

## EAST BETHEL ROAD COMMISSION MEETING

August 13, 2013

The East Bethel Road Commission met on August 13, 2013 at 6:27 P.M at the East Bethel City Hall for their regular monthly meeting.

MEMBERS PRESENT: Kathy Paavola Lori Pierson-Kolodzienski Deny Murphy Jeff Jensen  
Roger Virta Al Thunberg

MEMBERS EXCUSED: Tim Harrington

ALSO PRESENT: Nate Ayshford, Public Works Manager  
Bob DeRoche, City Council Member

**Adopt Agenda Pierson-Kolodzienski motioned to adopt the agenda as submitted. Jensen seconded; all in favor, motion carries unanimously.**

### **Approve – July 9, 2013 Meeting Minutes**

Virta had a couple of questions on the info on the front page. He was wondering when we make a correction to the minutes do we go back and apply those changes to the minutes? Ayshford said Wendy applies the changes to the minutes. Virta said on the addition on the first page he said Jensen said he wasn't sure where they were talking about the 30 mph speed limits and Jeff wasn't there. That was for the meeting before. Thunberg said it was the meeting before. He thinks Deny made that correction and Deny voted against it. Virta said Deny brought that up? He thought he brought it up. He noticed it on the previous meetings, but he noticed there was no second, the vote wasn't recorded and he was confused. There was a second on it. Jensen said he made the motion and Thunberg corrected it. Virta said that is the area of confusion he had with those two paragraphs as far as that is concerned. Is this now going to be applied? Ayshford said he would check to make sure it would be changed on the official minutes. Virta said we corrected the fact that we, or we added the fact, that you seconded the motion. We corrected the motion, that there was a vote, that there was everyone but Deny who was in favor of the motion.

DeRoche said the official record was recorded on DVD. That was the reason for the verbatim minutes, so people who are not here could see what goes on. You cannot change the official record it must be added as an addendum. Normally a recording is a legal document; you can't change the legal record. Virta said right, he is not sure, if the recording is the official record than that information is on there. But we go through this process of going through correcting the minutes and approving the minutes.

Virta asked what does the City Council do. The fact of the matter is, as long as it doesn't change the context, it is fine. Most people who read them understand what is being said. The main tape will be the official record. Minutes are more for information. If you make a correction, Wendy can make that change. As long as it doesn't conflict. If there is a heated argument, she will go back and check. Virta said ok. Virta said the only reason he is concerned with this is because we went on record. We wanted to make sure it got reclassified as a 30mph speed limit. He wanted to talk about it. He wanted to make sure it was right. That statement is part of these minutes here. So let me take a stab at changing that, and then I think Nate you will go back and check to make sure it has been applied to the minutes and we can talk about it next time. Virta said so we are going to say something like, Al do you think that was your statement there. Thunberg said he wasn't sure what we were talking about. He believes he seconded it. Virta said, "strike that Jensen said they weren't sure where they were talking about 30 mph speed limits. Thunberg said he is pretty sure there was a second. Thunberg had seconded it and Murphy voted it against it with all of the rest of the members voting for it."

**Thunberg motioned to approve the July 9, 2013 minutes with changes. Murphy seconded; all in favor, motion carries unanimously.**

**Roads  
Financial  
Information**

Ayshford said the operations budget is a little over ½ way through the year and we are on schedule on the budget and we are a little over on some items and underneath on others. Does anyone have questions? Virta said we are under on gas utilities and street maintenance services. Ayshford said the class five for the gravel roads will come out of the street maintenance line item. Virta asked if the natural gas for heating the garage. Ayshford said yes. Virta asked if there were any comments?

Ayshford said the equipment replacement took out \$125,000. That is a big one that went through already.

Roads capital summary, we finished up all the joint powers street maintenance items. Jackson street is pretty much wrapped up with the exception of a few punch list items. All the big items are taken up, except for Whispering Aspen. We will go over a couple of the MSA project later on in the meeting.

Virta asked if there was any feed back from residents on Jackson Street. Ayshford said the people have been commenting on people driving very fast on the road and the Sheriff's Department has been helping with enforcement.

With Viking Boulevard being shut down, the traffic has been busy on that. It turned out pretty well. Virta said everything looks good down there. Ayshford said it should be a good road for a number of years. Virta said that was on the radar for a lot of years. It always got deferred because of the possibility of the sewer and water plant coming in. It was put off at least five years since it was first considered for reconstruction.

**Whispering  
Aspen Road  
Improvements**

As part of the 2013 Street Capital Improvement program, road improvements to the Whispering Aspen development have been planned and budgeted for to address the deteriorating pavement in this development. Staff and the City Engineer have reviewed

the road conditions and have recommended an edge mill and asphalt overlay for the entire development. A few storm water drainage structures are also in dire need of repair and have been included in the construction plans. Other issues that are addressed include repairs to curb panels, sidewalk panels, and repairs to fire hydrants that are no longer working.

The Engineer's estimate puts the project cost at \$274, 839. The Street Capital fund has a budget of \$250,000. The Whispering Aspen/Minard Lake development also has a fund set up to help pay for the cost of street improvements. When a lot is sold and developed, a fee is charged to help fund this account and the current balance is \$25,696.13.

The section in front of the treatment plant will be addressed separately. But most of the development will have an inch and a half overlay. This will be bid out in the next couple weeks. We do get the WAC/SAC fees for new homes in this development. There have been four new houses this year. It has already been platted. The sidewalks are adjacent to the road. The residents do use them. We talked about pulling them all out, and putting the sod up to the road. We will address some of the worst sidewalk panels with this project.

Murphy asked if the City maintains the fund. Ayshford said yes. There are 54 lots to be developed. The remaining funds will hopefully be placed into the street fund. Jensen asked if the sidewalks have to be ADA compliant. Ayshford said if we brought something up to speed, we have to make it ADA compliant and for streets, the approaches needed to be made ADA compliant. But for this project we are doing an overlay, not a reconstruct. It was originally designed as an addition to the Castle Towers trailer court. There were originally two water and sewer services going to each current lot. They have capped off one service on each property. Virta asked how many SAC charges we could get. Ayshford said possibly an additional 50. There are also other areas that could be developed for homes and commercial adjacent to this property. Thunberg asked if the current homes would be applied for SAC/WAC charges. Ayshford said no, since they were already charged when they were constructed. Murphy said wouldn't be an incentive to get the area developed with the sidewalks. Ayshford said yes we are leaving them, we just discussed removing, but we will not be. It will be an expensive area to fix for the City at some point in the future and may require assessing the properties. We are hoping to have this one finished yet this fall.

**Fiscal Impact:**

Estimated at \$274,839.11 with funds provided for in the 2013 Street Capital Fund and the Minard Lakes Street Reconstruction Fund with a total balance of \$275,696.13.

Jensen said we are coming in close on this one. Are the bids coming in low or is your estimator low/high? Ayshford said the last one was Coon Lake Beach. Jensen said unless they are drastically over, it should be right ok.

**Improvement  
Projects  
Update**

**Phase 1 Project 1 Utilities:**

This project is substantially complete. All project components have been tested and are operational. The contractor continues to work on punch list items. Final Payment for this project is expected to be presented to the City Council on September 4.

**Trunk Highway 65 Service Road**

The service road on the west side of Trunk Highway 65 from 215<sup>th</sup> Avenue to 221<sup>st</sup>

Avenue is ready for advertisement except for two right of way closings. There was an issue with one of the right of way documents due to a probate issue. The City Attorney has resolved this item. It is anticipated that all right of way documents will be signed in the next two weeks. The project will then be advertised to solicit bids. Bids for this project will be presented to the Council at the September 18, 2013 Council meeting. Thunberg asked if the project would be delayed until next year. Ayshford said no, it might get going next year. It might roll into the weather dependent stage of this fall.

### **Castle Towers/Whispering Aspen Forcemain Project**

As you are aware this project was awarded to LaTour Construction. Contracts have been prepared and signed by the Contractor. Staff is currently waiting for the Certificate of Insurance from LaTour Construction. Upon receipt of the Certificate the contracts will be signed by the City. Construction on this project is anticipated to start in mid August. Pre construction meeting will be next Thursday. They will start next week as well.

### **Lincoln Drive, Laurel Road and Longfellow Drive**

The preliminary design for this project has been completed. A total of 8 properties have been identified for right of way acquisition. Property appraisals are currently being performed. Upon receipt of the appraisals recommendations for right of way acquisition will be presented to the Council. It is anticipated that this project will be ready for bid late this fall. Preliminary work such as utility relocation and clearing and grubbing could be completed this year. The majority of the construction would be completed in the spring of 2014.

Next year we don't have anything for MSA projects, we will be mainly focusing on Lincoln, Laurel and Longfellow. We have no other big projects next year in the street capital either. Jensen asked how long the forcemain would take. DeRoche said by December 2013. Ayshford said we can't wait for that to get up and running so we can shut down the plant. Virta said then the discussion would need to be what to do with the land and shutting down the plant. Ayshford said there is some room for some lots in there. Virta asked if we have costs for decommissioning the plants. Ayshford said we did some preliminary estimates when we budgeted for the forcemain. Virta asked how we pay for that. DeRoche said it would come out of one of the bonds that we owe \$1 million dollars on. Ayshford said on the utility bond we still have money. DeRoche said there is still \$1 million dollars owed on that sewer treatment plant up there. Thunberg asked whom do we owe that money to. DeRoche said another bond. Virta said so we took over that plant and we paid the previous owners some amount of money. DeRoche said there was an eminent domain lawsuit and the judge decided that it was worth more than what the guy wanted, due to future connections. Jensen said and we won't get any SAC connection charges. So we lose all around. DeRoche said that was part of the agreement with Met Council. That was in 2004. There was also a lawsuit because the residents were going to be assessed, but the court of appeals affirmed it because it was already an existing contract for fees. Virta said it sounds like messy stuff. DeRoche said the plant is so old, and PCA said we either had to rebuild a bed, replace a tank, it would cost us another million to keep it running now and another 3-4 million to keep it running for the next few years. The property could be sold for residential. Virta said there is the one up north, Whispering Aspen/Castle Towers, and then there is one down south. DeRoche said the one down south is a reclamation plant. That is all going to be shipping down to Fridley. Once those two are taken care of. DeRoche said well Met Council handled that one for us, the trailer court in the south. They said they would hook them up and

wouldn't charge them for the hook up. Originally Met Council would have gotten the SAC and we would have gotten the WAC. That area wasn't included into the sewer and water district. That is a commercial business. They were never in the contact that they would have to hook up. He wasn't part of that.

**Council  
Report and  
Other  
Business**

DeRoche said we had budget talks before the last Council meeting. We are going to have a separate meeting for a tax increase. After the first property tax statements come out. Worse case scenario, his personal thoughts are we have to go on worse case scenario. If there are no new connections in 2014, taxes will go up 18%. What was said was not going to happen, is going to happen. There are some things that are in the works that might happen to help lower the increase. If other things happen, great, but if not, we still have to deal with the issues.

There have been more cuts made, in the Fire Department. There was a part time person who was going to come into the building department that was cut from the budget. The general levy dropped from 2013. The debt service levy went up. Virta said assuming we get no more connections this year. That is a percentage increase over the City's portion of the property taxes. Ayshford said that does take into account the ERU's in the commercial park. DeRoche said our commitment is 6,500 over 20 years. How is it going to work? If someone comes in next year and says they are going to develop here. The charges are paid when they come in and pull the permit. If they don't do the work for a year, it doesn't matter because the fees are already paid. It came up almost a year ago and Met Council said they would waive some of the ERUs next year. In doing that it took the growth rate from 10% to 17%. We will be paying compounded interest. It was pushing everything down the road. He doesn't think you can keep pushing things down the road. He doesn't want to stick another City Council with the kind of debt that we have. There is a lot of talk and cuts, and Colleen's working on Community Development to generate ERUs. If there wasn't a means to pay for it. If anyone had any ideas on how to pay for this, we will put that plan in place and do it. There is a lot of interest. Like Nate said there are four new homes in Whispering Aspen. There are two on Wild Rice and Durant. Ayshford said there has been a lot of discussion with developers down in that area.

DeRoche said the sewer district is a mile and a half long. People think they are going to have to hook up. People will be paying for it for many, many years. A few people have talked about development that will bring in ERUs. Every year we have to come up with ERUS. Ball park it is about a million dollars a mile for the sewer. There is nowhere to develop except in the business part. We have the force main and we had to use that money on infrastructure. That opened things up from the sewer district to Castle Towers. On the far north end there are possibilities to do things as well. We have to get a hold of the people to sell the land. We can't afford to give anything away. He has had people say you gave Aggressive Hydraulics this TIF. The City was an intermediary, and the bank carried the TIF. It helped out Aggressive Hydraulics. But now if someone wants to build on the north end of the City, he doesn't really know. Tax abatements aren't a good idea. There is speculation that someone will come in. Before a developers going to do something, they are going to want something from the City. If you are giving someone all your money for ten years, the situations we are in, we need the money now.

Ayshford said the proposed tax increase is about 18% on the City portion of the property

tax. That is with no connections. DeRoche said that isn't the final. This is the preliminary. In December we do the final. If we don't levy enough in September. If in December, we were able to refinance the bonds, etc, we can reduce the levy. That is why it was decided to have two meetings. One for the tax increase. If they want to yell and scream at me that is fine. They need to understand what is happening. Are people going to be upset? They have every right to be. Jensen asked how come any of the high-density area on 181<sup>st</sup> why wasn't it locked into place before? If anything should be locked those two properties should have been locked in.

DeRoche said the north end should have been locked in as well. When we came in, there were five phases. We eliminated the other four phases. Why on earth should we figure out the other ones? Now with a lawsuit in White Bear Lake. There is so much development that has been going and now the aquifer is going down. Met Council is advising cities to look for a different water source. Unless the DNR allows cities to tap into other aquifer, we are hoping they work with us and realize that this probably should have been scrutinized a lot more. The Comp plan was redone three times before Met Council accepted it. Someone at Met Council should have, well I thought they were brainchild, should have said something didn't look right. The person that came in, in 2008 said we should scale back or stop the project. At the end of 2008 the bottom dropped out. He would have rather seen it come in on Sims. We could have gotten the school. We could have gone all the way to Oak Grove. Virta said the sighting could have been better in the center of the City. What we heard a lot was that we have 32 feet of fall from the north to the south. DeRoche said we also heard about the two million dollar rebate. We lost it because of the sequestration. But with that all done, we still haven't stopped and said we can't do anything about it. It is obvious there has been a change, and you are doing everything you can to make it go.

The County says they are broke. The state says they are broke. The feds say they are broke. It is definitely worth throwing in a group and looking at. It is a nice area up here. Even if you work in the cities and come up here. People come up here to get away from the cities. From an economic development standpoint, it is making it more convenient for you to go to the store. It is for someone to come in and bring in money to the City. For Aggressive Hydraulics, if there was fast food they would stop in and eat. It is the chicken and egg. Aggressive Hydraulics is such a model. It says something about the City. We need to get that ball rolling more and get more people. Now that I brought everyone done, it is just the reality of it.

Virta said we have a commitment of 6,500 over the life of the project, 20 years. So what is that, that averages out to over 300 a year. Is that correct. DeRoche said if you go to the City website it is all out there. All the budget information is out there. This is what we need to work with. Any big projects that come, we aren't in a position to keep spend, spend, spending money. If we spend the money and it is going to bring in money, we should do it. He said the theaters have been talking. There is a lot of potential. Ayshford said there has been some talking about the east side behind the businesses. Virta said that would be good for development.

**Adjourn**

**Jensen motioned for adjournment. Pierson-Kolodzienski seconded; all in favor, motion carries. Meeting adjourned at 7:28 p.m.**

Respectfully submitted,  
Jill Anderson  
Recording Secretary