

EAST BETHEL CITY COUNCIL MEETING

November 6, 2013

The East Bethel City Council met on November 6, 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 November 6, 2013 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Lawrence made a motion to adopt the November 6, 2013 City Council agenda. Moegerle seconded; all in favor, motion carries.**

Park Davis explained due to a change in residency, Kermit Kirkevold resigned his position as a
Commission Park Commission member. In response to this vacancy, the position was advertised on the
Interviews City's website, Channel 10, at City Hall and personal contact was initiated with individuals
and who had previously expressed an interest in the position. The City received one letter of
Consideration interest from Bill Zimmerman. Applications for this position closed on October 25, 2013.
of
Appointment The remaining term for Mr. Kirkevold's position expires on January 31, 2016

Staff recommends that Council interview Bill Zimmerman for the Park Commission vacancy and consider an appointment for this position for a term that would expire on January 31, 2016.

DeRoche made a motion to appoint Bill Zimmerman to the Park Commission for a term from November 7, 2013 until January 31, 2016. Moegerle seconded. DeRoche, "We have quite a lot of information here before us." All in favor, motion carries.

Delinquent Davis explained that at its October 2, 2013 meeting, Council set November 6, 2013 as the
Utility and Public Hearing date for individuals wishing to object to the delinquent charges being
Emergency collected through the property tax system. All affected property owners have been notified
Services via U.S. Mail of the opportunity to appear before the City Council on Wednesday evening.
Charges Requests to be heard at the Public Hearing, as provided for by ordinance, were accepted
 through October 25, 2013. As of this date, no property owners have notified the City of
 their intent to be heard before the City Council.

The final list must be provided to the County no later than November 30, 2013 (Minnesota Statute 429.061, Subd. 3 requires the City to certify its assessments to the county auditor by November 30).

Staff recommends that the public hearing be conducted on Wednesday, November 6, 2013 to provide an opportunity for citizens to be heard on their delinquent amounts. At the conclusion of the Public Hearing, Staff recommends approval of Resolution 2013-63 Final Certification of Delinquent Charges for Collection with 2013 Property Taxes.

Lawrence opened the public hearing for Certification of Delinquent Charges for Collection with 2013 Property Taxes. There was no one present.

Moegerle made a motion to close the public hearing for the Delinquent Charges for Collection with the 2013 Property Taxes. DeRoche seconded; all in favor, motion carries.

Moegerle made a motion to adopt the Resolution 2013-63 Final Certification of Delinquent Charges for Collection with 2013 Property Taxes. Lawrence seconded. DeRoche, "Some of these names look familiar. One of my questions on the budget was the charge owed from other municipalities, MCES, other people. What part of this is this?" Davis, "In the budget we have charges from "Other Government Entities", those are the MCES amounts. These are just delinquent bills that are owed. The first four are water utilities and the last four are for emergency service calls." DeRoche, "Right, but aren't these repetitive?" Davis, "In terms of the water service, some of them are. Because some people elect not to pay their water bill and just have it assessed on their taxes." **All in favor, motion carries.**

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

Doug Tierney, 4610 Viking Blvd., "There was an article in Sunday's paper. I did a copy and paste because it was seven sheets long. The title was, "It is a Deadly Parasite and it is here in Minnesota Waters". The cause of this is primary amebic meningoencephalitis, also called PAM for short. What I tried to show here is how serious this is. From 1962 to 2012 there were 128 cases and only one person survived. There was testing in Washington County and out of 10 lakes it was positive in six. It is temperature sensitive, it doesn't say it in here, but I have study other ones that when the water hits 85 degrees it really starts to go. When the one kid was killed in Lily Lake, I used my \$170 thermometer. In front of your place Heidi, the channel is 14 foot deep. On that day it was 82.3 degrees. Coon Lake is two distinct basins. The whole west basin was hot, except for mud arm. I put it down there and it read 79 degrees. I took my 12 foot rake and moved lily pads back and in August the stems get thick, and the whole bay in the west arm was covered and it was acting like a four to six inch ear gap. It was four to six degrees cooler than the rest of lake".

They talk about one child died at Fawn Lake, they say Stacy. It is Linwood Township; it is right off our border. It is quite a clean lake. I also printed a map out on Lily Lake, so you can compare. They also talk about how to protect yourself. On Coon Lake, I am one of the lake level monitors. When it gets hot in August it drops."

Tierney, "In the back I put a community page out of the Forest Lake Times, showing what other communities are doing with volunteers. A lot of this stuff the DNR needs volunteers. It showed how people are going over to accesses with a filter belt, once it freezes and dies, they are cleaning that out. It will grow back in the spring. This stuff is really deadly, it was a miracle when they have 128 cases and only one survives." DeRoche, "For the record, I know someone that had a daughter that did die, and what they do recommend is nose plugs. That is the way that it is introduced into the body is up through the nasal." Tierney, "How many times have you heard someone that has been waterskiing that comes out and says they have a headache? That is because the water gets up their nose and it is in the water in six out of 10 lakes over there and it varies from year to year."

Moegerle, "I checked out the CDC to see how it gets from Lily Lake to Fawn Lake, on the feet of the birds, that hasn't been clear to me." Tierney, "They don't know how it gets from one place to another. They don't know why there are variations from one body of water to another. The only thing I have noticed and read in other articles is when the temperature gets up, 85 degrees is a key number, and it will survive all the way up to a 115. Last year was a record heat year, and that is when the numbers are going to go up. The guy is over there suing the city, he isn't going to win that, but you can't help feel sorry for him, he just lost his daughter. If we can get people to do anything. I did storm water run-off sampling one year. The Citizen Lake Monitoring CLM asked me if I wanted to get certified to do the water sampling. I said sure. They said I had to get the lake association to approve it. The one guy for the ACD said no, they did it for free. And, then the next year they submitted a bill for \$550. If we can get chemical testing free, anything to improve lake quality, we should try to do it. When we go to vote on this kind of stuff, especially you people who have power, it is dangerous. It is a deadly parasite and in Minnesota."

DeRoche, "How many days was it 85 degrees?" Tierney, "The water once it gets up there, it stays up there for weeks." DeRoche, "I live on Coon, and I don't see it up there." Tierney, "Your neighbor down there told me it was a hunk of junk. I was a test certified technician at FMC, same place your Mayor worked. I went out there and made a map and turned it in to Barb Bouillon. It wasn't a one day event." DeRoche, "I know where this conversation is starting from, and so be it. The fact of the matter is, you want people to make a decision, but to make a decision there has to be a lot more facts out there, than one or two times. Like a table. Why doesn't the Coon Lake Improvement District do it? Or the DNR? I know a couple that their 12 year old daughter died because they had a benefit for it; they were trying to raise money for that. If you are going to say six out of twelve lakes, bring some data on it."

Tierney, "It is right here, out of the Pioneer Press. I am not asking you to take a vote one way or the other. But, Leon Majors is a good source, he works with the ACD. He is someone you can call on. All I am here to do is make sure you see something that is in the paper. I am not asking you to vote." Lawrence, "Maybe a good plan is we should have the Parks Commission look at this." Tierney, "I quit the Coon Lake Improvement Association because they didn't want to print anything up. When the guy from the ACD said he does the testing for free and then a year later submitted a bill for \$550, I was mad. What I do is bring something from a source you know about. All I am asking is for you to look into this." Lawrence, "I think you have pretty valuable information. We will need to find a commission to look into this and keep their eye on it. Whether the Parks Commission or maybe the Sunrise."

Tierney, "At the last two Planning Commissions (Councilmen Ronning is the liaison) they were talking about lake types, well they meant classifications and they only had two of the three classifications. And they were talking about mercury and they didn't have all the information. I printed it out and brought it down and they seemed to really appreciate it. I think it is up to us citizens out there who have training, who have done these things, if we can possibly help you people. Not order you, but help you. Councilmen Ronning made sure I got up there and got out of there early. Thank you Councilmen Ronning for that."

Harley Hanson of 1960 221st Avenue NE, "I am a little sympathetic with the boys down in the industrial area. I want it clarified the ordinances that were placed there and the language in the ordinance for sanitary sewer there. I am referring to 42, 44 and 45, mandatory

connections. I am not complaining about that, but the liability of the shut off. What I am getting at is you have stated is that at any time you can shut off this for repairs. This is a business area and they can't afford to live without water and sewer. And if you had previous water and sewer facilities and your water tested the same as the City, I don't see any reason why can't you keep your own water. It says you cannot have drinking water other than City water. What does that mean?"

Lawrence, "That means you can water your lawn with well water." Hanson, "You can't use Culligan or Glenwood water? This ordinance is fine, but there are parts that are left out. These businesses will have to close the door if you have to repair the system. Or bring in satellites? Just some comments as someone else put it, "The City is like a carpenter selling his hammer to buy nails." We are doing on thing, and creating a problem to buy one thing for those people that are supposed to be bringing us revenue."

Hansen, "And, by the way my name as brought up in the last meeting, when I wasn't here and I was wondering what it was all about. I think it was you Heidi that brought my name into an issue of discussion." Moegerle, "You asked a question at the Public Forum." Hansen, "I have a copy of that here and it doesn't say anything in here about me wanting those peoples (the other Council Members) tax information." Moegerle, "I have been asked that question by other people, so yours was just seconded by what I have heard from other people." Hansen, "I didn't appreciate you using my name for that information without permission. Look it up, I had nothing about that I wanted those guys tax information." Moegerle, "You asked a question and I responded in a way that I thought responded to the question." Hansen, "You took it out of context." Moegerle, "I apologize if I took it out of context, but, other people have asked the question that I answered." Hansen, "Are you trying to apologize to me?" Moegerle, "I am apologizing to you. But, that is how I understood your question. I am sorry I misunderstood you."

Ronning, "Harley, there was an extra piece of information in there about how we voted on a particular issue. Did you ask about that, did you ask Heidi or anybody about that?" Hansen, "No." Ronning, "Do you have any idea why that was put in there and credited to your question?" Moegerle, "I will answer that, because you are really asking me Tom. Because he was really asking about the 17.5% increase. And then he asked do you all pay taxes? And, I answered, because I didn't really hear any of you answer if you pay taxes." DeRoche, "That isn't quite how it went." Ronning, "And then it was distributed all over the community." Moegerle, "It was factual, wasn't it?" Hansen, "What I said was we are all in this together. That is what the statement was and I don't know where it went from there." Moegerle, "It wasn't fully transcribed, we can play back the DVD. I am sure not the point we are getting to. I have apologized. We don't do stenographer minutes, this is not a deposition. It is very clear that these are not verbatim minutes." Hansen, "I am sorry Mam, but I didn't say that!" Moegerle, "I apologized if I misunderstood you."

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

Consent
Agenda

Koller made a motion to approve the Consent Agenda including: A) Approve Bills; B) September 4, 2013 City Council Meeting Minutes; C) October 16, 2013 City Council Meeting Minutes; D) Liability Coverage Waiver Form; E) Final Payment- Pearson Brothers, Inc. - Sandy Drive Seal Coat Project; F) Pay Est. No. 1 – North Metro Asphalt & Contracting - Whispering Aspen Street Improvement Project; G) Pay Estimate No. 2- LaTour Construction - Whispering Aspen/Castle Towers Force Main Project; H) Pay Estimate No. 25- SR Weidema – Phase 1, Project 1 Utility

Improvements. DeRoche, "I would like to pull Item A) Approve Bills." Ronning, "I would like to pull Items B) September 4, 2013 City Council Meeting Minutes; C) October 16, 2013 City Council Meeting Minutes." Moegerle, "I would like to pull Item H) Pay Estimate No. 25 – SR Weidema – Phase 1, Project 1, Utility Improvements. **DeRoche seconded; all in favor, motion carries.**"

DeRoche, "I pulled Item A) Approve Bills. Jack what is under Capital Improvements there is a bill for Game Time for \$41,893.91? What is that for?" Davis, "That is for playground equipment at Whispering Aspen. It was approved as part of the Capital Improvement Plan. It includes the playground equipment, installation, mulch and edging."

DeRoche made a motion to approve Item A) Approve Bills. Ronning seconded, all in favor, motion carries.

Ronning, "I pulled Item B) September 4, 2013 City Council Regular Meeting Minutes. On page 38: Moegerle, "It is important to remember we have other issues that we need to be engaged in and we all need to be working on a common goal of getting the corridor filled with businesses. And finally, Richard wanted me to remind everyone that on January 9th this year, it was agreed that we would be going to a paperless packet. We each got an \$800 stipend to go paperless and that is what we need to do. It is savings of time and money for staff and that is what the money was for." Ronning, "That is not accurate. And if it is not accurate, I don't want it referenced any place." Moegerle, "I said it. I stand behind it. And, if you look at what the vote was to go paperless, I think if you look at what the purpose was (I am looking up the minutes), but the purpose of the write-up was to go paperless."

Ronning asked Mayor Lawrence, "Did you tell Heidi that before the September 4th meeting?" Lawrence, "We were going paperless and the purpose was a savings." Ronning, "Did you say that before the September 4th meeting?" Moegerle, "Yes we had the conversation, we talked about it." Ronning, "It is referenced as a private conversation." Moegerle, "Did we have a private conversation about getting ready for that meeting?" DeRoche, "Heidi, you don't need to prep him." Lawrence, "If we did, we did. I don't recall. The gist of the City spending \$800 was for the City to save money."

Ronning read: "January 9th write-up for adopting Ordinance 41 states "Reimbursement for the purchase of computers and/or computer software up to \$800 per member was proposed at a Budget Work Meeting on August 6, 2012 and formally approved on December 5, 2012 with the adoption of 2013 Budget. The implementation of this item will permit the City Council packets to be distributed and utilized electronically by City Council. This proposed Ordinance amendment would amend Chapter 2, Article III of the Code of Ordinances of the City of East Bethel to authorize the reimbursement for computer related equipment and/or software for the Mayor and City Council".

Moegerle, "The purpose was so they could be distributed electronically." Lawrence, "And use less paper." Ronning, "Is that what the ordinance says?" Moegerle, "The purpose was that that they could be distributed electronically." Ronning, "I heard that. He read the write-up again." Moegerle, "I am reading our minutes and it says, "We each got an \$800 stipend. The purpose was to go paperless. I stand by what I said if it is an error, than you got me." Ronning, "The purpose is in your mind, because it isn't in the ordinance." Moegerle, "I talked with Richard before the meeting." Ronning, "Which meeting was that?" Moegerle, "September 4th. And he was ill and he wanted me to talk about the

paperless packets and I said what he told me. I took notes; I don't have those with me. But, he wanted to remind us that the intention was to go paperless or electronic. And, we got the \$800 stipend to facilitate that. I didn't say anything about the ordinance here; I said the purpose of the ordinance. That is what I said here, again to save time and money for the staff." Ronning, "As far as this goes, not as far as much of anything else goes."

Lawrence, "What is your question? Ronning, "My question is what the ordinance says, and if this isn't accurate, then I don't want it in the minutes." Lawrence, "The whole objective was to go paperless." Ronning, "It is fairly clear that you don't recall the conversation." Lawrence, "I do recall talking to Heidi. When I was getting ready for surgery, I had to be there at some ridiculous time, like 4:00 a.m. And, I remember talking to her about the duties including going paperless. The whole objective of the paperless product was so we would be saving money, not printing paper for everybody on the Council."

DeRoche, "Just to put a quick shorty in here, we have a \$52,000,000 challenge in front of us and you are all worried about a packet. Give me a break. Is that what was so key on your list, knowing that Richard was going in to surgery and you were going to sit and in the Mayor's spot and your big concern was, should we bring up the electronic packets? I think Richard was probably had a lot more on his mind than that, Heidi." Moegerle, "He gave me a list of try not to have chaos here, try to get everyone to go to the highest level so there is transparency. The whole idea was we can behave better; we can be better servants to the public. If we are not with one hand getting a computer and at the same time getting packets that would cost any other residents 25 cents a page, as if that is our due. That was the point. I don't understand why we are taking this time on this issue." DeRoche, "That is a darn good question. It keeps coming up and up and up. Just like you brought verbatim minutes up when Doug Tierney was up there. Why does that always come up, I thought that was decided." Moegerle, "I didn't raise it. I didn't pull these minutes." DeRoche, "No when Doug Tierney was talking you made the comment about verbatim minutes. You referenced a couple times that these aren't verbatim minutes." Moegerle, "I am sure it was when Harley was up there."

Lawrence, "We have a problem that Tom doesn't like something in the minutes." Ronning, "Once you said you don't recall, that was it for me. If I was going into open heart surgery the next day, I don't think I would be worrying about the packets or other things." Lawrence, "That is what I do. Doesn't matter what it is, I try to make sure things are taken care of before I leave." Ronning, "And it is your position that you said that?" Lawrence, "Oh yes, I am sure I did. I feel we have gone paperless and I feel we should be paperless. If you require paper, I think it is up to you to take care of it. But, I think it is wasting money and staff time." Ronning, "Are you aware the 2013 budget includes printing and reproducing for about 50,000 pages? It is not a real huge issue, it is covered. I bring it up because it keeps coming up other ways. My position is I don't agree with it being in the minutes, I would like it removed." Moegerle, "Mr. Vierling talked to us about this in the last meeting about when someone says it." Vierling, "If the Council collectively agrees that there is something in the minutes that doesn't reflect the discussion, and then the Council can edit those as part of the approval of the minutes. If it was said accurately, even if it is factually an accurate statement, this exists with the way you have been doing your minutes."

Ronning made a motion to approve Item B) September 4, 2013 City Council Meeting Minutes with the removal of Council Member Moegerle's statement regarding the electronic meeting minutes on page 38 of the packet in her Council report as discussed.

DeRoche seconded. Lawrence, "I do recall discussing this with Heidi." Moegerle, "That is what I said and it was correct." **Koller, aye, Ronning, aye; DeRoche, aye, Lawrence, abstain, Moegerle, nay; motion carries.**

Moegerle, "So if we disagree that something is accurate in the minutes we can challenge it this way? Is that the lesson from this exchange?" Vierling, "If there are inaccuracies or items that Council believes should be in the minutes, you have the opportunity to delete them." Moegerle, "So we can delete swear words, cuss words and those kinds of things? I am trying to find the limits to this rule." Vierling, "There aren't any limits to this rule. It is what the Council feels collectively that is appropriate in the minutes reflecting the business actions of the meeting." Lawrence, "If we go back to the DVD and it does show that, is it put back in?" Vierling, "Not unless there was a motion to reconsider by one of the parties that prevailed to amend it."

Ronning, "I pulled Item C) Meeting Minutes, October 16, 2013. This thing about the handout, once it is approved it is approved. I am not willing to let this go yet. I think it was a dirty move and I think it deserves more attention. And, I think Harley would agree with that after his names been bantered around." Lawrence, "She has apologized for bringing up his name, so be careful there." Ronning, "What about us?" Lawrence, "What do you mean what about us?" Ronning, "We are the ones that the damage was done to. It identifies what Bob pays for his property taxes, Ron pays, what I pay. Maybe you weren't on there since you haven't been here." Moegerle, "The Mayor was on there. How can you be damaged by facts?" Ronning, "That is clearly an election trick." Moegerle, "There is no election." Ronning, "That has been a lot of campaigning going on." Moegerle, "Not by me. I think you are campaigning right now if you want to talk about it." Ronning, "I am not up for anything. If anyone wants this job, I will take a penny for it." Moegerle, "Accepting bribes?"

Ronning, "The stated intention was for these property taxes and you had to include someone's voting record on the tax levies. And you made a conscious decision to withhold that document from us. And when I asked further about that you said." Moegerle, "Here are other documents that I prepared that I haven't shared with you either. And, I am sure there are documents that you all prepare and don't share with me." Lawrence, "What do you want to strike from the minutes?" Ronning, "I don't want to strike anything; I want to keep them open. It is not done." Lawrence, "Minutes are minutes it is over." Ronning, "Am I talking or not?" Lawrence, "You are talking but so far." Ronning, "You should say, "Quit talk when I am interrupting." Lawrence, "Quit talking when I am interrupting because that is my job." DeRoche, "No it is not. Interpretation from legal. When someone has the floor, what is the ruling?" Lawrence, "It is the Mayor's job to keep the meeting going." Vierling, "It seems to me there is a point of order coming up. You have the floor Council Member Ronning for the purposes of that item. Do you have a motion on that item?"

Ronning made a motion to approve Item C) October 16, 2013 City Council Meeting Minutes, with the exception of a reference made originally by Council Member DeRoche on a handout concerning our property taxes and our voting record on an issue. DeRoche seconded. DeRoche, "I only seconded to find out, you don't want that part in the minutes? That Heidi gave that handout to people? It is on the DVD and I am sure a lot of people received the handout." Lawrence, "It is public information." Ronning, "I am moving to have that left open." Vierling, "You need to clarify your motion; I think there is confusion on this." **Ronning amended his motion to approve the minutes with the**

exception of the discussion started by Council Member DeRoche addressing the handout prepared by Council Member Moegerle and everything included with that item to be left open for further discussion. Vierling, “Are you asking to have that section be deleted from the minutes?” DeRoche, “Can that part be tabled to another meeting?” Vierling, “You can table the action to bring the minutes back to another meeting at another time.” **Ronning withdrew his motion.**

Ronning made a motion to table Item C) October 16, 2013 City Council Regular Meeting Minutes another time. DeRoche seconded. Koller aye, Ronning, aye, DeRoche, aye; Lawrence, aye; Moegerle, nay; motion carries.

Moegerle, “I pulled Item H) Pay Estimate 25 – SR Weidema because this is the final payment on Weidema and it marks a transitional stage for the City. I pulled it simply because we have come this far and we are moving forward.

Moegerle made a motion to approve Item H) Pay Estimate No. 25- SR Weidema – Phase 1, Project 1 Utility Improvements. Lawrence seconded; all in favor, motion carries.

DeRoche, “I had discussion here. Is everything on the punch list completed?” Davis, “I see Mr. Strandlund is in the audience, there may be an issue to complete with him.” Curt Strandlund, “That has been taken care of.” Jochum, “There is nothing hanging out there that I know of.” Ronning, “This is closure, final.” DeRoche, “Who deals with the warranty on this? Vierling, “The warranty will run in favor with the City.” DeRoche, “I am thinking on the construction end. If there is a failure on the construction on that.” Lawrence, “Don’t we have a year on that?” Jochum, “This one is two years.” DeRoche, “It still baffles me that we said we would need 75 foot baffling and then we went over on Co. Road 22 and mucked out about 35 feet and now everything is supposed to be good. What happens if those pipes sag?” Davis, “It could be a design issue.” Jochum, “You could pull on the warranty bond.” Ronning, “If building fails the design engineer has some shared responsibility, how long does that last when it is underground? Do they have a shared responsibility?” Jochum, “Really it would probably get into the court system.” Vierling, “There has to be an assessment on the failure of the system done. It could be a design defect, an installation defect, could be several things. The devil is in the details. In terms of the contractor’s responsibility to you, you have the warranty and performance bond.” Jochum, “And any consulting engineer has their O and E insurance.”

Posting Speed
on Lincoln
Drive

Davis explained that in 2010 the City of East Bethel adopted a resolution that designated numerous city streets as being part of a Rural Residential District and therefore provided a speed limit posting of 35 mph. To be considered a Rural Residential District, the road must contain businesses, homes or other access points at intervals of less than 300 feet regardless of which side of the road they are on.

The other type of designation used on city streets in developed residential areas is an Urban District. To qualify as an Urban District, the road must contain businesses, homes or other access points at intervals less than 100 feet and will be posted with a speed limit of 30 mph.

In May of 2013, residents along Lincoln Drive had expressed concerns about the lack of a speed limit designation and requested that the road be posted. Staff and the Road Commission discussed the issue at their May 14th meeting and felt that the Urban District designation was appropriate at that location and had it posted at 30 mph.

Upon placing the 30 mph signs, staff has received calls with concerns that the speed limit is too high. The 30 mph is the lowest statutory limit that the City can post. It is possible to set up a special 25 mph zone on residential streets if adopted by the road authority having jurisdiction over the residential roadway. The road segment cannot exceed ½ mile in length. The road segment on Lincoln Drive under discussion is .39 miles.

Due to the narrow streets and high density of homes and cross streets in the Coon Lake Beach development, the Road Commission and staff felt that the 25 mph residential roadway designation was warranted.

If approved, the existing 30 mph signs would be reused and two new 25 mph signs would cost \$26.00 each.

The Road Commission recommends designating this portion of Lincoln Drive as a 25 mph residential roadway.

Moegerle made a motion to table designating this portion of Lincoln Drive as a 25 mph residential roadway indefinitely for the following reasons: 1) The 35 mph speed limits are being ignored; 2) This has not gone before the Coon Lake community and I have been contacted and told they would prefer to have stop signs installed at Dogwood intersection, just as they are installed at the Dogwood and Lakeshore intersection. The residents feel that if people have to come to a stop then they won't exceed the 30 mph or even 25 mph. Koller seconded. DeRoche, nay, Ronning, nay, Moegerle, Lawrence and Koller, aye, motion carries.

Moegerle, "Will there be a meeting to check out these issues with the Community Center?" Davis, "There will be a meeting on November 25th to discuss the potential Community Block Grant. We can also put a notice on this in the meeting notification and discuss this at the same time." Moegerle, "A speed study hasn't been done there, has it?" Davis, "It would not be a good idea to do a speed study there; the speed can be increased when that is done." DeRoche, "Isn't that kind of stuff supposed to be done at the direction of the Council, not direction of one Council Member?" Moegerle, "When someone asks me a question, I pass it on to staff. And, then it goes before the Roads Commission. This is the first time I heard a response to this and the justification of having stop signs was not on there." Lawrence, "It is important to know what we looking at, how many signs are we looking at? Make sure the residents know what is wanted by the Road Commission."

Castle Towers
Lift Station
Bids

Jochum explained that staff received and opened bids for Lift Station No. 1 which services the Castle Tower Mobile Home Park. Two bids were received and are summarized as follows:

LaTour Construction, Inc.	\$441,311.09
Gieslinger & Sons, Inc.	\$541,606.00

Several optional bid items were added to this project which included a fiber connection from the lift station to the well house, an on-site maintenance crane, and the programming and controls required to link this lift station to the City monitoring system. The total optional bid items were \$38,787.54.

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 \$67,694.40.

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

As discussed at the September 18, 2013 council meeting staff reviewed the project with the Contractor to evaluate changes that could further lower the cost of this project. It was determined that using the bottom portion of the existing wet well in lieu of constructing a completely new one will save an additional \$46,500.40.

Of the optional items previously discussed above staff is recommending that the on-site maintenance crane and the programming and controls required to link this lift station to the City monitoring system be included in the contract. The total cost of these two optional items is \$14,555.

The total contract amount for this project as recommended is \$370,578.15 as summarized on page 91 of the packet. Also as discussed above if this contract is awarded other work items which are currently accounted for in the Castle Tower/Whispering Aspen forcemain bid would be deleted. These items total \$67,694.40. Therefore the total net cost of this project is \$302,883.75. This project would be funded by the excess bond funds from the Phase 1 Project 1 Utility Project.

Staff recommends approval of Resolution 2013-64 Accepting Bids and awarding the contract for the proposed Lift Station No. 1 Reconstruction Project to LaTour Construction, Inc. in the amount of \$370,578.15.

Moegerle made a motion to approve Resolution 2013-64 Accepting Bids and Awarding the Contract for the Proposed Lift Station No. 1 Reconstruction Project to LaTour Construction in the amount of \$373,578.15. Lawrence seconded.

Moegerle "You want us to approve this resolution, but you indicate that the net cost is \$302,883.75." Jochum, "If we don't do this project, the lift station as it sits now has to be disconnected and connected to the gravity station and metered. All that work is included in the Whispering Aspen/Castle Towers Forcemain project that LaTour is doing right now. If we do nothing, that work will be done. If we award this project, a lot of those things are duplicated. For example there is a 4 inch meter included in this project and in the other project." Jochum, "These items have to be done. And, they are going to be done on this project now. But, we can come back with a change order eliminating them from the other project. Moegerle, 'When can we expect the change order?'" Jochum, "We can bring it to the next meeting."

Ronning, "What kind of shape is the lift station at Whispering Aspen in?" Jochum, "We went down and looked at it. From the bottom down, it isn't that bad, so that is where the costs savings of \$46,000 comes in." DeRoche, "If we do nothing, this could get worse." Jochum, "The controls are in very poor condition. The pumps often plug. Any time you call out your maintenance person, it is \$1,000 to get them to come out. It could just be rags that are plugging it up. The swifter rags plug up your system. This risk should be reduced with a new system." DeRoche, "Why on earth would we want to run that risk? Knowing the pumps are old. Just like the Weidema thing I am wondering what shape it is in. If it is a part, it makes sense to do it now." Jochum, "I personally went down there on a hoist and I can tell you what it looks like." **All in favor, motion carries.**

TEP Update Davis explained that City Attorney, Mark Vierling will provide an update on the Traffic Education Program that has been previously presented to Council.

Vierling, "Our staff, along with myself met with Mr. Glaser, who is the designer along with the proponent of the Ticket Education Program. We spent a fair amount of time reviewing the matter with him. We feel that all of these types of issues, these types of programs that are going to be proposing to divert certain types of driving offenses away from the court system will most likely going to be part of the some discussion in the next legislative session. And, with that in mind, we feel it is prudent not to take any action with regard to any type of program at this time until the legislature figures out what they are going to do. The larger issue is the state surcharges and fees that are generated from these tickets. They fund a large part of the state judiciary and these programs have an opportunity to divert these fees away from the state. That is the critical piece that has caught the eye of the legislature; you have seen some articles in the press. Until that gets played out in the legislature, we feel it would be premature to jump into any program at the present time. We are recommending that you simply wait for 2014 and allow that to play out in the legislature before we go back and start taking a look at which program (and there are several of them) might be best for this community."

Cell Tower Contract 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 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. Other quotes, offering essentially only a lump sum payment for the lease, were obtained and discussed with City Council but none were comparable. The payments offered by American Tower are the most attractive proposal at this time.

Per Council direction and review by the City Attorney, Staff negotiated an amended renewal proposal with American Tower that included the following changes as recommended by the City Attorney:

- Removal of the 50 year lease clause and extension of the lease in five- five year increments and provision of termination rights to both parties
- A one-time renewal bonus of \$30,000
- Removing the right of first refusal language
- Removing the termination language that is no longer applicable as requested.

An amended contract is attached for your review.

In addition to the annual lease payments, the City would receive a one- time \$30,000 payment as a signing bonus to renew the lease. This amount is over and above the lease revenues that would be collected for the term of the lease. Currently, all income from the cell tower lease is assigned to the Ice Arena account.

Staff recommends consideration of the renewal proposal of the cell tower lease with American Tower.

DeRoche made a motion to approve the Cell Tower Lease with American Tower as presented. Koller seconded. Moegerle, "I read that this goes towards the Ice Arena account. Is this what helps make the Ice Arena break even?" Davis, "That is correct." DeRoche, "This has been discussed three or four times before." Moegerle, "I didn't realize that this is what these monies were assigned to." **All in favor, motion carries.**

Fleet Policy

Davis explained that the League of Minnesota Cities Insurance Trust (LMCIT) meets with City representatives annually to assess areas of need pertaining to worker safety, insurance incentives, workers compensation history, and other items relating to loss control.

The LMCIT has recommended that the City adopt a written Fleet Safety Program to guide the use of city vehicles and equipment. Staff has developed the attached program based on the recommendations from the LMCIT and although the majority of the information in the program has been standard operating procedure for some time, an all inclusive written program has not been formally adopted.

Staff recommends adoption of the attached Fleet Safety Program

DeRoche made a motion to approve the Fleet Safety Program. Koller seconded. Moegerle, "I went through this and there is some lack of internal consistency. One of the things is they talk about review and evaluate this on an annual basis when change occur. What frequency will be utilizing in reviewing this? This is Section 3.D so will we look at this annually like the Comp Plan?" Davis, "That is what is recommended, so that is what will be done." Moegerle, "Under E it describes Top Management/Supervisors and employees and later on it uses City Administrators/Department Heads, so it is not internally consistent and it doesn't identify that department heads are supervisors. Which I think they are. Under F, Driver Recruitment and Selection, All applicants will have their motor vehicle record checked for patterns of violations or recent violations or DWI/DUI prior to operating a city vehicle. Can we not employ based upon a history of this if that is a part of their job description or if we hire someone with this history do they have limited access? Or what if we pull their record and they have a history of collisions, but not related to alcohol?" Vierling, "It is applied in most communities that it is a conditional offer subject to having a clean driving record. In this case no patterns or violations of recent DWI/DUI. That is typically what happens with a conditional offer and they a release is given and a record is checked." Moegerle, "What about reckless driving offenses. I think there are some issues; drivers should not consume alcoholic beverages, but what about cold medicines. I think we need to be clear at the outset. I could go on. I would suggest this goes back for one more review. I know the intention is good, but I am not sure it says what we need it to say."

DeRoche, "I suggest we pass it and if we have to make amendments or changes we can do that. But, when the insurer says you don't have this in place and they are recommending you do it and you say, "You know what, we don't like the language in it and we want to tear it apart. And, then we will come back and do it. I think we should pass it and then if we have to make amendments we can do that, we have done that before. I think when anything comes up we don't have to dissect it completely. And anticipate everything that is going to happen." Moegerle, "Headphones are not allowed to be worn." DeRoche, "If you read on, it also says cell phones."

Ronning, "I have questions. Disciplinary actions points section. If you read in there, I

don't see any exceptions or exclusions that it is strictly on the job. Some of these could happen when you are on vacation or something. And are they included? And is it for one guy or all of them? Disciplinary action based on an accumulation of points over a period of time included all of the following, Verbal Warning, Written Warning, Suspension, Termination, and points assessed are identified, but not the but not the points connected to warning and termination."

Lawrence, "What is an at fault accident." Davis, "That complies with state law." Moegerle, "Distracted driving, passengers or pets." DeRoche, "Under 4.D it deals with aggressive driving. These things are in there." Ronning, "This is a request based on the LMCIT, what is the impact if we do it and if we don't?" Davis, "If we don't do it they aren't going to cancel us, but, our rates might go up. If we do it, our deductible will probably be lowered." Ronning, "What is our deductible? And what have the surrounding communities adopted." Davis, "Currently our deductible is \$1,000." DeRoche, "I have a feeling that if this doesn't get passed, just like other things staff is going to spend a lot of time on it and it is going to get kicked down the road and kicked down the road." Moegerle, "I would be happy to meet with anyone and review it and get it back on the next meeting." DeRoche, "I am sure you would."

Ronning, "I am kind of a stickler on giving up too much of your authority and rights. Once you are in this can you be brought up for review that we want to strengthen this portion or that portion? Or are you in it all the way now?" Vierling, "No you have an option to withdraw from that program anytime you want." Davis, "The other option if it became too restrictive is to seek insurance from another carrier. The League of Minnesota Cities is probably the best option we have currently." Lawrence, "However the League is probably the best and the cheapest cost because the do all the cities." Ronning, "Do you know if there is any auditing of the City for compliance with this?" Davis "The have a checklist. They do drop by from time to time and go over not only these things, but check our facilities and see if there are any problems with things that could cause injuries to people. As long as they are our carrier, there will be some type of review to improve upon our performance, and that would probably be the same with any carrier." Lawrence, "Even if we approve it today, we can still make amendments to it in two weeks, correct." Davis, "That is correct."

DeRoche, Koller, Lawrence and Ronning, aye; Moegerle, nay; motion carries.

Moegerle made a motion to have the Fleet Safety Program come back on the next agenda with amendments for approval. Lawrence seconded. Ronning, "Who will supply the amendments? Moegerle, "I think we should all supply our amendments and have staff come back with what works." Lawrence, "All in favor of making sure we have it right?" **Koller, Lawrence and Moegerle, aye; DeRoche and Ronning, nay; motion carries.**

Sewer Maintenance and Emergency Response Policy

Davis explained that the League of Minnesota Cities Insurance Trust (LMCIT) meets with City representatives annually to assess areas of need pertaining to worker safety, insurance incentives, workers compensation history, and other items relating to loss control.

The LMCIT has recommended that the City adopt a written Sewer Maintenance Policy to guide the cleaning and servicing of the City's sewer system and to provide written documentation of all maintenance activities. These include flushing and jetting the system every three years and televising the system every ten years as well as any maintenance activities relating to lift stations, lift station pumps and other system appurtenances .

The LMCIT has also recommended that the City adopt a written Sewer Emergency Response Policy to guide employees and residents in how sewer system back-ups will be handled.

Having the written policies in place and following the guidelines will allow the city to qualify for reduced insurance deductibles in cases of sewer back-ups and help protect the City from claims.

Staff recommends adoption of the attached Sewer Maintenance Policy and Sewer Emergency Response Policy.

DeRoche made a motion to adopt the Sewer Maintenance Policy and Sewer Emergency Response Policy. Lawrence seconded.

DeRoche, "If we don't have something in place it could be a real problem." Moegerle, "Are we going to have a set of guidelines for these businesses that hook-up that you don't put sanitary items down the toilet and such. I do we have a way to enforce that, say, we get a back-up." Davis, "We can do that as an educational program. The biggest issue we have is not from businesses, it is from individual residents. I think Craig pointed out an incident in Whispering Aspen where there are a number of foreign objects that are dumped in our system and caused a back-up. I don't think there is a way to enforce that." Koller, "Are we responsible for the pipes that belong to Met Council?" Davis, "Not for pipes owned by Met Council, but we are responsible for the collection system in the municipal utility district. And that would be the sewers the serve the businesses along Ulysses and Buchanan Streets. The main interceptor is Met Councils responsibility." Ronning, "Why are they including workers compensation history with their annual review?" Davis, "They are doing this because we are self-insured through the League and basically they are trying to do everything they can to work with us so we can minimize loses through workers compensation or any accidents that occur on the job." Ronning, "Is this open for review, or is this a done deal if it is approved?" Vierling, "It is reviewable at the discretion of the Council at any time." **All in favor, motion carries.**

Assessments
for Municipal
Utilities
Project

Davis explained that the East Bethel City Council conducted a Public Hearing for the proposed assessments for the benefitting property owners served by the Municipal Utilities Project on October 16, 2013. Eight property owners filed letters of objection to the maximum assessment that was presented at the hearing. As a result of the potential for modification of the maximum assessment, objections and the fiscal impact to property owners, City Council tabled a decision on the matter and directed Staff to provide other assessment options.

The final assignment of costs, terms and interest can be reduced to whatever Council deems appropriate. Within this material there are several different options to consider for modifications to the maximum assessment. The key question in this process is how much is Council seeking in terms of assessments to apply to the project costs and what impact will the assessments have on the existing businesses, the marketability of the undeveloped property in this area and the impact on the 2014 and subsequent budgets.

The concern for the assessment is the impact on the property owners and on taxpayers as a whole. The City Council conducted a Work Meeting on October 23, 2013 to consider options to the maximum assessment for the project. There was clearly an indication that

Council is committed to reducing the assessment to the greatest possible extent and as a result, some Council Members had an inclination as to a preference for Option 5. Option 5 would assess vacant properties at \$15,408.66 per ERU and developed properties at \$7,704.33 per ERU. While there was no decision as to direction of the preferred option, the matter was left open and staff requested that Council Members submit any other modifications for consideration. Options 6, 7 and 8 are presented in your attachments as additions to those previously discussed at the work meeting.

Since that the work meeting the City Attorney has provided the following opinion concerning the different options:

“If challenged, the city must defend itself under proof that the improvement added benefit/value to the property in issue. Most appraisers that I have worked with us on those have repeatedly stated that the existence or non-existence of buildings on the site has nothing to do with their opinion as to the value of the improvements to the property. As such a council option that distinguishes assessment options based on whether the lands are improved or vacant may find itself not being able to be sustained by professional opinion from the experts in the appraisal business.

The benefits flow to the land not to the building, consequently distinguishing vacant from improved lands wouldn't be a good idea”.

Based on Mr. Vierling opinion, Options 1, 2, 3 and 6 would be more defensible if challenged in court.

It is recommended that Council approve an Assessment Option for the Assessment Roll. An approved Assessment Roll must be submitted to the County Auditor by November 15, 2013 to be included in the pay 2014 assessments. In your attachments there are eight options. The new options are 6, 7 and 8. And as stated by Mr. Vierling, Options 1, 2, 3 and 6 might be ones we want to discuss a little further.

Moegerle, “I called Ken Tolzmann about assessing this. And I said I did an eyeball evaluation of the valuation of businesses on Buchanan and Ulysses. And it looked like the valuation went down by 15%. I did a quick summary of the businesses across the highway and they went down about the same. So, my question was, “Has the benefit already been achieved by the businesses on Buchanan and Ulysses? And, if not when would they achieve it?” Tolzmann said he assesses by using comparables. Only one property has sold, this is my understanding, and it was not at an arm's length transaction, for some other reason he felt the value of the property wasn't met. So, there isn't a comparable for him. For him the data isn't there. That makes our decision even harder. And, I think there is a 9th option. And, that is to not do this lateral assessment this year. Let's postpone it a year until there is more sales and then we can maybe get a better handle on what the benefit is. I am not championing this; I am saying it is out there. This is very, very, difficult. I see the difference that at vacant building that has water and sewer, versus one a vacant property that is benefitted from it. But, since we are not allowed to do that, I am stymied on what to do. I am at a loss, so I wanted to throw out Option 9.”

Ronning, “The one consistent common denominator I see is \$7,704.34. I asked at the last meeting where that comes from and I see that it is an aggregate of the projected final. I have asked how solid we are with that number and the answer is, “We aren't solid with it.” That is where I see some relief, to modify that number.” Davis, “That is solid based on project

costs. But, that number can be modified. We can take any modification you want to do. We ran some modified numbers; we took and ran different things on such as extending the terms on them from 20 years to 30 years. Anything you want to look at, the possibilities for potential modification are limitless.” Ronning, “What about what Heidi said, postponing for a year? I don’t really understand how this works. I understand once it is done, it is done.” Davis, “I think we would be okay to postpone this. The reason we were looking to get this done was to get it on the 2014 taxes. I am assuming there is some statute of limitations with the opportunity that you have to do this assessment by a certain time. It can’t drag on indefinitely.” Vierling, “We can take a look at this. I know there is no issue with delaying it until the 1st or 2nd quarter of 2014.” Ronning, “Really what it does is postpones the problem.”

Lawrence, “Looking at what the two of you have said, I have a little harder stance. We have already charged a huge price on the ERUs standards. And, I was reading through some of the notes most of the people left and most of them said that they felt that the ERUs, SAC and WAC charges should have incorporated the costs of the assessment. I am in agreement with that, I think this is an excessive burden on the businesses in the sewer district.” Davis, “That is one of the options here, to have no assessment.”

DeRoche, “The only problem with incorporating those two together is what it does to the figures that were drawn up when this project was put together. We are already looking at 17.5% increase (maybe less) this year. Now we take away any lateral assessments and that is going to really go up. Maybe not next year, but 2015 and 2016. Unfortunately, these two weren’t put together, at the beginning of this race. And what we consistently seem to be doing is going deeper and deeper in the hole. Without Met Council taking away ERUs and losing money there. We are just taking away how this thing is going to be paid for.” Ronning, “And there are some apparently uncontrollable things in here, that the Met Council can just come along (like Bob said about the basis for the success of this project) and forgive 11 ERUs and tell the rest of the people, those are yours and we aren’t worried about it. To me there is something wrong with that.” Davis, “Let me remind you that this assessment and the SAC and WAC charges are two different things.” DeRoche, “Absolutely, but when Bolton and Menk did the feasibility study that was part of it. They had the SAC and WAC fees and they had the lateral benefit assessment.”

Moegerle, “I am suggesting we postpone this for a couple of reasons. If we look at Options 1, 2 & 3, where we get \$92,000 a year we get in. Right now we haven’t really looked at the revenue side of our budget, so this is not included in the revenue side. If we look at number 2, there is zero benefit, which is the same as postponing this for a year. If we look at number 3, the annual amount to receive by the City is \$14,000. That means something, but if we make an error and damage people because we don’t have enough information by the time we have to get this in? That is worse than the \$14,000. Option 4, which apparently we have eliminated is \$22,000, I would rather be right and postpone getting the \$14,000, the \$22,000 or the \$28,000. And here is the big thing, what we don’t gain through our lateral system is more of this project that the residents pick up. In some respects, by doing a lateral assessment, we are giving a gift to our residents. And saying, “We are relieving you from the burden of paying for this amount.” Based upon what Ken had to say about comparables and the way he described it, there are several ways of doing assessments. He is our assessor and I think we have to give some deference to his comparables argument. I don’t think we are in a position to say accurately and defensively and honorably and fairly to everybody by whatever we assess. I hate to kick this down the road, but I would rather be fair and right than to do somebody a disservice and run them out of business and out of town.”

DeRoche, "I don't think it is a gift to the residents, saying we are going to assess these businesses. But, other than that, what would the businesses think of this 9th option?"

Curt Strandlund of Classic Construction and Classic Holdings, "I think as a developer it would be hard to market this property not knowing where we are. And I think everybody would like to see some growth in the system we have. By pushing it down the road, it would be harder to market the property. Not that there is somebody interested at this time, but it is hard not knowing where you are at. I also think the existing businesses would have a hard time budgeting without knowing." Moegerle, "If we gave a range, such as we don't want to see you pay more than \$XXX per ERU? If we said it will be under no circumstances no more than this, but we need to fine tune it to make sure it is fair for everybody, does that help?" Vierling, "To the gentleman's point, for example, currently if the City gets a call if there is pending sale or somebody is asking if there is any pending assessments, by practice, policy and probably by statute, your staff is reporting out pending assessments on those properties based on the improvement hearing that was conducted back in 2010. That is the figure they report out to the closers, to the people that are checking the title and that is typically a higher figure. Until and unless the Council abandons the assessment or adopts the assessment, that is the figure that staff is going to report out to closers when they call for estimates on pending assessments." Moegerle, "And, that is the one under Option 1, is that correct Jack?" Davis, "It is higher than that. The notice that was sent out in 2010 said it would be in the worst case scenario \$300 to \$8,000 to \$10,000 higher." Moegerle, "These comments are really very helpful, thank you Curt."

Paul Johnson of Aggressive Hydraulics, "I just wanted to support, but maybe more in depth. Most people coming in won't be cash buyers, so they will need to bring their arms around financing and what not. When we came in and went through our rationalization, we did have a choice to build in Blaine. There was an issue with wetland mitigation and unknown costs, and a shovel ready project here made it more black and white and concise. And we were really trying to get our arms around actual costs. I appreciate the thought of let's do it right, let's err on the side of accuracy than not, but putting it out twelve months will create some more question marks and so on. From someone that just went through this and also as a proponent of additional development, I can see how that would be an issue." Ronning, "This is mitigated down \$293.66 from what the original was and I have looked at this as many ways as I can (which doesn't mean anything more than anybody else can). But, the \$7,704, to me that is the ticket. Once the assessment is done and if you don't assess an empty property. You have to have something connected to it; otherwise the people now will be covering the burden from now on. To some extent that is the way it works anyways."

Moegerle, "What about the businesses on Buchanan and Ulysses? Which option are you saying, just pay one ERU? Which option are you saying?" Ronning, "It isn't an option identified. Mine is Option 10." Moegerle, "Okay, which option is that?" Ronning, "It is \$7,704.34, cut that to about 60%. This is an incremental cost, the \$7,704.34. And it is based on a lateral sewer assessment and water system assessment. So we cut that." Moegerle, "So you want them to pay 60% or 40%?" Ronning, "It would be 60% and that is substantial chunk of money"

Jeff Gardas of Northbound Woodworks, "You were talking about the ERUs and I am at a four. I don't know how I am at a four and I would like to see how we came up with that number. It is so hard with the economy; I would like to see the cost cut down a lot and the

burden of us having to pay for all of this. If there is anything to help out, I am all for that.” DeRoche, “Jack, how did he get assessed for four?” Gardas, “They said it was my fire sprinkler system. I am the only one with a fire sprinkler system. But, that is only if it works. I have four bathrooms and a water fountain.” Ronning, “And how many employees?” Gardas, “I have eight employees.” Ronning, “For an eight or ten hour day?” Gardas, “No, eight hour day.” Lawrence, “I don’t know how you got four either.”

Moegerle, “My understanding is that staff had offered to help you go through the appeal process with Met Council. Had you heard that before?” Gardas, “No.” Moegerle, “Would you be interested in having that help from the City? Is that still open Jack?” Davis, “That is always open.” Gardas, “Yes, I am open to that. I don’t have much good to say about the Met Council, but yes. Isn’t the gas station at a two? How can they be a two and myself be at a four?” Davis, “They were at a four because they had a car wash. The Met Council (and I am not defending them) they have a standard they use that is not based on the water you use, it is based on your anticipated flow. In the worst case scenario, what would happen if you flushed all your toilets, turned all your faucets on and your sprinkler system.” Gardas, “That hasn’t happened for at least ten years. I have an 8 inch well that it sound like I am going to have to get rid of. I just figured out that I had it all paid off, my sprinkler system and my well. I paid over \$100,000 for it all.”

Davis, “One thing we could do as far as an appeal standpoint is we could try to look at leaving your sprinkler system on your well. Then convert the rest of it to City water and sewer.” Gardas, “But I am still going to have monthly charges.” DeRoche, “Based on usage.” Gardas, “Isn’t there a minimum?” Davis, “There is a minimum charge.” Koller, “What is the minimum charge?” Davis, “I would have to look that up in the rates. The usage charge is very low, but there are a couple other little charges in there like the plant charge and \$5 ERU charge. The actual minimum usage charge is very low.” DeRoche, “So is the gas station going from four to two? Kind of like the theater going from 27 to 13? So, the Met Council said you have to bite it on two more?” Davis, “Well they closed the car wash. So, they have reduced their peak flow usage.” Gardas, “They use a ton of water.”

DeRoche, “My problem is this was all part of the feasibility study. And the matrix that we were all given with the assigned ERUs. That is all part of the proposal on how this is supposed to pay for itself.” Davis, “I completely understand that. But there is nothing in any of the matrixes for this project that is anywhere near close to being sustainable.” DeRoche, “Point taken.” Ronning, “A comment. If you have a 24 hour operation that at least hundreds of people go through every day, maybe more. The maximum flow, it seems the potential; I don’t see how they are a two?” Lawrence, “That doesn’t make sense.” Ronning, “No it absolutely doesn’t.” Davis, “Again the difference is for Northbound Woodworks they are including the fire sprinkler system and all they are figuring is the maximum peak flow.” Ronning, “So if everyone is in the bathroom when the sprinkler system goes off, that just doesn’t make sense.” Koller, “If they kept their sprinkler system on their well their ERU could drop quite a bit.” Davis, “That is correct. The fire chief looked at this for the theater and they kept their sprinkler system on their well and that was part of how they could do that. So, this is an opportunity here to do that and submit an application for his business to the Met Council for a reduction.”

Koller, “As far as these options go, I am down to either a 3 or 6.” DeRoche, “Ten sounded kind of inviting.” Gardas, “The City used to come to my place to fill up their fire trucks because they could fill up them up faster. I am wondering where they are going to fill them up.” DeRoche, “We have fire hydrants down there.” Gardas, “The City was supposed to

pay me for that. Two different mayors told me that. And nothing ever happened. They had more fire trucks down our road taking our water; thank god it wasn't on ERUs then. And, I was all for putting a fire hydrant out there, I told them to split it with me. They said no. Hopefully something changes here."

Moegerle, "Ron, what if you split the baby between Option 3 and 6? Using round numbers, one is at \$7,700 and one is \$15,400. What if we split the baby and make it a round number of \$11,556. Kind of using what Tom was saying, but instead of 60% using 1.5%. Does that work for you?" Koller, "And that would be a flat rate for everybody?" Ronning, "Is everybody ready for a monkey wrench? What happens with the mass transit bus thing, with the parking lot stuff? Who ends up maintaining the parking lot? Is that a MnDOT thing or East Bethel?" Davis, "That will be whatever lease is worked out between the theater and Anoka County."

Koller made a motion to adopt the Assessment as a lateral benefit charge in the amount of \$11,556 to each property owner for the 2010 Municipal Utilities Project to be certified for the 2014 payable taxes. Moegerle seconded.

Vierling, "You may want to look at the assessment roll because there is one parcel that under options, 1 or 3 was only going to be assessed \$7,704. So under the current motion you would be increasing that to \$11,556." Moegerle, "But, you don't have a legal problem on the ERU basis, right?" Vierling, "I wouldn't say that." Moegerle, "So what if we say that person pays 1/2 of the \$11,556?" Vierling, "I like the original proposal by Council Member Ronning to do the assessment to all properties at a fixed percentage. Because the methodology by which that option was arrived at is preserved, you just lower the number equally or proportionally across the board." Moegerle, "We could achieve what we were talking about by doing 75% of the ERUs."

Ronning, "What he is trying to say is that this was developed around so many ERUs. And, we have the control to change the cost of the ERUs." Davis, "As City Attorney Vierling stated, every property in here has at least two ERUs. Except on property that has one ERU and that is the Landmark property. So, if we are doing something with 2 ERUs, we are actually increasing theirs." Moegerle, "So, if we change the value of the ERU from \$7,704 to \$5,775 and we assign 2 ERUs to everyone, if we do the multiplication, we will get about the same amount spreading the baby between all of the property owners. On Option 3 and 6 everybody pays a little less than on those options."

Ronning, "At 60% it goes down from \$1.1 million to about \$600,000, which still has revenue, but also some relief as well. If we do down to 75% it goes down to about \$750,000 for a final. The cheapskate in me says the sooner you get something paid for the lower the cost. I would like to see the loans paid back in 20 years, instead of giving them 30 years." DeRoche, "I am amenable to the 60%. When this was put together, it was stated even back then, these are the charges, the City can lower these charges if need be. Rather than burden these businesses that have to hook-up." Davis, "Just for clarification, the maximum allowable assessment was \$1.1 million. You are talking about taking 60% of that, roughly \$600,000. How would you assign this for assessment then?" Ronning, "Just decrease it to 60% and leave everything else the same. The main thing we have to deal with is the common denominators, or what would be \$4,600 (at 60%)." Davis, "That is fine as long as it is the same for everyone." Moegerle, "Is that going to be an equivalent to costs equal to Option 7? Because that payout is \$552,000 which is half and you wanted 60%." Ronning, "I am not saying any number, I am just saying this is where the opportunity lies."

DeRoche, "I don't think legally we can pick and choose, can we Mark? It all has to be across the board." Vierling, "The methodology used has to be across the board. That is why you have different options. Each option has different mythologies or options on which they are based. My comments obviously don't waiver in favor in some of those options. I certainly have no problem with the Council taking a percentage of Option 1." Moegerle, "So the idea of assigning everyone 1 1/2 ERUs doesn't work for you." Vierling, "No." Ronning, "What it amounts to is we will be splitting hairs forever. Then we have to have so many ERUs when this group comes along and it just doesn't work." Moegerle, "No because Option 6 is 2 ERUs whether it is developed or undeveloped. But, if you say use Option 6 and assign 2 ERUs to all properties then there is just that one property that is out of the realm of this and will see an increase. But, basically that is just a modified Option 6 with the 60% charge." Ronning, "There is some way to establish the ERUs and that has to be consistent throughout the entire community. I still say the charge per unit is where the opportunity is. Not because it is my idea, because I don't see any other way of doing it." Moegerle, "I agree. But, under Option 1 if we did 60% of that the distribution will be similar as to Option 7. Because that is \$552,000."

Ronning, "We have a builder interested in a residential housing project. How will this apply to them?" Moegerle, "I asked about if we are going to have lateral benefit assessments in the future and Jack said, "No, we get Roads." Davis, "We will not get lateral assessments, he will be running his own lateral lines within his project." Ronning, "I am for keeping the methodology simple and changing the valuation." Koller, "We could do Option 6 and reduce the amount to what Tom suggested." Moegerle, "And that one business is just going to pay more than everyone else? See, if we do a flat ERU that happens." Koller, "Everyone pays the same." Moegerle, "What do you think about the \$15,556?" Koller, "Tom had a reduced amount." Moegerle, "\$5,775 times 2, \$11,550."

Koller amended his motion to approve Option 6 and lower the ERU amount to \$5,775 with all properties being assessed for two ERUs. Moegerle seconded.

Ronning, "Devil's advocate, at this point, this is all our board and methodology. And, I assume what we have done so far is take the Met Council numbers and assigned our numbers to it." Davis, "We haven't taken the Met Council numbers here. The ERUs come from the Engineering Report based on the lateral water and sewer counts available. So, the Met Council numbers have really nothing to do with the ERUs. These come from the Engineering Report." Ronning, "Met Council uses 13 for the theatre and we are using something else." Davis, "For this, everything is equal. So, two for the theater, two for the bank, two for Landmark building and two for Aggressive Hydraulics." Moegerle, "Do we offer a term with 20 and 30 years?" Koller, "I made a motion to use Option 6 as written." DeRoche, "But now the one that has one ERU is going to pay more." Moegerle, "The value is that they have water and sewer to their property. So, the value is the same. How much of that you use, is where the real value comes from."

Vierling, "You asked me if I have issues with using ERUs and I do. All the numbers you talked about are fair, depending on beauty is in the eyes of the beholder, whether you like it or not. The other issue I am confronted with is before you get to your final number was your methodology uniform for all the lots coming across. When you say two units per, I don't know how that can be defensible when you have 40 acres and two acres." Moegerle, "Because the lateral assessment is for the access to this." Vierling, "But how is that methodology uniform relative in size of the land?" Moegerle, "Because we were told at the

last meeting you can't talk about this person has this size of land and this person has that size. I am pretty sure we were told that." Lawrence, "The City has a long history on road assessments. Doesn't matter if you have 20 feet of road or 100 feet, you are paying the same."

DeRoche, "I think we ran into this issue up at Whispering Aspen. Part of that issue was costs were charged and the City had to pay them back. With the water and meters? Or was that the trailer court? And the state came back, the Court of Appeals and they decided they had violated the original contract they had signed. This was around 2004/2005." Moegerle, "Why don't we say what we are going to assess is \$250,000. Then divide it equally between all parties and be done. Doesn't that achieve with treating everyone the same?" Vierling, "Treating everyone the same doesn't necessarily equate to uniformly applying the methodology of the assessment." Ronning, "What I was suggesting is take the original spreadsheet and take everything that says \$7,704 and divide it down to a lower number. Now your methodology for assigning is consistent. I still believe we need to cut the unit cost down to make this consistent."

Davis, "Mark, is what you are stating is most properties are essentially of equal size except for three or four of them which are three to four sizes greater. The lower value assigned to the larger lots, the smaller lots can come back and say, "On a per acre basis you are charging them much less than you are charging me. Is that the point?" Vierling, "There is an issue with that and if the City wants to adopt as part of its assessment policy that regardless of size you are establishing a firm cap on the assessment per lot, a cap that it will not go beyond, that you may do." Davis, "In our current assessment policies it does state that an ERU is an acceptable means of assessment." Vierling, "I understand that. If you are going to try to achieve uniformity and deal with the issue of various masses and sizes of lots. You should set a cap beyond which you won't go per lot. That is defensible." Ronning, "How does that mix with the assessment cost for the value received?" Vierling, "That will be dependent on the assessment, if challenged. Whether or not that lot got the value from the improvement. I am worried about uniformity on everybody." Ronning, "Assumedly you reviewed the methodology on the initial presentation?" Vierling, "I reviewed the feasibility report in 2010 on which things were predicated. I understand what they did."

Moegerle, "What if we say this is the number we want to assess. The number Ron and I were talking about is about 25% of Option 1 and distribute in a manner that meets Mr. Vierling's considerations. I don't understand now."

Strandlund, "I have one comment, I think the one parcel that is different from all of them, is my outlet. Wouldn't that be handled the same as additional development? Because that only had a pipe to the corner and I am going to have to do the infrastructure to it?" Davis, "When we looked at this, we couldn't make the assumption of what you are going to do on that lot. You could have another development like Aggressive Hydraulics, so we just looked at it as a single lot to develop." Strandlund, "So they could all be equal, other than that one parcel, but if I do further development it is at my cost to do hook-ups" Moegerle, "And you are okay with that?" Strandlund, "As long as it is treated at this time the same as the rest. Because I have the same connections as the 2 1/2 acre lot." Lawrence, "Is Option 3, is that defensible? Flat rate option."

Ronning, "I found another monkey wrench. How does this assessment compare as the assessment that is going to go out to the general population?" DeRoche, "Whatever the

businesses don't pay, the residents are going to pay." Ronning, "It is blind justice and that has to play in here." Lawrence, "Right now we have a motion on the floor. And I don't know if it is justifiable." Moegerle, "\$11,550 flat rate is what we are doing and it would get us about \$250,000." Ronning, "One of the things I am seeing is final street restoration cost was \$476740.13." Davis, "That street restoration cost was not used to determine a value, because we wanted to keep this cost as low as possible and also because that road was in pretty good shape. They do have a better street, it does have curb and gutter, but it wasn't essential for their business. So, I thought it was unfair to add it in to those calculations. This just includes the water and sewer."

Moegerle, "If we did Option 7, the flat rate is \$25,091. Pretty steep." When I was at AUW, and if I made a settlement I had to explain why. I couldn't be arbitrary and capricious. If you got a settlement of so much money, you could ask, "Why not more or why not less. And, we are somewhat in the same boat here. How did we come up with that number?" Davis, "The base number we started out with \$7,704.33 is based on the maximum assessable cost. We can come up with our own number, but we do have a basis for defending the \$7,704.33." Moegerle, "What they don't pay, the residents pay. But, since it hasn't been added into the budget yet, it acts as a form of tax relief." Lawrence, "But, it is collectable in 20 years. Could be only \$15,000 a year." Moegerle, "Part of me says we should wait, as long as everybody is treated the same." DeRoche, "How can anyone think about development, when you have no idea? I have to agree with Curt. Aggressive Hydraulics had no idea it was going to cost this much. Banks want to know numbers. They will have to have some hard numbers." Ronning, "Does number in the motion pay the interest?" Davis, "No, the interest payments for 2014 are \$790,000." **Moegerle and Koller, aye; Ronning DeRoche and Lawrence, nay, motion fails.**

DeRoche, "It wasn't going to work because they were told we were going to charge them one and now we are going to charge them two." Moegerle, "We are walking from the term of ERU under that proposal. What Curt said is everybody gets the same benefit, because they get the stub to their property. So we are assessing getting the stub to their property. Isn't that what a lateral assessment is, the value of the stub on the property benefits the property?" DeRoche, "But Option 6 had two ERUs." Moegerle, "Right, but they are talking about one unit. How are we going to be 100% fair to everyone if one person has two ERUs and another has one ERU and if we can't use ERUs." Vierling, "Unfortunately, I think the Council is stuck with the ERU concept because that is what the report was predicated on. I still think you could have an assessment role predicated on ERUs assigned, but have as part of that a minimum ERU assessment and a maximum ERU assessment regardless." Moegerle, "I understand what you are saying, but before voting, I would like you to be sure no matter what. If we are going to end up in litigation, I want you to be sure." Ronning, "The terms use isn't fair, it is consistent. And, you need to be consistent." Lawrence, "In Option 1 they are the same." Vierling, "But they are not the same, one property has one ERU." Davis, "What is the least assessable cost that someone would take it to court because it wouldn't be economic for them to do so?" Vierling, "From an economic standpoint, it makes no economic sense for someone to go challenge an assessment that is \$10,000 to \$11,000. It also doesn't make sense for the City to go in and defend it. Not to say you assess at a low number to defend it."

Moegerle made a motion to adopt Option 3, which is one (1) ERU for each property to be assessed for the 2010 Municipal Utilities Project with the assessment for the lateral benefit charge in the amount of \$11,500 to be certified for the 2014 payable taxes. Koller seconded.

Vierling, "Isn't that the exact same thing as before?" Moegerle, "Everybody gets one ERU." Davis, "There are 22 total properties." Ronning, "There are 22 in the hat. So, \$253,000." DeRoche, "The thing is, it won't make the payment and it is for one year."
Moegerle and Koller, aye, Lawrence, Ronning and DeRoche, nay, motion fails.

Lawrence, "It is too much, you are hurting the businesses." Moegerle, "You are hurting the businesses as well." Lawrence, "This is a brand new thing and it is hurting the businesses. I don't agree with it. I think it is wrapped up in the ERUs they have already paid. If I had my way it would be zero. That is my opinion, I don't think we should charge them for it." Moegerle, "There is some value in having a stub." Lawrence, "When you are hooked up, and have to pay the bill that is enough." Ronning, "It is wise to come up with something that is defensible and can be used again." Davis, "This situation only applies to this case. We have to do this on a case-by-case basis. This particular situation only applies to this case." Lawrence, "This is the first setting for the water and sewer project. So, I think this can be done for this project." Moegerle, "If we do this for this project, aren't other projects going to want to be exempt?" Vierling, "This is the trunk." Davis, "Going forward, there will be some other connections to the lateral system. In essence in forgoing the assessment to this, we could be forgoing the assessments to those." Moegerle, "What is your number and how do we get there?" Ronning, "I don't have a number. I assume the original number is defensible. And, then the unit cost has to be defensible." Moegerle, "What is not acceptable about \$11,500?" Ronning, "To see that sheet, if you put some formulas on that sheet and then could put some formulas for each property." Moegerle, "I am looking at the totals, and then looking at the flat rate." Ronning, "I think we have a responsibility and opportunity to help the businesses. And we also have a sword hanging over our head. We have to generate some funds, there is going to have to be a minimum, but the \$253,000 won't pay four months of interest." Davis, "Keep in mind that this assessment is just one way that we are working to pay the interest down. If we assess the maximum, we would only generate 4.5% of what we need to pay it down. It is a small part of the picture. I am not trying to minimize it."

Moegerle made a motion to adopt Option 3, which is one (1) ERU for each property to be assessed for the 2010 Municipal Utilities Project with the assessment for the lateral benefit charge in the amount of \$11,500 to be certified for the 2014 payable taxes. Koller seconded. DeRoche, "We can keep going round and round. Like Jack said, this is such a small thing. We are not going to get this out of them anyways. They were told they were not going to have to hook-up." **DeRoche, aye, Moegerle, aye, Koller, aye, Lawrence, aye, Ronning, nay; motion carries.**

2014 Budget Discussion

Davis explained that in addition to attempting to mitigate the impact of the proposed 17.5% preliminary tax levy increase, of equal or more importance is the development of a 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 manage the severity and impact of future tax increases that will be an issue in 2016, 2017 and 2018 due to 2010 C Bond payment due and the commencement of principal payments on the 2010 A and B Bonds in 2018.

Staff requests that Council consider the proposed 2014 Budget with additional cuts as presented, any other line item recommendations as may be appropriate for the 2014 Budget 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.

As an attachment to this , we provided another budget which incorporates some of those reductions we discussed at previous meetings. The \$44,000 and you can see then what impact it has. That has an effect to reduce the levy to 16.4%. That represents a decrease of 1.4% in the general levy for 2014 as opposed to 2013. If we want to discuss any other line item issues, however you want to continue this discussion.

Ronning, "One of the big tickets on here is the Fire Department. Is part of it for a boat?" Davis, "That is in our Equipment Replacement Fund. I think there is discussion on the fire department, is that necessary. They could consider postponing this. But, that is not in the general levy, it is in the Equipment Replacement Plan." Ronning, "If we just don't do it, the equipment fund doesn't grow for a boat." Davis, "There is a part of the operating budget for the fire department that we contribute for the equipment replacement fund." Ronning, "The one they have is an old coast guard zodiac and they can't get it on most of the lakes in East Bethel." DeRoche, "We just purchased two new fire trucks. We purchased a new pickup, a new trailer. Our fire department is not primarily water rescue, our sheriff's department does that. I have a 14 foot aluminum john boat that sits on the shoreline in the winter time and if somebody goes through the ice that is what is going out on the lake to try to help them. That and a rope. As much as I would like to see us have a new boat, I don't see where that is going to happen anytime too soon here." Koller, "The fire department has a couple of big expenses coming up in the next few years here. Radios and the new air tanks. So, I think they should hold off on any unnecessary expenses until that is taken care of. They are working on some grants to help pay for those, but it is hard to say if they will get them. The air tanks are old enough that they no longer pass inspection. And the radios due to changes in the way they operate, we are going to have to change them." DeRoche, "Didn't we just replace radios? About a year or so ago?" Davis, "There were some additional radios added that were on the new frequency. These were new radios, handheld ones." Koller, "I think on the fire department we can hold off on any other expenses. Fire fighters carry pagers, but they have radios on the trucks so they can communicate. They have 24."

Moegerle, "I think we should really join Metro Cities. They are the watchdog of Met Council. Anything we ask them for, they will help us with. It matters to legislators that we are a member. Any relief that we seek to be approved, it matters that we are a member. I had a meeting with Richard and Jack and we talked about reaching out to request with Met Council. The membership is about \$4,300. I think this is the time to do a trial membership and if we don't have a value for it we can opt out next year. I saw Pat at one of those League of Minnesota Policy Committees and we kicked around some ideas. She is a good brainstormer. They will kick ideas around so they will work. I think it is necessary." DeRoche, "I don't agree with that at all. I think they are a lobbying group and as they stated, they would not represent East Bethel, they would represent all the cities. And, all the other cities are not in the same situation we are in. As far as Met Council goes, we need to deal with that with us and not through Metro Cities." Moegerle, "According to what Pat said, if we meet with Met Council, they are going to be there anyways. If we meet with Met Council, they are going to be at that table. And I think that is a perspective maybe you are not sharing." DeRoche, "I think it is a waste of money right now." Koller, "From what I heard, they don't work independently, they work as a group. So it does sound like a lobbying group. I really don't see much of an advantage." Moegerle, "They are like the League, but with the Met Council for the cities. They are authoritative with Met Council and frankly we need as many allies we can get. We were talking at the meeting today about going to our legislators and getting them on our side also. It is lobbying." Lawrence, "Is

there someone that can come talk to us?" Moegerle, "She did." Lawrence, "I wasn't there that day."

Ronning, "She seemed to describe a watchdog group that doesn't have any teeth. A watchdog with no bite." Moegerle, "A watchdog, a partner and a liaison. And what we need is the liaison function. Even if we work out a deal with Met Council it has to be approved by Metro Cities, so why not have them on our side. I think they are supportive of their members and I think it helps us. A one year membership to give it a trial, if we wait down the road and belatedly going to them as asking for assistance, I think we will have lost an opportunity." Ronning, "Did you say there is a layer we have to go through with them to Met Council?" Moegerle, "How I understand is anything Met Council approves has to be acceptable to the membership of Metro Cities. I see that as a benefit." DeRoche, "I think that muddles it up. For someone else to get involved in that will just muddy the waters." Davis, "If it is something that appears to our benefit that we want to join, we can use some funds from the EDA to join." Moegerle, "We can only afford it if that budget doesn't get cut and I have heard rumors to that effect."

Ronning, "In three hours and 20 minutes, what have we gotten done?" Moegerle, "We have adopted an assessment policy for the municipal utilities project." DeRoche, "I see where we can cut some out of the EDA." Moegerle, "I looked under Levy Increase Options for 2014 and you list the Street Capital Fund, Equipment Replacement Fund and I just did the math on a 2% across the board. Over there five funds, if you did a 2% savings it comes to \$50,000. Obviously, most of it comes from the equipment fund. It is not disabling to anyone of the five. It doesn't disable us from going forward with that." DeRoche, "That equipment fund covers all equipment. I think the capital funds, we take out of them and it is a one and done deal." Ronning, "We are up here looking for things and it almost seems like we should go back to the department heads and ask them to look for 5%." Davis, "We have done that. And if you notice in this report it is broken down and there are departments that unless you want to cut the little left in office supplies or personnel, there is nothing left to cut. Contractual amounts are left. Engineering has been cut for the last two years. HRA we have no costs in there, negative budget in there. As far as going back to department budgets, there is nothing left to do, unless you want to cut personnel." DeRoche, "Forest Lake talked about cutting a bunch of personnel and they are going to have to hire them back because you cannot operate without personnel. I will not gut the City. I talk to some City Managers and they don't have an equipment replacement fund, they just levy for it. Whoever decided to do that here, it was a good idea."

Moegerle, "I have had conversations with Daree at the Chamber about the fireworks and using it for advertising and I kicked it past Paul and he was intrigued. He asked what they would get out of that. I said you would get advertising at fireman's dance and advertising at Booster Day. Excellent promotional tool for that. I would like to see that \$2,500 repurposed to park benches. More importantly, we have to look at the revenue side. Where are we going to get new revenue. Are we going to change our permit fees. What if the fire department starts billing for certain things. Because we are all kind of stuck and how can we move this forward."

DeRoche, "This fireworks thing keeps coming up and the Chamber hasn't made a commitment, I have talked to them. Until I see proof, I am not going to put it out there. I am looking at the EDA and thinking why do we need \$133,000 in there? Particularly when bigger cities only have \$80,000?" Moegerle, "They are not growing. We really need to make a concerted push to grow. Aggressive Hydraulics was a great example. There may

be businesses that need assistance from the EDA. There is the potential for the City to grow, it is outside of the general fund. Working capital to get some of these things done and we don't have a crystal ball of what businesses are going to come here and what their needs are going to be. I wanted to have a 2% cut of the operational budget and I wanted that same cut for the EDA. That 2% cuts are not going to be cut so I have withdrawn from that. You can't favor one or the other. That represents creating a future and growth for the City." DeRoche, "You were just talking about joining Metro Cities and cutting the fireworks. I don't know why this has to be a long conversation, I think we should cut it." Moegerle, "I think the reader board is good, the website is great. The energy is great. We need resources to get businesses to the sewer district." DeRoche, "This conversation has gone on and on, over every budget meeting."

Ronning, "One of the first things on their City Council, I think we can cut some out of there. And, the only thing I know about the EDA budget is what is budgeted for salaries. Everybody is saying what they need the money for, I don't want to have a slush fund somewhere." Davis, "That is not a slush fund, it is unobligated funds. And if they are not used, they will go back into the general fund."

Moegerle, "I want to make a Point of Order that we suspend the Resolution that we adjourn at 11:00 p.m. Lawrence seconded; all in favor, motion carries.

Davis, "I just want to point out to you that I sent out to you a proposal for refunding the 2010B bonds. If there is interest in that, I would like to have Stacy come back to our next Council meeting to make a presentation."

Council consensus was that there was interest.

Adjourn **DeRoche made a motion to adjourn at 11:09 PM. Ronning seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk