

## EAST BETHEL CITY COUNCIL MEETING

September 4, 2013

The East Bethel City Council met on September 4, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT:        Bob DeRoche                Ron Koller                Heidi Moegerle  
   Tom Ronning

MEMBERS EXCUSED:        Richard Lawrence

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

Call to Order        **The September 4, 2013 City Council meeting was called to order by Acting Mayor Moegerle at 7:30 PM.**

Adopt Agenda        **Moegerle made a motion to adopt the September 4, 2013 City Council agenda with the addition of 9.0 C per Minnesota Statute 13D.05 subd. 3.c to consider the offer for the purchase of real property. Koller seconded; all in favor, motion carries.**

Resolutions  
Recognizing  
2013-2014  
East Bethel  
Royalty                Moegerle, "Richard could not be with us tonight. He is having heart surgery at 5:00 a.m. in the morning. With his guidance, he asked me to take over. He did ask that everyone give me a little bit of slack because this is one of the few times I have been Acting Mayor. In addition, he hopes to return in two weeks, but it may be up to 12 weeks. And, he has given me a serious charge. He has asked me to make sure that order and respect are the hallmarks of this City Council during his absence and beyond. And if we can move forward, one of the things we will be doing is we will be dealing with issues on a rotating basis. Each Council person will have an opportunity to speak and we will just go round robin. So, let's proceed with the meeting."

Davis explained that the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant where individuals compete to represent the City of East Bethel as an Ambassador for a twelve month period. At this time we would like to recognize those four people who are in the audience.

Moegerle, "We have Resolution 2013-46 Recognizing the 2013-2014 East Bethel Royalty. Which states: Whereas, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and Whereas, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and Whereas, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City. Now therefore, be it resolved by the City Council of East Bethel, Minnesota that: Ms. Heidi Holthus is hereby recognized as Miss East Bethel and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Heidi Holthus will devote to representing the City for the next twelve months. Adopted this day by the City Council of the City of East Bethel.

Moegerle, “We also would like to proceed with Resolution 2013-47 A Resolution Recognizing East Bethel Royalty for 2013-2014. Now therefore, be it resolved by the City Council of East Bethel, Minnesota that: Ms. Erika McDonough is hereby recognized as Princess and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Erika McDonough will devote to representing the City for the next twelve months.”

Moegerle, “Resolution 2013-48 is a Resolution Recognizing Junior Princess Rachel Wiederhold is hereby recognized as Junior Princess and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Rachel Wiederhold will devote to representing the City for the next twelve months.”

Moegerle, “Resolution 2013-49 A Resolution Recognizing Ms. Krisdi Knutson as Little Miss and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Krisdi Knutson will devote to representing the City for the next twelve months.

**Koller made a motion to adopt Resolution 2013-46 A Resolution Recognizing East Bethel Royalty for 2013-2014 Miss East Bethel Heidi Holthus, Resolution 2013-47 A Resolution Recognizing East Bethel Royalty for 2013-2014 Princess Erika McDonough, Resolution 2013-48 A Resolution Recognizing East Bethel Royalty for 2013-2014 Junior Princess Rachel Wiederhold and Resolution 2013-49 A Resolution Recognizing East Bethel Royalty for 2013-2014 Little Miss Krisdi Knutson. DeRoche seconded; all in favor, motion carries.**

Preliminary  
Levy and  
Budget

Davis explained that as a result of budget discussions conducted at Council work sessions in July and August, City Council has agreed in principle that the preliminary property tax levy for 2014 be set such that funds are available to accomplish the goals and objectives they have identified.

The proposed 2014 General Fund budget is \$77,502 more than the 2013 budget or an increase of 1.6% which is matched by a projected increase in revenues for the General Fund for 2014 in the same amount.

A General Fund levy of \$4,114,317 is necessary for 2014, which is a \$9,000 less than the 2013 General Fund Levy or a 0.2% decrease from 2013 to 2014.

To service existing debt, a market based debt levy of \$146,425 is required to meet the debt service requirements for the 2005A Public Safety Bonds issued for the fire station and the weather warning sirens and a tax capacity based debt levy of \$180,000 is required to meet the debt service requirements for the 2008A Sewer Revenue Bonds.

Due to the debt service requirements for the 2010A and 2010B bonds for the Municipal Utilities Project, debt service levies of \$490,000 and \$300,000 have been incorporated for 2014 for repayment of interest on these bonds. Without this obligation, the total levy for the City would have been \$4,440,742 or a 0.3% decrease.

However, due to the 2010 A & B bond payments due in 2014, the total property tax levy

amount proposed becomes \$5,230,742 or an increase of 17.5% over last year's levy.

There are still opportunities to reduce the impact of the bond deficit for 2014 and these include but are not limited to the following:

- 1.) The potential to refinance the 2010 A & B Bond issuances;
- 2.) Confirmation of connections to the system for 2014;
- 3.) Transfer of General Fund balances at an amount to be determined to subsidize the deficit;
- 4.) Additional reductions to the City Budget;
- 5.) Assignment of special assessments for properties in the sewer to the debt service; and/or
- 6.) Assignment of other rents and royalties to the debt service.

Staff and Council will be considering all of the above alternatives prior to the adoption of the final budget in December 2014. These alternatives have not been finalized at this time due to negotiations with vendors and developers, completion of hearings and/or final analysis of contractual and fiscal impacts on the General Fund.

For purposes of setting the preliminary budget, staff recommends that Council consider the worst case option for the 2010 A & B Bond deficit with that being the assumption that there will be no connections to the system in 2014, there will be no bond refinancing and that there will be no transfer of General Funds to decrease the levy.

The preliminary budget, that must be submitted to Anoka County by September 15, 2013, can be reduced but not increased prior to the adoption of the final budget in December of 2013. Even though the preliminary tax statements that will be issued to City residents in November will indicate the maximum tax increase proposed, Staff and Council will have additional time to examine alternatives to minimize this increase and impact of rates created by the bond deficits for the Municipal Utilities Project.

A special meeting on October 10, 2013 and the Town Hall Meeting on November 21, 2013 will be dedicated to explaining and discussing the final budget.

Staff recommends adoption of the preliminary levy and budget and submission as such to the County by Resolution on or before September 15, 2013 and approval of the following resolutions: Resolution 2013-50 Set Final Levy & Budget Date, Resolution 2013-51 Set the Preliminary Levy & Budget 2014, Resolution 2013-52 Set the Preliminary EDA Levy & Budget 2014 and Resolution 2013-53 Consenting to the HRA No Tax Levy for 2014.

**Moegerle made a motion to adopt Resolution 2013-50 Setting the Final Levy & Budget Date for December 4, 2013 at 7:30 p.m. Ronning seconded.** DeRoche, "This is not for the EDA Levy, correct?" Davis, "That is correct, that will be a separate resolution." DeRoche, "For the sake of this one, the sewer and water project went forward." Moegerle, "We are setting a date." DeRoche, "I have the floor, I am allowed to discuss, correct?" Moegerle, "We are talking about a date, not the history." DeRoche, "We are talking about setting a date for the budget. And whatever history is behind that, I think needs to be on the record." Moegerle, "There is plenty on the record. In fact, staff has been directed and will be preparing a one page history of this. It will also be on the city's website. Again, we are here to do the city's business which is to set a date."

DeRoche, "Exactly, and I am going to make the residents aware of how many meetings

have gone on and have much opportunity there is for the public to be involved in the budget discussions. And, it is not my intention, even after tonight to gut the city just to make these payments. Just because certain people passed the sewer and water project, in 2010 and also in February of 2011 is when it was actually put back on the record. A lot of people on staff have gone through and tried to figure out how these payments are going to be made and how we can cut more. And, I think residents need to be made aware that if we start cutting any more, the services are going to go down and people are going to suffer. The general levy itself did go down. It is the sewer and water bonds that are making this tax increase. And I invite anyone to show up at the September meeting and the October 10<sup>th</sup> meeting at 6:30 p.m. where there will be a little bit more in depth report on this. I think this budget is very important. A lot has gone into it. I have been at every budget meeting and I think we are at a point now where the City is going to just have to face the music. It was the decisions made in 2010 and reaffirmed in 2011 that put us in this spot.”

Moegerle, “Ron, what comments do you have? The issue is about setting the date for the levies.” Koller, “I really don’t have any.” Ronning, “Are we talking about Resolution 2013-50?” Moegerle, “Yes, setting the final levy and budget date. This is just that we are complying for setting the final date for our levy.” Ronning, “I disagree, the attachments are five separate and individual attachments and they are not all lumped into one chunk.” Moegerle, “That is right and shortly we will be talking about the preliminary levy and budget, but the resolution before us now is for 2013-50, setting the dates.” Moegerle, “I have nothing. Tom, what about the dates?” Ronning, “I am addressing these as individual. Are you saying it is your position that they are not individual and that they are lumped into one? And, they will be voted on as one?” Moegerle, “No, not at all.” Ronning, “Then why are you limiting discussion?” Moegerle, “I am limiting discussion to the resolution which is 2013-50, setting the final levy and budget date. That is what we are talking about, that is the issue. We are not setting the preliminary levy at this time. It is on page 18.” Ronning, “I have it. This is probably one of the worst things you have to face when you do this sort of job. Try to make the best of it, for all of us.” **All in favor, motion carries.**

**For the purposes of discussion only, Moegerle made a motion to adopt Resolution 2013-51 Set the Preliminary Levy & Budget 2014. DeRoche for the purposes of discussion I will second.** Koller, “We have been discussing this for months. I think we are stuck on this point. It is on this paper in white. It is on the website. We are going to have to raise taxes. We just don’t have a choice. The water and sewer project which happened before any of us were in here, should never have been done.”

Moegerle, “While I think this has been a herculean task by staff, I think more could be done. Undoubtedly the taxes are going to have to go up. I don’t think it has to be 16.5%. But, I do realize it will be in double digits. Yes, this is something we all wanted to avoid. I think all five of us are committed to making it as minimally onerous as possible. We don’t want to gut the budget, but we are going to have to make some tough decisions. One of my biggest concerns is that there is a 2% across the board wage raise. And I don’t think we, as a City, we can afford a 2% across the board wage raise.”

Ronning, “As mentioned this is a very difficult thing to work with. We have gone through the budget and three scenarios of it and as far as I am aware if we cut anymore, we will lose services. If that means plowing snow, those are the types of things we may end up losing. As far as the 2%, we have to cut this between 18 and 20% before we get anywhere, and it is just not possible.” DeRoche, “If I am not mistaken, the 2% was for the public works employees and office staff. And they haven’t gotten a raise for how long Jack?” Moegerle,

“They got 1.5% last year didn’t they?” Davis, “They got 1.5%, 0%, 1.5% and 0% the last four years.” DeRoche, “Most of our guys have been here quite a while and we all know what it would take to or cost to replace someone. We are kind of at a bare minimum. I think our guys do a good job. And, if you look at it, 2% is not even a cup of coffee. We can’t cut out the people that have been here a long time, they know the City, and we can’t cut out what we have to have to do the work. And, if it means that we cut the overtime for public works, what happens if at 3:00 p.m. it snows? What if we have all these potholes in the roads and we quit taking care of the parks. Another consideration was dipping into the capital funds for parks and roads. So, then we can pay the levy with these funds. But, then the next year, we can’t, by law, raise the levy enough to recoup that money.”

“So now we not only have a problem with coming up with the money for those payments, we also have parks that turn to crap, our roads go down the hill, our buildings fall apart, we don’t have staff and I am not willing to sit up here and let this City go down the tubes. Because this sewer project came through, and, for the record, there are two people on the current Council that voted the sewer and water back in. And, at the time I caught flack. And it is not up to staff to cut the budget. That is the City Council’s job. Staff can bring us what they think it will take to run their Departments. Now we are operating with three less people than when the three of us came on board. How many people do you want me to cut out of it? And, I ask people to come to the meetings and I ask them ‘What do you want me to cut; the building inspection, roads, fire department, the police? What do you want me to cut?’ Because at some point something is going to suffer. And, when you come in to do something at the City and there is no one to do it, then what happens? I am the last person to ever want to raise taxes, but we have no choice. I have been to every single budget meeting. I am on the Finance Committee, and we have gone over and over and over. I see you laughing Heidi, but this is real serious business here. Anybody that has come on board lately, came into a situation that they are still trying to figure out. For two years we haven’t raised taxes and I think people became complacent and thought the sewer and water project wasn’t going to make that much of a difference. But, now the payments are coming due and we have to do something. And, I can’t see gutting the City to do that. It has taken too much to build it up.”

Koller, “Bob pretty much said it all. We are stuck with the sewer and water project. Going over these budgets, we have been working on stopping these park expansions. But we can’t stop the maintenance. Snowplowing is expensive, but I like to get out of the driveway in the morning. And, I am sure everyone else does too. East Bethel runs on a pretty tight budget so there is not really much we can cut. So basically, we have to raise taxes.”

Moegerle, “I intended to be brief, however, there are certain things that need to be responded to. Bob, Richard and I were elected in November of 2010. Each of us were vehemently opposed to this project. We sent a message to the Council and said, “We were elected on the strength of the opposition to your plan to start this infrastructure. Please hold in abeyance until we get in there and take a look at it and we will give it a new look.” The information on the feasibility studies they had given to us were done by an engineer instead of an economist. It was very clear that you could make the numbers work if you wanted to and they were motivated to do so. The whole scenario changed on December 15, 2010. When we took office the first week in January we put a halt to this so we could evaluate this and we took that step and we took it responsibly. We then had an independent person come in and evaluate this; ‘What was the cost of this and most importantly what was the cost of stopping this all together?’”

“On February 19, 2011, this room was packed, that hallway was packed, and everyone wanted to know what was going to happen. At the same time the Council was being told, “The clock is ticking. All of these people are going to charge you money because you stopped this project from going forward.” In reevaluating this, we found we could save \$4.4 million on downsizing the water treatment plant. We saved that to good effect, because now we can put that money towards extending this up to Whispering Aspen/Castle Towers where that plant would have needed millions of dollars of upgrades over the next 10-20 years. So, that money was put to good use.”

“But, on February 19<sup>th</sup>, the issues provided to the five of us Councilmen were this: If you stop this it is going to cost between \$5 and \$9 million. And, in order to cancel this, we had to buy back those bonds. And those bond holders were not going to be real happy about that. And, the question was, were they going to get the benefit of the bargain and the interest of those bond rates? So, the number was \$5 million to \$9 million and I heard \$9 million more than \$5 million and that money would be due instantly from every single taxpayer in the City. And, for that, we would get out of this contract, but have zero benefit. I calculate, with a round number of 4,000 households and for every taxpayer property, the cost would have been \$1,250. For nothing. That is the decision we had to make and for almost twice that if the numbers came back at \$9 million. We had to make a decision. Did we want to take that risk, knowing that many of our residents couldn't afford \$300 or \$400, much less three or four times that. So, that was the decision. Four out of the five of us said, “We cannot do that to our taxpayers. We are going to try to go forward with this in a measured approach, in a way that we can hopefully fill this area with businesses and it will not damage our residents to the tune of \$1,200 to \$2,500.” And, that is what we decided to do, four to five votes. There are certain people, Bob just mentioned he voted against it. That is true, on February 19<sup>th</sup> he voted against going forward with this and that was his way of keeping a promise he feels he made to stop this. But, the fact of it is, all five of us, in that Council and this Council, have ratified payments to the businesses that were putting in that sewer and water project. So, whether your vote was for it or not on February 19<sup>th</sup>, to some extent each and every one of us is responsible for this, because we made sure Weidema got paid and all the other contractors. So, keep that in mind when you look at this.”

“There are several dates that are important to you, October 6, 2010 is one. It is my understanding we anticipate an additional \$50,000 in contract from Oak Grove. My concern is that across the board 2% raise versus 1.5%. We wouldn't lose all our employees, yes, they would tighten their belts just like all our residents are. I still think 1.5% for employees would have been doable. I think every dollar counts and not every Council Member believes that. I think in broad numbers, \$100,000 does count, and I think we should move forward with a preliminary levy that is not at this rate.”

Ronning, “I was at that meeting in February, Ron Braastad and I were sitting side by side out in the hallway by the billboard. No matter how you slice it, the conditions haven't changed anyway since October or December 2010, except that it advanced. And the fact is that there was a vote taken to un-suspend it and move forward and that is part of why we are here. It was “advertised or sold” as an \$18.8 million bond issue and no one would have to hook-up or pay. At one of the meetings I asked, “What is the most we will have to pay if we don't hook-up?” The answer was, “I don't understand the question.” So I asked, “What is the most we can pay?” If it was \$5 million, or \$9 million or even \$18 million it would have been worth it. Because this \$18 million after the rebates is closer to \$52 million. And, if the rebates get harmed, or damaged or shot, it is going to go sky high. I hope I didn't ruin

everybody's day. I can't say I apologize, I have been asking that some of this information be shared since day one. Actually, I was voted down on that and people have a right to know. Part of getting through it is for people to be aware. World War II came around everyone knew and they all pitched in and helped. We will do the best we can to cut where we can, save where we can. Thank you."

DeRoche, "Points of clarification. I have no regrets of voting against the sewer and water project. In my mind and my way of doing math, there is no way of paying for this thing. If development comes in, it sure will help. Heidi said, "He did that, he is out to hurt the residents." When I told the residents I was going to vote against the sewer and water project it was not a political decision, because I am not real political as you may know if you watch these meetings. In my mind, I could not see, if you don't hook-up you won't pay. And, we are going to bring all these new businesses in and they are going to pay for it. In my world, that was not a reality. And, it still isn't a reality. Once it was passed you have to pay, the bills. I have never seen the actual number, but I would rather commit the City to \$5 million than to \$52 million. Maybe I am wrong. If someone can come up to me and show me, I would be more than happy to invite any past Council Member to show up at the meeting in October to explain to everybody, how they planned on paying for this thing. There must have been a reason that they passed it. And if there is, or if anyone on any commission has any ideas how they think it can be fixed, don't wait until elections Com up now and explain. I have no regrets."

Koller "Anyone can go on Bolton and Menk's website and look at the feasibility study. It was obvious that there was no way that it was never going to work, but they pushed it through anyways. So, all we have to do is pay for it." Moegerle, "This is not easy for anyone. There are different ways of looking at it and no way around it. The residents of East Bethel were going to pay and they were the ones that weren't hooked up. However, that does not mean that you cannot take a positive approach to this, to have the City be as attractive as possible, to work towards bringing businesses in to our community and welcoming them, because we really need them. And, as much smack as we can talk about the 2010 Council (And boy, can I talk smack), that doesn't do us any good. We need to look forward with our heads held forward and we are going to get through this. It will be tough this year. We owe \$700,000 this year. And, guess what, we will have another payment like this coming up in a few years. But we are going to manage that too. What we are going to do, is we are going to all work together. If you have a lead or an idea where we might get businesses to hook-up, I know five people that will welcome that. And, staff will be ecstatic. We want to work with everyone, we have a great staff here and we are all tightening our belts and going forward. Yes, it is tough, we will survive and do well." **Moegerle, nay; DeRoche, Koller, Ronning, aye; motion carries.**

**For the purposes of beginning the discussion Moegerle made a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014.** Ronning, "When you say for the purposes of discussion, does that mean there is no action? Just discussion?" Moegerle, "We have to make the motion don't we?" Vierling, "The motion has to be made so there can be discussion." Ronning, "And if you qualify it for discussion purposes only, can that be done?" Moegerle, "I withdraw my "for discussion purposes only." There was no second so the motion fails.

DeRoche, "When do we have to have this?" Davis, "September 15, 2013." Moegerle, "The economic development money goes towards getting new economic development in the City. And that what we need to attract businesses to the corridor. It pays for Colleen's

budget, site plans.” DeRoche, “How much of Colleen’s salary comes out of the City budget versus the EDA budget?” Davis, “In the EDA Budget there is \$56,000 that is transferred out to cover salaries. This covers my work, Colleen’s work, Mike’s work, Wendy’s work and administrative assistance.” Ronning, “When we looked at cutting, this is \$133,000, how hard did we look at this?” Davis, “It is listed as a proposed \$10,000 reduction in the budget.”

**DeRoche for the sake of discussion, I will make a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014.** We don’t have to vote it in, but if we are going to discuss it, we should have a motion. **Ronning, seconded.** Ronning, “We talk about saving money. Talk about cutting ½% off of someone’s paycheck. I don’t mind paying for what I get as long as I get what I am paying for.” Davis, “If you don’t approve this tonight, we are going to have to go back and make reductions on different Departments budgets. If you approve it, we can go back and make reductions where you want them and it will gibe with the other budgets.

Moegerle, “At the last meeting I discussed cutting 3% off across the board. Do I think 3% can be taken from this. Absolutely. What is the purpose of EDA? To bring businesses into the City. The EDA can do all the work in the world. But if the Council says, “No way”, then it doesn’t mean the EDA hasn’t done any work, it means the Council needs to give the EDA more direction. We have a meeting scheduled for September 23<sup>rd</sup> with the EDA and Planning and Council has been invited. I think there needs to be economic development activities. Do I think we can cut a little there? Absolutely, because we are asking everyone to cut elsewhere.”

DeRoche, “As long as you brought up the 3% to 5%, Jack can you explain to everyone out there why some departments we just can’t cut because of contractual obligations?” Davis, “There are some areas you can’t cut anymore because of contractual obligations. Or, because there just isn’t anything left to cut, you would have to eliminate them, like the building department. You have to have a building official. We did a line item examination instead of an across the board proposed cut and we can discuss that later on tonight. This is on the agenda.” DeRoche, “Wasn’t there a suggestion into cutting the police coverage?” Moegerle, “Not my idea. Do you want to proceed with that?” DeRoche, “I don’t want to cut fire, police or public works. If we don’t have those we are in trouble. I read an article in the paper where that was suggested.”

Koller, “Police, Fire, city staff, I won’t vote for cutting any of that. But, there is \$133,000 and \$58,000 goes for salaries. I would like to know what the rest of the money is used for in detail. Not a general slush fund.” Davis, “Part of this money is set in reserve to react to an economic development item that might come up. One example is this week there was someone that sent an inquiry on Greater MSP out for a 50,000 square foot building or a building site to employ up to 200 people. We feel that we qualify for this. For submission of this, we might have to spend a little money. That is what some of this money that is budgeted is for. But, anything is open for cuts. If it is not used or spent, it can roll over into the next year. There is a contingency in here that is \$27,000.” Moegerle, “If we have to do incentives or legal fees, that is where those fees come from.” Ronning, “This was moved for discussion purposes by Bob, I seconded, **so I call the question.**” Moegerle, “My understanding is you have for a vote on calling the question?” Vierling, “The City adopted Roberts Rules of Order for 2007. Thanks for your e-mail this afternoon Heidi. I tried to locate the 2007 version on the web and it is not available. I am assuming from the one that I looked at, that it does require a second and a vote on that. The question is still up to the

Council what rules you are going to abide by.” Moegerle, “The one in the ordinance says Roberts Rules newly revised.” Vierling, “They all say “newly revised”. **Moegerle seconded.** Davis, “One thing I want to point out that Mike brought to my attention. If you don’t approve this budget, it will revert back to last year’s budget which was \$11,000 higher than this year’s budget. This is something we might want to approve and then work on. All this is doing is setting the preliminary levy. **On Calling the Question: All in favor, motion carries.**

**The vote on the Motion: Moegerle, aye, DeRoche, nay; Koller, nay, Ronning, nay; motion fails.**

**DeRoche made a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014 with the commitment that we will seriously look at reducing this budget. Moegerle seconded; all in favor, motion carries.**

DeRoche, “We really need to make an effort to reduce this budget. Will it require a separate meeting to get everyone together? Or do we send you our suggestions? Can we get a detail breakdown on the budget items? I think the problem is that we don’t get an EDA report.” Davis, “You were given one in July and you will get another on in your next update. You will get these every two months. If you want a breakdown of the projects and professional fees, we will provide what we think these will be used for. Just as we were discussing these other cuts, we take these seriously. We would love to have your suggestions, but just as the other one we will be setting a special meeting to discuss these potential reductions.” DeRoche, “I was going to bring this up later, but there is no money budgeted for HRA, but that’s fine.”

**Moegerle made a motion to adopt Resolution 2013-53 Consenting to the HRA No Tax Levy for 2014. Koller seconded.** DeRoche, “The money that we have is still short of what we transferred to the EDA, right?” Davis, “There are funds of \$798,000 in the HRA. But, there was a transfer approved up to \$281,000 to the EDA if needed for the purpose of loans for SAC and WAC fees. To date, no one has applied for that money. It has a sunset clause on it, December 31, 2013. We do anticipate that some may apply for it. Again, that money will have to be paid back within a five year period.” DeRoche, “Again, there are some things in the process for the HRA, but with the money that is in there, even with the loan out, we should be able to go forward with some projects.” Davis, “Even with that approved transfer to the EDA if all of it was utilized, there will still be \$500,000 left in that account. We have an HRA meeting coming up on October 2<sup>nd</sup> and we will have a plan laid out for you for some projects for those funds.” Koller, “I am fine with this. Zero is good.” Moegerle, “The EDA will be paying back what is borrowed at one time or another according to the plan.” Ronning, “I recall the meeting that the transfer was approved. But, I thought I did it as an amendment that every transfer would be approved by the Council and I guess that is reiterated again for more than just me.” Roll call vote taken. **Ronning, aye; DeRoche, aye; Koller, aye and Moegerle, aye; motion carries.**

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

Cheryl Helstrom of 2459 224<sup>th</sup> Avenue NE, “We have been residents since 1973. We are currently constructing an unattached garaged of 30 x 32. It has a second floor which is 19 x 30. It will consist of my husband’s woodworking and storage. When we applied for a permit, we were told it would be no problem and when it was time for outside footings

inspection for stairs to the second floor by the Building Official just give him a call or come to City Hall and it would be no problem. My husband called a little over a week ago and the Building Official flatly refused. He said, "It is not allowed. You can't have a door on the outside second floor and you can't have a stairway." My husband has large woodworking equipment, it is very heavy. We need access in and access out if there should be a fire. Now the Building Official tells us there is an ordinance against second floor entrances. When we discussed it with him, and I was present, inside our building, he said, "You can have an inside stair". We told him we have Bobcats, a collector car, the big truck, we have a lot of equipment we need on the bottom floor of that garage. That is why it is designed the way it is, why we spent the money and now we are told we don't can't have a door or a stairway to the second floor. We would like the Council to look at this, because we feel it is unreasonable. There are structures in our neighborhood. We have talked to Bob, Ron and Tom and Ron and Tom have both been over to see the structure. We need to resolve this, the weather is going to get away from us. If the Building Official would have looked on his final inspection, the windows and the door were framed in the second story, but he didn't climb up there and look. When my husband asked him if he was going to go up the ladder the rest of the way he said, "I can see what I need to see from here." Well he would have seen the rest of the door framed and at that point and time wouldn't have said we couldn't have an outside exit?"

Ronning, "You made the comment that the Building Official made one statement, were you both present when he made that?" Helstrom, "Yes, we were." Moegerle, "The ordinance is pretty clear that there are not outdoor stairways or doors. You are not disputing that, correct? You compliant is that you didn't get the information until after you had taken some steps, right?" Helstrom, "That is one complaint. The other is why are there other structures right in our own neighborhood that have an outside entrance and stairs to the second floor?" Moegerle, "Are they recent buildings?" Helstrom, "Yes, within five years. One is right on Palisade." Moegerle, "This is the time during the meeting where you give us your information. I don't know what the solution is, but, I definitely will work on this. And, I will be here tomorrow morning to see what we can work out. I haven't visited your site, but I just went online to check and see if I could get an aerial. It is a concern and we will have to think creatively to take care of this. When would you be available at the property?" Helstrom, "We live there. And, we are both retired."

Ronning, "Jack and I looked at this yesterday, and we looked at the history of the ordinance and it was in place what year?" Davis, "In 2008 or 2009 the newly revised zoning code was adopted. If this was in the previous code or it if was added, I don't know, I don't have access to the previous code. We do have a section in the code that says all doors in garages should be at ground level and stairs should be in the interior. Whether this is something that is needed or not, that is what the question is." Moegerle, "Could you enclose the exterior stairs and does that solve the issue here?" Davis, "You could. But, I don't know if this will cause an issue for them." Helstrom, "Yes it does. How do I get my equipment up there?" Koller, "I have been to the property and looked at the garage and it is very well built. I have talked to people and I haven't found one reason why you can't put an outside stairway to the garage." Davis, "If I could speculate, it might have been that if this was permitted then it would allow people to rent out the upstairs portion of their garage." Koller, "I believe the Council has the authority to change the codes." Davis, "With this one, since it is a land use in the zoning code, it would first have to the Planning Commission and then to the Council." Moegerle, "And the next Planning Commission is two or three weeks. Let's make the direction to staff to see what we can work out. Obviously we have to obey our ordinances. But, definitely we are going to work with you. That is no promise, but we will

aim at that goal.”

Koller, “Why does this have to go before the Planning Commission?” Vierling, “Statutorily land use issues have to go to Planning Council for a public hearing process.” Helstrom, “We have spoke with Eldon Holmes on the Planning Commission and he knows the structure.” DeRoche, “Is there any way they can do something in the interim?” Davis, “It would probably be at their own risk and I will let Counsel speak to that.” Moegerle, “I do think we should act with all speed.” Davis, “We have to have the public hearing.” Ronning, “Clarification, what does the Planning Commission do with it and what is their final authority.” Vierling, “I presume the action that might be looked at is a text amendment to the code. If that is the action that is taken, they would hold the public hearing, they would review that and make a recommendation to the City Council. The Council has the final authority on whether it would be adopted.” Ronning, “Do they have the authority to stop it?” Vierling, “No.”

Davis, “To streamline this, you need to give us direction to proceed. To call a Special Planning Meeting. Then in order to expedite it we would probably have to have a Special City Council meeting.” Ronning, “In concern, I suspect there are others that have an issue with this. But, I don’t want to give the appearance that “They have an issue with this so they will roll over and do this.” But, I can know one of my neighbors had an issue out there. There are more than one out there. It is not a unique issue.” Davis, “I agree with you, this is not just a reaction to this issue.” Moegerle, “At this point I am going to ask that we give direction to Jack to proceed with this, a hearing date and then the special Council Meeting.” Winter, “The soonest this could be done is September 23<sup>rd</sup> with publication.” Direction was to move forward on September 23.

Dan Kuehn of 2323 225<sup>th</sup> Ave. NE, “Our problem started, we moved in December of 1999. Our septic was inspected. We got a letter July of 2011 saying the septic had failed. The report was stamped 2011 and at that time Manny was the inspector and he said they didn’t have stamps in 1999. It said I had 10 months to get the septic fixed. If they would have sent me a letter 10 months after it failed, I could have gone after the previous homeowner. I talked to Minnesota Pollution Control and he told me that the report was null and void because it doesn’t tell me how many inches of good soil I do have. Larry told me no problem, don’t worry about it.”

“I wanted to put an addition on my kitchen. When I talked to your current Building Official and told him what Minnesota Pollution Control said, he told me that he wasn’t going to have someone in St. Paul that sits behind a desk tell him what to do in his City.” Moegerle, “Do you have a document from the PCA on what you are saying?” Kuehn, “They just talked to me over the phone. But, then I talked to Jack and he told me if I have a soil specialist come out and inspect it, and it passes, it is no skin off their nose. Or that is what Nick said. Nick called and gave me one guy’s name, but then he said he couldn’t do that because it was showing preference. So we got a list from the University, licensed soil scientist. I called another name on the list, he is a soil scientist, septic designer and we had him come out and the letter I got from him said there was ‘No problem, everything passed just fine’. He e-mailed the report to Nick and I contacted Nick and he said, “I am checking into his credentials. I don’t like his credentials. You have to have someone else come out and inspect it; an inspector. I said, so I paid \$483 to this guy and now I have to pay again? And Nick said, “Who said you have to pay for it? Well if I don’t who does? So, the soil scientist and designer that came out gave me a name of someone that was also an inspector and he couldn’t check the same spot. So, he checked four feet away and quite a few spots

and now I only have 42” instead of 48”. You can have ten guys check it and have ten different results. I have my plans in for the septic and it is going to be another week. What I am wondering why the letter I got said “designer or inspector”. I got a designer and Nick wanted an inspector. I paid the first guy and it is not an imminent health danger.” Moegerle, “If the septic is functional, do you require the change in your septic when you add onto your house?” Kuehn, “No, all I am doing is adding five feet onto my kitchen. But, because of that report in says I don’t have two feet in mottled soil. I have talked to Ham Lake, Athens Township and they both said as long as there is not threat of imminent danger, you should be able to get a building permit. Jack is going to look at that report tomorrow that says “a designer or inspector”. I started doing this in May and it is frustrating and Nick keeps kind of running me around. He said we can sue you to make you put a septic in. And, I said I can sue the City for not sending me the first report in time.” Moegerle, “I would follow the PCA route a little more, because that makes it moot. Try to get that documentation, that might help.” Moegerle, “We will direct staff to work with you and keep us advised.”

DeRoche, “Do you know anything about this Colleen?” Winter, “It was a two foot mottled soil and the regulations changed.” DeRoche, “Isn’t it usually if you are adding a bedroom?” Davis, “Anytime you are doing an alteration in plumbing, your septic has to be up to code.” Koller, “I think the report from 1999 should be thrown away.”

There were no comments so the Public Forum was closed.

Consent  
Agenda

**Moegerle made a motion to approve A) Approve Bills; B) Consider Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project; C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project.**— Koller pulled C and Ronning pulled B. **Koller seconded; all in favor, motion carries.**

Item B)  
Consider  
Resolution  
2013-54

B) Consider Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project - Ronning, “When did this start?” Jochum, “I believe it was put in the Capital Improvement Projects last year. Is that correct Jack?” Davis, “Yes.”

**Moegerle made a motion to adopt Item C) Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project. Koller seconded; all in favor, motion carries.**

Item C)  
Consider  
Resolution  
2013-55

C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project. - Koller, “I would like some clarification on this. According to the resolution, they will be assessing ¾ of a mile on either side of Highway 65.” Davis, “That is in the sewer district.” Koller, “It doesn’t say that. There are a lot of residential houses on each side.” Davis, “This is only for the sewer district.”

**Koller made a motion to adopt Item C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project. Moegerle seconded; all in favor, motion carries.**

IUP/Home  
Occupation  
for Stacie  
Arneson at

Davis explained that the applicant, Stacie Arneson, is requesting an IUP to operate a home-based hair salon business. Stacie Arneson is a licensed cosmetologist and would be working by appointment only.

Business is conducted by appointment only so parking needs generated from the home occupation are small and shall be provided on-site, in the designated driveway.

Planning Commission recommend approval to City Council for an IUP for a home occupation for a hair salon, located at 929 197th Avenue NE, Kable Country Estates, Lot 13 Blk 1, PIN 19-33-23-44-0017, with the following conditions:

1. Home Occupation shall meet the specific home occupation standards set forth in the City Code Appendix A Section 10-18:
  - a. No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation.
  - b. No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence.
  - c. Any sign associated with the home occupation shall be in compliance with the East Bethel City Code, Chapter 54. Signs. Home occupation signage must be no larger than two (2) square feet (City Code Chapter 54-4.3).
  - d. The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved.
  - e. A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for off-site disposal of the waste is approved.
  - f. The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance.
  - g. There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation.
  - h. Parking needs generated by the home occupation shall be provided on-site.
  - i. The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space.
  - j. No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation.
  - k. There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home occupation.
2. Violation of conditions and City Codes shall result in the revocation of the IUP.
3. All conditions must be met no later than September 30, 2013. An IUP Agreement shall be signed and executed no later than September 30, 2013. Failure to execute the IUP Agreement will result in the null and void of the IUP.

**DeRoche made a motion to approve the request of Stacie Arneson for an Interim Use Permit for a home occupation for a hair salon, located at 929 197th Avenue NE, Kable Country Estates, Lot 13 Blk 1, (PIN 19-33-23-44-0017), with the following conditions: 1) Home Occupation shall meet the specific home occupation standards set forth in the City Code Appendix A Section 10-18; a) No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation; b) No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence; c) Any sign associated with the home occupation shall be in compliance with the East Bethel City Code, Chapter 54. Signs. Home occupation signage must be no larger than**

**two (2) square feet (City Code Chapter 54-4.3); d) The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved; e) A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for off-site disposal of the waste is approved; f) The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance; g) There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation; h) Parking needs generated by the home occupation shall be provided on-site; i) The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space; j) No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation; k) There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home occupation; 2) Violation of conditions and City Codes shall result in the revocation of the IUP; 3) All conditions must be met no later than September 30, 2013. An IUP Agreement shall be signed and executed no later than September 30, 2013. Failure to execute the IUP Agreement will result in the null and void of the IUP. Ronning seconded; all in favor, motion carries.**

Cell Tower  
Land Lease

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

The term of the lease and the City's rights of cancellation are issues we need to discuss regarding this proposal.

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

Staff has discussed proposals with two additional solicitors for the lease renewal, Tri-Star and Unison. The proposals are summarized as follows:

Option 1: Renew with American Tower

Onetime payment: \$50,000

Monthly Lease Revenue: \$2,771.89 with an annual increase of 3% or the CPI, whichever is greater

Monthly Carrier Revenue: \$400.00

Option 2: Unison

Onetime payment: \$450,000  
 Monthly Lease Revenue: \$0  
 Monthly Carrier Revenue: \$0

Option 3: Tri-Star

2014-2018

Onetime payment: \$0  
 Monthly Lease Revenue: \$2,000 (from Tri-Star)  
 Monthly Lease Revenue: \$2,771.89 subject to the greater of an annual 3% or CPI increase (from American Tower)  
 Monthly Carrier Revenue: \$400  
     From 2019-2023  
     Onetime payment: \$0  
     Monthly Lease Revenue: \$3,333

Option 4: Do not renew the current lease at this time and wait until 2017 to evaluate the market for renewal opportunities. We would still continue to receive our monthly rental fee from American Tower through 2017 (\$163,000) if this option is exercised.

Projected Total Revenues 2014-2023 for Communications Tower Land Lease Proposal  
 American Tower \$541,602.26  
 Tri Star \$525,893.97  
 Unison \$450,000.00

Staff is seeking direction from Council regarding these options.

Moegerle, "Suppose we take Option 4, what does that do for cell phone coverage in East Bethel? Because I know out at the beach cell phone coverage is spotty at the best." Davis, "This has nothing to do with cell phone coverage on anything outside the 65 corridor."

DeRoche, "Can we get a legal opinion?" Vierling, "Well basically it is a series of 10 year options at five years a piece. So theoretically you are binding the City for 50 years. That is usually not what you see. Usually what you see is five options at five, so 25 years. The second thing that caught my attention is they are basically modifying the lease to take away any landlord opportunity to declare default except for nonpayment. So, if under your existing lease you have any conditions for the tenant that were imposed and you could amend them as adopted, you are basically amending your prime lease so that the only condition that you can declare them for default is for non-payment. Not for any other issues." Moegerle, "What other issues should we be thinking of?" Vierling, "That is where we had to go back and take a look at the other lease." Ronning, "Could that be equipment modification? Or is that their equipment?" Vierling, "Compliance with your local ordinance. Compliance with security issues & homeland security issues. The other thing is you have to be comfortable with the term because you are talking about tying the property up for 50 years." Davis, "We did talk to them about the cancellation terms and they said that was a non-starter for them." Moegerle, "Do they have rights for cancellation that we don't have in this current contract so they could say after 10 years, "Oh we are done?" Vierling, "They could certainly choose not to renew. The option is purely on their side of the fence. We have no opportunity to force them to renew after five years."

**DeRoche made a motion to table the Cell Tower Lease. Ronning seconded. DeRoche,**

**Koller and Ronning, aye; Moegerle, nay; motion carries.** Davis, “We are doing quite well with what we are getting for our lease site.” DeRoche, “I don’t want to tie it up for 50 years. And the default thing concerns me also.” Davis, “That is why we have the fourth option. They are all pushing to get something done. You have all these cell phone re-lease companies and they try to buy these up and resell them. We can ask the City Attorney to come up with his major concerns and we will bring those to these people.” Moegerle, “And when will you have this back to us?” Davis, “We will try to get it back to you by the next meeting.” DeRoche, “I would like Mark to take a look at it.”

#### 2014 Budget Discussion

Davis explained that we can start discussing tonight, or we can set another meeting. I put this in here to see what your pleasure was and what level of detail you wanted to get into. The cuts that we put in here are the ones that we had before you for consideration.

DeRoche, “I read through it and I am holding my ground here. The ramification of some of these cuts.” Davis, “Some of these cuts as far as transferring some of the general fund surplus, knowing what funds we may have for connections, the refinancing options, other incomes from other leases and royalties, these are things that are a work in progress and we may not know a final number until November. We have approved the preliminary budget and there is no huge rush on this. But if anyone has any suggestions we would love to hear them. What we are working on is getting these final numbers together so that before we set the final levy we will have accurate numbers that you can use for reductions if you so decide to do so.” DeRoche, “The only numbers that I see that are going to make any difference are the capital funds. And, I think that is dangerous territory.” Davis, “You are correct. Anything we do will have certain ramifications and we need to consider those carefully, so we don’t create another problem while we are solving one.” Ronning, “With all these conversations we have had on this, people need to know that most of these funds are once and then they are done, correct?” Davis, “Yes, once and done and they we are back to the same situation next year.” Ronning, “Only you are short what you had last year. Damned if you do and damned if you don’t. I still say, prepare for the worst and hope for better.”

**Moegerle made a motion to table the 2014 Budget Discussion to the next City Council meeting.** Moegerle, “We already had a lot of discussion on this previously tonight and so maybe we should discuss it at our next meeting.” Davis, “I do have one question. Do you want to discuss this at your next meeting or do you want to have a work meeting to discuss the 2014 budget?” DeRoche, “A work meeting is fine if all the members show up.” Davis, “That is why I proposed September 25<sup>th</sup>, we may very well have all the Council Members present by that time.” Moegerle, “Absolutely. It is very important to have all the Council Members here.” DeRoche, “That is not a good date.” Moegerle, “We could do it before the October 2<sup>nd</sup> meeting.” Davis, “I would like to do it at least before the October 10<sup>th</sup> meeting.” DeRoche, “This has to be a meeting with only this on the agenda.” Koller, “I agree.” Ronning, “So do I.” Moegerle, “So when are you available?” DeRoche, “Can we all just e-mail Jack our dates?” Davis, “That will work, and we can have two members call the meeting.” **Koller seconded; all in favor, motion carries.**

#### Staff Update

Davis, “There will be a meeting tomorrow with Staff, Anoka County Park Staff, hopefully Anoka County Commissioner Julie Braastad, Representative Hackbarth, Senator Bensen and representatives from the DNR to continue discussions to find a resolution on the issue of the Sand Hill Crane clear cutting issues. It is at 1:00 p.m. at Bunker Hills Park.” DeRoche, “Can we just come?” Davis, “Yes, but if more than two Council Members are going to attend, we should have it posted.” DeRoche, “I will plan on attending.” Ronning,

“I might also attend.” Moegerle, “Will you be offering transportation?” Davis, “Yes. Also, the East Bethel Theatre has applied to Met Council for a reduction in their ERU assignment. As a basis for obtaining that reduction they are proposing to eliminate 700 seats. Met Council reviewed that application and they reduced their ERUs from 28 to 17. That reduction resulted in a \$61,500 loss to the City in revenue on SAC and WAC fees. We have approximately \$200,000 surplus in the general fund, and that will need to come out of there. We have made up three of those ERUs with new construction in Whispering Aspen, but that is a significant impact to our budget.”

DeRoche, “Mr. Vierling, Met Council and Bolton Menk set up a matrix. This is the ERUs for the project. How are we ever going to catch up when Met Council keeps reducing things? This is all based on their SAC Book, which the feasibility study was based on, and the problem is we are watching them dwindle away. Where do we stand? Granted they are projections. Projections make me laugh, because I could project a lot of things. What is their basis for this? On October 6<sup>th</sup>, when the gentleman from the theatre stood up and said they didn’t have a problem with 39 ERUs at the time because it was counting the theater and the other property and now they come back get it lowered. How on earth are we ever going to make that up? They could continue doing this and we could continue losing more ERUs.” Vierling, “I think it is a meritorious question. There is no question that the actions taken by them have impaired the city’s ability to gather revenue in which the obligation to them can be paid. We have a contract with them, which raises a topic that should be a discussion between the City and Met Council .”

Moegerle, “Based on getting this information, I had asked that Jack provide an update to the administrator, Pat Born at the Met Council, Edward Reynoso, as well as to Metro Cities. Yes it is a difficult situation, but to get into a self-fulfilling prophecy and that we are never going to fill it, I don’t that is the right approach. Negativity does not breed success. While it is unfortunate, I do think there is room for negotiation. We are paying \$96,600 a year to Met Council and what are we getting? There is a point to begin negotiation. And, the conversations that Jack and I have had with Mr. Born and he is appreciative of the dilemma. I would ask that you pursue that issue, and the possibility of what we can work out on this.” Ronning, “Is the agreement silent on Met Council made the projections, they made the arrangements, the negotiations, and the whole deal based on projections. If they forgive units, is there a way to approach it that you gave it up, that is yours.” Vierling, “It is a discussion that needs to be held. From a process standpoint, I think the city has every right to be offended, when the City wasn’t fully engaged with the property owner for reductions.” Moegerle, “Just a point of information, the date that Bob is referring to is Oct. 6, 2010. Watch that DVD or read the minutes for more information.”

Davis, “One other point of information, the City was engaged in this to some extent. It was mentioned to Mr. Dale Heider at an EDA meeting when we were looking at ways to reduce the impact to the project and still maintain the financial integrity of the City. In conclusion we came up with there was no way that the City could reduce any ERUs. At that time Mr. Haider said his only option would be to remove seats because ERUs were based in the Met Council SAC manual on the number of seats. In order to expedite the hook-up and clear-up the easement matter, he petitioned the Met Council on the reduction in seats. Met Council wanted some assurance that we would monitor the situation. What we did is we said he would have to get a permit to un-install seats. And we would stop by periodically to make sure he did not re-install seats. If he re-install the seats, then his ERUs will increase.”

DeRoche, “He approached us in 2011 asking us to drop it down to 12 or 13 because of an e-

mail he had. It is not negativity Heidi, it is realism. Nobody has given up. The grandstanding doesn't help." Moegerle, "I didn't say anyone was. And, I am not grandstanding. I am concerned about this too. I am not being a Pollyanna about it. It is what it is and we have to work that much harder. Eventually we will burn out, staff and Council. We have a possibility speaking with Metro Cities and Met Council." Davis, "Mr. Reynoso was invited to the meeting tonight. The invitation did not go out until yesterday and I don't know what his schedule was."

Council  
Member  
Report –  
DeRoche

DeRoche, "There isn't too much going on. I don't look at being honest with people as being negative. I think taxes didn't go up, people were forgetting this project was in place and taxes were going to go up. I think being very open with people and letting them know is more important than looking at life through rose colored glasses. Because the rose colored glasses are broken. If someone is to watch the Council meetings, there are more digs than anything else going on. It is almost as if there is campaigning going on and I don't think this is the place for it. I think it is inappropriate. The thing with the ERUs, unfortunate. I had a nice talk with Stacie from the HRA. Federal program, the County is the possessor of the money. It is to help people that are financially strapped with their septic systems. It sounds like a good program. I would like to see the appliance place close their gate during the daytime. When it is closed you don't see much, but when it is open it looks like a junk yard. Is there a burning ban yet?" Koller, "Not yet?" DeRoche, "Are recreational fires ever banned?" Koller, "Only in extreme draught conditions." Davis, "Yes, generally like Ron said, it would have to be extreme draught conditions." DeRoche, "I have had a lot of people compliment the sign. Maybe change the colors more frequently. But, it is a learning curve."

Council  
Member  
Report –  
Koller

Koller, "I didn't have any watershed meetings this month. The Fire Department by 40 on medical calls over last year. The two new fire trucks are in and this Saturday in the morning they are going to start fitting them. That means they will be taking all the old equipment off the old trucks and putting it on the new trucks. And, they will be in service next week."

Council  
Member  
Report –  
Ronning

Ronning, "The Planning Commission met and discussed the IUP from tonight. They looked like they are very well prepared. We spent a lot of time on verbatim minutes again at the Planning Commission meeting. Once the Council takes a vote, why does it come up in a commission? This is a rhetorical question. It is not going to change. I always thought once it is done, it is done. This MIDS, EDA, Planning Commission and Council, I was surprised to see that on the agenda? Did we refer it to anyone? I was surprised to see it as a point of discussion." Davis, "The EDA and Planning would like to have a joint meeting on September 23<sup>rd</sup> with Council to discuss the MIDS issue." Winter, "Just as a point of issue, MIDS or no MIDS there are a couple things that have happened at the state level that will impact us. We are an MS4 community so there are storm sewer requirements that we have. Those have changed this year for the state. And the other thing that has changed is what they are calling Atlas 14 which is really the floodplain regulations. So with those two things combined, they are similar to the Minimum Impact Design Standards. It is not going away. Regarding the meeting, if you want to talk about MIDS, great, if not fine. But we wanted to get the three commissions together to talk about the corridor."

Moegerle, "Isn't there also issues about zoning as well?" Winter, "I don't know if that was something we were going to discuss at this meeting, but if you want to, we can." Moegerle, "There are issues with the zoning on County Road 22 (Viking Boulevard) but we also wanted to talk about the Comprehensive Plan." Winter, "With the Comprehensive Plan, we

would need to get all three entities together. One of the issues is where the landfill property is, we have been requested. We have to rezone that. And there are a couple other areas that it makes sense to rezone. So for me the important part of the meeting wasn't MIDS, it was the rezoning and Comprehensive Plan." DeRoche, "I have a question on Planning, that Eldon brought up about mandatory home inspections, Truth-in-Housing. I personally would not like to see us get into this. If you have to pay someone to inspect it first, that should be an owner's choice." Winter, "That was something that Eldon brought up. There was no consensus on the Planning Commission on that. That is the point why we want to get together, whether MIDS is here, or what they want to call it. I think that is the critical piece of why we want to get together as a group, is look at comp plan. Other jurisdictions have a time period that they can comment on it." DeRoche, "Who brought up the landfill rezoning?" Davis, "The PCA came to us and asked us to rezone the property. At the time we told them we were going through some comp plan reviews and we would include the landfill when that happens." DeRoche, "What are they looking to get it zoned?" Davis, "I think something that will give them some protection on that property." Ronning, "What does it do to the rest of the world? If they are protected? There is give or take." Davis, "It is a change from the current to protected area. They own the facility and operate it. The zone would prevent anyone from operating on it. They are entirely liable for it."

Council  
Member  
Report –  
Moegerle

Moegerle, "I had a conversation today with a representative from the Department of Minnesota Revenue in regard to property tax refunds and rebates availability to ask if he had any statistical information about how East Bethel is in complying in filling those documents out. And, whether we would need to encourage residents to do that. He had no statistics on that. He is going to do a little more digging on it and I am expecting an e-mail from him. I also spoke with Commissioner Julie Braastad with regard to the anticipation to the county tax levy and she said they are looking at a decrease. I was unable to attend the LMC Policy meeting. I did attend the Website meeting and that was very successful. I spent a lot of time speaking with Richard and he empowered me to say we need to look at leadership, we need to be proactive. I dug out my folder on the newly elected leader's packet and it talks about leadership. And I think 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."

Closed  
Meeting –  
Village Green  
Treatment  
Plant

Vierling "For the members of the public and the record, Council is about to go into a closed session to discuss the offers or purchase of real or personal property per MN Statute 13D.05, subd. 3. We need to identify the property which is the Village Green Treatment Plant and some of its components. The meeting will be tape recorded and the tape will be preserved for eight years and will be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. Any purchase or sale price is public data."

**DeRoche made a motion to close the meeting to discuss the offers or purchase of real or personal property per MN Statute 13D.05 subd. 3c to discuss the Village Green Treatment Plant and some of its components. Moegerle seconded; all in favor, motion carries.**

Vierling, "The City Council met in closed session to discuss consideration of a purchase of real or personal property, Village Green Treatment Plant and some of its components. Attending were all four City Council Members. Also attending were Craig Jochum, city engineer, Jack Davis, city administrator, and myself. Council reviewed an offer that had been conveyed to the City and with regard to their sewage treatment plant and although the

Council took no motion, they did as a matter of consensus direct that the City has no interest in accepting that offer or in moving forward with it.”

Adjourn **Moegerle made a motion to adjourn at 10:10 PM. DeRoche seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk