

EAST BETHEL CITY COUNCIL MEETING

August 15, 2018

The East Bethel City Council met on August 15, 2018, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Tim Harrington Brian Mundle
Randy Plaisance Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator
Mark DuCharme, Fire Chief
Pat Sweeney, City Attorney

1.0 Call to Order The August 15, 2018, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

2.0 Pledge of Allegiance The Pledge of Allegiance was recited.

3.0 Adopt Agenda **Harrington stated I'll make a motion to adopt tonight's agenda. Mundle I'll second.**
Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentation Davis stated the East Bethel Scholarship Program organizes and sponsors the annual Scholarship Coronation where individuals compete to represent the City of East Bethel as an Ambassador for a twelve-month period with appearances at numerous City festivals, celebrations and other official functions.

4.0A Recognition of 2018-2019 East Bethel Royalty Davis indicated for the time and effort the coronation winners will devote to representing the City of East Bethel, the City Council wishes to recognize: Autumn Schwintek as Miss East Bethel 2018-2019; Ariel Orr as 2018-2019 Princess; Lila Dennis as 2018-2019 Little Miss; and Maggie Gay as 2018-2019 Little Miss.

Harrington read Resolution 2018-33.

Harrington stated I'll make a motion to approve Resolutions 2018-33 recognizing 2018/2019 East Bethel Royalty Autumn Schwintek as Miss East Bethel 2018-2019. Plaisance stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Ronning read Resolution 2018-34.

Ronning stated I'll make a motion to approve Resolutions 2018-34 recognizing 2018/2019 East Bethel Royalty Ariel Orr as East Bethel 2018-2019 Princess. Mundle stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Plaisance read Resolution 2018-35.

4.0A

Plaisance stated I'll make a motion to approve Resolutions 2018-35 recognizing 2018/2019 East Bethel Royalty Lina Dennis as Miss East Bethel 2018-2019 Little Miss. Ronning stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Mundle Read Resolution 2018-36.

Mundle stated I'll make a motion to approve Resolutions 2018-36 recognizing 2018/2019 East Bethel Royalty Maggie Gay as Miss East Bethel 2018-2019 Little Miss. Harrington stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

4.0B
Trident Group
Project
Presentation

Davis stated the Trident Group, a real estate development company, met with the City on July 26, 2018 to officially discuss a Senior Housing Project in East Bethel. The location of the proposed project is a site owned by Our Savior's Lutheran Church on Taylor Street.

Davis noted Trident has signed a purchase agreement with our Saviors Lutheran Church for a 7-acre site east of the Church on Taylor Street. The proposed project would be a three story, 70-unit assisted living and memory care facility.

Davis indicated Trident has made an application to the City requesting Tax Increment Financing (TIF). Based on the preliminary information identified in the application, there is a gap in financing that would require the use of TIF for this project. The City's financial consultant, Ehler's, has been engaged to complete a TIF analysis and a recommendation as to the amount and term of TIF for this project.

Davis stated should this request move forward, the City Council would schedule a public hearing for the September 19, 2018 Council Meeting for the TIF plan. If Council decides to proceed with the TIF for this project, TIF 1-4 would need to be approved by November 7, 2018.

Davis indicated if the Trident Group receives direction from Council to proceed with the understanding that TIF would be considered for the project, the Planning Commission would hold a public hearing at their September 25, 2018 meeting to consider the Planned Unit Development approval that would be required for this project.

Davis noted TIF for Senior Housing Projects are permitted for terms up to 26-years and most costs for this type of development are eligible for this assistance.

Davis stated Trident would like to move forward with the project if they can secure \$1,000,000 of TIF. They consider the site in East Bethel as a higher-risk project, when compared to other assisted living sites across the Twin Cities due to visibility, location, and demand limitations.

Davis noted the City of East Bethel commissioned a Senior Housing Market Study, which was received on February 28, 2018. The study, completed by Viewpoint, estimated the need for 45 assisted living and 24 memory care units through 2022. These numbers correspond

with the Trident Proposal.

Davis outlined the present TIF housing projects in the City. Davis stated the following TIF for Senior Housing have been approved for: City of Cambridge, St. Francis, Ramsey, Blaine, and Coon Rapids for terms of 15 to 25 years and project costs up to 2.4 million dollars.

Davis recommended Council consider Trident's TIF request and discuss this consideration at the August 22, 2018 Work Meeting. In addition, Staff recommends this item be placed on the August 20, 2018 EDA Meeting for their recommendation to City Council regarding this proposal. Action on the request by the Council can be scheduled for the September 5, 2018 City Council Meeting.

Roger Fink, representing the Trident Group, presented the background of Trident Group and an overview of the proposed project.

Harrington inquired if the buildings were badged or coded to get in. Fink responded security was a high priority for them and they had security procedures with the outside public as well as their staff. He indicated all access points to the building would be controlled and the only access the public would use was through the front door. He indicated the property was staffed 24 hours a day and the front door was also controlled 24 hours a day. He noted there was also a call panel inside the vestibule to reach the residents or front desk. He stated all exit doors were monitored also. He stated all the residents had the option of wearing a call pendant around their neck or wrist in case of an emergency.

Voss inquired about dining services. Fink responded three meals plus snacks and made to order menus were a part of their facility, as well as each unit having their own kitchen, and a serving kitchen in memory care.

Plaisance asked if they partnered with volunteer groups within the community for activities or therapy animals coming in. Fink replied the marketing and executive staff for the properties had goals for outreach within the community and were looking for ways for the community to come in and entertain, educate, or interact with the residents.

Mundle inquired about the medical care for the memory care and assisted living. Fink responded all properties had an RN assigned as well as CNAs that would work both full time and part time.

Voss asked how much staff they had. Fink responded he believed they would have total payroll of 50 to 55 individuals.

4.0C
Anoka
County
Sheriff's
Report

Commander Shelly Orlando presented the July 2018, Sheriff's Report, stating the Sheriff's Department responded to six DWI stops resulting in four arrests, and one second degree assault. She summarized the year to date calls for service. She invited the public to the Anoka County Sheriff Department's open house on Thursday, September 13 from 4 to 7:00 p.m.

4.0D
Fire Dept.
Monthly
Report

Fire Chief DuCharme presented the July 2018 Fire Department Report, stating the Fire Department responded to 56 calls with 38 being medical calls with 31 being transported. He indicated the illegal burning calls for the past two months were drastically down.

4.0D

An individual of the public audience inquired about controlled burns. DuCharme responded

they did not do controlled burns as they were structural firefighters, expertise, and staffing issues, but homeowners could have a running fire with a permit from the DNR.

**5.0
Public
Forum
Gratitude
Farms**

Christine Dahlman noted Gratitude Farms was still in violation of their IUP and they were still advertising boarding. She believed the City needed to enforce the IUPs and Ordinances.

**Castle Towers
Violations**

James Hicks Castle Towers Trailer Park, stated he had already spoken with the inspector about the violations in the trailer park. He noted a small girl got hurt with getting her leg caught in a street grill. He stated the violations needed to stop, but the owner would not do anything. He indicated a City inspector had gone out and looked at the park.

Voss asked what jurisdiction the City had. Davis responded the City could enforce the access roads, nuisance properties with accumulations of junk, trash, excess vehicles, or anything that was a safety and health issue. He indicated the City would need to look at the drain to see if it was a safety issue or access issues on the road. Mr. Hicks stated he had already contacted the State on this issue.

Voss noted this was private property and while the City was sympathetic, there was only so much the City could do. He recommended Mr. Hicks get in contact with the City Administrator to see what, if anything, could be done.

**6.0
Consent
Agenda**

- Item A Approve Bills
- Item B Meeting Minutes, July 25, 2018 City Council Meeting
- Item C Meeting Minutes, July 25, 2018 City Council Work Meeting
- Item D Meeting Minutes, August 1, 2018 City Council Meeting
- Item E Recycle Center Bids
- Item F Resolution 2018-37, Domestic Violence Awareness Month
- Item G Resolution 2018-38, Recognition of Constitution Week
- Item H Final Assessment East Trunk Highway 65 Service Road
- Item I Hire of Fire Fighter
- Item J Approval of Fire Fighter Probationary Period
- Item K Purchase of Fire Department Truck
- Item L Pay Estimate #2 - Central Avenue Project
- Item M Solicitation for City Electrical Inspector Service

Plaisance, requested Item J be pulled from the Consent Agenda.

Harrington stated I'll make a motion to approve the Consent Agenda as amended. Ronning stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

**6.0J
Fire Fighter
Probation
Period**

Fire Chief DuCharme indicated he was recommending appointment of Kimberly Swanson as a probationary firefighter. He noted this would be a new hire. He introduced Ms. Swanson.

6.0J

Plaisance stated I'll make a motion to approve the hire of the probation of Kimberly

Fire Fighter
Probation
Period

Swanson. Harrington stated I'll second. Voss asked any discussion? To the motion, 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

None.

7.0B
Economic
Development
Authority

None.

7.0C
Park
Commission

None.

7.0D
Road
Commission

None.

**8.0
Department
Reports**

None.

8.0A
Community
Development

None.

8.0B
Engineer

None.

8.0C
City Attorney

None.

8.0D
Finance

None.

8.0E
Public Works

None.

8.0F
Fire
Department

None.

8.0G
City
Administrator

Davis presented the staff report, indicating the Local Government Aid funds (LGA) the City expected to receive from the Minnesota Department of Revenue for 2019 were cut from \$19,643 to \$0. We projected we would receive \$19,500 from this category and programmed that amount into our draft budget. We now need to adjust our forecast to reflect the LGA

8.0G.1

reduction.

Davis noted from 2009 through 2013, the City received no LGA funding. As discussed, we've been borderline on the receipt of LGA and it is presumed that property valuation, tax capacity and population increase coupled with the low number of housing units built in the City prior to 1970 contributed to the City receiving no monies from this fund for 2019.

Davis stated it is recommended we add \$19,500 to the projected Building Department revenue line item to account for this reduction. We did not include any revenues for building permits and plan review fees for the Viking Preserve Project in our draft budget preparation in this category. The developers are projecting a four-year buildout for the project and that would equate to the construction of 12 units per year. Taking a more conservative approach on the projections for annual units constructed and reducing this number to 6 per year would result in permit revenues of approximately \$18,400 on a permit valuation of \$240,000/unit.

Davis indicated original revenue projections for 2019 Building Department Fees were \$266,500. Increasing this projection by \$19,500 to account for anticipated development generated from the Viking Preserve Project and miscellaneous permit fees would increase this Department revenue to \$286,000. This increase in the revenue projection for the Building Department is reasonable and would offset the LGA reduction.

It was the Council's consensus to proceed as proposed.

8.0G.2
Set Meeting
Date for
Certification
of 2018
Election
Results

Davis presented the staff report, indicating Per Minn. Stat. §204C.33, subd. 1; §205.185, subd. 3, the City Council, in its role as the Election Canvassing Board, is required to canvass the results of the general election between the 3rd and 10th day following general election. He indicated the general election will be held on November 6, 2018. There is not a regularly scheduled City Council meeting that falls within this 3- to 10-day timeframe.

Davis noted a Roads Commission meeting is scheduled for November 13th and a Parks Commission meeting is scheduled for November 14th. As there will be one Council Member present at these meetings, calling the Special Meeting for 6:00 PM on either of these days may be the most convenient date for the Election Canvassing Board to meet.

Davis recommended the adoption of Resolution 2018-40, setting a Special Meeting date to canvass the General Election results.

Ronning stated I'll make a motion to approve Resolution 2018-40, setting a Special Meeting date of Wednesday, November 14, 2018 to canvass the General Election results. Harrington stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. All in favor. Voss asked any opposed? That motion passes. Motion passes unanimously.

8.0G.3
Cambia Hills
Bond
Issuance

Davis presented the staff report, indicating The Duluth Economic Development Authority (DEDA) is planning on issuing revenue bonds in connection with the East Bethel Cambia Hills Project. In order for bond proceeds to be spent outside of the Duluth EDA's jurisdiction, state law requires that the host municipality adopt a resolution consenting to the expenditure of bond proceeds within the City of East Bethel. In addition, federal law requires that both Duluth EDA and the City of East Bethel hold a public hearing relating to

8.0G.3

Cambia Hills

Bond

Issuance

the bond issuance for the Project.

Davis indicated bond counsel for the Duluth EDA will prepare and coordinate all the necessary public approvals required for the bonds, including host approval. The Duluth EDA would be required to publicly notice the Public Hearing in the Anoka Union Herald for two consecutive weeks prior to the date of the Hearing.

Davis noted the public hearing would be for the sole purpose of allowing the Duluth EDA to authorize the spending of those monies on this project. All that will be required from City is a resolution consenting to the expenditure of the bond proceeds within East Bethel.

Davis stated this is a statutorily required jurisdictional approval that allows the Duluth EDA to authorize bond funds that will be spent in East Bethel. In no way would this obligate the City as being a part of or subordinate to the bond issuance.

Davis indicated there will also be representatives at the Public Hearing from Cambia Hills and their Bond Counsel, Fryberger, Buchanan, Smith & Frederick, P.A., to answer questions about the project.

Davis stated the Duluth EDA and Cambia Hills will be responsible for any cost associated with the Public Hearing and the City of East Bethel will not be financially liable for any matters related to any aspect of the bond or the bonding process.

Staff requests that Council schedule a public hearing for the September 5, 2018 City Council Meeting for the Cambia Hills bond issuance and at that meeting consider approval of a Resolution(s) consenting to the expenditure of bond proceeds for Cambia Hills Project in the City of East Bethel.

Plaisance stated I'll make a motion to schedule the public hearing for the September 5 Council meeting for the Cambria Hills Bond Issuance and at the meeting consider approval of Resolutions consenting to the expenditure of bond proceeds for Cambia Hills Project in the City of East Bethel. Mundle stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. All in favor. Voss asked any opposed? That motion passes. Motion passes unanimously.

8.0G.4

August Work
Meeting

Davis stated the monthly Work Meeting is scheduled for August 22, 2018 at a time to be approved.

Davis noted items that need Council review include but may not be limited to the following: 2019 Budget Discussion; Trinity TIF Request; Skylark Drive Improvement Options; and review of the PILOT program proposal for Cambia Hills of payment in-lieu of taxes.

Davis recommended City Council consider the topic(s) listed above for the August 22, 2018 Work Meeting along with any other subjects Council wishes to address.

Voss noted he would not be in attendance at the August 22 meeting and asked if the meeting could be moved to August 29. Plaisance stated he would not be able to attend August 29, but was available any other time that week. Council chose Thursday, August 30 for the Work meeting.

8.0G.4
August Work
Meeting

Plaisance stated I'll make a motion to change the Work Meeting date to Thursday, August 30 at 7:00 p.m. and to adopt the agenda with the items outlined by staff. Mundle stated I'll second. Voss asked any 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

Davis stated the East Bethel Theater applied for a permit to do some remodeling in the theater and the theater will be closed for approximately six weeks.

9.0B
Council
Report

Council
Member
Harrington

Harrington gave an update on the recent meeting of the Sunrise River WMO.

Council
Member
Mundle

Mundle noted the Parks meeting was cancelled. He stated he was informed that last weekend there was an outdoor wedding at the Senior Center and a lot of compliments were received on the mural.

Council
Member
Ronning

No report.

Council
Member
Plaisance

Plaisance gave an update on the recent Roads Commission meeting.

Mayor Voss

Voss gave an update on the Night to Unite parties held. He asked for the status of the Central Avenue reconstruction project. Davis noted the project was ahead of schedule and they hoped to have all the sewer work completed by the end of next week with the curbing and repaving completed by September 7 with substantial completion by September 14.

Voss asked if Viking Preserve would be putting up houses this year. Davis responded that was correct and staff was hoping to issue the first permits within the next 10 days.

Voss inquired about the replacement of the ice arena sign. Davis responded that had been an ongoing discussion, but staff did not have any recommendations at this time. He noted staff would look into this and come back with a recommendation for the first Council meeting in October.

9.0C
Other

None.

9.0D
Closed
Session

Mr. Sweeney stated thank you Mr. Mayor. For the benefit of the public, we'd note that at this time the Council's about to go into Closed Session to evaluate the purchase for sale of real estate, PID #30-33-23-44-0002 and 32-33-23-12-0007. Minnesota Statute 13D. subd. 3(c).

Purchase or
Sale of Real
Property
Minn. Statute
13D.0 subd.
3(c). PID #30-
33-23-44-
0002 and 32-
33-23-12-
0007

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 8:27 p.m. for the purposes that the City Attorney 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.**

Reconvene
Open Session

Mr. Sweeney stated thank you Mr. Mayor. For the benefit of the public and for the record, we note the Council's back into Open Session after having concluded a Closed Session. He indicated no formal action of the Council was taken at the closed session.

With that being said, Mr. Mayor, that concludes the summary report required

**10.0
Adjourn**

Mundle stated I'll make a motion to adjourn. Harrington stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:45 p.m.

Submitted by:
Kathy Altman
TimeSaver Off Site Secretarial, Inc.