

EAST BETHEL CITY COUNCIL MEETING

September 18, 2013

The East Bethel City Council met on September 18, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Heidi Moegerle
 Tom Ronning

MEMBERS EXCUSED: Richard Lawrence

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney
 Craig Jochum, City Engineer

Call to Order **The September 18, 2013 City Council meeting was called to order by Acting Mayor Moegerle at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the September 18, 2013 City Council agenda. Koller seconded; all in favor, motion carries.**

Refinancing Davis explained that the City of East Bethel currently holds a 2005A bond issue, which is
2005A Safety callable on February 1, 2014. These bonds were issued for the construction of Fire Station
Bonds #1 on Viking Boulevard and weather warning sirens that were installed at 16 locations
 throughout the City.

The opportunity to refinance these bonds was discussed at the March 7th and 21st, 2012 meetings but due to net savings of approximately \$60,000 the matter was tabled. We can refinance these bonds at this time and receive a projected net savings of \$82,576. This savings would include the approximately \$15,000 that is owed for the bond rating fee for the attempt to refinance the 2010 A & B Bonds. Should Council approve the refunding, the rating fee would be “flipped” from the 2010A & B Refunding proposal to the 2005A proposal.

At this time Stacie Kvilvang from the City’s financial advisors, Ehlers and Associates will present additional information and answer any questions.

Stacie Kvilvang, Ehlers and Associates, “Good evening Acting Mayor and Council Members. First I want to address an issue that the Acting Mayor brought up an answer the question about an announcement that was made that the feds are not looking to decline their investments in federal treasuries. So, the reaction in the market to that is we are seeing a decline in rates. The 10 and 20 year treasuries are down about 15 bases points, which is good. The 30 year is stable. As you all recall, we were looking at doing the refinancing of your Build America Bonds and your America Rezone Bonds and when we went to do the sale is when the feds actually made the announcement that they were going to quit investing and the rates went up. So now with this new announcement that they are not going to quit investing we will have to wait and see what happens with the market and see how things go. What we are seeing in some of the other markets is a slight decline in rates, so we will see what happens over the next few weeks or months in regard to that.”

“As Jack has stated, we are discussion the refinancing of the \$1,305,000 Public Safety Refunding Bonds Series which is to refinance your 2005A bonds. What you are essentially looking at for a savings the approximately \$82,000 in present value. That is about \$17,000 a year. When you do the calculations of the present savings it is at 6% and generally the

GFOA standards are at 3% or above. Your last bonds were rated at AA- even though they didn't go to market. These bonds will now have to be rated as well. Standard and Poor's, your rating agency has a new standard global economies that they are looking at in rating standards. So, there will be a few new additional things that they will be looking at in regards to the rating. We will be working with Jack and your finance director to make sure your rating will be upheld at that AA-. The sale is set for October 16th with a closing in mid-November."

DeRoche, "The Moody's rating that we paid for, that is good until when?" Kvilvang, "That would be good until the 18th, which is actually today. So what they have said they will do is they are not charging you the higher amount for the rating that we had on those previous bonds we were looking at. So, they will just charge you a fee for these bonds, which will be a little lower moving forward." Moegerle, "And what you are asking us to go forward with is the negotiation on this? Or to actually close the deal?" Kvilvang, "This is to authorize us to move forward with the competitive bid for the refinancing of these bonds."

DeRoche made a motion to Resolution 2013-56, Providing for the sale of the 2005A \$1,305,000 General Obligation Public Safety Refunding Bonds. Koller seconded.

Koller, "We have been through this a few times already. If we can get some saving out of it, I don't see a problem with it." Moegerle, "I think it is something we need to investigate. We need to investigate a lot of things." Ronning, "We need all the help we can get, \$60,000 to \$80,000 is a lot to us." **All in favor, motion carries.**

Sheriff's
Report

Lt. Orlando gave the August 2013 report as follows:

DWI Arrests: There were three DWI arrests in August. Two of the arrests were the result of driving conduct. The third arrest was the result of damage to a cornfield call that came in. Upon the deputy's arrival, there was a truck in the cornfield with the male driver sleeping. The male driver appeared to be intoxicated and failed field sobriety tests. The suspect was found to have a BAC of .10. This call came in at 9:45 a.m.

Thefts: There were a total of 15 theft reports in August. Two theft reports were involving stereo equipment taken from vehicles. These both occurred on the same night, one in the 3400 block of Viking Boulevard and one in the 19400 block of Jamestown Street. The same night near those reports was the theft of change and a GPS cord from a vehicle in the driveway. Possible suspects in the string of thefts were described as juvenile males, driving a light colored passenger car, four doors, possibly a Buick. There were four gas no-pays reported. One report involved chickens being stolen from a chicken coop. The owner does not believe the chickens were taken by an animal as the coop door is kept shut. One report involved the theft of a tractor garden sprinkler, taken from a yard. One theft involved an air conditioning condenser unit that was taken from the roof of a building. Another report was of a wood utility trailer that was parked for sale on a street corner that was taken.

Burglaries: There was one burglary reported, which involved a garage that was entered and a bicycle taken. There are no suspects.

Damage to Property: There were 11 reports of damage to property. One involved a juvenile male who was arrested for damaging property in his parents' home. There was one report of a lawn hose being cut. One report of damage to a corn field (which was reported above with the DWI). A vehicle that had been parked for sale on some land was found to have the passenger window cracked and when the owner opened the door, the window

shattered. There were six reports of damage to mailboxes. Deputies were called to the area and found three juvenile males who ended up being responsible for the damaged mailboxes. The three juvenile males are facing charges.

Felony Fleeting Incident: On August 4th at approximately 12:40 a.m. a deputy initiated a traffic stop on a vehicle for speeding on Viking Boulevard. The vehicle began to slow as it turned onto Coon Lake Drive, however, it did not stop and increased its speed as it approached Stutz Street. The driver lost control and ended up crashing into some trees in a yard on Stutz Street. The driver then fled the vehicle on foot. A helicopter and K9 were used in attempts to locate the driver, but were not successful. The case has been referred to the County Attorney's office for charging purposes.

Hit & Run Property Damage Accident: Deputies were called to a hit and run property damage accident at Highway 65 and 237 Avenue. The suspect vehicle had left its license plate at the scene. The victim was turning to travel west on 237th with a green arrow. The suspect vehicle was traveling southbound on Highway 65 and traveled through a red light, striking the victim in the passenger door. The victim was not injured and refused medical attention. The suspect was located at a residence a short time later and claimed to have fallen asleep while driving, waking up when his vehicle struck another. The suspect stated he did not know what to do and went home to speak with his father. The male was charged with hit and run and failure to obey a semaphore.

Last Council Meeting you had asked for how arrests breakdown. They are as follows:

For August Misdemeanor Arrests Breakdown:

- 20– damage to property
- 1– possess marijuana in motor vehicle
- 1– possess drug paraphernalia
- 1– hit and run property damage accident
- 3– sale of tobacco to a minor
- 1– fireworks discharge
- 1 - theft
- 1 – possess small amount of marijuana
- 3 – juvenile curfew violations

Gross Misdemeanor Arrests:

- 1 – false name to officer

For July Misdemeanor Arrests:

- 2 – violations of domestic abuse no contact orders
- 1 – disorderly conduct
- 1 – possess drug paraphernalia
- 1 – juvenile curfew
- 1 – possess small amount of drugs
- 2 – fireworks violations
- 1 – damage to property
- 3 – juvenile alcohol offenders
- 3 – 5th degree assault

Gross Misdemeanor Arrests:

- 1 – obstruct legal process
- 1 – interfere with 911 call

1 – violate order for protection

Felony Arrest:

1 – domestic assault strangulation

DeRoche, “So there were three cigarette sales failures?” Lt. Orlando, “Yes.” Koller, “All in same store?” Lt. Orlando, “No, in different stores.” Koller, “We have a chicken thief?” Moegerle, “It is called a fox. Or do we know it isn’t a fox?” Lt. Orlando, “The owner doesn’t believe it is an animal because they would have to open and shut the door.”

Public Forum Dave Johnson, Andover Hockey, “We are looking for approval to sell pull tabs at Route 65 Pub n’ Grub.” Moegerle, “Yes, we had the write-up on that. Are there any questions at this time?” DeRoche, “I don’t see a problem with it.” There were no additional comments so the Public Forum was closed.

Consent Agenda **Moegerle made a motion to approve the Consent Agenda including: A) Approve Bills; B) August 21, 2013 City Council Meeting Minutes; C) September 4 2013 City Council Meeting Minutes; D) Approve Completion of Probation for Building Inspector; E) Approve Hire of Receptionist; F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project; G) Res. 2013-58 Declaring Surplus Property with the addition to Item E) the name Karen White and Item H) Res. 2013-59 Recommending the Gambling Permit for the Andover Huskies Youth Hockey Association at Route 65 Pub n’ Grub.** DeRoche, “I would like to pull Item A) Approve Bills. Ronning, “I would like to pull Item D) Approve Completion of Building Inspector and F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project. **DeRoche seconded; all in favor, motion carries**

Item A) Approve Bills DeRoche, “I pulled Item A) Approve Bills because I have a question on the reimbursement listed on the bills. Is this the one that came before us at the last meeting?” Davis, “Yes.” Moegerle, “Do we want to table this until we discuss the free packets that have been given out 8.0 G.3?” DeRoche, “I don’t think it has anything to do with the packets myself.” Moegerle, “It is money from the City. And, free packets to Council that have a laptop. It is a big deal. The issue is where City money goes.” DeRoche, “That is a good question, “I think a lot of it is going to reimbursements.” Moegerle, “And I think a lot of it is going to packets and wages and time for that when somebody has an \$800 laptop.” DeRoche, “What do the packets cost Jack, about 96 cents apiece?” Vierling, “Since that matter is on the agenda later on, why don’t you either have a motion to discuss that matter at this time or move it to another place.”

Moegerle made a motion to put Item A) Approve Bills under Item 8.0 G.3 where we will be discussing reimbursements and free packets. Motion fails for a lack of a second.

Moegerle, “I have a question on the bills. I noticed some refunds of electrical permits that were done. What are the circumstances that those are refunded?” Davis, “They decided not to do the work so the permit fee was refunded.” Moegerle, “I saw we have another payment to Bolton and Menk. Are we almost done paying them? Davis, “Yes, we are almost done. There was one more invoice submitted for about \$10,000 we received today. Of that it is about a 50/50 split between the City and Met Council. There will still be one smaller invoice for the finalizing of the project and preparing the assessment roll.”

DeRoche made a motion to approve Item A) Approve Bills other than that reimbursement for mileage for Council Member Moegerle. Koller seconded.

Moegerle, "I brought the packet here from that meeting that I attended. That meeting was solely for the benefit of the City. Because of open meeting requirements, I reported to Jack and the Mayor. When I had the next meeting in August, I reported that I attended that and what was done. In addition, back when the whole idea of this committee came up, the issue was brought up with Jack and the Mayor. The issue was would this be a benefit to the City? The answer was yes, it would. It is a two year term and the reason I didn't attend last year is I had back surgery. It was not possible; I was in a lot of pain, so I didn't. They called and asked, "It is a two year term, are you going to be there?" I gave in. I asked is this going to be a benefit to the City because it causes me an awful lot of pain to drive to the city and sit there if it is not going to benefit the City. And again the answer from both the Mayor and the City Administrator was, yes, it would benefit the City. Jack has signed off on this that is his opinion.

"I think it benefits the City, through the networking for example. I met Pat Nauman who is with Metro Cities and if we are going to work with Met Council on any kind of adjustment of the issues we are facing, that is valuable. Through that networking and looking at issues not from an anecdotal basis by going to Columbia Heights or Forest Lake or any of the other number of cities that have been listed for an anecdotal experience, this is more of an aerial view on these issues. And from people who are experienced. And, I believe it is a value. Under the IRS laws, if a mileage reimbursement is reasonably related to the business (and I am sure the city attorney can provide that to you) then it is a reimbursable expense. I didn't go for my personal pleasure; it caused me a great deal of pain. I think I was in bed for most of the next day because I sat there for four hours. And, I sat there for the City. If that is not a reimbursable expense, then we really need to look at this packet issue much more closely. What is good for the goose is good for the gander."

DeRoche, "You brought up Jack and Richard, you didn't bring it up to the Council, "Hey the LMC Policy Group is meeting, is that something you think we could use as a City?" Moegerle, "Because I didn't attend last year, it didn't come up. And, again, this year it wasn't a deception or secret like free packets have been. This was just one of those things. I go to lots of meetings solely for the benefit of the City. It was just one of others." DeRoche, "You go to meetings and then at Council Meetings you say you don't have any meetings outside of the Council with other people. Now you say you do. You pull out certain information that from my perception you are looking for more and more titles." Moegerle, "I don't care. Come here and be Acting Mayor because that is what you really want Bob. It is right here, I don't need this. I can go sit over there."

DeRoche, "Have a seat. Number two, the packets haven't been any big secret to anybody." Moegerle, "Yes it has, it has been a huge secret." DeRoche, "That issue will be dealt with later on. And, with the reimbursement. I feel that if the whole Council doesn't direct the meeting to happen, then it is a dangerous thing for you to be going out freelancing and talking with people whether you make promises or not. You come back here, you submit some information and no one knows anything about it except for maybe you and Jack."

Moegerle, "Bob, do you understand that there is an open meeting law? You don't even call or e-mail me anymore so that door of communication is closed by choice. And, I don't miss it one bit. But, the thing of it is, I have to abide by the open meeting law and I can only tell Jack and one other person. I tell Jack and I have communication with the Mayor. I encourage Jack to tell you all what I learned. I turn in reports, when I attended the LMC annual conference, (I didn't see you there, I know you were registered, I saw Ron on Friday) you guys went to those meetings and you didn't tell us anything about what you learned there. But, I turned it in. If you want to see it, I can print it off; it is there for you to

learn. But, if Jack doesn't forward it, and he is a busy man, that is his choice. For you to get the information, I have to tell you, I have no secrets. How is that information to be conveyed to you?" DeRoche, "How about at a Council meeting?" Moegerle, "And, I do that." DeRoche, "How about at a Council Workshop." Moegerle, "That's fine. So, do we want to have a workshop after every meeting like the Local Government Official's meeting? I think there is one on October 30th? And we are the host city for it, so should we have a workshop before for all of us to prepare for it in presenting the City of East Bethel?" DeRoche, "Well I think it is better to have a workshop then to air some of this out at a regular Council meeting." Moegerle, "Oh no, I think it is good. Transparency demands we do this." **DeRoche called the question. Ronning seconded; all in favor, motion carries. For the motion to approve Item A) Approve Bills as amended. All in favor, motion carries.**

D) Approve Completion of Building Inspector Probation

Ronning, "I pulled Item D) Approve Completion of Building Inspector Probation because we have had a lot of questions about the Building Inspector and hiring of the second person. I am not challenging it or the right or wrongness of it. I was just wondering do we have any kind of log book that identifies their time and activities and locations." Davis, "They do keep track of their inspections, reports and hours. If you like I can provide that to you." Ronning, "Is that readily available?" Davis, "It should be fairly readily available. It may be just a little compilation of their information that shouldn't take long." Ronning, "Is anyone else curious? I would appreciate this if you could." DeRoche, "I think it would be informative."

Ronning made a motion to approve Item D) Approve Completion of Building Inspector Probation. DeRoche seconded; all in favor, motion carries.

F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project

Moegerle, "Item E, I think I pulled this and just wanted to make a comment that we are hiring a local, Karen White to fill the position of Receptionist and so we are eagerly looking forward to that new member of our staff.

Ronning, "Item F, I withdraw my questions.

Ronning made a motion to approve Item F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project. DeRoche seconded; all in favor, motion carries.

Lift Station #1 Reconstruction Bid Award

Jochum explained staff has received and opened bids for Lift Station No. 1 which services the Castle Tower Mobile Home Park. This project consists of the complete reconstruction of the lift station.

Two bids were received. The bids were from LaTour Construction, Inc. in the amount of \$441,311.09 and Gieslinger & Sons, Inc. in the amount of \$541,606.00.

Several optional bid items were added to this project. The total optional bid items were \$38,787.

If this bid was awarded other work items which are currently accounted for in the Castle Tower/Whispering Aspen forcemain bid would be deleted. These items total \$54,427.

This project also included the addition of an overlay on Pierce Path. The overlay cost is \$14,482.

This project was bid as an alternate for the Castle Tower/Whispering Aspen forcemain project. LaTour Construction's bid for this Lift Station for the alternate bid was \$351,107.29. To compare the current bid to the previous bid the items discussed above, which total \$107,696, need to be subtracted from the current bid. The total bid for comparison would be \$333,615.09.

Staff is not recommending award at this time. Staff would like the opportunity to discuss this project further with the Contractor to evaluate potential value engineering items that could further lower the cost of this project. Final recommendation for this project would be presented at the October 2, 2103 Council meeting.

DeRoche, "It says on here the final ERUs for the theatre is 17; I thought they got bumped down to 18?" Davis, "I think it is 17, but I will double check. It was 28 but they adjusted by 11." Ronning, "Does the adjusting party eat the difference?" Davis, "Unfortunately not." Ronning, "Why. I know it is not your job to answer the question. But, I would like someone to ask, "If the Met Council makes an adjustment, they forgave it, we didn't and there is something wrong with this picture. If they have 11, 12 or 1, they forgave it, not us." Davis, "In this case they are not forgiving. The theatre is going to remove 640 seats from their building and per the Met Council SAC Manual it is based on the number of seats. So, now instead of having 17XX seats, they only have 1,xxx seats. I think the requirement is 1 ERU for 64seats." Ronning, "The ERUs were some of the basis of the project and the cost of it." Moegerle, "Can we have a motion so we can discuss this?" DeRoche, "There is nothing on the floor to pass." Vierling, "There is no recommendation." Moegerle, "Then I think we should make a motion to table this." Vierling, "There is nothing to table." Moegerle, "But to discuss this, don't we have to have a motion?" Vierling, "It is a point of question from a Council Member to enable him to make a motion that is certainly permissible."

Ronning, "I would like to see communication go to Met Council on what is their methodology of making these changes. Granted things change, but, the conditions they are charging for are the same ones they worked on for this project." Davis, "I think your point is valid. I don't think they are worried about our costs. In their opinion the proper ERUs is the proper use. It is probably their opinion that it is up to us to obtain the number of ERUs to make this cash flow. We could certainly approach this and discuss this with them. And, I think one of the things that I would like to do, and we will talk about it when we talk about calling a budget meeting for next Wednesday, is planning on how we are going to manage long term debt. This is one of the things we have to look at, not only basic infrastructure, and capital improvements, but also political, legal and other economic development issues and how to move forward."

DeRoche, "The Met Council numbers were all a part of the original package being put together and the commitment we were going to have. Now if they are pulling back, that changes all the numbers. The numbers were Met Council's projections anyways. Maybe they needed to make a few less or not make any. The City has to pay this money back and if they continually keep taking ERUs away, we need to keep making that up." Davis, "In some situations, they can add ERUs. In the case of Aggressive Hydraulics there were six ERUs added to that. Again, the ERUs were initial projections by the engineer of the project based on Met Council standards. Again, I think this is all part of the process of addressing legal and political things as far as managing our debt forward and that is something that will be very important to add into other factors as we work on budgeting." Ronning, "You are caught in the middle of this, almost the same as we are." Moegerle, "It was Ron's turn to speak." Koller, "On this theater thing, do they have a time frame to remove these seats?"

Because that is about a third of their seating capacity.” Davis, “It is. They have to pull a building permit and if they don’t pull the seats, they don’t get the ERU reduction.” Koller, “You are talking about 200 seats per theatre.” Davis, “If they don’t remove the seats by the end of the year, we will bill them for the total ERUs.” Ronning, “The conditions have changed outside of us. We didn’t agree to anything, they made a separate agreement with a separate party. Then they know we won’t have what they expect us to have, and they expect us to go find them now. There is something wrong with that picture.”

Ronning, “I would make a motion to have a work meeting to figure out what to ask these people or ask them to attend a working meeting to get some answers to these questions” Moegerle, “Who do you want to have this meeting with, the theatre or the Met Council. And, who at the Met Council do you want to come? Clarify the motion.” Ronning, “This has turned into a moving target and I am not joking.” Davis, “I am recommending and this is an agenda item further down on the agenda, that the Council set a work meeting on September 25th and this would be something that we would be discussing. This way we can refine how we want to approach this and what questions we want to ask and layout some kind of a plan to get some additional information.” Ronning, “Sounds reasonable to me.”

Post Issuance
Debt
Compliance
Policy

Davis explained that in order for the City of East Bethel to comply with IRS regulations a Post-Issuance Debt Compliance Policy should be in place. The IRS encourages issuers and beneficiaries of these obligations and bond issuances to adopt and implement a post-issuance debt compliance policy as a safeguard to assist in post-issuance compliance, aid, as a checklist, the documentation of materials that may be required as a result of an IRS audit and comply with the a changed IRS reporting form that is filed on behalf of issuers after a tax-exempt bond issue closes.

The IRS is recommending that there be written procedures in place to monitor arbitrage compliance prior to the issuance of tax-exempt bonds. While the City is not technically required to have written procedures on these matters, our bond attorneys and financial consultants strongly recommend that we adopt such a policy. The procedures outlined in the policy provide the IRS with documentation that the City has a strategy for compliance with the arbitrage rules.

Staff recommends Council consider approval of the Post-Issuance Debt Compliance Policy

DeRoche (for the sake of discussion) made a motion to adopt the Post Issuance Debt Compliance Policy. Moegerle seconded. DeRoche, ‘Is there any particular reason we haven’t done this before? Was the risk always there and someone just didn’t tell the City?’ Kvilvang, “Essentially, a lot of the procedures in there are things the City was already doing and following in regards to compliance. It has just been the last few years that the IRS has become more aggressive in auditing issues. So, as Jack said, this is one of the items that they like to check off their list. If you have your written procedures in place, you are less likely to be selected for an audit. That is why we are recommending you do this at this time.” Vierling, “On that point, our office pointed out that the City was absent this policy a few months back.” Davis, “In essence these are basic standard accounting practices that have been followed. But, this just puts it in a policy form and it probably improves our chances of not being audited and if we are we have something to show immediately to them.” Koller, “I read through it a few times, it seems to be standard IRS.” **All in favor, motion carries.**

Fire
Department

Davis stated the Fire Chief is here to report on statistics for the prior month.

Chief DuCharme, "For the month of August the department responded to 41 calls and about 2/3rds of the calls are medical related. We have seen an increase in serious bee stings. We did offer mutual aid to three different cities on building fires. The National Fire Academy, in Emmitsburg, Maryland, is coming here to East Bethel in April 2014 and putting on some classes for the entire state. They usually come to the State of Minnesota once or twice a year, we didn't apply for it, and they selected us. One thing about the fire truck you declared surplus. Our belief is that truck is probably better suited for a broker to sell it. They have a larger scope and outreach then we have. Traditionally what we have done here is offered our surplus trucks on the online bidding and surplus. Typically fire trucks are not a popular item, and that affects the sale price. We will have to disclose the deficiencies of the truck. Next time I am back I would like to present the cost to Council of using a broker. We are still about 40 calls ahead of last year. We have run more calls. We are moving into grass fire season. Of course the rain the last couple days has helped, but the DNR is going to stop issuing permits soon and we will be in a burning ban."

DeRoche, "What about the other truck?" DuCharme, "We are looking at the other truck. We have two possibilities. Either declaring it surplus or how ISO would look at using it as a backup truck. It is less maintenance. We are still working through that and what that truck would be worth." DeRoche, "Is that the one that was at Coon Lake Beach?" Chief DuCharme, "Yes." DeRoche, "Is there any particular reason that light on the building at Coon Lake Beach Fires Station goes out, the red one keeps going out?" Chief DuCharme, "We have had a few issues with lights over there. We will get that looked at again." Ronning, "Some time ago we were working on an Emergency Response/Reaction? Are we going to do something with that?" Chief DuCharme, "When the Council is ready for that, we are ready to move forward."

Cell Tower
Land Lease

Davis explained that the City of East Bethel entered into a contract with Nextel Corporation on November 24, 1998 for a lease of approximately 0.11 acres at the rear of the East Bethel Ice Arena which allowed the construction and use of a communications tower on the premises. The original agreement was for the lessee to pay the City \$1,000 per month subject to the greater of a 3% or the CPI increase annually. The current lease expires December 31st, 2018 and is currently held by American Tower. The 2013 monthly income is \$2,771.89 lease and \$400 for carrier rent or \$38,062.68 for the current year. American Tower proposes to extend the lease in ten- five year increments with American Tower having the option of cancelling the lease at the end of any of the installment periods. Under this agreement, total rent from 2013 to 2068 would be 5.1 million dollars.

The term of the proposed lease and the City's rights of cancellation are issues that need to be considered regarding this proposal. The City Attorney has reviewed the contract and recommended the following;

- 1.) The duration of the lease not be longer than five (5) five (5) year terms of option;
- 2.) Paragraph 2 of the proposed lease which denies the Landlord's termination rights be deleted or altered to a mutually agreeable condition;
- 3.) Paragraph 4, the Right of First Refusal be stricken from the proposal

As an incentive to renew the lease at this earlier date, American Tower had offered the City a one-time renewal bonus of \$50,000 in addition to the current rental agreement fee. Fees collected from this lease have been utilized to reduce the operational debt of the Ice Arena and by the end of 2014 the operational deficit of this enterprise fund is projected to be positive.

We received a reply from American Tower yesterday concerning Mark's

concerns/comments. They were agreeable to changing the language of the lease, however, the renewal bonus would be decreased to \$25,000. At this time we are requesting that Council permit us to continue negotiations with American Tower to get a final proposal with the language Mark has recommended.

Moegerle made a motion to direct staff to continue negotiations with American Tower. Koller seconded.

Ronning, "Fees collected from this have been used to reduce the debt for the Ice Arena and by the end of 2014 this enterprise fund is projected to be positive. On the other side of the coin, without that it would not be positive?" Davis, "Without that we would not be in the black. The fees we receive for the cell tower has been subsidizing the cell tower for as far back as I can recall." Ronning, "And do you have an opinion on whether the Ice Arena would break even on its own?" Davis, "In my opinion it probably wouldn't. It is like any City of our size with a facility like this. There has to be some subsidy provided to help with the cost and depreciation and even additional costs along the way. One other thing we hope to have is a report on some options for the Ice Arena. We have talked with Gibson Management and told them that we are going to be looking at several different options and one will be looking at management options but we will go out for RFPs. We are looking at other ways of addressing the issues of the building." **All in favor, motion carries.**

Sheriff
Contract 2014

Davis explained that the Sheriff Jim Stuart has submitted a proposal for law enforcement services contract for 2014. The proposed contract provides for 36 hours of patrol service per day with 20 hours of Community Service Officer support per week.

This proposal represents the continuation of the same coverage, 36 hour coverage with the CSO, which Council approved on August 17, 2011 at a cost of \$951,272. The proposed cost for continuing the service for 2014 is \$981,312. Funding for this level of service is provided for in the preliminary 2014 Budget.

Should the City decide to approve the proposed 2014 Contract the cost would be \$981,312 and the following are the options for the proposed Contract:

Option 1: 36 hours a day coverage including 20 hours a week CSO coverage is \$981,312 ;

Option 2: A 32 hour a week contract with the CSO coverage would be \$874,752 ;

Option 3: Eliminate the CSO coverage for a deduction of \$44,579 for either Option 1 or 2.

The Sheriff's Department recommends 50% pro-active time for patrol services. The 36 hour a day contract provides 52% proactive time and the 32 hour per day coverage provides for 45% pro-active time. Pro-active time is the time available for patrol activities.

Should the City desire to cancel the Contract, it has 90 days (until October 2, 2013) prior to the expiration of the current Contract (December 31, 2013) to notify the Sheriff's Department in writing of the notice for non-renewal. In the event that the City fails to notify the Sheriff's Department that it does not intend to renew the Contract, the Contract shall automatically renew for another one year period under the terms of the 2014 Contract and be subject to any increases in costs as proposed in the 2014 Contract. If the City waits until after October 2, 2013, but still desires to cancel the Contract, we would then need to provide a 6 month notice to terminate the Contract.

Should Council desire to further consider this matter beyond the September 18, 2013 Council meeting, we would to call a Special Meeting for approval of an Option prior to October 2, 2013.

Staff is seeking direction as to Council's preference for the proposed Law Enforcement Contract with the Anoka County Sheriff's Department.

Moegerle made a motion to approve the 2014 contract with the Anoka County Sheriff's Office in the amount of \$981,312, with no changes. Koller seconded; all in favor, motion carries.

Mileage and Paper Packet Policy

Davis explained that the procedure and policy for approval of mileage reimbursement and paper packets for Council, are two matters that have recently been issues at Council meetings. As it currently stands, there is no definitive policy on either of these issues. In the absence of a policy on these matters, staff must use accepted standards in the application of approving Council requests for these items. This places an undue responsibility on staff to interpret the value and benefit to the City for these types of submittals for approval.

The City currently has a travel reimbursement guideline which is included in the City Personnel Policy. The City Personnel Policy is a description of operating rules, benefit information and delineation of rights primarily related to employees. However, elected officials, except as specifically noted, are not subject to many of the provisions in the Policy.

Section 11.2 of the Policy, Mileage, does not specify whether it applies solely to employees or all persons that could be subject to the policy. The only place in the reimbursement section of the Policy that mentions City Officials is Section 11.3 and this deals with pre-approval of travel for those trips that involve overnight accommodations, meals and/or other forms of transportation.

These guidelines are not specific in relation to whom is subject to their application and, as written, are interpreted as exempting elected officials from the Policy of approval of mileage reimbursement. There needs to be an amendment to this Policy that specifies the basic guidelines for reimbursing Councilpersons for mileage expenses and a defined process of approval for these requests.

In relation to Council Packets, on January 9, 2013 Council approved Ordinance 41 Second Series, which authorized the purchase of computer hardware and/or software for the purpose of transmitting and receiving Council material, including packets, in an electronic form. The Ordinance only addressed the authorization for and terms of purchase of the equipment. It did not outline a policy that was directed toward the curtailment of or the circumstances for providing additional paper documents or Council packets.

It was the intent of the process of providing equipment for access to electronic materials for Council packets to eliminate as much paper and the time to assemble the paper packets as possible. However, the Ordinance only addresses the authorization and the terms by which the equipment to access the electronic material can be purchased. In addition, the minutes of the meeting (January 9, 2013), in which the Ordinance was approved, only acknowledge that at least one paper copy of the minutes will be produced. Neither the Ordinance nor the January 9, 2013 Minutes specify or mention the process for request of paper copies, prints of larger maps or copies of other agenda packet material. In the absence of any guidelines on this matter, staff is requesting Council direction on this concern to develop a policy to cover requests for packet and supporting information

In all of these policy matters, value and benefit to the City will be a prime consideration as

to developing guidelines for their application.

Staff is requesting direction from City Council as to the development of policy to address Council mileage reimbursement and requests for printed packet information and supporting material as it relates to City Council members.

Moegerle made a motion to direct staff to develop a policy on all issues of Council conduct and that a committee of Council Members be formed to give input and that the policy be submitted to Council no later than November 1st of this year. Koller seconded.

Moegerle, "I first learned that Council Members were getting paper packets the morning of the last Council meeting and I was shocked and surprised. I, who is accused of being a micromanager had no idea about this. Because I took these words which are in the packet on January 9th to heart, "The implementation of this item will permit the City Council packets to be distributed and utilized by City Council electronically and this will result of a savings of up to \$6,600 within a four year period and that \$4,000 had been budgeted in our budget for this purpose. When I got my laptop I discontinued getting a paper packet. And, I know the Mayor did the same. I know when you assume there is a problem. But, I assumed everybody had the same view of saving staff time, money and additional time constraints by having to complete this. If any one of you residents wanted to get the same materials from staff you would pay 25 cents a page. I don't understand when we have this ordinance, with this write-up that says we are saving tax dollars that people continue to take paper packets, request staff to provide them. I happen to know that Mr. Bob DeRoche has access to paper and ink because he delivered this over to the Coon Lake Market. It is not like they don't have printers, or they don't have ink. That is part of what was involved with this. I think it has been abusive and I urge it to stop as soon as possible"

Ronning, "I certainly speak against this. And rather than make an accusation, I find it a strange coincidence that I have been sitting here with these minutes and you couldn't see them all those months. The other part I will call a coincidence is that most of these debates came up after the four to one in favor of verbatim minutes. And for some reason the Planning Commission and the other commission have been encourage to dispute these things. Another reason to reject this is the addition in the motion of Council conduct coming under the jurisdiction of staff. That isn't going to happen. It can't happen, this needs to go down big, like a rock."

DeRoche, "Initially when electronic packets came out, I spent \$500 on the computer and \$300 on programs and \$100 out of my own pocket so I could communicate with the City's computers. One of the problems we had was Council Member Moegerle was going in and editing things in the packet and we knew that because on the side it had her name right in it. There have also been issues with the internet not working. Anyone wants to call Midcontinent and find out how many times I have called them about the internet not working, please do. I think it sets a bad precedent for someone who states they don't want to bind other Council's to create a policy and say we are not going to have any paper, it doesn't matter if the maps don't print, it doesn't matter about anything. And, I have directed no one. In fact, I have heard it through the community that I pocketed the money for the computer. And, certain people know who they are that put the word out there. I had to show receipts to get reimbursed, if I am not mistaken. As far as staff determining what conduct an elected official is going to do, that is not going to happen. If someone on staff wants to sit up here and get elected by the people, then they are welcome to do that. Otherwise, staff works for the City Council. And, from earlier discussions tonight where

Heidi has made comments that her Richard and Jack have gone to meetings, where the other Council Members weren't there I think that is an issue. I have directed no CSO's to bring me a packet and if I have to, I will come here to pick mine up. Because I take both electronic and paper notes. Unlike some people who buzz the internet and during the meetings, I try to follow it. I am not quite as computer adept as some people yet, but when someone else was in that packet and I didn't know what else was changed in that copy. So, I wanted a hard copy to know just what was going on."

Koller, "I like having a printed packet, but I have been printing out my own. But it doesn't matter to me, if you need a printed packet, get them. Sure we said we don't need them and it would save money, but if it helps, I don't really see a problem."

Moegerle, "Actually, I did not know. All this printed paper that is called my own dollar. Because that is called service to the community. And that is what this whole thing was about on January 9th, was saving the community money when we are in a budget crunch. The other things is, the motion was for them to collect conduct polices and for there to be a committee, which the Council would have on conduct things like reimbursement. Because this seems to be a real problem for you. What I am hearing up here is we don't want to put it down in writing what is required. So, we have certain standards but we don't want to put them down in writing so they can be used consistently. The other thing is verbatim minutes, I am opposed to them and the Mayor tells me he is opposed to them." Ronning, "Are you speaking for him?" Moegerle, "I am not speaking for him that is what he tells me." Ronning, "Then I would withdraw your remark, because you are speaking on behalf of the Mayor." Moegerle, "I am not speaking on behalf of the Mayor, I am telling you what he has told me. It is hearsay to you. With regard to verbatim minutes, I can count, that is the way you have chosen to spend taxpayers' dollars. It is three to two, four to one, whatever. I am not behind any issue of verbatim minutes. If your sense is that there is a campaign out there, I am not a part of it. There is a question about editing, we get our electronic packet in Dropbox. I didn't understand how this works. I now get my packet from the website, because what I learned from hearsay is that the Dropbox is community property. Instead of dropping it into my Dropbox where I can make edits and questions I want to do, it actually is global. Again, the whole point of my motion is that staff collects a set of Council policies, with the issue of reimbursement, policy with regard to computers and paper packets and whether those will be free or Council will pay the amount that the public will pay. But, I certainly was completely surprised about this. The reason I was completely surprised is I expect everyone to take the highroad and use their own resources, printer, ink and paper. And, that is because I do it. And, so I assumed everyone else was doing it. So it wasn't until the last meeting in August when I looked over and Tom was using a Smartphone and he didn't have his laptop. And, then I recognized it was the kind of paper we got before we had the laptops and then I realized it was a secret that other members of the Council didn't even know about. The idea of it is offensive to me and I think it will be offensive to a lot of other people. I understand that it is a 2 cent piece of paper, but that is until someone out there requests a packet and then it is a 25 cent piece of paper."

Ronning, "The money you are quoting, the expenses that have been turned in would pay for every packet that has been printed for us." Moegerle, "At what rate? Because the last packet was 62 pages, and there were apparently two of them so that a 1/3 of what Bob pays in taxes." Ronning, "You are out of order. I don't remember what the first date was that you said, but then it seemed to change when you said something about me and my cell phone. I do remember watching you and Richard at an EDA meeting making big jokes about the packet and the minutes and how we are going to get rid of that. Council conduct is not a clear and unambiguous term. So, for that reason alone I **call the question and**

suggest this is voted down. DeRoche seconded; all in favor, motion carries.

Vote on the motion: Moegerle, aye; DeRoche, Koller, Ronning, nay; motion fails.

DeRoche made a motion that staffs does decide that as far as mileage reimbursement goes, that if it is going to reimbursed, it is either a meeting that is sanctioned by the whole Council so everyone knows who is going there and for what purpose. Not just because someone wants to go to a meeting and get some information and then saying, "I want the mileage." I believe I remember someone going up to Duluth to the League of Minnesota Cities Conference with her husband." Moegerle, "That is absolutely untrue and you are out of order." DeRoche, "The Councilwoman says she is all for the people and all of this. But, these issues have never come up as far as I know. I know there have been a lot of people who have sat behind this desk and they were never reimbursed for mileage. So, for me to get a packet a month, I didn't think that was that much. If I was in it for the money, that would not be worth it. So, for someone to sit here and blow their horn and I am for the people and to save money, and you people sit here and spend money, and blah, blah, blah. You know what, that is hypocritical. Heidi, you can preach all you want. But, the fact of the matter is, at the end of the day the City Council answers to the people, not to staff. To me that is almost micromanaging."

Davis, "I would like to clarify one thing. The only meeting I have ever attended with Heidi and the Mayor were the GRE negotiations. So, there must be some misunderstanding about what is happening there." DeRoche, "Well there is Jack because she just listed off about four of them." Vierling, "There is a motion on the table." Moegerle, "Will you repeat it?" **DeRoche, "The motion is that Jack is made aware of the meeting and then it is brought to the Council to decide if it is going to benefit the City or is it just going to benefit the certain person, and then Council will decide if that will be a reimbursable expense."** Vierling, "Preapproval is what you are suggesting." DeRoche, "Yes, preapproval." Moegerle, "Of mileage and paper packets? That is a request for an amendment." Ronning, "It hasn't been seconded yet, you are out of order again." **Ronning seconded.**

Moegerle, "My husband did not go with me to Duluth. I went there for the LMC and I learned a lot of information and brought it back. As far as when I attend meetings, if I go to a meeting, I let Jack and the Mayor know. Again, I am limited in who I can tell, because of the open meeting law. I let Jack know so he can let the Council know. If he doesn't do that, I bring it up at a Council meeting. This is a chilling effect on letting people get out and get more information for the City. You can approve it that is fine, but we need to make sure we do not have a double standard when it comes to a policy on how tax dollars are spent on these packets." Ronning, "You are saying it is a single issue thing?" Moegerle, "No, I think we need to have a policy on how tax dollars are spent by Council Members. I think it would be great. I don't go to meetings with Richard, sometimes he asks me if I will go. Sometimes I ask if he is going to attend and if not then I ask if I should attend. Some things come up and I send it to staff and ask if staff and Council should go. Anything we can learn that brings a different view of this is an impossible situation is all to the good. I am baffled by secrecy."

Ronning, "I have been to a meeting like that, it was a social affair. I didn't get one single scrap of value out of it." **Ronning called the question. There was no second so the motion fails.** DeRoche, "This conversation has come up way too many times. The City Attorney was asked about Council Members going to meeting. And, he recommended if a Council Member is going to go to a meeting, they go with staff. This is the third time this

has come up. These issues haven't been a problem until this Council. I haven't even thought about doing a reimbursement. I don't expect it. If I need paper documentation, I will come here and pay for it if I have to. Fact is, you are the pot calling the kettle black, you say one thing and do something different."

Koller, "I have been to a few meetings and I didn't find them beneficial to the City. It was just talking to other Council Members and I can do that at their Council meetings. I didn't put in for mileage because I think that is part of the job. The meetings I have been to were not productive enough."

Moegerle, "First of all, the question is the benefit to the City. Each one of us, gets the packet electronically. We know that Bob or one of his friends has a printer. So how do at least two paper packets benefit the City? The ink, the paper, the time, the delivery, how does that benefit the City. I don't know and that hasn't been answered yet. The meetings you are currently complaining about, the LMC Policy Group, was the place the penny dropped for me about Metro Cities negotiating for us. Which Tom has just said we should do again about the 17 ERUs that the theatre now wants to pay by removing 640 seats from the theatre. So, before that time, I didn't realize that if this City approached Met Council with an idea such as let's restructure the payments, that it would have to be gone through by Metro Cities. As a result of that, Pat Naumann came and explained that to us and we will not waste time that we would otherwise have wasted. That advances the City. AT the last LGO meeting, we learned that the cities plan to drill wells at the southern border of the city and tap into our aquifer. Mr. DeRoche just said the lake is down by two feet. Well, that is affected by our aquifer. And, I think that matters to a lot of people. I wouldn't have heard about it if I hadn't attended the LGO meeting. For example, the County Attorney has prepared a DVD on preventing elder abuse. I have a copy of that DVD and I turned it over to Jack and asked if we can get it on our public access channel. So there are benefits. But, if staying home and keeping our heads in the sand is where this Council wants to go, I am glad to go unnoticed."

Ronning, "When I listen to how this goes on and on and on, and the good guy/bad guy stuff I can't help but think, "What is the value to the City on this? What is the value to the City on what we have been doing for however long, you be the judge. We have SAC Rate forecast obligation of \$22,240,550. We have bond debt that if we keep getting reimbursed will be around \$51 to \$52 million dollars. We are really approaching \$100 million dollars fast. This packet means crap to me and so does this computer. If you want it, take it back. But, we have much more serious things to talk about than what we have been doing..

DeRoche called the question. Ronning seconded. All in favor, motion carries.

For the Motion: All in favor, motion carries.

2014 Budget
Discussion &
Strategic
Planning
Work
Meeting

Davis explained that the City of East Bethel integrates the annual budgeting process with a modified strategic planning process. The City currently includes public projects, utilities, roads, parks and equipment and building replacement needs as part of the budget process to identify those activities that address our five year goals for these purposes.

As we move forward and confront our financial challenges, we will need to factor in other considerations as we prepare for future budgets. The most critical item is the development of a strategy and a consensus or policy as to the management of future debt due to our obligations for the repayment of the bonds for the water and sewer system. The development of a plan to address this matter will enable Council and Staff to consistently

plan for and provide future resources to be identified and ultimately allocated to deal with this problem.

Staff requests that Council schedule a work meeting for Wednesday, September 25, 2013 at 7:00 PM to continue the review for further potential budget reductions for the 2014 Levy and initiate discussions for strategic planning initiatives to address financial and growth issues within the City.

DeRoche made a motion to table scheduling a work meeting to review the 2014 Levy until Mayor Lawrence returns. Ronning seconded. DeRoche, "I think it would be good to wait to schedule this when the Mayor can attend. I think it is crucial that he attend some of these so that he can be part of the discussion. We are talking about the levy and the budget and I think all Council Members should be there. And there can be no excuses or reasons why someone wasn't around when a certain vote happened. As far as Strategic planning and the direction the City needs to go, I can go with that one." Davis, "I did speak with the Mayor yesterday. He is recovering from his surgery. It may be from three to eight weeks before he will return. The only reason I mention the budget is we do have a special meeting scheduled for October 10th, where we will discuss the budget with the general public. I thought it would be very beneficial to have one session where we discuss these other options we have prior to that meeting so we at least have a consensus on how we want to address these issues prior to the October 10th meeting."

Moegerle, "Could the motion be restated?" DeRoche, "I can amend my motion, but I don't think it is going to pay much to come in here and argue like has been done this evening. I understand what the budget is and the levy and my view hasn't changed in the last probably four months. I understand that nobody wants to raise taxes, but if it is going to start cutting into the services, and for a one year shot, it is not worth doing that. People understand that because of the sewer and water project, this is what has to happen."

DeRoche amended his motion that we have a work meeting for strategy and to discuss how we are going to develop the sewer and water district as a means to pay for this. So, come in and do strategic planning and a means to pay for this. As far as the budget goes, I don't think it will go anywhere. Koller, "I was in here talking with Jack on the budget and I found a few things, all the maintaining we are doing needs to stay there, but some of the future improvements to park and recreation that could be put off." DeRoche, "Can you explain what happens if we do that Jack?" Davis, "As Ron and I discussed there is a Five Year Parks Capital Improvement Plan. Our conversation centered around due to the situation we currently face we look at postponing the projects for 2014. These are new projects and there is a transfer that occurs for these projects. These are the types of things I wanted to talk about for the budget. Also on the budget, I wanted to talk about strategic planning and how we are going to handle debt management as we move forward in the future. There may be some political or legal avenues that are worth exploring. This debt is not only for 2014, it is going to be an ongoing issue for many years to come." Moegerle "I think a work meeting on all issues is fine. I would like each member to bring one issue that is expendable instead of addressing the entire budget. There are concerns and they can be addressed in a more strategic manner if we have those budget issues in front of us. For that reason I am not in favor of this motion. Also, it was mentioned in the motion that it was wanted to have all Council present for a vote and votes can't be taken at a work meeting."

Ronning, "I carry my proposed budget every place. It is a very critical thing. Is this an informational meeting?" DeRoche, "Informational meeting. And yes, I know you can't vote at a work meeting. But it can be discussed and you can get a feel of what is going on

prior to a Council meeting.” Koller, “The first two years are going to be the critical ones. And then we will find out where we sit. We are starting from scratch.” Moegerle, “We have a strategy, make cuts and add it back when we have monies.” **Moegerle, nay; DeRoche, Koller and Ronning, aye; motion carries.**

Special Meeting Date for City Code Change & Joint EDA/ Planning Comm. Mtg.

Davis explained that at the September 4, 2013 City Council meeting, it was brought to Council’s attention that Section 14 of the City Zoning Code, part of which prohibits exterior stairs and second floor doors for detached accessory structures, may be a condition to consider for removal from the Code. The matter has been referred to the Planning Commission and a Public Hearing concerning this matter has been advertised and scheduled for September 23, 2013 at 6:30 PM at City Hall. At this meeting the Planning Commission will consider removing this language from the code or altering the code to permit the use of exterior stairs and second floor door and other regulations relating to the restrictions on detached accessory structures and make a recommendation to City Council as to their position.

Council will receive the identical agenda packet that will be presented to the Planning Commission for this item.

1.) Staff is requesting that Council schedule a Special Meeting at 6:30 PM, Wednesday, September 25, 2013 to consider the Planning Commission’s recommendation relating to amending or eliminating Section 14. 2. K of the City Zoning Ordinance and/or other proposed changes that may relate to detached accessory structures and:

2.) Staff is proposing that City Council schedule a Work Meeting at City Hall for Monday, September 23, 2013 to begin at the conclusion of the Planning Commission meeting. This proposed Work Meeting would be a joint session with the EDA and Planning Commission to discuss the MIDS proposal and the Highway 65 Corridor Plan.

DeRoche made a motion to address the two issues separately. Koller seconded; all in favor, motion carries.

Moegerle made a motion to schedule a Special Meeting at 6:30 PM, Wednesday, September 25, 2013 to consider the Planning Commission’s recommendation relating to amending or eliminating Section 14. 2. K of the City Zoning Ordinance and/or other proposed changes that may relate to detached accessory structure. Ronning seconded. Ronning, “We discussed this two meetings ago and then it surfaced at the Planning Commission and I don’t know how. Did we refer this to the Planning Commission?” Davis, “This has to be referred to the Planning Commission because it is a zoning issue. All zoning issues have to go to the Planning Commission for a recommendation to City Council.” DeRoche, “The first one is the Planning Commission or the Council?” Davis, “The first one is to hold a special meeting on September 25th to consider the recommendations of the Planning Commission.” DeRoche, “So the Planning Commission meets on the 23rd and we are going to discuss this on the 25th.” Davis, “That is correct. This will be prior to the work meeting.” **All in favor, motion carries.**

Moegerle made a motion to schedule a City Council Work Meeting at City Hall for Monday, September 23, 2013 to begin at the conclusion of the Planning Commission meeting. This proposed Work Meeting would be a joint session with the EDA and Planning Commission to discuss the MIDS proposal and the Highway 65 Corridor Plan. DeRoche seconded (for discussion purposes).

Ronning, "I am not sure what the purpose of this is. The five of us and fourteen of them. Looking at putting almost twenty people in a room and getting good discussion out of this?" Davis, "Sometimes that is difficult. But, the Planning Commission did extend this proposal." Ronning, "What are the items they want to discuss?" Davis, "I think they are going to have a final presentation on the MIDS. There will be a speaker (not the previous speaker) and try to come up with a consensus on how we want to proceed with this. And, the other thing is they want to talk and get Council's input on how we want to proceed with development in the corridor. We have talked about Comprehensive changes, zoning changes, they want some consensus on how we are changing." Ronning, "Was there a conversation on having contractors inform us on this?" Davis, "That is correct. We are trying to contact two now to have at the meeting."

Ronning, "I requested at the Planning Commission before I am interested I would like to look at cost. There should be a way to identify the architectural/engineering cost. And, that should be something we consider as well rather than have someone say, "Why did you do this to me?" Davis, "In order to make this a recommendation to Council I made that a condition that we have someone on the development side to speak to this. So we can see how it relates to them, impacted them." Ronning, "Every new building that goes up with have a separate new architectural/engineering fee. I don't know that it is a deal breaker, but, it is something that I want to look further into first." DeRoche, "I thought this MIDS thing was pretty much put to sleep. I realize someone wants to keep bringing it up. I have been to three meetings on MIDS. I thought there wasn't going to be any more meetings until we got contractors, developers and some kind of study how it would affect East Bethel, not Woodbury or Cottage Grove. We need some local people that have dealt with this. I don't think this is enough information and we have enough strikes against us." If the EDA and the Planning Commission want to get together and brainstorm that is fine. But, I keep pushing we need to do something with the sewer district. We have a mile and a half of pipes that are already in and we can do something with. We can hook people up. If we start developing up the line, I cannot believe a developer is going to do it without wanting something. And, we are not in a position to be offering much in TIF, or Tax Abatement, or anything else." Moegerle, "Can you connect this up to the motion about the meeting for MIDS? Because the issue was about the joint meeting for MIDS." DeRoche, "That is what I am talking about. I know it is hard to decipher me sometimes, but you can do it." Moegerle, "I don't think so."

Koller, "I agree with Bob. We need to get the local contractors in a meeting with the EDA and Planning Commission. I have talked to the contractors and they don't like East Bethel because we are hard to deal with. And, we have to get over that." Moegerle, "This issue is a joint meeting with the EDA and Planning Commission. The MIDS Proposal, it is my understanding that is going to become law, so it is not irrelevant. Even if MIDS doesn't become law, we have something that is going to become law, is that correct Craig?" Jochum, "It is similar requirements." Moegerle, "The 65 corridor plan includes the sewer district. My understanding is it is an educational meeting and strategically planning and I think it is a great idea."

Ronning, "I have been in about six hours or more of the MIDS presentations and I asked if someone could show me one place that is affected by this. And no one could. If it is something you have to do, it is something you have to do. You play with the cards you are dealt. As far as the law, there were some things that we were discussing at Planning Commission, the thing that causes us problems is we are part of the Metropolitan something. We aren't committed to MIDS. I am still very concerned about costs." DeRoche, "Seeing how Met Council is dictating what we can and can't do, whatever we do

in a comp plan they have to give it their blessing, correct?" Davis, "That is correct." DeRoche, "Then why aren't they involved in our strategic planning and offer up what we may be able to do. If we spend a lot of time on a plan and then they say, well." Davis, "We would work with our representative on this. To get guidance on how to approach it." DeRoche, "And, brainstorming is fine, but there has to be some facts presented. Like projected costs, and the County dropping 1.3% off their levy. We have a mile and a half in the ground and anything we put up here the developer has to put in a lift station. Why don't we call it strategic planning of the sewer and water area." Davis, "That will be the major emphasis of it. But, once the forcemain is completed we will have potential for large developers. When I think of strategic planning, I want to look at the inconsistencies that we have in the corridor." Ronning, "As I have gone through my exposure to this thing, I have my perception, the train has left the station and is not up to speed on the MIDS." Davis, "That is entirely up to the City Council." Moegerle, "Clarify, because I understood that the MPCA is going to enforce these and put them into place anyways." Jochum, "As of August 1 of this year, any development that disturbs more than one acre of impervious area, must infiltrate one inch of runoff off their land to get a construction permit from the MPCA. East Bethel is also an MS4 community. They need a permit to discharge water into the waters of the state. There is also MIDS types of things coming for that. Permits are out and even if you discontinue that program, you will be in a similar situation as is the entire state. It may be a reason to forego MIDS, you may already have the controls." Davis, "MIDS is an ordinance program that impacts design controls. It is optional. Yes, you see the conductor on the back of the train."

Moegerle call the question. Ronning seconded; all in favor, motion carries.

Moegerle, aye; DeRoche and Koller, nay; Ronning, abstained, motion fails.

Staff Reports
– City
Administrator

Davis, "Richard is recovering and he hopes to be back as soon as possible. He wishes to be back as soon as possible. There is no specific time, it will be based on his recovery."

Council
Member
Report –
DeRoche

DeRoche, "Jack had a meeting with the Sand Hill Crane folks. I sat in and listened. Senator Michelle Benson was there via telephone conference, Representative Tom Hackbarth was there, Commissioner Julie Braastad was there, John VonDeLinde, Kathy Tinglestad, Steve Lee and Jean Hanson from the MPCA and they decided they are not going to clear cut this September. There are some things in the works for taking and combining some school lands and exchanging for some other lands that they have. They did a study by helicopter and mapped it out by foot. Internal land exchange within the DNR would take about two years and has to go through the Governor, the Attorney General and the State Auditor. But, right now the land clearing as far as we know, on hold permanently."

Council
Member
Report –
Koller

Koller, "The fire trucks are up and running. I attended two different watershed meetings. Basically, all we did was just paid the bills. They are talking about putting more carp traps in Coon Lake."

Council
Member
Report –
Ronning

Ronning, "I made a comment about value adding about comments and discussions we have had. And, I would be at fault if I didn't say I was part of it as well. If there is anyone innocent, as much as can be, it would be Ron. I get some questions, I am not sure we can ask it of Met Council. What were their preliminary cost estimates, estimate versus actual. Do they have a basis for how they arrive at that? And, are ERUs the same as a SAC?"

Davis, "An ERU and SAC charge for the most part are essentially the same. An ERU is how they measure what a peak flow would be and then puts that to what a charge could be back for use on a system. A SAC Charge is a sewer access charge so the fee you pay to connect to the system. In general terms and in most cases they can be used interchangeable. The only difference is the City could have a different policy in terms of what the assignments are to the Met Council. All that would relate to what your financial picture is."

Ronning, "On the SAC Charges, \$5,554, compared to 6,500 ERUs?" Davis, "I would have to look at those to see if they are consistent." Ronning, "What are we going to run into in the future, ERUs, use charges, lateral line, how many of these exist?" Davis, "One thing you will hear is the lateral benefit charge. The lateral benefit charge is what the property owner pays to have the line come to his property. The SAC fee is essentially what you are charged to have the capacity of the system." Ronning, "The Lateral Benefit Charge did they give a number for that?" Davis, "It can be computed in a number of ways. It will be part of the public hearing. In this case we ask that vacant properties be proposed to be assessed proportionally. We put the worst case scenario in there which is 3 ERUs per acre." Ronning, "So somebody with wetland, compared to someone with high ground, is that the same lateral benefit amount?" Davis, "If it went by an abutting property, the lateral benefit amount is based on ERUs. In all probability, the property with wetlands could be assessed less. You could even do this on a front footage basis. There are a number of ways to do this. But, for this purpose it has been done on an ERU basis."

Ronning, "In July we had Nancy Kruger a Blaine resident before us. That ended up at Planning Commission. I thought it seemed we had some sympathy for her cause." Davis, "We are trying to determine how many properties will be affected by that and I think we are almost at the point to present that to Council."

Council
Member
Report –
Moegerle

Moegerle, "We have had some vigorous discussions and I think that is good, all to the benefit of transparency. I think it is invigorating. I hope we all have made our own decisions on the outcome. Met Council has released its population projections for 2040. With regard to East Bethel and its population projections for 2040 we were expected to have an additional 25,000 people move into the City. We knew those figures were manipulated to achieve an end. The current projections only project an increase of 5,000. That is good in one respect. But for retail businesses that need to have a market within a certain distance to make a commitment to East Bethel that market is going to be much larger in East Bethel than it would be in another place like Blaine. That is going to be another situation where we need to attract developers. Lake Elmo has already raised an outcry about this, so we are in good company in that regard and hopefully Met Council and Metro Cities will be able to help all of us sort that out."

The Park Commission did not meet in September. There is a vacancy on the commission. Watch the website and reader board for more information on how to apply for that vacancy. At Coon Lake Beach Connexus will be trimming the trees on Lakeview Drive in October. That is just trimming. The Coon Lake Community Center is having an open house from 2:00 p.m. to 6:00 p.m. to show the public the recent remodeling that was completed with a Community Block Development Grant. The Council has been invited so for that reason, we will probably do a poll and see who will be attending and then we have to have that posted as a meeting. A resident has asked to have Lincoln and Dogwood posted as a four way stop. The reason is for every road that goes from Lincoln to Lakeshore in Coon Lake Beach that has an existing three way stop, there is four way stop on Lakeshore except on Dogwood. If you want to have your trees trimmed by Connexus because they are impairing the power lines, just call their direct number and ask to call their forester. I was asked to

attend the Anoka County Atlas Geological Workshop due to my interest in the wells in southern Anoka County that are going to tap our aquifer. I may attend, it is on my way to something else. On September 3rd, there is a LMC Policy Group meeting, I will ask those questions and keep those answers to myself.”

“There is a meeting on October 1st there is a meeting with Sheriff Jim Stuart to discuss the ticket implementation program, Kurt Glaser has been asked to attend, Bob has been asked to attend. Staff is attending webinar on October 10th by the LMC in Booster West, Common Mistakes in Land Use Ordinances.” Ronning, “The City I used to live in, they would come out and trim the power line, they wouldn’t touch the trees otherwise. Word to the wise, check into it before making any real plans.” Moegerle, “Most of the lines in the beach are in the ground. Give them a call and they will come out and tell you.” DeRoche, “I did some checking about the driver diversion classes and Minnesota doesn’t have one that is approved. And, I was told that it is under constitutional challenge. The city would have to pay someone to be a neutral. We can’t try the case here. And, generally that would cover like speeding tickets and white line stop. But, the driver line diversion, the County would get the money and for them to enforce it, they are going to have to hire someone to enforce it.” Moegerle, “I found out about this at the LMC Conference. Kurt Glaser that applied to be our attorney, he did this course. He has talked to the individual that is going to propose two statutes. He is fairly confident that something would happen by July 1st. His has not been under attack by the state auditors. It is an exploratory issue and you have to do exploring to find gold.” Ronning, “Is that something that is outside of current normal police services?” Moegerle, “Cities that have their own police department, they have this. The purpose of the meeting with Sheriff Jim Stewart is to find out the impact of this. Still in the learning process, even if it is a dead-end.”

Adjourn

Moegerle made a motion to adjourn at 9:55 p.m. Koller seconded; all in favor, motion carries unanimously.

Attest:

Wendy Warren
Deputy City Clerk