

EAST BETHEL CITY COUNCIL MEETING

APRIL 6, 2016

The East Bethel City Council met on April 6, 2016, at 7:00 p.m. for the regular City Council meeting at City Hall.

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

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

1.0 The April 6, 2016, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

Call to Order

2.0 The Pledge of Allegiance was recited.

Pledge of Allegiance

3.0 **Harrington stated I'll make a motion to adopt tonight's agenda. Under the Consent Agenda, I'd like to add Item F., Supplemental Payment Summary. Koller stated I'll second. Voss asked any discussion? All in favor of the motion say aye? All in favor. Voss asked any opposed? That motion passes. Motion passes unanimously.**

4.0 Davis stated the City Council is being requested to adopt Resolution 2016-17, accepting the 2015 Annual Financial Report and Annual Auditor's Report

4.0A.

2015 Audit Presentation Res. 2016-17 The 2015 Annual Financial Report (AFR) has been prepared, audited, and will be presented by Kevin Knopik with Abdo Eick & Meyers, our City auditors.

Accept 2015

Audit Upon completion of the City Auditors report, staff recommends adoption of Resolution 2016-17, accepting the 2015 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2015 and direction to submit the report to the State Auditor. At this time, Kevin Kanopik will present the financial audit.

Knopik stated thank you Jack. Like Jack said, my name is Kevin Kanopik from the audit firm Abdo Eick & Meyers and we completed the 2015 audit for the City of East Bethel. There should be two documents in front of you. One is the audit and financial statements and the other one is the management letter. I will be focusing in on the management letter as that gives an overview of the audited financial statements. Feel free to stop me with any questions as I go and I'd be happy to answer any questions you have at the completion of my briefing as well.

Knopik stated so starting with Page 1 of the management letter, we issued an unmodified opinion for the City's financial statements This is an opinion you're looking for with the audit. It's a clean opinion meaning we ran into no issues or anything that would hamper us from issuing an opinion in the audit statements for the City.

Knopik stated with our opinion that says we're giving our opinion that statements are free from any material misstatement. What that means is that our opinion is based on the numbers in that report will not mislead any outside financial statement users.

4.0A. Knopik stated as part of our audit, we also look at internal controls for the City. We look at

how disbursements are handled, how receipts are processed, and how payroll and utility billing is handled at the City to make sure those internal controls are properly segregated. We found no issues that we felt the need to communicate to the Council.

Knopik stated on Page 2, there's a paragraph about compliance. The OSA (Office of the State Auditor) requires us to look at seven main areas of compliance for the City. Through our testing we found no areas of concern or noncompliance with the City. The rest of Page 2, Page 3, and, some general wording that we're required to put in there. Nothing major to hit on there. Starting on Page 4 we start looking at the General Fund operations. I may jump to Page 5 as that gives a little bit more of a better representation. The top of the page we look at the General Fund, fund balance for the previous five years and also the General Fund budget for the past five years. In the far right column, you can see that we calculate the percent of fund balance as percent of the next year's budget. So you can see the ending fund balance in 2015 is 52.8% of the next year's budget. That means you can cover over half of the 2016 budget expenditures if you just use your entire fund balance. The City has a policy to make sure that the percentage is above 40% really to just meet the operating needs of the City until that first tax settlement payment is received in late June or early July. So, very healthy fund balance for the City and well within the City's Fund Balance Policy.

Knopik stated on Page 6 we look at the General Fund operations compared to the final budget amounts. In the far right column you can see that total revenues were favorable, coming in over budget by \$193,000 and expenditures also came in favorably being under budget by about \$114,000. With revenue, almost every category of revenues are over budget, meaning taxes came in over budget, intergovernmental revenue, charges for services, all came in over budget.

Knopik stated expenditures, all expenditures primarily were under budget, meaning you've got your general government, public works, culture and rec were all under budget except for public safety, which was over budget by just under \$15,000.

Knopik stated jumping to Page 7, we look at the revenue of the General Fund for the past three years. In the percent of total column, you can see that the majority of the revenue in the General Fund does come from the property tax levy. Very common revenue source for all cities This kind of gives you an idea of where the trends have been in that revenue for the General Fund. Overall, the revenues have stayed fairly consistent, not much fluctuation in those revenues.

Knopik stated on Page 8 we look at the expenditures for the General Fund, again, for the past three years. We have the percent of total so you can see the percent of what the City's spending by program. Then we also calculated it on per capita amount and then also a peer group per capita. What that is, is per capita, is what you're, how much you're spending per pupil in the City on general government, for example. Then we calculate that peer group average for cities of similar population from 10,000 to 20,000 just to kind of give a reference to see what other cities of similar size, where their money is going. You can see that in almost all categories that the City is well under what cities of similar populations are spending.

Knopik stated on Page 9 the top graph shows the special revenues of the City. Nothing much to note there. The bottom table shows the capital projects of the City. With all the increases and then decreases in these funds, basically this comes down to the plan. The increases are for plan reserves, savings for future capital improvements or projects. And,

the decreases are usually planned for using those reserves for current year capital acquisitions and projects.

Knopik stated Page 10 we look at the Debt Service Funds for the City. Very healthy in all funds. You can see that the total assets and cash is sufficient to cover that debt service payments coming up, with the bond chart kind of giving you an idea of where those principal and interest payments on the dollar amount in the upcoming five years, where those levels are at.

Knopik stated on Page 11 we start looking at the enterprise funds of the City. On Page 11 we look at the Water Fund. On the top graph, just like to point out that the blue bars above the gray bar, what that means is that the operating receipts for the Water Fund have been covering the operating disbursements, costs, for that Fund for the past four years. So meaning that the Fund is operating and self sustaining as far as an operating standpoint. So then you can see on the graph below, the cash balance has significantly increased since 2012 even though still at a deficit, about a negative \$63,000. The fund is definitely going in the right direction. Essentially, that fund has been borrowing from other funds to operate with that deficit cash balance.

Knopik stated on Page 12 we look at the Sewer Fund. Pretty similar, kind of, with the Water Fund where the operating receipts have been sufficient to cover the operating costs three out of the past three years. You can see that the cash balance has increased quite significantly since 2012. So the fund's definitely going in the right direction, getting the cash balance back up to a healthy level.

Knopik stated Page 13, looking at the Ice Arena. Again, the blue bar is above the gray bar so the operating receipts are covering the operating costs for the Ice Arena. Again, you see the corresponding increase in cash in that fund, meaning that same, all that can be used for future capital needs and needs that go into the Ice Arena.

Knopik stated Page 14, it calculates some ratios for the City. The blue line is the City of East Bethel and that red line is a peer group average. As I mentioned before, so cities of similar population rates from 10,000 to 20,000. A couple ones I like to point out is that per capita you can see that East Bethel was about \$1,800 per person in 2015. You have to look at 2014 for a comparative because we don't have all the 2015 data year for the cities. You can see that ratio is below other cities of similar population.

Knopik stated the other one I like to point out is the one right below it, the taxes per capita. Again, you can see that has been increasing upward over the past four years. But still, looking, kind of this as a comparison to what is under that taxes per capita for cities of a similar size.

Knopik stated I just want to mention that the rest of the management letter, starting on Page 15, we have some GASB standards that are going to be required to be implemented in future years. Just want to point to those. If you hear those terminologies floating around of a new GASB standard, that this would be a reference for what that standard means. When these comes due, our firm is always researching these new standards and will work with Mike and other City staff to make sure that they get implemented properly and timely. That is what I wanted to touch base on. If there are any questions on what I went over, or any questions about the audit, I'd be happy to answer those as well.

Voss stated just a question, an observation question. I lost the page but when we look at our funds, our funds are continually increasing over the last four years. The Arena Fund, the Sewer Fund, the Water Fund. The cash balance is going down on, or the debt is going down in the Sewer Fund. But yet, when you look at the stats for the debt to asset ratio, we're well below what you're saying as average? The numbers in the red for cities from 10,000 to 20,000? Kanopik stated so if you're looking at the debt per capita, that, an important note there says your governmental debt does not include your sewer debt. On your debt they have issued for other purposes such as streets and what not. Voss stated okay.

Knopik stated so your debt per capita, what that debt per capita means is so per person in the City of East Bethel it's about \$1,800 per person relates to debt. In other cities, that number as of 2014 is just under \$2,400. So the amount that you're having to levy, charge to pay for that debt that the City of East Bethel has issued, is below that peer group average. Again, it's really a comparison tool. The range is from 10,000 to 20,000. East Bethel's on that lower range of just being over 10,000 in population so it does include cities upwards of almost 20,000. Again, every city kind of has its own specific needs on what projects they have to fund and how they went about funding those projects. So, it's really just a comparison tool to kind of look at and see if anything 'jumps out' and just ask some questions to see if there's any possible improvements that can be made regarding any of those.

Voss stated okay, any other questions? Nice to have another good report. Kanopik stated very good. Went very smooth on our end. City staff's real cooperative, timely with responding to our questions and providing us with information. So, the audit goes really smooth on our end. It's a compliment to Jack and Mike and the other staff to help us get this audit out timely and in a good manner. Voss stated okay thank you. Knopik stated thank you.

Voss stated we have a resolution before us with regard to the annual financial report. Davis stated yes, Resolution 2016-17. **Ronning stated move to adopt Resolution 2016-17, which formally accepts and adopts the 2015 annual financial report and directs submission of said report to the State Auditor. Harrington stated I'll second.** Voss asked discussion? Hearing none, all in favor to the motion say aye? **All in favor.** Voss asked opposed? That motion passes. **Motion passes unanimously.** Voss stated thank you. Kanopik stated thank you, we appreciate your business and this opportunity to perform your audit. The Council thanked Mr. Knopik.

Voss stated before we go any further, if anyone's noticed, the screens are down. We've got minor technical difficulties so the agendas aren't posted. There is an agenda on the table in front if you do want to see.

**5.0
Public
Forum**

Voss asked anyone, there's one person that's signed up tonight to speak at Public Forum. Dave Krepis, got that right? If you could state your name and address please.

**CST
Comments**

Dave Krepis, 23050 Gopher Drive NE, stated telephone number is 763.434.0924. I'm here to talk about the CST Trucking operation that's going to be going up on the north end of town here on 237th and 65. Everybody knows that. I'm going to talk a little bit on the business end of the deal there. I'm a retired plumber from Gilbert Mechanical in the cities here. Talk about a couple things. I'm going to go from the business end of this situation here a little bit. I'm just going to say if you put this trucking operation in up here and

5.0

**Public
Forum**CST
Comments

you're looking for future profit in this business community, industrial district, up here, and I'm a business owner, I'm going to come in, say I own a medical device company here, that's what we're looking for is good paying jobs, good clean paying jobs, and I'm coming up here to look for property, and I'm going to have to drive through this property with muddy roads, rocks, and dodge trucks, you think somebody's going to come up here and open a business like that up here? That's part of my situation here.

Krepis stated if I do, I'm looking at it from the mechanical side of this thing. This thing's going to create a lot of dust, vibration, noise. The number one thing I'm going to think about if I'm an employer is getting my workers to work on time. Are they going to constantly be late? Can they get into the thing here without dodging trucks, rocks, and trouble on this thing here, this situation. I'll look at it from a building standpoint as far as the mechanics of a building. Every building has rooftop units, every building has air handling units on it. If you're going to get the south and the west winds coming from this property here, with the size of this operation being about 1.5 football fields, 25 feet high, it's going to create dust. It's going to create vibration. It's going to create noise, running 24 hours a day, 6 days a week. Are we going to attract the kind of business that the City needs? Looking for five to ten people per acre for good paying jobs in the City so we can have some legitimate jobs.

Krepis stated if you're looking for this operation, I was in the plumbing industry, handled everything from installation to service on roof top units, plumbing, anything involved to do with this stuff. If you're going to look at this thing, if you're going to create dust in these units, everybody knows that somebody's got to clean it, somebody's got to change filters, somebody has to change the belts. Air conditioning units are going to get plugged with dust, mulch. If you ever open one of those units up there, they get full of stuff and when moisture gets in there, the stuff builds up and things rust. So, say you get 20 years out of a roof top unit for a big business of 40,000 square foot business up there, those roof top units can cost hundreds of thousands of dollars to replace. It's nothing cheap. So then you've got 20 years you're going to get out of an operating unit. You could drop it down to 10 to 15 years. This is how businesses are going to look for with their engineering and architectural part of it if they come out here and see this property. They're not going to want to drive through this and they're not going to want to see this.

