

EAST BETHEL CITY COUNCIL MEETING

AUGUST 5, 2015

The East Bethel City Council met on August 5, 2015, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Ron Koller Brian Mundle

MEMBERS ABSENT: Tim Harrington Tom Ronning

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

1.0 Call to Order The August 5, 2015, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

2.0 Pledge of Allegiance The Pledge of Allegiance was recited.

3.0 Adopt Agenda **Mundle stated I'll make a motion to adopt tonight's agenda. Koller stated I'll second.** Voss asked are there additions to the agenda? Mundle stated to the Consent Agenda, yes. Voss stated that was G, right? Davis responded G and H. Mundle stated yeah, when we get to the Consent Agenda, or do we add them now or later? Voss stated we need to add it to the agenda now. **Mundle stated okay, I'll amend my motion to adopt the agenda with the additional items of G and H to the Consent Agenda. Koller stated I'll second.** Voss stated any discussion? All in favor say aye? **All in favor.** Voss stated any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentation Davis presented the staff report, noting the Coon Lake Beach Community and Senior Center will present a request for delineation of the portion of Lakeshore Drive between Lincoln and Longfellow. The delineation would enable the Center to identify the limits of their lake front property for the purpose of enforcing their dock rental policy.

4.0A Coon Lake Community and Senior Center The Center owns the lakefront property between Lakeshore Drive and Coon Lake between Laurel Avenue to the north corporate limits of Ham Lake. At this time, we have Mr. Ed Fiori who will be presenting the request from the Community Center.

Ed Fiori, representing the Coon Lake Beach Community and Senior Center, stated thank you Jack, good evening Mr. Mayor. Thank you for hearing me this evening. Kathy Paavola would normally make this presentation but she is on vacation with her family so I'm sitting in her place. If you have any background on Coon Lake Beach, we've been in existence since about 1926. Part of our trust is that we have the lakeshore from the easement to the Lake of East Bethel. There have been times, over the last several years, where people have been encroaching on that property without our permission. And, there have been twice now in the last three years where people have entered that property. Our people have gone on there, called the Sheriff, the Sheriff's Department has come, twice there's been a confrontation. One time one of our members was actually arrested and charged with trespassing that subsequently has been charged. More recently, the Sheriff Deputy just came there and the woman was denied access to the lot that she rents, the dock space, and she left and went by a different route.

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Coon Lake
Community
and Senior
Center

Fiori stated this is a situation that has been going on, as far as I can find in my research, back to 1980. We think it's been going on long enough that Coon Lake Beach has to establish their rights to that property. The Statute of Limitations on all the properties that are violating our rights have been purchased within that 15-year Statute of Limitations so we can go after those people in the future.

Fiori stated what we've done is we've established a budget of \$5,000 to do preliminary research on our rights and a succession of names because Coon Lake Beach has gone through three name changes. The first thing we had to do was establish that the Coon Lake Community and Senior Center, as we are currently incorporated, is the original deeder of that property. We have successfully done that. Then we met with the City Administrator and Commander Orlando to go over what we have in the way of documentation so that, not that they would do anything, but rather so they're aware of what our rights are. We informed the Commander that it is our intention to pursue our rights in the immediate future.

Fiori stated to do this, we have a preliminary budget of \$5,000 to cover legal fees up to and including drafting and mailing a letter to those people who are using our property without our permission, without a lease agreement. Of that, so far we haven't spent anything. Through volunteers we've done all of our research. We've been able to trace the history of the corporation to 1994, incorporating papers, which is the Coon Lake Community and Senior's Association. That is our current name. The other two successors are linked to that name.

Fiori stated we intend to, at the next meeting of the Board of Director's meeting, there will be a resolution of motion presented with a rough draft of a letter to warn and put those people on notice that we intend to enforce our rights on that property and if they don't cease and desist using it, that we'll bring legal action against them up to and including trespassing and loss of previous rents. We'll also give them the opportunity to pay this year's rent and we'll forgive all the back rents for their use of property without our permission. So, that's one of the reasons we're going to do, that we want to do this.

Fiori stated the second reason is that we have heard that there's been a septic system put in on the south end of the property that is actually on the Coon Lake Association's property without our permission. If that's the case, we want that septic system removed. We think there may be other violations but until we can get there, we don't know.

Fiori stated the one thing we do know is at the junction of Aspen and Lincoln, there are now three big logs across that road. There used to be a temporary fence there. That fence is gone. There are now three big logs there encroaching onto our property. So, we intend to have at least the log on our property removed. In order to do all this, we feel the City has to delineate their right-of-way from Lincoln to Longfellow along Lakeshore Drive. That has to be delineated so we can move forward.

Fiori stated we also know that there are some structures on the City's easement. It is not our intention as the Beach, to go after those violation areas. That is strictly up to the City.

Fiori stated when we met with the City Administrator, we kind of said that we don't want to get involved in that. That if the City can come to an agreement with those people on the easement, fine and dandy. We have no quarrel with that. Our quarrel is with the people that are using the Coon Lake Association's property without paying us leases or

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acknowledging our rules and regulations. So in order to enforce those things, we feel it is necessary for the City to delineate their easements along that property. I'll open it up to any questions.

Voss stated so if I understand the history, the space is on the lakeshore that you're talking about. They are spaces that have been delineated, or set up in the past by the Community Center that are then rented out? Fiori stated no. This is all done by, it's, let me get the terminology right, it's a land trust. We are actually, the property is actually in trust to the Coon Lake Community Center under the auspices of the DNR. We have to maintain that property in accordance with DNR regulations. So, that is our property. Voss stated right, I understand. Fiori stated everything between the City's easement and the lakeshore. And in order, we are a self-sustaining organization and in order to maintain ourselves, our operating budget at the present time is about \$18,000 a year. That's just to run the Community Center and everything else.

Fiori stated our goal, and we've achieved that goal, is to run our operating expenses from the leases that we have on the lakeshore. If you belong to the Associations, for \$100 a year and ten hours of community service, you can lease 20 feet of shoreline from us. This is allowed by our deed, by the trust. In addition to that, if the space is available, you can lease a second 20 feet for another \$200 per year. Those are annual leases. We are approximately 140 members that are now leasing property according to our lease agreements. We have a 'fistful' of people that are not and they've been using it over several years.

Fiori stated what really brought this to a head was several weeks ago, we were making some improvements along with CLID (Coon Lake Improvement District). Mike Perry came over, who is the President with CLID, and he was talking to us about these people that live between Lincoln and Longfellow. When CLID was formed, he went around and talked to them and they said, 'Oh no, they don't own the lakeshore.' Well we talked to them and they say they do own the lakeshore. So, we realize that they are actually claiming that they own the lakeshore that is ours, to us, and they claim to CLID that they don't own it. So, they've got it both ways and not paying CLID and not paying us and are using it.

Fiori stated in the past, we've let it slide but things are changing and what we are really in fear of is that if we don't enforce our rights now, we may have some real legal situations down the road. This is why we want to bring this to a head at this time, resolve it once and for all, get this 'can of worms' out of the way, and get it done. And, get it done properly, acting with the City, acting with the Community Center, and acting with the Sheriff to help us enforce our rights.

Voss asked so you're asking the City to flag where the extent of the right-of-way is along Lakeshore Drive? Fiori answered that is correct Mayor. Voss stated okay. Any questions for Ed?

Mundle asked has it ever been surveyed before? How do you know where your boundary lines are right now? Fiori stated there are some monuments. Jack, the City Administrator, if you look at the information he has passed out, there are some monuments there. We've also heard that some monuments have been removed. So, we don't know what's there and what isn't there. And, I don't know when a survey was done last.

shows the locations of those found monuments along Lakeshore Drive.

Voss asked these are the monuments on the, across the road from the Lake, right? We don't have any monuments on the lakeside? Davis stated no, we didn't have any there. Voss stated I think that's what you're probably more interested in. Fiori stated yes, Mr. Mayor.

Voss stated I guess the first question, what kind of effort is it on our part, on the City's part, to survey that stretch of road? Just so we understand. I'm looking at our Engineer. Jochum stated it can kind of be a tough thing to estimate given the plat is from the 1920s. It's probably, I'd say closer to \$5,000 than \$1,000, but not necessarily. I guess we did find some monuments when we went out there last time. Those could be traced on the plat. It's just tricky, unless I looked at it, because of the age of this and the plat.

Voss stated well Ed, I can understand wanting to know where the City's right-of-way is but, to me, you want to know where your, do you have spaces? Or, is it the whole length of the shoreline? Fiori stated we own it. Voss stated you used to have posts, I remember posts. Fiori stated we still do but we can't get on that property to put the posts up. This is part of the problem.

Voss asked why can't you get onto that property? Fiori stated because in the past they have called the Sheriff and we're trying to put an end to that now. Voss asked how is the City survey going to help you there? I guess I don't follow. Fiori stated that will show exactly where the easement ends. Right now, there's a group of people that feel that easement is their property. Voss stated well, that's a simple education. Easement is never their property. Fiori stated it's beyond that Mr. Mayor, it really is. It's been a precedent that's been going on with the current owners. I guess the oldest one there is about 13 years now.

Voss stated Mark, it seems to me, if this went to any court, the court's going to understand what an easement is versus. Vierling stated I think there's no question that right-of-way of the City cannot be impaired or acquired by adverse use. But I think the fundamental issue is going to be from the court is what document, what survey do you have that locates it definitively.

Jochum stated I think the sketch that's already been provided kind of represents where it's at but I would think with that and, again what is the proof that you own it, I assume there's some kind of recorded documents and things of that.

Voss stated I guess I don't see how, if the City surveys it, how it strengthens your case that you actually own that land. Because, it's either the City or it's the Community Center. Right? Davis stated yeah, they own the strip between our right-of-way and the Lake. Voss added and the water line. Davis stated and I think the issue in the past has been, when there have been calls about issues of trespass, is the Deputies come out there and they look and they say, 'You've got nothing to show us as to where this property starts or where it ends.' Voss asked going toward the Lake or side to side? Davis answered going towards the Lake.

Fiori stated Mr. Mayor, I have a letter, believe it or not, that goes back to 1993 from the City of East Bethel. It's signed by Mayor Jeff Hintz. It's August 3, 1993. According to the Coon Lake map, and they give the map, and I'll leave this with, I guess Jack is the secretary. 'The Coon Lake Beach Property Owner's Association owns and has title to all boat landings, beaches, and park lands that fall between Lakeshore Drive and Coon Lake.' That's written. Voss stated that's been my understanding forever.

Mundle asked now is that just a letter or is that an actual Resolution? Fiori stated that's a letter from the Mayor addressed to the President at the time of the Coon Lake Association. Mundle stated but it's just a letter. It's not. Fiori stated it's pretty explicit. It gives you the map and locations on the map. Mundle stated I know that's what it says and what the Mayor says, but what the Mayor says is that actually law? Voss stated it doesn't mean a lot. Mundle stated yeah.

Voss stated I would say the same thing. I mean, this letter references the maps. I kind of actually remember this issue because it was right when I got on Planning & Zoning. Fiori stated you've been around a while. Voss stated yeah. The City looked at these maps and they must have did some research but I don't know how legal the document that is.

Davis stated on the City's plat map, there is a strip that runs around the Lake that's referred to as 'parklands,' and that's the land between Lakeshore Drive and Coon Lake. That's what the Community Center now owns or is in their trust. Voss stated right.

Davis stated as I understand it, Ed's requesting that we delineate that portion of Lakeshore Drive so that if there's an issue, then when someone comes down there they can have some basis for saying, 'Yes, you're on Coon Lake Beach property.' Or, 'You're on City property.'

Voss stated well they can't be on City property, period. Right? Davis responded it's a public right-of-way. Voss asked it's what? Davis repeated it's a public right-of-way. Voss stated right but if they're putting cables and docks and boats and everything on City right-of-way, they can't do that. Fiori stated there are encroachments now on the City right-of-way. They have existed for quite a while.

Davis stated there's several encroachments all along through there. Not only on this one but several other instances. Not only at the Beach but on the City. I think what, the trespass that I think Ed's referring to, and the only two that I've ever been associated with, were people that were actually on either the Coon Lake property or the City property that claimed it was their property when the Deputies came down. And, the Deputies then had no basis of determining which was which.

Voss asked what kind of property was it? Was it parked vehicles? Davis stated no, it was vehicular/pedestrian traffic. Voss stated if we survey and stake it, those stakes aren't going to last very long. Fiori stated we wouldn't need them very long Mr. Mayor. Voss asked what's that? Fiori stated we won't need them for very long. We intend to move. If the City does delineate, we will move immediately to pursue our rights. We already have a \$5,000 budget just to get the letter drafted by counsel. So, we intend to move very rapidly on this so they wouldn't have a chance to take those down before we move forward.

Fiori stated one of our other concerns is precedent. What we're concerned with is that if we ignore this and it goes past that 15 years, we're afraid that other lessees at the present time will say, 'Why should I pay if they're not?' This is really our concern. Without that income, we're 'dead in the water.'

Voss stated what you're doing, I think, is, don't get me wrong, I'm just trying to find a value for the City to spend \$5,000 to survey that. If we're to do that, we want to make sure that it leads to results. Fiori stated one of the things that I look at is what is the value of that

Lake. That Lake to the community, the lakeshore. My estimate would be that it probably adds \$10,000 to \$20,000 to the value of each of our homes. So if we lose that, that then reverts to the City of East Bethel. What will they do with it? So, you could see a substantial decrease in property values on the Beach. Right now, the Beach is going through, almost a renaissance. If you remember what the Beach was like when I moved here, it's a huge difference. The crime rate is way down. We don't have a beautification program, per se, but people are improving their properties. There's a lot of pride over there. People are looking at this and seeing what's happening. Now they're saying, 'Enough is enough. We have to do something.'

Fiori stated I think if you look at the service we perform, this year alone we provided two scholarships to students living on the Beach. When the food shelf were denied their turkeys at Thanksgiving, we donated over \$1,000 for that so they could continue to give out that, those kinds of things. We do an awful lot within the community. We're active in CLEA, we're part of the grant program for cleaning up the rain gardens. On our own, we've improved along the lakeshore between Dogwood and the Club House, we've redone all of that. We put sod in so that we retain the groundwater moisture there. We've also, on our own, maintained the launch at Dogwood. We put those strips in there so that the trailers can go down in there without sinking into the mud. We put rock in-between them. We provided a dock at the foot of Forester so that people can dock there and go up to Smokey's, and what have you. So we do a lot within the community that without the Beach that would be lost. And, this is what we don't want.

Fiori stated we want to continue it to be a viable community where people can raise their children. And, at my age whether you believe it or not, I like to hear the little kids running around and what have you. And, a safe community. We've done that within the last ten years, I think, to a wonderful degree. This is the last problem we have left. We've got to get this resolved. It's a problem both for the City that they are encroaching on your easement and to us because they are using our property without any reimbursement.

Voss asked Jack, staff talked about this issue and have a recommendation at all? Davis stated I think the question boils down to, you know, who's going to pay for it. I think it's something where it would be nice to have that street delineated to at least give some of those residents an idea of where the City property is. What Ed says is correct. There are a few of those people that assume that they own the City street. And, they've actually used it in the past as such. Like Ed related, there are encroachments on that easement not only with some of the people with the docks but also some people with some structures on there. Personally, I'd prefer not to open that whole 'can of worms' and if there's ever an issue with it consider, maybe, people who are encroaching do some type of licensing agreement like we did on Sylvan Street, if that's a real issue. But, I think is it something that we need to delineate? Probably so and the question is, who's going to pay for it or how's the share going to be split.

Voss stated it seems to me we'd want to know what the costs are before we do that. Jochum asked are there any documents that describe your property? That would probably help with the survey. Fiori stated oh yeah. There's, let's see, the trust is at the County. There's also a series of three maps that were drawn up just to delineate these lines. That information should be on that letter. Voss stated maybe find that letter at the Council table here. *(Jochum is handed the letter provided by Fiori.)* Fiori stated it should be on that letter.

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Davis stated Ed, I see in your request that you've, there's some other areas outside this Lakeshore Drive that are listed. Fiori stated that's just with Lakeshore Drive. Davis stated okay.

Jochum stated if we've got these documents, it might help kind of delineate the cost for this. Fiori stated they're available through the County. Jochum stated yeah. I'm just saying if we can find these documents, I can probably get a lot better estimate of what it might cost to identify the right-of-way. It could save a lot of time and money.

Fiori stated Mr. Mayor, if I may, we have those documents. I probably can't get them within the week because Kathy has them and she's not here. But, I can get you our copy or you can get them from the County. You're probably better off getting your own copies so you have them if you do any work on them. Which way do you want? Jochum stated either way. It would be cheaper if you had them and could send them but otherwise we can go to the County and look for them. Fiori stated okay, I'll bring them over when I can get them. But, it would probably take me about a week.

Voss asked you'll bring this back in two weeks, your estimate for doing the delineation? Jochum stated yeah, I'll try. I'm gone next week. Fiori stated welcome to vacation time. Jochum stated even I get a vacation sometimes.

Voss stated do we want Craig to **come back with a cost to do this?** Mundle stated at least get a cost and see what it is. Koller stated you can take a look at the map and just see what's involved. **Voss stated we'll take it up in two weeks then.** Fiori stated thank you Mr. Mayor. Voss stated okay, thanks Ed.

**5.0
Public
Forum**

Voss stated this is the slot tonight to have anyone here for Public Forum. And, I see there's no one here. There is no one signed up so we'll move forward to the Consent Agenda.

**6.0
Consent
Agenda**

Item A Approve Bills

Item B July 8, 2015 City Council Work Meeting Minutes
Meeting minutes from the July 8, 2015 City Council Work Meeting are attached for your review and approval.

Item C July 15, 2015 City Council Minutes
Meeting minutes from the July 15, 2015 City Council Meeting are attached for your review and approval.

Item D Check Signatories Resolution
This resolution updates the authorized check signatories for the City's money market account at Village Bank—removing the former Mayor (Lawrence) and former Council member (Moegerle). This resolution reaffirms the authorized signatories on the account as the City Administrator and Finance Director.

Item E Approve Application to Conduct Excluded Bingo for St. Francis High School Dance Team – October 1, 2015

The Parent Booster Club for the St. Francis High School Dance Team has applied for a one-day permit to conduct excluded bingo on October 1, 2015 at Hidden Haven Golf Club. The application form has been submitted and is complete. Staff is recommending Council approve the one-day permit for the SFHS Dance Team to conduct excluded bingo on

6.0

~~Item F Resolution 2015-40 Adopt A Park Deer Haven Park~~

Item G Approve the Use of Anoka County Work Service Program

The Anoka County Corrections Department offers a Work Services Program that provides labor for general municipal projects to cities and non-profits. If authorized by City Council, our use of this program would be for supplemental labor for locker room cleaning and general maintenance work at the City Ice Arena. Only those with misdemeanors or gross misdemeanors convictions (no juveniles) would be assigned to the City. Their presence on the property would be supervised by the Arena Contractor and the time required for their duties would be completed during normal business hours and concluded prior to any youth activities.

Item H Resolutions 2015-41, 2015-42, 2015-43 and 2015-44 Acknowledging the East Bethel Royalty for 2015-2016

The East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant where individuals compete to represent the City of East Bethel as an Ambassador for a twelve-month period.

Resolution 2015-41 recognizing East Bethel Royalty for 2015-2016 Miss East Bethel Karley Landwehr; Resolution 2015-42 recognizing East Bethel Royalty for 2015-2016 Princess Tori Larson; Resolution 2015-43 recognizing East Bethel Royalty for 2015-2016 Little Miss Madison Burch; and, Resolution 2015-44 recognizing East Bethel Royalty for 2015-2016 Little Miss Elizabeth Raab. Staff recommends adoption of these resolutions recognizing the East Bethel Royalty for 2015-2016.

Mundle stated make a motion to approve the Consent Agenda with the additions of Item G and H. Koller stated I'll second. Voss stated I'd like to pull Item F of that. Mundle stated okay. Voss stated okay with F removed, all in favor of the motion say aye? All in favor. Voss stated opposed? That motion passes. Motion passes unanimously.

6.0F
Resolution
2015-40
Adopt-A-Park
Deer Haven
Park

It was noted the City has received an application for the Adopt-A-Park Program to adopt Deer Haven Park from Dennis Feela. Dennis was instrumental in developing the park when the neighborhood was developed and would like to continue to provide volunteer time to help with the park. Staff recommends adoption of Resolution 2015-40 recognizing the commitment from Dennis Feela to help keep Deer Haven Park clean as part of the City of East Bethel's Adopt-A-Park program.

Voss stated Item F on the Consent Agenda was Resolution 2015-40. **I'll move this Resolution acknowledging Dennis Fella for his adoption of Deer Haven Park.** This is part of our Adopt-A-Park Program and I'd like to make that motion for it. **Mundle stated I'll second.** Voss stated any discussion? All in favor say aye? **All in favor.** Voss stated opposed? That motion passes. **Motion passes unanimously.**

**7.0
New Business**

Commission Association and Task Force Reports

7.0A
Planning
Commission

Davis presented the staff report indicating the Council is being asked to consider Amendment to City Code, Article VII, Section 66-195, Public Land Dedication.

7.0A.1
Amendment
to City Code
Public Lake
Dedication

The Planning Commission upon direction from City Council reviewed the City's Ordinance establishing Park Dedication Fees at their July 28, 2015 meeting. The Planning Commission discussed the City's fees in relation to those of neighboring cities and the proportionality issue of larger platted divisions of land as compared to Metes and Bounds Lot Splits.

As a result of discussion, the Planning Commission recommends City Council consider amending Article VII, Section 66-195, to include the changes as indicated in Attachment 2, reduction of the not-to-exceed fee for residential park dedication from \$6,000 to \$2,000 per lot; exempt one habitable homestead per subdivision from the dedication fees; and, reduce the park dedication for commercial/industrial not-to-exceed fee from \$4,500 to \$2,000 per acre.

Voss asked thoughts? Koller stated I think we'd fall more in line with the other cities around us. Mundle asked is \$2,000 enough to fund projects? Davis answered they are for this year. The Parks Commission would review this annually to establish if that were the fact and create that in their budget. So, this fee could be adjusted as required. The Parks Dedication Fee is one that's going to be used exclusively and solely and it has to be kept in a separate account for parks land acquisition or certain parks improvements. With that land acquisition, as far as the impact on the budget, it actually has none this year because we haven't collected this fee since 2008. So, the \$2,000 would be substantial, or would be sufficient for that fund for this year.

Mundle asked has Parks had any input on it yet? Davis stated the Parks Commission has not. It will be brought up and they'll start discussing this at their next meeting. They're also going to look at revising the Parks, Trails, and Open Space Plan, which this will be a major component of determining the funding for those projects in the future.

Davis stated one other thing that brought this up was the example that we gave here not too long ago when Mr. Jim Malvin came in and did his three-unit subdivision. His land values were \$104,000 so under our current fee setup, he would owe \$10,400 in Park Dedication Fees for three lots. As a comparison, Viking Preserve, their land values were somewhere around \$300,000 so they owed \$30,000 but they had 46 lots. So, it's a proportionality issue. This helps to address that and helps even some of those costs out. Again, too, it also puts us in a more equal advantage to fees charged by our neighboring cities. This puts us kind of in the middle. Their fees range anywhere from approximately \$1,500 per lot to \$2,500 per lot.

Voss asked so you're looking for direction to send this to Parks? Davis stated actually I'm looking for direction to send it to Parks but I'd rather have direction to pass it and then the Parks will start their work on this for the proceeding year as far as developing costs for the 2017 budget. We've already got the 2016 budget established for them. They've already approved their Capital Improvements Plan

Koller stated I'll make a motion to approve the Planning Commission's recommendations amending Article VII, Section 66-195, to include the changes as indicated on Attachment 2. Mundle stated I'll second it but I'd like to make a change on some of the wording. Whereas, 2a, 'Metes and Bounds Lot Splits and Subdivisions which create a lot with an existing habitable homestead shall have that lot excluded from any requirements for Park Dedication Fees.' I'd like to make it a little more clear where it says, '...an existing habitable homestead shall have the homesteaded lot excluded from any requirements...' Koller stated I'd agree with that.

7.0A.1
Amendment
to City Code

Mundle stated so there's no if, ands, or saying. Voss stated but we're, all of the issues when it's a non-homesteaded property though. Mundle stated well that's how it states it right here anyways. Voss stated so you're adding language. Mundle stated no, I'm just clarifying it. Voss stated I missed what section you're actually changing. Mundle stated it's in red, 2a. Voss stated oh, okay.

Vierling stated your question, Mr. Mayor, no, that doesn't create any legal issues. Mundle stated the language already states it as being 'an existing habitable homestead.' So, instead of, I'm taking the words 'that lot' out of the language and specifying the lot with the homesteaded just so it's, so if anybody reads it and says, 'That lot, well, which lot?' That lot.

Voss stated so it's homesteaded from the aspect of its use, not its taxed designation. That's where I'm getting at. There's a lot of houses in the City that are not homesteaded. I just want to make sure there's not going to be some confusion down the road. Vierling stated lawfully you do have the right to benefit homesteaded property. So, the nature of the amendment is to clarify that you're dealing only with an exclusion as to homesteaded property. I get that. I think your question, Mr. Mayor, goes to whether or not it's used residentially. Whether or not it's homesteaded. If I'm reading into your question correctly. Either way, the amendment is permissible. You don't confront a legal issue with the amendment but I think the Mayor's question, if I understood it, is do you want to benefit beyond homesteaded property to all residential property.

Voss stated right, to all residential property, not just homesteaded. Vierling stated that's an issue of substance you need to wrestle with. It's a value judgment. Mundle stated yeah, I was just addressing this language.

Voss asked so what's your change again? Mundle stated where it states '...which create a lot with an existing habitable homestead shall have that lot excluded...' It would read '...a lot with an existing habitable homestead shall have that homesteaded lot excluded...'

Voss stated my concern then is that they're splitting, you can't tell if it's homesteaded or not by looking at it. Right? Vierling stated you would have to go by the tax classification. Voss stated you would have to go by the taxes. So, if you had a non-homesteaded lot that you were doing a lot split, then they would not get the exclusion. Vierling answered correct. Voss stated they would have to pay Park Dedication Fees. It's only if it's homesteaded for tax purposes they get the exclusion.

Mundle stated well, if there's a house. Voss asked is that what your intention is? Mundle stated the intention with this is if there's already a home on the property. Voss stated a home on the property, I agree. We use homestead, yeah, loosely there. It's a homesteaded property, to me, it reads for tax reasons. Mundle stated I'm just going off this language here. So, the intent is if there's a house already there, making use of that property, that's preexisting, then that lot, whatever lot that house creates is split off, that lot does not get paid fees.

Voss stated I absolutely agree. My only concern is I just don't want to create, unintentionally, a loophole if it's a non-homesteaded. But, if the City, in the future, looks and says this property is not homesteaded, you have to pay the Park Dedication. That's not our intent here so I just want to make sure that's not going to happen. Vierling stated that is going to happen. Voss asked so how do we change that language so it doesn't happen then.

Vierling stated if you wanted to change the substance of the paragraph or sentence. Voss stated the spirit was always as Brian just said. Vierling stated well, I agree with you. But, the language inserted would only exempt homesteaded lots from Park Dedication. Mundle stated okay, then let's get rid of that language then. Vierling stated if you wanted to change it, you would have an existing habitater or habitable residential lot, or occupied as a residence. That type of thing. I suppose you could distinguish between residence, homestead, non-homestead. You could also distinguish between a residence occupied and un-occupied. Whether or not you want to benefit one over the other.

Voss stated it was a residence at one time. Can we simply add 'non-homestead and homestead.' Would that work? Vierling stated then you would simply exclude the existing residence. For example, '...that land which might read Metes and Bounds, Lot Splits, and Subdivisions, which create a lot with an existing residential structure shall have that residence excluded from any requirements for Park Dedication Fund.' Voss stated I would say 'primary residential structure.' The house. Vierling stated you can't have primary, I suppose you could have it, yeah, you have guesthouses. Voss stated we have pole barns and shacks. Vierling stated but pole barns are not residential structures under your Building Code.

Davis stated no, they're not. A residential structure, according to the Building Code, has to have a working plumbing system and it has to meet other requirements of the Code. **Vierling stated basically you can take out the homestead language and put in residence. So you're looking for a structure that is a residence.** Voss stated with an existing habitable residential structure. Vierling stated yeah. **Voss asked you okay with that? To amend your motion? Koller stated yes.** Voss stated okay, any further discussion? All in favor say aye? **All in favor.** Voss stated opposed? That motion passes. **Motion passes unanimously.**

7.0A.2
Elizabeth
Erickson
Farm Animal
IUP
22790 Jewell
Street NE

Davis presented the staff report indicating the Council is being asked to consider approving an Interim Use Permit (IUP) to Elizabeth Erickson, 22790 Jewell Street NE, Property Identification Number 01-33-23-21-0011, under Chapter 10. Article V – Farm Animals.

Elizabeth Erickson is requesting an IUP for a farm animal for the keeping of one miniature pot-bellied pig on her 4.98-acre parcel. She is working with the Martin County Humane Society in Fairmont, Minnesota to rescue this animal. The pig will be kept as a pet and housed in the home and in an existing pasture area that is currently fenced. This property is part of Deer Haven subdivision where over 80% of the lots are three acres or larger in size, meeting the Code requirements of allowing farm animals in a platted subdivision.

Planning Commission met on July 28, 2015 and approved a recommendation that City Council approve an IUP for the keeping a single miniature pot-bellied pig for Ms. Erickson, with the following conditions:

1. An Interim Use Permit Agreement must be signed and executed by the applicants and the City.
2. Applicants must comply with City Code Section 10. Article V. Farm Animals.
3. Permit shall expire when:
 - a. The property is sold, or
 - b. Non-compliance of IUP conditions occur.
4. Property owner shall have thirty (30) days to remove the approved domestic farm animals upon expiration of the IUP.

7.0A.2
Elizabeth
Erickson

5. Conditions of the IUP must be met no later than September 1, 2015. The IUP will not be issued until all conditions are met. Failure to meet conditions will result in the cancellation of an approved IUP.
6. The IUP shall be for a term of three (3) years at which time the applicant will be required to re-apply for the renewal of the IUP.
7. The property will be inspected and evaluated annually by City staff.

Koller stated I will make a motion to approve this IUP for a farm animal for Elizabeth Erickson at 22790 Jewell Street NE, as long as she meets all the requirements of the IUP. Mundle stated I'll second. Voss stated any discussion? Hearing none, all in favor say aye? **All in favor.** Voss stated opposed? That motion passes. **Motion passes unanimously.**

7.0A.3
Andrew
Nelson
Variance
4640 E. Front
Blvd. NE

Davis presented the staff report indicating the Council is being asked to consider East and West Side Yard Variances for Andrew Nelson for the construction of a detached accessory structure. This property is located at 4640 East Front Boulevard NE, PIN 25-33-23-42-0017, Lot 12, Block 1, Edwards Beach.

Andrew Nelson is requesting side yard setback variances to construct a 22- by 26-foot detached garage on his property. Because this property is located in the Shoreland Management District, there is a requirement that the construction footprint be located 75 feet from the Ordinary High Water Mark of Coon Lake and 25 feet from the City right-of-way on East Front Boulevard. Mr. Nelson can meet both the Ordinary High Water Mark and the street setback. However, due to the location of his septic system, well, and drainfield, the proposed garage on this lot cannot meet the required 10-foot side yard requirements. The proposed location of the garage, as shown on your attached site plan, is the only option that Mr. Nelson has for the garage construction.

Side yard setback requirements in the R-1 zone are 10 feet and the proposed garage would be located 1 foot from the east property line and 1 foot from the west property line. Mr. Nelson has spoken to his neighbor to the east and they have no objections to the reduction in the setback and have submitted a letter to City staff stating their position. On the west side, the proposed garage would be located 1 foot from Sylvan Street, a platted but undeveloped City street. Mr. Nelson was previously granted a license by the City to use part of this right-of-way for a septic system. Mr. Nelson's lot is narrow and long, and due to this shape and the location of the existing septic and drainfield and well, there is no location on the lot for the garage that would meet side yard setback requirements. Therefore, the following variance requests were presented to the Planning Commission:

- A 9-foot variance from the normal side yard setback of 10 feet on the west side of the property for construction of a detached accessory structure; and,
- A 9-foot variance from the normal side yard setback of 10 feet on the east side of the property for the construction of a detached accessory structure.

The Planning Commission at their July 28th meeting considered Mr. Nelson's requests and determined that consideration of the variances were appropriate based on Minnesota Statute 394.27.7. Planning Commission unanimously approved for Mr. Nelson's variance requests for 4640 East Front Boulevard and propose that City Council consider approval of their recommendation.

7.0A.3
Andrew

Mundle stated I make a motion to approve the variance request for Andrew Nelson. Koller stated I'll second it for discussion. Voss stated discussion?

Nelson

Variance
4640 E. Front
Blvd. NE

Mundle stated because there is the City property on, I'll call it the left-hand side between two properties, that's kind of what makes this garage feasible. I'm wondering what, are there any safety concerns for the house, the residence, for fire? To get a fire truck back there or, because now you have that large garage in the way. If something should happen to change the City property, that would directly affect this property. Davis stated the current City property, known as Sylvan Street, would permit access by fire equipment to go down the west side of that property and access either the proposed garage or the house.

Voss stated I hear your question. If that right-of-way ever goes away or is used. Mundle stated yes. Voss stated there's no, even besides the fire access, there is no access. You've got a 1-foot gap between the building and the property line. That's a good question.

Mundle stated yeah, or if in the future after the sale of the property that the next owner decides to come in and puts a fence right along both property lines. That's kind of a concern. Just puts a door in the back of the garage to walk through. But then, would he need a fence permit from the City in order to do that? Davis answered yes. Mundle asked would that come up then in that as a reason to deny? Davis stated it definitely should in this situation. That would be a very important consideration. Mundle stated yeah.

Mundle stated I think it should probably be one of the conditions set forth that no fence line along that side if the variance is approved. Voss asked no fence on the east side? Mundle stated I'm calling it the left-hand side as far as this but it would probably be the west, kind of the southwest.

Voss stated I don't think they'd want to because they couldn't even get back to their house. Mundle stated yeah but if the future possibility exists. Voss stated the two considerations I had was considering they're building so close to the property line, they should have that surveyed before they, and our inspectors should see the survey and where they're putting the foundation just so we're not going to get into a future encroachment problem. I think that's a reasonable request.

Koller stated the problem I have here, on the last page of the sketch, he's showing a new well and a new septic system on that City property. Mundle stated I believe that's already there. Davis stated those are already there and the City issued him a license to utilize the City right-of-way for the septic tank and the well back in 2012 or 2013. Koller stated okay. Voss stated 2012 because of the issues of how close the houses were and they had no options. Davis stated as part of that license too, though Ron, if the City ever deems that they need that right-of-way then he'll have to remove those or forfeit them at his own expense. Voss stated the initial request was actually for the City to vacate the right-of-way. And then, Council decided not to vacate the right-of-way. So, the next step was to do that.

Voss stated the other aspect of this, too, is we're going to have to acknowledge or at least realize that they're going to be, if they're not already, using the right-of-way for access to the house. Mundle stated yeah. Voss stated you've got to walk around the garage. Mundle stated I believe the neighbor to the west already is anyways. If you take a look at their parking lot. Voss stated oh yeah, yeah. Mundle stated they're obviously driving across it. Voss stated yup, but I don't think there's any permanent structures on it.

7.0A.3
Andrew

Koller stated those two houses look pretty close together too. Voss agreed stating they are, a lot of them are around there. That's just kind of the way it is. Koller stated I suppose a

Nelson
Variance
4640 E. Front
Blvd. NE

long narrow lot, you don't have a choice.

Voss stated the neighbor to the east, they've been there for a very long time. They've supported Mr. Nelson's actions in the past and that's the letter we got tonight. Davis stated they have and that's the letter you have. Voss stated from the Fosters. I lived in that neighborhood so I kind of know this property.

Voss stated I'll make a motion to amend the motion to include the stipulation that no fence be installed along the property line side. Mundle stated along the, at least the west side. Voss stated okay, along the west side. And then, that prior to approving the foundation, or as part of the foundation inspection that the property line survey also be staked so the City can see exactly to make sure the foundation's on their property because it's so close. That's a requirement of the homeowner to have that surveyed. So, that's my amendment. Is there a second to the amendment? Mundle stated I'll second. Voss stated all in favor of the amendment say aye. All in favor. Voss stated any opposed to that amendment? Amendment passes.

Voss stated any more discussion on the application? Koller stated no. Mundle stated I don't believe so. That's my biggest concerns. Voss stated to the motion as amended all in favor say aye? **All in favor.** Voss stated any opposed? None opposed that motion passes. **Amended motion passes unanimously.**

7.0B
Economic
Development
Authority
7.0B.1
July Report

Davis presented the July EDA Report, stating the Ady Voldedge Branding and Market Analysis for the City was completed in March 2012. The study provided stakeholder interview and retail market analysis and an action plan for implementation of the proposal. The EDA was presented with an update of the recommendations of the study that have been completed, that are in continuance, or dormant at their July 20, 2015, meeting.

The goals and priorities of this study were discussed with the EDA for assessment as to their current relevance in considering changes that have occurred since 2012. Attachment 1 in your packet details the results of the discussion. Findings from the review will be used to provide a direction for implementation of plans and polices to direct our ongoing economic development activities and evaluate our progress to date.

The EDA was also provided with an overview of past and current business recruitment activities. The report pointed out that our efforts to attract new business and industry to the City of East Bethel have been met with mixed success. Since 2012, the City has played differing roles in the decision of the following to locate in East Bethel: Aggressive Hydraulics who currently has 52 employees; North Country Concrete who has 76 employees; Tin Man and Cambridge/Isanti Insurance that have 4 employees a piece; Knowlton's Racing Engines which has 4 employees; Moonshine Whiskey and Road Warrior Ink, which have 20 employees and 4 employees respectively.

In addition to these new businesses, the City has provided varying forms of administrative assistance that have supported the expansion of: RAK Construction; Central Wood Products George's Boat Sales; Builders By Design; and, Minnesota Fresh Farms.

The constraints and obstacles encountered in the pursuit of new business are primarily our small market footprint, a hesitation of developers to proceed with project investments, a saturation of the regional market area with big box and larger scale commercial development, and the contraction of growth patterns from strip and node highway corridor development to redevelopment and infilling of areas closer to the metro cities.

7.0B.1
July Report

Our business recruitment activities have been limited to periodic cold calls, responses to individual inquiries, and maintaining contact with DEED, Greater MSP, and Anoka County. While we can proceed with the existing practice of solicitation and replies to site selection requests from Greater MSP, we are entering a phase where we need to be more proactive in this endeavor.

Staff and the EDA will continue the discussion for targeting businesses and present a report to the Council of their findings at subsequent meetings.

Voss asked so you're looking for direction? Davis stated it's just an information item to bring you up-to-date on what the EDA discussed at their last meeting. Voss asked is there anything you want to add to that Brian? Mundle stated no, that was pretty much what it was. Well, I will add that we did go over, there were 12 points and goals that were put out by the Ady Voltedge that the City did take on and the City did update the EDA on how they're coming to pursue those goals. Voss stated okay, good.

Informational; no action required.

7.0C
Park
Commission
7.0C.1
Sandhill
Crane Natural
Area Program
Grant
Application

Davis presented the staff report indicating in October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources, and the Minnesota Pollution Control Agency entered into a Memorandum of Understanding for the management of the 570-acre Sandhill Crane Natural Area located around Ned's and Deer Lake in the City of East Bethel.

This management group met periodically between 1999 and 2013 to discuss potential plans to make this area more accessible to the public. The group, particularly the City and Anoka County, were instrumental in forestalling and eventually changing the DNR's Forestry Division plans to clear cut the Trust Lands portion of the project area in 2013. As a result of the City/County action and with the cooperation of the MPCA and the DNR, additional meetings were held to address the transfer of the School Trust Land Designations from the DNR properties in the Sandhill Crane Natural Area and investigate funding to develop improved access to the site.

The MPCA informed the group of a grant program, the Natural Resources Damage (NRD) Fund, which manages monies generated through the State's Landfill Cleanup Insurance Recovery Effort for the purpose of mitigating natural resources damages near the locations where these incidents occurred. Due to the location of the former remediated East Bethel Landfill, which is located within a portion of and adjacent to the Sandhill Crane Natural Area boundary, recovery funds are eligible to be applied within this site.

The City of East Bethel and Anoka County determined that the NRD Program could be a potentially suitable source of funding for the development of the area and the restoration of natural resources within the Sandhill Crane Natural Area. As a result of the City/County collaboration, a grant request of \$1,060,000 was proposed for the project and would be 100% funded by the NRD Program. No City or County funds would be required as a local share. The City, Anoka County, DNR, and MPCA will be required to enter into a Joint Powers Agreement that would detail and specify the shared maintenance responsibility of the facility upon approval of the grant.

7.0C.1
Sandhill

The proposed project was discussed and recommended to City Council for approval by the Parks Commission at their April 9, 2014, meeting and approved by the Council at their

August 6, 2014, meeting. The grant proposal was submitted to the MPCA by Anoka County on December 3, 2014.

On Monday July 27, 2015, the City was notified that the 2015 Legislature removed \$1 million from the NRDA portion of the remediation fund. As such, they will not be able to entertain grant proposals until and unless new settlements provide revenue into the fund. The County and City will schedule a group work meeting as soon as possible to discuss our options for this project and potential for re-submittal of the grant.

Davis stated we're working with the County now to set that date up to see what can be done to readdress this proposal and, hopefully, apply for these funds again.

Mundle asked so is there more grant money available? Or, they just took away \$1 million from the budget and so that there's a \$1 million less? Davis stated there's \$1 million less, that's the problem. That's why they couldn't fund this. Actually, our proposal was the first proposal that was ever submitted under this program and at the time of submittal, it was thought it had a very good chance of being funded so we were all a little shocked when we found out the information that the NRD program fund had been, some of the money had been transferred elsewhere. Voss stated I think 'raided' is a better word than 'transferred.' But, that's what politicians do sometimes.

Mundle stated so would there be more money in the future for this then? Davis stated there very well could be. This program's funded through the fines and insurance settlements on these remediated landfills. So they do anticipate these funds to be restored at some point. Voss stated it's got to be built so it's not like the Legislature is going to put money there. It has to be collected, basically. So, the State has been collecting the fees and the Legislature decided to use the money somewhere else and not for its intended purposes.

Mundle stated so the future grant that the City would be working on would be intended for that when the funds are replenished. Davis stated that's correct and the County did a lot of work on this. They actually prepared the grant application that was included in your packet. It was very well done, very professionally put together. They've been a driving force on this, as well as the City. Voss stated it will happen eventually but that's unfortunate. Okay, anything else?

Informational; no action required.

7.0D
Road
Commission

None.

8.0
Department
Reports
8.0A
Community
Development

None.

8.0B
Engineer
8.0B.1

Davis stated the Council is being asked to consider Castle Towers Wastewater Treatment Plant Decommissioning Project Bid.

Castle Towers

Jochum presented the staff report, noting bids for the Castle Towers Wastewater Treatment

Plant Decommissioning Project were received and opened on July 24. The project included removal of all site buildings, biosolids, underground piping, and the liners. Two bids were received for this project. A copy of the bid tabulation is attached in the packet. The bids were Belair Builders at \$505,527.00 and Veit & Company at \$661,815.25. The remaining municipal sewer and water bond proceeds available for this project are \$200,000.

The majority of the cost for this project includes removal and disposal of the biosolids at \$285,558. The specifications required the contractor to secure and permit a land application site for the biosolids. Since the permit for land application would not be pursued until after the award of the contract, there is a degree of uncertainty, or risk on the contractor's part for the land application of the biosolids. With that said, potential options to reduce the cost of this project could include:

1. A Type IV Operator is required to permit the land application of biosolids. The City could work with a Type IV Operator directly to permit the application of the biosolids prior to requesting bids for their removal. There is a potential also to permit the disposal of the biosolids, or a portion thereof, on site as a top dressing over the entire site.
2. Only complete the items required to decommission the Plant. In general, this would include removal of the biosolids, underground piping, and liners.
3. Have City staff complete some portions of the work.
4. Contract individually with subcontractors that would specialize or be the most efficient on each component of the project.

Jochum stated with that said, we're looking for some input from Council and direction on how we should proceed with this project.

Voss asked Craig, what was your Engineer's estimate on the work? Jochum stated I basically used the budget we had. It's a pretty unique project so I guess it's not something we do every day. I didn't have a really, to be honest with you, great estimate on my side for this, what this was going to entail or cost. We did get rid of biosolids in Bethel two years ago and they were about, oh I think \$25 a yard but they actually got landfilled. It was too late in the year to really do anything else with them. But, I believe these came in at \$39 a yard. So, quite expensive.

Voss stated that's got to be going to a landfill too then. Jochum stated yeah, I think if they, if they were awarded the contract, would look for a land application site and if they found one then would have a very descent profit on that component.

Koller asked can't you just pump it from the old Treatment Plant into the new sewer? Jochum answered not the solids. These are just the solids that are left over the last 30 years. Voss stated the nutrient, that moves solids too, they pump the solids out of there. Jochum stated send them to the Met Council. Voss asked how many yards of solids do you think we have there? Jochum stated 7,300. Voss stated okay and if we were to spread it on site, what kind of permitting would need to go through? Jochum stated it would be the same process. There are a few setbacks and such. It would be a question of if the PCA would lax a few of those, or not. Voss asked is there a wetland there? Jochum stated because of the residential.

Davis stated I did speak with the low bid contractor and they said they would be willing to negotiate the price if the City obtained the permit for the land application. Jochum stated one thing about the bids that's curious is the high bidder is almost \$100,000 lower on the

biosolids removal but his bid is \$161,000 higher.

Voss asked how much of this, I mean only getting two bids is a little surprising. Jochum stated it's pretty specialty and nobody likes to deal with this. Because, the completion date wasn't until next year so rebidding I don't know that we'll get much better results. Unless we rebid it and had an established site for them to get rid of the solids. It might help.

Koller asked how much do we still owe on this building? Davis answered more than you want to know. We owe approximately, a little over \$1 million. Koller stated we're going to spend a \$500,000 to decommission a plant we still owe \$1 million on. Davis stated that's correct. The other option is to invest up to \$2 million to renovate it and spend maybe another \$1.5 million to \$2 million to operate it over the next 20 years and still be faced with being in the sewer operation business. This is one of those almost no-win situations. Koller stated I realize that we have to decommission it.

Davis stated a couple other things that we talked about, too, as far as this was renegotiating with the low bid contractor or potentially even the City acting as the general contractor in this for the biosolids removal once a permit was obtained. Then we could go out and secure prices from haulers to either do an on-site removal. Hopefully, an on-site application. Hopefully, that's what we could do. Or, consider the cost of an off-site disposal area. The actual building does not have to come down now. It could remain. We've estimated that there's potentially \$15,000 to \$20,000 of scrap value in that. It may be possible that we could find someone to take the building down for the scrap. So, these are a couple of the other options. We're just wanting to see what Council feels as how we want to proceed with this.

Koller asked what is the property worth? Davis stated there would probably be about 7 to 8 usable acres after everything's done. It is adjacent to an existing subdivision so if it were redeveloped for residential use, you could get probably three lots per acre out of it. So, whatever the value of that is. Koller stated a little help to offset it. Davis stated like you say, some of this cost could be, or some of the cost not only of decommissioning but also the amortization of the amount owed on it can be recovered as a result of redevelopment of the property.

Voss stated looking at these two bids, there's three items that are really not balanced well. One is mobilization. I can imagine why that is but as you brought up, Craig, the disposal price for biosolids. But the site grading, one's seven times higher than the other number. And, you had grading plans for this, right? Jochum stated that would be a good example. Basically, all we're making them do is clean up the sides, slope the bottom a little, and notch out a trench in the dike so that water does not hold. Voss stated I mean \$24,000 is high for what you just said. Jochum stated yeah. So, there are a few things there that maybe City staff could also do that would help reduce the cost.

Voss asked we don't have any funding sources for this? Davis stated the only funding sources we'd have were the monies left over in the bond fund and that's approximately \$200,000. Voss stated and we have no other source for it anyway. Davis stated no.

8.0B
Engineer
8.0B.1
Castle Towers

Jochum stated I mean decommissioning or not, these biosolids have been a looming issue for many years here that one way or the other, they have to be taken care of. Voss stated I can understand that and I'm not, I can see why there's a difference in, and these are disposal prices basically. But even if you carve those numbers off, there's still a pretty high number

there. I'd be inclined to, with your suggestion Craig, of parsing this into pieces and bid certain items. Any other thoughts?

Koller stated I guess Step 1 is to remove the solids and get that taken care of. Voss asked well is it? Do we have to remove solids now? Or, do we just work on the building first? Jochum stated we do need to have the solids gone by October 2016. Voss stated okay. Jochum stated basically, anything that has to do with waste, the biosolids, the liners, and the piping.

Voss stated the pond area has to be taken care of. Jochum stated yeah, the pond area. But, even these bids, like if you look at turf establishment. A lot of times that will go for \$1,800 an acre. It's \$5,500. Voss stated hydroseed doesn't even cost that much. Jochum stated no, it doesn't. We get hydroseed for probably \$3,000 an acre.

Koller asked so we have to remove the buildings? Davis stated the buildings, there's no deadline for their removal. Again, I think Craig and I discussed and feel like there's a certain amount of scrap value in one building. The other smaller buildings, it's not going to take much to get rid of them.

Koller stated but whoever purchases the property might like the building. Voss asked have you been in the building? Koller answered no. Voss stated you may want to hold that thought. We have a hard floor in there now, don't we? Or, is it still a dirt floor? Davis stated there's a concrete floor when you walk in the, it would be the south end of the building. Then the rest of the building is occupied by the tank. The other end is a combination of some concrete and some soil.

Jochum stated but if you could get rid of the biosolids, you could take a big package quote on demolition, which I would assume you would get a lot more bidders. Guys that do demolition. They don't want to do biosolids, they want to tear a building down. Voss stated that's what I was getting at. Yeah. Jochum stated that is why it's a pretty unique, one contractor does it all, it's a pretty unique project.

Voss stated and if we find, if we do the effort of getting the permit for the application of the biosolids, whether it's on that site or somewhere else. Jochum stated close hopefully. Voss stated and then it should tighten up those bids too. Jochum agreed stating right. We actually, staff, Jack, and Nate, had talked a little bit about the farmers around. They had some interest in having the biosolids spread on their land. So, I guess our hope was we gave them enough time, the contractors would go out, find a site, be comfortable with it. But from the bids, it does not appear that way. Voss stated no, I can tell, they're disposal prices. Jochum stated they're disposal prices. Voss stated it's cover soil, that's what it is.

Voss stated it's my suggestion to **send this back to staff, parse out in pieces, come up with a plan for presentation to the Council**, and then go from there. Do we need that in a motion? **Voss stated I make that in a motion.** Mundle stated I have to abstain from everything. Voss asked why, it's not your property. You live in the neighborhood. Mundle stated I know. Voss asked can a majority of the Council? Vierling advised you have a quorum. If he abstains on the vote, you still have two in favor, zero against, and one abstain. Voss asked so can you have two abstentions and pass it one nothing? Vierling advised you may.

Koller stated I'll go for it. I'll second. Voss stated any discussion? All in favor say aye?

Two in favor (Koller, Voss). Mundle stated I abstain. Motion passes 2-0-1 (Mundle).

8.0B.2
MnDOT
Co-Op
Agreement
Grant Phase I
Service Road

Davis presented the staff report indicating the Council is being asked to consider Phase I Service Project - MnDOT Cooperative Agreement Grant

The City submitted a request for MnDOT Cooperative Agreement Funds in June 2015. This request would be used to fund a portion of the costs of the proposed service road that would connect Buchanan Street to Viking Boulevard. The City's basis for applying for the funding was the acquisition of access control for the properties between Classic Commercial Park and Viking Boulevard on Highway 65.

Provided in Attachment 1, you will find the comment memo for the FY 2017 Cooperative Agreement grant project that we submitted to MnDOT for the Phase I Service Road Project. As stated in the memo, this project was reviewed with the State Municipal Agreements engineer and it was determined that the project as proposed does not provide sufficient benefit to the Trunk Highway system to allow allocation of Trunk Highway funds.

MnDOT's ability to use Trunk Highway funds is controlled by Minnesota Statutes and the *Cost Participation and Maintenance Responsibilities with Local Units of Government Manual* commonly referred to as the Cost Participation Policy. Per MnDOT's comments, the project would need to eliminate or restrict access at 187th Lane and Highway 65 in order to fulfill the statutory requirement for Trunk Highway funding.

Davis stated the City met with MnDOT yesterday to discuss the submission of the grant to see if there were any compromises in their position and to see what we would need to do to be in compliance with their eligibility requirements. There's a memo that was put at your desk as an attachment from Hakanson Anderson that summarizes that and there's also a little crude intersection drawing that I whipped up here that shows what MnDOT is looking for in terms of restrictions at 187th Lane. Basically, they're saying that if we would impose and limit left-hand turns out of 187th Lane that go north on Highway 65 and eliminate at least one direct crossover from west to east on Highway 65, that we could qualify for their grant funds.

Davis stated the real issue with this is that we only have until August 11th to resubmit the proposal. I'm not sure that we're, some businesses may be somewhat impacted by this. I don't know if we want to get their comments on it before we proceed with this. So, with the discussions we had with MnDOT yesterday, we're asking direction as to how you want us to proceed with the grant resubmission.

Voss stated a quick question I have on the drawing. You do not have a left turn off southbound 65. Is that intentional? Would left turns going southbound on 65 out 187th be allowed? Davis stated I'll have to defer that to our City Engineer. Voss stated see how there's no arrow there? Correct?

Jochum stated so going southbound. Voss stated south 65 to go east. Jochum stated yup, they'd be allowed. Voss stated that would be allowed. So, we're just missing an arrow on a drawing. Okay. Because otherwise, there's no way to get into the east side. Davis stated the only other way would be to go down to 181st. Voss stated yeah. Jochum stated the only thing that would not be allowed is a left turn going eastbound on 187th Lane. Voss stated or left turn going westbound. Right? Left turns both ways? Or, just left? Jochum stated just

8.0B.2
MnDOT
Co-Op

left going east. Davis stated left going east. If you're pulling out of the theater and you want to go north on 65, that movement would be eliminated.

Voss stated but if you're going west from the east side, you can still go, take a left and go southbound. Is that allowed? Jochum stated if you're on 187th Lane going west but you're still on the east side of 65, yeah, you have full movement there. Voss repeated you still have full movement so that one's allowed. So, the only restriction off what's right now is no left turns going eastbound, if you come out of the theater area you're only choice is to go south at that intersection. Davis stated that's correct. Voss stated and you can't go across. Davis stated you can't go across.

Voss stated so essentially, we'd be building a big 'pork chop' on the west side. Jochum stated correct. And then just to be clear, doing this would, they would then submit our application to the next phase, which is for City Engineers and the County Engineer evaluating all the applications on a competitive process. So it isn't guaranteeing us funds but it would get us to the next level.

Voss stated okay, the other question I have is on this memo from MnDOT. I didn't quite understand. I understand the fact that they're basically rejecting our proposal but then they put the comments on the second page and none of the comments seem to apply to the fact that they don't want to approve it. I don't quite understand that.

Jochum stated yeah, I think the one they're talking about mainly is from Gail... Voss asked the District Traffic? Jochum stated yeah... 'traffic will not support this unless you take an access away completely or at a minimum only right-in, right-outs.' But, the previous commenter, if you look at him, he's the one that mentions more in terms of eliminating, the worst movement on that intersection would be the one we're talking about, left turns going northbound. If we limited that. You might note he talks about, later, u-turns. He's talking about those j-turns. They like those. Voss stated we're not building those.

Jochum stated so it is mentioned that what we're proposing is mentioned in the comment and then I think what they're saying, we met with the actual Cooperative Agreement engineer and the, basically the main finance person that interprets the Statutes. She's saying that this does not qualify under the Statute because of the benefit to the highway. Even though we're providing access control, they don't see that in this case as much value given the land that we're talking about. They can probably buy that land they evaluate at, for \$72,000 I think he said the value was. So they could buy the whole parcel for that. We're asking for \$710,000 in grant money.

Voss stated so if we resubmit, eliminating that left turn, making that southbound only exit, we think that it will make it to the next level of review. Jochum stated I'm sure it will, yeah. Again, then it's a competitive process. I think there was 13 total applicants. There's one other one exactly in our 'boat.' I don't know what they're doing or if they're going to do anything different and resubmit. They were asking for just frontage road with no closures.

Voss stated I appreciate the fact that, to discuss this with businesses is important. But, I think we've got a deadline too and this isn't committing us to do anything. Davis stated no and ultimately this intersection is going to have to be addressed at some time with these same considerations. Voss stated right. Davis stated and MnDOT could actually come in there at any time and do it and we would get no benefit from it as far as using it as a

compliance item for grant monies. One thing Craig pointed out to the group that we met with yesterday, is that the City is actually surrendered several access points with nothing in return in the past when they did abandon some of the entrances to Village Green. And, again, MnDOT can come in here and do this at any time. So, if there were to be a series of bad accidents here, I could see MnDOT coming in here and making some of these improvements. Then our use for leverage of this for these Cooperative Agreement Grants is gone.

Jochum stated yeah, they did it in Ham Lake at 179th or whatever that would be, by the bar there. They took that crossover out. That wasn't part of a grant of any kind. Davis stated they also took a crossover out just north of Bunker Lake Boulevard too in Ham Lake about a year or so ago. Voss stated thoughts?

Mundle asked essentially, we'd be saying we'd consider doing this if you'd consider our grant to the next level. Davis answered correct. Koller stated I guess if that's what it's going to take, we need to do it. Voss stated and we've talked about that anyway. We've talked about not having left turns there. Koller stated that is a bad intersection for making a left turn. Voss agreed and stated it's not good.

Davis stated without this funding, the Phase 1 Service Road Project, we'd have to come up with another \$700,000 from our MSA funds or Street Capital Funds to make it happen or do assessments. Koller stated I think you should comply with this and reapply. Voss asked would you like to make that a motion?

Koller stated I'll make a motion that you reapply for the funding by eliminating the left turn as they requested. Mundle stated I'll second. Voss stated any discussion? All in favor of the motion say aye? All in favor. Voss stated any opposed? That motion passes. Motion passes unanimously.

8.0C
City Attorney

None.

8.0D
Finance

None.

8.0E
Public Works

None.

8.0F
Fire
Department

Davis presented the staff report indicating the Council is being asked to consider an emergency backup generator for City Hall

8.0F.1
City Hall
Generator

The need for an emergency back-up generator for City Hall has been discussed previously by the City Council. Currently, the only emergency back-up generator for a City facility is located at Fire Station #1, the site of our Emergency Operations Center. City Hall hosts the site for the City computer server and IP telephone system but is unprotected in case of electrical outages. If a power outage were to happen, telephones and computer networks would not operate and in a disaster situation, this could impede recovery and response efforts. A backup generator would allow a second Emergency Operation Center to operate out of City Hall in the event of a disaster and would ensure that the City computer network could be accessed and communications can be maintained with other officials and our own City residents.

8.0F.1
City Hall
Generator

Staff has investigated two prior options of retrofitting used generators for City Hall. Excessive installation costs for these respective units have prohibited their consideration for use. Staff has been unable to identify grant opportunities for this need.

Staff is recommending that Council consider developing specifications for a backup generator and bidding this project. We are seeking your direction as to proceed in this manner.

Koller stated I would make a motion to allow staff to develop specifications for a backup generator. Mundle stated I'll second. Voss stated discussion?

Koller stated in talking to the Fire Chief, we really need it here because the Fire Station phone lines and stuff run through this building. If the power goes out then they lose a lot of their phones too even though they have a generator. And then in an emergency, that would be a mess.

Voss asked Jack, do we have a mobile generator in the Maintenance Department? Davis stated a small one that's like about a 5,000 watt generator. Voss stated oh, not a tow behind. Davis stated no. We did have one that we got from US Bank back in 2006 or 2007 but it was like a 480-volt and the cost of doing everything to adapt it to this system was going to be \$15,000 to \$20,000 and it was a huge unit. It couldn't be used for anything else. We actually finally declared that surplus property and sold it. Mark DuCharme was able to locate what we thought was a potential generator from the DNR but once we got it down here, it was an old military surplus one and retrofitting it for this system just wouldn't work. So, we'd like to investigate the possibilities, spec something out, to service this building. We could even look at a mobile unit too, something we could easily connect to City Hall.

Voss stated that's what I'm suggesting. Maybe when we do this analysis on the cost is also look at a mobile unit because if power was off at a lift station, you can use the mobile unit to power a lift station. Davis stated there is one error, or one mistake, in this presentation. We do have a generator at the new lift station at Castle Towers. There is a backup generator there. But still, it would be a good idea, there's nothing either at the Ice Arena and the Ice Arena is listed as one of the major storm shelter facilities.

Voss stated that's why I think with a mobile, because I've had sites where we've had relationships with the City and we just have, it's wired to be jacked in with a mobile backup generator rather than having a generator there. Then their generator can be used elsewhere. I'm just suggesting, if you're going to consider it and see how it fits in with the analysis.

Mundle stated if we're to spend the money, we might as well get the most use out of it. Voss stated well yes and no. There's, I think we'll find out there's pros and cons to even having a mobile one too.

Koller stated right down the road is Onan. I think they probably have some engineers that could help decide what wattage you'd need. Davis stated we already have the loads and everything figured out. It's just a matter of coming in here, assessing what we need to make, do all the transfer switches and fix it up where we can actually connect it to our internal system. Voss stated yeah, probably the most cost is going to be, is doing that, than the actual generator.

8.0F.1
City Hall
Generator

Voss stated all right so motion made, seconded, any other discussion? All in favor say aye?

All in favor. Voss stated any opposed? Motion passes. **Motion passes unanimously.**

Mundle asked have any dates been set for doing the mock disaster drill? Davis responded no, we can talk to Mark about that when he presents his report at the next meeting. Mundle stated okay. Voss stated I thought he said it would be this fall, if I remember right. Mundle stated I thought he said August, but whenever. Voss stated it obviously wasn't tonight. Mundle stated yeah, as long as we don't have a disaster before, whenever we have it, then we'll be okay.

8.0G
City
Administrator

Davis presented the staff report indicating the Council is being asked to consider setting a date for the Fall Town Hall Meeting.

8.0G.1
Town Hall
Meeting

The Fall Town Hall Meeting has been held since 2005. The meeting is generally held in November after the General Election and is designed to be scheduled on a date that doesn't conflict with any other municipal or school district meetings.

The following dates do not conflict with any meetings with any holidays, City or ISD #15 and #831 meetings:

- Thursday, November 12, 2015
- Thursday November 19, 2015
- Tuesday, November 17, 2015

We would propose the same format that has been used in the past:

- Council and staff members available for individual discussions at the Senior Center from 6 p.m. to 7 p.m.
- Question and Answer Session in City Council Chambers from 7 p.m. to 8-8:30 p.m. for any City topics for Council. Council could also decide to make individual presentations that would address their liaison roles and main topics of their Commission assignments. The Mayor and staff could present an overview of the proposed budget and discuss EDA activities, among other things.
- Wrap-up Session at the Senior Center for additional individual discussion with Council or staff members to conclude at 9 p.m.

We need to set the date for this meeting so we can place a notice in our Fall Newsletter. The newsletter will be sent to the printer on August 21, 2015, and will be distributed to City residents by the first week of September. An additional Newsletter will be distributed to residents in December, which will address the final 2016 Budget and a wrap up of 2015 City activities.

Staff requests that Council consider if there is a need to schedule the 2015 Fall Town Hall meeting and if the decision is to conduct the meeting, Council is requested to set a date for that meeting.

Voss stated I am not available the 12th. Mundle stated that's still deer hunting anyways. Koller stated yup. Mundle stated I'd prefer the 19th. Voss and Koller both stated I'm good with that. Voss stated so **consensus is Thursday the 19th**. Mundle asked do we need a motion or just direction? Davis stated just give direction is fine.

8.0G.2
Proposed
MCES
Contract

Davis presented the staff report indicating the Council is being asked to consider Met Council Environmental Service proposed Contract Amendment #2.

In November 2009, pursuant to the Met Council Water Resources Policy Plan and City

request, the Met Council authorized the building an advanced water reclamation plant to serve a portion of the City of East Bethel. A Wastewater Service Agreement between the City and Council was signed in 2010. The plant was built for \$25.8 million and began operations in June 2014.

Since approval of the project, growth projections have failed to meet project expectations. As a result, City taxpayers who don't benefit from the service and originally were not expected to pay have been burdened with tax increases for wastewater and water bond debt service. In addition, the City's bond rating and growth potential are at risk and the region is at risk of not using the wastewater capacity built to serve a potential larger area than that of the City.

The City requested financial relief from Met Council in January of 2014. Metro Cities, at the request of the Metropolitan Council Environmental Services division formed a stakeholder work group in late 2014 that included seven urban city officials from St. Paul, Roseville, Andover, Golden Valley, Apple Valley, North St. Paul, among the Metro Cities, to discuss possible revisions to the Wastewater Service Agreement. The group met six times and shared subsequent information through email.

Based on these negotiations, the proposed East Bethel SAC rate would not be required to recover the net costs of the water reuse demonstration part of the project and the SAC loan mechanism would be capped at \$2 million. The City will be required to pay a \$700 increment in their SAC rate over the urban SAC rate and if the cap is reached, would have to pay off the \$2 million loan at terms provided in Attachment 2.

The proposed changes increase the possibility that the City will not pay the reserve capacity cost, intended by policy to be paid by their respective ratepayers.

MCES Staff recognizes that the water reclamation aspects of the plant can be fairly characterized as a benefit to the entire region and eliminating the \$9.5 million demonstration costs from the East Bethel cost pool is appropriate.

It is also understood that the maximum \$2 million loan balance recognizes that the contract, as originally structured, is not working, and if left as is, would create anti-growth pressure on the City, potentially causing uncompetitive rates inhibiting development, and creating credit issues. The existing Contract recognizes and allows for renegotiation if the growth plan doesn't work, but only in 2046, which is too late to avoid any real damage.

If this Amendment is approved, the reserve capacity costs of the East Bethel cost pool would be less, meaning that the East Bethel SAC rate is less than it would be under the existing contract, and the urban SAC pool pays for the difference. This results in an increase in the SAC rate applied to other communities in the Met Council system and a slight increase in Metropolitan Waste Charges for those communities.

The Metro Cities work group was unanimously supportive of the exclusion of the demo costs, and all who expressed opinions also supported the loan maximum that was added after the group's last meeting.

million cap trigger for elimination of the Reserve Capacity Loan and provisions for definitive terms at that point for renegotiation, eliminates the City concern about the uncertainty of renegotiation in later years when different parties would be involved. The City now is supportive of the compromise which includes:

- A \$2 million cap on the Reserve Capacity Loan
- The elimination of the Reserve Capacity Loan if and when the \$2 million cap is reached
- A \$700 increment in increase the SAC rate and elimination of the 4.9% annual increase in this rate
- A freeze on SAC rates and elimination of the Reserve Capacity Loan if the \$2 million cap is reached
- A continuation of the freeze on SAC rates if the \$2 million cap is reached until this amount is equal to the urban rate.

It is estimated that acceptance of the proposed contract amendment could save the City in excess of \$20 million over the term of the Reserve Capacity Loan.

Davis stated attached are contract amendments as reviewed by both the City Attorney and Met Council and minor concerns have been addressed and incorporated in the proposed documents. Council is requested to express any concern or provide any comments with the proposed contract amendment as presented in the attachments.

Davis stated the Mayor and I are scheduled to meet with the Met Council on August the 11th for presentation of this at the Environmental Service Committee meeting. And if this is approved and goes forward, it could be brought before the entire Met Council at the end of August.

Mundle stated I'll make a motion to approve. Koller stated I'll second. Voss stated any discussion?

Mundle stated I have a question on, it would be 2.ii. It would be on Page 139, first paragraph, five lines down. It states, 'This \$700 increment will remain in effect until 1. The Reserve Capacity Loan balance reaches \$2 million; or, 2. the City is qualified for and deemed a developing community by the Council and eligible to be treated by the same...' My question is, what are their defined guidelines as to what determines if the City is qualified, or deemed a developing community by the Met Council? Davis stated in our case, that would only happen if Ham Lake decided to become part of the system and we're all connected as part of the other areas that are served by the common system. As long as we're on this isolated system, we're going to be still a rural growth center and that's why that provision was put in about the SAC rates being frozen at \$700. Or, the increment being frozen once that cap is reached. The possibilities of us being classified as a developing community are probably not going to happen.

Mundle stated okay, so they just can't come in and say, 'Oh, you've had such and such percentage growth. Well, you're now a developing City.' Davis replied no, and in actuality if we have a large amount of growth and we don't meet this cap, then we're just as well off because we're meeting our goals that way too.

Mundle stated yeah, I just don't want any ambiguity that the Met Council could come in and say, 'Well, now you're a developing City so this contract no longer applies.' So, I just want to make sure it's, there's qualifications. If there is, I have no issues then.

Voss stated is there any other discussion? To the motion on the Amendment to the Met Council contract, all in favor say aye? **All in favor.** Voss stated any opposed? That motion passes. **Motion passes unanimously.**

9.0 Other
9.0A
Staff Reports

Davis stated I had a call from Mr. Brad Kaehler this afternoon. He's the one that presented the request for the dasher boards for the Ice Arena. They're fund raising activities have gone very well and he hopes to be able to provide us a check next week for their half of the cost of the dasher boards, less the sale price of them.

Ice Arena
Dasher
Boards
Contribution

Voss asked next week or next meeting? Davis stated next week, next Tuesday is when he said he hoped to have the check ready. Voss stated he's welcome to come to the meeting and present it at Council too. Mundle stated yeah, that's pretty impressive. Voss agreed stating yeah, that's really good.

9.0B
Council
Report –
Member
Koller
Council
Member
Mundle

Koller stated I was on vacation so I have nothing.

Mundle stated we already talked about EDA. I went to a Fire Fighters JPA, Joint Powers Agreement, meeting last week. Nothing really big was brought up there but at the October 29th meeting we will be discussing the new budget. That will probably be an interesting report. Voss asked the 2016 budget? Mundle stated I believe it's the 2017 budget. Voss stated oh, good, it would be a little bit late for 2016.

Mundle stated I went to Fire Fighter's training last Monday. We were being instructed on hoses and supplies, water supplies. So, I watched that, them sprayed water for about an hour and a half it was. Pretty nice.

Mundle stated Monday I went out for the, or Tuesday, went out for Night to Unite and saw a lot of new people and met some good neighbors and had a great time.

Council
Member
Ronning

Not in attendance.

Council
Member
Harrington

Not in attendance

Mayor Voss
221st Avenue

Voss stated I understand 221st is done, paved, and open. Davis stated 221st is paved and open, it just has to have the striping completed. Voss stated that's good. I wanted to take it home tonight.

Viking Blvd.

Voss stated Viking Boulevard. Two things. The construction on the west end, I heard different dates this week. Do we know when that's going to be opened yet? Davis stated I haven't heard a definitive date yet. Jochum stated I haven't heard either, no. Voss stated I heard Friday, I heard next week. So, soon, hopefully.

Viking Blvd.

Voss stated then the Safety Improvement Project with the lighting and the striping that's moving forward? Davis stated that's moving forward. They're going to have a little pre-construction conference on the striping. That will be the first thing done. They haven't set

a date for the one on the lighting yet. Nate's going to keep us on top of that. He contacted Harry Grams this morning and Harry said as soon as they have the date he'll let us know. Voss stated okay. And so for residents who aren't aware, along Viking Boulevard, east of 65, we're getting, many, many intersections are getting street lights, which is going to be an improvement.

Booster Day Voss stated we had Booster Days since our last Council meeting. So, that went very well. It was great weather. That was very enjoyable. I attended my first pageant. That was an experience. That was really interesting. It was really pleasing to see how much effort these young women put into it and see the emotions when the ones that win and the ones that, unfortunately, didn't win. Seeing the emotions. So, it's good. I understand they will be here the next Council meeting, which is nice. And, we ran into them last night at Night to Unite. I was out as well and it was a beautiful night last night, good parties, met a lot of folks, and got a lot of questions about grocery stores and senior housing and things like that. So, didn't have all the answers for that but it was good Booster Day and appreciate everyone who put efforts into that.

Voss stated and our waterball tournament, which we won. Mundle stated I thought it was like T-ball, we weren't keeping score. Voss stated no score but we won. Mundle asked would it be, next year if I go to the fire fighters and say, 'Let's do it again.' Think Council will be okay with that? Koller stated I think we need to challenge some other city council. Voss stated well the Bethel Fire Department was there and I talked to them about getting the Bethel council and he didn't think that would happen. But I think if we leave it up to our Fire Department to find a suitable council that's willing to challenge us, knock us off the block, I'm good for it. Mundle stated okay, so at least doing waterball in general. Koller stated yes. Voss stated that was a lot of fun. I heard the spectators had a good chuckle at us too. So, why not. Davis stated we were very impressed. Voss stated none of us fell down so that was amazing, a good thing.

9.0C None.

Other

9.0D

Closed Sess.

9.0D.1

Purchase or

Sale of Real

Property

9.0D.2

Attorney-

Client

Privilege

Move to

Closed

Session

Vierling stated thank you Mr. Mayor. For the benefit of the public and for the record, we note the Council's about to go into Closed Session and dealing with two issues. The first, under Minnesota Statute 13D.05, Subd. 3(c), affecting issues of property acquisition dealing with property #29-33-23-33-0002.

Vierling stated the second being an item dealing with Attorney-Client privilege matters affecting 553 Lakeshore Drive. With that being said Mr. Mayor, I recommend that a motion be made to go into Closed Session for the purposes I've indicated.

Mundle stated make a motion to go into Closed Session at 8:51 p.m. Koller stated I'll second. Voss stated any discussion? All in favor say aye? **All in favor.** Voss stated opposed? Motion passes. **Motion passes unanimously.**

Reconvene

Open Session

Reconvene

Open Session

Vierling stated Council is coming back into Session having concluded a Closed Session meeting for two purposes under Minnesota Statute 13D.05. The first relating to the possible acquisition or purchase of property being Property Identification #29-33-23-33-0002. The second item being an item for Attorney-Client privilege relative to 553 Lakeshore Drive. The Closed Session began at 9 p.m. and concluded about 9:27 p.m. It was attended by Mayor Steven Voss, Council Persons Ron Koller and Brian Mundle. It also was attended

by City Administrator Jack Davis and myself, Mark Vierling, City Attorney. The Council took no formal motions during this Sessions on either topic but did provide some feedback to staff relative to strategy and direction and concluded their meeting without any formal action. With that being said, Mr. Mayor, you can now make a motion to adjourn if that's the Council's wish.

**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? Motion passes. **Motion passes unanimously.**

Meeting adjourned at 9:30 p.m.

Submitted by:

Carla Wirth

TimeSaver Off Site Secretarial Inc.