

EAST BETHEL CITY COUNCIL MEETING

August 15, 2012

The East Bethel City Council met on August 15, 2012 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bill Boyer Bob DeRoche Richard Lawrence
 Heidi Moegerle Steve Voss

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

Call to Order **The August 15, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the August 15, 2012 City Council Agenda. Voss seconded; all in favor, motion carries.**

Sheriff's Report Davis explained that Lt. Orlando will give the sheriff's report for the month of July, 2012.

DWI Arrests: There were 2 DWI's and 1 BWI (Boating While Intoxicated) arrests for the month of July. One DWI arrest was the result of a deputy who saw two motorcycles going the wrong way on Viking Blvd. The deputy attempted to stop the motorcycles at which time one of the drivers lost control and crashed. The motorcyclist did sustain injuries and was transported to the hospital. The motorcyclist smelled of an alcoholic beverage and did submit to a blood test at the hospital. Charges are pending. The other arrest was the result of a suspicious occupied vehicle being called in by a business. The female driver was arrested for DWI. The boating while intoxicated arrest was a result of a person being on a personal watercraft after hours. The person was stopped and smelled of an alcoholic beverage. He was arrested for BWI.

Burglaries: There were four burglaries reported. Two of the burglaries involved homes being broken into. One involved a pole barn being broken into and several pounds of scrap metal being taken. The last burglary involved items taken from a business. There were no signs of forced entry to the business and it did not have an alarm system.

Property Damage: There were seventeen reports of damage to property. Two reports involved vehicles traveling over newly poured concrete in the construction zone on Viking Boulevard to turn into a business. The drivers did not realize that there was newly poured concrete. There were four reports of damage that occurred when a vehicle left the roadway and drove through yards. Three of the reports were in the same area on the same day in the 23800 block of Johnson, 23800 block of Monroe, and 22700 block of Buchanan. There was a report of a boat strap cut and gas siphoned from a vehicle in the 4500 block of 195th Ave. There were two reports of damage to windows of buildings or residences. One report of a broken windshield that occurred while driving.

Thefts: There were 33 theft reports taken in June. Six reports involved credit card transactions where stolen credit cards were utilized in transactions in other states, one being a stolen credit card that was used in transactions in Minnesota which is under investigation. There was a series of thefts of gas being siphoned out of vehicles. This occurred in the 4500

block of 195 Ave NE, however on different dates. There was also a theft of a lawn mower from that same area, and a theft of a lawn mower battery (which occurred four days prior to the theft of lawnmower) and tires. There was also a theft of a driveshaft in the 4400 block of 200th Ln NE. There were three thefts from vehicles where items were taken out of parked vehicles overnight. These thefts were not in the same area, nor on the same dates. There were two theft reports that involved items being taken from a house. Two theft reports involved items being taken from a yard overnight. Two people were arrested in July for shoplifting.

DeRoche, "That BWI was that on Coon Lake?" Lt. Orlando, "Yes it was." Moegerle, "What does after hours mean?" Lt. Orlando, "The personal watercraft has to be off the lake at least one hour before sunset." DeRoche, "That is sunset according to the DNR book." Boyer said he has to ask, with the car parts this is not a case of building a car one part at a time? Lt. Orlando, "I am not too sure. I am not knowledgeable on cars." Lawrence, "Scrap metal."

Moegerle, "On the consent agenda we have "Acknowledgment of Domestic Violence Month". Do you have any words of what is going on in the City and how domestic violence trends are going?" Lt. Orlando, "Domestic arrests in July were down for the month. Year-to-date they are a little bit higher than last year. July was a good month. And it usually is a heavy month because of the heat and people being confined together and holidays and all that, we tend to see a rise. Fairly low to what I thought it could be. It is good to see that number low."

Voss asked with regards to gas thefts on 185th, that is East Front Boulevard, Tri Oaks area, it is continuing. There were more thefts this week. Lt. Orlando, "When I put together my report and saw that pattern, I did e-mail all of our East Bethel deputies and let them know that this is what has been going on in July. So please provide some extra patrol in that area at night because something is going on." Voss said it seems like it would be the same people doing it. They are right off of Viking Boulevard. There have been other thefts there too. Lawrence, "Do you think the construction has anything to do with this?" Lt. Orlando, "I would say no." Voss said I am sure it is someone local. It is the same vehicles they are taking this from. Lt. Orlando, "One homeowner was hit twice."

DeRoche, "There has been a lot of traffic going the wrong way on 22. I called on Saturday night." Lt. Orlando, "With the construction that has been a real problem this summer." Boyer said well people are getting confused. Voss said it is confusing, because when I pulled into the gas station I almost drove off. There are just cones there. There is no signage. Voss said hopefully it is done soon.

Moegerle, "I have a question about radio calls and incident reports respectively. Radio calls are up 2% and incident reports are up 5%, compared to 2011. Is that statistically significant?" Lt. Orlando, "We have been seeing a trend of the radio calls across the whole county going up so far in 2012." Moegerle, "Is that attributable to the warmer than average weather and the economy?" Lt. Orlando, "It is hard to pinpoint what is the cause behind it. With warmer weather you have more people out doing what they should be doing. With the economy being what it is there is a lot of theft of scrap metals."

Boyer asked if there have been any other wild pig sightings? Lt. Orlando, "I have not heard of any."

Lawrence, “On the accident reports is that related to the construction on we have all over East Bethel right now? I know we have been nailing them pretty hard County 22 and Hwy. 65. Incident reports.” Lt. Orlando, “No, the traffic citations would be under the traffic arrests. They are not included in the incident reports. But yes, there is a fairly large increase in your traffic arrests in July as opposed to June. And part of that is we had the speed wave that went through every Saturday for four hours. We had a car dedicated to enforcing speeding laws and some stuff like that.” Lawrence, “Is the law still enforceable that the fine is double in work zones? Because people should realize if they are going to speed through there they are going to get double fined.” Lt. Orlando, “Yes, it will get doubled automatically in a construction zone.”

Boyer asked for an update on the motorcycle accident? Lt. Orlando, “There has been a few. On Viking, I can check.” Moegerle, “Are the decreases in felony arrests and DUI arrests significant? I see that it is 13 this year compared to 41 last year for felonies and DUI are 25 compared to 35. That seems significant.” Lt. Orlando, “It can be. Some establishments aren’t driving the crowd that they did previously. Then you have fewer drivers that are intoxicated. Another thing that can come into play is the deputies that are working the contract. Some deputies are very proactive in DWI enforcement and some are more reactive to those types of things. So they might not be getting as many of those types of arrests as the guy that worked for you last year. But, they are out there and if they see it, they will stop it.”

DeRoche, “A lot of these accidents that are happening are they alcohol related or are they just people being stupid?” Lt. Orlando, “The majority of the ones that we have had recently on 65 are not alcohol related. Maybe some distracted driving going on.”

Public Forum Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda. There were no comments so the Public Forum was closed.

Consent Agenda **Voss made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, August 1, 2012, Regular Meeting; C) Res. 2012-45 Proclaiming October Domestic Violence Awareness Month; D) Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy and Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1; E) Resolution 2012-48 Awarding Bid for Jackson Street Project; F) Resolution 2012-49 Awarding Bid for Sandy Drive Project; G) Accept Letter of Resignation from Stephanie Hanson, City Planner; H) Approve Amendment No. 1 to the Agreement for Residential Recycling Program with Anoka County.** DeRoche pulled Item G) Accept Letter of Resignation from Stephanie Hanson, City Planner. Boyer pulled Item D) Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy and Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1. Moegerle pulled items C) Res. 2012-45 Proclaiming October Domestic Violence Awareness Month; E) Resolution 2012-48 Awarding Bid for Jackson Street Project; F) Resolution 2012-49 Awarding Bid for Sandy Drive Project. **DeRoche seconded; all in favor, motion carries.**

Item C – Res. 2012-45 Proclaiming October Domestic Moegerle, “I reason I asked to pull the resolution regarding Domestic Violence Awareness Month. It is written as it is Anoka County. I think that this is of value to East Bethel residents and I would like to amend Resolution 2012-45 to say “and City of East Bethel” wherever the words Anoka County are written.

Moegerle made a motion to adopt Resolution 2012-45 Proclaiming October Domestic Violence Awareness Month with additions of “and City of East Bethel” every place the words Anoka County are written. Boyer seconded; all in favor, motion carries.

Item D – Res.
2012-46
Setting Public
Hearing Date
for Adoption
of a Business
Subsidy Policy
and Res. 2012-
47 and
Resolution
2012-47
Setting Public
Hearing Date
for the
Proposed
Establishment
of
Development
District No. 1
and Proposed
Adoption of
Tax Increment
Financing
District No. 1-
1

Boyer said he urges Council not to adopt this. It is a slippery slope. But he is not going to get on a high horse about it. Boyer said he does want to be on record as voting against it.

Voss made a motion to adopt Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy. Moegerle seconded. Moegerle, “Minority opinions are very important. It is education to the public and residents and I would like the benefit of your rationale so I can understand it as well.” Boyer said we have had this discussion before. And it strikes me that when subsidizing businesses whether it is for the purposes of allowing businesses to move here or not, it is patently unfair to businesses that exist here. We don’t subsidize them. And secondly, what you normally find happens is the next business that wants to move here wants a subsidy just as well. It is much better to invest your economic development dollars in hard infrastructure that doesn’t leave when businesses leave. There are whole categories of businesses that essentially exist by moving to a community, accepting their 5 or 10 year Tax Incremental Financing and then moving the day it expires. To strike a new deal with another City. There are entire books on this; one of the better ones is the “Great American Jobs Scam”.

Moegerle, “Mr. Vierling, hasn’t TIF Financing evolved where clawback provisions are in those so that if that kind of action occurs, such as a business moves at the end of the financing, a City is secured?” Vierling, “You certainly have those provisions in Abatement policies and often you have them in TIF Plans. You specifically have these features in TIF Plans on Pay As You Go where really the business is only reimbursing themselves. So if they never make the payment, they never get the credit back.” Boyer said businesses cost City taxpayers money. Just by their existence, we provide services. We provide fire service. For example if we build a three story building, the fire department is going to have to go out and buy a ladder truck.

Moegerle, “Are you educating me to the fact that the new jobs that are created by a business that might come, don’t compensate for the TIF district and the cost? Is that the gist of your point?” Boyer said let’s keep in mind that it is the City of East Bethel’s taxpayers dollars that are subsidizing the businesses. Yes, there might be a small incremental amount of increase in businesses, say a gas station or a lunch restaurant. But usually that is not enough to compensate. The City would realize that from that increase that there is not enough money to spend.

Moegerle, “I know this is a little bit of above and beyond, but we have 45 days until the public hearing is scheduled. Could you send me some information on that? I would like to learn more about that.”

DeRoche, “What is the proposed district? I haven’t seen anything on that. What is all going to be included in this district?” Davis, “That is what is being worked on now. The definition of the district will be defined, sent to you and we will have at least one work session to go over the proposals for the district. It can be modified. The district can include everything in the sewerage area. Some places actually included the whole City, so that they don’t have to go back and do it again. In this case it will probably be restricted to the project itself.”

DeRoche, “The business subsidy thing, I would hate to set a precedent that we are going to subsidize this business and then another one and another one.”

Davis, "I think the business subsidy thing, the way it is called, it is a loan. In this case, it is a "Pay As You Go". It is proposed for this one that it is part of their financial contribution to the project. The City would essentially have no risk on the TIF portion of this. The loan is part of the business subsidy plan. We will be developing standards that define what you need to do to get a loan from the City. Or what we will do to consider TIF financing. Those will probably be in the form of you need to create "x" number of jobs, provide a wage at "X" number of dollars per hour. Things we can set as a standard so it doesn't open it up to everyone. Granted, you are correct, once this is done, the precedent is set. But, once again, I would like to emphasize that I don't think we will have any development in East Bethel unless we have some incentives to offer to businesses. We are competing with Blaine, Forest Lake, Isanti and Cambridge. All these people have this in their toolbox to work with. And without this we are going to be very handicapped in trying to get the development we need to raise the revenues we need to pay for our sewer project."

Moegerle, "Typically, I am very opposed to these types of things, like what they did for the Colts and the Vikings. On the other hand, with regard to paying for this infrastructure, no plan was there as how it [business] was going to come. What I am saying is that the natural attraction of just having the infrastructure doesn't seem to be enough to bring the businesses here (from the information we have gotten from Ady Voltedge and those kinds of things). What is going to bring those businesses here and more importantly what is going to help us pay for the bonds? If there is an option besides a Pay Go TIF District, I am on it. I really want to know about it."

Boyer said the most commonly used option is infrastructure. Putting in traffic lights to benefit a business for an example. Or turn lanes. Those types of things that stay with the community. They can't be picked up and moved.

Davis, "And in this case that is what this TIF financing will be used for. It will be used for the street extension. And storm water improvements. So you are correct, if something ever happens to the company, we will have these, and they can't take those with them." Boyer said the only other issue he would bring up is (not picking on this company) they don't hardly use residential units here. Moegerle, "They are the only ones that have said, "I want to come to East Bethel." I appreciate that. I would love to have a waterpark here that would use gallons and gallons. But nobody has said, "I want to come to East Bethel and use your state-of-the-art water treatment system". Please, we need everybody. If you know someone that wants to come do that, let us know. Because as EDA President, I will be on it."

Davis, "As far as the ERUs go, that site was originally projected to generate 45 ERUs. This business will have 16 and utilize only 40% of the sites space. So it is still on target for the projected ERUs." Boyer said my point is putting in a car lot for example, which takes 40 acres of prime sewered property, hardly makes sense. It is going to use 2 ERUs and eat 40 acres of land. It is very important the type of business that one attracts. And to do this for this type of business doesn't make sense.

Voss said I haven't been a fan of TIF and I agree with Boyer's concerns. But, I think we need to not lose sight of the fact that the only reason we are doing this in this case is this is a business that was trying to make it work financially and they are short because their appraisal came in less. Davis, "That is correct." Voss said they had no intentions of coming to the City and asking for any kind of financial assistance. They got into basically a pickle in terms of making this deal work. Initially, our thought was to make a straight loan out of EDA.

Don't think we have to keep doing it. Might be other types of vehicles to do this. Don't necessarily equate it with how other kind of communities are doing TIF districts.

Lawrence, "This type of business doesn't just pick up & move. And they are a good fit for East Bethel. And this is a special case. This is a TIF, but a very safe TIF." Voss asked are we going to define it just to this area? Davis, "I am assuming that we will keep it defined just to the project area."

Moegerle, "To your point Boyer, about the car lot not being the best use of 40 acres that has sewer and water, my question is, in response to that, wouldn't the value of that property be greater to a business that uses that so that the car lot would naturally evolve out and the higher and best use of that property would be achieved because of the increased property value of that?" Boyer said no, look at White Bear Avenue. It is all sewered and water and it is all car lots. There are reasons that happen.

DeRoche, Lawrence, Moegerle, Voss, aye; Boyer, nay; motion carries.

Voss made a motion to adopt Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1. Moegerle seconded. DeRoche, Lawrence, Moegerle, Voss, aye; Boyer, nay; motion carries.

Item E -
Resolution
2012-48
Awarding Bid
for Jackson
Street Project;
F) Resolution
2012-49
Awarding Bid
for Sandy
Drive Project

Moegerle, "I pulled both items E and F so that the information could be added to it where the source of this money is coming from. Because it is not coming from the general operating budget. If the city administrator could explain where the money is coming from and how we have budget for that."

Davis, "Funds are available for both of these projects from our MSA Street Capital fund. That money comes from the State of Minnesota. We received approximately \$700,000 a year. Approximately 80% of that goes to construction projects. And we currently have the excess in that fund to do this work."

Moegerle made a motion to adopt Resolution 2012-48 Awarding the Bid for the Jackson Street Project to Rum River Contracting in the amount of \$1,188,238.40. Voss seconded; all in favor, motion carries.

Moegerle made a motion to adopt Resolution 2012-49 Awarding the Bid for the Sandy Drive Project to Pearson Bros. Inc., Alternate #1 in the amount of \$55,631.05. Voss seconded. Boyer said we have been doing the sealcoat project at Davis's urging for a number of years. Do we have enough years under our belt to determine whether this is cost effective? Davis, "In my opinion, yes it is. We started this process in 2007, so this is five years we have had. Sealcoating usually has a five to eight year span so we are still in that range. We should get the eight years out of it. In terms of overlays, the sealcoat work is anywhere from a quarter to 1/6 the cost of an overlay project, I feel there is still value in this." Boyer said I was looking for the overall useful life of the road at that point. Davis, "The seal coat will extend it another eight years generally speaking. Overlay would be 12-20 depending on traffic and other considerations. Overall, when you consider costs the better value is still sealcoating. **All in favor, motion carries.**

Item G -
Accept Letter
of Resignation

DeRoche, "I just pulled G, the letter of resignation from Stephanie Hanson, city planner. She has been with the City since 2005. She is moving on to Andover to be their city planner.

Thought she did a bang up job here and now we will have to find someone to replace her.”
Moegerle, “I would like to second that. I think she did a great job here and she has been an
asset to the City. We are going to be sorry to see her go, but we are glad she has the
opportunity to make a better place, an opportunity in Andover.”

Moegerle made a motion to accept the letter of resignation from Stephanie Hanson, city planner. DeRoche seconded; all in favor, motion carries.

2013 Budget
Discussion

Davis explained that the budget work sessions were held on July 23 and August 6, 2012. The budget review was not completed during the work sessions. The discussion for this meeting will focus on the 2010 A, B & C Bonds and their projected deficit for 2013.

Alternatives to address the deficit issue could range from using General Fund balances, 2013 budget contingencies or other sources of City reserves to a tax increase to fund the projected \$91,376 shortfall.

Prior to September 15, 2012 the City Council must adopt a preliminary budget and levy for 2013 to be provided to the Anoka County Auditor. The preliminary levy will be used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy are then adopted by City Council in December.

At this time we will open discussion on how Council wishes to handle the projected shortfall for the bond payments and any other budget issues you would like to address.

Moegerle, “In regard to the 67 connection fees and 5600 ERUs; I know there has been some discussion at some point about us allowing our current businesses to make payments of that ERU payment over time. And so my question is, “Is the \$375,200 a realistic expectation of what we can get, even though we haven’t had that ordinance in front of us and made that policy decision about allowing (access change) payments over time.” Davis, “The payments over time were not directed toward the ERUs or the SAC and WAC fees. This was the assessment fees. So that doesn’t affect that figure. The only thing that affects the 67 connection figure is all of those will have to be verified by Met Council. They will give a final determination on their SAC charges which is something that the ordinance we are doing now will probably recommend that we follow Met Council’s determination on that. That could vary by 10-15% either way. I would suspect from the information we have received so far that it could go up. I know of a couple instances where it will go down. I know of one business that has a car wash in that area, that has closed the car wash. They will receive a reduction in their ERU or SAC determination. The others will probably stay the same or they actually could go up.”

Moegerle, “Part of my concern is with regard to Muller Theatre. At one time they agreed to 30+ ERUs, at one time there was an e-mail where they agreed to 13 ERUs. And so under this there is no reduction under what Met Council determines.” Davis, “This 67 was done by Bolton and Menk and preliminary Met Council figures. There is no reduction in ERUs in this. We talked about an ERU reduction policy. But I am not sure that we want to go down that road.” Moegerle, “With a net negative balance I don’t see how we could afford to.”

Davis, “The only thing we might want to consider there is if you wanted to do something with the ERU fees. Balance would be due the first year and let them pay part of it the first of the next year. We are going to need to collect those fees to be able to make an attempt to cash flow this. In the original plans, it shows that these would be assessed up to a period of 10 years. We do show some preliminary assessment numbers. Those could change and

potentially go up. But, we won't know until the project is completed and all the final costs are in and the assessment hearings have been conducted as to what that number is going to be."

Davis, "As far as shortfall goes we do have several options to consider. Number one, there was money that was earmarked and set aside in last year's budget when the sheriff's services were reduced in case that needed to be increased. A little less than \$50,000. We do have a little bit of contingency in this budget that is getting close to \$40,000. Depending on what we do as far as final budgets, those two contingencies could be used to meet that deficit. Assuming our scenario of 67 connections comes through and is all collectable, we do have the HRA funds, which could do a loan to cover this. And there is also the option of a tax increase to cover this. Those are the three options we are presenting for consideration."

Moegerle, "A question I have is my concerns on page 42, where we see increasing deficits, \$91,000 and then we are looking at \$727,000 in 2014 with no new ERUs and a whopping 200 new ERUs in 2015. If we don't get those 1.120 million dollars, we are going to be 1.4 million dollars in the hole. Not only do we need to plan for 2014, I think we need to plan to pay for that. I hate to see a tax increase, but I am not hearing from staff that we are being contacted by businesses or residential developers that say "We can get you those 200 ERUs that you need by 2015." Davis, "No we have not and it may be a little preliminary even for 2015 for that to happen. While we can't guarantee anything, we think there is going to be something happening at the corner of Hwy. 65 and County Road 22, in the near term. What that will bring for development and SAC terms is yet to be determined. I agree that this thing needs to be looked at long range, as well as year to year. Unfortunately, anything we look at long range, we start making assumptions. We can make good assumptions or we can make bad assumptions."

DeRoche, "So the assumption thing is we are committed to a certain amount of connections every year. So even though this year it is 67, next year we still have to make up. If we don't get the 67, that gets added on to the 55 and then 200?" Davis, "Actually our first year commitment is 100 and that increases 10% annually. So next year it is 100, year after that is 111, the next year is like 123 and so on. Then when you get out towards the end, it starts jumping up the last several years." DeRoche, "What happened to the money that was sandbagged to help start off paying for this?" Davis, "We have already made bond payments last year. About 1.2 million in bond payments. And of those bond payments we have received about \$500,000 in federal credits. So the money that was originally there for working capital we have started using that to make the payments already."

Moegerle, "In part, this infrastructure project was for the development of the northwest corner of Highway 65 and Viking. The idea was that would be a grocery store and types of business that go in grocery type of complexes aren't big users of water. They are the nail shops and clothing shops, those types of things. Assumptions are dangerous. How many ERUs would that type of development bring? A ballpark number? And second, page 44, forecast of 100 ERUs, there is \$109,000. Where does that number come into the budget?" Davis, "That is an additional fee if we don't meet the Met Council's goals that we would have to pay as a charge. They have provisions there if you don't pay it they have a reserve loan that you can use to satisfy it." Moegerle, "If we pay that loan, it would be less than that \$109,000 listed here? Is there interest on this?" Davis, "The problem we have is we need to be able to have tools to get development to locate here. Not only attract them." DeRoche, "I see part of the problem is the numbers Met Council gave us to begin with." Moegerle, "And our projected fees are higher than Andover and everybody that is connected down to Pig's

Eye.”

Davis, “We do have a meeting scheduled with Met Council to discuss the issue of a septage effluent facility here and also other options in regard to our financial obligations.” DeRoche, “Even if we go the septage route that is still more money out of our pocket. I think what needs to happen is Met Council needs to work with us because, again, it was their numbers and Bolton Menk’s numbers that made all the high projections. This was done after the economy went bad. They had time to scale back or come up with realistic numbers.” Davis, “That is the purpose of the meeting tomorrow to discuss other options for our financial obligations with Met Council. We need to have that meeting and find out what they are willing to discuss and consider.” Moegerle, “If we levied to get the \$200,000 shortfall that would be a 4% increase to the tax rate. Otherwise if we eliminate some of the reserve and the HRA, we limit some of the options there, if we want to solve some of the problems at Coon Lake Beach about septic systems that are in peril, or throughout the City systems, that are not up-to-date and inspected.” DeRoche, “We have existing businesses in the City that we have to figure out how to keep them. If we lose them, we have to come up with more money.” Moegerle, “That is more policy development and that is more meetings. And we can’t get the five of us together once a month. We need even minority opinions so we can refine our thinking and get the best results. I would like to hear what the 2010 Council’s plan was.”

Lawrence, “At this point we have the funds to cover the cash required for 2013.” Davis, “We project that we can potentially generate \$375,000 based on requiring those people in existing sewer area to connect. If we do that and collect that money, we would be approximately \$91,000 short of meeting our obligation.” DeRoche, “Until we know what Met Council brings to the meeting tomorrow we can’t make any decisions.” Moegerle, “Essentially it is a \$200,000 shortfall. If we let this get ahead of us too far, when the 200 ERUs are due in 2015.”

DeRoche made a motion to table the 2013 Budget Discussion until after the meeting tomorrow. Boyer seconded. Moegerle and Voss, nay, DeRoche, Lawrence and Boyer, aye, motion carries.

Moegerle, “I do have a request that this part of the transcript be provided to Met Council for our meeting tomorrow.” Davis, “How about we provide them with the actual DVD.”

Fire Dept.
Report

Chief DuCharme, “In July the fire department responded to 40 calls. The total call volume has been down 5%. We might attribute this to the spring being wet. Car accidents are taking place in construction areas. The north side of Viking shoulder is now paved. They have made the run from Hwy. 65 all the way from Vickers.” DeRoche, “We had asked Lt. Orlando about an accident on Viking Blvd. how bad it was?” DuCharme, “It was serious, broken bones, but a non-fatality.”

Moegerle, “Anything our residents could be doing better to save wear and tear on our volunteer fire fighters.” Chief DuCharme, “Two-thirds of our calls are medicals. Some of our calls, recreation fires. I have always maintained that if you are having a recreational fire, let your neighbors know. Recreational fires can be three feet high and three feet wide. And 25 feet away from a structure. And you can’t burn yard waste.” Lawrence, “Can you explain why you don’t burn treated lumber?” Chief DuCharme, “There are chemicals that are harmful to the environment, cancer causing.” Moegerle, “Davis and I were doing a tour of the beach. There was a vacant home that was surrounded by smoke. It was a recreational fire probably fueled by wet leaves.” Chief DuCharme, “We try to keep track of vacant homes.

Remember 25 feet is there so we don't burn down someone's house."

Website
Comm.
Recommen-
dation

Davis explained that at the June 6, 2012 City Council meeting, a Website Workgroup was appointed to review and propose upgrades to the current website and recommend a platform that would best suit our needs. Brian Mundle, Jr., Tanner Balfany, Randy Plaisance, Steve Voss and Heidi Moegerle and staff members Jack Davis and Wendy Warren were appointed to the committee.

The Workgroup held four work sessions at City Hall. During those work sessions, providers were brought forward by the workgroup members and many different websites were brought forward as examples for the members to assess and analyze. As a result of the first two meetings, the Workgroup members directed to staff to solicit additional information from Civic Plus and Vision Internet on the services they provide and their costs. GovOffice, the City's current website host, was eliminated by the Workgroup due to its restricted template offerings and more importantly, the limits of its search engine capabilities as compared to the other providers that were under consideration.

Proposals were requested from both firms and these were presented to the Workgroup by staff on July 10, 2012. Although the Workgroup was very impressed with both of the proposals, the pricing came in much higher than anticipated. Staff was directed to negotiate with the firms and see if they would consider a cost reduction or a payment plan where the cost could be paid over a three year period. Both firms responded with new proposals that reflected these requests and webinars for each proposal were then scheduled for the Workgroup.

Civic Plus and Vision Internet held webinars with the Workgroup and explained their proposals on July 31, 2012. After a thorough review and discussion of the proposals, the Workgroup members unanimously agreed to endorse a recommendation to City Council to accept the proposal from Civic Plus for a redesign of the City website and hosting services. The Workgroup preferred the format, functionality and designs of the websites that were created by Civic Plus. Civic Plus is offering their Premium package which includes all the modules and a redesign at no cost in four years. The update would be provided in approximately four to six months.

Ady Voltedge was contacted as a reference for both firms. Ady Voltedge had no experience with Vision. They had worked with municipalities that used Civic Plus as their website platform and hosting services. Ady Voltedge reported that they felt Civic Plus was an asset as an economic development tool.

The total cost for this proposal is \$17,781 including the first year hosting fee. The annual hosting fee for 2013 and 2014 will be \$4,454 and fees for subsequent years will be subject to an annual 5% increase.

Our current hosting fee for the GovOffice template is \$900 per year. We also pay an additional \$120/month for the playback of the City Council meetings on the current website. With the new upgrade we can eliminate this cost and perform this activity in house, saving \$1,440 per year. The elimination of these fees from our current cost will reduce the hosting fees for the upgrade by \$2,340 annually. With these deductions, hosting fees for 2013 would be reduced to \$2,114.

The hosting fees are currently paid from our Central Services Budget. It is proposed that the

website construction fee of \$13,327 be paid from our EDA budget and the hosting fee be maintained in the Central Services Budget.

The Website Workgroup recommends that City Council consider the proposal from Civic Plus for Website Project Development and website hosting and annual support in the amount of \$17,781.

Moegerle made a motion to consider the proposal from Civic Plus for Website Project Development and website hosting and annual support in the amount of \$17,781. Voss seconded. Moegerle, "How long will it take us to get this new website to go on-line?" Davis, "Four to six months." Moegerle, "It is my understanding that while we are getting a premium package, we are not getting the super premium package. That there are going to be certain things we won't have, like certain design options. Is that the way you understood it?" Davis, "No, this is the one with all the bells and whistles." Moegerle, "Well, I understand what the modules are. But I thought that the design was going to be a little scaled back."

DeRoche, "I am looking here and it is \$17,781 just to get it down. Then looking at almost \$5,000 a year to maintain it." Moegerle, "Part of this is this is an economic development tool. And it came out of Economic Development Authority that business principals or residents looking to come to East Bethel are going to look at the City website before they come here. More importantly it is the principal businesses. That is our face to the world. That face should be one that is a tool to attract businesses and residents, work, live and play." DeRoche, "15, 20 minutes ago, we were discussing ERUs and trying to pay for them. Maybe that is the norm; I haven't talked to other cities. We are going from \$900 a year to \$5,000. Other than the design, what are they offering for that extra \$4,000?" Davis, "One of the upgrades is the search engine. The search engine on GovOffice is rather limited. The search engine on this more in line with what we need to offer." Boyer, "The search engine we have is abysmal. And I hear that from people that try to use our website all the time." Moegerle, "The new search engine is like Google."

DeRoche, "Who are we designing this for? Most of the older folks don't have computers." Boyer asked did anyone check to see what our computer ownership rate is in the City? You can get that off the census. Moegerle, "One of the things that came out of the LMC Conference I went to, was you have to plan for the next generation. We have kids that are six and eight years old that are more computer literate than we are." Boyer said I haven't looked at that number in a long time. Davis, "We know as far as the number of people that have computers, we can check that. This is being designed as a multi-purpose tool. First for residents. The functionality of it will increase the use for seniors." Moegerle, "There is some fluff in there. And the primary purpose is for economic development and to present a brighter face to the world of who we are." Voss said if we are serious about moving this City forward, this is one of the changes that has to happen. Both platforms were good. This one I felt and the committee felt was superior to the other one and is far superior to what we have now. Voss said \$5,000 a year to maintain is very affordable. Vierling, "The motion that was made was to consider, but I think you meant to accept." Moegerle, "Correct." **All in favor motion carries.**

Fall Town
Hall Meeting

Davis explained that over the past several years, City Council has directed that a Town Hall meeting be convened in the spring and fall of the year. These meetings allow for citizens to find out about projects and items of interest in the City and interact with Council members and City staff on an individual basis as well as provide a forum for questions and answers regarding City activities.

In the past, the fall event has been held in November after the election. Election Day 2012 is on November 6th. Regular Council Meeting dates in November are on the 7th and 21st. Due to the Thanksgiving Holiday, Wednesday, November 14th or Thursday, November 15th, 2012 may be the most suitable dates, if the second Town Hall meeting for 2012 is to be scheduled.

It had been suggested that a single annual event be considered until such time as there are more topics and projects to discuss outside those that can be addressed on the Public Forum at City Council meetings. A Town Hall meeting was conducted on April 26, 2012.

Staff is requesting Council direction on the need for scheduling a Fall Town Hall meeting and a date for this meeting if it is approved by Council.

Moegerle made a motion to have a Fall Town Hall meeting. Voss seconded. Moegerle, "I guess part of it is, there will be two to three new members in on Council in November and that might be a good time for introduction. We might get more discussion then we had in April. We need more civic engagement." Boyer asked are you going to pick a date? Voss said the 14th is a park meeting. Moegerle, "If I can add to my motion at a time when all five of us can be present. It is hard to plan in August for November." Davis, "We would like a date so we can get this in the newsletter." **All in favor, motion carries.** Davis, "We can do it on Wednesday, November 14, 2012 and make provisions for the Park Commission meeting to be rescheduled."

Council
Reports –

Boyer asked if there is an update on the wild pig. Davis, "It was kenneled at Gratitude Farms." DeRoche, "I think the Animal Control Officer found a home for the pig."

Council
Reports –

Moegerle, "EDA meeting has been moved to August 29th. Coon Lake Beach is in the middle of pre-paving process. We have a lot of trucks out there and cutting of curbs. Tomorrow there is a meeting with the Met Council reps here. So, hopefully, we can make some progress and clarify our situation. Is there any interest in amending the home occupation ordinance so that businesses that are home occupations, but don't have permits can't put up signs? I am seeing a lot of signs for little businesses that I don't think have a home occupation permit. And I didn't know if there would be an interest in that. I know in the past there has been discussion of our sign ordinance and it seems to me that these signs are in violation of our sign ordinance. The EDA survey is still on website and I am working on an EDA Survey that is designed particularly for Coon Lake Beach and those people that have access to retail opportunities in Forest lake and Blaine at the Villages that are more direct than coming to East Bethel. With the idea that what businesses along 65 would draw them to shop at that area rather than Forest Lake and Blaine.

Council
Reports –

Voss asked what is the status or where are we are going with the reader sign. Davis, "The reader sign was tabled until we got indication with 2013 Budget." Voss asked the EDA or City budget. I am just curious because I keep seeing that broken sign out there.

Council
Reports -

DeRoche, "I went to the 3M Golf tournament. It was a nice place. We had a chat on the patio with a young lady who was representing Warner Stellan. She mentioned that they were looking to expand. Asked if she had driven through East Bethel and she said she didn't see a family friendly place to do that. Unfortunate because Route 65 has good food and families do eat there. I gave her my business card and she said you have two car lots. And that was their concern." Moegerle, "The other part of the conversation was that there was development on the other side of 65 and there might be room for them there." DeRoche,

“People coming through the channel, had a lot of complaints Friday or Saturday there was a Bass Tournaments and people weren’t even slowing down. Always seems to happen when deputies aren’t there. It is marked “No wake”, but until something happens, slow down. Be considerate when throwing lures on boat covers and seats. Getting where we would rather they don’t have tournaments out there.”

Council Reports -

Lawrence, “I would like to thank the election judges for working the primaries. They did a great job. And I want to thank the staff that helped them. I also want to thank the public works employees that set everything up for the elections, they do a great job. I also was able to get out and do the Night to Unite. I saw Lt. Orlando out there. It was a good time. I made two stops; it was a lot of fun.”

Closed Session – Personnel Issue

Moegerle made a motion to adjourn to closed session to consider Agenda Item 9.0 C Personnel Issue and 9.0 D Teamster #320 Union Negotiations. DeRoche seconded.

Vierling, “For the benefit of the public, we would note that the Council is going into two closed sessions. One session is the matter of union negotiations. This is closed per MN Statute 13.D and will be tape recorded. Following the closed session the Council will return to announce any action taken during that time.

The second closed session will be a personnel issue with regard to Mr. Randy Vados. Council will be reviewing that matter in closed session. We note for the record at this time that the Council has not received any demand from Mr. Vados to have this session held in open session. Consequently we will be going into closed session.

All in favor, motion carries.

Closed Session – Teamster #320 Union Negotiations

Vierling, “For the benefit of the record and for the public. We would note that the Council is back in open session after holding two closed sessions. The first closed session was with regard to 9.0 C closed session personnel issue, Mr. Randy Vados. The Council reviewed matters with the City Administrator. I should note that the session was attended by Fire Chief, Mark DuCharme all members of the City Council including the Mayor, myself as City Attorney and Jack Davis, City Administrator. After review of the personnel record and review of progressive discipline, a motion was made by Council Member Moegerle and seconded by Council Member Boyer to terminate Mr. Randy Vados. That motion passed 5-0.

The second matter that was addressed in closed session 9.0 D was dealing with the Teamster #320 Union Negotiations. The council reviewed a demand from the Teamsters in regard to their initial demand for the upcoming contract, gave advice to the city administrator but made no motions specifically at this time.

Adjourn

Moegerle made a motion to adjourn at 9:50 PM. DeRoche seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk