

EAST BETHEL CITY COUNCIL MEETING

June 6, 2012

The East Bethel City Council met on June 6, 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 June 6, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Boyer made a motion to adopt the June 6, 2012 City Council Agenda.** DeRoche, “I would like to add 9.0 C Closed Session – GRE Settlement Litigation and Schafer Construction Company Permit for a Temporary Concrete Plant at 19315 Viking Blvd. NE under the Item U. Consent Agenda.” **Boyer objects to the amendment Closed Session – GRE Settlement Litigation. There is no second to the motion to adopt the agenda.**

DeRoche made a motion to adopt the June 6, 2012 City Council Agenda with the amendments as follows: 9.0 C Closed Session – GRE Settlement Litigation and Schafer Construction Company Permit for a Temporary Concrete Plant at 19315 Viking Blvd. NE under the Item U. Consent Agenda. Moegerle seconded. DeRoche, Lawrence, Moegerle and Voss, aye; Boyer, nay; motion carries.

2011 Annual Financial Report by the Auditor Davis explained that Mr. Brad Falteysek, representing the City’s audit firm of Abdo, Eick & Meyers, LLP, will review the 2011 Annual Financial Report with City Council and be available for questions.

Brad Falteysek, “This is our first year doing the audit of your financial statements. You should have a couple reports in front of you. One is the actual financial statements that were prepared by management. Then next is our management letter. This is primarily what I am going to be going through tonight. It summarizes any findings we would have had in performing the audit, as well as a high level summary of the results of the audit.

Good News. After management had the trial balance and everything ready for us we didn’t any other entries. So what that means is what you are seeing throughout the year is accurate data and you are able to make decisions on accurate data.

The first page of the management letter goes through our responsibility of the audit. To give you an opinion on the financial statements prepared by management to determine whether they are materially stated in all respects and in accordance with generally accepted accounting principles. We are issuing an unqualified opinion, or what we call a clean opinion. Again, we didn’t propose any other audit procedures once we started with the audit. To develop audit procedures and what we are going to test, we will look at your internal controls. What we are looking at is there any transactions where one person is handling it from the beginning to the end. If there is, we will do more detailed testing in that area. Of some of your higher dollar amounts, so like your tax settlements, we make sure those are all

getting recorded, making sure your bank accounts are being reconciled monthly, in a timely basis.

Page 2 is Compliance in Other Matters. The Office of the State Auditor puts out seven check lists that are related to City government. They require us to go through and test certain State Statutes that you are required to abide by during the year as part of our annual audit process. If there was any findings related to those check lists we would report that here. We are not reporting any findings relating to those statutes. Middle of that page, aspect of accounting practices, it says here we would talk about any new government accounting standards. Again that is good. GASB54 was adopted this year. Doesn't change the results, just how they are presented in the financial statements. So, if you are comparing last year financial statements to this years, you will see in your fund equity last year you had unreserved, undesignated and reserve fund balance. This year you will have non-spendable, restricted and committed assigned and unassigned. Those definitions are within your financial statements. Trying to get all governments in the same thinking of where they put different pots of money. The rest of page 2 and 3 are just some standard communication.

Page 4 is where we get into the results of the audit. We have two charts. The top one shows your fund balance compared to your following years budget. We recommend and the State Auditor recommends is to have at least 35-50% of reserves on hand for your following years budget. That is just because the majority of your revenue is received from taxes and assessments. You receive the majority of that in June and December, so you want to have enough reserve on hand to get to that next revenue inflow. In 2007 were at 30%, and in 2011 you were able to increase that to 47%. You are at a healthy fund balance in your general fund

Page 5 is your total revenues and total expenditures compared to budget in your general fund. You are doing a good job budgeting and staying within that budget. Expenditures side, under by \$250,000. Have those outlined down below.

Page 6, here we are comparing revenues for the past couple years. Revenues for 2009 were almost 4.9 million. You are just over 4.9 million in 2011. So, in the last three years, revenues increased 2% in the general fund. We have a chart included that shows where your revenues are coming from. Majority is coming from taxes. Almost 89% is coming from taxes. Slightly down from 2009 when it was 89.6%. We also have amount collected per resident or per capita and you are receiving about \$381 per resident.

Page 7 is the same type of chart, just with expenditures. This is really consistent Your expenditures haven't really changed much in the last couple years. We have that per capita column again, for how much you are spending per resident and also have added a peer group per capita number. Here, as part of what we do for our clients, we collect all the reports that are submitted to the state auditor (every City that is having an audit submits a report to the state auditor) and we compile all the data and categorized them by the size of city. You are in the 3rd Class City. We took that class of cities and compared your numbers to that peer groups numbers and came up with per capita numbers just to see where you are. Per capita in general government you are spending about \$114 per resident and the peer group is spending a \$100. Public safety the peer group is at \$202 and you are at \$153. All the other categories you are below. Overall, total expenditures in general government for the peer group is at \$457 and you are at \$357. DeRoche, "When you say peer group, who are you comparing us with?" Falteysek, "Third class cities, so cities with populations of 10,000 to 20,000."

Moegerle asked, "You indicated on page 6 that basically our taxes per capita are \$381. Can

you tell us what the taxes per capita in our peer group would be?" Falteysek, "We haven't calculated that." Moegerle, "Will you, or is that top secret?" Falteysek, "We have talked about it. There are a lot of variables in that and we have talked about putting that together but we haven't done that yet."

Page 8 is Special Revenue Funds. These are funds that have a restricted revenue source. Grants, Donations, HRA and EDA. The recycling fund increased fund balance \$8,100. Majority of the revenue for that comes from the recycling grant from the county. HRA increased fund balance almost \$100,000 and EDA (just starting out) had some expenditures without any revenues. It should be correcting itself going forward.

Page 9, Debt Service Funds. You collect property taxes, assessments and such to pay back your bonds. The chart there has your bonds outstanding and total assets. A lot of these do have a tax component to them. And we don't record any receivable for taxes, so you won't see the total assets being closer to the bonds outstanding. For these, you just want to continue to do cash projections to make sure you have enough cash to pay the bonds going forward.

Page 10, Capital Project Funds. Three major funds, Municipal Street Aid Improvement Fund, Water Infrastructure and Utility Infrastructure. Under non-main funds you have an improvement from 2003 that has a deficit of almost \$13,000. Here is a category where you do have assessments outstanding and once those are paid this will be cleared up. Moegerle, "I don't know what the improvements of 2003 are." Pierce, "They were more than likely street improvements." Falteysek, "Some of those assessments are delinquent, a small portion, but not all. Street Capital Fund had a transfer in of \$400,000. That fund increased \$140,000. The rest stayed fairly consistent.

The next three pages are your Water Utility and Ice Arena funds. Your water utility fund has had operating losses in the last three years presented here. It ended this year with a \$17,000 loss. In 2010 you had a gain, but that was a result of a capital contribution. This fund you should monitor and see where the rates should be to meet your needs and adjust them accordingly. I could say exactly the same thing with the sewer fund. Continue to watch these rates and see what you can do to increase these funds. Because both these funds have cash deficits in them. You aren't seeing them here because we do interfund loans at the end of the year. Moegerle, "Are you suggesting our rates are too low? Is that what your point is?" Falteysek, "You have deficits in these funds, so yes. Rates or reduce expenditures. Ice Arena Fund, here you are meeting your operating income. You have some small non-operating expenses. Again, you need to look at these and see where do you want to go with these in four to five years. Where do you want these funds to end up? What should be the plan in place to get there?"

Page 14, this is the main chart that we put together as a result of the summer project, after collecting all the data. Here is where we take a look at a lot of other ratios and compare you to the peer group. The first one is debts to assets. So we take a look at all your liabilities and compare those to your assets. So, if this percentage was at 50% (all the assets that you own), 50% would be financed through some type of debt. You are at 41%, slightly higher than the peer group at 36%. Debt per capita, this takes a look at all your bonds, compares them to your number of residents. You are at \$1943 where your peer group is at \$2500. So other Class 3 cities have higher debt loads than you do. Taxes per capita, same type of thing you are at \$415 and your peer group is at \$468." Moegerle, "You are comparing 2011 for us and 2010 for them, correct?" Falteysek, "There would have to be a whole lot of movement to make a different significantly. Current expenditures per capita you are at \$426. The peer group is at

\$432, looking at all funds, not just general fund. Capital expenditures per capita \$418 and peer group is at \$284, this can fluctuate depending on what kind of projects you are doing.

DeRoche, "How does depreciation factor in? . Looking at streets, buildings and equipment." Falteysek, "It will increase these percentages. Once the new assets go live, it will increase the percentages." DeRoche, "But there has to be a separate way of doing buildings, roads and equipment." Falteysek, "Yes, definitely, there are put on different lives. A building is 50 years, streets are typically 40 years. And the equipment is anywhere between 7 and 15 years. All put on different lives and follows your capital asset policy and whatever you have in there for how long you will have it before you will have to replace it."

DeRoche, "Okay so you are throwing percentages out at us and our peers. What is an ideal percentage?" Falteysek, "When we see these percentages getting down to 50% typically we will see higher repair/maintenance type costs. But I typically see higher percentages than 50, usually sees 60-70% range. Are you in trouble? You are adding some significant assets now, so those other assets that are in the 50% are probably going to start having some additional repair and maintenance costs." DeRoche, "Yes, but the expenditures once these bonds have to start making payments is going to tilt the scale pretty good too, correct?" Falteysek, "Yes, but some of the bonds you are going to pay back with connection charges. And other bonds you will be paying back with taxes and assessments. So, the ones that are being paid with taxes and assessment would affect some of these ratios, because all bonds are included in the bonded per capita number. Which right now you are lower than average. If not being paid back by taxes, wouldn't affect that that tax ratio." Davis, "We have already made bond payments in the amount of 1.5 million. And received credit from those bonds of about ½ million dollars."

Moegerle, "What is the single most important recommendation you would make to us as a Council?" Falteysek, "I think you need to take a look at your enterprise funds and look at how those are going to get paid for, water, sewer and Ice Arena. Figure out a plan to get those back into the positive. If that is your goal."

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 motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, May 16, 2012, Regular Meeting; C) ~~Meeting Minutes, May 23, 2012, Special Meeting~~; D) Resolution 2012-25 Accepting Donation from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP; E) ~~Approve Upper Rum River Watershed Management Organization (URRWMO) Budget~~; F) ~~Approve Sunrise River Watershed Management Organization (SRWMO) Budget~~; G) Resolution 2012-26 Accepting Donation from CHOPS, Inc.; H) Award Class V Bid to Bjorklund; I) Resolution 2012-27 Adopt-A-Park Anderson Lake Park; J) Resolution 2012-28 Adopt-A-Park Booster Park; K) Accept Resignation of Building Official; L) Appointment of City Arborist; M) Approve Application for 1 to 4 ay Temporary On Sale Liquor License for Alliance for Metropolitan Stability at Blue Ribbons Pines Disc Golf Course on Saturday, June 23, 2012; N) Pay Estimate #3, Municipal Builders. Inc. for Water Treatment Plant No. 1; O) Pay Estimate #3, Caldwell Tank, Inc. for Elevated Storage Tank No. 1; P) Pay Estimate #13, S.R. Weidema, Phase 1, Project 1, Utility Improvements, Q) Resolution 2012-29 Acknowledging Donation from East Bethel Seniors for Schoolhouse; R) Approve 2012-2013 Liquor License Renewals; S) Request for Detour Route on Sunset Drive; T) Approve Permit for CS McCrossan for Temporary Concrete Plant for Hwy.**

65 “Whitetop” Project; U) Schafer Construction Company Permit for a Temporary Concrete Plant at 19315 Viking Blvd. NE. Boyer seconded. Moegerle asked to pull item E) Approve Upper Rum River Watershed Management Organization (URRWMO) Budget; F) Approve Sunrise River Watershed Management Organization (SRWMO) Budget for brief discussion. Voss said and he wants to pull items) Meeting Minutes, May 23, 2012, Special Meeting and U) Schafer Construction Company Permit for a Temporary Concrete Plant at 19315 Viking Blvd. NE. **Voss and Boyer are both fine with the amendment. All in favor, motion carries.**

Meeting
Minutes, May
23, 2012

Voss said in the minutes, he arrived late and it is on page 33. But earlier in the minutes it says “all in favor”. He is not sure how to change it. Voss said maybe under Members Present put the time arrived. He said he wasn’t there for the first few votes.

Voss made a motion to approve Item C) Meeting Minutes, May 23, 2012, Special Meeting. DeRoche seconded; all in favor, motion carries.

Approve
Upper Rum
River
Watershed
Management
Organization
(URRWMO)
Budget

Moegerle, “With regard to the Watershed Management Organizations, last year I did not vote in favor of the Sunrise Management increase and I see that we now have a decrease. But I was wondering if we could have each of these organizations explain this (just so we can prove we are getting value for our money.” Davis, “We have in attendance, Jared Trost from the Upper Rum River WMO and at the end of his presentation we have Leon Mager from the Sunrise River WMO.”

Jared Trost of 23016 Sunset Road NE, “I don’t have a prepared presentation, but I can answer any questions.” Moegerle, “One question I have is the percentages. We are 24.21% is that based upon population, or how did we come up with that percentage for East Bethel?” Trost, “I believe that is based on watershed area and then administrative things are applied equally among the membership cities.” Moegerle, “What will be done in 2012 for our dollars that we contribute to the organization?” Trost, “A big part of what we do is work with the Anoka Conservation District. An example of the things we do is we have a monitoring plan which is important for resolving disputes with water bodies, water quality issues, and those sorts of things. They have benchmark lakes that they monitor. As much as they can, they involve the citizen monitoring groups. Your dollars buy a facilitator that uses a lot of volunteers to get the work done. Lake level monitoring. The monitor four lakes, Lake George, East Twin Lake, Cooper Lake and Minard Lake.

Other things they do is they have water quality cost share grants. So, if they have an issue with water quality on their lake or their shoreline is degraded, there is cost share grant money available that they use to restore that property. So, we contribute to that fund to enable homeowners to better their property. They also maintain the website and they send out an annual newsletter on water issues. And there is the annual report to BWSR that has to be done, not sure of the details, but it is a mandate that we have to comply with.” Moegerle, “It would be helpful for the residents to find out if Watershed Management Organizations (WMO) are mandated by the state and where does that mandate come from.” Trost, “There is legislature that calls specifically for a WMO. Where they got established he is not sure of, he would have to look into that history a little bit more.” Davis, “That mandate is for the seven county metro area.” Lawrence, “What is the water quality for Coopers Lake? We had a resident that wanted to put a power boat in that lake.” Trost, “I don’t have that here. But, I do know there has been level issues with that lake. And the last round of dry weather dried it up more. It is one of the lakes they are watching closely.”

DeRoche, "When you discuss water quality issues, what are you looking for chemicals, weeds, eurasian milfoil? What exactly are you looking at?" Trost, "Mostly what they are monitoring for, meeting benchmarks set by the Met Council. There are designated uses for water. The key things they monitor is water clarity, phosphorus levels, other basic parameters such as temperature, etc." Moegerle, "How much in cooperation with Cedar Creek Ecosystem Reserve are you involved. Dr. Jeff Corney was here at the last meeting talking about some of this." Trost, "I used to work there. There is not a lot of direct cooperation between Anoka Conservation and Cedar Creek in terms of water quality. Cedar Creek is getting a lot more education groups through, so perhaps there is more volunteer efforts happening."

DeRoche, "I want to bounce back to this water quality thing. My concern is, I live on Coon Lake. I am not quite sure what studies have been done. People want a crystal clear lake, you can create your own little pond, but don't do it with a natural lake, because if you clean it up too much you are going to kill the habitat in the lake. I notice an awful lot of scum and green pockets that float now. I have been on there for about 31 years and never saw this as an issue until this weed killing started going on. You just can't keep killing all the weeds in the lake because someone wants a crystal clear water. That's my concern is how far are we going to go with chemicals and everything to clear out the water. Yes, it is a pretty lake, but you have nothing in it. And Coon Lake is basically there, rain water and snow. What studies have been done to see what the damage is that is being caused to the lakes? I know the Outdoor Life Newspaper came out and did a study. Sunnies aren't bad, and crappies are pretty much gone. They are attributing that to the aerator. That is a big concern. What good is a crystal clear lake. You have no weeds, you have no fish, no turtles, what are you going to do on it?"

Trost, "That is some of the purpose of Met Council's scheme to find out the values that people have for the water. Some people might like the crystal clear water. For a water-skier, maybe that is nice. But for a fisherman, that isn't good, because you lose all your habitat. The best place to look for studies on herbicides applications on the lakes is probably the Minnesota Department of Natural Resources. I am not aware of any studies specifically done on Coon Lake or lake health following that. But they control the permits and administer that process." Boyer said correct me if I am wrong, but I don't think the Upper Rum has ever participated in the treating of the lakes. Trost, "Since he has been involved we haven't had to address that issue." DeRoche, "What is the state of it with all the rain we have had? Did that cause issues with the Rum River?" Trost, "Not aware of any issues. It is certainly higher than it was two months ago."

Approve
Sunrise River
Watershed
Management
Organization
(SRWMO)
Budget

Leon Mager, 19511 East Tri Oak Circle NE, "I will address some of the questions that you have already asked. The first is how did we come up with the percentage that each city has to pay for their share? East Bethel would like it to be based on the acreage that each of the four entities have within the watershed. Columbus would like for it to be based on tax basis that each of the entities have in the watershed. So, as a compromise, we used a weighted average of each of them. Half is based on acreage in the watershed and the other half is based on your tax base in the watershed. Next question, why the watersheds? The Federal Government passed the Clean Waters Act back in the 1940's and your conservation districts. In the early 1970's they put some meat in Clean Water Act and put some requirements on the states. Our state then decided that the Minnesota Pollution Control Agency would be the policing of this and the state standards and then they delegated that to BOWSER. They then said in the seven metro county area we are going to have watersheds. They did it by watersheds because they ran across community boundaries and that way they wouldn't be run on a community basis.

Watersheds deal with surface water only. Within our watershed we have five bodies of water that are listed as being impaired. They do not meet the state standards. The herbicides are not targeted to make crystal clear water. They are targeted to decrease the native plant life within the lake. The targets are only for invasive species. On Coon Lake, in particular, they are only targeted for two species, curly leaf pond weed and Eurasian milfoil. Some lakes get monitored every three years. Coon Lake is monitored every two years. This will be the first year we will monitor the west basin. All the monitoring has been in the east basin only. One of the things mentioned was phosphorus. The state standard is you cannot exceed no more than 40 parts per million. In our last six years the samples has shown that Coon Lake is right on the border of becoming impaired for the phosphorus reason. It is running between 38 and 39 parts per million.

DeRoche, "Isn't some of that attributed to the fact that a lot of people have moved from the cities and are not happy with what they have. So they take the lakeshore right on down, take the natural filter away and we want pretty green grass so now we are going to fertilize down by the lake." And, to his knowledge, he has never seen anyone monitoring that. I have been on that lake for 31 years and before they did the landing on 22, which was in about 1988 or 1989 when the lake went way down, and then they decided to do the county beach again. And they say they have a couple bass tournaments a year, well it is a heck of a lot more than that. There is nobody monitoring all that. You can put all the money you want into it. But if you are not going to monitor it, you might as well just throw you money on your fire pit and burn it."

Mager, "The monitoring that we are doing at Coon Lake or any of the lakes to see if it meets the state standards about 10 times during the summer. They are done weekly, the chemical analysis, then the water clarity and the water level. They have volunteers that do some of this and report it to the conservation district and BOWSER. There are two types of monitoring that is going on at Coon Lake." DeRoche, "My monitoring is when that parking ramp is set for 41 vehicles and there is 75 out there. And you see the trailers go in and people put the boats in and there are still weeds on the trailer, they pull them out and they move on down the road. When I first moved up here, there was someone that sat on the weekends and watched boats coming and going. If you are not going to keep track of that, then it is pretty futile what you are doing."

Mager, "There was a matching grant to have somebody sit at the public accesses this spring. The Coon Lake Improvement Association did apply for that grant. They were going to pay for half of it and they did not get that grant." DeRoche, "So here is my dilemma. The state wants this clean water, and they have BOWSER and all these other departments, administrative fees and all this other stuff. And yet there is no monies available to keep the waters clean?" Moegerle, "The coon lake community center, as part of the dock agreement requires that their dock users mow their areas. Of course there goes our filters again. What is your relationship with the community center as far as education on that issue and to get gutters on their southern side so all that rain water doesn't go back in to the lake."

Mager, "We have been very successful getting grant money for our Martin Lake work. We picked up \$155,000 in grants so, instead of that being a five year project, it has gone down to a two year project. Also, we are moving up our Coon Lake work and starting it this year. I will explain a little about that work. If you look at the watershed that is feeding Coon Lake (what they do is go around and do a topology map and everything feeding into the lake, and all the points of entry around the lake, imperious surfaces.) Then they determine calculation

of phosphorous coming up and come up what they can do at all those locations, such as rain gardens, etc. Then (if they can get the people that own the property to agree), they will go for grant money. The projects need to be shovel ready. That is the process that we are starting on Coon Lake this year. If you look at what was done in Martin Lake, the four cities put up \$20,000 and we got \$20,000 in grant money. Hopefully, by next year, we will have the areas identified and the candidates. Then the process will start and the conceptual work will be done. That is addressing the runoff that you are talking about. We are also starting a marketing campaign to get people to recognize the problems with these lakes. They are designed to have a natural shore environment. We have 440 homes around Coon Lake, although we have 17 miles of shoreland that still takes up a significant amount. It is not environmentally friendly. DeRoche, "When the milfoil started out there, I researched it on the internet. It said if you leave the natural vegetation alone, then the milfoil will not come in and consume the lake. I know some people I live by have weed rollers. I don't know if you can educate some people."

Voss said he thinks the problem with the lake with the green scum and it was like this last year too, it is pretty easy to see that these last two years we have had an exceptional amount of rain. The lake is as high as it has been in a long time. Voss said and it is part of the reason they are doing the study, it is not just the lakeshore homeowners. It is the watershed and that is why it is the watershed approach. All the homeowners that live off the lake have a contribution of phosphorus load to the lake and that is why we are doing projects like the one off of East Front Boulevard. That is a project that is going to reduce phosphorus. He is going to guess that this year we have had such a flushing of the watershed into the lake. Mager, "We have to put the herbicide on the lake before the native plant life starts up. We have to have water temperatures between 50 and 60 degrees. That is a targeted herbicide."

DeRoche, "Coon Lake used to be considered a glorified swamp. It was his understanding that 15% of the lake was treated. But what keeps those chemicals from going wherever they want?" Mager, "We don't have much movement, so we don't have to go to granules. We are going with liquid and we don't have any problem with that. There is some that spreads out, but we are not on a river lake, we are on a watershed lake." DeRoche, "Which is a problem because lakes only turnover twice a year. There really isn't any inlets into Coon Lake." Moegerle, "Come back. It is important for us to know what you are doing and that the residents know what you are doing and that they are getting value for your work." Mager, "Big thing is we are finishing up with the Martin Lake area and have moved up the Coon Lake area and reduced budget by 12%."

Voss made a motion to approve the Sunrise River Watershed Management Organization (SRWMO) and the Upper Rum River Management Organization Budgets. Boyer seconded; all in favor, motion carries.

Schafer
Construction
Company
Permit for a
Temporary
Concrete Plant
at 19315
Viking Blvd.
NE

Voss said the only reason he pulled this is to have a brief explanation of it and where it is, so when the public sees this they understand it and where it is going. Davis, "This is the same proposal that was in your agenda that was based on the CS MsCrossan. We got this call last Friday. We were notified by the Schafer Construction Company that they received the bid for the overlay project on Viking Blvd. from Highway 65 to Vickers Street. They propose to put a temporary concrete batch plant in at 19315 Viking Boulevard NE, which is the Don Shaw Property. This is just south of our water tower and fronts Viking Boulevard. They would use this and begin construction approximately the first week of July. They have 40 days to complete the work.

Lawrence, "For how long would this be?" Davis, "They have 40 days to complete the project. They anticipate starting the overlay around the 1st of July. One thing on this is we recommended a \$75,000 Letter of Credit for McCrossan. This project will not involve any traffic on city streets. So I am recommending that we reduce their Letter of Credit to \$25,000 just to cover any site cleanup that may be necessary when they finish the project." Boyer said we have approved these in the past, but one thing he has seen as a concern is daily clean up. He said he assumes they are not closing Viking Boulevard and it will be open for one lane of traffic generally. Davis, "Viking Boulevard will be open to local traffic. There will be detour routes available. We will work with Anoka County Highway Department to get signage that the businesses along those routes are still accessible. The clean up portion on Viking Boulevard will be part of the Anoka County contract." Voss said we all drive down Lexington and the County doesn't do a good job enforcing the soil control. Only thing we can do is call the county everyday to get it cleaned up. Voss said they should be doing the erosion control on site so this doesn't even get on the road. DeRoche, "If they cause damage, will we have to clean it up?" Davis, "This is not a real change from what is already there."

Voss made a motion to approve the permit for Schafer Construction Company for a Temporary Concrete Plant at 19315 Viking Boulevard NE. Moegerle seconded. Boyer asked if city attorney has any concerns. Vierling, "No. We have imposed pretty much the same conditions as we did on McCrossan." DeRoche, "So then when we ask the county to come out and do the cleanup they are going to say, "Well East Bethel you approve this you deal with it." Voss said and the contractor has a legal responsibility from state law that they need to practice best management practices. **All in favor, motion carries.**

Appoint
Website
Committee

Davis explained that the City's website was updated to new template in June 2011. This update was an improvement over the format and template of the existing website but was intended as only the first step to make the website more user friendly and current with basic website standards.

To insure that all the concerns regarding the website are addressed, staff is requesting that City Council appoint a committee composed of two Council members and one member from the EDA and Planning Commission and up to two citizen members to work with staff to prepare recommendations and directions to correct and improve the content, format and utility of the current website. These recommendations will be used as the outline and specifications to solicit a vendor to perform this work.

It should be the goal of this committee to develop recommendations and report their findings to City Council at the July 5, 2012 Council meeting. The recommended schedule for the Committee meetings are Wednesday, June 13th at 6:30 PM, and Wednesday June 20th at 5:30 PM. Monday June 25th and Wednesday June 27th at 6:30 PM can be included if necessary.

Invitations were extended to and attendance was requested by Brian Mundle, Jr., Jordan Flagstad, Teri Nicolas, Jodi Vetsch and Randy Plaisance as citizen applicants for this committee. Council, may at this time, interview the candidates.

Moegerle, "Are we looking at content, organization, templates?" Davis, "There are no limits."

Brian Mundle, Jr. came forward. Lawrence, "What do you think of this website review?" Mundle, "I think it is time for it." Lawrence, "Have you had much experience with website design?" Mundle, "My experience has been in college I made my first website using just HP and HTML language. Then after graduation working for BDM I overhauled their site. And I

have done it a couple times since then. In 2009-2010 I took a course and got a certificate in website development. Using Dreamweaver and Flash to design. I am an active user of websites all the time. I know the designs.” Lawrence, “What do you think of our website as it is right now?” Mundle, “There is room for improvement.”

Moegerle, “What is the one single thing we need to address immediately?” Mundle, “Image and user-friendly-ness.” Moegerle, “Image meaning the girl?” Mundle, “Yes, it should be a little bit different.” Moegerle, “I was on the original committee. And we looked at all the other templates for that picture and they were all taken by cities nearby.” Mundle, “If we were to bring in a website builder, we could say this is what kind of website we want and the main discussion would mostly be the image of it. Don’t need to reinvent anything. In fact that would take too much time. We just want something that is updated to now and user-friendly. Look at analytics and what web pages are used most. Invite the seniors in and see if they can find things on there.”

Randy Plaisance of 715 192nd Avenue NE, “When the advertisement went up there wasn’t a lot of information of what you were looking for. However, I work at Target Corporation and do layout design. I have built a website for myself and for others. Also built a website for church in Oak Grove. I am willing to work with the community to make it better. Moegerle, “What is your experience with our website?” Plaisance, “Well, of course, as soon as I made the application I went right on and browsed it and went through it. It was rather amusing when you were talking about the picture of the little girl and the first thing that comes to mind is “No, this is not South Carolina.” Because when you open the picture all you see is these reeds and an ocean. Obviously with a website for East Bethel, you want something that is going to be defining of what we are, what we represent. So in that case you want something that is inherently East Bethel. In navigating through it, I was pleasantly surprised. A lot of information there and organized fairly well. It has to be kept up-to-date.”

Moegerle, “When you talk about layout design, is that of websites?” Plaisance, “No, I work with Adobe. It is a design program that can be used for paper or websites. I don’t use it for websites.” Moegerle, “At the first meeting, what is it that you are going to want to know from the city?” Plaisance, “What is it that you going to want to get out of this? I’ve been reading about your meetings and that seems to be where you are going.” Moegerle, “Marketing and Branding?” Plaisance, “Yes, marketing and branding. My contribution will be helping you get what you want out of the website.”

Davis, “Mike Connor from the EDA and Tanner Balfany from the Planning Commission have both volunteered to serve on this committee. Dan Butler and Lou Cornecelli would be available as alternates. Boyer asked before we get too far down the road, how are we paying for this? Davis, “This would be a cost item though the EDA.” Boyer said and so EDA approved this? Moegerle, “Yes, it is part of their budget.”

Voss made a motion to appoint Tanner Balfany with Lou Cornicelli as his alternate from the Planning Commission and Mike Conner with Dan Butler as his alternate from the EDA to the Website Workgroup. Boyer seconded; all in favor, motion carries.

Voss made a motion to appoint Randy Plaisance and Brian Mundle, Jr. to the Website Workgroup. Boyer seconded; all in favor, motion carries.

Moegerle, “She would volunteer to be on the website workgroup.” Voss said he is interested, but all four of those dates he is already booked. He does have four dates in June if

anyone is interested. Voss asked did the other members agree based on those dates? Davis, "No they have not been furnished with those dates." Voss said the dates he is available is June 19, 21, 27, 28. Moegerle, "June 21st she is not available." Lawrence, "We could have Council Member DeRoche as an alternate."

Boyer made a motion to appoint Council Members Moegerle and Voss to the Website Workgroup with Council Member DeRoche as an alternate. DeRoche seconded; all in favor, motion carries.

Lot Line
Adjustment –
Peterson and
Johnson –
1872
Briarwood
Lane NE

Davis explained that Mr. Peterson is requesting approval of a Registered Land Survey. Attachment 4 shows the Registered Land Survey. Each tract is owned by Mr. Peterson. Tract A is small in size and is of insufficient use to Mr. Peterson. He is proposing that Tract A be combined with the property owned by Mr. and Mrs. Johnson at 1821 Briarwood Lane, as shown on attachment 1, and intend to add Tract A to their property.

The Johnson's existing property is 9.9 acres; combining Tract A will increase their property to 10.56 acres. Mr. Peterson will retain ownership of Tract B and C. Tract C will remain at its current size of 15.8 acres. However, the City Engineer and City Attorney have made the suggestion that Tract B be deeded to the City of East Bethel as Tract B is an existing permanent easement for road, drainage, and utility purposes.

Attachment 5 and 6 are the letters from Mr. Craig Jochum, City Engineer and Mr. Mark Vierling, City Attorney. Mr. Jochum suggests a delineation of the wetlands; however, staff recommends this not be required since the property is not subdivided for building purposes, rather it is an existing lot of record with existing structures. Mr. Jochum also suggests the Tract B be deeded to the City of East Bethel.

Mr. Vierling recommends an ownership lien and encumbrance report be made part of this action, Tract B be deeded to the City of East Bethel and that Tract A must be combined with Mr. and Mrs. Johnson's parcel, located at 1821 Briarwood Lane.

Anoka County Surveyors Office has reviewed the survey and found it acceptable.

City Staff is recommending approval of the Administrative Subdivision/Registered Land Survey for the property known as 1872 Briarwood Lane, PIN's 33-33-23-32-0015 and 33-33-23-32-0003. The approval shall be contingent on the following:

1. Submit an ownership and encumbrance report on all of what now constitutes Tracts A, B, and C prior to registering the land.
2. Obtain a conveyance of Tract B within the registered land survey to the City of East Bethel.
3. Tract A must be merged with the property known as 1821 Briarwood Lane, PIN 33-33-23-23-0004.
4. Filing of the Registered Land Survey must be completed no later than September 28, 2012. Failure to file may void the approval by the City Council.

Boyer motion to approve the Administrative Subdivision/Registered Land Survey for the property known as 1872 Briarwood Lane (PINs 33 33 23 32 0015 and 33 33 23 32 0003 with the following conditions: 1) Submit an ownership and encumbrance report on all of what now constitutes Tracts A, B, and C prior to registering the land; 2)

Obtain a conveyance of Tract B within the registered land survey to the City of East Bethel; 3) Tract A must be merged with the property known as 1821 Briarwood Lane, PIN 33-33-23-23-0004; 4) Filing of the Registered Land Survey must be completed no later than September 28, 2012. Failure to file may void the approval by the City Council. DeRoche seconded. Larry Peterson, property owner, “The property address of for Mr. Johnson is 1925 Briarwood Lane NE. Also, we currently have a fence on the existing parcel, is that impacted by this?” Jochum, “No, it is in an easement now.” **All in favor, motion carries.**

MCES
Amendment
#2 Castle
Towers
Construction
Agreement

Jochum explained that November 12, 2010 the City entered into a Construction Cooperation and Cost Share Agreement with Metropolitan Council to construct the Phase 1 Project 1 Utilities. The Agreement identifies the cost share between the Metropolitan Council and the City for the project. The estimated cost for the Metropolitan Council identified in the original Agreement was \$8,100,000. Amendment No. 1 which was approved by City Council on May 2, 2012 revised the total estimated cost share for Metropolitan Council from \$8,100,000 to \$8,700,000 based on the actual construction bid.

Attached Amendment No. 2 provides the conditions and estimated cost share between the City and Metropolitan Council for the joint Castle Towers/Whispering Aspen sewer forcemain project. The estimated cost share is as follows:

<u>Item Costs</u>	<u>City Project Costs</u>	<u>Council Project</u>
Estimated Design Cost	\$ 102,000	\$ 198,000
Estimated Construction Cost	\$2,100,000	\$4,100,000
Construction Phase Administration, Engineering and Inspection	\$ 190,000	\$ 368,000
Land Acquisition	<u>\$ 150,000</u>	<u>\$ 750,000</u>
Subtotal	\$2,542,000	\$5,416,000

Section 3.04 of this agreement allows the City to reject the bid as recommended by the Metropolitan Council. However, the City would be required to pay the Cost of the Design Documents.

Section 12.03 also addresses the connection of the Whispering Aspen and Castle Tower existing lots to the Met Council system without any SAC charge. .

Staff recommends Council approve Amendment No. 2 to the Metropolitan Council Construction Cooperation and Cost Share Agreement.

Lawrence made a motion to approve Amendment No. 2 to the Metropolitan Council Construction Cooperation and Cost Share Agreement. Voss seconded. Voss asked where is discussion on the waiver of the SAC charges. Jochum, “In Section 12.03. For any unit that was in place October 13, 2012.” Voss asked so this is for existing. So any connections after that date are paying a SAC charge. Jochum, “That doesn’t necessarily mean the city won’t impose any SAC charges.” Moegerle, “Is there an anticipated date of completion?” Jochum, “I think they want to bid this either late this year or early spring next year.” Davis, “The bid schedule is to get it bid by late July/early August. Completion date, I haven’t heard a final on that. But it would be done prior to the completion of the waste water treatment plant which is scheduled to be completed by September of 2013.” **Boyer, nay;**

DeRoche, Lawrence, Moegerle and Voss, aye; motion carries.**Resolution
2012-30
Accepting
and Adopting
the 2011 City
of East Bethel
Annual
Financial
Report (AFR)**

Davis explained that the 2011 Annual Financial Report (AFR) has been prepared, audited and was presented for your review and approval.

Resolution 2012-30 formally accepts and adopts the 2011 Annual Financial Report and directs the submission of the Annual Financial Report to the State Auditor.

Staff recommends adoption of Resolution 2012-30 Accepting the 2011 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2011 and direction to submit the report to the state Auditor.

Moegerle made a motion to adopt Resolution 2012-30 Accepting the 2011 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2011 and direction to submit the report to the state Auditor. Boyer seconded; all in favor, motion carries.

**Appoint
Interim
Building
Official**

Davis explained that the City's Building Official has submitted his resignation effective June 7, 2012. State Statutes require that statutory Cities must have a City Building Official. The Building Official can be a staff or a contracted position but must be one who is certified as a Building Official.

In order to comply with statute, the City must designate a Building Official and provide notification to the Department of Labor and Industry as to the change. There are three options available for consideration:

- 1) Assign the current Building Inspector to the position of interim Building Official;
- 2) Contract the services with one of our neighboring Cities or Townships;
- 3) Contract the service for the Building Official with a private company; or
- 4) A combination of any of the above items.

In our discussions, Linwood Township has agreed to allow us to designate their Building Official, Kevin Tramm, as East Bethel's interim Building Official if we choose this alternative as a temporary solution. However, the Linwood building official does not have all his steps completed for his SSTS. He has completed his required courses, but lacks five inspections before he would have this completed which would take him at least a month. Moegerle, "So he has completed his testing it is just the practical he has to get done?" Davis, "That is correct. You have to have the course work completed and then you need to do 15 inspections. He has completed 10."

Should Council consider temporarily contracting this service, I have included a sample proposal for building inspection services for your review. Inspectron is one company that provides this type of service. They serve Oak Grove.

There are sufficient funds in the 2012 Building Department Budget to cover the costs of any of the three alternative described above. It is estimated that contracting for the Building Official service would cost approximately \$4,400 (80 hours of service), assigning the current Building Inspector to the position of interim Building Official would cost approximately \$3,500 (320 hours) and the cost of contracting the services with a neighboring City would be approximately \$1,000. The time span of utilizing a temporary or interim Building Official is anticipated to be 2 months and would permit the City to advertise and hire a Building Official.

Staff is recommending that the position of Building Official be filled by a full time employee of the City at a salary to be determined and is seeking direction as to Council's intent to proceed on the designation of a temporary Building Official until staffing of this position can be completed .

Voss asked how long do you think the process will be to fill the position? Davis, "Two months maximum. The best case six weeks." Boyer said he assumes that staff can have the appropriate position description prepared by the next council meeting for the building official? Davis, "That is correct, we could have that ready at the July 5th meeting for approval." Moegerle, "So there will be some changes to the job description or how is that going to go?" Davis, "I think a couple things we need to look at for a job description of the building official is to include a candidate that has experience in water and sewer connections, some experience in basic drafting of fundamental ordinances that relate to the department." Moegerle, "And those are new criteria, correct?" Davis, "That is correct." Moegerle, "Are you thinking these are going to be substantial changes to what we have had in the past?" Davis, "I would anticipate that. I would like to get the building official a little more involved in the ordinance work. We also need to consider, once a building official is hired how we are going to run the department. Supervisory experience. We might have to look at alternative means to do some code enforcement, hire some part-time people to keep the current situation we have. Those are some things that will come up."

Moegerle, "At this point, how busy is the building inspector if he were appointed interim building official?" Davis, "The current building inspector is very busy. We have had a busy year. We have issued two new single family home permits. But we have issued a lot of deck, siding, roofing, window permits. A lot of code enforcement complaints. A lot of things that require a lot of time but don't generate a lot of permit revenue. For an example, if we get a code complaint, it may take the inspector a couple hours to go out and investigate it. But yet we get nothing in return for it. A part of this is a basic service of the department that we have to anticipate on providing."

Voss said he understand if we contract it out what that fee is. And I understand if we appoint the building inspector there is a temporary increase in salary. He said but I don't understand why if we went with Linwood it would only be \$1,000. What is that person going to do? Davis, "What they have proposed is they would charge us 80% of plan review and 70% of inspection fees. Actually, with Linwood, it would be revenue positive because for minor things they wouldn't charge us anything." Voss asked but in terms of duties, is it a matter of them just putting final approval on what the building inspector sees? Davis, "He would anticipate that they would just be there to sign off on the things that we as a staff cannot sign off on without a designated building official." Voss asked are they full-time at Linwood? Davis, "No, I think he is 20 hours." Voss asked is it certain days he would be here? Davis, "That would be worked out. I wouldn't anticipate we would be calling on them for many inspections or plan reviews." Voss said his question is as a resident that is asking the city for these services, is it going to be delayed? Davis, "There may be a few delays on an interim basis. It would be a matter of coordinating his schedule. I wouldn't anticipate lengthy delays."

Boyer asked how long do you anticipate it would take for staff to develop the position description as discussed? Could we call a Special Council meeting to move the process forward? Davis, "I could have it done if you wanted to call a special meeting for next Wednesday." Moegerle, "I am concerned, because, from what Ady Voltedge told us, code

enforcement is very important. And, if we don't have good enforcement in the summer months, it is very hard to get done in the winter months because so much of it gets covered over. As much as I think it is important to have an interim building official, I think it is important to have code enforcement throughout. So, if we appoint our current building inspector as interim building official, how effective are we going to be on code enforcement during these important two summer months?" Davis, "We are not going to be effective on code enforcement until we have two people in that office. One of the things we could do is hire someone just to do code enforcement. Yesterday, I took two calls for barking dogs, one call for someone doing landscaping in their yard and three other calls for code enforcement." Boyer said you mentioned that the Linwood person is working 20 hours a week, maybe we could approach them and see if he could work 10-15 hours a week doing code enforcement. Voss said but then there would be a cost.

Moegerle, "She has heard from Oak Grove and their experience about contracting. Once you get them in and into our environment, accustomed to what we are doing, we have spent a lot of time and money and haven't gotten much done outside of the building. From what I understand, our building inspector has been taking the Linwood building official around for his 10 septic inspections. So I have a concern that if we appoint their building official as our building official how that dynamic is going to work. Since our building inspector has been training their building official to do his septic inspections. There is no easy answer to this. Because again, I think we can't overlook code enforcement."

Voss said to me what is important is not to thin out our ability to provide services. Which means we need to get a permanent building official in here as soon as possible. Voss said if we were to use the Linwood building official, that would satisfy the statutory requirements granted all the certifications are not there, but they are between the two of them. He said and now the building inspector's time is really not diluted. When we do get in the process of hiring the building official, assuming our current building inspector is going to be applying, then it is more of an open process. Voss said in terms of the whole hiring process, it helps with that.

Davis, "Mark and I discussed this earlier and one of the issues of appointing an existing employee as an interim employee is it puts them at an altered employment status. And should the city decide they need to go with other personnel to fill that position then that employee could be left without a position. Lawrence, "The concern he has is Linwood is not yet qualified. I think our only real option available is to contract with an outside company. It would cover the qualification aspect." Voss said we will have the qualifications within city staff to do that. Davis, "Our current building inspector has this certification." DeRoche, "We are coming to the situation where our building official didn't have this certification and our building inspector did, correct?" Voss said the interim is not going to be any different than what we just had, right? The only difference is we are on the path to hire a building official that will have that certification. Boyer said most cities have not had exactly stellar experiences with contracting with these firms.

Moegerle, "Here is my concern. If we get in someone new, basically the building inspector is going to be in the position of advising the interim all about the nuances of a particular situation. We recently cut the inspector's salary by 20% because there wasn't any work. On the other hand, I also see (as a practical matter), day to day, he is going to have some responsibilities if we go with someone outside of him, to help train the interim person. Should part of the discussion be "do we give part of that 20% we cut back in recognition of the duties and responsibilities of training in whoever we get?" Voss said he doesn't see him

training him in. We have gone three months with just the building inspector just doing it all. Voss said if we had a choice, and didn't have to meet the statute, I would just keep going like this until we hired someone.

Emmanuel Sackey, Building Inspector with the City of East Bethel introduced himself. Moegerle, "If we get an interim building official, say from Linwood or a contractor, what kind of responsibilities will you have to get them accustomed to how East Bethel handles its matters?" Sackey, "The job description will change. According to the city ordinance there are a lot of responsibilities that the building official carries. He needs to be here for a lot of different things. He needs to make a lot of decisions. If he is in Linwood or Rosemount, making those decisions will be, it will create a bottle neck. You will have permits waiting to go out. Before a permit can go out of this building it needs to be signed by the zoning administrator and building official. So if you apply for a deck permit, I can do the plan review, but I won't be able to issue the permit until he comes in and signs it. If a resident walks in here and has a complaint the building official is responsible for enforcing the ordinance. I cannot make a decision. It will create a bottleneck. There is a lot to do in the city. We do the septic inspections, which includes monitoring the systems, pumping every three years (they get those letters from me), system upgrades, and we keep data of everything we do. Code enforcement, we get a lot of complaints in the summer months. It slows down during the winter time. Building department, it falls under two categories, commercial and residential. In licensing with the state, a Limited Building Official can only do residential."

Moegerle, "Are you a certified building official?" Sackey, "Yes, I have been certified for over 15 years in the State of Minnesota." Moegerle, "When was the last time you did commercial plan review?" Sackey, "I did the plan review for Cemstone, Theatre, Fire Station, City Hall Addition, Water and Sewer Treatment Plant and Aggressive Hydraulics." Voss asked in the time our Building Official has been on leave you have been able to sign all permits? Sackey, "Yes.". Voss asked the city attorney, what will happen if we don't appoint a building official? Vierling, " You would probably have some regulatory action by the Department of Administration. You don't want to get in that position with the state." Voss said in no way is he interested in bringing in an outside contractor. Sackey, "The way contracting works, if you certify with the State of Minnesota and you run a private business, you can have people work underneath your license that are not licensed."

Voss said he doesn't see a lot of downside in having the Linwood building official serve as the interim building official and we get response time set down. DeRoche, "And it is a real temporary basis." Davis, "If there is no concern about certification then we would have a much better chance of success working with Linwood than a private contractor." Moegerle, "The problem I have with it is the greatest concern that some of us had here, was our building official was to have his certification years ago. Now what we are doing is saying "Our interim is going to be someone that is not completely certified." This was someone we all knew and liked." DeRoche, "This is temporary. If we were going to hire someone full-time that didn't have his certification, that would be different."

Voss made a motion to authorize the City Administrator to work with Linwood Township to work out an agreement to contract with their Building Official and work out arrangement on response time. DeRoche seconded. Moegerle and Lawrence, nay; Boyer, DeRoche and Lawrence, aye; motion carries.

Boyer made a motion to set a special meeting for Wednesday, June 13, 2012 at 5:00 pm to approve a job description and advertisement for a building official. Voss seconded;

all in favor, motion carries.City Billboard
Sign

Davis explained that Since 2006 the City Billboard at the intersection of Viking Boulevard and Hwy. 65 has experienced severe wind damage in May of 2007 at repair cost of \$639, February 2008 at a repair cost of \$4,788 and October 2010 at a repair cost of \$5,038. In the previous two instances the acrylic panels have been blown out and the electrical system of the sign has been severely damaged. Even though insurance covered the repair costs in 2008 and 2010, there was a \$1,000 deductible charge for each of these claims. The estimate to repair the current damage is \$3,890 plus any electrical work that may be required.

The current sign's design makes it vulnerable to damage from high winds and significant rainfall events and the damage done by the storm of May 27, 2012 will not be the last of these claims. The other problems, aside from the damage issues associated with the current sign, are the need for manually changing the messages and the limits as to the number messages and the space devoted to their display. There is also a safety and a manpower resource issue with assigning personnel to physically change each and every message that is displayed on the board.

Due to the limitations of the current billboard and its continued susceptibility to storm damage, an electronic reader board would be a preferred option. The reader board could be designed to be more aesthetically pleasing than the existing billboard and have the ability to display multiple messages in real time. The reader board would be less likely to be suffer storm damage and could be remotely controlled and programmed from City Hall, enabling instant message changing and eliminating the need for at least 2 to 2 1/2 man hours of staff time for each and every message change.

Should Council determine that a reader board is the accepted alternative for the replacement of the billboard sign, the City sign ordinance would need to be amended to exempt public signs from conditions of the ordinance. Our City Attorney has indicated that many cities in drafting code provisions distinguish and differentiate public signage from commercial or private signage. We could consider defining "public signage" as that owned and maintained by the city for directing the public to city owned facilities or for publicizing information for local government announcements, public services or other matters of civic interest. Most cities generally have one such sign for community notices and an ordinance revision may need to include this as a consideration. Even though this may be construed by others to be a double standard as to the application of the ordinance, there is a separate and unique distinction between a public sign that is intended for disseminating matters of City interest as opposed to a private sign meant for advertising or sale purposes.

There is no lease on the property where the existing sign is located. Ms. Ardis Hoffman owns the property and has indicated she would be willing to sign a lease for a new sign. Regardless of the decision on replacement of the existing sign, it would be advisable to enter into a lease agreement with Ms. Hoffman if a sign is to remain at this location.

The cost of a new reader board with architectural amenities is estimated to be in the \$75,000 to \$100,000 range. There is currently \$50,000 in the 2012 EDA budget and a preliminary request for \$45,000 for 2013 EDA budget for a reader board sign. If approval is granted by City Council to replace the existing sign with a new reader board an inter-fund no interest loan can be extended from our HRA account to cover those costs of the sign above \$50,000. The balance would be repaid from the 2013 EDA budget.

The East Bethel Seniors have pledged \$5,000 toward a reader board and the City has filed a claim with the LMC for the damages to the sign. The amount of the claim payment from the League is pending their approval of the repair estimates and is subject to a \$1,000 deductible. This proposal will be submitted to the EDA at their June 27, 2012 meeting for their recommendation.

Staff is requesting approval from City Council to solicit designs and proposals to replace the existing billboard sign with a reader board to be located at the current location of Viking Boulevard and Hwy. 65.

Voss said it will reduce risk because you will not have staff climbing ladders. Moegerle, "And we will also be saving labor time."

Moegerle made a motion to direct staff to solicit designs and proposals to replace the existing billboard sign with a reader board to be located at the current location of Viking Boulevard and Hwy. 65 and continue working with Ms. Hoffman regarding a lease agreement for the sign location. Lawrence seconded.

Voss asked we are going to get the repairs estimated? We don't have to use it to repair? Davis, "That is correct." Voss said the motion to get proposals. Are we going to get architectural designs? Davis, "We will get proposals from a couple companies." DeRoche, "Have we looked at others?" Davis, "This is just an example of what one can look like. We will contact other companies." Boyer said I don't mind you contacting companies to see what these cost. But I think we have other things that we should be using EDA money for. Such as contacting land owners. Voss said he thinks Ham Lake got to \$60,000 in fundraising. The business community was directly involved. DeRoche, "I agree we need a sign, but have a hard time spending \$100,000 on a sign." Moegerle, "We can also contact the Lions and Lioness to see if they will donate again like they did for the current sign." **All in favor, motion carries.**

Council
Reports –
DeRoche

DeRoche, "The Fire Department has been busy. They went up and dealt with the Sartell fire. Good training for our guys. I expressed my concerns about the lakes. Ask that people if going to be moving your boat around, clean it. Did attend the Hilly Billy Hoedown,"

Council
Reports –
Moegerle

Moegerle, "I did contact the editor of St. Francis Courier and I said, "I see articles from St. Francis, Bethel, and others, why are there no articles in there about East Bethel." And the answer was "All you have to do is submit them by the 15th of the month." We can do a column from the Mayor or City Administrator. It seems to me an excellent way to get some information, a brief summary as part of our communications. I don't think there is a cost to it. I have done some more reading and research on EDA, mainly on water parks and conference centers and whether we are far enough from Valley Fair to draw from."

Council
Reports –
Lawrence

Lawrence, "Been to so many quick little meetings. GRE is almost wrapped up. Water Tower is going to be getting letters."

Closed
Session –
GRE
Settlement

Vierling explained that for the benefit of the public and the public record, Council has recommended we go into closed session per Minnesota Statute 13D regarding a matter of litigation, Great River Energy (GRE) vs. the City of East Bethel, District Court File # 02-CV-115638. After the closed session, Council will return into open session to announce any

motions or actions.

DeRoche made a motion to go into closed session to discuss Great River Energy vs. the City of East Bethel. Moegerle seconded. Boyer, nay; DeRoche, Lawrence, Moegerle and Voss, aye; motion carries.

Vierling explained the Council has concluded the closed session dealing with Great River Energy vs. the City of East Bethel. Attending were special Counsel Jim Strommen, Council Member DeRoche, Council Member Voss, Council Member Moegerle and Mayor Lawrence. There was no participation by Council Member Boyer. Also attending were Jack Davis, City Administrator and myself, City Attorney. Council got input but no vote was taken.

DeRoche made a motion to direct litigation legal counsel and the city administrator to finalize the settlement agreement and mutual release consistent with the direction provided by this Council in closed session and give authority to the Mayor and city administrator to enter into such agreement if legal counsel and the city administrator approve the agreement consistent with our direction. Moegerle seconded; all in favor, motion carries.

Adjourn

Voss made a motion to adjourn at 10:19 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk