

## EAST BETHEL CITY COUNCIL MEETING

JULY 23, 2014

The East Bethel City Council met on July 23, 2014, at 6:30 PM for the City Council Work meeting at City Hall.

MEMBERS PRESENT:      Bob DeRoche              Ron Koller              Tim Harrington  
   Tom Ronning

MEMBER ABSENT:        Heidi Moegerle

ALSO PRESENT:         Jack Davis, City Administrator  
   Nate Ayshford, Public Works Manager

**1.0**                      The July 23, 2014, City Council Work meeting was called to order by Mayor DeRoche at  
**Call to Order**        6:30 p.m.

**2.0**                      **Harrington made a motion to adopt the July 23, 2014, City Council Work Meeting**  
**Adopt**                      **agenda. Koller seconded; all in favor, motion carried.**

### **Agenda**

**3.0**                      Davis presented the staff report, indicating that at this time, Troy Lachinski will present the  
**East Bethel**              East Bethel Fire Relief Association (EBFRA) Financial Report and review a proposed  
**Fire Relief**              benefit increase that will be officially be presented at a future Council meeting.

### **Association**

### **Presentation**

Troy Lachinski, "Thank you for the opportunity to come and speak to you tonight in a less formal session. I'm going to go through a short presentation and, really, I'm looking for some feedback about a benefit increase. Because, there's still work I have to do on my side before we get right in to do that. If we can agree on what a benefit increase could be, if at all, I still have to go back to our Board and we still have to get approvals and a bunch of paperwork and go through many things before we're going to be ready to actually come to you at all. Tonight is just a lot of questions and answers and go through a presentation. I'll tell you how I came up with the numbers I came up with.

For 2014, I just want to go through an overview of the Relief Association, how it works, what our goals are, the reason that we have it, current status, talk about City contributions for 2015 and beyond, the current relief benefit level, and some requests that we have.

An overview: The Relief Association is set up, it was designed by the State. It is governed by State Statute and the sole purpose of having a Relief Association is to provide a pension benefit to members. It really is maybe a little bit of recruitment, but really a retention tool to keep experienced fire fighters to stick around for longer. It takes a very long time to get a fire fighter up-to-speed where they're able to perform at a high level. Once you get the people trained and up-to-speed, it really hurts when you have them leave the Department for any reason. It really puts more pressure on the younger, less experienced guys.

I can speak for myself. Even after having eight years of experience, when I watch other guys on the Department that have 15-20 years experience, I feel like an 'infant.' I feel like there's still a lot to learn and I would hate to have all those guys gone and people look to me to be the number one. I'm not ready for that.

The pension that we currently have is governed by State Statute, as I mentioned. Our vesting starts at ten years, so you have to stay in at least ten years to get any pension. And,

you can't get paid your pension until you reach at least age 50. Currently, we invest our funds, it's overseen by the Trustees of the Relief Association. It is managed by **Harman and Hartman**, which is a financial group that specializes in Relief Associations among other investment groups.

The goals of the Relief Association are to provide the pension, make sure that we attract and retain volunteer fire fighters. We want to maintain a fully funded pension plan. As a matter of fact, our goal is to actually have at least 110% funding at all time just in case the stock market doesn't go the way that we want it to. We want to make sure that we have a fully funded plan and don't rely on the other outside organizations to bail us out, so to speak. We want to provide retirees with accurate and timely payments of their benefits and we want to monitor those investments all the time.

The last one is the most important one. We really want to communicate effectively with the City and the Council, just so there's no surprises and we're all on the same page, as a team."

DeRoche, "Troy, the timing benefits, now when these guys retire, is that just a payout? How is it paid out?" Lachinski, "It's a lump sum but you can't collect it...we've had guys that have retired and they're under age 50. For one reason or another. Maybe they moved out of the City or something. So, it actually continues to stay in our fund until they reach age 50. Once you reach age 50, all you have to do is fill out a form, which we help anybody with, and basically you would get that benefit. You know, maybe not immediately, because we have to transfer funds from our account to our checking account, which could take a few days. We would typically pay somebody out in less than a month if not in a couple weeks." DeRoche, "All right."

Lachinski, "So, our short-term goals. We want to maintain our self-sufficient 110% funded plan, which we are achieving. Our long-term goal is to continue to make sure that we're making prudent decisions and have a good plan. We'd like the payout to be about \$100,000 after 20 years of service, which is a benefit level of \$5,000.

So, once again, the key point for the Relief Association is retention. I ran some numbers, I just updated these last week before I gave this presentation to Jack. So, I went through all the members, look at how many years of experience, whether they're vested. Currently, on our Department, we have 14 members that are vested, which means they could retire at any time and collect something. That makes up 40% of our Department. That also includes 265 years of total experience, which is 74% of the total experience on our Department. So, you can see that if everybody that was vested decided to take their pay out and leave, we'd only have 26% of the experience left. It would be all guys and gals with nine years and under. It also includes numerous key leadership positions so, basically, 77% of the Department officers are vested.

We talked about this earlier. It takes about three years for a new recruit to be fully trained and experienced enough to operate confidently. But, like I said, they may feel confident but they still have some things to learn.

The Relief Association, I like this picture because it's like a lock box. We have this fund that is specifically for paying out pension. You might ask, 'Well, where does the money come from?' Typically, the breakdown is...I looked at our Relief Association over the last ten years and this is basically what it's made up of, 71% of the money that's in there that we earn now, that comes in as revenue, is investment earnings. City contribution makes up

about 9% of that. State Aid makes up about 19%. Other/Miscellaneous makes up about 1%. Specifically, we can attribute that to the Safer Grant. We received some funds from the Safer Grant to go into the Relief Association.”

DeRoche, “Does any of that money, Mark you may know this, where I think the City was going to bill \$300 per incident if the HAZMAT Team had to go out or if it was a car accident, or whatever. I know the City was billing. Where does that money go?” Fire Chief DuCharme, “That goes right back to the General Fund. We don’t receive revenue as a Fire Department of the City.” DeRoche, “Well, I wouldn’t have a problem if you did. But I just, when I get asked that.” DuCharme, “I think the auditors would know.”

Lachinski, “That is a key point, though. Every year we actually have to fill out many forms that we have to give to the State Auditor at certain times of the year including a full audit done by a third party source. All of the numbers that we have are fully checked by not only ourselves, but also an independent auditor, and the State Auditor. There is very little chance of us to do anything that’s ‘outside the lines’ of State Statute.”

DeRoche, “Do you guys use the same auditor that the City does? Or, do you have an independent? Or, how does that...” Lachinski, “Currently we were using an independent auditor. I have talked to Jack. This is something we may talk about later this year, is trying to work with the City to maybe use the same auditor. It would create more synergy between the Relief Association and the City. It might be a cost savings for us as well if we could fall underneath the ‘umbrella’ of the City. But, anyway, that is to be discussed further. But, I think that’s a good idea.”

Lachinski, “So, where does the money in the Relief Association go? It only goes two places: 1.) It’s used to pay pensions and that varies from year to year depending on whether somebody retires or not; and, 2.) It goes to Administration, which is about \$5,000 a year for accounting and audits and things like that.

I just wanted to show this slide. I know that the numbers are a little bit old but it is from 2009, from the State Auditor’s Report. Every year the State Auditor does publish what all the Relief Associations are at for assets, liabilities, members, rate of return, how many people retired. It’s a great big report that’s a couple hundred pages long. I did this slide a few years ago just to show that if I broke down all of the Relief Association in the State of Minnesota, this is how it breaks down for their revenue sources.

If you look at the City of East Bethel that same year, our Relief Association, you can see that we’re pretty much the same as everybody else in the State. The bulk of the earnings comes from investments and then there is the State Aid that comes in every year, and then Local Government makes up the other portion of it. I just thought I’d show that we’re pretty much the same as everybody else.

This slide shows where our income has been coming from as far as State Aid and City Aid. You can see that the State Aid was going up and then it came back down and now it’s going back up. What the State Aid is, is all the homeowners, when they pay their homeowner’s insurance, about 3% of that money is paid to the State for fire protection services. At the end of each year, the State takes all that money that they collect, they look at the sizes of the cities, the coverage areas, the population, and then they break out that money and they give it back to each City specifically for the pension account.

Our request is that we have ‘crunched’ our numbers and we are very over funded. We would like to request that you give us the ability to give ourselves a raise with our own money. I actually have an additional handout. I talked to Bob a little bit on Friday night and he was kind of asking me a little about where I came up with that number, of the \$400 increase. I thought that was a really good question.” DeRoche, “Thanks Troy.”

Lachinski, “You’re welcome. So instead of me just saying I came up with that number out of the ‘top of my head,’ what I did was I went back to my spreadsheet that I go through each year. If you look at the second page, I do ‘what if’ scenarios every year that show what would happen if we left everything the same. What would happen if we raised the benefit levels?

If you look at the first box, what we do every year on our State Auditor forms, we have to ‘throw a dart’ at the dartboard. We have to say, ‘What do we think our rate of return is going to be this year?’ Of course, when you look at the stock market, who knows. So, what we’ve decided to do as a Relief Association, about two years ago we decided the number we’re going to use is 3.5%. The reason we use 3.5% is that is our ten-year average for rate of return. Of course some years it’s been way more than that. Some years it’s been way less than that. But, over time, that’s what our rate of return has been. You also have to remember that this is a pension account so we are not investing our money aggressively. Even on a really good year, we’re looking at 14%. On a really bad year, like in 2008 when the stock market crashed, or 2001 when 911 happened, those are catastrophic years across the board. Those were 30% decrease years.

If you look at the first page with all the graphs, I just want to give you an idea of where we are at year-to-date. Year-to-date, we’re at just under 5%. But, who knows what’s going to happen. It was down a little bit in the beginning of the year, and then it came back up. If you look at this graph, it’s going in the right direction. We’re going up. I thought you might want to see.

If you look at Page 2 again, the top box is what would happen if our rate of return is 3.5%. If we leave it the same at \$3,600 and only went up to \$4,200 because I think the next slide shows, one of the forms we have to fill out is the...the black line is the good line, the red line is the bad line. We want to keep those numbers apart from each other. But, you can see we are doing really well right now. The two bad years that we had were 2002, we dipped down and 2008 we dipped down momentarily.

Go to the next slide, history of the benefit level. We were at \$3,400 for many years. We just went up to \$3,600 last year. This is the form I was looking for. So every year, one of the forms we have to fill out is the maximum benefit worksheet. The State has a formula where we put in how much money we think we’re going to get for State Aid and what the municipal contribution is going to be, what our surplus is or overfunded amount, they take 10% of that, how many members we have, and they do some calculations. They come up with what they feel is the maximum benefit. According to the form of the State Auditor, the maximum benefit that we could have right now is \$4,200. That’s why I went from \$3,600 up to \$4,200. I would never want to go up to the absolute maximum. It doesn’t make any sense. And I don’t necessarily think that we need go to \$4,000 but I’ll tell you why I came up with the \$4,000 amount.

The top box is stating what would happen if we did have a rate of return of 3.5%, like we’re predicting. You’d see that with a \$4,000 benefit level, we would still be 118% funded at

the end of the year. The next box I did, well, what would happen if we had a 0% rate of return, there was not rate of return. If you look at the \$4,000 level, we'd still be at 115% funded at the end of the year. Then I did, well, what if it was a horrible year and something bad happened in the stock market and it was a rate of return of -3.5%. You can see that \$4,000 still keeps us over 110% funded, which is where we want to be. Even if it was a catastrophic year and it was a 7% down year, we'd still be at 107% with the \$4,000 benefit. Just so you have an idea, I didn't pick that number 'out of the air.' I wanted to give you the evidence of where I came up with that. I wanted to come up with a number that would still leave us at more than 110% funded even if we had a down year of -3.5%."

DeRoche, "I think part of the discussion last year, and one of the sticking points people didn't understand, is this is the firefighter's money. This is not City money." Lachinski, "That's right. It's in a 'box' specifically to pay pensions." DeRoche, "Right."

Ronning, "Have you considered where you'd be if those 14 people left? They got angry, or whatever, and they just, 'I'm done.'" Lachinski, "That's actually, if you'll look at the second page, the liability, if all those people left, all the money is actually already in the fund. So even if everybody quit today, and let's just say that everybody was at ten years, we would still have whatever the surplus amount. Let's just say we're at \$3,600 now at the top box, and it was a 3.5% and every single person left the Department, and we'll just assume that everybody got paid even though the people under ten years won't get paid anything, we would still have a \$400,000 surplus. That would still be in there when we rebuilt the Department."

Ronning, "How many are there? 38 or something?" Lachinski, "38 is the number we used for the State Auditor. I think we're down to 35 right now at the moment."

Lachinski, "With this slide I was going to show you my prediction from last year. Last year, I was predicting the end of 2013 we'd be at \$1.3 million. The reality was that we were at \$1.7 million. We had a great year, we had a 12% rate of return. I called our financial advisor and asked for a guarantee that we could get that same rate of return this year and every year from now on. But, she hung up on me.

This is our prediction for next year. It doesn't correspond exactly to the numbers on this form just because, the form that you see here is already taking into account how much money we're going to take in next year and also how much money that we would be paying out. So, that's the big difference. The numbers I use on here don't take into account the State Fire Aid and the municipal contribution because we haven't realized those yet."

Ronning, "Did you say that's a lump sum?" Lachinski, "Yes." Ronning, "And, it's entirely based on your years of service past ten?" Lachinski, "100%. So, at ten years of service, like today our benefit is \$3,600. You only get 60% of that at ten years. Then after 11 years, you get another \$3,600. So, it's \$3,600 times 11 and then it's 64% of that. At 12 years, it goes up to 68%. So, it goes up 4% every year until you get to 20. Then it's the full \$3,600 a year."

Ronning, "Okay. It says 'total active member liabilities' and 'deferred member liabilities.'" Lachinski, "So, we have five people that are deferred right now that have retired. Four of them haven't reached the age of 50 yet so their money sits. And, we have one former member that is 50 and I'm not exactly sure why, but he has not requested his money yet."

DeRoche, "He's going to make more." Lachinski, "He won't make more because your benefits stops so if we get a raise, he will get paid at the level when he left the Department. It doesn't make any sense to pay, we have one deferred member and when he left the Department a long time ago, it was at \$2,400. You have to be on the Department and active when the benefit goes up to realize it."

Ronning, "Those things are typically based on a point in time." Lachinski, "Yes." Ronning, "So, if your point in time is 1976, you have 1976 figures." Lachinski, "That's right."

Lachinski, "So, if we keep the current benefit level, if we don't change it at the end of the year with the 3.5% rate of return, we're going to still be over funded by 131% and that would be one of the highest overfunded percentages in the State. We do feel that it is time for a benefit increase. Like I said, I'm not 100% sold on, I mean if you guys said you didn't feel comfortable with the \$400, we could sure discuss putting a different number in this scenario. But, that number seems to be the right number based on the numbers that I've 'crunched.' In summary, we've been maintaining our status of 110% funded and, of course, to maintain that we need healthy investments, prudent yet competitive benefit levels. We don't want to go to the maximum and have a down year and not be where we want to be. We want to be sure to do this in 'baby steps.' The term I like to use, it's not a 'cash grab.' It doesn't do any of our members any good to suddenly raise it. Except for the guys that are just about to retire. This is a long-term process and a long-term thing. We're in it for the long haul. Doing a really big jump here, every five years doing a really big jump, is not good. We'd rather do small 'baby steps' and make sure we stay where we need to be along the way."

DeRoche, "It's kind of an incentive to stick around." Davis, "One other thing to point out is that the City has reduced its contribution to the Fire Relief Association the last two years. So, they've really been doing well with their investments in making the fund grow with less contribution from the City

DeRoche, "The last two years? I thought it was just the one year." Lachinski, "Last year we went down and then three years ago we went down as well."

DeRoche, "Any questions Tim? Tom?"

Ronning, "Just real simple, raw numbers, no compounding. You did from 2007 to 2013, amounts to 0.8% of an increase per year. It would be a little bit less than that. I think the start-in would grow a little more. That's not, that's pretty respectable." Lachinski, "Yes, and to be honest with you, during those years, like 2008, 2009, 2010, we were not in a position to do an increase just because our fund was not where it needed to be. We were severely under funded in 2008, after the stock market crashed. But, we were not as bad as some cities. The City of Bloomington had a mandatory \$3 million payment to their Relief Association to get them back to funded. It was a catastrophic year. The stock market dropped almost 40% that year. Luckily, it came back. If you don't have any other questions, what I'd like to do is know if you guys feel confident with the \$400 number, to go up to \$4,000 and then I'll go back and do my job with the Relief Association and then come back and formally request it at a later City Council meeting."

DeRoche, "I personally don't have any problem with it." Koller, "I think it's quite fair." Harrington, "I think it's quite fair too."

Ronning, "I don't disagree one bit. You're the one that does all the 'number crunching,' it looks like. Just for general purposes, could you throw, like a ten-year payouts, returns, what the history is?" Lachinski, "Sure, absolutely. And, any time you guys have any questions, I'm more than happy to meet you down at the station and open up the books and show you anything." Ronning, "I'm just curious for myself." Lachinski, "Sure."

Ronning, "I don't know if we're very committal right now. It seems reasonable."

Lachinski, "Okay, great. I have just one other thing I wanted to mention and I didn't want to mention it before because I didn't want it to sway your opinion. One of the things we're working on too that we're going to start off this year. I've talked to Mark and I've talked to Jack a little bit. I think we talked to you too Bob, about me and a couple guys on the Department. We feel really strongly about making East Bethel a Heart Safe Community. It's a program that started, I don't know where they started, but it's very strong in Minnesota. I think it was kicked off by Allina but it's been taken over by another organization. What it really is, is a commitment by community to make sure there are as many AEDs as possible in public buildings. Then as many people in the cities are trained on how to use them. That's not only the people that work in those buildings, but just citizens as well. Minnesota has a goal of having 10% of the people in Minnesota actually trained on how to use an AED. I've already started the paperwork to sign up to become a Heart Safe Community. I'll need some signatures by some of the folks in the City and get some partnerships from other people. Everybody I've talked to feels really strongly about it. I've already got myself and at least three firefighters that are super excited to get this initiative started. Just thought I would bring that to your attention because we will bring it up to the Council and I'm going to make it into a big event and make sure that it gets into the newspaper, things like that."

DeRoche, "I think it's a good idea. Well, that's kind of the trend now days anyway."

Ronning, "None of this is in a hurry or anything. When you get a chance. But it would be interesting to see how many firefighters you have drawing and what level they're drawing at. And, how do you make your distributions?" Lachinski, "I actually have a spreadsheet that shows all that."

Ronning, "How do you make your distributions? How do you pay them?" Lachinski, "How do we pay them? When they get ready to retire, we look at how many years of service they have and there's a formula. So, you times it by the benefit level, which today is \$3,600 and then times the vesting percent. Just a lump sum, one time payment." Ronning, "A single distribution." Lachinski, "Yes, one lump sum."

DuCharme, "What Troy does do also, is kind of keeps a lookout as far as the possible retirements so that, you know, you can't have all your money tied up into long term commitments. The Relief Association actually has an investment policy of where that money should go so if we kind of get the feel that somebody might be retiring. Slowly, that money is transferred to more of a short-term account so that it's available when that person puts in the paperwork."

Ronning, "You have to have a liquid asset to be able to pay some of these things." DuCharme, "Exactly, right." Lachinski, "We have a five-year plan. We talk to all the members. Anybody that's over the age of 50 and vested, shows up in this five-year plan

because they could retire and want their money immediately. Some of them say, 'Get me off there.' But, 'Too bad, you're on the report because you could retire and you could take money.' We have a long-term account and a short-term account and a special fund. We try to keep the short-term account with enough money that we could pay out everybody over the next five years if they retired in the next five years."

Ronning, "you're still getting what, 5% was it?" Lachinski, "Well, 3.5% has been the average. We're still getting that rate of return."

DeRoche, "Mark, I think you and I talked that it's set up where guys couldn't just walk out the door. There has to be a little bit of notice, I hope." DuCharme, "Actually that mix of people who are vested who could retire and those that are somewhere in the middle and the new ones, the mix on our Fire Department is a pretty good mix. Because you want the experience, the high experience senior people. Then you've got the middle people who have just reached a level where they're confident. Like Troy has said, they're building for leadership and things like that. Then you've got the new group that's learning everything. So, the mix we've got works out really well. You've got to remember that the last retirement we had was 2008. We had one that retired in early 2008 and then we had another one that retired about two years ago."

DeRoche, "Okay. Anybody else have any questions? Anybody out there got any questions?"

Lachinski, "I've left my mail address and my phone number on the last page. If anything pops into your head, just let me know."

Ronning, "Thanks for your time to put all of that together." Harrington, "Thanks Troy." DeRoche, "Thanks Troy. Thanks Mark." Koller, "Thanks."

#### **4.0 189<sup>th</sup> Street MSA Road Project and Options**

Davis presented the staff report, noting the purpose of this Work Meeting item is to continue the discussion of the MSA portion of the 2015 Streets Capital Improvement Plan

At the June 18, 2014, City Council Meeting, the MSA portion of the 2015-2019 Street Capital Improvement Plan was tabled for further consideration of options for the 189<sup>th</sup> Street Project, which proposed to link the Classic Commercial Park (CCP) to Jackson Street as a second access to this area. Council concerns with this project were the potential for additional truck traffic on Jackson Street and safety issues on this street with pedestrians. This issue was discussed at the July 2, 2014, City Council meeting. As a result of that meeting, a Work Meeting for tonight was scheduled to continue the discussion.

The need for a secondary access to this area are safety and congestion issues at the intersection of 187<sup>th</sup> Lane and Highway 65 and the provision of an additional means of ingress and egress for emergency responders. The 187<sup>th</sup> and Highway 65 intersection has been obstructed or closed on at least two occasions in the past 18 months. Mn/DOT's 2011 traffic count numbers at this non-signalized intersection were 1,950 vehicles per day (vpd) and this number will increase as development continues within this area.

Prior to recommendation to City Council for the 189<sup>th</sup> Street Project, the Roads Commission did explore other options to access this area and found the improvement of 189<sup>th</sup> Avenue to Jackson Street the most balanced alternative between the other proposals

that were considered. The other alternatives considered by the Roads Commission were:

1. Extension of 185<sup>th</sup> Avenue to Highway 65 with a right in, right out only on Highway 65;
2. Extension of Ulysses or Buchanan Street directly north to connect with Viking Boulevard;
3. Extension of Buchanan Street directly south to connect with 181<sup>st</sup> Avenue; and,
4. Extension of 189<sup>th</sup> Avenue directly west of Buchanan Street and then north to connect with Viking Boulevard via Taylor Street.

These options are open for discussion but were rejected by the Roads Commission for the following reasons:

**Option 1** – The extension of 185<sup>th</sup> Avenue to Highway 65 was rejected because Mn/DOT has given preliminary indication that they will not approve an intersection at 185<sup>th</sup> and Highway 65 and this option would not address issues of north bound traffic requiring entrance to the CCP;

**Option 2** – Was rejected because this alternative would involve road construction across a half mile of wetland and flood plain and may require a traffic light with the intersection of Viking Boulevard;

**Option 3** – Was rejected because this alternative would require routing a portion of the road through the Village Green Mobile Home Park and could involve the acquisition of portions of existing residential properties and possibly one existing home;

**Option 4** – Was rejected because this alternative would involve the construction of an additional quarter mile of road and possibly the acquisition of a residential property. In addition, a traffic signal may be required where this proposed street would intersect with Viking Boulevard;

**Option 5** – This option was added. It was suggested to me by another party and was kind of interesting so we just wanted to bring it up so we can say we've considered everything that's been proposed. This alternative would be identical to the Roads Commission's recommendation of improving 189<sup>th</sup> Avenue to access Jackson Street but would add a separated pedestrian trail along Jackson Street between Viking Boulevard and 181<sup>st</sup> Avenue. This option was not considered by the Roads Commission but is presented as a consideration for this discussion.

Of the five above options, Options 1 and 4 appear to be feasible for further consideration.

Davis, "In your packet, there's a list of attachments and we'll scroll through these maps and individual proposals themselves. The first one on the screen is the option that the Roads Commission recommended and that's to extend Buchanan Street north to 189<sup>th</sup> Avenue and then go directly west to Jackson Street."

Ronning, "Are we in discussion yet?" Davis, "We can stop for discussion any time you'd like." Ronning, "Or, if you want to hold until." Davis, "Whichever you want to do. I'll scroll through these and we can go back, whichever you want to do Tom."

Ronning, "I'm curious about the vehicles per day. There's more than one way to look at that. There's cross traffic, east to west, coming and going. There's north and south. They're entering and exiting. I don't see how they could determine that one went in and stayed there and then a different one came out so is this 1,950 divided by 3,900 original? Or, is it half of 1,950?" Davis, "They'll set the strip up across the road and it could be half or there could be some, most that go in are going to come out. So, it's probably half. And, those numbers vary. There is another study that shows that the traffic count was 2,900 vpd. I used the one that had the lesser one. We'd probably have to go down there if we really

want to determine the accuracy of the number and do our own traffic count.”

Ronning, “At the minimum, it is very close to a thousand vehicles.” Davis, “That’s probably correct. And, here again, that could vary too. Some days it could be less. And, the major generators of traffic in volume now, the Theater is the major generator. River County Co-Op or the Marathon is probably the second major generator. And, of course all of these figures were done prior to Aggressive Hydraulics locating there. We’d anticipate the number is higher but it is a fairly significant intersection on 65.”

Ronning, “It’s probably over some kind of period of time and then divided by, it wouldn’t be just one day or even five days.” Davis, “Well, it’s generally on a day. Nate, two days?”

Ayshford, “They do it over two days, that’d be pretty average.” Ronning, “Okay, is that with a good movie? Or, a bad movie?”

Koller, “I’ve looked at all of these and Jackson Street and 181<sup>st</sup> are residential streets. Like I said before, we have bicyclists, pedestrians, horseback, and you want to get heavy traffic on that in the morning? Shaw’s trucks come down there in the morning when the school buses are trying to pick up kids. It’s going to be a nightmare. If they use Jackson or 181<sup>st</sup>, they come out on 181<sup>st</sup> and 65, which is the exact same intersection as 187<sup>th</sup>. It’s just six blocks farther south so you’re going to end up with more accidents there. The only reasonable thing would be to go north to Viking. In my opinion, Buchanan Street north to Viking. Because, if you jog it over like it shows in Option 4, you’re going to be interrupting other people’s property and there’s also a house right on where it will intersect with Viking. I don’t like taking people’s property.”

Davis, “That’s the problem with some of these options. Let me just run through these others real quick, on the graphics. On the map, the one showing now, this would be the option going directly north from either Buchanan Street, which is this route, or Ulysses Street and coming out on Viking Boulevard. You would come out one-quarter mile from the existing intersection of 22 and 65, which would place it right here, which is also the proposed intersection to whatever commercial development would be there. So, there would be a traffic light, more than likely, required at that intersection if this was the route taken.

The next option would be to extend 185<sup>th</sup> Avenue directly east and tie into Highway 65. This could be a route in/route out only. One of the other problems with this, it doesn’t really address traffic turning west in here. So this turn lane that enters to 187<sup>th</sup> Lane would probably have to be lengthened also. Also, in the cost estimate, there is no deceleration lane added in there.

Options 3 and 4. Option 4 is to go directly north on Buchanan then west on 189<sup>th</sup> to where Taylor Street grid would intersect here and then go due north to Viking Boulevard. Here again, this would be the other intersection where Viking Preserve is going to go. So, there would probably have to be a traffic light with that option.

The other option is to go directly south on Buchanan Street, past the Metropolitan Council’s wastewater treatment plant, along the west edge of the property of Village Green and then through this residential property right here, which would involve acquiring either right-of-way from it or taking the house. In all likelihood, it would probably involve buying the whole property.

The final option would be the original Roads Commission's recommendation to go west to Jackson Street and construct a separated pedestrian bike trail along Jackson to 181<sup>st</sup>. In addition to the roads extension, we need to also look at consideration of potential utility extension so that no damage is done to the roads. We have two options of utility extensions. This option here would follow for Options 1 and 4. If we went Options 1 and 2 going north or to 185<sup>th</sup>, we wouldn't have to worry about it. Or, this is another option to come in to serve what could potentially be a senior housing project area.

If the roads were going west and accessing Jackson Street or even going north to the church property, there would be four benefiting properties of about 60 acres to which some of the project costs could be assessed. These are indicated here. One of them is 18811 189<sup>th</sup>, the other is Our Savior's Lutheran Church, and the other two portions belong to T & G Land. If this were done, it would probably be one of those situations where the assessment would probably have to be done upon development of the property. I don't think it would be fair to assess someone when they have no plans for development at this time and then being forced to do something to pay the assessment costs.

Here's a chart that's going to show some comparisons on the summary of the options. The first chart is a summary of the options for the access road itself. Option 1 is the initial Roads Commission's recommendation, which the secondary benefit would open up approximately 50 acres. Property acquisition would involve right-of-way only and the estimated cost of this option is \$1,484,000. Option 1, which is to extend 185<sup>th</sup> Avenue to Highway 65, the base cost is \$296,000 but that does not include a deceleration lane or an extension of the northbound turn lane on Highway 65.

Option 2 is extending Buchanan or Ulysses Street directly north and intersection with Highway 22 a quarter mile west of the existing 22/65 intersection. This estimate comes in at about \$2,700,000.

Option 3 is to go south on Buchanan Street, skirting the Village Green Mobile Home Park. Just the construction cost is approximately \$830,000 but this does not include any right-of-way or property acquisition costs, which could add quite a bit to this amount.

Option 4 is to go parallel to the Our Savior's Lutheran Church property on the east, intersect with 189<sup>th</sup> and then come down Buchanan. This is estimated at \$2.4 million and it would involve the possibility of acquiring one residential property.

Option 5 is the bike trail addition to Jackson Street. It would add \$400,000 to the cost of the original option, making it come in at \$1.9 million.

The next chart is a cost benefit summary, which shows what the length of the extensions are, the construction costs. The value added would be the connections that we could get for property to serve. So for the Roads Commission's option, with the construction cost less the value added, the final cost per foot would be \$59/foot, ranging all the way up to Option 1, which is the extension of 185<sup>th</sup>, at \$946/foot. These are footage costs and total costs are different. It's just going to depend on the length of what that extension is supposed to be.

The final chart in your packet is a summary of potential funding sources. These are MSA streets and MSA funds can be used for that. There's also the possibility of getting a Cooperative Extension Grant because we would be lessening some of the impact at the

intersection of 187<sup>th</sup> and 65. Trails Funds could be used if Option 5 were selected. And for the payment of the extension of utilities, we'd have some HRA funds should we get a commitment from the senior housing project. Or there's a possibility we would have some bond funds left over, depending on how our decommissioning goes with the Castle Towers Wastewater Treatment Plant.

It's estimated that the water would cost about \$243,000 to install on the 189<sup>th</sup> proposal. The sewer is still optional because we don't know which option we're going to take. Sewer could run anywhere from \$200,000 to \$444,000. However, it wouldn't be essential that the sewer be installed at this time. The road could be offset in the right-of-way to provide some additional room to add that at a later date.

So, that's just kind of an overview of what some of our options are. They are open for discussion."

DeRoche, "Well, if it goes through to Jackson to 22, I think there would have to be some kind of traffic control. Now, I realize there is that left turn lane coming off of 22. But right now, that's kind of a 'trick' to try and get on and off Jackson onto 22 no matter what time of day. And, if the reason we need this road is because of the increased traffic, then we're going to have to do something with traffic control. I guess I don't really see the County getting all excited about that seeing how they just did 22. Mn/DOT has no 'say' in it, right?" Davis, "No, not at 22 and Jackson."

DeRoche, "And, so, what would it cost us for a traffic light? And, that would be whether it's on Jackson or Buchanan Street straight up through the wetlands." Davis, "According to our engineer's estimate, a traffic light, signal, at an intersection along there, which wouldn't include any large-scale grading activities like we had at 221<sup>st</sup>, would run \$350,000 to \$400,000."

Ronning, "There's a number of considerations that I hadn't thought of. Tim and I were at a meeting this past week that was kind of an 'eye opener' for me. I originally was looking at it as strictly the potential hazard for Jackson so I had a little 'tunnel vision' in that regard. But, some of the things that are going to be universally true, I think, anything that goes onto 22. You're going to have to have a left turn/right turn lane on 22, left turn/right turn lane on whatever the ingress is. And, we learned a term, 'stacking.' Stacking is how much traffic backs up so your turn lanes have to be prepared for a certain amount of stacking. All that's costs that I haven't seen or heard anything addressed on.

Another thing we learned is that it's mostly start and end of shifts but they do have night operations. So you're going to have to think of trucks coming down a road at 2-3 o'clock in the morning or whatever it might end up being. My neighborhood sleeps at that time. Those are some thing that should be on a table as well."

DeRoche, "I noticed someone here from Village Green. Would you like to throw in your two-cent's worth? Or, what your thoughts are?"

Lady in audience, "I just know the intersection there (*off mic inaudible*)."

DeRoche, "You know, I've heard the excuse, 'Well, you know, we don't want too many stop lights in a row.' But, if you go down through Blaine, Stillwater, Woodbury, Eagan, that way, it doesn't matter where you go, they've got stop lights on some of the main drags.

They had to do that, especially like on 36 going into Stillwater. Heck, it used to be a nice road. Now there's a lot of stop lights. Same thing with Woodbury and Valley Creek Road, when that all came in, Radio Drive, old Cottage Grove, new Cottage Grove."

Ronning, "On 65 through Blaine, there's only so many intersections you could put an overpass. There might be two more to eliminate lights."

DeRoche, "Well, Roger, you have some comments you'd like to make?"

Roger Virta, 18921 University Avenue NE, "You know, I guess my position has been kind of the same. I was in the minority on the Roads Commission." DeRoche, "Could we get you to sit in that chair? We won't make you stand up at the main podium tonight, you can sit in that one because that mic is 'hot' too, I think. Isn't it Jack?" Davis, "Yes, it's good." DeRoche, "Nate didn't want to be in the 'hot seat.'"

Virta, "My general position is that I think it's a bad idea to put it on Jackson. I was in the minority. Four Roads Commission members voted for the proposal that you guys have in front of you. I think the rationale was kind of based on, as Jack has summarized, that the thinking was in terms of relative cost benefit. I always look at it from the point of view of if I lived there. Any of those people who live on Jackson Street, put yourself in that 'boat.' I didn't realize that they had night operations, Tom." Ronning, "That's what we just heard."

Virta, "And that's an absolute, I mean, from a livability standpoint, that's just a bad deal. I can't imagine having to put up with that. Especially if you've been there and thought that was relatively quiet when people moved in. There is certainly more traffic on Jackson than there used to be but I don't think there is a lot of truck traffic. It's mostly residential or vehicle traffic. This would represent a significant decrease in terms of quality of life for people that live there in addition to the other safety concerns."

DeRoche, "Well, one thing we also have to look at is that Jackson is an arterial road. I think we have Jackson, 65, 68 comes out of Ham Lake and then turns into Greenbrook then goes across 22 and what is it, East Bethel Boulevard?" Davis, "That does tie into East Bethel Boulevard."

Davis, "This is a very difficult 'nut to crack.' There's no real good way to provide secondary access to this area without some kind of complications, impact, or consequences to someone. It's going to take a lot of thought to come up with the one that is of minimal impact or minimal impact among the alternatives available. Ideally, if you could extend 158<sup>th</sup> Avenue to 65, it would probably be the best in terms of impact to other areas and neighborhoods. Also, in terms of total cost, it would provide the secondary access out of there. It probably wouldn't provide the best solution in that term. But, in terms of impacting other neighborhoods and total dollar cost, that one would be the best. However, we would have an uphill battle with Mn/DOT in getting an intersection permitted at that location."

Ronning, "You know one of the things in this discussion was trucks would slow traffic down. I don't even think about that. But, things happen and there's no way you can prepare for it. About three-four years ago, there were two women who left the church and they got to 22, they're stopped, and just talking and distracted, pulled out and the passenger died, got 'T-boned.' Nobody plans those things. So, that's always a possibility, whether it's a bicycle or somebody pulling out that didn't pay attention."

Koller, "I know we've had some very bad accidents on 181<sup>st</sup>." Davis, "Right. And, I'm not advocating one over the other at this point. I certainly respect and appreciate the additional traffic on Jackson to the residents. But, also, if something is not done at 187<sup>th</sup>, we're also increasing the danger of the situation at that intersection. One of the things about Jackson Street right now is probably as big of concern are the people that speed on that street. Those may be more of a danger than anything else at this time. Here again, there is a lot of considerations to weigh and try and make a decision on this."

Ronning, "With regard to that 185<sup>th</sup>, the people that were here and grumbled about everything from Johnson Street to whatever, and said they were not interested in 185<sup>th</sup>, I don't think any of those guys had the authority to sign checks or make any real decisions. So, I wouldn't give up on 185<sup>th</sup> myself."

DeRoche, "Well, it certainly would have been nice for a little forethought when this whole project was put together and everything was laid out, to make two ways in/two ways out, at least. I understand you can't go back and change the 'hands of time,' but it's something that we still have to look at. What a poor design." Davis, "Unfortunately, that's why we're here today, because this problem wasn't addressed in the past."

Koller, "With all the heavy truck traffic on Jackson Street, you have to remember that in the Spring, there are road restrictions on it." Davis, "Generally we just typically classify all City streets as 5-ton streets in the winter so it would be uniformity of the road restrictions so nobody's guessing. Jackson Street was designed and built as a 9-ton street. It could be open to that but it would be my recommendation, if this did, we still keep everything at 5 tons. Emergency situations could come in and out of there, we don't question that. But, for daily use, we'd want to keep that heavy traffic off that, as a minimum."

Koller, "We already have the church emptying onto Jackson Street and Bear Hollow Housing Development empties onto Jackson Street. And there's the housing development off of 181<sup>st</sup> that empties there plus a mobile home park empties at 181<sup>st</sup>. There's already a lot of traffic on those two streets." Koller, "You start putting more heavy truck traffic on that, I just see a lot of accidents."

Ronning, "The other thing is that I still believe it's wishful thinking that so many are going to go down 189<sup>th</sup> or whatever street. They're going to go with whatever's convenient. If somebody is running late for an appointment, work, whatever it is, they're not going to take the extra five to ten minutes to go out to 22 on the north way. They'll do what they've always done."

DeRoche, "We also have to look at the businesses that are down there, how it affects them."

Ronning, "It would help some of them."

DeRoche, "And future development, how ever much we can put into that area yet. But then, 187<sup>th</sup>, I know a couple people that own property on the east side and until there's a stop light or access into their property, a decent one, they're not going to do anything with it. So, for Mn/DOT to have this attitude, 'Well, we don't want a stop light there.' Well, how are we going to develop?"

Davis, "We did have the Mn/DOT representatives that were at the May 13<sup>th</sup> Roads Commission meeting and they presented their position. Just because they said they wouldn't

advocate a traffic light at 187<sup>th</sup> or an intersection at 185<sup>th</sup> doesn't mean it can't be done. It just means it's going to be a little bit more difficult. I don't think it's fair to sit back and ask East Bethel to pay the price for traffic congestion and limiting development because Mn/DOT will not allocate funds to improve certain intersections and relieve some of this congestion. Why should we be sitting back and wait 30 years for something to be done at Viking Boulevard, as far as an overpass or interchange, and have to rely strictly on service roads that we essentially have to fund ourselves?"

DeRoche, "I guess I'd be kind of curious to know if the people that were here from Mn/DOT, if that was the whole Mn/DOT opinion. Was that their opinion? Did they have a 'dog in the fight' because of the Johnson Street project, which at the time was going nowhere as far as I'm concerned, unless somebody was going to develop up there. Maybe we need to get Senator Benson or Representative Hackbarth and somebody with a little bit more 'muscle' and make a couple calls. I hate to 'jump' over people but if we have to go higher, then we need to go higher. The worst thing they can do is say 'no.'" Davis, "That would be the thing. The two gentlemen who were here representing Mn/DOT, I don't think they have any stake in the matter at all. That's just Mn/DOT's overall policy. But, you know, policies can be amended and policies can be adjusted. This is the first step in the process and you deal with them at this level and if that doesn't work then you go on 'up the ladder' until you get the final 'no,' 'yes,' or whatever the decision is. Again though, this doesn't solve the problem of that secondary access. Even if we get a traffic light on 187<sup>th</sup>, that's going to solve a lot of issues on the east side but it's not going to address some of the problems on the west side with this secondary access. I think that's something that we need to look at to see if there's any way we can address that and come up with some kind of recommendation or solution."

DeRoche, "Well, we come out at 185<sup>th</sup> and go across the highway and all the way over to the other side." Davis, "I think it would be easier to get a traffic light at 187<sup>th</sup> than to get a crossover at 185<sup>th</sup>."

Ronning, "And, it's primarily southbound traffic that it is involving. Another thing, if things hadn't changed with Johnson Street, I don't believe any of this would be on paper right now." DeRoche, "I don't think it would be an issue."

Ronning, "With that in mind, if that's correct, is there, right now it's a wish list. Was there an anticipated activity/timeframe?" Davis, "For this project?" Ronning, "Yeah." Davis, "This project has been discussed occasionally. It's always been on our long-range plans. But, I think with the abandonment of the Johnson Street project, it did focus more attention down in the sewer area and it did indicate that some monies may be freed up and be available to do this. I think that with the recent things that have happened there at the intersection of 187<sup>th</sup> Lane and the fact that intersection was blocked twice for some significant periods of time over the past 18 months, it's just brought further attention to the need for that secondary access."

DeRoche, "Well, from a safety standpoint, there really should be. If there's an emergency and they can't get in 187<sup>th</sup>, how the heck are they going to get in?" Davis, "The real issue is primarily in the wintertime. If there were a fire, and if that intersection should happen to be blocked, which upon one occasion it was, we had trucks trying to exit on 187<sup>th</sup> Lane that were coming up that little grade between the theater entrance and 65 and they got stuck, and they backed up. Getting fire equipment or something there would have proven rather difficult. This time of year, now you could come in the back way and go off road and it

would take you a few more minutes. But in the winter time, it would prove to be a real challenge.”

DeRoche, “Has any conversation come up at Village Green about concerns that should certain things happen there would be more traffic? Would there be any safety concerns? Everyone knows 181<sup>st</sup> is kind of a busy/bad spot.” Davis, “One of the things about extending this road south, Buchanan Street along the edge of Village Green, not only would it probably require the loss of maybe four to six existing trailer spaces that they have, it would funnel a lot more traffic through a really, really dense residential area that has almost no setbacks from the road. That would be a real prime safety concern going through that area.” DeRoche, “I’m sure the people in the trailer park don’t want a bunch of cars going by all the time.”

Koller, “And the seven properties on the other side of it wouldn’t like that either.” Davis, “No.” Koller, “You are trying to push it right through a whole bunch of people.” Davis, “Well, all we’re trying to do is look at what are the ways that you could get in and out of there and let’s see if we can find the best one.”

Koller, “I think Option 1 is probably, it is definitely the lowest cost option and it would be worth checking with the DOT. Other than that, I’d go for Option 2 and just run up to Viking, straight up. If we need a light there, we put a light there.”

Davis, “What about Option 4? If you’re going to run it up to Viking, you’d get more ‘bang for your buck’ and it would probably cost a little less if you went farther west on 189<sup>th</sup> and ran it by the church property.” DeRoche, “Yeah, that wouldn’t be bad. We could maybe work out some kind of deal with them.”

Koller, “There’s also a house sitting there that would have to be, we would have to take their house from them.” Davis, “You know, maybe they might be willing to sell. I don’t know. Nobody’s ever talked to them because...” Koller, “Right there, isn’t there also a substation?” Davis, “No, it would come out just adjacent to and to the east of the substation.”

Davis, “To me, if we were looking at that, I’d like to maybe explore the other one also because we’d be opening up about another 60 acres on this side and the church has a couple other places that they may even consider developing. It cost about \$300,000 or \$400,000 less. If we go due north from Ulysses or Buchanan Street, it’s all across swamp and flood plains. We’d also have several problems with the Corps of Engineers too, as we’ve found out that Viking Preserve has run into, as far as getting permits for construction. There would be several obstacles going that way too. Like I say, there’s no easy way to solve this problem.”

DeRoche, “If we go out to Jackson, we’re going to be going almost through that guy’s yard.” Ronning, “We’re going to be what?” DeRoche, “That owns that property, that had the barricades up.” Davis, “Yes.”

DeRoche, “So now we’re going to be diverting all those vehicles past his place.”

DeRoche, “What was the rationale for the Roads Commission to pick going out to Jackson? There had to be a reason.” Davis, “The rationale was, #1, going out 185<sup>th</sup> is going to be a challenge with Mn/DOT to get an intersection there. Going north from Buchanan and

Ulysses Street directly up to 22 was going to be a real problem because you're going across a half mile of swamp, wetlands, and flood plains. Going by the church, the option you see right here, would involve the addition of at least one-quarter of a mile more of road construction. So, the one to east or west of Jackson Street, in terms of cost, was the most economical, to come this way right here."

Virta, "I think the cost differential was one of the big driving concerns."

Harrington, "And the opportunity to open up maybe three pieces for development." Davis, "Yes, you'd have this piece, this piece, this piece, a piece right here, and also if you go this way, you'd still have some property right here that has some secondary benefit even though it can be served from 22. But, overall, the extension to Jackson Street, when you weighed all the options, appeared at the time to be the best and the Roads Commission made their decision on that."

DeRoche, "Go back to that Jackson Street one, would you Jack, going down 189<sup>th</sup>? Because I'm kind of wondering now. I know going through the wetlands and stuff, we'd probably run into the same situation we had with the sewer/water project and Weidma saying we couldn't do anything unless it was frozen ground because their stuff would be stuck. That's another consideration, that it can only be done at certain times of the year. And is the DNR going to get involved? Is the Army Corps of Engineers going to get involved? Which one of these are we going to need all of these permits for? I can't believe it would just be that simple."

Davis, "The DNR would have some involvement. The primary agency that we'd have the most difficulty dealing with is the US Army Corps of Engineers. What you see, and the reason I didn't show it, all these gray areas right here are all wetlands."

DeRoche, "Is that peat or like swamp?" Davis, "Well, for 22 when they did the excavation up here, in this area right here, they had to over excavate 35 feet to get down to out of the peat." DeRoche, "Yeah, that was quite a canal for a long time."

Davis, "Yeah, so everything you see right up through here, all this, is designated wetlands. One of the costs that you're going to have to do for every acre disturbed here, which is going to be a significant amount, you're going to have to replace it double somewhere else. You're going to have to pay for those wetland credits. All of this is flood plain so it will have to be elevated and still all of this is some really, really, terrible soil conditions. It's all peat material. Just with this estimate, there's been no borings, but it was assumed we'd encounter the same depths that they encountered up here on 22 when they did the reconstruction of Viking Boulevard. Also, there's a stream crossing here, which would require a fairly expensive box culvert. It wouldn't be anywhere near what a bridge cost would be, but it would be an additional cost. The US Army Corps of Engineers would be the ones that we'd have the most difficulty getting the permits from. Currently, what they've experienced with the Viking Preserve project for large-scale developments like this, it's going to take a year to a year and a half to get a permit from them."

DeRoche, "Well, another thing that I think maybe I'll do is take my camera out and take some photographs." Ronning, "Do what?" DeRoche, "Take my camera with my wide angle and my telephoto lens, of the area. Lines on a map are one thing but if you look at a photograph and kind of see what's what."

Ronning, "This shows a lot. If you have an 11 by 17 printer, you can blow up that whole area really well." DeRoche, "Is that off the GIS?" Davis, "Do you want to pull some color aerial photographs up and take a look at any of those? Is that beneficial for tonight's meeting?"

DeRoche, "So, what would be the benefit of going out, other than cheaper, to go out 189<sup>th</sup>? If we have so much wetlands and stuff in there, we really can't develop much. What's the gain going to be other than we're saving some money putting the road in?"

Ronning, "I still think, unless you have one way in/one way out, the notion that they're going to go out that back way is just wishful thinking. Once they get there, they're going to have an option for right, north, or south. If it goes south onto 181<sup>st</sup>, that road wouldn't last a month, I'd bet. That's falling apart now and Ham Lake doesn't agree that it needs work, I guess. If you go through the stop lights south farther, you're really going through residential."

Davis, "If you did the 189<sup>th</sup> to Jackson, which would be this line right here, all these areas that are hatched or cross-hatched, are developable properties. There's another property right here that's developable. Of course, it wouldn't be affected by this road, only if we went north. This along 22 was, if you actually went north here instead of going out to Jackson, there's 14, 14, 28, and 9, there's 60 acres there that are all high ground and developable."

DeRoche, "But, you have to have someone that wants to develop it." Ronning, "Yes."

Davis, "Here again, we're not going to get into the danger of making assumptions that it wouldn't be developed. That's why we're saying if we ever did assessments, the assessments would be triggered only when the property was developed. We do know that the owner of this property is interested in developing. This person right here probably not anywhere in the near future, although I can't exactly speak for what his total desires are. This property right here is ready to go if the senior housing project details can be worked out on that. Again, there are no guarantees that if you put it in, it would ever be developed but this property is scheduled and ready to be developed, as is this. When it would be, is anybody's guess."

DeRoche, "Part of the premise of the sewer and water project is 'build it and they will come.'" Davis, "Well, that's the point on this though. We'd be using MSA road funds, which we already have. No borrowed money would be used in any of this. With the utility extension, we'd have to find ways within our existing funding sources to do this because we would not put any borrowed funds into any part of this project."

DeRoche, "No matter which way we go to put sewer and water in, I mean, if we're doing it to potentially develop that, then we're going to have to run the utilities. Otherwise, we're going to be coming back and doing it again. Right?" Davis, "As I said before, if we went 189<sup>th</sup>, we would want to do the water when we did the road. Mainly because the water is the least expensive and we would have a funding mechanism to do that. We wouldn't have to do the sewer. We could offset the road within the right-of-way, which would leave ample room to put the sewer in at a later date without disturbing the road. One other interesting thing about this map here, the black areas are flood plain. So, you can see if you go up this way, Buchanan Street north or Ulysses, all of this is in a flood plain area. I don't know if you recall, in May of 2011 right after the sewer project started, we had a 10-inch

storm event down here and this whole area was under water for about two weeks.”

Koller, “On 189<sup>th</sup>, if you move the road to 189<sup>th</sup> and up to Viking, what’s to keep the trucks from just going to Jackson Street and heading south?” Ronning, “There’s nothing.” Davis, “You mean if you take them this way up here and bring them out right here Ron?” Koller, “They could just drive right to Jackson and head south again to 181<sup>st</sup>.”

DeRoche, “Can we put, ‘No Right Turn for Trucks?’ *Speaker off mic inaudible.*”

Davis, “That would be closed.” Koller, “Okay, that would make a little more sense.”

Ronning, “I’ve been trying to think of this to the extent. If you put water in there, in my opinion, it’s good to be prepared for development. But, count on zero. Count on nothing for the next 20 to 50 years.” Davis, “We don’t. That’s why we say if we’re counting on getting that paid back, it would only be when it was developed.”

Ronning, “Right. But when you put the water line, then you add more that has to be drained. It has to be drained if it isn’t used.” Davis, “It will have to be flushed anyway. But eventually, this will lead us to where we can get a loop. This will be another connection. Eventually, we would like to see this waterline looped in here, which will increase pressures and decrease maintenance costs. As Nate was saying, if we ran this road, Buchanan, north then along 189<sup>th</sup> then north along the edge of the church property to 22, this last remaining section of 189<sup>th</sup>, which is dirt, it would be our proposal that it’s not needed for access because you could still come off and serve the church property from Jackson Street. You can serve this property from Jackson Street. We would close it off. The gentleman that lives here does have two driveways. He has one off Jackson, he has one off 189<sup>th</sup>. We could leave him just a temporary driveway easement open there, if we have to. But, we would close this portion of the road off so that would prevent any traffic from short-circuiting this right there, Ron.”

Koller, “Has anybody talked to the person on 22?” Davis, “No, we haven’t talked to anyone yet because all of these are just concepts. I don’t want to really initiate a conversation with anyone until we can narrow some things down.”

DeRoche, “You get anything out there and it’s, it’s like playing ‘telephone.’ By the time it gets out four people down the road, “My god, East Bethel’s taking our house.”

Virta, “Jack, since the extension to 22 is more expensive, would that be eligible for the MSA pre-allocation? Or, basically, we take some previous year’s MSA funds and apply them to that. Could we do that in this case?” Davis, “Yes, we could advance fund that and borrow against a future project. One thing that we’d have to do. From this point on 189<sup>th</sup> to 22, this is not designated as an MSA street. So, what we’d have to do, if we close this portion of 189<sup>th</sup> we could apply that to MSA designation.” DeRoche, “Right.” Davis, “But, we’d have to find another one-quarter to three-tenths of a mile somewhere else to trade and designate that as an MSA trade off.”

Virta, “One of the things that we learned is that Ham Lake, for example, doesn’t feel the same urgency to redevelop 181<sup>st</sup> as we do, feeling that East Bethel benefits more than Ham Lake does. At least that’s what I heard. So that might be a candidate. That is on the five-year MSA plan, to fix 181<sup>st</sup>. But, the guess is that Ham Lake is going to help us out with half of that.”

DeRoche, "Well, it was that we were borrowing out to 2018 for the Jackson Street project. Correct Jack? Or, am I wrong about that?" Harrington, "Go out five years." Davis, "Originally when this was proposed two years ago, but there's been some changes and delays in some projects so the funds have kind of been balanced out. I think if we did this and Nate ran some numbers, we would still have to borrow out to 2019 and there would be two years where we wouldn't be able to do an MSA street project. If we did this and did the improvements on the service road on the east side. There's a number of combinations and ways that we could do this but we could utilize MSA funds for the road construction portion of this. I wouldn't want to use any of our Street Capital Funds for this."

DeRoche, "Is there any money left from our infrastructure project that we have to get rid of?" Davis, "We project that there will be \$200,000 and that's what we would like to use for the payment of the water on this. However, we're getting into a lot of permutation now. We still have to decommission the plant at Castle Towers. But, we're going to apply to the Metropolitan Council for a grant because this is going to clean up a contaminated area and then provide for additional housing opportunities." DeRoche, "Oh, yeah, that's true."

Virta, "One of the things that the Mn/DOT guy said when they spoke to the Roads Commission is that they look kindly to any improvements that basically takes traffic off of 65. I don't know if the implication of that is that they'd be willing to help with part of the expense of what is basically now a frontage road, or not. But, that's my recollection. Nate, do you remember the guys kind of saying that, 'Yeah, we look favorable to basically any frontage road that takes traffic off of 65?'" Ayshford, "Yes, and Jack...*(inaudible off mic)*."

Virta, "Oh, that's right, Jack..." Davis, "They did indicate that and that would be akin to these Cooperative Agreement Grants that we've gotten in the past where we've actually closed crossovers and things. So, their interpretation is if we did this road or this road or even that road, they would look at it relieving some of the congestion here so we would be eligible for some Cooperative Agreement Grant money. How much, they didn't specify. On a totally funded project, we can get up to about \$700,000. So if we got a quarter of that, we might be able to get a couple hundred thousand dollars from them for this."

Harrington, "At the May 13<sup>th</sup> meeting it was said, 'Any sort of frontage or backage road we find in favor of that. We probably would put some money or funding towards it.'"

Virta, "And that might be a way to, you know, if we go north to 22 that might be a way to help moderate the cost differential. I'm just kind of thinking in terms of where do you get the money from. That was one of the considerations that the Roads Committee looked at, 'Okay, here's a certain amount of money that we can kind of allocate.' That's what drove the 'out to Jackson Street' decision, I think, it was a big part of it."

Davis, "The only property owner that we've actually spoken to is along this section here. They have no objections, of course. But, we did speak with one representative from the church. In his opinion, he thought that they wouldn't have objections to routing the road there. But, here again, that's nothing that's ever been formally presented to them. We'd have to do that to make sure that they didn't have any objections. But, again, this route right here would require, at a minimum, the purchase of right-of-way from a residential property. With the way this curve is and the radiuses to meet the design requirements of MSA streets, it would probably involve the acquisition of the whole property itself."

Harrington, "I've got to ask this question. If it did go to Jackson and they would do this trail, would there be any change in anybody's, you know, when it comes up for a vote? The trail is a waste of time? Or?"

DeRoche, "I don't know if that trail is going to 'fly.'" Davis, "We just looked at the trail because, it's something to look at and after we looked at the cost, it's going to be probably in the neighborhood of \$400,000 just for the trail. And, there's already those widened shoulders there anyway. It's like it's a redundant cost..."

Koller, "There's a wetlands along one part of it." Davis, "Actually, there's three parts of it, there's three different wetlands." DeRoche, "We could go through Rod's yard."

Davis, "The other problem with the trail, Tim, is that on the sections where there are no curb and gutter, it will have to be set back from the pavement a greater distance. So, some of those places instead of it being separated with a 3- or 5-foot boulevard, it may have to have a 10- or 20-foot separation."

Koller, "All the underground utilities in the east side." Davis, "Yeah." Ronning, "East side of Jackson?" DeRoche, "Jackson." Davis, "Yes." Koller, "All the phone and cable tv." Davis "Yes, I just wanted to put the trail in there so if somebody came and said, 'Did you consider that?' Well, yes, we're looking at anything that anybody wants to throw out, we'll consider."

Koller, "It isn't going to help with the school buses at all either."

Harrington, "I had to ask."

DeRoche, "Well, Tim, what are your..." Ronning, "What's the answer Tim?" DeRoche, "That's why we hired you on."

Harrington, "The only one I'm not crazy about is Option 2, Buchanan Street. I can't see spending \$2.6 million. I don't think you can do anything on either side of the road. So, Jackson or go up to 189<sup>th</sup> and go out to 22. Wherever we can maybe find some development. I think that's where this is all driven, to get some development in there."

Ronning, "If you're looking at some consensus building, about the only thing we have right now is probably that something needs to be done and that's the end of the story."

Koller, "For me it would be either Options 1 or 4."

Davis, "Well, again, the purpose of this meeting tonight is not necessarily to make a decision. It's just to get some of these facts presented so we can weigh our options a little bit more. One thing we can do is to make some additional contacts with Mn/DOT. If they're going to say no to 185<sup>th</sup>, I'd like to have that a written response rather than a verbal response." DeRoche, "Yes."

Davis, "So we'll know, maybe we don't need to spend any time on this. As far as some of the other stuff goes, we might want to look at Jackson Street again and see what times the school buses run. See exactly how much traffic is going to be generated in terms of trucks. Maybe we could get some idea, too, what times the majority of them will be there. There's still a lot more information that can be factored into this decision. I just wanted to get as

much of it as we could out tonight on the whole broad concepts of each one of the options, and get that on the table. But, I didn't expect to get any direction, if there was going to be one over the other, from tonight's meeting. I think this is one of those things that's so complicated it's going to take a couple more sessions to flesh out."

DeRoche, "I don't want anyone on the Roads Commission to think we're just circumventing what their decision was. But, kind of like the Planning Commission, at the end of the day, it's the five people up here. That's where the 'buck stops.' There's a lot more information that we're probably, well not privileged to, but without someone asking for it, we get a lot of information and do a lot of groundwork. I wouldn't expect anyone on the Commissions to do that because..."

Davis, "And really, with the Roads Commission, this wasn't just one meeting and they said, 'Well, this is what we'll do.' This, to my knowledge, was discussed over three consecutive meetings. So, they did spend some time on this and realized too, there was no easy answer. This was the recommendation they thought was the best from their perspective at that time. They spent three meetings on it. This is the third meeting the Council will spend on it. I didn't expect to have any direction on the resolution as to the options tonight."

DeRoche, "How were they addressing the safety issues? What was their..." Virta, "I don't think that there were any specific points made about mitigating the safety issues. I think it was just a decision to meet these other goals, secondary entrance and exit, safety concerns, and costs. Safety concerns were, on the 65 end of it. I don't remember, Nate, in those three meetings, whether we had any sort of counterpoints about how to address the safety concerns over on Jackson. I don't remember ever hearing someone saying, 'Well, we could do such and such instead.'"

DeRoche, "Or, how about talks of controlled intersections or traffic lights? If you're going to dump on Jackson and it's that much, I mean we're discussing this because there's that much traffic. Obviously, that's going to kick up the traffic a lot on Jackson. It's pretty tough now to get on and off, during rush hour especially. I'm just kind of curious, did they talk about traffic lights?"

Ronning, "It can be tough getting across Viking on Sunday morning when people are home."

Davis, "At the Roads Commission that I attended, the safety factor was more or less discussed as a balancing act. No matter what you do, there's a safety issue regardless. One of the options that we don't list down here is to take no action. To take no action exacerbates the safety concerns on 187<sup>th</sup> Lane and Highway 65 also. So, if you dump it out on 22, or you increase the traffic on 65, or you bring it onto Jackson, no matter which way you go, safety is an issue with every concern."

DeRoche, "I don't think the 'do nothing' is even an option, personally." Davis, "No." DeRoche, "We have to create another way in and out." Davis, "Yes. I think 'do nothing' is an option that you look at and you say, 'Do nothing is not an option. .'" DeRoche, "Right."

Ayshford, "With the Roads Commission, that road, 189<sup>th</sup> has been on the planning for a long time. This is kind of a drawn on line on the map. When the Johnson Street project was canceled, which the Roads Commission was against, after that stop light went in they wanted to see the money put down into the area where the sewer and water was taking

place. A big issue they talk about all the time is the cost of taxes in the City and they would like to see as much development as possible taking place down there. They focused on, you know, each year they take a look at what we get for our MSA money and look at what roads we already have that need to be fixed, and where we could maybe do some new construction. One of the issues was, when 189<sup>th</sup> came up. Another issue that came up was the safety issue. One of the members on the Roads Commission actually works down in that area for one of the trucking companies and had an issue with all the stacking that takes place, that you see in the morning and in the evenings. Those are the two driving factors that kind of brought this up before the Roads Commission.”

DeRoche, “I remember even looking at it in 2010 before, we were elected but hadn’t taken office yet until 2011.” Ayshford, “And I think their biggest factor for choosing that 189<sup>th</sup> road was overall costs. It would allow us to do some projects down the road. We have a few other projects on the capital planning at 181<sup>st</sup>, University Avenue, and Davenport behind the Post Office. They’re all in need of repair. If we do one of the other options, those are going to be pushed back a few more years, which we can maybe handle too. Or, we can move one of those projects up a year if this needs to be held back for a year. Those are options to look at too.”

DeRoche, “What, if any, money are we still putting into the Johnson Street thing? Is that just...as a Council we basically said that’s not even a, other than all the easements are paid for, right?” Davis, “There’s been no money put into the Johnson Street project since it was terminated.” DeRoche, “All right.”

Ronning, “If something was to be getting considerable consideration for Jackson Street, I would ask for the equivalent of a public hearing with the people that live there. It’s no popularity contest, but we know what three to five people can do to a City with what happened to us in 2010. You can’t listen to everything that happened, that everybody’s interested in, but we’re not going to do 2010 again where you got a group of people that won’t listen for ten years.”

DeRoche, “A public hearing...I prefer something like this, just like the ATV stuff and, you know, the dirt bike stuff, I want to hear what people have to say.” Ronning, “Yes.”

Davis, “I would have no problem with a public hearing on this. I think you will have a wide variety of opinions. I think you will have a lot of opinions on bringing it out in another direction, the need for another direction. We’re going to hear a lot of the same discussions that we’ve had among ourselves. I think all of us are trying to look at it, play the devil’s advocate. You know, ‘What if I lived there?’ ‘What if I did this?’ I know that’s the way I try to put myself in a position, is try to look at it from both sides. That’s why I’m having, I wouldn’t tell you what my recommendation was now because I don’t know what it is.”

DeRoche, “Well, and I think most people appreciate, whether you go with their idea or not, if you listen to it and who knows, maybe somebody had something different to throw into the ‘mix.’ But, I think a lot of people understand, like I said before, they don’t have the same information that we have.” Davis, “I think that if you have a public hearing, though, you’d want to have it narrowed down to at least two alternatives. If it wasn’t Jackson Street it would be another option. To throw five options out would be difficult to present and get any meaningful discussion...”

Koller, “Before you have that, I’d like to see about 185<sup>th</sup> and what he has to say about it.”

Davis, "Again, I think if we have a public hearing, that's not the next step. I think there's some more information gathering that we probably need to do on some of these options that have been presented to clarify them and see if some of them can be eliminated, or be eliminated for other reasons."

Koller, "The Roads Commission gave us five different options. They pretty much covered every possibility we could think of." Virta, "Yes, we worked on this a lot and everyone that voted on it said that this was a very difficult 'nut' to crack. The options are limited. We took the road tour on the same night that recommendation came out so everyone on the Roads Commission had an opportunity to see the area that would be impacted."

DeRoche, "Right, even Jack and I discussed going right by the Metropolitan Council plant, kind on the west side of Village Green."

Ronning, "Jack's right when he says that this requires a written question and a written answer. People are going to put a lot more thought into something before they sign their name on it." DeRoche, "All right, let's do that."

Harrington, "I've got one more. On 189<sup>th</sup>, besides that house on the corner, when we had that meeting last week, wasn't there supposed to be some easements we need from the church that we'd have to look at?" Davis, "On this one right here, Tim, the one you're referring to, if this was the one selected, there's a residence at this proposed corner here that we'd have to probably, in all likelihood, there would have to be the acquisition of that property. The portion that runs up by the church, we would have to acquire right-of-way there. And, we'd have to acquire right-of-way from this gentleman right here who owns property between Crooked Brook and Highway 22."

DeRoche, "Well, that would make his property worth more if he wanted to do something." Davis, "No matter which way we go, even if we go 189<sup>th</sup> or Buchanan to 189<sup>th</sup>, we've only got 33 feet of right-of-way on one side here. We're still going to have to get an additional 33 feet here. And, from Fillmore Street onto this curve, we'd have to get right-of-way right there. No matter which way we go on that. There will be some cost. Some of the things that may be involved in right-of-way."

Davis, "One of the things that I've been thinking on, not necessarily for this project but for future MSA projects, and as a result of one project that we had that we couldn't get through, if we do an MSA project, if you donate the right-of-way, we don't assess you. Like I say, I'm not advocating that that's what we do on this project. But, there's a previous project we probably should have considered that. I won't mention what it was now. That's just something to consider too because right-of-way acquisition can be very expensive and people do benefit. Property owners do benefit from these road extensions. It makes their property much more valuable. Even though they'll pay some higher taxes on it initially, when it's sold it will be worth a lot more money."

DeRoche, "All right, anybody else have any input?"

Davis "With that, I think we know that you are looking for us to come back to you with as much additional information as we can on all these other options, so we can continue this discussion at a date to be determined."

DeRoche, "And, something in writing from Mn/DOT." Ronning, "Yes." DeRoche, "And, I

don't know, what's the chances of getting a hold of Senator Benson or Tom Hackbarth?"

Ronning, "Where's the place to start? With a Commissioner or go straight to the legislative body?" Davis, "As far as trying to work something out with Mn/DOT? I think I would go with the proper chain of command and protocol and go up the 'ladder.' If you get to the top and you get nothing, then you'd look at the political route."

Ronning, "Every step you bypass is not support." Davis, "That's correct." DeRoche, "Well, again, I don't like to by-pass people but we've already kind of got what their thoughts are, on some of them." Ronning, "We don't want to be on a public record that we're skipping anybody. That's why I raised that."

**5.0  
Adjourn**

**Koller made a motion to adjourn at 8:54 p.m. Harrington seconded; all in favor, motion carried unanimously.**

Submitted by:  
Carla Wirth  
*TimeSaver Off Site Secretarial, Inc.*