

## EAST BETHEL CITY COUNCIL MEETING

October 2, 2013

The East Bethel City Council met on October 2, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT:        Bob DeRoche                Ron Koller                Richard Lawrence  
   Heidi Moegerle            Tom Ronning

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

Call to Order        **The October 2, 2013 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt                **DeRoche made a motion to adopt the October 2, 2013 City Council agenda. Lawrence**  
Agenda                **seconded; all in favor, motion carries.**

Public Forum        Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda.

Becky Knisley, of 23250 Sunset Road, "I am here because we have a concern regarding our new neighbors at 23204 Sunset Road. We have been working with Jack and Colleen regarding this issue for some time now and they recommended we come to the City Council to see if we can come to some resolution regarding this situation. Earlier this year we got new neighbors and they were riding dirt bikes, the loud ones. Let me rephrase, they weren't just riding, they were racing. And they created a racetrack in their yard. There were numerous bikes riding in their yard. It was so loud we couldn't even sit out on our deck and have a conversation with anyone right across the table. This went on for hours on end and days on end. In one week alone it was four days out of the week including the entire weekend."

"On Monday, we complained to the City and they sent out a letter, the Sheriff's office had gotten involved, and lately they haven't been racing the louder bikes. But now it is a quieter one (or ones), and that is a step in the right direction. But really recently they got a machine out there and they have actually excavated. And, they have built a racetrack in their backyard which adjoins our backyard. That track is about 20 feet from our lot line and I am concerned about what is going to be happening there in the future. We are looking for clarification and possibly changes to our ordinances if we don't have adequate ones to govern a racetrack in a residential area."

"I have done a little research and I know we have an ordinance regarding ATVs and Off-road Motorcycles, limiting the hours of operation and duration. We have also adopted Article III and Chapter 26 of the Minnesota Statutes regarding noise. But, the procedure to monitor noise seems to be a little lengthy, cost prohibitive and confusing to say the least. I am not sure what set of rules we go by? The noise pollution rules or the motor vehicle level noise rules which talks about the center lane distance from the traffic? And, that doesn't seem to make sense, being that it is not on a street. How do you measure from the center lane of the traffic? So, then I would think it would go by the noise, but I am not an attorney, so I don't know how to interpret these. Anyway, the decibel level is probably going to be

greater than is allowable for the State of Minnesota which is what the City of East Bethel has adopted. The noise decibel level should be 60-65 decibels and vehicle should be 67 decibels at 300 feet away. Which is about how far away we are, unless we are in our very backyard, then we adjoin him.”

“I understand that everyone should have the right to use and enjoy their property. But, it is not leisurely riding. This is not someone riding around on their ATV or snowmobile for a short time. We have neighbors that do that and that is not a problem. But, this is loud dirt bikes going for hours on end. And, I am pretty sure that no one on the sitting on the City Council or anyone watching this would like to have a neighbor that built a racetrack in their backyard and be subjected to this level of noise. Not to mention the dust it has kicked up this past summer since it has been really dry. I didn’t have time to draft a petition like Colleen and Jack had asked us to do and get all my other neighbors to sign. But if that is what I need to do, I will get that done. I did talk to my neighbor that is south of the subject property this afternoon. She is an elderly lady; she does not want to come to City Council. She is very irritated, and will sign a petition, but she is afraid what the kids will do if she comes forward and complains. She did say she has called the Sheriff and complained because they have had bonfires that are larger than six feet. I don’t know what the rules are on bonfires, because we rarely have them, but I thought we could check into what that rule is.”

“In addition, when Jack, Colleen and I walked the property, our neighbor had been shooting clay pigeons, which is not a problem but they have been landing in our yard. Not in their yard. I don’t know what the rules are on that either, because I am not a hunter. But, I am a little concerned because now they are setting up stands and blinds up there as well. And, they shouldn’t be discharging that close to our home. I also heard from a neighbor two doors down that they have a problem with the noise; I just haven’t gotten a petition together. So, I am looking for some input from you as City Council on what we can and can’t do. And, what is allowable and non-allowable. And, where do we go from here?” (Ms. Knisley showed the Council a map of where both properties are in relation to each other)

Moegerle, “How much soil was moved for this racetrack to be put in? Would that trigger anything?” Davis, “It would, but it was less than a 1/10 of an acre. If it was more than an acre it would trigger some activities from the erosion sediment control ordinance.” Moegerle, “Would littering cover the issue of the clay pigeons? I am finding some ordinances on that. Knisley, “To me that is the least of my worries. But, to me, I figured as long as I was here, I would put it all out there and what do we do about it.”

Lawrence, “Jack, don’t we have an ordinance on racetracks in East Bethel?” Davis, “We do, but the problem with that ordinance and few other ordinances like it is they are based on the noise level which is really not enforceable. This is a MPCA standard. And, to validate this, you have to take decibel level every 10 seconds for an hour. And, then there is a formula to get the mean, it is very difficult to do (I cannot explain it). The City does not have a decibel meter, and in order to have one, it has to be one that can be accepted in court, a rather sophisticated one. It has to be continually calibrated. The county has one and they have said that they are not going to send an officer out for an hour standing there taking readings. And, if anyone is knowledgeable to what is going on, after 359 readings, they are going to cease their activities. And, then perhaps technically, you would have to start again. I don’t know the legal components of that. To make a long story short, enforcing noise violations is very difficult and problematic the way we have it set up. I went back and checked seven or eight other cities and they all have adopted the same standards, with the exception of one. And, this one has no standards; they just issue citations and hope they

aren't challenged. If this is to be addressed, it has to be by finding some enforceable noise definition. We have run into this on other occasions too. It doesn't only pertain to the situation that Becky is describing, but, it also has been applicable in other occasions where we haven't been able to do anything because of measuring what the decibel level is to enforce it."

Moegerle, "I am looking at the Minnesota Statutes and we have adopted 609.68. It says, "Whoever unlawfully deposits garbage, rubbish, debris from fireworks, offal, or other litter in or upon any public highway, public waters or the ice thereon, shoreland areas adjacent to rivers or streams as defined by section 103F.205, public lands, or, without the consent of the owner, private lands or water or ice thereon, is guilty of a petty misdemeanor." So, that might be helpful on a small part." Knisley, "That is a small part." DeRoche, "State law also says you cannot discharge a firearm within 500 feet of a structure that is not on your own property."

Lawrence, "Maybe we need to look at adopt something that says 'You cannot race these four-wheelers'. No one wants racing. Maybe we need to have guidelines of how close they can be to the property lines." Davis, "There are some guidelines in the existing ordinance. I think it reads you cannot be any closer than 50 feet to the property line and you have to be at least 100 feet away from a dwelling. Which is pretty close. This could be looked at redefining racing and/or use. I would like to explore this on the noise level because we are going to have other issues that are based on noise complaints. And, until we have an effective means of defining what that is, than any noise complaints we are helpless to do anything."

DeRoche, "Well racing was part of the reason the ATV Ordinance was put in. They were outlawed to begin with because someone had a piece of property and they had a track and they were racing around. The neighbors got tired of it and they didn't want to give it up. So, the neighbors brought it to the City Council and the City Council said, "Hey, no more. But the noise ordinance, Tom you have tried to address that."

Ronning, "Yes, I have. And, to some degree it is objective and to some degree it is subjective when you get into the decibels. Mark, I can't help but wonder if this would be your background or not, but, if you are operating a vehicle within a community and it is California Air Research Compliant (CARV), what is your objections to challenge that existence?" Vierling, "Under existing MPCA guidelines? Probably very little. Noise is always very difficult for all communities if you adopt the MPCA standard. No one has the personnel to do it and it is very difficult. I think what communities have done is go after the issue from a number of other perspectives. Certainly there has been a challenge of the activity itself, regardless of how you categorize it as being a nuisance. And, issuing tags or citations as a nuisance. Other communities have simply prohibited the exhaust from internal combustion engines for of period of time more than 1 ½ hours in 24 hours on a property. I would be happy to sit down with staff and see what we can do. From our perspective, we want something that is enforceable. We don't want to spend your money and our time up at Anoka County frivolously. I can certainly take a look at this. Because I think you are going to have to come at it from some other direction than noise."

Ronning, "I would tend to agree with that. Why I mentioned the CARV is that it is factory equipment, and it is compliant with all the requirements. I don't know what your obligations or limitations are." Vierling, "That is part of the attack that many communities have come into because the ability to define a community standard as far as what constitutes a nuisance,

doesn't have to parallel or tie into what is otherwise regulated or permitted on a federal or state standard. So, there are some opportunities we have to redefine what a nuisance is and pursue it along those lines."

Lawrence, "So I think with that information from our Attorney, we should have staff and our Attorney get together and see if they can draft something that is workable for everyone. Because you complain about the noise and that is a legitimate complaint. And, I remember when I first moved to the City and we would reject any home that had junk cars next to us, because we didn't want the junky attitude. So, when we made the purchase and moved in, there were the junk cars. I couldn't believe my eyes." Knisley, "Yes, noise to me is something that is controllable. I didn't move next to the racetrack. I didn't go to the Motorcross on my weekend off." If I did, I would choose to do that. I didn't chose, it is there. They are riding and that one weekend they didn't stop."

Moegerle, "Ms. Knisley what is your relationship with your neighbors? Would a referral to the Mediation Services at Anoka County be helpful? Or is this an all out war with no communication between?" Knisley, "I am going to say, I haven't had any communication with them, my husband has. He communicated with them and nothing happened. And, we ended up calling the Sheriff and filing a complaint. And, immediately after the Sheriff left, they were quite upset. And they got right on their bikes and it was even louder than before, and revving." Moegerle, "What age are they?" Knisley, "Adults." Moegerle, "This seems to me that the mediation service might help. Would you be amenable to that? It is at a no cost through Anoka County. And that way you wouldn't be at war with your neighbor. There would be no police involved." Knisley, "I didn't want to file any more complaints that is why I am here. That is one of my questions to Council Member DeRoche, did you say there is an ATV racing ban?" DeRoche, "I thought there was, but I am not finding anything on it." Knisley, "That is our issue, we can't find anything in the ordinances that related to racing." Davis, "Our ordinance doesn't say anything about racing, it does restrict the hours. The hours are: Monday through Fridays, 9:00 a.m. though 8:00 p.m., and Saturdays and Sundays, 10:00 a.m. through 5:00 p.m. You can't operate continuously for two hours without taking a one hour break. It is fairly open and liberal so you can operate these off-road vehicles for quite a while. If you have an eleven hour window on the weekdays you can probably operate them for 6 hours a day. On weekends, 4 to 6 hours for them."

Moegerle, "I am looking at 70.86 our ordinance on this? I am not seeing a time limit." Knisley, "It is under 70.111. It is number 4 under there." Moegerle, "And that is not happening?" Knisley, "It wasn't. But, now they got a letter and they are not riding past the allowable times. But, before they got the letter and before we complained it was continuous non-stop until dark, Friday night, Saturday night, and Sunday night. We have voice recordings sitting on our cell phones that I sent Colleen. And, I have a sound meter that I downloaded on my smartphone. And, even the quiet bike hit 79 decibels. The loud bikes were on 70-80 just sitting on our deck. We own a real estate company and it is on the L shape of our property and you couldn't be in there and talk on the phone when they were riding their dirt bikes." Moegerle, "Doesn't give the professional ambience that you want."

Moegerle, "Can we send a referral to mediation? With winter coming on you can maybe resolve it during the winter while they aren't riding their bikes and it will maybe make spring a little better?" Knisley, "I don't know that we need to talk to them. I am looking for the City to come to some type of resolution. Either noise wise or racetrack wise and get it enforced, that is what I want to see." Lawrence, "I think that is what I have asked Jack and

the City Attorney to do. To get together and get something that works for everybody.” Ronning, “With mediation being considered, I don’t know the answer. But, it would seem that you have to have two parties to accept participation, and to accept the outcome. You can’t have mediation of just one person.” Vierling, “This is more like arbitration.” Lawrence, “I am not real excited about that, and I don’t think Becky is either.” Knisley, “If we can come to resolution between us and the neighbors that is wonderful. But, you are right, this isn’t the only time in the City’s history that this is going to come up. So, I am thinking it just needs to be addressed.”

Ronning, “On the mediation/arbitration, the mediation that was suggested at no cost. Are there limitations? If so, what might they be? I don’t want someone going away thinking that this may take care of it if it doesn’t.” Vierling, “Mediation is an opportunity for the neighbors if they wish to engage it. But, you have to have willing parties and parties that are interested in sitting down and resolving their issue.” Koller, “I looked online and found a few cities that had the same issue. And it all came down to drafting an ordinance. And it is because they don’t have any rules.” Lawrence, “That is our direction I think we need to take care of to make sure this goes away.” Moegerle, “And, then when we draft the rule, we send a copy to both parties of what the new rule is.”

Ronning, “One thing about something like noise, and I mentioned it is typically subjective. To one person a baby crying is noise, so you have to throw the baby away or stuff it quiet or something. To others, train tracks going through town, that is noise. You have a highway going up and down the road, that is noise. It bothers some people and it doesn’t bother others. We have a train that goes by or there is a business that does, I think sandblasting and you can hear them a mile away, are you going to close them down?” Lawrence, “I think here we are discussing not businesses, but, residences.” DeRoche, “When you are drafting something like that you have to be careful. Because the last time like this, ATVs were banned from the City driving anywhere, because a couple people being basically meatheads. There are a lot of things you can do. But, to just say we are going to ban it, I think that is a dangerous road to go down. Because next, someone else is going to come in and say, “Well they are making this kind of noise, so we want that banned. And, where does it stop?” I think there needs to be a compromise somewhere. If I were you would I complain? Yes, absolutely. But, you have to be careful, because some cities have said, “We don’t want any noise.” So now when you tree falls down your chain saw makes too much noise. Your garden tractor makes too much noise. Your bike is too loud. Something has to be crafted, but done in a way so it is not burning someone in the process.” Ronning, “You have a legitimate complaint, but it is a huge subject.”

Knisley, “I understand that. I read the statutes, but there are different decibel levels and having a baby cry, that is the worst thing. I understand that. To me it is the level, if I can’t sit on my deck and have a conversation, that decibel level is too high in a residential area.” Ronning, “You have a reasonable complaint, but it is a tough thing.” Lawrence, “Tom, we have covered the conversation quite clearly. We have given direction to staff and I want them to continue in that direction. And, move on in the conversation and move to the Consent Agenda.” Moegerle, “I have a quick question about Home Occupations?” Ronning, “No we are done.” Lawrence, “What is that?” Moegerle, “The question is, could the Home Occupation law be used at all?” Lawrence, “I think we will put that with the ordinance. We are done with this.” Ronning, “If we are done, we are done for everybody.” Lawrence, “We are done for everybody.” Ronning, “Thank you.”

There were no more comments so the Public Forum was closed.

- Consent Agenda Moegerle, "I would like to pull items A) Approve Bills, B) September 4, 2013 City Council Regular Meeting Minutes and D) Payment for MCES Construction Project City Portion of Forcemain." **Moegerle made a motion to approve the Consent Agenda including: ~~A) Approve Bill; B) September 4, 2013 City Council Regular Meeting Minutes; C) September 18, 2013 City Council Regular Meeting Minutes; D) Payment of MCES Construction Project City Portion of Forcemain; E) Payment for Fence at Water Treatment Plant; F) Resolution 2013-60 Setting Public Hearing Date – Delinquent Accounts; G) Pay Estimate #1 for Castle Towers/Whispering Aspen 2013 Forcemain Project. Lawrence seconded; all in favor, motion carries.~~**
- Item A) Approve Bills Moegerle, "I pulled Item A) Approve Bills because what did we purchase for \$69,000 to John Deere?" Davis, "That was a tractor which was in the Capital Improvement Replacement Plan and was approved by City Council this year." Moegerle, "And the Diamond Mowers was an attachment for that?" Davis, "Yes, that is correct."
- Moegerle made a motion to approve Item A) Approve Bills. Lawrence seconded; all in favor, motion carries.**
- Item B) September 4, 2013 Minutes Moegerle, "I pulled Item B) September 4, 2013 meeting minutes. On Page 8 the vote is backwards. It is not correct. There are some other things. I would like staff to check the meeting tape."
- Moegerle made a motion to table Item B) September 4, 2013 Meeting Minutes. Lawrence seconded; all in favor, motion carries.**
- Item D) Payment for MCES Construction Project City Portion of Forcemain Moegerle, "I pulled Item D) Payment for MCES Construction Project City Portion of Forcemain. The idea was we would wait to pay the money until after we got MCES's payment and then we would pay back for the forcemain. Why don't we go ahead and pay this out of the bond funds and then we can say, "See, the bond funds paid it." And, then when we get the money from MCES this is not bond money any more, and we can use it for other purposes. Not necessarily sewer and bond." Davis, "We are supposed to receive that check from MCES tomorrow." Moegerle, "But why doesn't that method of paying from MCES versus paying from the bond funds now. Can't we pay it now?" Davis, "We can but we don't have any sources to pay it from." Moegerle, "That is the question, because that was not made clear."
- Moegerle made a motion to approve Item D) Payment for MCES Construction Project City Portion of Forcemain. Lawrence seconded; all in favor, motion carries.**
- Lift Station #1 Report Jochum, "We did meet with the contractor last week to discuss some possible cost savings. One of the major savings is possibly reusing some of the existing wet well. We redrafted the plans a bit and sent those over to the contractor and he is supposed to get us a revised cost if there is one by early next week. So, hopefully then it can be presented at the next Council meeting." Lawrence, "Are you thinking these materials will be suitable for reuse." Jochum, "It would be basically saving the bottom portion and taking off the top portion. Instead of a completely new wet well." Ronning, "Is lift station #1 at Klondike?" Jochum, "That would be the old one that is servicing the park, Castle Towers." Ronning, "There is a new one they just dug." Jochum, "There will be a new one on 241<sup>st</sup> and Johnson. That one hasn't started yet. Those are just maintenance manholes."

Davis explained that this project proposes to install new storm water treatment practices in neighborhoods directly draining to Coon Lake, the largest lake in Anoka County. The objective is to remove phosphorus, which fuels algae growth, before storm water is discharged into the lake. 17 potential project sites have been identified and ranked by the amount of phosphorus they will capture per dollar spent. Five to seven of these projects will be chosen based on maximizing pollutant reduction with dollars available. The project types include residential curb-cut rain gardens (11 candidate sites), swales (4 sites), basin outlet modification (1 site) and stabilizing a storm water discharge point (1 site). The candidate areas have little or no storm water treatment today and sites are strategically located to treat the maximum sub drainage areas.

Projects will be installed with the consent of private landowners or in public areas. In the case of private land installations, the owner will be expected to perform maintenance. A signed, notarized maintenance agreement is required. This approach has proven successful in 28 residential rain gardens previously installed by the Anoka Conservation District in the last three years. The maintenance burden is lessened by installation of pre-treatment sediment boxes at each site. City staff will be requested to advise on this project and have attended past meetings involved in the planning of this project.

The Anoka Conservation District is applying for a State Clean Water Fund grant to fund this project. This grant requires a minimum 25% local match. Match and support is provided by the Coon Lake Improvement District (\$2,000), Coon Lake Improvement Association (\$2,500), Coon Lake Beach Community Center (\$500), and the Sunrise River WMO (\$25,000).

Improving Coon Lake water quality is a priority because it is approaching the state water quality standard of 40 ug/L of phosphorus (summertime average). Over the last 10 years it has exceeded that standard in one year and averaged 34 ug/L during this period. Coon Lake is also the site of the Coon Lake County Park and two DNR boat landings and residential areas in East Bethel, Ham Lake and Columbus.

Consider approval of the submission of a letter of support for the Coon Lake Storm Water Retrofit Grant.

**Ronning made a motion to table the Letter of Support for the Coon Lake Storm Water Retrofit Grant. DeRoche seconded.** Moegerle, "It is my understanding that the deadline for receiving those letters has expired and it was due by Monday. Is that correct?" Davis, "This one is due by October 4<sup>th</sup>." **DeRoche, Koller, Ronning, aye; Lawrence and Moegerle, nay; motion carries.**

Lawrence, "How long are we tabling this for." Davis, "If the Council table's this, there will be no reason to bring it back up because the letter is due by October 4<sup>th</sup>." DeRoche, "Just as a point of information. The source of this came from?" Davis, "Anoka County Conservation District, from Jamie Schurbon." Ronning, "That was following a solicitation, wasn't it?" Moegerle, "No. Jamie was out at Coon Lake working on this and I asked him if it would be helpful to Anoka County to get this grant if the City Council backed it with all of these other entities. He said it was a good idea. So, that was my conversation with Jamie. I mentioned it to him and it was completely in his control whether to do that or not."

Lawrence, "So, we have killed this idea of whether to do this or not." Davis, "In terms of the letter of support from the City, that would be correct." Lawrence, "You are all aware of

that, right?” DeRoche, “Yes, I am. I didn’t see any data backing up the ramifications of these ponds and gardens are. What I can tell you is I go down to the lake now and I have about 32 feet of dock that is dry dock because of evaporation and heat. We don’t have water running in. Part of this is taking the water that runs down off the hills, on Forest and Grove and stopping it and putting it in the holding pond. And I haven’t seen any data saying we are going to curtail the use of fertilizer. And , I have been here long enough to see the lake go down to where I had 200 feet out that was dry. So my concerns are the water levels.” Moegerle, “The purpose of rain gardens is to filter the run off.”

Cell Tower  
Land Lease

Davis explained this issue was presented to the Council at the previous meeting. It was reviewed by the City Attorney and there is an attachment with the City Attorney’s comments. These were sent to American Tower for incorporation in the agreement before we would consider this. We last submitted this on Friday morning, September 27<sup>th</sup> and we have heard nothing back from American Tower. So, at this point, I would recommend that we table this until we get some response from them.

**Moegerle made a motion to table the Cell Tower Land Lease with American Tower until we get a response from them on incorporating the comments sent to them on Friday, September 27, 2013. DeRoche seconded.** DeRoche, “Now one of the concerns I had is this: Landlord/Lessor termination rights are hereby deleted and no longer in effect. What exactly does that mean? That we can no longer terminate during the course of it?” Vierling, “That is a good question. That is part of the reason we asked that language be deleted. First of all, it doesn’t make a lot of sense to us. But, that language and several other provisions we suggested be deleted out. One of the comments we sent back. That is probably why we haven’t heard back.” **All in favor, motion carries.**

2014-2016  
MNPEA  
Union  
Contract

Davis explained as per Council direction, we have negotiated and offered a three year contract to the Minnesota Public Employees Association (MNPEA). MNPEA has accepted our offer of the labor agreement for the term beginning January 1, 2014 through December 31, 2016. The final document is attached for your review.

The two important features of the agreement are the provision of a 2% wage increase for each year of the contract and a medical re-opener clause in effect to negotiate this benefit for 2015 and 2016. The other language changes are provided in Attachment #1.

The City Attorney has reviewed the contract and incorporated changes which are presented in Attachment #2. MNPEA has agreed to these changes.

Previous increases for Union and non-Union employees have been 3% over the last 4 years or an average of ¾% per year. The proposed agreement is consistent with wage increases of surrounding Cities and will add approximately \$30,000 annually in wage and benefit costs over the next three years.

Staff is recommending the approval of the Labor Agreement between the City of East Bethel and MNPEA as presented in the attached document.

**DeRoche made a motion to approve the 2014-2016 Minnesota Public Employees Association Union Contract. Koller seconded.** DeRoche, “I think this is long overdue. Looking back on the history, City employees have been pretty much held next to nothing.” Koller, “I find this to be fine.” Ronning, “It looks good to me. I went through it.” Moegerle, “We are in a financial bind. We paid 1 ½% last year and I think that additional

1/2% is going over and above what we need. We certainly could always reopen this if we wanted to add in 1/2% if our financial basis was sound. There is a concern about wages. We got 107 applications for receptionist position and I think 2% is too much given all the considerations.”

DeRoche, “Go back in history and look and I know what was interpreted by Anoka Union and what was said. Do I think all the employees would quit, no. But, a lot of employees have been here for quite a while and 2% raise was almost a slap in the face. And, they have been pretty patient, to go from 3/4% to 0% to 3/4% to 1.5%. To retrain some of the employees we have is going to cost a heck of a lot more than that. We can't blame them for the sewer and water project. And that is what is coming down to. We knew it was coming and so let's just start cutting everybody's wages. I just don't think that is the thing to do, I really don't.”

Ronning, “And, further, as the document says, they have had 3% total over the last four years or an average of 3/4% per year. And, on a daily average, you can't go out and buy a cup of coffee or a soda at Maxx's. This isn't a killer.” Moegerle, “My point is it adds \$30,000 to our budget and we are watching dollars and dimes carefully. You are saying if we save \$143,000 that means nothing? Well it does mean something and this year in particular we need to be extra careful. We can always go back and give more. It is not an issue of cutting wages, it's an issue of carefully budgeting and marshalling dollars. I think every dollar that we let slip by, that adds up to real money. I think each one of us has a different point of when it adds up to real money, but I think across the board with regard to this budget there are areas where thousands of dollars could be saved to real money. My thought is, 2% for the next three years across the board is not something we should be going forward with. I think it should be limited to 1.5% and we do this in a measured way.” Lawrence, “I think Heidi has a very good point and I also think DeRoche has a very good point with what he is saying.”

**Ronning made a motion to continue the debate. DeRoche seconded. DeRoche, Koller, and Ronning, aye; Lawrence and Moegerle, nay; motion carries.**

Ronning, “(To Moegerle) I don't know what your experience is with collective bargaining and negotiating union contracts. Jack, you were involved with this?” Davis, “That is correct.” Ronning, “Do you have a reopener clause for wages?” Davis, “We do not.” Ronning, “If you decide you are going to reopen wages or change them, we are going to be stuck with an unfair labor practice complaint. That is a fact.” Moegerle, “If we give them an increase? We want to reopen to give you a 1/2% increase?” Ronning, “You can't say when you feel like it you are going to reopen the wages, without a reopener. Am I right or wrong?” Vierling, “You can't reopen unless you have reserved the opportunity in the contract.” Ronning, “It can't be done. It doesn't say it, it isn't there.” Moegerle, “I appreciate that. So, we should go back and have it in the contract. In any case, it is what it is. I disagree, no big deal.” Koller, “I think 2% is quite fair. And, being the only one on the City Council who still works for a living.” Lawrence, “Wait a minute.” Koller, “You are the Mayor, I am talking the other Council Members are all retired and I think 2% is fair. And, I would not go down to 1 1/2%.”

**DeRoche called the question. Ronning seconded; all in favor, motion carries.**

**Vote on the motion to approve the contract: DeRoche, Koller, Lawrence and Ronning, aye; Moegerle, nay; motion carries.**

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 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 consider the line items as listed in the attachment as candidates for additional reduction and continue the discussion as to the fund balances as noted in the attachments and their application for further budget reductions in either 2014 or subsequent years.

At our last work meeting, we discussed reviewing the line item budgets and coming up with some recommendations for any amendments to those. So, at this time if you have any of those, I would like to see what your wish is and how you would like to proceed with those.

DeRoche, "I have one question, what are the Fire Outreach programs that are slated to be up for cut?" Davis, "Those are programs where they go into the schools and do some outreach with the school children." DeRoche, "I can't do that." Moegerle, "The equipment replacement, \$800 is that a laptop computer?" Davis, "That is correct." Moegerle, "I have turned in my laptop computer so that takes care of that \$800." Davis, "That computer was put in there in case we had to purchase another one. I think the way the ordinance reads, that computer is the property of the council person." Moegerle, "I have donated it back." Davis, "We can do that. It will have to be by resolution."

Moegerle, "We have the \$11,666 in there for Seasonal Employees Parks and Roads twice." DeRoche, "Wasn't that modified?" Davis, "Yes, I sent out a correction to that. I apologize for that." Moegerle, "I wondered if there was something that should have been put there that wasn't. Professional fees planning, is that for the corridor?" Davis, "That was for the corridor. That is the maximum that could be cut out of there. And, that would just be a start for the corridor."

DeRoche, "The seasonal employees for Parks and Roads, if that is cut, what is the ramifications of that?" Davis, "That is for two positions. It is kind of like the CSO, where we get the best bang for our dollar. We are hiring seasonal, part-time. They are paid no benefits, they get no holidays, and their salaries are either \$10 or \$11 per hour. As far as the value received for what we pay, it is extremely high. They are extremely useful for the summer time when we have our busiest workloads. It enables us to accommodate vacation schedules that are requested by the employees." Lawrence, "Don't they relieve our employees from doing some of their work so they can get more work done?" Davis, "We get good value for what we pay them for." DeRoche, "So in other words, instead of sending a full-time guy out, we can send out a seasonal guy out and do the same job. It just wouldn't cost as much." Davis, "It depends on what it is. Essentially what they are doing is mowing and more menial types of activities. Generally, they are assigned to a full-time employee. But, if they weren't assigned it would take two full-time employees to do that. They are very beneficial. I would recommend if it was cut, don't reduce to less than one."

DeRoche, "It is not like we have them so the other guys can sit on their duff." Davis, "The reason we have them is it is our busiest time them. We mow about 300 acres a week during May to August. It is our busiest period. It takes extra labor to do that. That is when we do our road projects and they help out in all those extra areas." DeRoche, "Well and the discussion has come up here several times about Community Development and Economic Development and how the parks have to look good and everything has to keep up to snuff. So, why would you want to take away from maintenance?"

Moegerle, "When Troy Lachinski was here he said he would gladly reduce the Voluntary Fire Pension Donation by \$100 per person if we agreed to go forward with the increase in benefit pay. And that is not listed here. The original amount is \$17,500 so we can save \$3,500 there. And, I am in favor of removing Booster Day fireworks, subsidizing the fireworks. It benefits a limited number of people, the money is literally up in smoke. If we want to keep that \$2,500 in the budget, I would suggest we get picnic tables or park benches where parents can sit and watch their kids year round. And finally, I think it is very likely that the Chamber will step in if the City bows out of it. Again, the history is someone over promised and under delivered and, push came to shove and the City stepped in and paid for this. So, I am looking at \$2,500, who does it benefit? It is literally money up in smoke. If we want to keep that in, park benches. At the Parks meeting people were saying, "You are putting in all this park equipment but we don't have anywhere to sit. We can't have lunch with our kids."

DeRoche, "I am a little confused. Because it is always about economic development. We need to bring people in. If I am not mistaken, Booster Days brings in an awful lot of people. And not just East Bethel people, I talked to people from Inver Grove Heights, from South St. Paul, from Maplewood, from Minneapolis. That is bringing people up here. Now, are you trying to bring them up here and let them see what we have? We need to get them up here and see how good East Bethel is. We need community development. And, now it is the only thing that really brings them up here, (we don't have a Turnip Days, or a Potato Days), we have Booster Days and I think it is a good thing. The firefighters have a dance, it helps bring them some money. We have a parade, it is a good community involvement thing, and we have fireworks. Ham Lake had donated some money to help out. I don't want to be a killjoy, but I don't think that is something you have to take away."

Moegerle, "Booster Day fireworks is a misnomer. This is the Relief Association Dance Fireworks. I support Booster Day. The majority of the people come for the parade, field day, the tractor pull and all those kinds of things. I respect that and I honor that. And, the fireworks is again something for the Relief Association. It is literally money up in smoke. If we could have park benches, if we could have picnic tables the same amount of money could be spent and we could have five of those, that would last year round. We have a Chamber of Commerce and as our commercial area develops, those will be fireworks sponsored by either the Chamber or a business and that is the natural segue for those kinds of things. I don't think this is a good use of dollars at a time when we are looking closely at our budget. The history of it was not that we always did it. It does not detract from Booster Day. It is simply an issue of the Relief Association Dance and that is a different animal than Booster Day."

Ronning, "This is not a conclusion of these talks, this is just an increment, correct?" Davis, "That is correct. This is just a discussion to start finalizing this. We don't have to have this to the county until I think December the 28<sup>th</sup>. I think our second meeting in December is the

19<sup>th</sup>. These are just ongoing discussions on what we are going to do with the budget and also to try to get some kind of consensus as a Council as to how we are going to present this on the October 10<sup>th</sup> meeting. Hopefully, we are going to speak as a unified voice on what we are going to do.”

DeRoche, “You are pretty quiet Ron, what is your take on this?” Koller, “I would like to know about the parks capital transfer? We discussed that at one time.” Davis, “Each year the Council has transferred \$100,000 to the Parks Capital Fund for parks improvement projects. We have proposed in the preliminary budget to reduce that to \$75,000 and this would just be another decrease to that. Reduce it from \$100,000 to \$50,000 this year.” Koller, “And then the \$10,000 in the EDA?” Davis, “That was recommended. In the EDA we have some unobligated funds. Those are essentially for reserves to hopefully accommodate some expenses we have in economic development activities. However, there is approximately \$55,000 in these funds. There is \$27,000 listed as a contingency and \$30,000 unobligated listed as professional services fees.”

DeRoche, “Isn’t there another \$133,000 to be transferred to the EDA?” Davis, “That is the EDA budget. And, of that budget, approximately \$55,000 is unobligated.” DeRoche, “At the last meeting it was brought up that the HRA has \$800,000 and if we are not going to spend it let’s just give it back to the residents. A little clarification on that, \$281,000 of that is earmarked for the EDA if businesses in the sewer and water district chose to do a loan program. And, any other HRA monies, cannot be used by giving it back to the residents.” Vierling, “We would have to check with the auditor. But, the HRA funds that are there certainly went through a process to get there and you have to go through a process to move them elsewhere.” DeRoche, “But as far as their use goes, we could use them for a blighted area?” Vierling, “Yes, sure you could use them for a blighted area for low to moderate income.”

Moegerle, “The comment was, to clarify, that \$800,000 that is \$200 for each tax paying household, in East Bethel. For me, that money should be going to work. Giving it to the people or offsetting the increase, obviously there is issues with that. But, for that money to be sitting there and not be using it is not a good use of those tax dollars. Those people gave up \$200 that they could be using for other things and we are just sitting here and hoarding it. There are cases where you want to accumulate money, but this isn’t it. It isn’t going to go to pay down the debt. Remember, \$600,000 of this was levied in a wink and nod so the foundation of infrastructure could be financed. We just had an HRA meeting and we are looking at using those funds. But, my point was we should be looking at using those funds to the benefit of the residents and not just sitting in an account.”

DeRoche, “Jack, that money was actually tied up when we came into office. And there was a lawsuit with Anoka County regarding that money at time?” Davis, “Yes, it is my understanding that during the period of litigation, those funds were unavailable for any type of use.” DeRoche, “Even now there isn’t \$800,000 sitting in the fund. Because \$281,000 is earmarked for transfer to the EDA for use by the businesses down there.” Moegerle, “And, at this point, no one has applied for use of those funds. And, while we are cautiously optimistic, the reality is they probably aren’t going to be tapped.” Lawrence, “The EDA is the authority that is working to bring businesses in to East Bethel. And, the EDA is kind of waiting for direction from the Council on what you are looking for. And, so far we have not gotten anything on what we should be digging up. If we mention anything from the EDA it gets shut down. If we are serious about fixing some of our problems with our financial deficits, then we need the EDA to really enact itself and be seriously looked at as at tool that

is going to help us out of this financial disparity. So, from there, I need information from Bob, Ron and Tom, what you would like to see us do on the EDA? I am on the EDA.”

DeRoche, “I understand that. But, the question was posed to Heidi last time and she deferred it to Jack. But in the last three years and the money that has been put in the EDA, what have they got accomplished? And Heidi deferred it to Jack, but being the President, she should be able to answer that question.” Lawrence, “But that doesn’t answer my question. My question is what do you want the EDA to be doing?” DeRoche, “Stirring up some economic development. And if you are referring to a waterpark. For something that was going to cost a postage stamp, we ended up having over 32 hours of staff time in it. And, when it came to time we found it would cost between \$18,000 and \$25,000 to do a feasibility study on something if it was developer driven, it still was going to cost us money. And the way it went down, it just got beat to death.” Lawrence, “It is always going to cost money to research developers and development.” DeRoche, “And where are we going to pull that money from?” Lawrence, “If you do not plan for this, you are going nowhere and you are saying, when they come they come. And that doesn’t work for me.”

DeRoche, “And, I understand that, because I have been preaching that we need to develop in the sewer and water district. And it is “Oh no, we need to develop farther up the road.’ No, we have a  $\frac{1}{4}$  by  $\frac{3}{4}$  of a mile of a sewer district, that we need to get development into. Unless we get someone big enough to tap into the forcemain, and it is going to have to be someone big enough to do that and get some connections to feed it.” Lawrence, “I don’t think the thought of developing our current sewer district has gone away. We need to work to bring that development in. However, bringing the forcemain in allows businesses to anywhere along 65 to develop.” DeRoche, “I understand that, I was one of the big proponents to get it up there.”

Ronning, “Maybe I was asleep that day, but I don’t remember the EDA ever coming to Council and asking for any specifics or particulars about direction.” Lawrence, “I am asking now.” Ronning, “Well your question was regarding the past. I understand you are asking right now. But, don’t make it sound like we wouldn’t do anything when your question is now.” Lawrence, “You have been asked in the past.” Ronning, “I would have to see when.” Lawrence, “I forget when, the question is now.” Ronning, “That is convenient.” Lawrence, “You want to spend how many dollars looking for something?” Ronning, “I want to spend what?” Lawrence, “Well you were making light that this had been asked before, and it has been asked before.”

Moegerle, “I want to clarify. The question was, can you list all the things the EDA has done in the last three years. I listed some and I asked Jack to get in on it. Part of it is (it is not limited to the website and the reader board) part of it is it is team building, and team building is not going to happen here (Council), it is too late for that. We have that and working together. But, the EDA is not going to want to continue to come up with ideas that get no further than the EDA. They want to work with something people agree on. This is not the meeting particularly, but talk to us. Because Bob has stated that a convenience store is not enough. We have East Bethel Properties. We have Tim Chies, and we have a whole list of people. But, if we don’t get direction, then when we come up with things, then it gets smashed down. So, let’s all work together in the same direction.” DeRoche, “When has the EDA ever been smashed down.” Moegerle, “The waterpark was a big one. And there are a couple others. But, let’s talk about something else.” DeRoche, “I understand you don’t want to discuss it Heidi. But, the fact of the matter is, these ideas haven’t all come up. It would be like the Planning Commission coming up and saying, “If you guys don’t agree

with us all the time we are going to just quit doing the Planning Commission.” It is not the Council’s job every time a Commission comes up with something to say “That is wonderful and we are going to pass it.” It is our job, the five of us up here to look at it, scrutinize and it decide, “Okay can we afford to do it and where is it going to get us?” Moegerle, “And nobody is saying that wouldn’t happen. But, can we get direction? Should we focus on getting a medical building here and a pharmacy? Can you be that specific? Those kind of things, that would be great to hear. Anyway, back to the budget.”

Moegerle, “On the newsletters the question is to reduce it to two times a year. For transparency and notifying people it is an important tool. The question is, is it used or read? Can we reduce the number of pages?” DeRoche, “What all is in the newsletter?” Davis, “Department Head report, notice of any events, I have a report and it is used extensively to promote the recycling days in the spring and the fall. We talk about communication with our residents. We have limited capabilities here. Only 20-25% have cable service. There is a lot of speculation on internet service. The newsletter touches every resident’s hands. Whether it is read or not, I don’t know. I do know that a lot of people comment on the newsletter. Does it have value to send out quarterly or can it be done twice a year?” Lawrence, “I prefer quarterly. I think it is a valuable thing.” Ronning, “Pennies make dollars. We are looking for some low lying fruit, rather than a few sheets of paper. I am going through the budget page by page. And, I am not done.”

Moegerle, “I have a question in regard to other important considerations. We know that we are raising taxes for 2014, very likely again in 2016 and 2018. Presuming if we got development, so it would pay the increase, we wouldn’t raise taxes, but we wouldn’t decrease taxes. So, to put it back, is it going to be a tax increase perception wise, or once we get development, will it be we didn’t decrease the taxes again because we stated what we were cutting now. So, say we cut 10% more out of parks and then in 2016 all of our monies are paid by development and a little more and we can put that 10% back. Is it perceived as a tax increase, or as we are just reinstating? And part of it is that we, as five people say we are just cutting this and then once we get better we will reinstate this and that is a commitment.”

Ronning, “We portray it as doom and gloom. But there has been some contacts made.” Davis, “And those development connections for next year are not included in this preliminary levy. And keep in mind that they probably won’t pay their fees until 2014, so it will have a great impact on the 2015 budget. We have got two things that we are highly encouraged on one and optimistic on the other. Those will not have an impact on this year’s budget, but will have an impact on the 2014 budget. Even to the tune of being able to satisfy what the bond deficit is. Again, those are still in the discussion and negotiation stages and they could come through in their entirety or in zero. But we are encouraged at the progress that is being made.”

Moegerle, “The other thing that isn’t cuts, but is budget, is our relationship through the building division with Oak Grove. We have that contract and, based on the history, there is an extra \$50,000 of revenue that is not in here.” Davis, “We put \$100,000 in revenue in here.” Moegerle, “Can we put that in here? Or is staff not comfortable with it?” Davis, “If Council is comfortable with it. I just want to make sure our projections for revenue are as accurate as possible and any downfall in the economy is reflected. The \$100,000 is extremely conservative.” DeRoche, “If nothing else I have learned, you can project a lot of things that just don’t materialize. But, rather than be doom and gloom, let’s plan on maybe getting a tax increase. But, maybe between now and December we can lower this. But, to sit and wish that something is going to happen, I guess I have learned that is not a good way to

function right now. Especially with someone else’s money.” Davis, “I agree and that is why we are conservative with our revenue projections. This is one that could be backed up a little more though, even though it has only been one year. Granted it is not in the budget, it could be applied to future debt reduction which I would like to touch on before we conclude this line item discussion.” DeRoche, “We have a couple more months before December to see if the projections start going the way we hope they are going to go the way we want them to go. But, I am still hung up on that “Build it and they will come” mentality and that doesn’t work. We need to deal with real numbers. Projections are great, but nobody knows.”

Moegerle, “We had another meeting with the Anoka County Sheriff regarding the ticket program, and there may be a way that we can get a \$100 a ticket. It is a real interesting idea. These are the kinds of things that are out there.” Ronning, “I don’t recall if it is a Joint Powers Agreement, but, the reciprocity between different cities? We share a Building Inspector with Oak Grove. We share purchasing with Coon Rapids?” Davis, “It is a Joint Purchasing Agreement for Street Maintenance Services. We estimate we save about 20% by participating in that. We purchase our crack sealing, sealcoating and road striping activities. That is bid as a twelve city unit which gives us more volume and therefore, better prices.” Ronning, “Do you know if there is more opportunity out there?” Davis, “We looked at a consortium for a Tri-city Law Enforcement Contract.”

Lawrence, “Do you have some closing comments on the budget?” Davis, “We have two issues. The have a projected preliminary levy increase of 17.5% that we need to continue working on to see if we can reduce the impact of that. And we need to remember also, that most of the solutions to that, are a one and done thing and then they will not be available to do again next year. So, we can make effect for this year, but then they will not be available again next year. So we will be in the same boat again next year. As important, as we go down the road, 2016/2017 is the next target date we have to look at, because we have another bond coming due to the tune of \$1.3 million dollars. I would like to see us using some of the surplus in our funds, like the trails capital fund, so that even if we have to jump up this year, to manage the debt so we don’t have to jump it up in 2016.”

Council  
Member  
Report –  
DeRoche

Nothing

Council  
Member  
Report –  
Koller

Koller, “The Fire Department has an Open House on October 12<sup>th</sup> at Fire Station #1 on Viking. A lot of fire trucks will be there. There is a Chili Cook-off and see what it is like to be a firefighter.”

Council  
Member  
Report –  
Ronning

Ronning, “Nothing now, but I reserve my right for later.”

Council  
Member  
Report –  
Moegerle

Moegerle, “Yesterday was the Ticket Education Program meeting. Anoka County was particularly interested in it as they have a Towards Zero Death Grant and by going through an education program that would meet that goal. Plus, the insurance agencies like it because the more education drivers get the better. As of yesterday, the city has met 60% of recycling goal. The recycling receipts are not yet in for all of August and September, so we may be on track to meet that goal and get that money from the County. At suggestion of Anoka County’s legislation person, she suggested that I attend the meeting regarding the Geological Atlas Summary. This comes out of my interest that Minneapolis is looking at tapping our aquifer. And that theoretically, our aquifer could drop by 30 to 40 inches. That was a very informative meeting. Nate was there; ask him for all the information. Went to Improving Services Meeting at the League, look for operating a Golf Cart Under the Influence to become a crime. October 5<sup>th</sup> the City as well as the Council is invited to the Open House at Coon Lake Beach Community Center. I don’t know if it is the onset of the change of the leaves, but it seems that there is a lot of litter in the roads. It would be nice if we could pay attention to that, because it does diminish the beauty of our City.”

Ronning, “You mentioned Minneapolis aquifer tap. Do they have timing or some years in the future?” Moegerle, “They have already passed this. It is a funding issue. It is all going to be discussed in greater detail at LGO meeting which East Bethel is a host of on October 30<sup>th</sup>. Contact Kathy Tingelstad, she knows the ins and outs of it. It is a real threat.” Ronning, “Who is excluded and who is included?” Moegerle, “It is the aquifer; it is under all of us.” Ronning, “Right, but as far as attending the meeting.” Moegerle, “That meeting is open to everyone as far as I know.” Davis, “We will have information on the next agenda, for what we want to present, if anything as far as the agenda for that meeting.”

Adjourn

**DeRoche made a motion to adjourn at 9:12 PM. Koller seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk