

Gem Lake News

Gretchen Artig-Swomley, Newsletter Editor

Special Interest Articles:

- 2021 Preliminary Budget Approved
- November Election
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Upcoming Recycling Dates:

- September 23
- October 7
- October 21
- *Tip: put out your bin the night before for 7 a.m. pick-up.*

Preliminary Budget Approved for 2021

State statutes require cities in Minnesota to certify a property tax levy by September 30th of each year. Once a preliminary property tax levy is approved and certified to the County Auditor, the City can lower their levy during the remaining budget process but cannot exceed the certified amount. For this reason, most cities certify a preliminary budget using worst-case budget scenarios, which is the case with the Mayor's preliminary property levy and budget.

The 2021 preliminary property tax levy is proposed at \$538,308, which is a 6.83% decrease over the 2020 certified preliminary property tax levy. The 2021 preliminary property tax levy consists of a debt levy of \$89,941 (an increase of \$9,106 from 2020 preliminary debt levy) and the general operating levy of \$448,367 (a decrease of 9.774% over the 2020 preliminary tax levy).



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City Completes 2019 Audit

Gem Lake's 2019 audit is now complete and the results are fairly standard. City Council Members were given a complete presentation of the results at the September 15 City Council Meeting.

The audit was conducted by CliftonLarsonAllen LLP, who also did the previous seven audits. According to CliftonLarsonAllen, the result was what is called an unmodified report, which is good. Auditors found that the financial statements of Gem Lake presented fairly in all material respects the true financial position of the city.

Management judgments and accounting estimates were considered reasonable and supported. Disclosures were deemed to be clear and complete. According to Michelle Hoffman, a Principal for CliftonLarsonAllen, no difficulties were encountered in performing the audit.

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2019 Audit Complete, City Passes

The audit showed that management judgements and accounting estimates were reasonable and supported, there were no uncorrected adjustments and disclosures were adequate, clear and complete.

Auditors pointed out several material weaknesses, which exist in Gem Lake and many other small cities in the State. A material weakness has to do with compliance and internal control over financial reporting. Note that there were five material issues in last year's audit.

1. We lack complete segregation of duties on financial reporting duties, internal controls for utility reconciliation, and several other items. This is due to the small size of the staff available to perform the necessary tasks.
2. Material Audit Adjustments were needed to be posted to the City's general ledger in order to arrive at the correct year-end balances. These included adjustments to beginning fund balances, accounts receivables, special assessments receivables and revenues, and deferred inflows of resources. Management is exploring ways to provide reconciliation between two different software systems.
3. Formal Utility Billing Reconciliation needs to be performed as the City transitions more responsibility to others. To account for total billings and receipts into City's general ledger.

The Minnesota Office of the State Auditor recommends that a city has a minimum of six months of general fund money available at any one time, to cover expenses while waiting for property tax revenue. Gem Lake had approximately 11 months of funds available at the point of the 2019 audit, or \$481,000. This compares to \$334,000 for the 2018 audit.

The audit revealed that revenues for 2019 increased, due to increases in property taxes (\$9,000), as well as licenses and permits (\$46,000). Expenditures decreased, mostly due to decreases in public works (\$17,000), and conservation and development (\$52,000).

As a percentage of total revenues, property taxes made up 71% of the total in 2019, versus 73% of the total in 2018. Licenses and permit revenue increased from 10% of total revenue in 2018 to 19% in 2019.

On the flip side, public safety and general government expenditures made up more of the total in 2019, versus 2018. For instance, public safety expenses (police and fire) made up 19% of the expenditure budget in 2018, increasing to 23% in 2019. General government expenditures made up 34% of the total in 2018 and increased to 41% in 2019.

A complete and final copy of the audit is available at Heritage Hall.

Neighbor Restores Sign

When an important street sign in his neighborhood started looking a bit tired, Tim Heil took it upon himself to do a wonderful restoration. See the before and after below. Tim lives in the Big Fox/Little Fox Road area. Now the sign is much more visible to drivers in the area! Thank you for your efforts, Tim!



Get to Know Your Candidates for Gem Lake Offices

A record number of residents have thrown their hats in the ring for city positions for this year's election on November 3. Up for election are:

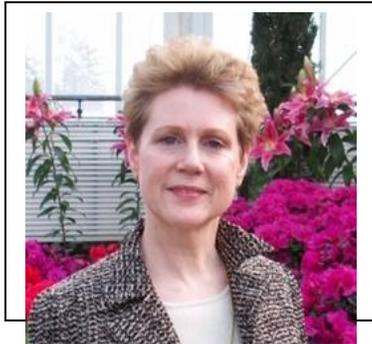
The position of Mayor, a four-year term.

This position was occupied by the late Bob Uzpen, who died on May 13. The remainder of Bob's term, which expires at the end of the year, was taken by council member Gretchen Artig-Swomley, who was appointed by the council, following State procedures. **Two positions on the City Council, both four-year terms.** Here are the candidates on this year's ballot, in alphabetical order. All candidates are over 21 and are residents of Gem Lake.

For Mayor:

Gretchen Artig-Swomley

Council Member for 14 years, back up mayor for 9 years, current mayor, newsletter editor for 14 years.



Jim Lindner

Council member for 12 years, Planning Commission Member for 10 years, 12 years on the VLAWMO board of directors (our local watershed).



For City Council:

Laurel Amlee

Appointed to Council this year to fill vacancy, one year on the Gem Lake Planning Commission. (see photo next column.)



Benjamin Johnson

Planning Commission Chairman for 6 years, 3 years as a volunteer at his daughter's elementary school and scout troop.



Brad Naylor

Five years on Planning Commission in Clifton Township, Wisconsin, CERT* volunteer for White Bear Lake Police Department.



Joshua Patrick

Volunteer for several political campaigns, caretaker for Gem Lake resident for 10 years.



*CERT stands for Citizens' Emergency Response Team

City News

MS-4 Public Hearing Held September 15, 2020

Each year, Gem Lake files its annual MS4 report with the Minnesota Pollution Control Agency (MPCA). The report is mandatory and requires that a public hearing be held at a city meeting, so anyone can learn of what Gem Lake did to remain in compliance with MS4 requirements. This hearing was held on September 15 at the City Council meeting.

But what is MS4 and what does it mean to be compliant? MS4 stands for “Municipal Separate Storm Sewer System” shortened to the “M” and four “S’s” for a catchy acronym that is all about managing runoff from storm events. An MS4 is a government entity such as a city, county, or other governmental entity, that is charged with the responsibility of preventing the spread of pollution.

MS4 falls under the direction of another acronym NPDES, the National Pollutant Discharge Elimination System. NPDES traces its origins to the 1992 Clean Water Act that was designed to protect the nation’s water supply.

When rain falls, it may come in contact with pollutants such as agricultural chemicals, leaked motor oil in a parking lot, or any number of other pollutants. Since stormwater is collected into stormwater drainage systems, this contaminated water is then directly discharged into our rivers and streams, spreading the pollution.

Emily Jennings of SEH (ShortElliotHendrickson) presented the status report for the City’s Stormwater Permit Program for the 2020 Public Hearing. She pointed out a variety of future considerations regarding the new permit requirements expected from the Minnesota Pollution Control Agency. She also recommended the City of Gem Lake increase public education efforts on stormwater issues and also clean out sedimentation throughout city culverts.

Gem Lake is not alone in the mandatory reporting requirement. Across the Twin Cities metro area are dozens of MS4 entities, part of a network of thousands of similar MS4’s across the country. A complete copy of the MS-4 presentation and report is available at Heritage Hall.

Scholarship Money Finally Awarded!

Due to COVID 19, and subsequent bar closures, charitable gambling receipts from pull-tab sales took a powder for months. Cities throughout Minnesota rely on these receipts to make charitable donations to various causes in their area. Many charities, such as our White Bear Lake Area Emergency Food Shelf, rely heavily on these donations and have had a difficult time this Summer.

In Gem Lake’s case, charitable gambling funds our annual scholarship program. In April, the council decided to go ahead and process the applications and award the scholarships, even though the cupboards were bare. The awards were given on the basis of making payment to all three winners this fall, when it was hoped that revenues would come roaring back.

Well, they did. In July, Gem Lake’s portion of receipts totaled \$3,100. (This did also include a donation from Merrick Company, which manages pull tab sales in our area, to make up for the loss of revenues with bar closures.) Even with a donation, this is an impressive amount of pent up demand, considering these receipts come from only one establishment in our city—The Country Lounge. Due to dedicated pull tab users in our area, and Merrick Company, each student can now be awarded \$1,000 for their post-secondary education expenses.

The winners are Corey Howard Doran, Tyler Nathanel Tangwell and Griffin Stephen Varley. Congratulations to our winners and thanks to those who made it happen.

Donation Approved to Food Shelf

A donation of \$1,000 was approved by the Gem Lake City Council for the White Bear Lake Area Emergency Food Shelf. The action was taken at the September 15 City Council Meeting, as a result of receiving charitable gambling receipts again, after a “COVID gap.” (See above).

Public Hearing on the Gem Lake Comprehensive Plan

A public hearing was held on September 15 at the Gem Lake City Council meeting to review the final version of the 2018 Gem Lake Comprehensive Plan.

The original draft of the Comprehensive Plan was turned into the Metropolitan Council in 2018, as required by law. To get the job done, the City of Gem Lake enlisted the help of two outside agencies to complete this monumental task. They are the engineering firm of SEH, which acts as Gem Lake's engineering representative, and the consulting firm of Northwest Associated Consultants, which specializes in helping cities with this type of plan. Work began on the 2018 plan in 2016. The original draft went through the Gem Lake Planning Commission and the City Council for review.

The plan then began its review process with the usual back and forth edits between the City and the Met Council.

Following the initial review and edits, the final draft of Gem Lake's 2018 Comprehensive Plan was sent out to be reviewed by neighboring cities about a year ago. Surrounding cities provide comment and then additional editing is done.

The Metropolitan Council requires that all cities within the Twin Cities Metropolitan area submit a detailed comprehensive plan every ten years. This plan covers everything from land use and transportation to parks and storm water run-off. The plans typically take multiple years and significant engineering expertise to complete.

The Comprehensive Plans required by all cities in our area are designed to coordinate aspects of growth and development throughout the metropolitan area, particularly as it pertains to housing, transportation, sewer lines and park land. The ultimate goal is to promote orderly growth and access to livable communities for everyone.

The purpose of the public hearing on September 15 was to review the final version of the Gem Lake Comprehensive Plan. The council voted to direct Nate Sparks at Northwest Associated Consultants to submit the final draft to the Metropolitan Council for the final final final review. Work begins on the next 10-year plan in about six years.

Preliminary Budget for 2021

(Continued from page 1)

The following changes were made from the 2020 adopted budget as a basis for the 2021 proposed preliminary tax levy: Based on the 2015 Refunding Bond Schedule, the debt levy for 2021 is set for \$80,876. In addition, in 2018, the City issued bonds for the improvements on Scheuneman Road in the business district and the 2021 debt levy for this issue is \$9,065. The two of these debt levies makes up the City's 2021 debt levy of \$89,941.

Licenses and Permits decreased \$3,450 due to less building activity.

The City Council contingency was left at \$10,000.

The police budget was increased 6% to \$85,700.

Fire services are projected to increase by 16% to \$25,650.

Building inspections activity is being decreased to \$37,779, due to less building activity, but still includes a part-time code enforcement officer to help with building activities.

Road maintenance includes \$8,000 for trimming boulevard trees.

The budget for salt and sand remains at \$17,000 and the snowplow contract decreased from \$20,000 to \$18,500.

A new line item for park maintenance now exists for maintaining the trail area west of Gem Lake Villas (\$5,000).

The 2021 budget does not include the \$30,000 to construct a sidewalk along County Road E. These changes result in the City proposed preliminary tax levy of \$538,308 for 2021. This compares to the 2020 preliminary levy of \$577,773 and the 2020 final levy of \$530,798. Using this proposed levy and the City's 2020 tax capacity of \$1,438,923, and a median home value of \$310,000 for Gem Lake, the property would pay 2021 taxes of \$1,136.94, compared to 2020 preliminary levy of \$1,429. As the city prepares the final 2021 budget, the property tax levy can be lowered but not increased.

The City of Gem Lake

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This newsletter is also posted on the city's web-site under the "Documents" section and the "News and Updates" section.

We're on the Web!

See us at:
www.gemlakemn.org

Meetings: October and November, 2020

The following Gem Lake Meetings will be held in October and November of 2020. All meetings are planned for Heritage Hall. Masks are required at present for live meetings.

October 6, 2020

Planning Commission Meeting at 7:00 p.m.

October 13, 2020

City Council Workshop at 7:00 p.m.

October 20, 2020

City Council Meeting at 7:00 p.m.

November 9, 2020

City Council Workshop at 7:00 p.m.

November 17, 2020

City Council Meeting at 7:00 p.m.

November 4, 2020

Planning Commission Meeting at 7:00 p.m.

Your Gem Lake City Council

Gretchen Artig-Swomley-Mayor
Phone: 651-260-9742

City Council Members:

Laurel Amlee
Phone: 651-347-8357

Len Cacioppo
Phone: 651-796-3222

Faith Kuny
Phone: 612-718-4316

Jim Lindner
Phone: 651-262-6678

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

"Documents" and "News and Updates" section.

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

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