Krepis stated so you're going to have increased service costs on your material, on your roof top units, your air handling units. You're going to worry about the quality of the air for your employees. You're not going to get clean rooms out here, like County Well, any kind of dialysis clinics, medical clinics that operate in this area. You're not going to get these jobs out here.

Krepis stated so say your unit goes out after ten years. To replace a unit on top of a building that size is going to take a crane and probably six guys that's going to work on weekends. It's going to cost thousands of dollars for that business to try and improve their business here, or try to get their operating expense in there. Everybody has a budget, just like you're talking about. Is a businesses' budget going to decrease on seeing something like this? Are they going to come around and say, 'I only got ten years out of my roof top unit?' They're not small units.

Krepis stated and also I'd like to talk real quick. There's more that I'd like to talk about but I'm going to say something too about, that's approximately 240 acres. If you had five to ten employees per acre, that's available for that Light Industrial area up there, that's close to

Public Forum

700-800 employees. You're only going to have 70, approximately, at CST. There's nobody from Eat Bethel that's going to work for this business. If you get other industries in here, you're going to get good paying jobs for the City.

CST

Comments

Krepis stated also, with the end of it, you've got approximately 100 acres of R-1, could be possibly high density housing in there, at six units per acre approximately. If you're going to have a home builder come out here and say, 'What's my profit going to be per unit on this property out here? Can I sell my houses out here?' And seeing this plant running six days a week, 24 hours a day. How is this person going to come out, put a bid on a property, if they don't know if they're going to make a profit on price per unit? If they can sell them?

Krepis stated so that's my concern today. I know there's a lot more we can talk about. You wanted to keep it short but my concern is this company has absolutely no positive aspect on the City. You'll never be able to increase your infrastructure and you won't get sewer up here. You won't get water up here. You've got to get good quality, high-paying jobs up here. That just doesn't do it. You're not going to attract anything but scrap yards and junk yards up here. Cement trucks. There's no jobs in that. So that's my point and I'll just let, if anybody else wants to say anything, or if you have any questions or comments. So, I'll let you go. Or, do you want to talk about it some more

Voss stated no, thank you, no, that's good input for the City. It's more information for us to absorb. Krepis stated it does cover so many aspects (*inaudible*) in that building. It's hard to keep clean. Just a lot of increased cost for the building owner.

Mundle asked have you sent a letter to Jack stating some of these things? Just for his record? Krepis stated no I haven't. I've only known about this for a week and a half and this is my first time speaking or coming to a meeting so I just thought I'd throw a different aspect into this thing as far as getting some kind of business into the City. Mundle stated no, that's great. Would you be able to just jot down some of the main topics that you talked about and e-mail it to Jack? Krepis stated sure, absolutely. Mundle stated so he would have that? Krepis stated yeah. Mundle stated I would appreciate that. Thank you. Krepis stated thank you. The Council thanked Mr. Krepis.

Voss stated Dave was the only person that signed up. Is there anyone else here tonight that preferably hasn't spoken or at least not on the same subject, that wants to speak at Public Forum tonight? Okay, with that we'll close the Public Forum.

6.0 Consent Agenda

Item A Approve Bills

~~Item B March 16, 2016, Council Meeting Minutes~~

This item was removed from the Consent Agenda.

Item C March 23, 2016, Council Special Meeting Minutes

Meeting minutes from the March 23, 2016, City Council Special Meeting are attached for your review.

Item D March 23, 2016, Council Work Meeting Minutes

Meeting minutes from the March 23, 2016, City Council Work Meeting are attached for your review.

6.0

Item E Consider Adoption of Res. 2016-18, Establishing Municipal State Aid

Streets and Res. 2016-19, Revoking Municipal State Aid Streets

The final Council approved alignment of the west Trunk Highway 65 Service Road from 187th Lane to Viking Boulevard is shown on Exhibit 1. The original alignment, which is shown on Exhibit 2, directed traffic to Jackson Street instead of Viking Boulevard. In order to use municipal state aid funds on this project, the original route needs to be removed from the state aid roads system and the new route needs to be added to the system. Attached Resolution 2016-18 summarizes the street alignment to be added to the state aid system and Resolution 2016-19 summarizes the street alignment to be removed from the state aid system.

A copy of Resolution 2016-18, Establishing Municipal State Aid Streets and Resolution 2016-19, Revoking Municipal State Aid Streets are attached. These resolutions need to be approved by the City Council and forwarded to Mn/DOT to complete the process.

Item F Supplemental Payment Summary

Harrington stated I'll make a adopt tonight's Consent Agenda. Mundle stated I'll second. I'd like to pull Item B. Harrington asked is that B? Mundle stated Item B as in boy. Voss stated okay, anything else? So Brian, you seconded with pulling it? Mundle stated yes, I seconded it. Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

6.0B
March 16,
2016, Council
Meeting
Minutes

Mundle stated Item B would be the March 16 City Council Minutes. First page, title, is 'Bethel City Council Meeting.' Should have an 'East' in there. Voss stated East Bethel, yeah. Mundle stated 'East Bethel Council Meeting,' that's the only change I had. Voss asked is that a motion? **Mundle stated** if there's no others, **I'll make a motion to approve Item B, City Council Minutes from March 16th.** **Koller stated I'll second.** Voss stated motion made and seconded. Any other discussion? All in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

**7.0
New Business**

Commission, Association and Task Force Reports

7.0A
Planning
Commission
7.0A.1
Sauter's
Comm. Pk.
2nd Addition
Final Plat &
Developer's
Agreement

Davis presented the staff report, indicating the Council is asked to consider the Final Plat, Sauter's Commercial Park 2nd Addition, at 1052 189th St NE East Bethel MN 55011.

At the March 22, 2016 meeting, the Planning Commission approved the Final Plat for Sauter's Commercial Park 2nd Addition.

This property is zoned Light Industrial. The PIN for this parcel is 32-033-23-22-0002 and the owner is T & G Land, Inc. The applicant has completed all the requirements of platting as required in the City Subdivision Ordinance Chapter 66 including:

- All changes recommended by the City Engineer have been made on the Preliminary Plat.
- The Applicant submitted a Joint Application for Activities affecting Water Resources. A wetland delineation was completed and found there would be no impact to existing wetlands.
- Lot 1, Block 2, will remain a single -family residence at this time
- The applicant has included the dedication of the right-of-way for the future extension of Buchanan Street and 189th Avenue in the Final Plat.
- A Developer's Agreement has been drafted and was sent under separate cover as a

7.0A.1

revised amendment.

Staff recommends City Council consider approval of the Final Plat and the Developer's Agreement.

Harrington stated I'll make a motion for approval of the Final Plat and Developer's Agreement for Sauter's Commercial Park 2nd Addition. Ronning stated I'll second. Voss asked any discussion, questions? Voss stated we got e-mailed today a revised Developer's Agreement. Davis stated that should have been sent to you last Friday. Mundle stated yes it was Friday. Voss stated okay. Previous to tonight, we got sent it. So, with the motion as made, it was **with the revised Developer's Agreement?** Davis replied correct. Voss stated okay, just want to make sure that's clear.

Mundle stated I do have some questions on the red-lined, I'll have to bring it up here. It would be under #4, Development Plans, 4b. Certificate of Survey and Grading Plan. Grading Plan was redlined. Was that because it was included as part of #8? Davis answered yes, their Certificate of Survey and Grading Plan are two separate documents. Mundle stated yes, and so you just separated it from that section? Davis stated correct. Mundle stated okay.

Mundle stated 5c, where it states, 'Lot 1, Block 2, shall remain a single-family home at this time.' Would that structure now become a legal non-conforming structure? Or, would that still be residential? Davis stated it's zoned Light Industrial currently, that whole plat is. Even that one lot is still zoned Light Industrial. Mundle stated okay, so if, when in the future that somebody wants to come in and do something with Lot 1, Block 2, then if they would have a Light Industrial venture, then they would just simply tear the house down and rebuild. Correct? Davis responded that's correct. Mundle asked okay, and if the house itself burns down and the owner wants to rebuild, what happens then? Davis stated if it burns down more than 50% of its value, they cannot replace it. Mundle stated so the house right now is a legal non-conforming. Davis stated correct. Mundle stated okay.

Mundle stated 16-7, there's just a spelling typo. Second line: 'As required by the City shall notify he developer who shall have 30 days.' I'm guessing that should be 'the developer.' Okay? I checked out the clean copy and it was the same way. Davis stated okay.

Mundle stated and then question on 17 with Binding Effects and Covenants. Maybe it's more of a question for Mark. I've heard in the past with developments where lots of them went through bankruptcy, they went back to the bank, and covenants were able to be cleared off the property because they went through a bankruptcy and the bank no longer then had to abide by them. Is there any truth to that?

Vierling advised there have been occasions where a bankruptcy did occur whereby restrictive covenants have been voided. Keeping in mind, the bankruptcy court is a Federal court and has the authority over the State regulation. That's usually fairly rare. We don't see that except, unless there's a Chapter 11 reorganization where the property is being taken back and being ordered sold. So, fairly uncommon that happens.

Mundle stated okay, so the language that we have in there under 17, Binding Effect, that is pretty much the most that we can. Vierling advised from a State perspective, it's probably pretty much the best we can do. Mundle stated okay. That's all my questions.

Voss asked any other discussion? Hearing none, to the motion, all in favor say aye? **All in favor.** Voss asked any opposed? The motion passes. **Motion passes unanimously.**

7.0B
Economic
Development
Authority
7.0B.1
EDA
Strategic Plan
for Business
Recruitment
& Retention

Davis presented the staff report, indicating the Business Retention and Recruitment Plan is a document that outlines a broad strategy to address our efforts to recruit and retain business. This plan is a product of the discussions the EDA has conducted since July 2015. The EDA approved recommending City Council consider approval of this Plan.

There are 8 major components of the plan. These categories are not prioritized as their implementation will be, to a certain degree, concurrent and each piece a part of and dependent on the components as a whole to achieve their goal.

This plan provides direction for economic development priorities for 2016 and establishes goals for measurement of these activities.

Staff requests that City Council consider approval of the Plan for Business Retention and Recruitment.

Ronning stated move to approve the Plan for Business Retention and Recruitment as recommended by City staff. Mundle stated I'll second. Voss asked discussion?

Voss asked Jack, I know we had the discussion at EDA, but is it the intent to keep this draft? Because I know the intent was to review this annually. Davis stated this would be reviewed annually. This is the 2016 Plan. Voss stated okay. Davis stated at the end of 2016, we'll use it to measure achievement toward our goals and revise it accordingly for 2017.

Voss asked any further discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

7.0C
Park
Commission
7.0C.1
Sandhill
Crane Natural
Area Update

Davis presented the staff report, indicating City staff and Council Liaison Tim Harrington met with the Anoka County Parks, DNR, and MPCA to discuss the current status of the transfer of the School Trust Lands and grant funds for the Sandhill Crane Natural Area (SCNA) on Monday, March 21, 2016. The meeting was to update the agencies on the status of the Sandhill Crane Natural Area County lease for forestry management with the DNR and grant programs for public access. The Sandhill Crane Natural Area is a 570 acre natural area located around Ned and Deer Lakes that is owned and managed by the three public entities described above.

This management group met from 1999 to 2013 to plan for greater accessibility to the SCNA for the public. In 2013, the DNR Forestry Division presented a schedule to clear cut up to 80 acres of the School Trust Lands (those certain DNR lands statutorily designated and required to produce income for the State Education Fund) within the SCNA. The proposal was met with widespread opposition from City residents and the City, with invaluable support and assistance from Anoka County, the City was able to forestall the DNR's Forestry Division plans to clear cut the Trust Lands portion of the project area. As a result of the City/County action and with the cooperation of the MPCA and the DNR, additional meetings were held to address the transfer of the School Trust Land Designations from DNR properties in the SCNA and investigate funding to develop improved access to the site.

To temporarily address the transfer issue, the DNR Forestry Division entered into a lease with Anoka County to manage the School Trust Lands within the SCNA. The lease, executed in 2013, was for 3 years at \$5,000 per year and that lease expires at the end of this year. The permanent solution to the issue was a proposal to transfer the School Trust Land designation of the 80 acres within the SCNA to the Sand Dune State Forest (SDSF) in Sherburne County, thereby transferring the statutory requirement that School Trust Lands generate income to the DNR.

This transfer was never completed due to Sherburne County's opposition to this assignment within the Sand Dune State Forest. There is the possibility that the SCNA School Trust Land designation could be reassigned elsewhere in the State Forest System but until this is done there is still the possibility of some type of managed cutting within the SCNA. The options for resolving this continuing issue are:

- 1) Extend the County's Management Lease of the School Trust Lands within the SCNA
- 2) Complete the SCNA School Trust Land Designation to other forest areas within those lands managed by the DNR
- 3) Support the DNR's Non-forestry Division's funding request to the Legislature to purchase the School Trust Lands
- 4) Support legislation to prevent clear cutting of School Trust Lands with the seven-county Metro Area.

Should this issue not be resolved by lease extension or other actions by the Legislature, the School Trust Lands would be added back into a 10-year cut list. If this should occur, it would be 2018 before any cutting would be considered. We were informed by the DNR Wildlife Division and Anoka County Parks that clear cutting would probably not be considered as an option at this time. Any proposals for cutting would be selective and depending on the extent of the activity, could be beneficial.

We will continue to follow this matter closely and provide any action or information to Council.

As part of the discussion of the clear cut issue in 2013, the MPCA informed the group of a grant program, the Natural Resources Damage (NRD) Fund, which manages monies generated through the State's Landfill Cleanup Insurance Recovery Effort for the purpose of mitigating natural resources damages near the locations where these incidents occurred. Due to the location of the former remediated East Bethel Landfill, which is located within a portion of and adjacent to the SCNA boundary, recovery funds were eligible to be applied within this site.

The City of East Bethel and Anoka County determined that the NRD Program could be a potentially suitable source of funding for the development of the area and the restoration of natural resources within the SCNA. As proposed, a Natural Resources Damages Grant would have been used for resource restoration, site access, and trail construction. A grant request of \$1,060,000 was proposed for the project and was to be 100% funded by the NRD Program. No City or County funds were to be required as a local share.

The proposed project was discussed and approved by the Council at their August 6, 2014, meeting. The grant proposal was submitted to the MPCA by Anoka County, as the applicant, on December 3, 2014.

7.0C.1
Sandhill
Crane Natural
Area Update

On July 27, 2015, the City was notified that the 2015 Legislature removed \$1 million from the NRDA portion of the remediation fund. As a result, they will not be able to entertain grant proposals until and unless new settlements provide revenue into the fund and a program for fund distribution is established.

The County and City will continue meeting to discuss our options for this project and potential for re-submittal of this or other grants. Prospects for the NRDA Grant funding do not appear to be optimistic at this time but the City, County, and DNR are seeking other program funding for this project.

Davis stated this is just a status report of where we are and what the result of our latest meetings with the County and DNR are in regard to the Sandhill Crane Natural Area.

Voss asked were there any potential upcoming issues that we're going to watch to make sure something doesn't sneak up on us again on this thing? Davis stated that's the thing that everybody's monitoring real closely. Is if there isn't a solution worked out for a permanent proposal for the School Trust Land Designations, this will fall back into a cut rotation. That's what the City and especially the County and the DNR Wildlife Division are going to be monitoring so if it does get put back on that list, we'll know the date and we can respond appropriately.

Voss asked is the County monitoring that? Who is? Davis stated actually the County is the one that's taken the biggest lead in this. They were extremely instrumental in effecting the first temporary solution to postponing the clear-cut by entering into a lease with the County for forestry management within the Sandhill Crane Natural Area. Hopefully, they'll be able to extend that lease at least for another term and maybe some things can be worked out in the Legislature to address this. Voss asked any questions? Okay, thanks Jack.

Informational; no action required at this time.

7.0D
Road
Commission

None.

8.0
Department
Reports

None.

8.0A
Community
Development

8.0B
Engineer

Davis stated Mr. Jochum is back with us tonight. Welcome back Craig. Voss stated welcome back. Davis stated Craig's going to give us an update on our 2016 projects underway and provide an overview of groundwater withdrawal and aquifers tapped by private and public users in the City.

8.0A.1
Project Report

Hydrology

City Engineer Jochum stated thanks Jack, Mr. Mayor, I'll start with the groundwater discussion. You should have a colored exhibit in front of you. I didn't know the projectors weren't going to be working. I do have a few extras left but maybe not enough.

Jochum stated so in general, I just want to discuss the hydrology, the stratifications of hydrology, or hydraulics in the City of East Bethel. This is mainly focused on the northern

8.0A.1

Project Report

Hydrology

end of the City and can vary, of course, throughout the City and throughout the State. But in general, in East Bethel, we have our glacial till we call it, that's the upper level, the sand/gravel/silt and clays type of materials that everyone's used to seeing when you dig your basement or what have you.

Jochum stated up in the northern end of the City, this is usually about 120 feet deep and there's generally most of the residential wells are in that layer. Typically, a well driller will try to find a seam of gravel in the glacial till and that's where the well goes. The next 80 feet is called the Tunnel City. That's mainly a shale, not very water bearing. You might see some wells on the top of that but generally not buried within the middle of the Tunnel City because it does not have much water capacity. It's kind of a confining layer for the Wanawake, which is the next aquifer. That next 100 feet is the sandstone in a higher water bearing type of aquifer. As you can see from the illustration, that is where City Well #2 is. That City well produces about 700 gallons per minute. That also is where the Cemstone well is, which is a little higher capacity well, which is just on the north end of the City.

Mundle asked where is City Well #2 located? Jochum stated that is within Whispering Aspens. Right by the Community Center. The new one put in 2011. Mundle asked the most recent one? Jochum answered correct. Mundle stated I think it's an 18-inch. Jochum stated correct.

Jochum stated then below that we have another, what we call a confining layer, mainly again shale. You won't see any wells in the Eau Claire, it's called. It's really confining the Wanawake from the Mt. Simon, which is another very high capacity, high bearing aquifer, which I think we've talked about in the past. It's no longer allowed to be tapped into. It's being saved for future generations. I think there are some exceptions to that if there's no other options. But before that restriction was put on, the City of East Bethel had their Well #1 in there and it's still in there. That is the aquifer often associated with higher Radium amounts, if you remember that. That's why we ended up drilling Well #2.

Mundle stated so Well #1 is the Whispering Aspen, Well #1. Jochum stated correct and Well #2 is basically Whispering Aspens well number, or, they're both in Whispering Aspens, 50 feet apart. Two different aquifers. Mundle stated yeah. Jochum stated so in general, that's my report. If you have any questions?

Voss stated you've got a second page on the attachment with the, an index. Jochum stated yeah, I guess it really doesn't mean much but I just thought as an illustration, it's kind of a GIS scatter point data of the wells within the City of East Bethel.

Koller asked how come there's wells out in the middle of Coon Lake? Jochum stated yeah, they're not always completely accurate. Voss stated it's a State run system, how's that. Jochum stated and there are some missing from time to time. I don't know if the well driller doesn't file his paperwork correctly, or whatever. Actually, I looked today and the City's Municipal Well #1 is missing. So, it's pretty accurate. It's got most of the wells, but it's not comprehensive.

Inaudible comments from the audience. Jochum stated our other wells are on there. *Additional inaudible comments from the audience.* Jochum stated yeah, that's what we do now. That's what we drilled the other well for instead of treatment.

Ronning asked can you comment whether those are stationary water fields or they're

8.0A.1 flowage? For like replacement and things? Jochum stated yeah, I guess I'm not an expert
Project Report on it but basically the two lower ones, the Wanawake and the Mt. Simon, they're
Hydrology replenished from distances away, not within East Bethel. That is a flowing aquifer.
Generally, the glacial till is from infiltration, lakes, wetlands, rain. But yeah, the two, the
Wanawalk and the Mr. Simon, are definitely flowing. The glacial will flow too, also, to low
areas typically. You'll see ground water gradients.

Roads Update Voss asked any other questions for Craig on the well information? Okay, then roads.

Jochum stated I have a handout with two sheets. Starting with this one, let's touch on this one quick. This is an illustration of the 2016 overlay projects. Nate and I are currently working on a plan set to develop to bring to Council within the next couple of weeks. These are the streets that he would like to look at possibly overlaying this year. In general, they're west of Durant and south of 213th Avenue. Those streets highlighted in red. But again, we're in the process of developing a more detailed plan that we'll bring to Council. This is part of the CIP Program that was approved last year. Voss stated okay.

Castle Towers Wastewater Treatment Decommission Project Jochum stated moving on from there, I'd like to touch on the Castle Towers Wastewater Treatment Decommissioning Project, which is the second exhibit. If you remember, last year when we left this project, staff was going to try to permit some sites closer to the facility for disposal of the biosolids. Through the permitting process and the testing, we determined we needed about 50 acres. We did get some positive response from the Wyatts who are directly across the street. So that's where we started. With the three fields they had available, you'll see those labeled on there 1 through 3, just on the east side of 65 on 241st. Unfortunately, Fields 1 and 2, which were the ones that had the availability this summer right after August 1st, they started out at about 35 acres. Through the permit process, those got cut down to 22 acres. They wanted a 600-foot separation from the neighborhood there of Castle Fields Mobile Home Park. So basically, we ended up with half of the acreage we need there. Then we did permit Field 3 just as a backup. That is not available until after November 1st. However, it is available until April 20th of this month.

Jochum stated so with that said, if you remember, last fall the City worked the biosolids. We dewatered as much as we could and then they worked it with a dozer and at that time, basically, it was still a liquid with some solids in it. You couldn't stand on it for sure, almost like water. So over the fall, or over the winter, it did drain fairly well. We had a backhoe go up there just today actually, and they dug some of the biosolids. They're standing on their own. I think they're already, not all of the pond but a big share of it, is already in a position where you could actually load it onto trucks now. Actually, you can go see that if you want to witness that. The excavations are still there.

Voss asked is that an invitation to all of us? Jochum stated if the gate's open. So kind of where that leaves us, I guess, is I would like to, I've been talking to several local contractors and they possibly could get some trucks and backhoes, and we would need a spreader too. We could possibly get some of the material out of there I guess by November 20th, April 20th, sorry. And if we don't go that route, then I guess we'll need to kind of rethink. Some of it could be done on Fields 1 and 2 in August. I guess we could take bids. But, we haven't gotten a lot of interest in the slurry-type pumper people. They have some interest but it sounds like it's going to be pretty expensive to do it that way. Probably in excess of \$100,000.

Jochum stated I guess one thing that staff has talked about is we would like to at least try a

8.0A.1

Project Report

Castle Towers

Wastewater

Treatment

Decommission

Project

day or two here of excavating and hauling and see if the material spreads and go from there.

Voss asked so these three fields are permitted now? Jochum stated correct but the limitation is the dates by the farmer. Voss stated and that's by the landowner, okay. Jochum stated yup. Voss asked so we're equipped to start this soon?

Davis stated what we would like to do, we're talking with several local contractors we could get to perform the work. What we'd like to do is select one and at least see what we can do and get as much material as we can out of there by April the 20th. We think that will facilitate and aid the rest of the drying of that. We won't be able to get it all and we just operate from the banks around the existing lagoon with a large excavator. Let them dig out as much as they can and this will give water another couple of paths to get out of there.

Davis stated in talking with Craig and with Nate, I think we all agree that we believe this will be the most economical way to do it. Then what we don't get out still has an opportunity to dry. There are some other alternate sites that we're looking at that could be used in Isanti County. We'll continue working to see if those are available but then if we can't, then we can do the July or the November application for the rest of this.

Jochum stated given how the material looked last fall, we didn't really even consider the April application because, like I said, it was a liquid. But, again, it's tremendously dried out from then.

Voss stated so if we do attempt to do this over the next couple of weeks, how do we handle procurement of the trucking? Do you have to bid it out? Davis stated that's the challenge. Our Procurement Policy, states we can do anything less than \$100,000 with three quotes. It wouldn't be anywhere near that cost. I don't even know if, we don't know if we can even get it in. We've still got road restrictions to deal with. From the City's standpoint, we could probably get a variance but we're still going to have to get, perhaps, on a County Road. That would have to be done plus we'd have to get at least three quotes from three different contractors before we can comply with our own Procurement Policy.

Voss asked so what direction are you looking for? Davis stated what I would like to do is have the opportunity to consult with three local contractors and get hourly prices for equipment, for excavator, and the necessary trucks to attempt to spread this provided we can get the other logistics worked out with road restrictions. And, try to get as much of this material out of there as we can prior to April the 20th. Considering today is April the 6th, we don't have much time. So, as far as expense goes, it's not going to be a hugely expensive item.

Voss asked do we have access agreements signed with the property owners already? Jochum stated I don't know that we technically have an 'agreement' but we have a verbal agreement that he's okay with this, spreading the material. Voss stated I think you want a written agreement. Vierling stated I would think so. We could have that ready and prepared to have the property owner sign it off on request. It's not going to be a big delay to get that. Jochum stated he's integrally involved in the permitting too. He's got to be notified.

Voss stated I'm not expecting it to be an issue but for something like this, I'd think you'd want, we're applying materials to someone's private property. Jochum stated sure. Voss asked is there any objections to the staff moving forward? Ronning asked do we need a

8.0A.1

motion for that? Vierling stated please. Davis answered yes.

Project Report

Castle Towers
Wastewater
Treatment
Decommission
Project

Ronning stated move to support the City Administrator moving forward with the decommissioning of the Wastewater Plant with the procedures discussed this evening and whatever resources and monies to deal with three local contractors. Koller stated I'll second. Voss asked any discussion? I pause when you say 'whatever resources necessary.' Jack just said it won't be over \$100,000, which I assumed. Ronning asked how much can you put into wastewater? Voss stated oh, I don't know. Ronning stated you can't take it home. Jochum stated I think we've come a long ways from our original bids that were almost \$300,000 just by dewatering. Voss stated just so staff understands it isn't a 'blank check' that Tom just wrote. Davis stated we completely understand that. Voss asked any other discussion? Hearing none, all in favor of the motion say aye? **Four in favor.** Voss asked any opposed? Mundle stated I abstain. Voss stated Brian abstains, motion passes. **Harrington, Koller, Ronning, and Voss-Aye; Mundle-Abstain, motion passes.**

Harrington stated Craig, I'd like to ask you one more question on this overlay. What are prices and blacktop being at low prices, is there consideration maybe doing a little bit more? As far as overlay on streets or some other streets? Jochum stated I'm not sure exactly of Nate's budget but we're already looking at excess of \$600,000. Harrington stated I know because oil is way down and I know blacktop is way down right now. Jochum stated right, yeah. That would be a consideration but again, I don't know how much the City's looking to spend this year. But we have been seeing fairly decent prices so far. Harrington stated thanks.

8.0C

None.

City Attorney

8.0D

None.

Finance

8.0E

None.

Public Works

8.0F

None.

Fire

Department

8.0G

Davis presented the staff report, indicating City Ordinance requires that snowmobiles in platted subdivisions must be ridden upon the most right hand lane of a City street and snowmobiles in unplatted subdivisions must be ridden on ditch bottoms or outside slope, or shoulder when necessary, of City streets.

City

Administrator

8.0G.1

Snowmobile

Ordinance

As there is a scattered mixture of platted and metes and bounds subdivisions in the City, the requirements of the Ordinance are confusing and don't provide a reasonable means of identifying the areas within City streets where snowmobiles can be operated.

City Council discussed this issue and directed staff to investigate the history of the City Ordinance. Staff performed a search and found a change was made to clarify an early Village Ordinance 44B in 2005. Even though the clarification provided a clear standard in terms of definition, it is not practical in its application in terms of the mix of the different types of subdivisions within the City.

Due to issues of inconsistency on the portion of the public right-of-way that snowmobiles can be legally operated and the difficulty of enforcement of the Ordinance as it is currently

written, staff proposes an amendment that would allow the operation of snowmobiles within the public right-of-way. This is included in Attachment 2 of your packet. There would no other changes proposed for the Ordinance at this time.

Staff recommends Council consider amending City Ordinance, Chapter 70, Article V, Section 70-141, as presented in Attachment 2.

Mundle stated make a motion to approve amending City Ordinance, Chapter 70, Article V, Section 70-141, as presented in Attachment 2. Koller stated I'll second. Voss asked discussion?

Mundle stated and so the City street right-of-way, that is the 33 feet from center line of road. Correct? Davis stated that is correct where that right-of-way is 66 feet. In some cases, it is 80 feet but for general purposes, most City rights-of-way are 66 feet wide, 33 feet from the centerline.

Ronning asked is this different in any way, shape, or form from what we discussed at the Work Meeting? Davis stated it is exactly what we discussed at the Work Meeting. Currently the existing Ordinance reads if you live in a platted subdivision, you can only ride in the street. You can't ride on the shoulders or the ditch bottoms or the out slopes. If you live in a metes and bounds subdivision, you can't ride in the street. You have to ride in the shoulder or the ditch bottoms or the out slopes. So, with no delineation as to what's what when you're on a snowmobile, it makes it very difficult to determine where you are and where you can ride. It makes enforcement almost impossible.

Voss stated I like it from the aspect it definitely simplifies, definitely simplifies. Any other discussion?

Mundle asked is there definition in our ordinance as what defines City street right-of-way? In case if anybody ever questions? Davis stated I don't know if there's a definition per se of 'City street right-of-way.' But it's defined, it's on all of our plats. So we do have a way of identifying that right-of-way width. Mundle stated okay. Voss stated it's the boulevard, as we used to call it around the City. Okay, any other discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

9.0 Other
9.0A
Staff Reports

Project
Updates

9.0A
Staff Reports

Pet Clinic
Report

Town Hall

Davis stated several little projects have been done since our last meeting. The automatic doors at City Hall, on the City Hall portion, have been installed and are now operable. The Senior Center doors will be finished tomorrow. The generator for City Hall was installed on Saturday. There's a few minor electrical things that have to be done and the gas line has to be connected to the generator. Once that's done, and it should be done next week, that will be fully operational. The cell tower is virtually complete with the exception of pulling some fiber and connecting that and there's some minor electrical and cleanup work. Once that's done then it's up to Verizon when they activate the tower. We're trying to find out a date so we can let everyone know on that.

Davis stated we had our City Pet Clinic this past Saturday and in spite of the weather, there were a large number of people there. It was well attended.

Davis stated I want to make mention too that our Town Hall meeting is April 19th at 6 o'clock. So, the first session will be at the Senior Center and if we can make arrangements

to record it and we have a large crowd, we'd like to probably have all of it at the Senior Center.

Voss asked are we going to decide that night? Davis stated we'll have to decide that night. I'm waiting now on the gentleman who's going to do the recording to see if he can be here. Voss stated okay.

CST Update Davis stated just a little update on CST. Staff will be submitting a letter to CST informing them that their application is not complete and we will be listing those items they'll have to address to get back to us. We'll also be issuing them a letter extending the review period another 60 days. So that's essentially what's happened with the CST project since Council met the last time.

Voss stated in previous discussion, we had anticipated it going to Planning on the 21st of April. Davis stated that would be the earliest it could go to Planning but I don't know. Voss stated with this communication, is the 21st still viable? Davis stated no. I don't think they'll be able to make the 21st. So it wouldn't be an actionable item at the Planning Commission meeting at this time. Voss stated okay. Davis stated there will be an update at the Planning Commission on where it stands but based on what they need to submit to us, they would have it in to us by the 18th. They won't get the letter, probably, maybe until Friday or Monday so they're not going to have time, I think, to respond to get everything on the Planning Commission.

Voss stated so for those residents interested, there's a possibility it may get deferred to the May meeting for Planning. But continue to look at the agenda that will be posted on the City website because that will tell you whether it's on April. And, that will come out the Friday before, right? Davis stated yes. Or, if anybody has any questions, just call City Hall and ask for me and I can keep you updated. Voss stated okay, anything else Jack? Davis stated that's it.

9.0B Council Report – Member Mundle Mundle stated EDA, talked a little bit about work the Strategic Plan that we just approved. EDA approved that, had a CST review. MNCAR Expo, we talked about that, about what we're going to be doing. And, it was decided to form a small committee as to how our booth should be set up and what we'd like to have at the booth, and etc., etc. So they will be meeting and reporting back

EDA Broadband Mtg. Mundle stated had a broadband meeting. Not much was, well, lots was discussed there but nothing really to tell. Just talked about some goals and what we'd like to see done. The meetings we've had so far, just kind of preliminary, 'Let's get together and chat about it.' We do have another one coming up next week, I believe, at City Hall.

URRWMO Mundle stated had an Upper Rum River WMO meeting on Monday. It was for planning the Management Plan, just an update on what MSA had accomplished so far. Essentially they had reached out, sent out letters for public input from different groups. They were still in the process of contacting some cities and getting feedback from them. So, that's about it.

Council Member Koller Koller stated I don't have anything.

Ronning stated I don't have anything

Council
Member
Harrington

Harrington stated the Fire Chief just wanted me to let everybody know that next week is Severe Weather Awareness Week. The sirens are going to go off next Thursday at 1:45 p.m. and 6:55 p.m. I know they went off today but they're going to go off again next week. And, that's all I've got.

Mayor Voss
Town Hall

Voss asked for the Town Hall Meeting, Mid-Continent is still planning to be there? Davis replied Mid-Continent is still planning to be there. Voss asked are they still planning to bring a map of coverage? Davis stated that's what they're scheduled to do. Voss stated good. Davis stated and also Mn/DOT will be there too and they'll be discussing and presenting the concept of the Super Street Reduced Conflict Intersection at 22 and Highway 65. Voss stated okay, look forward to that too.

Monitoring
Erosion
Control

Voss stated on the subject of Roads, we talked earlier this week about a few businesses tracking onto the roads from construction projects. Are we monitoring that any more? Davis stated that was taken care of. They've got their erosion control stuff in there and haven't had any more issues to my knowledge. Voss stated okay, good. And, that's all I have.

9.0C
Other

None.

9.0D
Closed
Session
Union Nego.
and Attorney
Client
Privilege

Vierling stated thank you Mr. Mayor. For the benefit of the public and for the record, we'd note that the Council's about to go into Closed Session authorized under Minnesota Statute 13D.03 to deal with matters of union negotiations with the bargaining unions that represent the City employees. This Closed Session will be tape recorded as required by Statute with that tape being maintained for a period of two years. The Council will come back into Open Session after having concluded its Closed Session and announce if there are any actions taken during the course of the Closed Session. With that being said, Mr. Mayor, I recommend that a motion be made to go into Closed Session for the purposes I've indicated.

Move to
Closed
Session

Mundle stated make a motion to go into Closed Session at 8:07 p.m. for the purposes that City Attorney's indicated. Harrington stated I'll second. Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Voss stated thank you all for being here tonight.

Reconvene
Open Session

Vierling stated thank you Mr. Mayor. For the members of the public and for the record, we would note the Council's back into Open Session having concluded its Closed Session dealing with matters of Union Negotiation. The Closed Session was attended by all members of the Council, the City Administrator Mr. Jack Davis, and myself as City Attorney. The City Administrator provided the Council with an update as to those union negotiations and reported as to status but there was no motion or actions taken by the City Council.

Vierling stated during the Closed Session, the City Administrator also took the opportunity to notify the Council, at least up date them, as to the status of two properties that the Council had previously been interested in acquisition, which are authorized to be spoken of

April 6, 2016
Reconvene
Open Session

in Closed Session. They deal with properties identified by Anoka County PID #29-33-23-32-0004 and Anoka County Property Identification #29-33-23-34-0001. Again, there was a report update on both of those but no action was taken by the Council. Closed Session was concluded at 8:18 p.m. Thank you.

**10.0
Adjourn**

Mundle stated make a motion to adjourn. Harrington stated I'll second. Voss asked any discussion? All in favor? **All in favor.** Voss asked opposed? Hearing none, that motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:20 p.m.

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