.

Based on the findings made in this report, staff originally recommended approval of the variance request. However, the Planning Commission disagreed with staff's analysis of the application and voted 5-0 to recommend the City Council deny the accessory structure variance request. As a result, staff has prepared the attached resolution for City Council consideration denying the variance request as recommended by the Planning Commission.

GENERAL INFORMATION

Applicant/Owner:	Susan Welles / Dean Hedlund
Existing Land Use / Zoning:	Single Family Dwelling R-4: Single Family-Two Family Residential and Shoreland Overlay
Surrounding Land Use / Zoning:	North and West: R-4 Single Family-Two Family Residential East and South: R-2 Single Family Residential
Comprehensive Plan:	Low Density Residential
Lot Size & Width:	Code: 7,200 square feet, 60 ft. wide Site: 12,002 square feet; 80 ft. wide
60 Day Review Date:	Originally February 16, 2024. Extended at the applicant's request to June 27, 2024.

BACKGROUND INFORMATION

The subject site is located on the east side of Stewart Avenue and contains a single unit dwelling. According to Ramsey County property records the principal structure was originally constructed in 1952. The homeowners remodeled the home in 2019 which included an addition

of a sunroom to the rear of the house. The property contains an attached single car garage that is 325 square feet in size and also has an 87 square foot storage shed located in the rear yard.

The zoning code allows a second accessory structures up to 120 square feet by right. Because the property contains an attached garage, the property could be permitted a second accessory structure up to 625 square feet in size, but not to exceed 10 percent of the rear yard, through an administrative variance. Administrative variances are approved by staff but require consent from abutting neighbors. In this case one of the neighbors chose to not sign the request, so the applicant is now requesting a formal variance to build the accessory structure through the Planning Commission and City Council.

Planning Commission Review. The Planning Commission held a public hearing to review this item during their January 29, 2024 regular meeting. During the meeting, the Commission heard a presentation from staff, remarks from the applicant's architect and comments from three people opposed to the project. Staff also noted that prior to the public hearing, the city received 6 emails and one phone call expressing opposition to the variance request (attached).

Four people spoke during the public hearing, including the applicant's architect and three residents. Minutes from this meeting are attached for your reference. Comments from the residents were in opposition to the project and included:

- Ed Cox, 2258 3rd St., expressed that other projects in the community have adjusted their plans to meet code and that this part of the community is unique because of the lake, and this structure would obstruct people's views.
- Jay Rendall, 4720 Stewart Ave., explained that this structure would change the character of the neighborhood and would block his and his neighbor's views of the lake. He added that neighbors also oppose the project.
- Robert Pepper, 2280 4th St., expressed that approving this request could lead to other similar structures in the neighborhood and that there are currently not privacy fences and only a few small structures in the neighborhood.

Architect Susan Welles spoke on behalf of the applicant as they were out of the state at the time of the Planning Commission meeting. Ms. Welles described the project and addressed comments from the Planning Commission and neighbors. She explained that they reduced the size and pitch of the roof to be considerate of neighbors and stated that the structure meets other aspects of code and could be permitted if attached to the principal structure (house).

The Planning Commission had general discussion of the staff report and comments both in the packet and during the public hearing. Commissioner Lynch stated he disagrees with staff's findings related to unique circumstances and altering neighborhood character. He believes the applicant could have planned for more storage space during their 2019 remodel and the accessory structure will impact views of the lake which is part of the character of the neighborhood. Commission Baltzer stated he sees both sides of the issues in that the neighborhood's feelings regarding the proposal are important but that neighbors don't have a

right to see the lake from their property. Commissioner Bill stated he agreed with Commissioner Lynch that the applicant could have planned for more storage space during their 2019 remodel and the accessory structure will impact views of the lake which is part of the character of the neighborhood. Commissioner Amundson stated he agreed with the community comments that the structure will impact the neighborhood and disagreed with staff's finding that it will not alter the essential character of the neighborhood. At the conclusion of their discussion, most believed that the accessory structure would alter the character of the locality and therefore the commission voted 5-0 to recommend the City Council deny the request.

Since the public hearing, staff received an additional narrative from the applicant, a petition in opposition to the project and four email comments (attached). The applicant's additional narrative invites the City Council to visit the property, restates their request, compares their request with the City's accessory building standards and response to comments made during the Planning Commission public hearing. The petition in opposition to the project includes 13 signatures and is based on the concern that the project will alter the essential character of the neighborhood. The four emails are from Christopher Wesman (2278 4th Street), Gay Parker (4713 Stewart Avenue), Janet Pickett (2268 4th Street) and Jay Randall (4740 Stewart Avenue). Mr. Randall's comments address the five criteria to review a variance. All four email comments oppose the project.

ANALYSIS

Review Authority. City review authority for variance applications is considered a Quasi-Judicial action. This means the city acts like a judge in evaluating the facts against the legal standard. The city's role is limited to applying the legal standard of practical difficulties to the facts presented by the application. Generally, if the application meets the review standards, the variance should be approved.

Variance Review. The standards for reviewing variances are detailed in Minnesota State Statute 462.357, Subdivision 6. In summary, variances may be granted when the applicant establishes there are "practical difficulties" in complying with the zoning regulations. A practical difficulty is defined by the five questions listed below. Economic considerations alone do not constitute a practical difficulty. In addition, under the statute the City may choose to add conditions of approval that are directly related to and bear a rough proportionality on the impact created by the variance.

Staff has reviewed the variance request against the standards detailed in Minnesota State Statute 462.357, Subd. 6 and finds the applicant has demonstrated a practical difficulty. The standards for reviewing a variance application and staff's findings for each are provided below. It should be noted that the Planning Commission disagreed with the analysis and finding made by staff and ultimately voted 5-0 to recommend the City Council deny the accessory structure variance request.

1. Is the variance in harmony with the purposes and intent of the ordinance?

Finding: The purpose of the section of code that regulates accessory structures is, “to establish general development performance standards. These standards are intended and designated to assure compatibility of uses; prevent urban blight, deterioration and decay; and to enhance the health, safety and general welfare of the residents of the community.” This proposal will prevent blight in the area by increasing the indoor storage capacity on the property through the construction of a high quality new build accessory structure on the lot. The structure will have hardie board siding and an architectural design that is consistent with the principal structure.

Because the property contains an attached garage, through an administrative variance the property could be permitted a second accessory structure up to 625 square feet in size, not to exceed 10 percent of the rear yard. The proposed accessory structure is less than half of the maximum size allowed and would bring the property to a total of 589 square feet of accessory structure space between the single car garage and proposed accessory structure. Staff finds that the variance is in harmony with the purpose and intent of the ordinance.

2. Is the variance consistent with the comprehensive plan?

Finding: The Future Land Use Map in the 2040 Comprehensive Plan guides the property as Low Density Residential. Typical housing types for Low Density Residential areas are unit dwelling. Accessory structures such as garages and storage sheds are compatible and common uses in residential areas to provide additional storage space for homeowners. Therefore, staff finds the variance is consistent with the comprehensive plan.

3. Does the proposal put the property to use in a reasonable manner?

Finding: This proposal puts the subject property to use in a reasonable manner. The property is zoned R-4 Single Family – Two Family Residential. The property will continue to be residential in nature with the addition of the proposed second accessory structure. Accessory structures such as sheds are often associated with residential properties and are a reasonable use in residential districts. With the addition of the proposed accessory structure, the combined accessory structure square footage will be 589 square feet, which is a reasonable amount for accessory storage space for a single unit residential structure and well below the 625 square foot maximum prescribed in the zoning code for a second accessory structure through an administrative variance.

4. Are there unique circumstances to the property not created by the landowner?

Finding: There are unique circumstances to the property not created by the homeowner. The home currently has an attached one car garage that is 325 square feet in size. Due to the existing garage’s proximity to the south property line, there is limited space available where expansion of the garage would be possible. Because the proposed second accessory structure is over 120 square feet in size, code requires an administrative variance which requires the applicant obtain signatures from neighboring property owners. The applicant was unable to obtain all the necessary signatures and is therefore requesting a formal variance. The proposed

shed meets height and setback requirements and brings the lot to a total of 589 square feet of combined accessory building space.

5. Will the variance, if granted, alter the essential character of the locality?

Finding: Granting the requested variance will not alter the essential character of the surrounding neighborhood. Accessory structures such as sheds and garages are a common use in a residential area. Many of the surrounding properties have at least a two car garage. The addition of the proposed accessory structure will provide the property with the same amount of accessory structure square footage as a typical two car garage.

RECOMMENDATION

While City staff's recommendation for approval has not changed, the Planning Commission unanimously recommends the City Council adopt the attached resolution denying the accessory structure variance request for the property located at 4728 Stewart Avenue.

ATTACHMENTS

Resolution

Zoning/Location Map

Applicant's Narrative & Plans

Excerpt Minutes – January 29, 2024 Planning Commission Meeting

Neighbor Comments

RESOLUTION NO.

**RESOLUTION DENYING A VARIANCE FOR A SECOND ACCESSORY
STRUCTURE OVER 120 SQUARE FEET FOR 4728 STEWART AVENUE
WITHIN THE CITY OF WHITE BEAR LAKE, MINNESOTA**

WHEREAS, Dean Hedlund has requested a variance for a second accessory structure over 120 square feet per section code 1302.030, Subd.4.i.2.b, in order to construct a 264 sq. ft. accessory structure in the rear yard of the property located at 4728 Stewart Ave.

LEGAL DESCRIPTION: LOT 8 and 9 and that part of Lot A lying south of the north line of Lot 8 produced easterly over and across said Lot A, HYDE'S REARRANGEMENT OF LOTS 3, 4, 5 AND 6 OF BLOCK 56 OF WHITE BEAR, Ramsey County, Minnesota. PID 133022320040.

WHEREAS, the Planning Commission held a public hearing as required by the Zoning Code on January 29, 2024; and

WHEREAS, the Planning Commission consider an analysis from staff, all application materials, and comments during the public hearing; and

WHEREAS, the Planning Commission voted 5-0 to recommended the City Council deny the accessory structure variance request; and

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

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

1. The applicant has not demonstrated the requested variance is in harmony with purposes and intent of the ordinance.
2. The applicant has not demonstrated the requested variance is consistent with the 2040 Comprehensive Plan.
3. The applicant has not demonstrated that granting the requested variance will allow the property to be used in a reasonable manner.
4. The applicant has not demonstrated there are unique circumstances to the property not created by the landowner.
5. Granting the requested variance will alter the essential character of the neighborhood by allowing a secondary accessory structure larger than 120 square feet which will disrupt the open space in the surrounding neighborhood and impact views of White Bear Lake.

RESOLUTION NO.

BE IT FURTHER RESOLVED, that the City Council of the City of White Bear Lake, based on the findings of the Planning Commission, those contained herein, and the record of this matter, hereby denies the requested accessory structure variance for 4728 Stewart Avenue.

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

Ayes:
Nays:
Passed:

Dan Louismet, Mayor

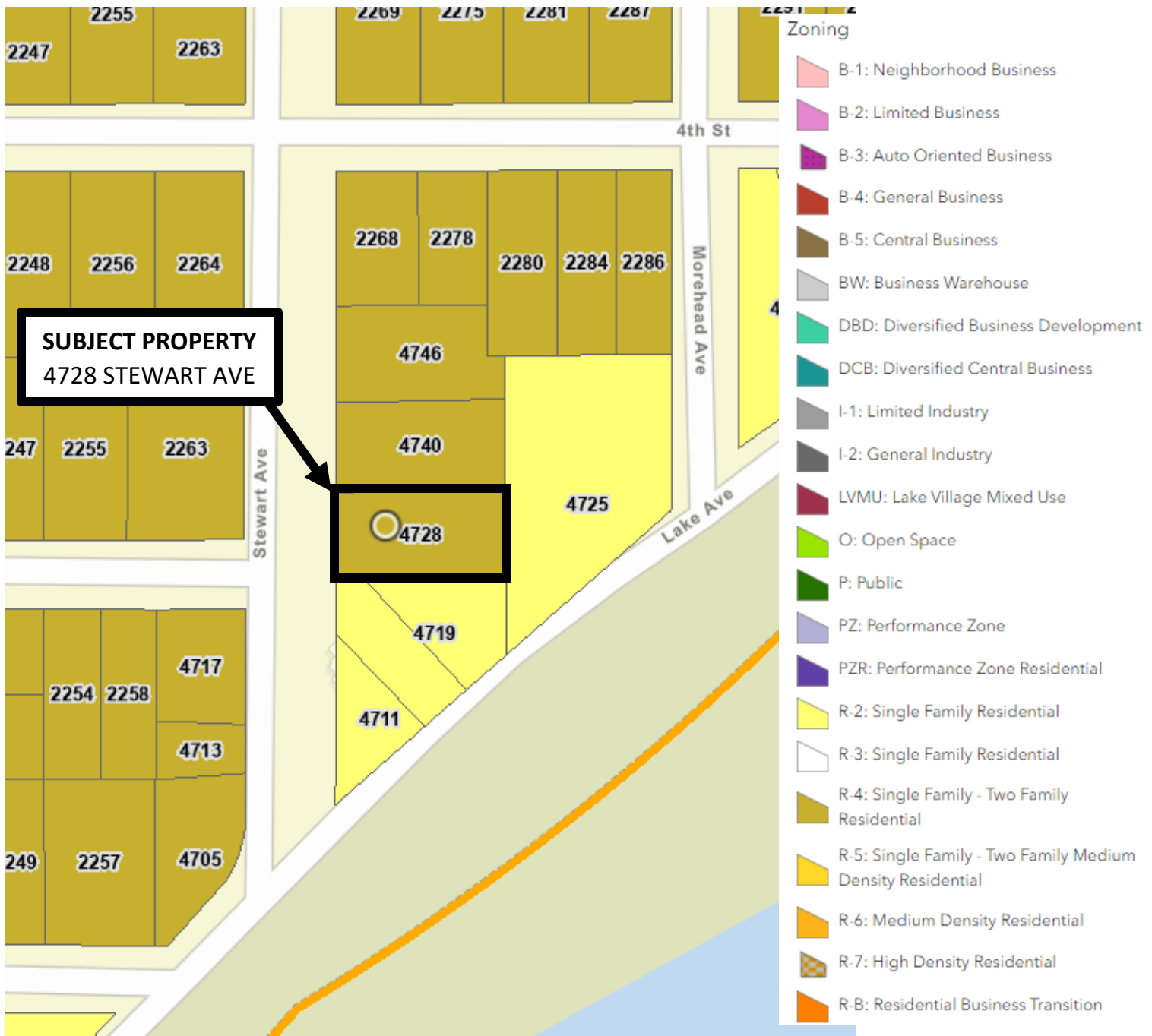
ATTEST:


Caley Longendyke, City Clerk

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

Applicant's Signature

Date



 <p>City of White Bear Lake Planning & Zoning 651-429-8561</p>	<p>CASE NO. : <u>24-2-V</u></p>
	<p>CASE NAME : <u>4728 Stewart Ave – 2nd Accessory Structure over 120</u></p>
	<p>DATE : <u>01-29-2024</u></p>

December 17, 2023

To White Bear Lake Planning Commission/White Bear Lake City Council,

I am petitioning you today to ask for a variance from the 120 square foot maximum allowed for a second accessory structure and allow my clients, Dean and Sharon Hedlund at 4728 Stewart Ave. to construct a new accessory building on their property. My clients renovated the current home in 2019 leaving the original attached single car garage as it was designed. Having now lived in the home for a few years they have realized a need to have more storage to accommodate their various garage needs. They would like to construct a 12' X 22' detached accessory building in the NE corner of their property.

The existing property is in the R-4 Single Family – Two Family Residential and Shoreland District per the City's Zoning map. The lot encompasses 12,002 sq. ft. It currently has an impervious coverage of 2,443 sq. ft. (20.3%) with the existing house, garage and driveway.

This accessory building would conform to all rules defined by the City per the Zoning Classification of the Municipal Code {1302.030, Subd. 4.b} Accessory Buildings and Structures.

The proposed increase in impervious surface will add an additional 264 sq. ft. resulting in a total impervious of 2702 sq. ft. (22.6%) on the lot.

Tree replacement will be handled per the City's Tree preservation guidelines if the building requires removal with the new construction.

Please review the attached plans for the new accessory building along with the site plan that outlines the above conditions as designed and submitted for your review.

Sincerely,

Susan Hebert Welles-Project Designer

On behalf of Dean and Sharon Hedlund, owners of 4728 Stewart Ave., White Bear Lake, MN

From: [Dean Hedlund](#)
To: [Jason Lindahl](#)
Subject: Accessory Building at 4728 Stewart Ave proposed by the property owners
Date: Wednesday, May 22, 2024 11:34:12 AM

This was written by Dean and Sharon Hedlund who **are the owners of 4728 Stewart Avenue.**

We are invested in WBL:

When we purchased our home, we immediately invested in our WBL property by undertaking a total home remodeling; saving only the original 50's brick exterior. That remodeling has been a real visual asset to the neighborhood. It is now one of the more attractive homes, not only on our block but the whole surrounding neighborhood. We receive many compliments on the transformation from people walking by. If you are not familiar with the before - after, a photo should have been included in your package. The lot had an old ugly 90 sq.ft. metal shed in the backyard that we left for a future project -- this project. We are also invested in WBL by 1) becoming members of the Historical Society and spent hours developing scaled floor plans for the Fillebrown House, 2) contributing money for fireworks, 3) being regular patrons of local restaurants and bars, and 4) attending church in WBL.

We need more storage:

The 90 sq.ft. metal shed has been very inadequate for our needs and is an eye-sore -- it does not remotely fit in with our remodeled home. In 2021 we started on a journey in an effort to improve our storage situation. We re-hired Susan Welles, the architect that helped us with the remodeling of our home. Susan developed a design for a quality stick-built accessory building that would compliment our home and improve our portion of the block. The idea was to have the same construction quality and appearance as the home.

Why did we interface only with Jay Rendall?

On November 30th, 2021, Sharon talked to two of our immediate neighbors (Gordon & Jerri Ohmen to the east and Joel Klemp to the south) and they were not concerned. So from then on we exclusively worked with Jay Rendall, trying to find something that we could support and that Jay could live with. 2021's efforts flowed into 2022's efforts, which flowed into 2023's effort.

Location and design stage:

Jay did not approve of any of the numerous plans that were developed in the past 2-1/2 years. Over time we modified our plan 14 (or more) times changing:

-- the size (nothing that fulfilled our needs was small enough for Jay),
-- reducing the roof slope from what would have matched our home's roof slope, and making it a hipped roof (nothing was flat enough or low enough for Jay),
-- and changing the E-W vs. N-S orientation (a N-S orientation would provide less visual impact to the other neighbors), all to no avail. Jay would not approve of anything that we could live with. In late 2023, we gave up trying to work with Jay and applied for an Administrative Variance. We submitted the plan you see in front of you. We already knew that Jay Randall did not approve. However, we trusted that 1) the quality of the design, 2) our history of trying to please Jay, 3) our efforts to minimize the visual intrusion on our other neighbors, and 4) the fact that it would **be built on our property** would be valued by the city.

We filed for an Administrative Variance:

The plan that was submitted had many compromises that were made over time, yet it still fulfilled our needs. We moved forward after a 2-1/2 year exhausting effort trusting that the Planning Commission and/or the City Council would like how the design and quality construction matched our house. Sharon and I were not able to attend the Planning Commission meeting because we were out of the state. Since we were not at that meeting, we could not share that there were repeated design efforts and compromises to get to this point. After reviewing the record of the meeting, we were dismayed that the Planning Commission members voted to reject the project.

This is why we were dismayed that the Planning Commission members voted to reject the project:

All of the documents that were offered in opposition to the project listed one or more of these reasons and only these reasons:

would be larger than allowed

Here are the rules for a structure that requires an administrative variance.....

1) A combination of the existing garage and 2nd structure cannot exceed 1,000 sq.ft. --- our existing garage is 260 sq.ft., the new structure is 264 sq.ft. for a total of 524 sq ft. which is **52.4%** of the maximum allowed.

2) The maximum size of a secondary structure is 625 sq.ft. --- the new structure is 264 sq.ft. or **42.2%** of the maximum allowed.

3) The structure cannot exceed 10% of the available rear yard --- Our available rear yard is 5,325 sq.ft. 10% of 5,325 sq. ft. is 532 sq.ft., or **49.6%** of the maximum allowed.

4) The maximum height allowed is 15 ft. --- Our plan's maximum height is 12 ft. 4 in. (and has a hipped-roof design, which will have the visual effect of lowering the roof height) or 82% of the maximum allowed.

parents built and / or gave us the house / lived here a long time

We purchased the house and land ourselves and have only lived at 4728 a few years. The fact that we are not long-term residents should not take away our right to build an accessory building that requires an administrative variance.

require an Administrative Variance which would require approval by all neighbors affected

An Administrative Variance does not require approval by all neighbors.

Ideally all of the neighbors would approve, but when they do not, it can still be approved. Some of the notes submitted for this project are neighbors of neighbors of neighbors. Some folks that are against the project are hundreds of feet away from our property; one of them is not even on our block and will not be able to see even a peek of the finished product from his property.

lake view is a major part of the essential character of neighborhood / change the look of the neighborhood

Using the word neighborhood for this proposed project is ridiculous. We are talking about four backyards who have some view of the structure (some of which are 300 feet away). When looking at the plan, you will note that the new attractive structure will block the same view that the old smaller shed did. The real "neighborhood" would have to look hard to even find this structure. This is the reason that I have staked out the four corners of my proposed accessory building with six-foot high driveway reflectors and talked to Jason Lindahl encouraging the council members to actually see the site. The increase of backyard view obstruction due to the accessory building will be minimal to almost nonexistent. This is driven by 1) the viewer's distance from the structure which in some instances is hundreds and hundreds of feet, 2) the fact that the corner selected is already heavy with vegetation, and 3) the fact that it will replace the existing shed which has blocked some views for decades.

If you did not get an opportunity to visit the site, a photo of the site should have been included in your package. The photo shows the old shed, three of the four corner markers, and the concentration of vegetation immediately north of the proposed site.

The following is from testimony given at the Planning Commission meeting from a contractor who lives down 3rd Street. This contractor, as well as anybody living on his whole block, will not even be able to see our planned structure.

- He suggested that I should be denied building an accessory structure because **I did not include it with our initial remodeling?** This makes no sense.

- He offered that **"the structure will impact the neighbor's view greatly...."** This statement is subjective and not true. This is the reason I encouraged members of the Council to visit the site. Is there now a right to an undisturbed view of the lake?

- He thinks the owners of the property **"will use the structure for a car"**. Does he really think that because of that possibility we should not be allowed to construct this accessory structure on our own property?

- **"there are no structures like this in downtown"**. I do not understand what 'downtown' he is talking about. However, I believe this is another irrelevant reason not to approve because the structure cannot even be remotely seen from anywhere near 'downtown'.

- **"code protects the integrity of downtown"....** The proposed structure cannot even be seen from anywhere near 'downtown'.

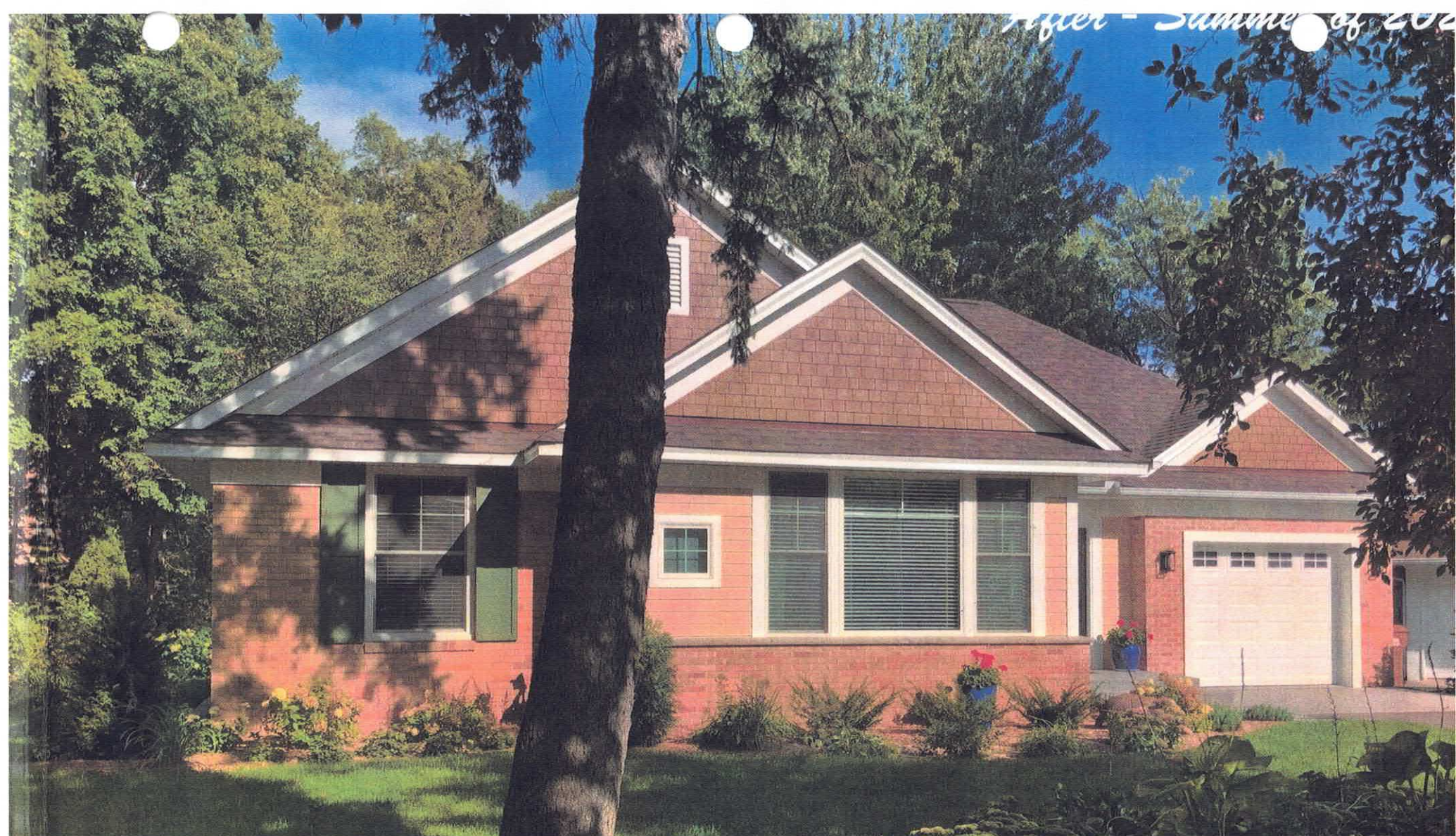
- **"a 120 square foot shed is plenty large enough"** **This one takes the cake.** Where does he get this supposition? I certainly do not know.

IN CONCLUSION:

We do not own all, or any part of, our neighbor's properties. Nor do our neighbors own all, or any part of our property. We know that we need additional storage. The proposed administrative variance for our auxiliary structure comes nowhere near the size limit for an approved accessory structure. The proposed location is where it would be very hard to see from anywhere outside of our block and minimizes any view obstruction inside our block.

At the previous meeting the people who spoke in opposition of this project relied heavily on the spirit of the "neighborhood" and maintaining what I believe they called a 'Park Like' feeling in Old Town. I have previously addressed confusing 'Old Town' with our block's backyards which are almost invisible from outside of our block. At what point does a property owner's rights become less important than a subjective principle?

After - Summer of 2022

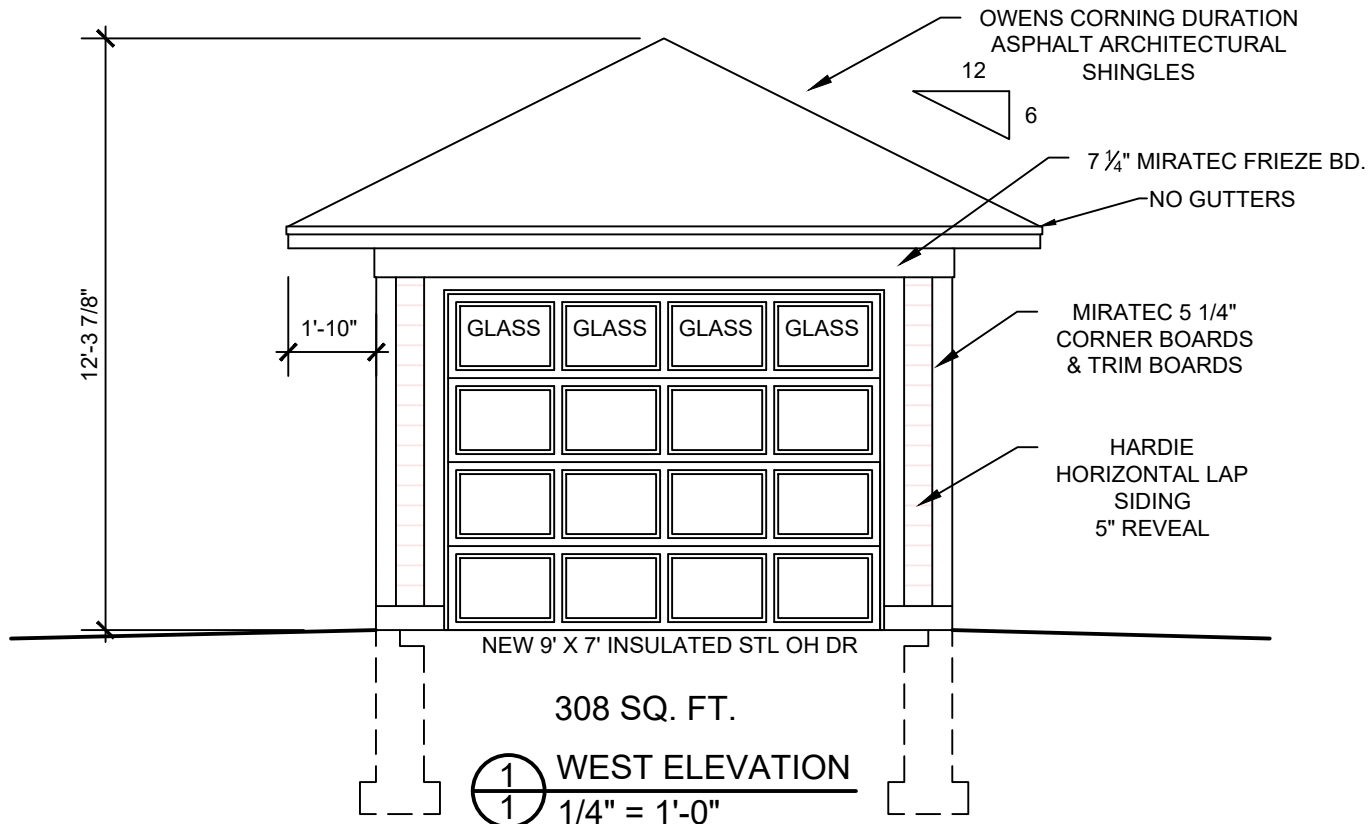


Before, - winter of 2018

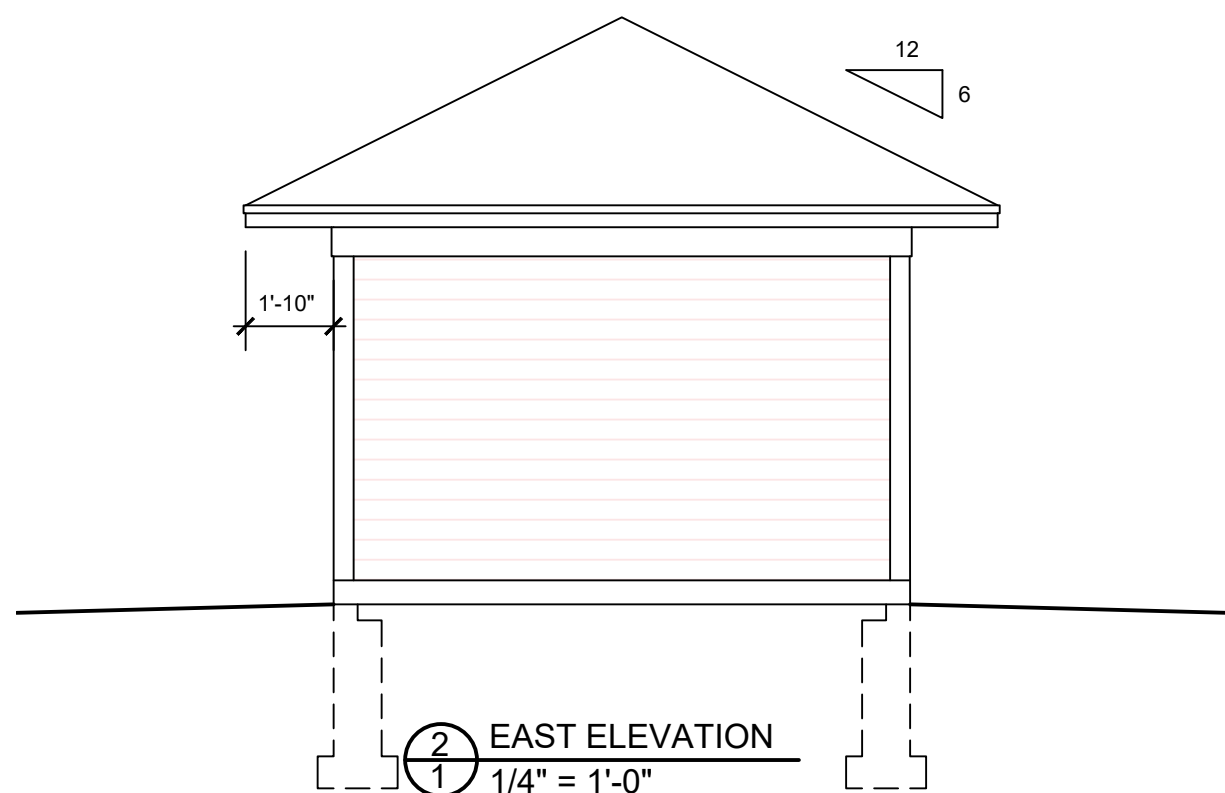
*Remodeling of
4728 Stewart Avenue,
White Bear Lake, MN*



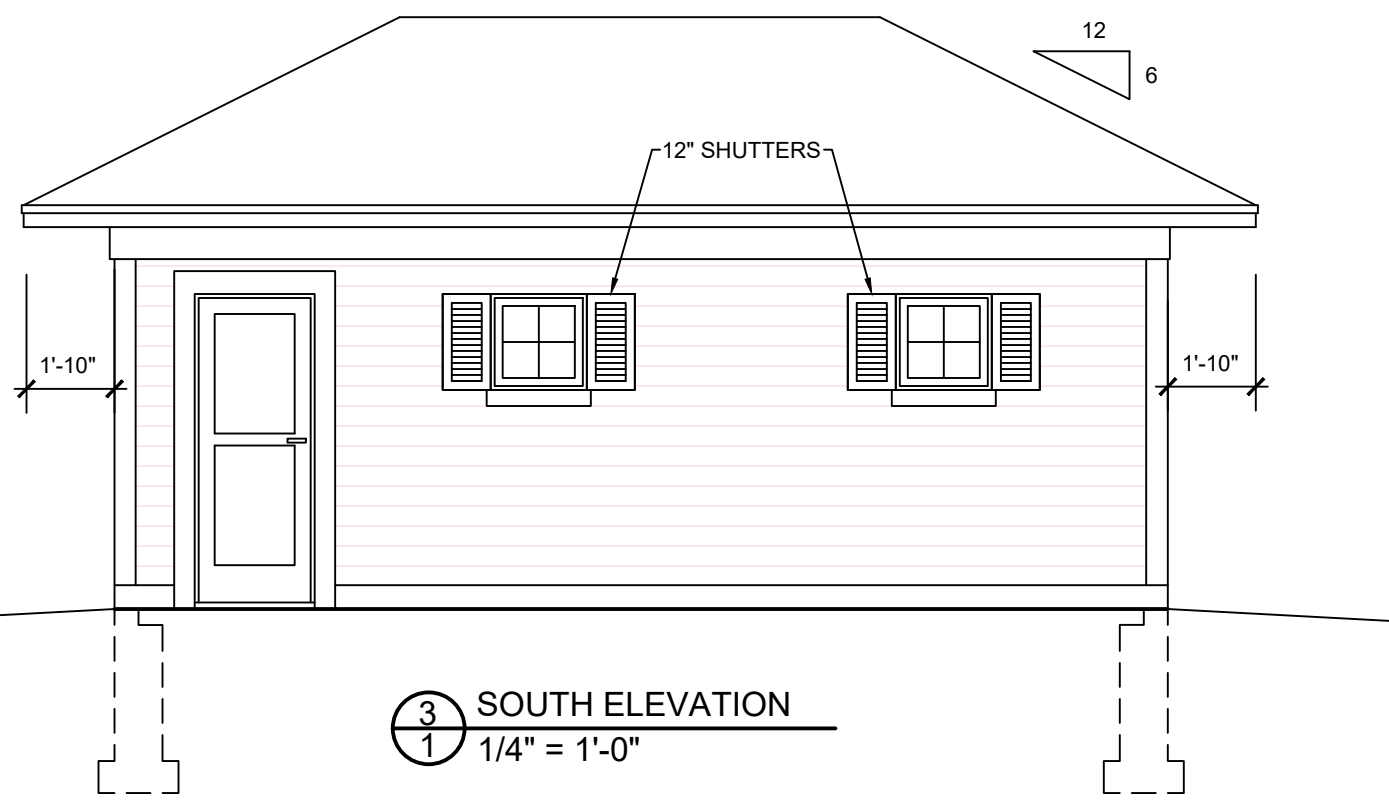
←
North



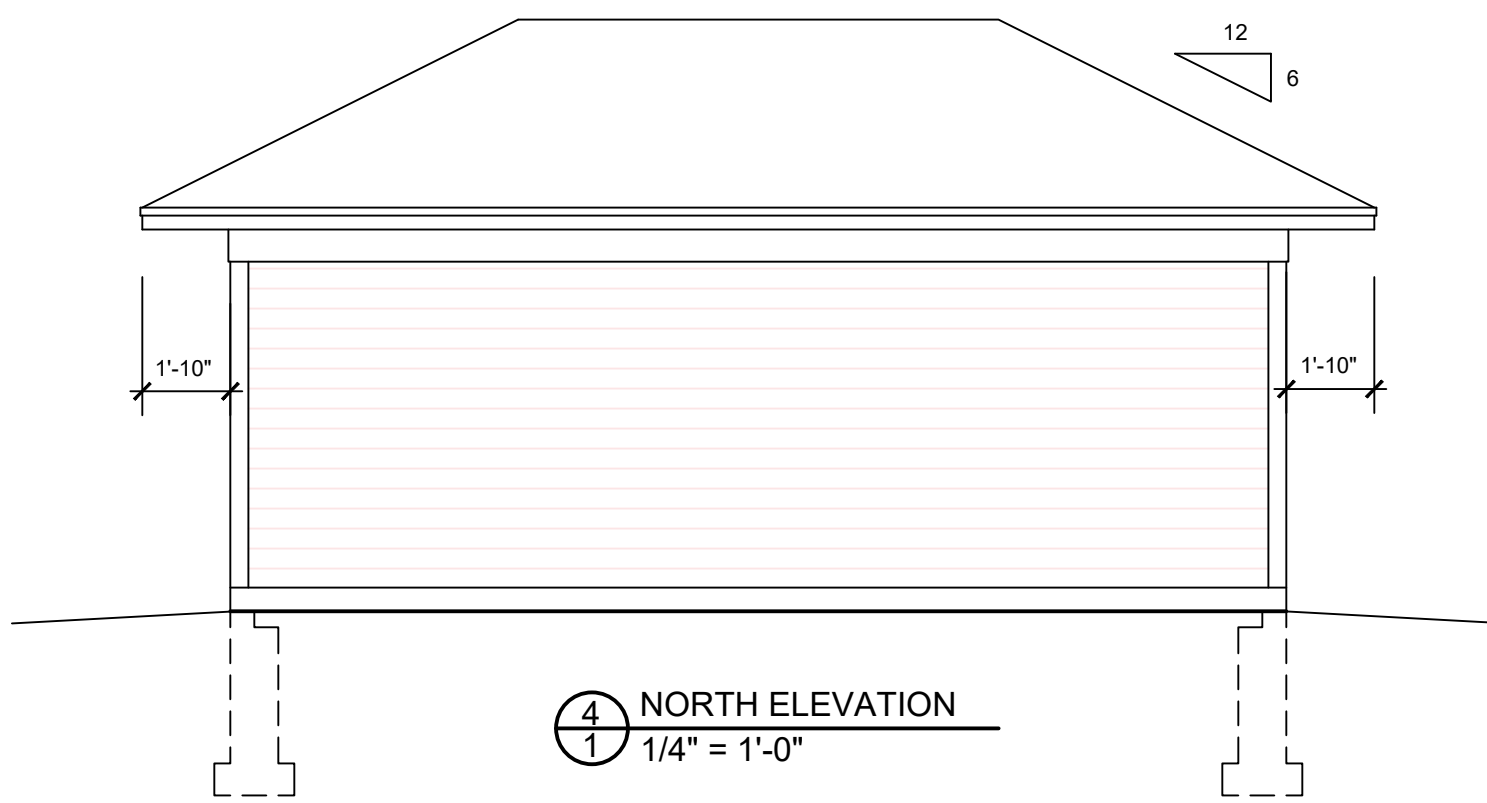
① WEST ELEVATION
1/4" = 1'-0"



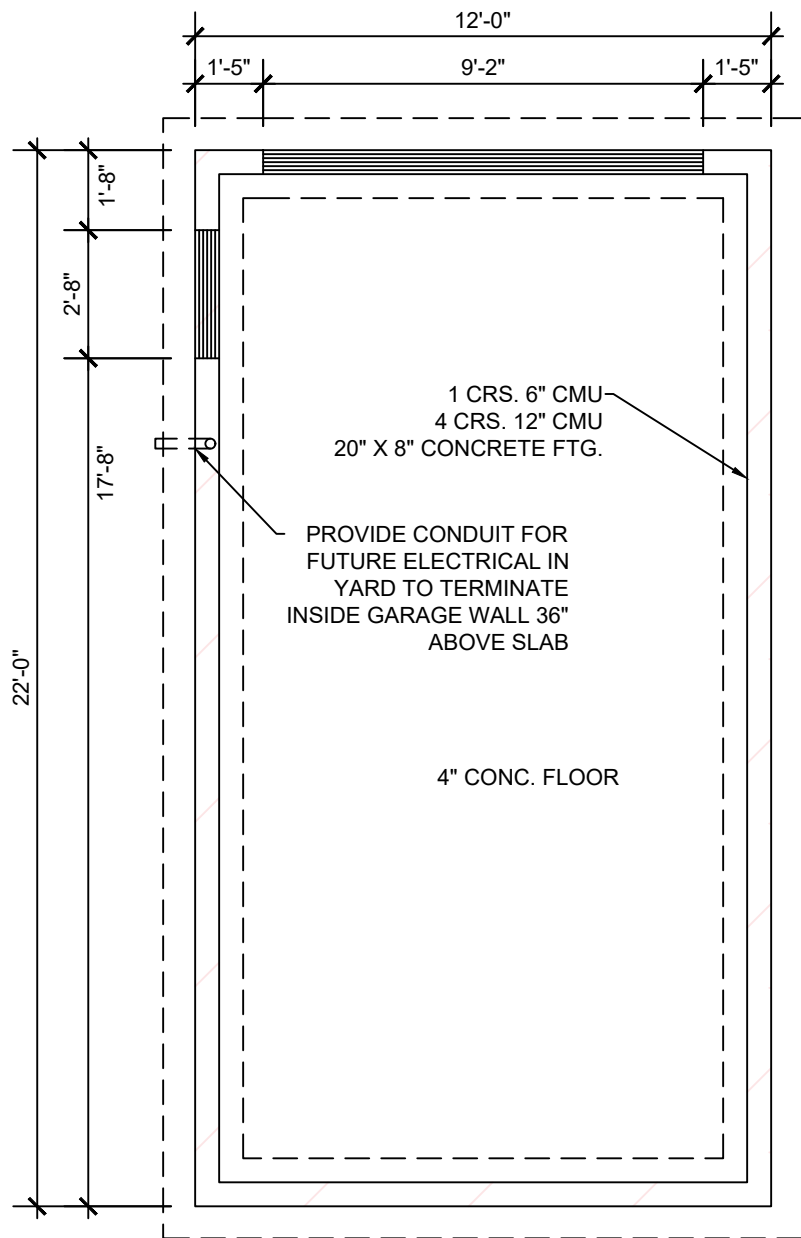
② EAST ELEVATION
1/4" = 1'-0"



③ SOUTH ELEVATION
1/4" = 1'-0"



④ NORTH ELEVATION
1/4" = 1'-0"

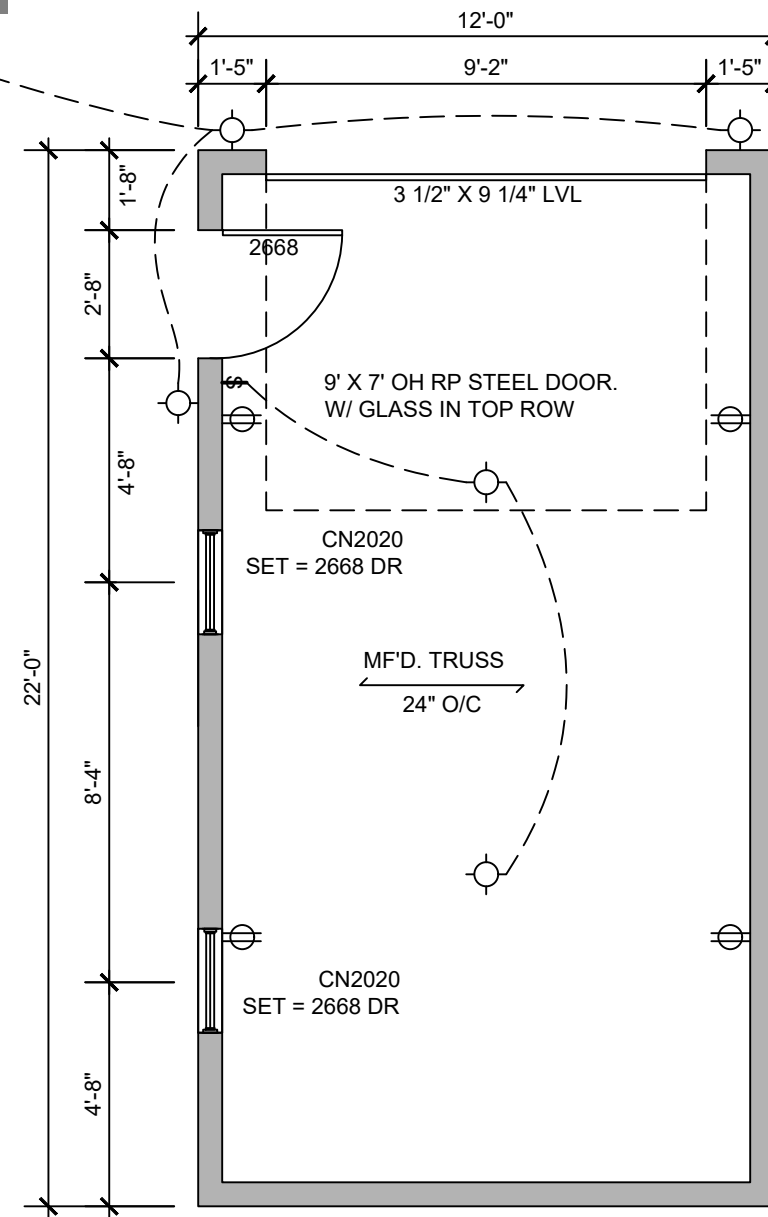


264 SQ. FT.

① FOUNDATION PLAN
② 1/4" = 1'-0"

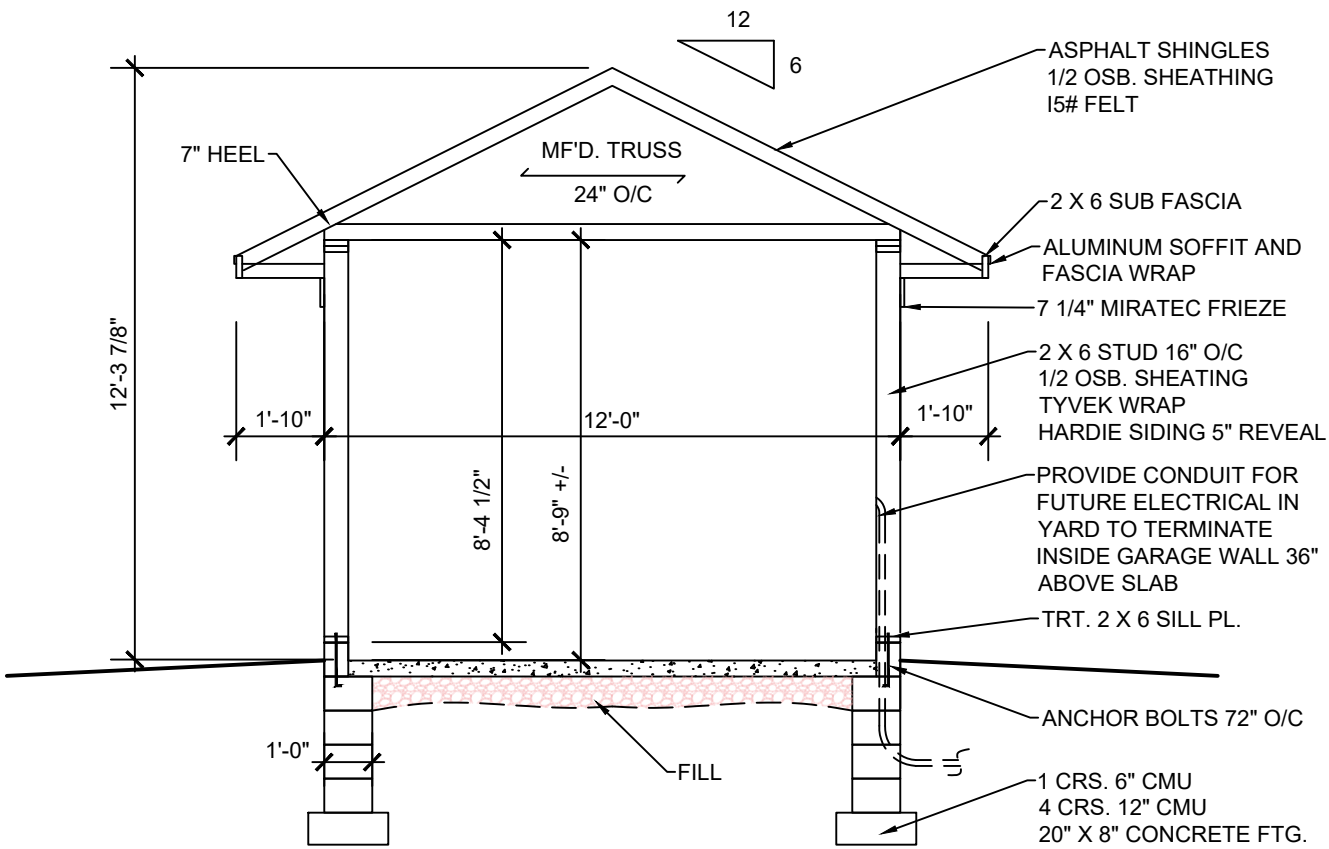


SWITCHED AT HOUSE W/
DECK EXTERIOR LIGHTS
SWITCH IN SUNROOM BY
PATIO DOOR

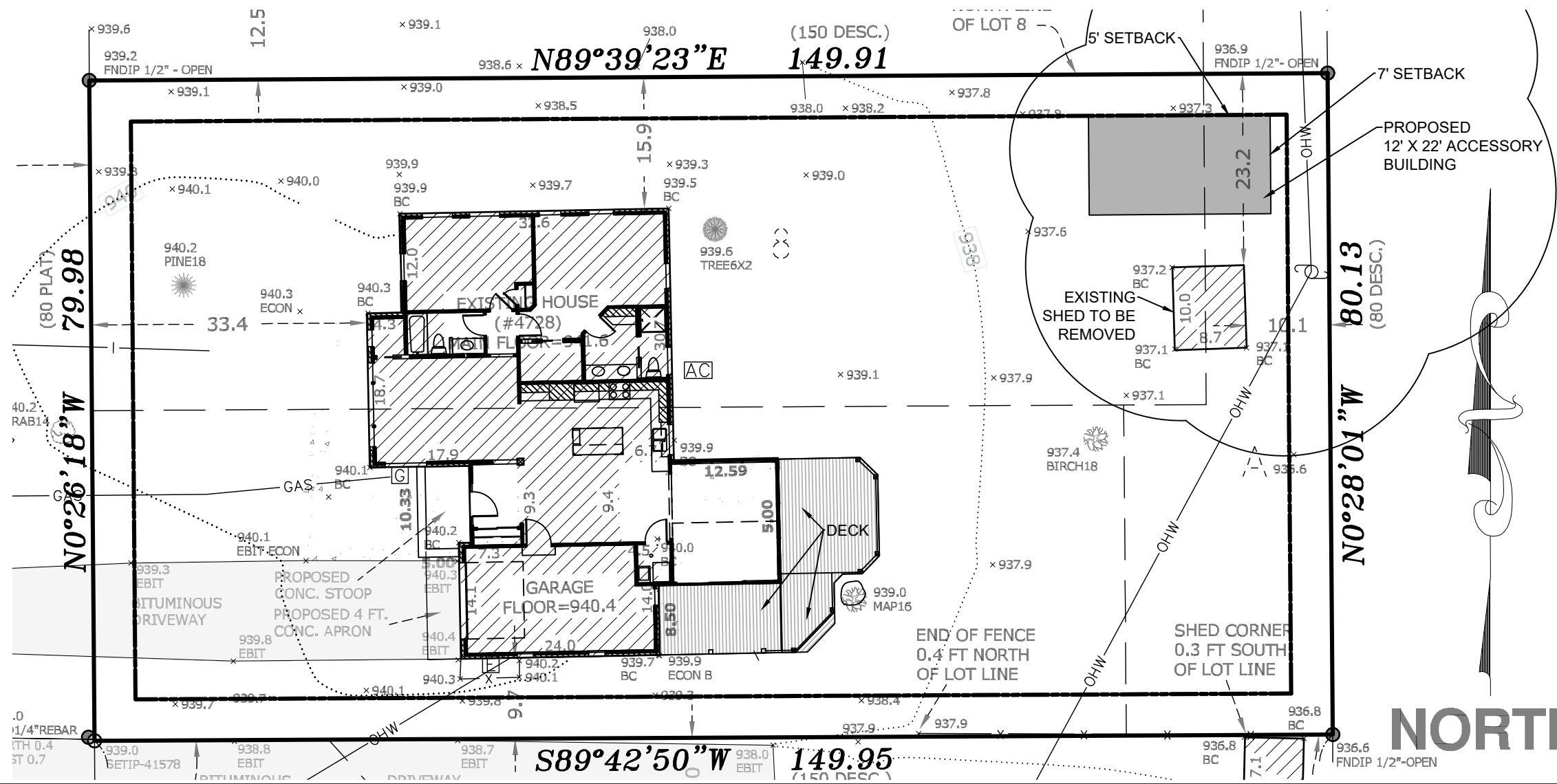


264 SQ. FT.

② FLOOR PLAN
② 1/4" = 1'-0"



1 CROSS SECTION
3 1/4" = 1'-0"



2 SITE PLAN
3 1/16" = 1'-0"

NORTH

Excerpt from the Minutes of the January 29, 2024 Planning Commission Meeting

Case No. 24-2-V: A request by Dean Hedlund for a variance from the 120 square foot maximum allowed for a second accessory structure, per section code 1302.030, Subd.4.i.2.b, in order to construct a shed in the rear yard of the property located at 4728 Stewart Avenue.

Shea Lawrence discussed the case. Staff recommended approval of the proposal.

Member Amundsen asked if the existing shed would need to be removed, if the proposed structure would be allowed if it was attached and whether a driveway would lead to the structure. Lawrence replied that the existing shed would need to be removed and that a driveway is not proposed. She confirmed that if the structure were attached it would be permitted because up to 1,250 square feet of combined accessory structure square footage is allowed based on the size of the lot and the home.

Member Lynch asked what size shed could be permitted by right, as the proposed shed is 264 square feet. Lawrence explained sheds up to 120 square feet can be permitted by right.

Member Berry opened the public hearing.

Susan Welles, 3227 26th Avenue N, is the architect representing the homeowners. She is very familiar with the lot as she has worked with the applicants since 2019 for their remodel. She explained that after being in the house for a few years they have realized they need more accessory structure space. They originally designed a 14 x 24 structure and have now reduced it to a 12 x 22 and reworked the roof to reduce the height in efforts to appease the neighbors. The structure meets other aspects of the code and it would otherwise be allowed if attached. She noted that the proposal could have been approved through an administrative variance.

Member Berry asked about the interactions the applicant has had with the neighbors. Welles explained that she was not part of those conversations and is not sure how they went. At that time, there was only one neighbor opposed to the proposal.

Member Berry asked if there was any discussion about moving the structure closer to Stewart. Welles stated it would have been quite a bit in front of the rest of the house. The house is a single story Rambler, with no basement so storage space is at a premium. Member Berry noted that the structure is quite large, asking what they intend to store in it. Welles responded that they use the attached garage for their one car, but it is only about 11 feet wide so there is not room for much else. Their current storage shed is at capacity and they would like space to store their lawn equipment and patio furniture or potentially a small boat.

Member Lynch asked about the height of the existing shed. Welles explained that she isn't certain but that it is probably around 6.5 feet tall.

Member Berry inquired about the need for the overhead door. Welles explained that it is for ease of access and that the applicants have no intention of adding a driveway. Member Berry asked if they would use it for car storage. Welles responded that she believed it would be for a boat that they would take out of storage once a year and then put back for the offseason, therefore there isn't a need for a driveway. Welles also added that a flat roof wouldn't be architecturally similar to the home and therefore would be inconsistent with the zoning code.

Ed Cox, a contractor who lives down the street at 2258 3rd St., explained that he has done a lot of work throughout the city. He added that many people adjust their plans to make a two car garage fit on their lot and stay within setbacks and height requirements. He added that the property to the south that he is currently working on stayed within the confines of the code and didn't need variances. They were considerate of the neighbors, and only clipped maybe 2 feet of the lake view. He thinks this is a unique area of the community and the structure will impact the neighbors' views greatly. He thinks the applicants will use the structure for a car. He added that there are no structures like this in downtown and that he believes the code protects the integrity of downtown and he wouldn't be happy to see this approved. Member Berry asked if he thought anything would work on the site. Cox replied that a 120 square foot shed is plenty large enough and that they could have created a two deep garage when they remodeled in 2019 but that would have affected their view.

Jay Rendall, the neighbor directly to the north of the subject site, 4740 Stewart, provided a point by point history of the neighborhood. He believes the structure would change the essential character of the neighborhood, and it would block the view of the lake. He added that none of the neighbors supported the administrative variance and that no one, not just the abutting residents support this proposal. He was opposed to signing the administrative variance because it would ruin his view of the lake. He added that the Hedlunds seem to only be concerned about their own view and not the neighbors. He told the Hedlunds that if they proposed anything taller than the existing shed, it would be a problem. He has questions about its intended use and the need for that size. He believes a variance cannot be approved if the structure is going to be used as a garage. He doesn't believe there is blight on their property and noted that many properties don't have sheds. He referenced the 2030 Comprehensive Plan stating the need to preserve the character of downtown. He doesn't believe the use of the structure as a garage is a reasonable use. He believes they could have addressed their storage issues when they remodeled the home in 2019. He explained that the neighborhood families have used the backyards in a park-like way, having paths from one yard to another without the barriers of fences. Neighbors are considerate when planting landscaping to ensure views are not impacted but this proposed structure will block neighbors' views and would be intrusive. He is disappointed that the Hedland's would want to do this despite neighbors' objections.

Robert Pepper, a neighbor at 2280 4th Street, explained that he will be slightly affected by the proposal. He added that this proposal was sprung on the neighbors 8 or 9 days prior. He believes this proposal will demolish the idea of rear yard storage and could carry on to other nearby properties. He explained there are no privacy fences, only a few small accessory structures with green space in between which has added to the neighborhood charm. A one car

garage dropped into the neighborhood would be inconsistent with the neighborhood and stated the height is prohibitive. He added there may be a way forward if they were to relocate the structure closer to the home.

Member Berry closed the public hearing.

Member Amundsen asked if the use of a second accessory structure as a garage was prohibited. Miller responded that the code is prohibitive based on size, not uses or what is stored inside.

Member Lynch asked about administrative variances and notices for 350 feet. Lawrence explained that the properties abutting the affected yard would be required to sign off on the proposal for it to be approved through the administrative process. Member Lynch expressed his appreciation for this process to have the case before the Planning Commission when neighbors disapprove. Member Lynch disagreed with staff on findings four and five. He thinks the applicant could have made design decisions that would have provided more storage space during their prior remodel process. He also disagreed with staff on the idea that the essential character of the locality will not be impacted. He thinks the views of the lake are part of the essential character.

Member Baltzer explained that he sees both sides. He added that people don't have a right to see the lake. The argument that you have always been able to see the lake does not then mean you are entitled to that view and the City Council has seen cases with this premise before and have not been supportive of that argument. On the other hand, he thinks the neighborhood's feelings about the proposal are important. He understands the neighbors' concerns but also recognizes that landowners have a right to build on their property and that White Bear Lake is changing.

Member Bill explained that he struggles with the fact that the residents could have addressed the issue back in 2019 during their remodel, but also recognizes that if you want a view of the lake, you should buy a property directly facing the lake. He also added that he doesn't think staff should regulate the use of the structure. He noted that he thinks the structure would alter the character of the neighborhood.

Member Amundsen considered the five questions used to access a variance request. He explained he has been swayed by the residents' testimony about the structure altering the character of the neighborhood and explained he doesn't agree with finding five in staff's report.

Member Berry stated this would be the biggest shed on the block, physically changing the locality. He believes the proposal is inconsistent with standards four and five for a variance.

Member **Amundsen** moved to recommend denial of case number 24-2-V, Member **Lynch** seconded. The motion carried 5:0.

Shea Lawrence

From: JAY RENDALL <wjr444@comcast.net>
Sent: Thursday, January 25, 2024 11:27 AM
To: Community Development
Subject: 4728 Stewart Ave Request for Variance

City Community Development Staff and Planning Commission Members:

Penny and I are the adjacent property owners at 4740 Stewart Ave. We are sending this preliminary comment about Hedlund's application for a variance at 4728 Stewart Avenue.

We are adamantly opposed to the proposed building and the city issuing a variance for it. We have expressed that opposition to the Hedlunds when they initially proposed a similar building a couple years ago. Our opposition to a variance and structure is because of the overall size (being more than double the maximum of 120 square feet allowed for a second accessory structure) and height of structure, its potential use as a garage, the harmful impact it would have on our view of the lake from our yard and home, and the its intrusive nature in our neighborhood.

We will have more specific comments and concerns to share at the public hearing on Monday, January 29th.

Regards,
Jay Rendall

*Jay Rendall
4740 Stewart Avenue
White Bear Lake, MN 55110
651-253-0044*

Shea Lawrence

From: Jeanne Klemp <klempjeanne@gmail.com>
Sent: Friday, January 26, 2024 2:32 PM
To: Community Development; Joel Klemp
Subject: Variance- Hedlund Property 4728 Stewart Ave

We felt the need to say we are not in favor of the proposed structure at 4728 Stewart Avenue.

We are in the process of renovating the house at 4719 Lake Avenue. This was my parents home which we purchased from my siblings upon my father's passing. We were purposeful not to build further across the yard as it would have blocked the lake view for the neighbors who live on Stewart Ave. and 4th Street. I grew up in White Bear Lake and had the privilege of living in this neighborhood to which we are now returning. This is a large structure that would change the look of the neighborhood. Would it set a precedent for other homeowners who would like to build an accessory building? Is it smart?

Thank you, Jeanne Parenteau Klemp and Joel Klemp

Shea Lawrence

From: Janet Pickett <pickett.janet@gmail.com>
Sent: Sunday, January 28, 2024 12:45 PM
To: Community Development
Subject: RE: Dean Hedlund, 4728 Stewart Ave., request for variance at Planning Commission meeting on January 29, 2024

January 28, 2024

To: White Bear Lake Planning Commission

I am writing in response to the public hearing notice I received about a variance for an accessory structure that would be larger than allowed as requested by Dean Hedlund, 4728 Stewart Ave. We had several medical issues this past week so I wasn't able to respond earlier.

My husband and I live at 2268 4th St., the southeast corner of 4th and Stewart. My parents built this house in 1960 and we have lived here since 2002 when they moved. For 64 years, one of the beauties of living here is our view of the lake. Between us and the lake are backyards with lawns, flowers and trees and a couple of small garden storage units. Our summer view is more of a peek-a-boo view but in the winter we have a full view of the lake. Dean Hedlund is proposing a building that is 12 feet high and 22 feet long. So instead of the eight-foot side and the approximately seven-foot height of his small garden storage unit, we would see a huge 22-foot long, 12-foot high structure in the middle of our view. The beauty of our current pastoral view would be eliminated.

The description of the proposed unit makes it sound like a garage. According to the plan, the total square foot area of the proposed new building would be three times larger than the existing shed as well as more than twice as big as allowed. There is a reason for White Bear Lake having a City Code that does not allow such a structure.

I am wondering why the following requirement was not used to prevent this request for a variance to the Planning Commission to even reach this point since I know at least one adjoining neighbor has not approved the idea from the start. I saw from reading the website that one of the criteria that has to be met for a structure over 120 square feet is that it would have to receive an Administrative Variance which would require approval by all neighbors affected. (vii. Administrative Variance: An administrative variance is in addition to a building permit. Administrative variances have an application fee of \$25, are reviewed by City staff and require approval by all

neighbors affected by the second garage - i.e., the neighbor(s)' lots which are situated closest to the proposed structure's location. Please contact the City Associate Planner at 651-429- 8534 to receive administrative variance information.)

We are opposed to granting a variance to the Hedlunds for this building.

Janet and Bill Pickett, 2268 4th St., White Bear Lake

Shea Lawrence

From: Janet Pickett <pickett.janet@gmail.com>
Sent: Sunday, January 28, 2024 7:47 PM
To: Community Development
Subject: Addition to my previous email about Hedlund variance request for 4728 Stewart

I want to add to my previous email addressing the variance request by Dean Hedlund for his property at 4728 Stewart Ave.

I have just seen a copy of the Memorandum to the Planning Commission from Shea Lawrence concerning this variance request. I would like to address two of the items.

Number 4: Are there unique circumstances to the property not created by the landowner?

I was never contacted in connection with the administrative variance. This proposal affects more than the property owners of the adjacent properties. There are at least four other properties in addition to those adjacent that will have their views of the lake impacted by such a building. We were not made aware of this proposal until the notice of the meeting on January 29 arrived this past week. This may be a unique situation, but in this case many property owners will be impacted negatively.

Number 5. Will the variance, if granted, alter the essential character of the locality?

Although I did not use the words “will alter the essential character of the locality” in my first email, that is what will happen if this structure is allowed. Our lake view is a major part of the essential character of this neighborhood. We see the lake through unfenced backyards with trees, flowers and lawns. From our perspective, such a building is essentially a 22 foot long, 12-foot high fence that will obstruct our view.

We continue to be strongly opposed to granting the variance.

Janet and Bill Pickett, 2268 4th St.

Shea Lawrence

From: Bill Ganzlin <b ganzlin@umn.edu>
Sent: Monday, January 29, 2024 7:09 AM
To: Community Development
Cc: Shea Lawrence
Subject: Objection to Variance Application by Dean Hedlund

1-28-2014

To: Community Development Department and Planning Commission
From: Bill Ganzlin, 4746 Stewart Avenue, WBL
Re: Variance Application by Dean Hedlund

I am writing to formally object to the Variance application submitted by Dean Hedlund, 4728 Stewart Avenue, WBL.

I live 2 lots to the north from the Hedlund property and have lived at this location for over 30 years.

My main concern relates to item #5 from the City's Memorandum: 5. "Will the variance, if granted, alter the essential character of the locality?" City staff finding indicated that "Granting the requested variance will not alter the essential character of the surrounding neighborhood."

I strongly disagree with this finding. I chose to purchase this property because of the quality and character of the neighboring homes, the open space feel of the common backyard area due to the lack of fences/building structures, and the beautiful view of White Bear Lake that is possible due to the lack of backyard structures in the neighborhood that could block my view.

50% of the homes in the neighborhood have 2 car garages (attached or detached): 5 homes have 2 car garages and 5 homes have one car garages. However, none of the homes on this block that have one car garages have a secondary structure in their backyard that is large enough to serve as a garage.

The proposed structure is more than twice the size of any other sheds in the neighborhood and, if built, it will significantly block my view of the lake and will significantly detract from the "character" of the neighborhood.

In summary, I strongly object to the Variance application submitted by Dean Hedlund, 4728 Stewart Avenue, WBL.

I am unable to attend the public meeting scheduled on Monday evening, so I would like to be sure that my concerns are shared with Planning Committee members. Please confirm that my message was received and will be available for review by the Planning Commission before the meeting on Monday evening.

Thank you for your consideration.

Shea Lawrence

From: christopher.wesman@gmail.com
Sent: Monday, January 29, 2024 10:31 AM
To: Community Development
Subject: OBJECTION!- Dean Hedlund Variance Proposal

Importance: High

January 29, 2024

To: White Bear Lake Planning Commission

WE writing in response to the public hearing notice I received about a variance for an accessory structure that would be larger than allowed as requested by Dean Hedlund, 4728 Stewart Ave.

My family lives at 2278 4th St., near the southeast corner of 4th and Stewart. We have lived here for 32 years. The back of our house faces White Bear Lake, and we can see it through the back yards of our neighbors who live on Stewart Avenue, including the Hedlund's. It's a beautiful view through lawns and gardens. During the summer, we can see the lake under the canopy of trees and in the winter it's much more open. Dean Hedlund is proposing a building that is 12 feet high and 22 feet long which would completely block our view of the lake. He already has an eight-foot wide and seven-foot high garden storage unit blocking part of our view. An enormous new structure there would ruin the aesthetics of the neighborhood and negatively affect our property values.

According to the plan, the total square foot area of the proposed new building would be three times larger than the existing shed as well as more than twice as big as allowed. There is a reason for White Bear Lake having a City Code that does not allow such a structure.

We, and many of our neighbors are left wondering why the following requirement was not used to prevent this request for a variance to the Planning Commission to even reach this point. Another neighbor requested a variance to build a shed which was smaller than this, and they were denied outright. Your website states that one of the criteria that has to be met for a structure over 120 square feet is that it would have to receive an Administrative Variance which would require approval by all neighbors affected. (vii. Administrative Variance: An administrative variance is in addition to a building permit. Administrative variances have an application fee of \$25, are reviewed by City staff and require approval by all neighbors affected by the second garage - i.e., the neighbor(s)' lots which are situated closest to the proposed structure's location. Please contact the City Associate Planner at 651-429- 8534 to receive administrative variance information.)

We are absolutely opposed to granting a variance to the Hedlunds for this building.

Chris and Sarah Wesman

2278 4th Street

WBL MN 55110

Ashton Miller

From: jamesp0075@aol.com
Sent: Sunday, January 28, 2024 4:18 PM
To: Ashton Miller
Subject: Variance Proposed for Hedlund property January 29 Meeting

There has been much construction amidst the properties to the side and front (Lake Avenue) which likely affects the neighbors' view of the lake (especially the house to the immediate north of the Stewart Avenue site). Given the expansion of the house to the immediate south of the site and the major reconstruction of the Lake Avenue property immediately behind house, it would be appropriate for the planning and council to review the sites and construction and find an appropriate solution that protects the vista's that are so much a part of the architectural and aesthetic distinction of this area. This may involve resizing the proposed structure or locating it elsewhere on the owner's property.

Marc Pritzker
4717 Stewart Ave
White Bear Lake, Mn
55110

To: White Bear Lake Planning Commission and Community Development Dept.
From: Jay and Penny Rendall, 4740 Stewart Avenue
Topic: Variance at 4728 Stewart Avenue

Introduction

Good evening. My wife Penny, and I have lived in our current house since 1988. I have been active in the city issues for decades. I served on this planning commission decades ago.

I'd like to provide a point by point review of the history of our neighborhood and reasons why we are adamantly opposed to the city issuing the requested variance and permitting a large secondary storage structure adjacent to our property. Such a structure would negatively affect the character of our portion of the "old White Bear Lake residential area" and our view of White Bear Lake. I have also reviewed the City's memo about this variance request and hearing and I'd like to clarify some information or provide alternative perspectives to some statements in the memo.

City Memo's Background & History of Proposed Building

In the background section of the memo, the city implies that the when the Hedlunds initially pursued the Administrative Variance in 2021, that only one abutting property owner declined to sign the form. Actually, we are not aware of any property owners who were willing to sign. We know that four adjacent residents were not willing. The Hiniker, Rendall, Parenteau, and Pritzker property owners did not and would not. Neighbors did not support Hedlunds building a large secondary structure then and after talking with our neighbors recently it is clear that they are opposed to this variance now.

At that time when Hedlunds first sought our consent, Penny and I said we would not sign the administrative variance form in 2021 because we objected to a large structure ruining part of our treasured view of the lake, especially in the six months when the foliage is gone and we are able look across the lake from our sunroom (ironically that's the same part of the year when Hedlunds are at their permanent residence in Florida).

I had suggested some alternative ideas to Hedlunds including locating the proposed structure next to the shed near the south side of their property; or adding a smaller size addition to the front of their existing garage. The Hedlund's responses were immediately negative and Mrs. Hedlund specifically said that adding to their garage would hurt their view from one of their windows in the front of the house. It seems that the Hedlunds want what's good for them and don't seem to care about what is important to the neighbors.

Last summer, Hedlunds continued to have the proposed building redesigned. Their communication with us was basically to come into our yard and show me stakes where they were proposing to locate a new building. There was really not a discussion. I said that if the proposed building was taller than their existing building, "that it would be a problem for us" and Mr. Hedlund's response was, "Well then it will be a problem." A civil discussion, to perhaps find a more acceptable proposal, was apparently not possible.

We had not heard any more until we received the letter from the city about this variance hearing. That is why we have questions about the intended use and why the size needs to be so large.

Variance Review

The city memo states, "The applicant has demonstrated practical difficulty with meeting the zoning regulations and recommends approval of this request." I disagree with this conclusion and will explain why shortly. Also, there was not an explanation in the mailing to neighbors about the five points in the memo related to "practical difficulty". In order to have citizens provide substantial and relevant information about those points, it would be helpful if they were identified in the mailing.

#1 Is the variance in harmony with the purposes and intent of the ordinance?

First, the ordinance does not allow a second garage. Per code, "The second accessory structure may be either a storage shed or recreational structure (such as a gazebo or greenhouse)."

With the proposed large building having a full garage door, we are concerned about the proposed use of the building. The letter from the Hedlunds representative on December 17, 2023 said, "They have realized a need to have more storage to accommodate their various garage needs. And in the past, when we inquired about the need for this size building, the Hedlunds have described the need for the building where they can keep a future motor vehicle or a watercraft. If the structure is going to be a garage, this whole discussion is mute and a variance is not allowed by code.

The memo also says, "This proposal will prevent blight in the area by increasing the indoor storage." The Hedlunds do not have a "deteriorated condition" in their yard due to lack of storage. The Hedlunds old existing shed may be considered "deteriorated". However, allowing them to build a shed three times as large is not necessary to remove the blight. A 120 square foot shed of new material and approximately the same height would solve any "blight" on their property.

#2 Is the variance consistent with the comprehensive plan?

There is statement in the city memo that “accessory structures such as garages and storage sheds are compatible and are common uses in residential areas...” That may be true city wide, but there are only three other small storage sheds that I saw while walking around the three blocks of this locality. And the one at the church is not a secondary storage structure.

The closest thing I could find in the comprehensive plans related to this variance issue is in the 2030 Comprehensive Plan. That plan calls the area where we live the “Old White Bear residential area”. The plan stated, *“Due to its proximity to the lake and downtown, demand for housing in this area has grown exponentially over the years. New owners are renovating, and at times, demolishing existing homes to create new living spaces. This trend greatly reduces any risk of blight in the area, yet poses a different set of challenges. Home owners often apply for variances to existing land use guidelines and restrictions. Some believe the current guidelines should be more strictly applied to avoid over-building so as not to alter the neighborhood’s existing character. ...* This statement regarding altering the neighborhood character applies to our neighborhood and our situation. There is information about our neighborhood character in my response to memo item #5.

#3 Does the proposal put the property to use in a reasonable manner?

The question about future use as a garage rises again. If it is used as a garage, then it is not a reasonable manner.

#4 Are there unique circumstances to the property not created by the landowner?

In our opinion, there is NO plight in this case, or “unfortunate situation” as it is defined, to the land owner “due to circumstances unique to the property and not created by the landowner”. Why? The landowner completely redesigned and rebuilt the house with modifications in 2019. They had it in their power to make other modifications at the time to add storage to the front or rear of the garage. There was lack of foresight perhaps, but we as adjacent landowners should not have to bear the burden of their difficulty in meeting the zoning code now. And the answer to question 4 should be no.

#5 Will the variance if granted alter the essential character of the locality?

This is a key reason why the variance should NOT be granted. Issuing the variance certainly WOULD alter the character of the neighborhood.

It’s important to understand our neighborhood and the valuable views of the lake that many of us have had for decades. This “Old White Bear Neighborhood”, includes the historic Fillebrown

House, is adjacent to the lake, and the biking and hiking trail. Our neighborhood families have used the backyards in a park-like way, without fences, having paths from one yard to another, kids played sports from one yard to another, and having a swing in a tree in one yard that neighboring families' kids or grandkids use. Homes in this locality have various lake views. So when neighbors, who have been long-time residents, plant trees and shrubs it is done with concern not to block the neighbors views.

Based on past and current proposals and their actions, Hedlunds are not among these long-time and more neighborly neighbors. Conversely, they have asked neighbors to cut down shrubs to improve their view. And ironically much of their view of the lake was created and improved by them cutting down shrubs and small trees on the adjacent property. Yet in this proposal, Hedlunds want to place the structure out of their lake view and put it right in the middle of six property owners view and back yards.

Our "problem" is that the proposed structure would be intrusive. As described in the 2030 Comp Plan, houses are being expanded all around us. One behind us has significantly reduced our view to the east. Another has reduced our view to the south. This proposal would reduce our best view by putting a roof with a 16' x 26' base directly in the sight line of our lake view. While the footprint would be 12' x 22', because of overhangs, the visual obstruction at the bottom of the roof would be about 16' x 26'. That is 416 square feet or almost five times bigger than the current shed/roof area. The proposed roof peak is 12'4" or about five feet higher than the existing storage shed. This is unnecessary, unkind, and disappointing that neighbors would want to do it when other neighbors object.

In Conclusion, our neighbors want and expect the city to protect our neighborhood, property values, uses, and assets such as lake views. The purpose of the code is to enhance the general welfare of the community. This variance would do the opposite by harming at least five nearby residential properties.

Thank you for listening to our concerns.

Shea Lawrence

From: christopher.wesman@gmail.com
Sent: Sunday, May 19, 2024 9:34 AM
To: Community Development
Subject: Opposition to Proposed Variance- Dean Hedlund

Importance: High

5/19/2024

To: White Bear Lake Planning Commission

We originally wrote to you in January in response to the public hearing notice we received about a variance for an accessory structure that would be larger than allowed as requested by Dean Hedlund, 4728 Stewart Ave.

We live at 2278 4th St., near the southeast corner of 4th and Stewart. We have lived here for 32 years. The back of our house faces White Bear Lake, and we can see it through the back yards of our neighbors who live on Stewart Avenue, including the Hedlund's. It's a beautiful view through lawns and gardens. During the summer, we can see the lake under the canopy of trees and in the winter it's much more open. Dean Hedlund is proposing a building that is 12 feet high and 22 feet long which would completely block our view of the lake. He already has an eight-foot wide and seven-foot high garden storage unit blocking part of our view. An enormous new structure there would ruin the aesthetics of the neighborhood and negatively affect our property values.

According to the plan, the total square foot area of the proposed new building would be three times larger than the existing shed as well as more than twice as big as allowed. There is a reason for White Bear Lake having a City Code that does not allow such a structure.

We, and many of our neighbors are left wondering why the following requirement was not used to prevent this request for a variance to the Planning Commission to even reach this point. Another neighbor requested a variance to build a shed which was smaller than this, and they were denied outright. Your website states that one of the criteria that has to be met for a structure over 120 square feet is that it would have to receive an Administrative Variance which would require approval by all neighbors affected. (vii. Administrative Variance: An administrative variance is in addition to a building permit. Administrative variances have an application fee of \$25, are reviewed by City staff and **require approval by all neighbors affected by the second garage** - i.e., the neighbor(s)' lots which are situated closest to the proposed structure's location. Please contact the City Associate Planner at 651-429- 8534 to receive administrative variance information.)

We are absolutely opposed to granting a variance to the Hedlunds for this building, as are all of the other neighbors around us.

Chris and Sarah Wesman

2278 4th Street

WBL MN 55110

Shea Lawrence

From: Gay Parker <gbscatters@msn.com>
Sent: Monday, May 20, 2024 8:56 AM
To: Community Development
Cc: Gay Parker
Subject: 4728 Stewart Ave variance

My name is Gay Parker and I live at 4713 Stewart Ave., White Bear Lake MN 55110. My request regarding this variance is that the verbage reflect accuratly what the structure is. It is A GARAGE not a shed! 651-592-0790 Sent from my iPad

Date: May 21, 2024

To: White Bear Lake City Staff and Council Members

From: The Neighbors near 4728 Stewart Avenue

Re: Opposition to the application by Dean Hedlund for a variance from the 120 square foot maximum size allowed for a secondary structure, per section code 1302.030, Subd. 4.i.2.b., in order to construct a shed in the rear yard of the property located at 4728 Stewart Avenue.

We, the undersigned neighbors, are in agreement that the proposed 12' x 22' structure, which would be 12' 3 7/8" high, by Dean Hedlund is not fitting with our neighborhood. We expressed this concern earlier when the Planning Commission held a public hearing on the variance. We support the unanimous 5-0 recommendation of the Planning Commission to deny the variance.

Our neighborhood is part of the historic "Old White Bear Neighborhood" identified in the City's 2030 Comprehensive Plan and it is in the Shoreland District/area, having unique character and charm with many trees, older homes, close proximity to the lake, and few storage sheds or detached garages. The proposed structure, which is more than twice the size of the 120 square foot structure allowed by right in city ordinance, and would have roof overhangs of about two feet on each side (a 416 square foot visual impact at a height of 8 feet), would negatively affect the character of our neighborhood by reducing the current pastoral, park like, natural scenery of our connected back yards.

Among the criteria necessary for approval of a variance, per Minnesota Statutes 462.657, Subd. 6 (2), the variance may only be granted if it "will not alter the essential character of the locality". **We strongly feel the structure placed adjacent to, or within view of, our yards would significantly and negatively alter the "essential character" of our neighborhood (the locality) and for that reason we request the City Council and City follow the Planning Commission's recommendation, respect the potentially affected property owners desires, and deny the Hedlund's variance request.**

Continued on Page 2.

Page 2. Hedlund Variance - Opposition Signatures:

Resident Name	Property Address
1. Bill Gault	4746 Stewart Avenue
2. Mr Pickett	2268 4th St
3. Janet E. Pickett	2268 4th St.
4. Phil W...	2278 4th Street
5. Shelli W...	2278 4th St
6. Laura J. Pepper	2280 4th St
7. Robert Pepper	2280 4th St.
8. Jay Kendall	4740 Stewart Ave
9. Sandra Stowen	4717 Stewart Ave.
10. Marc Pritzker	4717 Stewart Ave.
11. P. Rendall	4740 Stewart Ave
12. Aly P...	4713 Stewart Ave
13. [Signature]	4714 Lake Ave
14.	
15.	
16.	
17.	
18.	
19.	
20.	

To: White Bear Lake City Council and Community Development Dept.
From: Jay and Penny Rendall, 4740 Stewart Avenue
Topic: Variance at 4728 Stewart Avenue

As we have stated at the public hearing, we are adamantly opposed to the city issuing the requested variance and permitting a large secondary storage structure adjacent to our property. Such a structure would negatively affect the character of our portion of the "old White Bear Lake residential area" and scenery from our property.

The following are our comments on the criteria that are used to review and deny or approve variances.

Criteria #1 Is the variance in harmony with the purposes and intent of the ordinance?

We don't think that such a variance is in harmony with the intent of the ordinance for two reasons. The ordinance sets a maximum size that is allowed without abutting property owners approval, and as in this case, larger secondary structures need either abutting land owner approval or must meet the criteria for a variance set in state statute. In this case there is no abutting land owner approval and we don't believe it meets all five criteria in state statute.

Second, the purpose of the zoning ordinance is to "**protect**" us from undesirable actions of others and "**prevent**" those types of actions from happening. The ordinance says the intent is "*to **protect** the public health, safety and general welfare of the community and its people through the establishment of minimum regulations in regard to location, erection, construction, alteration and use of structures and land. Such regulations are established to protect such use areas; to promote orderly development and redevelopment; ... to prevent overcrowding of land and undue concentration of structures by regulating land, building, yards and density of population ...*" In this case, the ordinance should protect the "old White Bear neighborhood" character from an overly large and intrusive structure, especially when there is questionable need for a structure that large.

Criteria #2 Is the variance consistent with the comprehensive plan?

There is a statement in the city's first memo that "accessory structures such as garages and storage sheds are compatible and are common uses in residential areas..." That may be true city wide, but there are only three other small storage sheds that I saw while walking around the three blocks of this locality. And the one at the nearby church is not a secondary storage structure.

Criteria #4 Are there unique circumstances to the property not created by the landowner?

The city's original memo states, "The applicant has demonstrated practical difficulty with meeting the zoning regulations and recommends approval of this request." This is not accurate. Why? The landowner completely redesigned and rebuilt the house with modifications in 2019. They had it in their power to make other modifications at that time to add storage to the front or rear of the garage. There was lack of foresight perhaps, but we as adjacent landowners should not have to bear the burden of their difficulty in meeting the zoning code now. The answer to criteria #4 should be no and the variance should NOT be granted.

Criteria #5 Will the variance if granted alter the essential character of the locality?

This is another key reason why the variance should NOT be granted. Issuing the variance certainly WOULD alter the character of the neighborhood.

It's important to understand our neighborhood and the park-like back yards many of us have had for decades. This "Old White Bear Neighborhood", includes the historic Fillebrown House, is adjacent to the lake, and the biking and hiking trail. Our neighborhood families have used the backyards in a park-like way, without fences, having paths from one yard to another, kids played sports from one yard to another, and having a swing in a tree in one yard that neighboring families' kids or grandkids use. Homes in this locality have various lake views. So when neighbors, who have been long-time residents, plant trees and shrubs it is done with concern not to block the neighbors views.

In this proposal, Hedlunds want to place the structure out of their lake view and put it right in the middle of six property owners' view and back yards. Our objection is that the large proposed structure would be intrusive. This proposal would reduce the ambience of our property and other by putting a roof with a 16' x 26' base directly within view from our back yards and house. While the footprint would be 12' x 22', because of overhangs, the visual obstruction at the bottom of the roof would be about 16' x 26'. That is 416 square feet or almost five times bigger than their current shed/roof area. The proposed roof peak is 12' 4" or about five feet higher than their existing storage shed.

In conclusion, we and our neighbors request and expect the city to **protect** our neighborhood, property values, uses, and current assets. The purpose of the code is to enhance the general welfare of the community. Granting this variance would do the opposite by harming several nearby residential properties and their use.

Thank you for considering our concerns.

From: Janet Pickett <pickett.janet@gmail.com>
Sent: Wednesday, May 22, 2024 11:45 AM
To: Community Development
Subject: Dean Hedlund variance request

To the members of the White Bear Lake City Council :

I have signed, along with many other people, another letter requesting the Hedlund variance request be denied. The Planning Commission has already denied the request; I would expect that the City Council will confirm that decision. Otherwise, why have a planning commission who can delve into the issues? Which they did several months ago and denied the variance. I understand that all the letters written to the planning commission wanting the request denied will be included in your meeting papers to read for the meeting on Tuesday.

Two comments on the standards of the Minnesota State Statute concerning variances: 1) There were **no unique circumstances** to the property not created by the landowner. It was the Hedlund's choice to renovate their house within the footprint that was there originally with a one-car garage. They could have torn the house down and built one with a two-car attached garage which would have been the same design as other houses on the block. 2) The essential character of the locality **will** be altered. The neighbors are in agreement in their concern that the essential nature of the neighborhood will irretrievably changed.

Deny the variance.

Thank you for your attention.

Janet Pickett
2268 4th St.



City of White Bear Lake
Engineering Department

MEMORANDUM

To: Mayor and City Council
From: Paul Kauppi, Public Works Director / City Engineer
Lindy Crawford, City Manager
Date: May 28, 2024
Subject: **On Street Parking / Traffic Concerns Near North Campus**

SUMMARY

The City Manager's Office, Engineering Department, and Councilmember Hughes have received calls and emails from residential property owners over the past several months regarding concerns of additional on street parking and traffic near North Campus.

The North Campus construction is scheduled to be complete by the beginning of the 2024-2025 school year, late August- early September 2024, at which time additional off street parking will become available. Upon project completion, the Engineering Department will analyze parking and traffic patterns to find a permanent solution to alleviate on street parking concerns in the adjacent neighborhoods.

City staff and the City Council will discuss the on street parking and traffic concerns and determine if temporary measures should be put in place to rectify concerns until project completion.

RECOMMENDATION

Discuss and direct staff appropriately.

ATTACHMENTS

None