

Gem Lake News

Gretchen Artig-Swomley, Newsletter Editor

Special Interest Articles:

- 2014 Accomplishments
- Long-Term Planning for Development
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Upcoming Recycling Dates:

- November 26
- December 10
- December 24

Final 2015 Gem Lake Budget Approved

The Gem Lake City Council approved a General Fund Operating Budget of \$331,932 for 2015 at the November 18 City Council Meeting. Most residents of Gem Lake can breathe a relief regarding their own property taxes.

This figure is down considerably from the \$431,108 preliminary budget submitted to the County for preliminary tax statements to residents of our city. The preliminary property tax levy of \$369,819 was based on the preliminary budget also feed into the statements and led to some sticker shock on the party of property owners. The final property tax levy for 2015, based on the refined budget figures, will be \$254,155, a 10% increase over the 2014 levy, but a \$787 decrease from the 2013 levy.



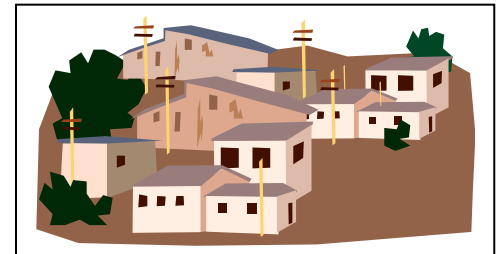
(Continued on page 2)

Development in Gem Lake: Think Long Term

There has been much talk about development or redevelopment of Gem Lake's business district. Sometimes people think they are out of the loop and must have missed something. "What development?" they say.

In truth, while there has been interest in Gem Lake by developers, there have been no proposals submitted for considerations to the city council or planning commission. There are also no concrete proposals on the drawing board, although ideas get tossed around on a casual basis to the owners of the property.

Without being the owner of any of the parcels in the business district, the city can only foster an environment that is conducive to development. This means things like drafting ordinances that encourage development rather than turning off folks with restrictions. It also means investigating improvements to utilities and determining if pollution exists and how it can be mitigated. All these things take years to



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Long-Term Development Plans for Gem Lake (continued from page 1)

accomplish. Other steps involve negotiating a formal agreement with a neighboring city to supply water to us. This agreement would cover things like types of charges, responsibilities for line maintenance, etc.

Property appraisals are also done for the city by an outside party, to determine the current value of affected property and how much the value of each property would increase by having the improvement (municipal water) done. By law, any assessment for the project cannot exceed the amount of the projected increase in the property value.

Then the city has to determine the total estimated cost of the project, as well as how much the city could raise through assessments. Any shortfall has to be funded by the city, perhaps in combination with grant and loan money that might be available from other government sources.

Existing contamination in the district that would be served by the water project, plays a role in any grant or loan money that might be available. That is why the city is also conducting an Environmental Site Assessment of the area. State law also requires that several public hearings be conducted to lay out the details of any proposed projects and seek feedback from those affected. As you can well imagine, none of this happens overnight, and in fact, takes years.

What Does This Mean for Current Business Owners?

As you may recall, the City of Gem Lake changed the zoning ordinance for the business district to the Gateway Ordinance, #107. Despite the perception by some that this just happened, the change actually took place in 2007, after more than a year of debate and copious feedback from business owners. There was a change made recently, but this was to allow certain business to operate in the district if they obtain a Conditional Use Permit. (See page 4 for more information.)

The Gateway Ordinance is one that encourages a mixed use approach to development, but grandfathers in existing business.

This means existing business who obtain a business license from the city and operate the same type of business, can keep operating as usual, as long as they are following all local, county and state ordinances that already applied to them.

Each business must file for their annual business license at the White Bear Township City Hall on Hammond Avenue. The licenses run the calendar year and expire on December 31.

The exception to the grandfathering rule are those few businesses that were operating under a Conditional Use Permit. Those few businesses must adhere to the conditions of their CUP. These permits must be renewed annually and can only be renewed five times.

It is important to note that several land owners in the business district are seeking redevelopment of their land and may entertain offers to buy their land out right. This happens outside the control of the city and is typically negotiated between the owner and the developer. Several land owners have actively approached the city regarding bringing water to the business district.

2014 Election Results

Rick Bosak and Gretchen Artig-Swomley were re-elected to four year terms as city council members for Gem Lake.

There were 290 registered voters as of 7 a.m. on November 4. There were also nine residents who registered to vote on Election Day. Out of a total of 299 potential voters in our city, 200 of them cast votes, for a voter participation rate of 66.8%.

Gretchen Artig-Swomley received 130 votes for council member, Rick Bosak received 118 votes.

2015 Budget Approved: You Can Exhale....

The property tax levy is broken into a general fund levy and a debt levy.

The General Fund Operating Property Tax Levy is \$204,655. This is a 13.6 increase over 2014, but it is lower than the 2011 and 2013 levies.

The Debt Levy for Heritage Hall is \$49,500, which is a \$600 decrease from 2014.

It is not unusual in Minnesota for a city's preliminary and final budgets to differ greatly. According to state law, the final budget can never be higher than the final budget, so cities estimate high, especially regarding spending categories where they don't have final numbers. The preliminary budget has to be submitted to the county by September, so very often figures are not yet certain for things like contract services.

That was the case for Gem Lake. The significant decrease in the final budget came as a result of both refinements in revenue estimates based on actual 2014 activity and more accurate information on 2015 costs. This led to budget decreases in for next year when it comes to things like recycling services, administration, financial and legal services, fire protection and the newsletter. The City Council also decided to use reserves to buy down the potential levy by \$80,000 for 2015.

The General Fund Budget, which again will be \$332,932 for 2015 is made up of Public Works, which will account for \$41,350; Public Safety, which accounts for \$128,783; and General Government, which accounts for \$161,799.

The General Fund Budget accounts for the operations of the city. The General Fund budget is increasing 5% over the 2014 budget. The major source of revenue for this budget is property taxes. This budget increased \$99,916 over the previous year due to a decrease of \$14,000 in facility rental revenue that was based on an arrangement with the Sheriff's Department, \$36,927 for adding a staff person to the Heritage Hall site, \$13,000 for Ms-4 (state storm water)

Reporting Requirements, and a 14% increase in the law enforcement budget. On the plus side, the council was able to remove the \$20,000 contingency fund from 2015, and also, building inspection revenue is projected to increase by \$5,000 due to increased building activity.

The Good News/Bad News

Ramsey County determines market values and then property class rates are established by the State of Minnesota. Class rates are applied to market value of property in a city to establish what is called "tax capacity." The city then establishes a tax levy based on their budget and the tax levy is divided by tax capacity value to determine the tax rate. The tax rate is multiplied by individual tax capacity to determine what each property owner will have to pay. The good news is that residential values increased an average of 6.6%. The median value of a home increased in the county from \$200,800 to \$214,000. The bad news is that commercial property values remain flat or are still decreasing. This creates a shift in property tax load from commercial to residential.

Gem Lake will have a total 2015 budget from all funds of \$596,734. The General Fund Budget of \$331,932, makes up 55.62% of the budget. The other budget categories are the Capital Improvement Fund, which makes up 11.81% of the total, the Debt Service Fund, which makes up 11.76% of the total, the Enterprise Fund, which makes up 9.97% of the total; and a Special Revenue Fund, which makes up 10.83% of the total.

The Capital Improvement Budget is \$70,500 and covers road repairs. The Debt Service Budget is \$70,171 and covers debt payments for Heritage Hall and passed improvements. The Enterprise Budget is \$59,481 and covers the operations of the sewer system. It is substantially covered by sewer fees. The Special Revenue Fund is \$64,650 covers expenditures related to an improvement grant and is offset by grant revenue and interest earnings. No tax dollars are involved.

City News Page

Ordinance Changes

After diligent work by the Planning Commission several significant ordinance changes were finalized and approved by the Gem Lake City Council.

The Gateway Ordinance, which covers the business district, was rewritten slightly to allow for an appendix that covers permitted uses. The ordinance number was changed from #107A to #107B. The modification allows the city council to approve special business uses under a conditional use permit under certain circumstances.

Ordinance #69, which covers pets in Gem Lake was amended to ensure that service animals were not counted as pets and don't come into plan when maximum permitted pets per household are calculated. Also the procedures for dealing with nuisance pets were refined.

2014 Gem Lake Accomplishments: The Mayor Weighs In

The following is information from Bob Uzpen regarding activities in 2014 and goals for 2015.

2014 was a very challenging year. The city struggled to stay within its expense budget and was able to come very close. The Sheriff's Department pulled out of our agreement with them to supply a receptionist. This resulted in the city using temps while we looked for a replacement for our former city secretary, who retired. This cost of this ate up any excess funds we achieved in 2014. Starting in December, the city has now hired a receptionist who will work 30 hours a week at Heritage Hall.

The 2015 Budget is finalized and is much improved and refined from the preliminary budget, which was turned into the County in September, according to State Law. The city worked hard to refine budget figures and come up with a total budget that meets our needs without placing undue burden on property owners.

The City Council continues to work on VWALMO in efforts to clean up the pollution in Gem Lake. This will affect the business district in the city, as studies show that this is where most of the

Pollution originates.

The accounting firm of CliftonLarsonAllen audited the financial condition of the city. The city received a satisfactory rating, stating that the city is in a strong financial position, with adequate reserves.

City water has been requested in the Hoffman Road area of the city. A large amount of work has gone into working with the City Engineer to create documents to apply for grant money for soil evaluation. Grant money is also being sought for infrastructure re-development. This process will continue through 2015 with the hope of obtaining grant money to pay for some of the work.

In order to help redevelopment in the Hoffman Road area of the city and match the redevelopment plan that the city worked on, the Gateway Ordinance, that covers that area was improved, so developers will have a clear picture of what the city is looking to accomplish.

Looking Ahead to 2015

The City Council believes that 2015 will be more of the same from the previous four years and will work hard to control expenses, provide the necessary services, and position ourselves for the future, while protecting what makes Gem Lake unique.

In 2015 special goals will be to complete a water contract with White Bear Lake, begin construction to bring water to the Hoffman Road area, if feasibility studies show the idea is reasonable and the public hearings are supportive of the project, and then develop a plan to provide city water to the businesses on County Road E and Scheuneman Road.

Feasibility Study Authorized

The Gem Lake City Council authorized SEH, which acts as the city engineer, to begin a feasibility study as soon as possible.

This feasibility study will look at whether it is economically and technically feasible to bring municipal water to parts of Gem Lake's business district. This study will be completed in several months, and is the required first step in state controlled process for bringing additional city services to a district.

The Country Lounge: Celebrating 50 Years of Friendly Times in Gem Lake

The place has a "small town bar atmosphere with great regulars," said one fan of Gem Lake's oldest watering hole, the Country Lounge. "It's like visiting family."

The Country Lounge, which is located at 3590 Hoffman Road, recently celebrated its 50th anniversary. The cozy neighborhood bar is located next to White Bear Floral and is owned by John Birkeland.

According to the manager of the bar, Laurel Amlee, the Country Lounge has remained popular due to the number of special, fun events that it hosts regularly. This includes costume parties, live music, pig roasts, etc.

The Country Lounge has been in business since 1964. Prior to that, the original bar was called the Burlap Lounge. It was owned by John's father Art and was remarkable because it had a dirt floor.

The 50th Anniversary Party for the bar was a big deal for patrons. "It was really special."

Laurel has managed the bar for 8 years and started working there 4 years earlier as a part-time bartender. "I would describe us as a 'working man's bar. We are open until 2 a.m. We get a lot of people coming off of work, neighborhood people and a lot of regulars. I would say our busiest time is between 5-9 p.m."

Laurel says the regular traffic results from creating a friendly atmosphere and always having something fun or special going on. For instance, on football Sundays, there are often special menus. On a recent Sunday, when the Vikings were playing the Green Bay Packers, the Country Lounge got into the spirit by serving Tater Top Hot Dish and cheese soup.



"Once a month, at least, we try to do something different or special. This month we are holding a benefit on December 21 for an employee who recently lost a brother. The money raised will help the family with final expenses," says Laurel. "In January, we are doing an ice fishing contest that will involve chili and prizes."

Then there are the regular events, such as meat raffles on Friday nights and Bingo every Saturday.

In addition to loyal customers, Laurel credits bar owner John Birkeland as "the driving force behind our efforts. In the twelve years I have worked there, he has supported everything I have asked him to do. For instance, we have free pool tables five days a week, who else does that?" (There is a charge on Fridays and Saturdays.)

Laurel believes in using social media to promote the bar on line, so the Country Lounge does have a Facebook page. Check it out!

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We're on the Web!

See us at:

www.gemlakemn.org

Meetings: December 2014

The following Gem Lake Meetings will be held at Heritage Hall for the next few months:

December 16, 2014

City Council Meeting at 7:00 p.m.

December 2, 2014

Planning Commission Meeting at 7:00 p.m.

December 8, 2014

City Council Workshop at 7:00 p.m.

Your Gem Lake City Council

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For more information on meetings, city ordinances, recent events, permit procedures, etc. please consult the Gem Lake web-site. The address is www.gemlakemn.org

Each Gem Lake Newsletter is also posted on the web-site under the

news section.

Please email your ideas, comments and suggestions. See box at left for detailed contact information.

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