

EAST BETHEL CITY COUNCIL MEETING

MARCH 4, 2015

The East Bethel City Council met on March 4, 2015, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Ron Koller Tim Harrington
Brian Mundle Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator
Mark Vierling, City Attorney

1.0 The March 4, 2015, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

Call to Order

2.0 The Pledge of Allegiance was recited.

Pledge of Allegiance

3.0 **Harrington stated I'll make a motion to adopt tonight's agenda and on the Consent Adopt Agenda, I'd like to add Item G, Supplemental Payment Summary. Koller stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated opposed? Hearing none motion passes. Motion passes unanimously.**

4.0 Davis presented the staff report, indicating the Council is requested to consider approving the proposed 2010A Bond Refinance request as presented by Ehlers.

4.0A.

2010A Bond Refinance Pre-Sale Res. 2015-14 City Staff and Ehlers continually look for refinancing opportunities for the City's seven debt issues. The City currently has only one bond issue that is eligible for refinancing, the \$11,465,000 2010A RZED Bond. Ehlers has submitted a refinance prospectus for this bond that could potentially save \$996,483 with no City equity contribution.

In addition to the savings, that could be potentially realized, a refinancing would pay off the 2010A RZED bond and release the City from the uncertainty of the Federal Tax Credit associated with this issuance and eliminate the administrative and IRS compliance concerns that accompany this program. Also note that the potential exposure to the fluctuating rebate rates from this program could result in additional levy increases should the credits be further reduced.

Ehlers will provide a pre-sale report as the next step for the potential bond refinance opportunity for Council consideration. The process takes approximately six to eight weeks. Keep in mind that due to the volatility of the bond market, the information contained in the attachment as to savings is only valid if the bond sale occurred on the date the forecast was presented and there were no changes in the assumptions of the analyst's projection.

Davis stated at this time, Stacie Kvilvang, our financial advisor with Ehlers, will present the presale report.

4.0A. Stacie Kvilvang, Ehlers & Associates, stated before you, as Mr. Davis has stated, is the refunding of the 2015A that's an \$11.815 million bond. This is your 2010A Recovery Zone Economic Development bonds that you had issued primarily for your water treatment facility and other ancillary utility improvements. Essentially, we are refunding it for the interest savings. As you know, this was under the special Federal legislation that was out

there that you got a taxable bond. But with the rebate you're supposed to get from the Federal government, it was supposed to be better than a tax exempt issue. Due to all the budget issues we've seen at the Federal level and the sequestration issue we went through, now we're seeing a reduction in those interest payments, or rebates, that they're providing cities. So you, along with many other communities have been refunding these as the opportunities have been available.

As you recall, for those of you who were on Council last year, we did refund the Build America Bonds, which were under this similar program. We are waiting for the opportunity that seemed right that we could see the interest savings with regard to these bonds. So, that is what is before you tonight.

We are not extending the term, so it's the same exact term that you had before on these bonds. The one thing that we are doing is we are moving up the principal payments. On the prior bonds, your principal payments weren't due until 2020. We are moving those now up to the first one in 2016 as you guys are already levying for that, or planning for it as part of your budgetary process that you have out there.

Because of that, as Mr. Davis outlined, you'll have a savings of nearly \$1 million in interest cost savings over the term of these bonds. When we look at that really in a present value determination, it's a little over a half a million dollars, or around 5% of your refunded principal that you'll have in savings.

Really, what it shows in the bond runs is that in the first four years, you're going to have some negative savings because we moved the principal up from 2016 to 2020 so you're going to have some negative savings there. But, your positive savings then come in after that and those are going to average around \$5,500 a year.

With all your bonds, these will be rated as well. So, these will be rated by Standards & Poors. You currently have an AA rating. With the stable outlook, we do anticipate that there shouldn't be any changes with regard to that. The sale is going to be held on April 1st, not fooling, but that's the date of the sale and we anticipate closing to happen on or about April 23rd. So with that, I'll be happy to stand for any questions.

Voss asked does anyone have any questions for Stacie? Ronning stated this is early for questions, you'll be bringing a number of things back to us.

Davis stated one thing that I would like to point out. If you go to the page on the attachment for the bond runs that says 'Debt Service Comparison,' Stacie relates there will be negative savings in the first four years. With the scenario that we have set up for levying for the bond funds, we are levying \$487,000 this year. That's set to increase, a 3.4% annual increase, so in 2016, it would go to \$504,000. The new debt service with principal and interest would be \$507,000 so there'd actually only be a \$3,000 difference there. Then when you go to 2017, our projected levy increase would go to \$521,000 under the scenario we have now. With the new debt service, it would be \$499,000. So, even though there are negative savings shown, in reality these wouldn't be negative if we go with our current schedule for increasing the bond levy, on the 3.4% annual increase.

Ronning stated this is almost, in my thinking, this is almost cheap to get away from this thing for this cost because there were a lot of 'strings' on that bond. Davis stated it is and, again, this would pay off the RZED bond so we would no longer have an RZED bond, we

would have a 2015A bond, which is not subject to those variations or fluctuations in those tax credit rebates. The original rebate on this one was 45% and it was reduced to 42% two years ago. There hasn't been a change since then but every year you're going to be subject to the potential for a change in that rate. We wouldn't expect it to go back up. I think the expectations would be for it to probably be further reduced if there is any change.

Voss asked, any other questions? Ronning asked what's the rate at this time? Kvilvang answered Mayor and members of the Council, the true interest cost that is anticipated for this one is approximately, it got cut off of my sheet so I'm going to best estimate it, I'm guessing it will be probably around 3%. Ronning stated approximately. Kvilvang stated yes but I will verify that and get it to Mr. Davis so he can forward that to you.

Ronning asked what was the other one? The other one was like 7 with a 45%? Kvilvang stated that's correct. It was much higher because it was taxable. That's correct. Davis stated I think it had like a 4.5% to 7% range. Ronning asked overall? Davis answered yes. Ronning stated after the rebates/refunds you might not get. Thank you.

Voss asked anything else? Harrington stated the only other question I have is they talk about raising interest rates. Is April -- if things happen before that, I'm sure it is -- going to change a lot on this bond? Kvilvang stated Mayor and members of the Council, that's a very good question. So what we'll do is if all of a sudden something happens drastically in the market and we think the savings thresholds aren't going to be there, we'll be contacting staff and then likely what we would do is end up postponing the sale until another date certain. Harrington stated okay.

Ronning stated, just for information's sake and for anybody who might be watching, we went through this last year, maybe not quite this early, and when it came down to time to do something, she was able to tell us, 'It's not a good deal.' So, it's not like we're going to get 'led down the road' someplace. We have somebody watching out for us quite well, I think. So, we didn't do anything but later that year we were able to. We kept our credit rating and stuff so we were able to save about \$1.5 million, I think, on the 2010C. Davis answered the 2010B. Ronning stated so it's more than worth looking into. Thank you.

Davis stated at this time, staff recommends Council consider proceeding with the refinance option, as presented, and approve Resolution 2015-14 Providing for the Sale of \$11,815,000 in General Obligation Refunding Bonds, Series 2015A. Voss asked is there a motion to do this Resolution?

Koller stated I'll make a motion to approve Resolution 2015-14. Mundle stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated opposed? None opposed, that motion passes. Motion passes unanimously.

**5.0
Public
Forum**

No one signed to speak at the Public Forum.

**6.0
Consent
Agenda**

Item A Approve Bills

~~Item B February 18, 2015 City Council Minutes~~

6.0 Item C February 10, 2015 City Council Special Meeting Minutes

Meeting minutes from the February 10, 2015 City Council Special Meeting are attached for your review.

Item D Surplus Property Declaration

The City of East Bethel Fire Department owns an older mobile home that has been used minimally for Fire Training. This structure is 16 feet by 70 feet and has been installed professionally with anchors, blocks and steps. The mobile home was donated, and accepted by the City Council, September 5, 2007. The mobile home is located in the back lot of the Recycle Center on Viking Boulevard. The value at the time of the donation was less than \$2,000 and, most likely, is less than \$ 2,000 now.

Staff proposes the City Council declare the mobile home as “Surplus Property” and direct the Fire Chief to offer for sale the mobile home on MinnBid. If there are no bidders, Council is requested to direct staff to dispose of the trailer in the most economical way possible.

Item E Pay Estimate No. 10 for Castle Towers/Whispering Aspen 2013 Forcemain Project

This item includes Pay Estimate No. 10 to LaTour Construction, Inc. for the Castle Towers/Whispering Aspen 2013 Forcemain Project. This pay estimate includes payment for all work completed to date less a 3 percent retainage. This project is substantially complete and is fully operational and in use by the City. All outstanding punch list items will be addressed this spring. It is anticipated that this project will be recommended for final payment in May. Staff recommends partial payment of \$54,965.50. A summary of the recommended payment is as follows:

| | |
|------------------------------|---------------------|
| Total Work Completed to Date | \$ 1,942,496.90 |
| Less Previous Payments | \$ 1,829,256.48 |
| Less Retainage | <u>\$ 58,274.92</u> |
| Total payment | \$ 54,965.50 |

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate No. 10 is attached.

Item F Authorize the Advertisement for an Intern Position

Amy Norling, Administrative Assistant for the Community Development and Building Department, will be on approved unpaid leave beginning approximately June through August 2015. In order to address this staffing issue, Council is requested to authorize the advertisement for an intern position to cover Ms. Norling’s absence. The rate of pay would be \$12 per hour and there would be no benefits provided. It is anticipated that applications for this position would be received, evaluated and submitted to Council, no later than May 6, 2015, for approval. Funds are available for this position from the unpaid portion of the personnel budget line item for this position.

Item G Supplemental Payment Schedule

Ronning stated move to approve the Consent Agenda as presented. Koller stated I’ll second. Voss stated any discussion? Harrington stated I’d like to pull Item B. Voss stated all right, anything else? **Ronning and Koller accepted Harrington’s friendly amendment to remove Item B.** Voss stated hearing none all in favor say aye?” **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

6.0B
February 18,
2015, City
Council
Meeting
Minutes

Harrington stated for the Council Meeting of February 18, Page 12 of 30, a little over half way down, change to: ‘Harrington stated I’ve got a question Mark. With that Joint Powers Agreement, I had a ~~little~~ conversation a couple weeks ago with Mark about them wanting to take money away from the East Bethel Fire Department.’

Voss asked, do you want to make that in the form of a motion? **Harrington stated I’ll make a motion to approve the minutes for the Council meeting with those corrections. Ronning stated second. Voss stated any discussion? All in favor say aye?” All in favor. Voss stated opposed? Hearing none motion passes. Motion passes unanimously.**

**7.0
New Business**

Commission Association and Task Force Reports

7.0A
Planning
Commission

None.

7.0B
Economic
Development
Authority
7.0B.1
February
EDA Report

Davis presented the staff report indicating that staff presented Anoka County’s Open to Business Program to the EDA at their February 23, 2015, meeting. There is no cost to participate in this program for 2015 but continuation into 2016 will require a contribution yet to be determined. The EDA and Staff will determine costs, evaluate the benefits of the program, and make a recommendation to City Council prior to passage of the preliminary budget for 2016.

A presentation of the City Service Road Plan in the Municipal Utilities District was also presented to the EDA. This plan is part of the infrastructure improvements designed to address traffic issues and enhance the development potential of this area.

Davis asked does anyone have further questions concerning the February 23rd EDA meeting? Ronning asked is it just for informational purposes? Davis answered that’s correct.

Informational; no action required.

7.0B.2
January EDA
Minutes

Informational; no action required.

7.0C
Park
Commission

Informational; no action required.

7.0C.1
Feb. Meeting
Cancelled

7.0D
Road
Commission
7.0D.1
Feb. Roads
Commission
Report

Davis presented the staff report indicating on February 10, 2015, Roads Commission met and in addition to approving the Taylor Street alignment for the service road project the Roads Commission was updated on the interagency meeting with Mn/DOT, Met Council, Anoka County, City of Ham Lake, and the City on January 29, 2015. Among the items that discussed were service road projects on both the east and west side of Highway 65, traffic lights, the need for the upgrade of the intersection of Viking Boulevard and Highway 65, and an updated study for Highway 65.

7.0D.1

The Roads Commission was also provided an update on the status of the Reconstruction

March 4, 2015
Feb. Roads
Commission
Report

Project for Lincoln Drive, Laurel Road, and 185th Avenue. Residents from the Coon Lake Beach area were in attendance and provided comments on the project. Currently, the City is still in the right-of-way acquisition process and as of this date, there are two property owners who have not come to terms on agreement for their property. We have reasonable assurance, at this time, that one of the property owners will probably execute that agreement next week. Staff will continue to work with the City Attorney to secure the final piece of right-of-way required before the project can be released for bid.

Viking
Preserve
MOU

Davis stated that concludes the summary of the Roads and EDA Commission meetings. The Planning Commission meeting, you were presented with the MOU for the Viking Preserve project at the last City Council meeting and that was the business that they conducted.

Informational; no action required.

7.0D.2
January
Roads
Commission
Minutes

Informational; no action required.

8.0
Department
Reports
8.0A
Community
Development

None.

8.0B
Engineer

None.

8.0C
City Attorney
8.0C.1
Verizon Cell
Tower Lease

Davis presented the staff report indicating the Council will be requested to consider direction to staff relating to negotiation with Verizon Wireless for a Cell Tower Lease. The City of East Bethel was contacted by Verizon Wireless in February 2014, requesting a cellular tower site lease adjacent to our Public Works Building and an IUP for this location. Staff presented this proposal to the Parks Commission on March 12, 2014, for discussion. The Parks Commission evaluated several site options and recommended this site as having the least impact on Booster Park and the surrounding residential areas. On June 4, 2014, City Council approved the location and provided direction to the Planning Commission to hold hearings for an IUP for this site.

On June 24, 2014, the Planning Commission reviewed the Verizon Wireless request and endorsed Staff's recommendation of an IUP. The IUP request, as approved by the Planning Commission, was presented to City Council on July 2, 2014, and approved subject to terms and conditions as set forth in the recommendations.

The City Attorney commenced direct negotiations on the lease agreement with Verizon Wireless on or about July 12, 2014. At this time and after numerous exchanges of draft agreements and conference calls, an acceptable agreement with Verizon Wireless that addresses the City's concerns has not been concluded. Staff concurs with the City Attorney's position as indicated in the comments on Attachment 2, on this matter. The City Attorney, along with staff, cannot support or recommend proceeding further with

negotiations with Verizon unless acceptable compromise positions on co-location and interference studies can be considered. The provisions within the agreement critical to the City's interests were fully discussed and made clear to Verizon. As proposed by Verizon, the City's risk exposure is not minimized and critical needs to secure public services on our site are impaired if Verizon's proposed agreement were accepted.

These negotiations have been ongoing for seven months and we are seemingly at an impasse in this discussion. Items 5 and 7 in the most recent draft proposal contained in Attachment 2 are the principal issues of contention. At this time, the City Attorney will provide some additional comments on his recommendations on the matter.

Vierling stated thank you Jack. Members of Council and Mayor, I see we have a last minute letter that was sent into the City from the counsel located in the State of Wisconsin for Verizon. We have an individual from Verizon here tonight?

A gentleman in the audience answered yes, I'm just here to answer any questions you have. I'm aware of this situation.

Vierling stated my comments are this Council, as the City Administrator noted, we've been engaged in negotiations on this matter, certainly since July. They have been on and off. They have been sometimes, I think, a little bit contentious. We thought we were going to bring things to a head and we had a conference call, which by my recollection, Jack, was on the 17th of December and took well over an hour. Davis stated that's correct.

Vierling stated which Jack was on, I was on, Colleen Winter was on, Verizon attorneys, a couple of attorneys were on, and some other staff there. I thought we had worked through with that a couple items and had agreed to some changes. We were going to reformat the lease. They made it very clear to us that they really wanted to have this in front of the Council, for you, at your January 3rd meeting. It was absolutely critical to them that they get this in front of you at the January 3rd meeting. So, throughout the Christmas holiday we worked. We got the lease redone. We got that over to them on the 29th. We didn't hear anything back from them until eight weeks later, well back into the end of February on this matter. It is disappointing because some of the provisions that the City staff and I had indicated were very critical to the City with regard to your City Hall campus and potential interference with broadcasting that this Council might do with regard to your police, fire, ambulance, other services in the future, keeping in mind that this is a 20-year lease in effect with options that go forward, were very critical to you and that those were important to have in there. The revised version that we got back from them, my version redlined, again struck those and other provisions out.

I see tonight that we have a letter from their attorneys to the City asking you not to take any action on the matter and I note the last paragraph. The short of the last paragraph says that Verizon Wireless would ask for the opportunity to escalate certain outstanding items in the proposed lease within the Verizon Wireless organization in order to receive determination as to whether the items are acceptable items of risk to Verizon Wireless.

I think staff and I have felt that what we got back from them was unacceptable. If Verizon wants to take this matter back and bring to staff, I would suggest no later than March 13th, their last, best, and final offer on lease, I think the Council can certainly consider that. I think that wouldn't be inappropriate. But if anybody at Verizon or legal counsel seems to think they're going to come in here on your meeting on the 18th and try to negotiate with

you a 30-page lease, I presume the answer to that is, 'That's not going to happen.' Voss stated you presume right.

Vierling stated from my perspective, I mean I know what would happen to me as an attorney if I slip a letter directly over, past the other attorney's head, to his client. I'd have a big issue ethically on this. But, you're a public body and I guess some other attorneys don't mind about that. In any event, if the message wants to go back to Verizon to have their last, final, best offer to the City in by the 13th of March, I'm sure I and City staff will review it and bring it back to you with our recommendation either for or against it. Then the Council can deal with it at your next meeting.

Ronning asked that's a week from Friday? Vierling stated that would be correct. Voss asked if that's enough time for you to prepare before our meeting. Vierling stated it's certainly not going to take me eight weeks. I think if we get that on Friday, I think between Jack and I and Colleen, we can certainly have a staff report out to you by Monday or Tuesday. It will be sent out to you in advance of that meeting on Wednesday or if you want to delay it another two weeks beyond that. Quite frankly, this matter is going to go on a year in April anyway. I'm not sure there is any crisis mode that's there on that one. Voss stated I bring it up because their letter requests that action not happen until the first meeting in April. I don't disagree with next Friday as a deadline. But that way, our staff is not as rushed to get something after the packet goes out, which is what will happen.

Ronning stated it starts making it an 11th hour. Mundle stated we could require that it's in by the 13th and you take whatever time that's required to review it. Vierling stated that's certainly fine by me. Voss stated I just don't want to have to cram for this right before the meeting, you know. Vierling stated I appreciate that.

Ronning stated I will move for response by March 13th as explained by the City Attorney and just for clarification note these minutes are being recorded and that will reflect what his explanation was. I don't recall how to explain the whole thing. Voss stated I think just to extend it to the 13th is clear enough. **Harrington stated I'll second.** Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

Voss stated thanks for attending. Honestly, thanks for being here. Ronning asked what role do you have. An unidentified gentleman stated I work on the real estate side for Verizon. I'm representing, on behalf of one of my colleagues who's actually in charge of this project because he's located out of Illinois and not Minneapolis. Ronning stated well thanks for coming out and being available. The unidentified gentleman stated absolutely and just so I'm clear, their last, best, absolute deadline is the 13th. Vierling answered of March. Ronning stated final, final. The unidentified gentleman stated trust me, I understand. Voss stated communicate with our attorney. The unidentified gentleman stated absolutely and thank you very much for your time. Good evening.

Davis presented the staff report indicating the 2014 Financial Activity for the City of East Bethel is attached in your packet for your review. The 2014 audit field day was conducted on February 26th and 27th by Abdo, Eick and Meyers. The auditors plan on presenting the audited 2014 financial report and analysis at our April 1, 2015, City Council meeting. A general summary of the City's fund balance position at the fiscal year end 2014 is as follows for your reference and is also included in your review:

2014 Beginning Fund Balance

\$ 2,982,715.34

During 2014, our revenue exceeded our expenses by \$328,385.73.
We made two major fund transfers for the 2010C bond during
this period:

| | |
|---|---------------------|
| <u>2014 Operation Surplus</u> | 328,385.73 |
| Resolution 2014-15 – Transfer to fund 2010C 2016 Bond Payment | (585,000.00) |
| Resolution 2015-13 – Transfer to fund 2010C 2017 Bond Payment | <u>(431,000.00)</u> |

2014 Ending Fund Balance

\$ 2,295,101.07

Davis stated this represents 47% of our General Fund balance. We've also included a narrative discussion of the budget year, some bank reconciliation statements, a General Fund summary, and some other tables in there just for your review. If you have any questions, I'll be glad to answer those. If not, our auditors will present the official audited update of our 2014 budget summary in April of this year.

Voss asked any questions for Jack? Ronning stated we're in good shape. Davis responded we finished the year strong and expect an outstanding audit report. Voss agreed these numbers look good. Voss stated I met with the auditor Wednesday and he echos, basically, what's in the report. He's very pleased.

Ronning stated there were some changes made during the year I'm aware of that Mike is seeing things that haven't really been seen before, my impression. And, making corrections whenever that comes around. Davis stated as we go through it there's all kinds of little accounts that we've cleaned up and consolidated to make everything simpler and easier to follow and understand. Just for your information, there's one I believe on the last page of your, actually it's on the first page after your narrative description. We have an account called Gopher Account, which we have eliminated and just rolled that into the General Fund. It's a self-funded account and it's used to pay for people who bring gopher feet in for collections. So, we had a separate check book for that, which we eliminated because that separate check book presented an opportunity, not that it would ever happen, but someone could actually write a check on that and sign it. So now, if somebody brings these in for collection, what we'll do, we'll just present it as a bill on our bill list and have it approved that way. But, these are minor things that Mike's been able to accomplish through the year. This is just one example.

Voss stated but you took away one of the nuances of the City. Davis agreed, yeah, we did. Voss stated the Gopher Account. Anything else Jack? Davis answered no, that's all I have for that unless anyone has any specific questions. Voss asked anything else under Department Reports? Davis responded that's it.

Informational; no action required.

8.0G

None.

City

Administrator

9.0 Other

9.0A

Staff Reports

Pet Clinic

Davis stated I just want to mention that our Pet Clinic is going to be held on March 21st this year. It will run from 9 a.m. to noon. It had to be moved up approximately two weeks because the weekend we generally have it, the first weekend in April, is Easter weekend so we didn't want to have a conflict there. And, the vet had already been booked for the last weekend of March and the second weekend of April. So, we'll be having it March 21st, 9 a.m. to noon, at the Ice Arena.

Voss asked we'll have that on the reader board? Davis answered that's correct. That will go up on the reader board, the website, and on Channel 10 tomorrow.

American Red
Cross Blood
Drive

Davis stated the other thing I want to mention is that there's going to be a blood drive that's conducted by the American Red Cross that will be held on March 10th at the Senior Center from 1 p.m. to 7 p.m. The seniors will help put this on but the American Red Cross will actually be performing the work. So, March 10th, 1 p.m. to 7 p.m., blood drive.

Harrington stated I have one question on that. I went on their website and there's no sign up. You just show up over here? Davis stated that's correct. Ronning asked for the what? Harrington answered for the blood drive. Ronning stated they typically make phone calls and solicit people that they have on their records but I've always been able to just come as a walk-in, whatever time you want, and they accommodate. Voss stated I doubt they'll turn anyone away. Davis agreed and stated I don't think so.

9.0B

Council

Report –

Member

Ronning

Council

Member

Harrington

Ronning stated I don't have anything significant to report.

Harrington stated I've just got a couple things. March 19th they've got the Empty Bowl fundraiser for the Food Shelf at St. Pat's Church in Oak Grove. That's from 5 p.m. to 7:30 p.m. The same night, the East Bethel Scholarship Program has their fund raiser spaghetti dinner at the Senior Center, next door, from 5:30 p.m. to 8 p.m. Both are on the 19th of March. That's all I've got.

Council

Member

Koller

Koller stated I attended the Upper Rum River Watershed meeting last night and we're working on next year's budget. BWSR (Board of Water and Soil Resources) who are in control of them, wants all the watersheds to do an annual audit, starting pretty soon. Since we've never done one, it's going to cost a couple thousand dollars. So, we're working on that but on the other side of it, we write out, maybe, ten checks a year so it shouldn't be a whole lot of balancing. But, they are going to require it so we'll have to set money aside for that.

Davis asked will they require that be done by a CPA? Koller answered yes. Ronning asked who's requiring that? Koller answered the Board of Water and Soil Resources, the State. Ronning commented a title.

Davis asked did they take any action on the request by Ham Lake to join the Coon Creek Watershed District? Koller stated I believe they're going to side with the Sunrise River on

saying, 'No.' The only ones so far who has agreed to it is Ham Lake.

Ronning stated just for information, I apologize, how would that process go? You say that just one has signed up for it? Koller explained Ham Lake wants to kind of annex part of the Sunrise River and the Upper Rum River into their territory and since they have a Watershed District, they can tax the people that live there for the money. Where we're a watershed organization, we don't tax. We're funded by the cities. So, it would be bad for the people who live in that area.

Voss explained the watersheds are set up based on science, not on geographic or political borders. Koller stated yeah, there are no City lines. Voss stated the percentage of Ham Lake is really small.

Davis stated the other thing that would do, it would also increase our costs. Not significantly, but it increases our costs for the Upper Rum River and the Sunrise River if we lost Ham Lake's participation.

Koller stated so it sounds like it's all pretty much unanimous against Ham Lake. Voss stated even that's an advisory vote. Koller stated yes.

Mundle stated the EDA meeting, Jack pretty much went over it. He did a great presentation of not just the backage road for Classic Commercial Park and going to Viking but also future potential roads on both sides. So, going back behind on the east side. That was a really great discussion of what could be opened up by doing all that.

Booster meeting last night, was a short meeting. One thing that was brought up was, would the Council want to be involved at all with Booster Days by having a presence there or helping with doing an activity. I know past Councils have. We've done a dunk pool and been in the parade. So, that's an item that we can have on our next Work Meeting. Koller stated I'm against a dunk pool.

Mundle stated on Monday night I went to fireman's training. They're doing building site and review. We went down and toured Aggressive Hydraulics to see what fire systems that they have in there, sprinkler systems. Just to review all that and where the well houses are. Part of the Fire Department also went over and went through Another Man's Treasure. When we got back to the station, they gave us a little test and I managed to get a couple extra copies so if you'll take one and pass it down.

The first one is: How many businesses are sprinkled in the City of East Bethel? There's 3, 7 or 11. The actual answer is 9, or right around there. It was supposed to be 7. Voss stated the Fire Department had to put this together then. Ronning asked is that a B- or a B and a half? Trick question, none of the above.

Mundle stated the second question is: How many businesses are registered in the City of East Bethel? 52, 67, or 233. It is 233.

What NFPA 220 Classification would Aggressive Hydraulics be considered? And, that was all new to me but I guess it would be a Type 2. Koller stated that's a trick question because they mis-spelled 'Hydraulic.'

Mundle stated what roof type does Another Man's Treasure have? Pitched, Arched, Metal, or none of the above. It is none of the above. It is actually a flat roof but it has a fake pitch

on it. Voss stated another trick question then. Mundle stated kind of, sort of, yeah. It's for situational awareness of what are you getting into as a fire person. If you're going to be getting onto the roof, be aware of what kind of roof it is.

Is there a business at 2530 224th Street, East Bethel? Answer is yes but it is a residence so that's to accentuate that sometimes when we get fire calls, be aware that there could be business-like situations at a resident's home.

Is there a business at 18661 Highway 65? And, yes, that's a commercial business. So, that's my report. Voss stated that's Village Green, right? Mundle stated they're saying that's the trailer shop on the east side. Voss stated oh, 181, yeah, okay. Mundle stated that's all I got.

Mayor Voss

Voss stated last week we had another meeting with Mn/DOT and Met Council and Doug Fischer from the County Highway Department was there, Commissioner Braastad was there, as a follow up to our meeting the previous month. Jack, you can maybe summarize it better but I think it was just a continuation and confirmation on pretty much everything we asked about at that meeting before in terms of funding and what the City's intentions were.

Davis stated that's correct and all this relates to the service roads in the Sewer District. We got some further confirmation on a couple of the grant programs. One of them was the Safety Program that Mn/DOT has that they say that we can get potentially up to \$1 million for both the south and the north service road projects on the west side of Highway 65. There's one caveat though. These funds technically now are not available until 2020 but there's a possibility that if somebody drops off the list, we can be advanced and move up. Or, if we can find a way fund those internally or by other means, we can get advanced funding and get it paid back at some point in the future by no later than 2020.

Davis stated we also discussed some issues too with the Cooperative Agreement Grant Program, what would have to be done so we could qualify for the majority or the most amount of funding, which is somewhere around \$700,000. We agreed too that if we did apply for a project, that we would go down to Mn/DOT and make sure that everything was approvable by not only their Metro Office but by their Central Office so we didn't run into the same situation we did previously. We had a lot of good input and support from Commissioner Braastad. Doug Fischer provided some very valuable information so I think we do have some potential for getting this service road project really kicked off and started. If we can get some support from Mn/DOT, hopefully, we can have both sides done. It may be ambitious, but I would set a six- to eight-year timeline and hope to have both sides of the road completed.

Voss stated the other thing that Mn/DOT brought to that meeting was news that they're planning to do a traffic study. Is that the best way to frame it? Was it from Bunker all the way to the County line north? And, they're looking at a mill and overlay in 2020. Is that when they said they were? Davis answered yeah, that was the projection.

Voss stated so they were going to do a traffic study ahead of time to see what improvements to make, basically, in the corridor. It's not a concrete overlay, it's just an asphalt overlay but there's culverts and intersections, and things like that. We did have, I pushed the discussion on Viking and 65 to make sure it's definitely part of that study. It was good to hear Doug Fischer definitely agree with us that there're some issues at that intersection that are way behind getting fixed. I think his quote was something like it was one of the worst

intersections he's seen on 65. So, it was another really good, productive meeting. The timeline, I think, was April when Craig was going to have something pulled together.

Davis stated we'll have some discussion on that in our next session but we hope to have something back to Council, at least on the first part of this plan, in April. Some, I think, positive things to report on but that will be discussed in the Closed Session.

Voss stated on Friday, Jack and I attended a meeting with Met Council Chairman Duininck, by invitation, at our new Waste Water Treatment Plant. The Chairman has been in that position for about, not even two months, I think. He's making tours of the various counties in the Met Council region. Last week was Anoka County's turn. So, it was basically a tour and a chance to meet him and talk about the system. They tried to keep it non-technical but it was interesting to see inside the Plant, particular if you've ever seen our old Plant up at the north side of the City. It's, I don't even want to say it's a 'night and day' difference. It's so far different. So, it was a good meeting. We had a little bit of opportunity to talk about this frontage road and just kind of development of our City. It was a Chairman's meeting and we were thankful to be invited to that. That's all I have.

9.0C None.

Other

9.0D

Closed
Session

Vierling stated for the benefit of the Mayor and the public and for the minutes, we'll note that at the present time, the Council is about to go into Closed Session authorized under Minnesota Statute 13D.05 with regard to matters of real estate acquisition. The property to be considered and discussed as part of that Closed Session would be Lots 1-8 of right-of-way Plat #3 and Parcel #29-33-23-33-0002 as per the Anoka County tax records. With that being said Mr. Mayor, I recommend that a motion be made to go into Closed Session for the purposes I've indicated.

Move to
Closed
Session

Koller stated I'll make a motion to go into Closed Session at 7:45 p.m. for the purposes Mark explained. Ronning stated second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

Reconvene
Open Session

Vierling stated thank you Mr. Mayor. For the benefit of the record and, again, for the public, we'd note the Council is back in Open Session having concluded the Closed Session with regard to matters of property acquisition for the properties I previously identified when I read the notice to close. The Council met with all members of the Council present including the Mayor, City Administrator Jack Davis, and myself as City Attorney, were present. The Council reviewed the issues presented by staff relative to the properties at issue. No votes were taken nor motions made at that time but staff did review with Council issues of strategy and potential communication. There was no need for specific motions or action to be taken beyond that. With that being said, Mr. Mayor, a motion to adjourn would be appropriate.

Reconvene
Open Session

**10.0
Adjourn**

Koller stated I'll make a motion to adjourn. Mundle stated I'll second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:00 p.m.