

EAST BETHEL CITY COUNCIL WORK MEETING

February 13, 2013

The East Bethel City Council met on February 13, 2013 at 5:00 PM for a City Council work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence
 Heidi Moegerle (at 5:33 PM) Tom Ronning (at 6:15 PM)

ALSO PRESENT: Jack Davis, City Administrator
 Craig Jochum, City Engineer (at 6:00 PM)

Call to Order **The February 13, 2013 City Council work meeting was called to order by Mayor Lawrence at 5:07 PM.**

Adopt Agenda **DeRoche made a motion to adopt the February 13, 2013 City Council work meeting agenda. Lawrence seconded; all in favor, motion carries.**

Presentation by Martha Weaver Martha Weaver, Anoka County Public Information Manager, "This is going to be a conversation with you about where you see yourselves leading the City of East Bethel. My particular experience is in media. I spent nearly 20 years as a media reporter in television news. And also in newspaper and radio before coming to Anoka County. At work I go by the last name of Weaver. Because I got married late and had established myself with the name of Weaver. When I got married, the television station I was working for at the time was WRTV. ABC affiliate in Indianapolis, Indiana. That is where I was for most of my career and they told me because of the commodity that I had become for them, that they would not like me to use my married name on the air. So, I think if you called me Martha West, I would probably not respond because I am used to be called Martha Weaver. At home I am Martha West. I am Mom, chauffeur, interpreter for my toddlers babble, former television news anchor and I have done media consulting and it has had an interesting evolution.

I was a reporter first and then became an anchor. And when you are an anchor you are much like you guys are, a captive audience in that seat. You see a lot happening in front of you in that seat. Subjects come and go and you sit there and watch. And you start to judge and make comments on how people do a better job or improve. So, one time I was approached by a public relations agency who said, "You know you have to have a lot of ideas about how people could improve after watching people in the past ten years from that desk. Would you like to help us?" And I said absolutely. The first client I worked with was a particular basketball coach from Indiana University who had a penchant for throwing things. It was very interesting to talk with him about what they wanted to do at the University. With his successor and working with the basketball program at that University and the other educators and professors about what image they wanted the University to have for those outside the University. And then that moved on to working with other professional athletes from Super Bowl winning quarterback from Indianapolis to Indy Car race drivers, to some other different stints across the county in media consulting.

The thing I find that is most valuable (that we are going to talk about today) is that public relations people are just that, public relations people. And they know how to read. They know how to write. They know how to talk. But, they have never had to chew out the story. They have never had to go after you with a microphone and ask tough questions. And then continue to pepper you with those questions. A lot of the people who are in public relations today were

never the reporter. So it is really important to know where stories come from, why they do it and the atmosphere that reporters come from that is driving them to go after you. That is some of the things I want to share with you today and also what my role is at Anoka County. And, what we at Anoka County are trying to do for the area as a whole.

First I want to tell you a little about myself. I am married and enjoy pretty much anything outdoors. My husband is a teaching golf professional. He is a member of the PGA and works for a company that uses technology to help people improve their game of golf. Previous to that, he worked in Indy racing and that is how we met. We have two daughters, one is seven and one just turned three. My ideas for tonight are we talk a little bit about dealing with the media; talk about what our expectations are and how we continue to go forward together.

I would like to know what you were told about what this session was going to be.”

DeRoche, “Absolutely nothing.” Koller, “I will second that.” Lawrence, “I knew you were coming and speaking to us.” Weaver, “But you did not know what the topic of the discussion was going to be?” DeRoche, “A little bit. But you know weekend before last Heidi and I went to the LMC Experienced Officials meeting that dealt with media. So, we have kind of been down that road.”

Weaver, “Talk to me a little about your experiences with the media.” Lawrence, “They usually get it wrong when I interact with them. Even if it is from Council meetings here I have to call and correct them because they misquote a lot. It is like ‘Did you even watch or listen to anything?’ They miss a lot. I always do the band-aid work. People misquote. Okay what was the quote really about? I think the last really big misquote we had was ‘City Council cuts Fire Department’ and that was not true. We asked the Fire Chief if there was any area in his Department that he could reduce spending. And he came back with a budget cut. If he had come back and said ‘No,’ then we wouldn’t have done any cuts. If he had come back with a whole bunch more, we would have done all of them too. But, we got tarred and feathered for cutting the Fire Department. That is my experience with the media. Not positive.”

Koller, “I am the new guy here, so I haven’t really dealt with media. But what I have seen in the newspaper and in T.V. is all they are really out for is the story. It doesn’t matter if it is true or not. Whatever will sell the paper. So, I am not fond of media.”

DeRoche, “I am wondering whatever happened to honesty and integrity. I had a couple stories that after they came out, I addressed the reporter and after that he started speaking the truth. It is all about selling papers and, to some people in East Bethel, that is their mode of communication of what the Council is up to. I think we have had one little blurb in the last month. Otherwise, if you don’t have cable, you aren’t going to see it streaming.” Weaver, “There was a story about the Williams Family in the paper a few days ago.” DeRoche, “So, do I trust them? No. What I have learned is, as an elected trusted official, there are always tape recorders on. It doesn’t matter who you are talking to. There is always somebody to say you aren’t doing that. So you just have to watch what you say. Because it can be pretty damning. You have data privacy stuff you have to deal with. If we go into a closed session, it is done for a reason. Eric, who was our reporter, was pretty good. Now, we got a gal that -- I actually cancelled my subscription to the paper. And my reason was because I think she does a terrible job. In fact, she doesn’t even do a job up here. And, are there good reporters? Maybe. I just watched that blurb on the cop in California and they did film and keep his reported media going. To me, that was true reporting. You are putting out what is really going on there. At the city level, it is really important that the people get the facts. If you want to blow up a story, get a job down in a big city where people are used to that. Up here, people need to know (especially in the times we are in), the City is not

falling apart. The staff does work. The City Council does work together and things are moving forward. Rather than all this negative stuff. And if that is all someone is going to put in there, then they shouldn't put in anything." Lawrence, "The media is an extremely powerful tool and can really guide how it shapes the City whether it is providing the facts or misrepresenting. Either way, it is going to help shape the City and we need to make sure it goes in a positive direction so that this city moves forward."

Weaver, "So based on your experiences (which for two of you have not been positive), you talked about your recourse, cancelling your subscription and expressed your opinion about particular reporter. But who did you express that opinion to?" DeRoche, "The editor. I tried the new reporter and I think she has been here once." Davis, "Two or three times." DeRoche, "She must watch the meetings because, two or three weeks after the meeting, a little blurb will come out. But, that is a little late in the game. I think if you are going to be the reporter and the meeting is Wednesday, come Friday you should have something on the City out there. There is always something about other cities and there have been a couple articles about East Bethel when we have had some hot button issues. But, that shouldn't be the only time we have any articles."

Weaver "Mayor Lawrence, what was your recourse after your most recent experience?" Lawrence, "When I had some issues with the reporter, I called him up and told him what I thought and this is my viewpoint. This is the way I saw it. I just left it at that and if he wants to redirect, that is up to him."

Weaver, "Let me tell you a little about reporting organizations and the people who do it, because there are all types. Just as there are all types in politics, as you have learned. If your perception of the media or a reporter is about a two or a one, on a scale of one to ten, where would you expect the politician and elected officials would be on that scale?" DeRoche, "Probably a three." Weaver, "And might be below it. So, we have a lot of work to do to make people understand what you both are trying to accomplish. What you need to understand with the reporter is what drives them; not the organization, not the paper, but the individual. That was me for many, many years. So, when I would come to work in the morning, if you work first, second or third shift (in every newsroom there are three shifts), when you first come in you have a meeting and talk about what is going on. I heard this, someone called me with this piece of information, and this is happening in the community. This might be something to follow up on. Talking it out together. Depending on the news organization, you have a certain amount of space you need to fill. This has changed dramatically in the last twelve years with YouTube. One of the latecomers to the game was the organizations that aren't covering you as often as you like. The ones that saw and have the ability to feed the 24-hour internet news cycle are the ones that are the most successful. They are all trying to fill the expedient window; they have to be very creative and very quick. When you feel this individual is not covering you very often, they may be trying to cover five other things at once. Because the person they work for, their editor, or in a television news room case, their news director is telling them that this is how much they need and this is when they need it. In television you work against the clock."

DeRoche, "Right. I have known Dave Moore for many years. I happened to work for a politician back in the 80's. We had a lot of interviews done with Ron Maddox with Time, was on the St. Paul City Council." Weaver, "When you had those interviews, how long would you stand for those interviews? How long would you stand with the reporter during the interview?" DeRoche, "Not very long." Weaver, "Five, ten minutes?" DeRoche, "Maybe." Weaver, "When you saw it on the news how much of that was on the air? Eight, ten, fifteen seconds?" DeRoche, "Sure, because they were chopping in what they wanted to be heard." Weaver, "What you need to understand is the reporter is told exactly how much time they have to for their story. That is

true in television as well. In newspaper, they only so much column space. So, they are trying to determine what they feel tells the story, in a compelling way, in the shortest time frame possible. The average story in television news is 20-30 seconds. The long stories are a minute and five seconds to a minute and thirty seconds. So, the people that are driving this are not necessarily the reporters that are getting the information from you, but those that are driving them.”

Weaver, “What are your expectations for the time we are spending together tonight?”

Lawrence, “I think we need to form a base that we can all have a common goal as far as the media goes. I am not exactly sure what we are trying to achieve as far as the media goes right now. I know we are trying to work through some situations where we trying to make our City attractive to developers/businesses. At the community level, where they can say, ‘Look at what East Bethel is doing over there.’ That is what I am after.”

Koller, “I think the most important thing is you say the facts. You can keep it short. Don’t just take out what you hear and slice out little pieces and add to it. Because a story will sell more papers. Unbiased has to be in there. You see the presidential elections where everybody else has backed a candidate. Newspapers aren’t supposed to back a candidate in my opinion. They are supposed to back all of them. Give us the unbiased news.”

Weaver, “It was very bothersome to me when I came back here, because to me, as a journalist, the thing that I had was my credibility. It was the most important thing that I had. I had protected it to the end of every day. So, when I came back here and saw reporters that were supposed to be reporting also pitching car dealerships and all kinds of different things, it was appalling to me. They had sold out. I agree with you. The media today for the most part has sold out for the advertising dollar. It is merely a form of entertainment. One of the things that are the beauty of this day and age is you have the opportunity to own the story. (Moegerle arrived.) But, are they paying attention to you? Is a paper that reaches 120,000 homes total really getting into the homes in East Bethel? Is it your right paper? The paper for you over here is the Pioneer Press. They only really focus on stuff that is east of Highway 65. You have the opportunity through your own means, through your own communications, to own the story; to tell your story; to tell your message. The big project, it is yours. You can tell it, you can shape it. When the facts are wrong, you can have a fact sheet. Before they even have a chance to print something, they have handouts on it. ‘Here is our vision. Here are our goals. Here is our vision. Here are our goals. Here is what we stand for. This is what we are about.’ You have a new group and you can lay your path and set the tone of what the message is going to be. Anything else does not have merit. ‘It is our project and we know it better than anyone else.’ With the media today, you have the opportunity to get in front of it and be your own media source. I have talked to the community of St. Francis and told them the same things. You can be your own media, using tools that are free, and I can talk to Jack and Colleen about this to get you going on those kinds of things. I will help in any way possible because East Bethel, St. Francis and the other 18 others are all part of Anoka County. It is my neighborhood. It is my home, my community and reflects on me. It is a value to us to put a face forward that is positive, professional and has it facts straight. Who is better to tell me about you than you?”

Let me talk about dealing with reporters. All the stuff you don’t want to see, reporters have to see. Reporters get put in a lot of situations you don’t want to be in. You do it because it is your job. Reporters are trying to make a living and are pushed like the frail horse that can’t pull the cart. If you protest about what you are doing, you are out and there are 400 people applying for your job because they think your job is glamorous. You have an opportunity, if you are called to do an interview, to make the message yours. To own that story again. The reporter might ask a question, but you can draw out areas. You can anticipate questions about certain subjects. How many of you have prepared a message sheet about subjects? For the sewer, the before is just as

important. It was a topic that drove the election.” DeRoche, “We encourage people to show up at meetings and get facts about it.” Weaver, “Now you have been elected and you have a project and who owns it?” Moegerle, “We do.” Weaver, “Use the opportunity. In the scope of the lifetime of this community, that is a fraction of a second.” DeRoche, “This conversation would have been wonderful two years ago.”

Lawrence, “The one thing about your interview opportunity is, whenever I am going to a meeting, the wife and I always say, ‘What is the stump speech?’ If you are asked a question or if you are interviewed, do you have prepared, ready to go something for what people ask you. And we do the ABCs because that is all you are going to get out.” Weaver, “That is wonderful. It is exactly right. What are your priorities and what are your key messages? That may seem like a simple exercise, but it is invaluable. How many times do you practice for a simple exercise that you do?”

Weaver, “Practice key messages and prepare together what you think they might be. And then take them home and remember what they might be.” DeRoche, “But normally, we discuss it and Jack talks. Because otherwise we are going to give five, (maybe) different things to a particular reporter. And Jack has a way to communicate with people that they usually listen.” Moegerle, “And the other thing is, that most recently, with our current reporter, she takes quotes from the meetings. I have not been called from her for an interview.” Weaver, “So she just takes the banter going back and forth during discussion time at your meeting. And she doesn’t follow through afterward?” DeRoche, “She just talks bits and pieces and to the person reading it, it makes absolutely no sense. Unless you understand what is behind it. Up here, we have lot of older folks and they just want it straight.” Weaver, “Do you transcribe your meetings?” Moegerle, “Yes.” Weaver, “Word for word?” Moegerle, “Yes. It was needed to be word for word for the previous two years. I am not so sure it is needed so much now.” Weaver, “But there are cameras here. So it is broadcast. I would invite them to make sure they watch this so they get the full story. Invite them to make sure they watch it, so that way they get the complete story. Or they can read the transcript. Or your newsletter.”

Weaver, “It is important to own the story. Where does that reporter sit?” Moegerle, “At home, or a few rows back.” Weaver, “Do you think it would be possible to walk down and say to the reporter, ‘Let’s talk a little more’ when the meeting is done?” DeRoche, “She doesn’t wait. When the meeting is done, she is gone before the meeting is over.” Weaver, “Any reporter (I don’t want to single her out), anyone that is here, anyone that you see following your organization, find out who are your local political reporters. The Star Tribune has four reporters assigned to your area. Find out who they are, where they live. Do they have families? Are they human beings? What can we know about them? I met with one and she is a lovely individual. They want to do good stories. Oftentimes, they get turned down because they might not be juicy enough for the powers that be. Let the reporters know when something is going on. There is not a day that they are not looking for something to feed the beast. They need this stuff, because, once they are in the position to turn it out, they get overwhelmed. There is not a day that goes by that they are not looking for content to feed the beast. They are always looking. It is like hunting, when you drive down the road there are a thousand turkeys and you get in your blind and it is silent, nothing. They rely on sources that aren’t necessarily anonymous.

Looking for opportunities to tell the story can be very appealing to you because, “What do you want people to remember tomorrow?” Moegerle, “East Bethel is a great place to live, work and play.” Weaver, “It is, but I want you to get a new message. And that is a whole other topic. But this is really important. The story of the L.A. police officer, because it is a national story and the story is grand, and the actions and things that have happened are made for T.V. movies. We will all recall some detail about it tomorrow.

Say, there is a story about East Bethel going on and let's say it goes out in the Minneapolis paper to people. The next day the majority of those 100,000 people, who are not East Bethel residents, what do you think they are going to remember about the story? Are they going to remember your name? Do you think they know your name right now?" DeRoche, "It depends on if they are East Bethel residents." Weaver, "I am saying the rest of them, the ones that aren't. The rest of the world is what we are worrying about. Because from now on you are going to own your own story for your own residents. You are going to be your own media outlet for your own residents. You are going to be your own source for your own residents because there is a multitude of ways to do that, you are going to be in charge of that.

The rest of them are only going to remember what I call 'the residue at the bottom of the cup.' They pick up the paper and read a few stories depending on what the headlines say. And the headline draws them in and they may read it. Here is what I tell the Anoka County Commissioners. They are only going to think one thing the next day. Either, 'They are doing good things,' or 'They can't get their act in gear.' The rest of the world because they are too busy with their own lives. So you, as a team (and you need to become a team), need to determine what you want that residue to be, based on how you own the story, what key messages you give the media. Each one will be a little different. Tweaked based on personalities and differences, but you need to look big picture and think what are they going to think tomorrow.

What do you want for East Bethel? I drove up here and thought, 'I am vacationing at home if I live here.' Every weekend I drive two hours, pack up the dogs, kids and mother and husband and we drive up north to do everything we could do right here. What do you want people to think of East Bethel? You collectively need to decide that, big picture, 5, 10 years down the line. You need to look at all the resources you have here. Building the message that you put out there. The mayor has a good head start on you: prepare and practice the message in front of a mirror. The only thing you can control about an interview or any other human being is yourself. And any of you that have been in a marital relational know, that how you say it, is just as important as what you say. Be careful with your words, once they are said they can only be forgiven not forgotten.

In this role that you have now, remember (before the election and after the election), whether you want it or not, you need to accept the responsibility that people see you differently. You should exceed their expectations. People want more from their leaders. We want heroes. There is a reason we go to movies with happy endings. Your words are worth more than those that are not elected. If I voted for you, I elevated you and gave you that power. So it is extremely important that, before you use them, you think about this. What are my words going to mean to the City? What are they going to mean to my colleagues? What are they going to mean to Staff? Because you have been put in a position now where you represent thousands of people, not just your family. So you need to make those responsible decisions about your words on the people that you represent.

One of the things I find very helpful is an exercise called, "How would I take that." Before I say something, especially a criticism, especially dealing with staff or a coworker, I think, 'How I would take it?' Witchy? Rude? As a leader? If you play that little game with yourself." DeRoche, "I think they call that The Golden Rule growing up." Weaver, "Speaking with the media is a job they have to do. If there is a photographer, make sure you greet the photographer. Don't touch their equipment. Don't ignore them, don't ignore phone calls. If you think you will get away from them by not responding to phone calls, they will just show up on your front step. And they have every right to find you. Be truthful.

Don't use job speak. Speak in terms of what the project will accomplish; how long it will take. You are better off giving them a fact sheet about the project. Then they will use your part to add the color to the story.

Turn negative into positive. Let them know that they have a good question. Own your story and provide the messages that you have practiced. Address that 'It is a challenge but we are moving forward.' Tell them if you are not prepared to answer immediately. If you have to meet with Staff to get the information to answer the question. Most of the time reporters are trying to turn something around pretty fast. So, give them the courtesy of calling them back as soon as possible and letting them know who to talk to if you don't have a message. Your body language and demeanor speaks volumes. If I had come in here in a sweatshirt and flip-flops that would have spoken volumes about me. (Tom Ronning arrived.) Start in your chambers. I challenge you in your work session Saturday to work on your vision. If I lived here I would feel really safe here. That we would be in it together. That is the sense I get from this place. You need to, as a team, present a professional looking Council. That is really important. Have you ever considered for all the gentlemen to wear a tie? I invite you to consider it." DeRoche, "I think if people wore suits up here, there would be a lot of distrust."

Weaver, "I didn't say 'suits', I said 'a tie.' One of my former employers said, 'I want you to dress for the job you want, not the job you have.' Remember your words can be forgiven, but not forgotten. Own your message."

Moegerle, "I think that the five of us have some different views on the approach. And I think, on Saturday, we will work over those kinds of things. I am a person that believes in disagreeing agreeably. How do you disagree agreeably while airing the various issues we have and the various different perspectives? I feel I was elected because of my ability to make decisions. Others feel they were elected for other reasons. How do you air all the issues in an agreeable fashion?"

Weaver, "There are two ways to look at this. I recommend that you adopt a commitment to your colleagues because, even though you feel you are a good decision maker, you have five decision makers and everyone's vote weighs the same up here. However, that is why I encourage you to lay out your point for reason why you disagree. That is something you can work out in work sessions. Determine on projects what goals are. What do we want to accomplish in 5, 10, 20 years. What is your mission statement? What is your vision statement? When you know what those are, you can agree to disagree. In the military there is one mission. And the leaders of the battalions and different areas have one mission of how they are going to achieve that mission." DeRoche, "Except you are trained to think outside of the box, because if you get in a pickle you better be able to get out of it." Weaver, "That is why you always have an A, B, C, alternate choices. You have an opportunity here to put your vision forward." DeRoche, "Obviously we have been doing something here, because when we came in, there wasn't anything. There are five ideas, five people. Whether someone likes it or not, I will look at what is there and make a decision." Moegerle, "It is never personal." Weaver, "If you are disrespectfully disagreeing, you are disrespecting the individuals that elected that person. You are grown-ups; you should be able to respectfully disagree."

Municipal
Utility Project
Change Order
Update

Davis explained that we are going to talk about some of the issues we have with the change orders with the municipal utility project. Currently, with change order #9, we are within 25% of the project. At the time that we issued some of these, we didn't anticipate this next change order coming so fast. The thing that has thrown us in this predicament is we agreed to participate with

Anoka County and the Met Council for the reconstruction of County Road 22 - which turned out to be a \$1,800,000 change order. We are getting down towards the end of the project and we do have another change order that is pending. It is Change Order #10 and it is about \$10,000. Approval of that, without any modification or reconstruction of any previous change order, would put us \$4,000 over our limit and as prescribed by state statute.

I had a conversation with the City Attorney, Mark Vierling this morning and he advised me there was really no wiggle room or any room for interpretation on what is called a 429 Section and it is based on assessments. He said if there is ever any kind of litigation or appeal on the assessments, this could be used against us. Also, we have to be careful on doing anything with interpretation to Change Orders as far as statutes go. Because we have to satisfy the other side of the equation, our auditors. Our auditors will look at this very closely. Craig Jochum, John Swanson, and I have had some discussions about how we can address the problem. There are some line items that probably won't be used that we could possibly use. We could also possibly go back and restructure Change Order #8 and make it dealing specifically dealing with the developer and S.R. Weidema. I would prefer not to do this unless it is an absolute have to case. There was some initial reluctance on S.R. Weidema's case. Also, I am not sure they would have given them the same unit prices. Craig did some investigation on this and compared it to the Jackson project prices and they were much lower.

Jochum, "I believe you have the memo I sent Jack yesterday. Essentially we are at, \$14,608,000 without Change Order #10. With Change Order #10, we would be at \$14,612,000. I did a memo last night to the design engineer with option 3 (of eliminating the line item 3 of some trees) is not accurate. I guess that is 100% Met Council cost. And they do plan on planting those trees, for trees they took out. Just as an example, Item 178, Bituminous patching, this was planned for 187th Lane and it actually held up pretty well during the project, so it was not needed; \$10,500. So that is an example of a line item that is not needed. So, one option is to take that line item out of the contract (if we approve Change Order #10) which would be a wash if we use that line item as an example."

Moegerle, "The 25% change, does that mean increase and decrease? That we are moving 25% plus or minus overall this contract? I don't understand. Because I don't think we have increased the cost by 25%. I don't think we decreased the cost by 25% but we have reallocated costs." Jochum, "If you take the original bid amount with Change Order #10 we would have increased it 25%." Moegerle, "The cost of this is going to increase 25% over the bid price?" Jochum, "That is only because of the change order to the County. That one was \$2,400,000." Davis, "The Change Order, with the exception before the County thing came up, there were additions, but there were also deductions. They were a very small proportion of the project cost, 6-7%." Moegerle, "We were just talking about 'message,' and in that fact sheet we need to have that come out very clearly." DeRoche, "What is to prevent the same thing from happening again? The project isn't done and if we do this we are \$4,000 + over. The last change order I did vote against. We can't keep piece-mealing things. We are kind of up against the wall on this."

Davis, "Not really. Change orders are going to be part of any project and especially one of this complicated and this expensive. The change orders to date (before the involvement of the County) were about \$240,000. There were change orders that were deductions to the contract too. That represents only a small percentage of the purchase price. For a project of this magnitude I think we have come out pretty good with these Change Orders. But that is what we are looking at: restructuring Change Order #8." DeRoche, "I spoke with you this afternoon. And I think East Bethel, LLC should do their own contract with S.R. Weidema because that is what put this up there." Davis, "The big one was the one for the County on Viking Boulevard." Davis, "We were in the best position to expedite getting this contract done. If we have to go back

to them and get this done, that is what we have to do.” Lawrence, “Is this more of an accounting type, clerical issue?” Davis, “State statute says you can’t issue change orders or increase the cost of the contract by more than 25%. That is what we have to comply with, for the legal side and also the accounting side.” DeRoche, “And doesn’t that have to do with the assessment part of this?” Davis, “The reason we have to do it, from the legal side, is because there will be assessments involved in this project. So if we go over the 25% and do assessments, people can use that in their challenge, if they challenge it.”

DeRoche, “How did we get so close to the 25% all of a sudden?” Davis, “The reason we are close is because of the Anoka County reconstruction project.” DeRoche, “If we hadn’t approved that, we wouldn’t have been in this situation?” Jochum, “Well the City would have lost out on a \$70,000 savings in the design. You are getting a great road with a great foundation, which I think is very important when you start trying to sell your municipal utilities. The other option was they were going to use lightweight fill. Within four weeks this project will be complete.” Ronning, “Out of curiosity, would they have done it without us?” Jochum, “Yes.” Ronning, “And the cost wouldn’t have been against us at that point?” Jochum, “Yes.” Koller, “We saved \$70,000 but it cost the County \$2,000,000?” Jochum, “Yes.” DeRoche, “Fact of the matter is we are at a crossroad. What do we do to take care of this problem?” Koller, “Shouldn’t East Bethel, LLC be involved in this? And who is that?”

Davis, “That is the owner of the property at County Road 22 and Highway 65, northwest corner.” Jochum, “Another option is to not approve Change Order #10.” DeRoche, “Can we get some more information? Are these the only two options?”

Davis, “The first option is to restructure Change Order #8, where the City is a partner in it. Second option is to take the line items that won’t be expended as part of the project costs out of the change order. And the third option is to table Change Order #10 for the time being and consider it in four to six weeks when we have more information to consider it.” Moegerle, “I think the first thing is to get us out of Change Order #8, like we should have been in the first place.” Ronning, “One of the things Ron and I learned is that you can assess someone \$50,000 and if they don’t get that kind of value out of it, they can protest and the City will lose.” DeRoche, “When all these numbers were put together for the bids, who did this?” Davis, “Bolton and Menk did this. Engineers usually give very accurate estimates on project costs.” DeRoche, “No recourse. Bolton and Menk look at what has happened here.” Davis, “Bolton and Menk did not make the decision.” Lawrence, “Should carefully structure the pros and cons of all these changes and if we do this that will be the impact on all of them.” Davis, “That is why we are here, I thought we should have some preparatory discussion before bringing it up at a Council meeting.” Moegerle, “We should just get rid of Change Order #8 altogether. No benefit to the City with it.” Davis, “If you are going to do that, then I would also recommend doing the line item option. So that we can also get Change Order #10 approved.”

Adjourn

Lawrence made a motion to adjourn at 7:03 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk