

EAST BETHEL CITY COUNCIL MEETING

February 20, 2013

The East Bethel City Council met on February 20, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence
 Heidi Moegerle Tom Ronning

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

Call to Order **The February 20, 2013 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the February 20, 2013 City Council agenda. Lawrence seconded; all in favor, motion carries.**

Presentation – Davis at this time, staff would like to recognize Sherry Allenspach for her service on the
Sherry Economic Development Authority. Ms. Allenspach served the City of East Bethel as an
Allenspach for Economic Development Authority Commission member from 2009 to 2013. We have a
Service on plaque to honor of her service to the City. We will see that she gets the plaque.
EDA

Lawrence, “We do thank Sherry for her service.”

Sheriff’s Lt. Orlando gave the January 2013 report as follows:
Report

DWI Arrests: There were four DWI arrests in the month of January. One arrest was the result of a rear-end collision on Highway 65. The victim sustained a minor head injury. The case is still pending the results of the blood test. The three other DWI arrests were the result of driving conduct or drivers being passed out behind the wheel. The highest blood alcohol level reported was a .18

Thefts: There were fifteen thefts reported in January. One felony level theft involved an acquaintance that the homeowner allowed to stay for a few weeks. The homeowner found some pawn receipts which matched his property and realized that his property was no longer in the home. The suspect was arrested. There were two reported license plate thefts. There was one dispute over a pony, which has since been resolved. There were two reports involving thefts of tools. There was one reported shoplifting, where a juvenile was charged. There were two no pay thefts of gasoline, both of which were resolved. There was one theft of pull tabs report that is currently under investigation. There were two vehicle theft reports taken. One theft involved a snowmobile taken from a yard. The second theft involved a vehicle that had the keys left in the vehicle, while parked on the street overnight. The vehicle was later recovered in Brooklyn Center.

Burglaries: There were three burglaries reported. One burglary report involved entry through the front door, which was locked. The only item stolen was a pack of cigarettes. The second reported burglary involved several items being taken from a residence. The homeowner believes the burglar to be someone he knows due to it occurring at night, while he was out at a card game and only gone for a few hours. The last burglary involves a lockbox being taken off the front door and the key used to gain entry to the residence, which was being renovated. The items stolen were power tools.

DeRoche, “How are we doing on accidents?” Lt. Orlando, “We are doing good. We haven’t

had any on Viking lately.” Lawrence, “We had one on 221st and Highway 65. Was it alcohol related?” Davis, “A pickup truck ran the red light and struck the sedan on the side.”

Sheriff James Stuart, “Good evening, it is my privilege to be the Sheriff of Anoka County. This is a neat opportunity for us, because we love to introduce you to the deputies that are working the East Bethel contract. I will continue to sing the praises of our staff. We hire the best, train the best and retain the best. I would put our office up against any organization because I have that much confidence in the quality of the work that our people do. I know they serve the City of East Bethel with pride and they work hard on behalf of our citizens.”

“We have been engaged in a lot of activities at the sheriff’s office over the last year. Community outreach has been a big part of that. We have engaged in some softball tournaments for food shelves, done a hockey tournament for MS, and expanded our roles in the Special Olympics. We did the 2nd Annual Polar Bear Plunge for Special Olympics and there is always room next to me on the platform if anyone wants to jump [in] next year. Our staff has really embraced becoming ambassadors outside just the course of their shift. Another area we had been expanding on is “Towards Zero Deaths” and county-wide collaborative efforts to reduce alcohol crashes and drunk driving. You may or may not have seen the article on our “Squad Taxi” but I wanted to pass that around to refresh your memory on this. It is a PR tool used for education and enforcement and to get people talking about why they need to take a taxi. This is available for parades and community events, county-wide basis, first-come, first serve. Let us know as soon as possible if you would like to have it come out to your community.”

“Last thing I wanted to touch base on is the 2014 Contract numbers. As you may or may not recall, they are always based on calls for service on the previous full year. So, 2014 (as we talk later this year) will be based on 2012. The good news is calls for service seemed to have plateaued. I am not prepared to present numbers. With gas prices and everything I am just not prepared to do that. But I can say that the coverage levels and staff levels are adequate and we’ll maintain those through 2014 at least. Then, just a reminder, I haven’t heard from anyone lately. If you don’t have my cell number, I am available 24/7. That is what we are here for. Chief Deputy Tom Wells is also here tonight, we travel in packs. He also likes to get out and brush away the cobwebs.”

Introduction
of Anoka
County
Deputies
Assigned to
East Bethel
For 2013

Lt. Orlando introduced the Anoka County Deputies assigned to East Bethel for 2013.

Eric Denarski currently works the day shift and it his 5th year working the East Bethel contract and he has been with Anoka County for eight years. He also spent six years working as a Hennepin County Deputy. Shawn Merit also works the day shift and has been with East Bethel for three years. It is his eleventh year with our office. He is also a field training officer and is a Taser instructor. Luke Kristofferson works the power shift, and has been with East Bethel for seven years. Has been with our office for nine years. He is also on the dive team and a certified advanced diver. He is an Explorer Advisor and field training officer. Travis Wold has been with East Bethel for five years. It is his eighth year with our office. He also likes taking long walks in Booster Park. Thomas Quam has been with East Bethel for three years. It is his fifth year with our office. He is also a firearms instructor. Ryan Rockets has been with East Bethel for three years. It is his sixth year with our office. He was a Detention Deputy in the jail and he is a self-proclaimed Big Deal. Feel free to call them if you have questions, needs or desires.

Moegerle, “Do they Taser dogs?” Lt. Orlando, “He did Taser a pig once.”

Fire Chief Mark DuCharme, “Tonight I am proud to introduce our slate of officers for 2013.

Introduction of
East Bethel
Fire
Department
Officers

I am going to let them introduce themselves and tell you a little about themselves.”

Dan Meinen, “I have been with the Fire Department for five years and I am the Assistant Training Officer.” Mark Duchene, “I have been with the Fire Department for nine years and I am the fire inspector.” Tammy Gimpl, “I have been with the Fire Department eight years and I am the lieutenant at Station 2.” Gary Schultz, “I have been with the Fire Department for 14 years this spring and I am the lieutenant for Station 1.” Adam Arneson, “I have been with the Fire Department for seven years and I am the lieutenant for Station 1.” Rod Sanow, “I have been with the Fire Department for 13 years and I am the captain at Station 2.” Mark Prachar, “I have been on the Fire Department for 11 years and I am the captain at Station 1.” Todd Bennett, “I have been with the Fire Department for 17 years and I am the District Chief at Station 1.” Arden Anderson, I have been with the Fire Department for 31 years and I am the deputy chief.”

Chief DuCharme, “The District Chief from Station 2, Dan Berry was not able to make it tonight. This is your slate of officers and, on top of coming here tonight, they are going to spend 24 hours in the next two weeks in front of simulators acting out and doing command scenarios. We call it ‘Blue Card’ certification.”

Public Forum

Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda.

Dan Butler of 20332 Austin Street NE, “I know Council is working on ordinances. One of the ordinances I was looking at is as it relates to gambling. I have been involved with the gambling operations as a CEO in a nearby community; one of the things I noticed in the ordinance is a 3% tax or fee on the net proceeds of the gambling operation. If you investigate the surrounding communities and their ordinances, you will find that is low. They require as high as 10% and they might require that the gambling operation have an office within the City. I know Andover is different than Ham Lake, than Blaine, than St. Francis. Other thing in the ordinance that is onerous; 90% of net proceeds need to be expended in trading area. I don’t know that would need to be there if you change the first part of the ordinance. Trade area is Columbus, any city contiguous.” DeRoche, “Didn’t we discuss this when they did the transfer at Route 65?” Davis, “Yes, we did. And we did also discuss the trade area.” There were no additional comments so the Public Forum was closed.

Consent
Agenda

Moegerle, “I want to acknowledge the other two fire fighters that have completed probation. Pull Item C and pull Item B, Meeting Minutes, February 6, 2013, Regular Meeting.” Ronning, “I want to pull Items A) Approve Bills and B) Meeting Minutes.” Moegerle, “I will pull Item C) Completion of Probation for Firefighters, just to give them the recognition.” Lawrence, “What about item D?” Moegerle, “If you want to pull it, Craig is here to explain it.”

All the items were pulled from the Consent Agenda to be addressed separately.

Item A)
Approve Bills

Ronning, “I pulled this item because I need more explanation on an item. Page 11, Economic Development Authority, Professional Fees, Civic Plus for \$5,900?” Davis, “That is for website design services. That is broken up into three payments.” Ronning, “Three payments like this?” Davis, “The total was around \$17,000 for the contract.”

Item B)
Meeting
Minutes,
February 6,
2013 Regular

Moegerle, “I pulled B. Looking at page 17, last two paragraphs. Bob’s statement, it says ‘fiduciary’, but did you mean ‘financially’?” DeRoche, “Yes, I meant financially.” Moegerle, “For Tom last paragraph, \$3xx,xxx.” Ronning, “I said in excess of \$300,000. I didn’t give a specific number.” Ronning, “Page 20, reference comments of DeRoche and

Moegerle, third line down on Moegerle made a comment “I know Staff does a lot of things to cater to staff members. They do a lot of things to help us with our issues” These are public documents and staff hasn’t done anything to help me. And, I don’t think they have had a chance to do anything for Ron.” Moegerle, “They haven’t answered your questions? They haven’t taken their time to talk to you and meet with you? Because if they haven’t met with you to talk to you and answer your questions, then I think that is something we need to discuss with Staff.” Ronning, “I think there is a difference between answering questions and ‘catering’, myself. Catering is.” Lawrence, “Engagement?” Ronning, “Yes. At any rate, to me, as far as in the public record, it is a misleading statement.” Moegerle, “If it would make you feel better, than we can strike ‘cater’ and put ‘help’. But ‘cater’ is the word I used to mean help. Does that satisfy your concern?” Ronning, “If it is absent of any part of catering, I move to strike the sentence. It is misleading.” Moegerle, “This is not a court of law.”

Ronning, “It is a little accusatory. Actually more than a little.” Moegerle, “Absolutely not.” DeRoche, “When I read this statement, I got the impression that it is the Council directing Staff what to do.” Moegerle, “Uh, huh.” DeRoche, “That is Jack’s job. Council directs Jack and Jack directs City Staff. This almost puts it out that Council Members are telling Staff what they need to do almost in a micromanaging standpoint. That is what I got out of it and that is not what happens. And I don’t think anybody should get that impression that the Council Members come in here and tell Staff different things that they should be doing when, in fact, that is what Jack does.” Moegerle, “Well put. Certainly I have been exceedingly impressed with our Staff that, when we have a question, they jump on it. So if you want to change the word ‘cater’ to ‘help’ that will be the way it will be interpreted. But they do a lot of things to help us with questions and understanding things and it is not accusatory. In fact, it is laudatory for the Staff. So, I don’t understand the sense of objection.” Ronning, “Well the content, context and inflexion were more than ‘help.’ I can accept that, but I want to bring it to attention though that nobody ‘caters’ to the Council. We don’t expect or instruct anyone to ‘cater’ to us. We make recommendations and decisions, but if you look at the paragraph above it, you can go into the content/context.”

Lawrence, “The way the command goes is if we have a question, we call Jack. And then Jack moves forward with delegating the work to get the question answered. I just wanted to make sure you understand how this gets administered.” Moegerle, “The thing is, they respond very quickly and promptly to any questions we have. This was in context of what they do, it is not above and beyond what their job responsibilities are, nor does it say that they go beyond what they job duties are. They just do them extremely well.” Ronning, “So you will retract the ‘cater’ and substitute ‘help?’” Moegerle, “I meant what I said. If it makes you feel better and clarifies this for you, I will agree to change it to ‘help.’” Ronning, “That was your suggestion.” Moegerle, “I am fine as it is.”

Item C)
Approve
Completion of
Probation for
Firefighters

Moegerle, “I just pulled this to congratulate them [probationary firefighters] on their efforts and what they have to do. The testing is not easy. It is physically rigorous. It is a commitment that many people are not willing to make. So I just wanted to say ‘Congratulations’ to all three of them.” Chief DuCharme, “Abby Vados could not be here tonight. She works in the health research field, so she is working tonight. And Andrew Dotseth actually works testing water also was not able to make it. Mike Howe is here and he is one of our three that will be a full time firefighter. He is working very hard to become a law enforcement officer. He is a great addition to the Fire Department, he works really hard.” Ronning, “It is nice to see you guys take this on your own and do it these things. There were not a whole lot of people who took the time to appreciate people in this service until 9/11. What you do should be recognized once in a while as well, thank you.”

Jochum, “Is the pay estimate for the water treatment plant. We are releasing the retainage, except for \$1,500, which should cover the cracked sidewalk. That can’t be fixed until

Item D) Pay
Estimate No.
11 for Water
Treatment
Plant No. 1

spring. So, that is why the money is being held. The facility is up and running and is under warranty for a year and that is protected by performance and payment bond that we have in place. From December 3 of 2013 would be the warranty period.” Lawrence, “Just so everyone knows, we do have water in the tank.” Moegerle, “Is it cycling at this point?” Jochum, “Yes and then they drain it to the wetland that is adjacent. Soon we will be using it for the flushing of the facilities. A bumper to bumper warranty, except normal wear and tear.”

Moegerle made a motion to approve A) Approve Bills; B) Meeting Minutes, February 6, 2013, Regular Meeting; C) Approve Completion of Probation for Firefighters; D) Pay Estimate No. 11 for Water Treatment Plant No. 1; E) Pay Estimate No. 18 for the Phase 1 Project 1 Utility Improvements. Ronning seconded; all in favor, motion carries.

Building
Official’s
Report

Davis explained that included in your packet was the Building Department reports for your review.

Total fees due the City of East Bethel for the Oak Grove Building Official and Inspections Services for January 2013 are \$4,496.06. Total fees for this service for 2013 from Oak Grove are projected to be \$60,000.

Fees collected for the City of East Bethel totaled \$5,621.40. Total fees for Building Department Services within the City for 2013 are projected to be \$87,700.

Keep in mind that January is historically the slowest month for permit issuance and indications are that revenues received will exceed those projected for 2013

DeRoche, “How is Nick doing?” Davis, ‘He is staying very busy.’ DeRoche, “How is it going with Oak Grove?” Davis, ‘It is going very well.’

EDA Minutes

Davis explained that the EDA minutes are provided for your review and information. DeRoche, “Is the EDA going to direct the Council or is the Council going to direct the EDA?” Davis, “The Council has control over everything the EDA does, because they [the Council] approve every expenditure.” DeRoche, “In reading the minutes, (and granted they are draft) there has been a lot of talk about the City Center. When that stuff is discussed, I think it should be discussed in a work meeting with City Council to see what ideas are being bounced around. Different places. These ideas are being bounced around and you get some draft notes and that is it. I don’t know who from the EDA is going out and speaking with the Met Council, realtors, and whatever. But, I think that is something that needs to come back in a work session and we should hear, ‘This was discussed in this meeting and this is what was discussed at that meeting and this is what we are looking at. We are looking at housing, we are looking at this kind of development here.’ Because even though the EDA is the Economic Development Authority in the City, as the City Council we are supposed to be directing the way things are going. And if we don’t know until the last minute, it kind of puts people on the spot. I think it does.”

Davis, “I agree, anything of this importance would need to be discussed at a work meeting. However, this whole thing is in the very embryonic stages and there are no definite plans for it. So, the EDA is kind of your sounding board to try to put together some alternatives that can be brought to a work meeting to be discussed to see if there is any potential for it.” DeRoche, “Part of my concern is this: I have watched other EDAs in other cities and I see some of the devastation that has happened. It is kind of after the fact. A good example is

Forest Lake. Now they are all tied up in a bunch of legal stuff because of the EDA. I think, in my opinion, that they created a problem. We are looking at different places for Council meetings; fixing up Booster West, Booster East. That is stuff that needs to be discussed at a council level. Because I personally think Council meetings should be someplace they can be tape recorded, they can be filmed.”

Davis, “They definitely would be. I think what you are referring to is what I sent out in a staff update about some repairs that might be necessary at City Hall. Before any of those would ever be affected, they would be presented to Council to approve.” DeRoche, “This is page 43 of the electronic packet, maybe 41 of the paper packet. Right after Moegerle sent out an invite for the staff at Met Council, ‘The chair is coming... One of Moegerle’s concerns is we have two places to meet other than Council Chambers. We have Booster East which has no windows and we have Booster West which is cold and has no tables.’ Now are these different places we are looking at for Council meetings or are these meetings for people coming up here?” Moegerle, “Those were developer meetings.” Davis, “Those wouldn’t be Council meetings. One of the things we are looking at is maybe getting some recording facilities in this room over here [Booster West] so we can go back and have some of the commission meetings there, like we used to have roads, but still have the ability to record it. These would be for meetings other than commission meetings and other meetings we have during the day. Anything we propose will be brought before Council for their discussion and approval.”

DeRoche, “I understand that. But there have been things that have come up and there have been meetings prior to it getting on the agenda and the Council. And it comes here and we have an agenda packet and that is all we have. All of us aren’t in these meetings and so we don’t all know what has all been said around it. If I don’t know the facts, I am not going to vote for it. And I would hate to see something get voted through when all the facts are not out there on it. Whether it is a meeting with Met Council [I have my thoughts about that.], but people are talking now that at some point we are going to have to work with Met Council on infrastructure and trails. That is in the minutes here.” Davis, “This involved the need for painting the public spaces in City Hall, especially the hallways. In that discussion, it was discussed that we should maybe look at a few other items. We are getting some costs on those and we will present those at either a regular meeting or a work session, however you want to do it. Then Council can make a decision on how they want to proceed.”

DeRoche, “I am not talking about that. That is why I asked ‘Can we get the minutes for the Planning Commission and EDA even though they are not official?’ So we know what is discussed and what is coming down the pipe. Another example, is the discussion on the East Bethel Theatre. And another example is the discussion on the revolving loan program. None of that has come back up before the Council.”

Davis, “The reason none of that has come back before the Council is because a specific policy has not been developed. If you want to have a work meeting to discuss it, we can do that. But, it is still in the formulation process.” DeRoche, “I think we need to do work meetings and bring some of this stuff up. We need to formulate some of this stuff.” Davis, “I think we need to have work meetings every other Wednesday, between the Council meetings. Until we get some of this stuff resolved.” Lawrence, “I understand your concerns, because we want to make sure everyone is well informed. But it is the EDA to get the idea formulated, so that we don’t have to have three or four work meetings. They get it down to the best plan and then we can take a look at it.” DeRoche, “Don’t you think if we are talking to Susan Haigh at Met Council, who we were originally all allowed to talk with (granted they have changed), don’t you think that is something we should be kept abreast on? I have no idea what goes on in those meetings.”

Moegerle, 'I invited Susan Haigh here and she sent Pat Born who is the administrator of Met Council. The idea was to open up communication at Met Council at a level above Bryce Pickart. I think I advised Council in reports it was going to happen. And I advised what happened at the meeting. Basically, the point of it was to open doors of communication, to brainstorm ideas, to look at the sewer system in a different light. While there was not an admission that Mr. Ronning would say was an explicit admission, but he indicated that yes, Met Council was to a certain extent complicit in the situation in which we are in. There were no proposals; the doors of communication were opened with Colleen and Jack. I will probably never speak with Mr. Born again. So, I just think, it created opportunity. That is what I see the Council is to do, as their responsibility. Create opportunities to make life at East Bethel better.'

DeRoche, "That is fine and good, but again the perception, by not only myself but people out in the public is that things are being directed by certain people, and not as a Council as a whole. And, how do I address that?" Lawrence, "The Council has directed the EDA to be enacted. They have to do something. That is the function of the EDA to go out and work on items to be involved in this. We have Parks, Roads and Planning to help Council once they have it figured out what is the best plan. Then we make the decision. Only reason we have the committees." DeRoche, "It has nothing to do with the other commissions. We are in a situation where again, a representative from the City should be dealing with this themselves. Not independently without letting the Council know. Because certain things in these meetings could be taken out of context of, 'This is what the city wants to do.'" Lawrence, "But the end result is it stops at the Council level." DeRoche, "Yes, I know that, but I don't want people getting upset because a certain person told them this." Lawrence, "We can have work meetings to get it figured out."

Koller, "We need to know more of what is going on." Moegerle, "There is nothing firmed up. A lot of ideas. There is nothing firmed up." DeRoche, "I did not say, 'Anything was firmed up.' I said I didn't want people to get that idea. Don't put words in my mouth." Ronning, "I would like to know a little bit about what is going on before it happens, before it gets to us. But, at the same time, are there minutes we can refer to that will explain some of the content of these meetings?" Davis, "There are. I don't know if they will explain the full content of the meetings. I think you have to decide, as a Council, what extreme you want to be involved. Do you want to be hands-on in everything? If you do, we have to have multiple work meetings to discuss everything. Whatever your choice, we will do." Ronning, "Doesn't seem we need to be involved in everything." Lawrence, "You are all welcome to come to the EDA meetings." DeRoche, "I am not talking about the EDA meetings. I am talking about the meetings outside of the EDA." Lawrence, "No meetings happened outside." DeRoche, "You are only picking up on half of this."

Moegerle, "I was at the meeting as the EDA President. Colleen was there as Community Development Director and Jack was there as City Administrator to open the doors at a higher level than MCES. That is what was accomplished. Nothing else. I reported it in my Council reports. As a result of that, Colleen has a connection at Met Council higher than the Bryce Pickarts of the world. And, at the Council meeting following that, I indicated that is what happened. And you could have the same kind of meeting. You have the same right." DeRoche, "Where I am coming from, there is a lack of communication. At different meetings lately it has been, 'We need to work with Met Council.' A couple years ago we had this problem. In my mind, what is in it for Met Council?" Moegerle, "Met Council can help us through their Legacy Funds to get trails and it won't cost us a dime." DeRoche, "I am still on paying for our sewer and water." Moegerle, "There was no substance at this meeting."

Planning
Minutes

Davis explained that the Planning minutes are provided for your review and information.
DeRoche, "The conversation came up about, 'Someone changing something on Highway 65

north of 221st and that it wasn't zoned for what he wanted to do.' The comment was made, 'Let's just change it for what he wants to do.'" Colleen Winter, Community Development Director, "That was just a discussion item on the Planning Commission. That is a concrete recycling facility and there is no place where that is allowed. They discussed, 'Is this something they want and if so, where should they be located?' They asked staff to go back and do some additional research and report back."

Ronning, "There were no actions. There was some discussion about there was some code areas that need attention and I commented, "Take your opportunities when they come". I don't think anyone on Planning Commission implied that we should do any particular thing." DeRoche, "Tanner did make the comments, that when it came out that it was B-2, 'We should try to keep the business in the community.'" Winter, "My point of bringing it to them was to have that discussion because someone is asking to have that use. They may not be the only one to ask. So we need to start the discussions of whether we are going to allow this anywhere in the City." DeRoche, "Aren't we working on changing the zoning?" Davis, 'Yes, as part of our Comp Plan review. This is a specific instance that will have to be covered individually.'" Winter, "I didn't think it was fair to the person to go through the whole process of a conditional use permit if we don't have any place for it." Moegerle asked the City Attorney, "Do you have any guidelines about meetings with developers and those kinds of things of which Council Members might attend, or the Mayor might attend, as far as reporting back? With developers some of that is confidential and the discussions we had here there was no substance to." Vierling, "As a general rule we prefer that developer meetings be Staff only, that Council Members not be present because it does give the impression of some implicit authority. I think most cities try to adhere to that." Moegerle, "What about other meetings with other entities?" Vierling, "There are multitude of meetings between elected officials and other elected officials and other governmental bodies and things of that nature. So, there are almost no rules because they vary so widely. Bottom line, the open meeting law. In terms of getting to know your neighbors, very informal and councils will meet as they deem possible. Staff should be in attendance."

Purchasing Policy

Davis explained that the City's current purchasing policy reflects the prior and unamended Minnesota Statute, 471.345, Subd.3, which required sealed bids for purchases over \$50,000. The state limit has been amended to require sealed bids for purchases over \$100,000 and allow other options for purchases less than this amount. The following is the current Statute, Uniform Municipal Contracting Law, 471.345.

471.345 UNIFORM MUNICIPAL CONTRACTING LAW.

Subd. 3. Contracts over \$100,000.

If the amount of the contract is estimated to exceed \$100,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof. With regard to repairs and maintenance of ditches, the provisions of section 103E.705, subdivisions 5, 6, and 7, apply.

Subd. 3a. Contracts over \$100,000; best value alternative.

As an alternative to the procurement method described in subdivision 3, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 4. Contracts exceeding \$25,000 but not \$100,000.

If the amount of the contract is estimated to exceed \$25,000 but not to exceed \$100,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding.

All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Subd. 4a. Contracts exceeding \$25,000 but not \$100,000; best value alternative.

As an alternative to the procurement method described in subdivision 4, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 5. Contracts \$25,000 or less.

If the amount of the contract is estimated to be \$25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt. Alternatively, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Adoption of the current State Statute regarding municipal contracting eliminates the inconsistency between State and City definitions concerning this matter.

In addition to, if we are going to rescind Change Order # 8 (which is the next agenda item), we need to amend our purchasing policy so that we can do a 'Best Value Alternative' for the S.R. Weidema contract. The S.R. Weidema contract is \$54,000 and that exceeds our policy by \$4,000; meaning we would have to bid this if we don't do it by change order. We can't do it by change order now, because we are going to exceed the 25% limit on the total contract amount. The problem with trying to bid the S.R. Weidema work is the time limit involved and the space they are working in is so confined it would be just about impossible to have another contractor working in there with them.

Staff recommends deletion of the section "Purchases exceeding \$50,000" from the City's Purchasing Policy and adopt the current State Statute 471.345, Subd. 3, 3a,4 and 5, as described above, as the City's purchasing policy for purchases between \$5,000 and \$100,000. Keep in mind that City Council has full control over anything done on this. Council has to approve anything; it is still in your control.

Ronning, "When I read this, I thought it doesn't sound quite right to me. So, I went to the 16.C.28 subd. 1 and C. The following agencies are eligible to participate in phase 1. That is the \$100,000. State agencies, counties, cities and school districts. So it isn't that we are non-compliant, but it does sound like the best thing to do."

Vierling, "Right now, you are more restrictive than the state allows. You are basically limiting yourselves in terms of the process you have to go through. Competitive bids are very expensive to go through. Part of the recognition of the state making this change was recognizing the cost to prepare them, relative to the price of the contract, wasn't being merited. That is why they increased the level to \$100,000. Aside from the next issue, I don't know that there is any reason why the City wouldn't want to comply or match up with the state statute."

Lawrence made a motion to adopt the current state statute including deletion of the section "Purchases exceeding \$50,000" from the City's Purchasing Policy and adopt the current State Statute 471.345, Subd. 3, 3a,4 and 5, as described above, as the City's purchasing policy for purchases between \$5,000 and \$100,000. Moegerle seconded. DeRoche, "There was a limit set on here for some reason in the past. I am hoping we don't

run into any issues with this.” Davis, “The cost for a bid can be \$10,000 to \$15,000. This has been in place for a long, long time and has never been amended.” Vierling, “This also doesn’t mean that the Council couldn’t order a competitive bid process if you really wanted one.” Moegerle, “What happens to sections of our current purchasing policy that are not covered under the statute? Such as credit cards and such. There are grammatical corrections needed.” Vierling, “Those would remain in place. The grammatical changes can be done internally.” **All in favor, motion carries.**

Change Order
#8 – S.R.
Weidema

Davis explained that the City has an approved Change Order, Change Order #8, with S.R. Weidema to widen Viking Boulevard an additional 4’ for a distance of 1,200’ west, along the north side of Viking Boulevard, from the Hwy. 65 intersection as part of the existing reconstruction project. The cost of this work, \$54,245.25, will be paid by East Bethel Properties, LLC, the owner of the property at the NW corner of Hwy. 65 and Viking Boulevard as part of a Memorandum of Understanding (MOU) with the City.

Due to potential conflicts with state law concerning the allowable percentage of change order increases (not to exceed 25%) to the original value of a contract, Change Order # 8 needs to be rescinded and separate contractual agreements with S.R. Weidema and East Bethel Properties, LLC need to be developed and agreed upon, separate and apart from the Municipal Utilities Contract. The deletion of Change Order # 8, will provide the City with additional flexibility for consideration of any potential change orders that may arise prior to project completion.

While Change Order #8, as well as Change Orders #7 and 9, is essentially administrative adjustments to accommodate to the reconstruction of Viking Boulevard, they have a disproportional relevance to the water and sewer project and, as such, are being paid in total by the Anoka County Highway Department (ACHD). The City’s participation in these agreements is solely an administrative function and provides the mechanism by which the Viking Boulevard Project can be coordinated and completed in conjunction with the Municipal Utilities Project. Again, the entire costs of these change orders (7 and 9) are being reimbursed to the City by the ACHD

As recommended below, the means to address the issue of contract change order increases that will cause the least disruption and inconvenience to all parties is to rescind Change Order # 8 and directly contract with S.R. Weidema and East Bethel Properties, LLC for the additional shoulder widening with the City being the intermediary in the process. The cost of this additional work will be reimbursed to the City by East Bethel Properties, LLC.

Staff recommends Council approve the rescission of Change Order # 8 and delete this from the Municipal Utilities Contract. Further and in addition, Staff recommends contracting the additional shoulder widening work that would be deleted by the rescission of Change Order #8 directly with S. R. Weidema, separate and apart from the Municipal Utilities Contract. In addition and, as part of this contract, Staff recommends the incorporation of a modified Memorandum of Understanding (MOU) with East Bethel Properties, LLC, assigning those same agreements and responsibilities to East Bethel Properties, LLC (as contained in the original MOU) to the new contract for the shoulder widening work. The effective date of this rescission would be the date of the execution of the contract between the City, S.R. Weidema and East Bethel Properties, LLC.

DeRoche made a motion to rescind Change Order #8, S.R. Weidema and delete this from the Municipal Utilities Contract. Koller seconded.

Koller, “The MOU, that was before my time. What exactly is involved in that?” Davis, “That says the East Bethel Properties will pay for this work. The \$54,000.” Vierling, “We

will go to a direct contract and have the security posted.” Lawrence, “The East Bethel Properties is not the City of East Bethel. This is a separate company.” Ronning, “The MOU is like an interpretation within an agreement.” Koller, “Is East Bethel Properties going to develop that corner?” Davis, “Correct.” DeRoche, “Why can’t Weidema and East Bethel Properties just do a contract?” Davis, “It is much simpler for S.R. Weidema to do it this way and this is the way they prefer to do it.” Ronning, “This reflects positively on our 25% issue. Can you explain how much?” Davis, “If we didn’t rescind Change Order No. 8 we would be at 25.04%. There will probably be another change order coming down the road. By rescinding Change Order No. 8, we will be at 24.57%. It will give us about a \$50,000 cushion. There are a few things that might be unexpended line items. Ultimately, we will have \$60,000 to \$80,000.” Jochum, “The only change order I know of is the \$10,000 to MBI for the work that was done to date to cancel the piling. They are probably three weeks to being complete.” DeRoche, “Will that affect us?” Vierling, “Yes, if it is part of the contract.” **All in favor, motion carries.**

Davis explained that staff is recommending we approve contracting the work that was part of Change Order No. 8 with S.R. Weidema.

Moegerle made a motion to contract with S.R. Weidema for the shoulder widening work and incorporation of a modified Memorandum of Understanding (MOU) with East Bethel Properties, LLC, assigning those same agreements and responsibilities to East Bethel Properties, LLC as contained the original MOU. Ronning seconded. DeRoche, “Is there any time limit on this? Davis, “They will have 30 days to pay us and if not we can take the appropriate method to collect.” **All in favor, motion carries.**

Recycling Grant

Davis explained that The Anoka County Department of Integrated Waste Management has notified the City that we are eligible to apply for up to \$18,000 in additional funds for drop off, municipal park and community event recycling programs. Applications for these funds are due in March 2013. These funds would be a 100% reimbursable grant, meaning that the City would only be eligible to receive monies actually spent on these activities. As an example, if we received the \$18,000 grant and could only account for \$4,000 in expenditures we would only receive the \$4,000.

Staff has evaluated the conditions and requirements of the grants and feels that using this funding can enhance our current Recycling Program, and enable the City to potentially cover current costs, which have exceeded the existing grant amounts for this program. If we are awarded the grant funds, it may be necessary to utilize other service organizations or clubs to operate the monthly drop off program. This type of arrangement would be similar to the agreement we have with the Lions Club for the operation of the Recycle Center. City Staff would be utilized to conduct the municipal park and community event activities.

It is possible that the County may increase tonnage goals for municipalities that participate in this program. Should that happen, these new funds for activities, over and above those currently offered, would be beneficial in providing the additional means to achieve any higher tonnage goals that may be imposed.

The City will receive \$30,660 from Anoka County in 2013 to operate the City Recycling Program. These new funds are separate from and would be in addition to the \$30,660 grant.

Approval of these grants would add \$18,000 to our current recycling budget and permit us to expand our services and potentially cover additional expenses that weren’t covered in past budgets due to the grant limits of the program.

Staff recommends approval of the submission of an application for the additional grant

funding of \$18,000 from the Anoka County Department of Integrated Waste Management for the monthly drop off, park and civic event programs.

Moegerle made a motion to have Staff file an additional grant for funding of an additional grant of 18,000 from Anoka County Department of Integrated Waste Management for the monthly drop-off, park and civic event programs. Koller seconded. DeRoche, “This money, say they give us \$18,000. What are the chances to put something up at Coon Lake Beach to gather recycling?” Davis, “When we do the recycling day in May at Coon Lake, we are going to try to expand some of the recycling portions of the services offered there. Currently we only offer battery collection and scrap metal drop-off. We are talking with Nate and John Freimuth to see if we can offer tire and appliance drop off.” Moegerle, “Why is this not on the consent agenda?” Davis, “Could have been, but we met our tonnage goals and nice to call out what we are doing to expand our services.” **All in favor, motion carries.**

Fire Dept. Report

Chief DuCharme, “The report you have in your package, for the month of January we ran 47 calls. Thirty three were medical related. Of the 33, we assisted in transport of 27 and had three fatalities. Our inspection program continues. Our inspector did get through six businesses. If you would compare January 2013 to 2012, we ran about 15 additional calls.” DeRoche, “How are we doing on accidents?” DuCharme, “In the beginning of January, we had the head-on.” DeRoche, “How are we doing on the corner up here?” DuCharme, “Did close off Highway 65 and used helicopter transport. Had Linwood, Bethel and our Fire Department responding, because we had a house fire at the same time in the southern part of the City.” DeRoche, “Any problems with chimney fires?” DuCharme, “Got a call for one, then the homeowner didn’t want our services. If you have a wood burner, get your chimney swept on a regular basis.” We just got done with interviewing and are going through background checks [for new applicants]. There will probably be five of them [applicants] which will bring our department to a total to 39. We anticipate a few will be retiring. We have highly committed people.”

Ordinance 42, Second Series Amending Chapter 2, Administration, Article V. Officers and Employees

Davis explained that this proposed Ordinance amendment would amend Sections 2-261 through 2-266 of the Code of Ordinances of the City of East Bethel. These changes are necessary to clean up various inconsistencies in the Ordinance that pertain to the City Administrator.

Staff recommends City Council consider the approval of the amendments to Chapter 2, Article V, Sections 2-261 through 2-266 of the City Code as presented in the attachment, adoption of Ordinance 42, Second Series and direction to publish.

Moegerle, “When I went through this, I noticed some of the redlining did not follow through. Where the word (may) was going to be changed to ‘shall’, it didn’t get changed. And I have questions about the Knowledge and Abilities section; if it is proper in part of an ordinance. And I am saying this as a preface as a motion to table this. So, I thought I would do.” Vierling, “Some of those issues are stylistic, in terms of whether they want to be in the ordinance or not. Really, the provisions are no longer applicable within this ordinance. Usually the terms of the duties are laid out in the contract or the job description. If the job duties are in the ordinance, they are usually pretty generic. They are not that specific. In most respects you are already covered in your contract. It probably isn’t necessary.” Moegerle, “I was surprised that 16 was deleted in whole. It said the City Administrator may perform additional duties from time to time as presented by City Council.” Vierling, “16 duplicates 15. There is a lot of surplus in there.”

Moegerle made a motion to table the ordinance amending Chapter 2, Administration, Article V. Officers and Employees for further editing of subsection 2-263 of Knowledge

of Abilities to a simple statement. DeRoche seconded. DeRoche, “Is there any way you can send us a copy of your contract?” Davis, “Yes, and there is no job description for the City Administrator.” **All in favor, motion carries.**

Ordinance 43,
Second
Series,
Amending
Chapter 6,
Alcoholic
Beverages,
Article III.
Intoxicating
Liquors,
Section 6.54
License Fees

Davis explained that this proposed Ordinance amendment would amend a portion of Section 6-54 of the Code of Ordinances of the City of East Bethel. This change would eliminate the exceptions for refunds of liquor license permits. This change would remove any confusion or interpretation concerning conditions for refunds as outlined in part (d) of the Ordinance. As further justification for deletion of this section of the Code, all the staff expenses for permit issuance are upfront costs and depending on the permittee, these costs can be substantial. Other costs associated with this permit are prosecution costs in the event there is a violation of the terms of the Ordinance.

Staff recommends City Council consider the approval of the amendments to Chapter 6, Article III, Section 6-54 of the City Code as presented in the attachments, adoption of Ordinance 43, Second Series and direction to publish.

Lawrence made a motion to adopt Ordinance 43, Second Series Amending Chapter 6, Alcoholic Beverages, Article III. Intoxicating Liquors, Section 6.54 License Fees.

Moegerle seconded. DeRoche, “Am I am to understand that under no circumstances will we give no liquor license refunds? What if the place burns down or there is a natural disaster?” Davis, “As I mentioned before, a lot of the costs for these permits are upfront. Also, if you get a couple of these and there are prosecution costs involved, it could eat up quite a bit of the permit fees quickly. It was a way to clear up the confusion on the refunds without adding eight or ten different sections to it.” DeRoche, “The licensee’s death (the example that used that brought this up), was kind of an abuse. It was in there that if something bad happened, maybe pro-rate it. Whatever. We all know that it was the intent to the close the bar last year. There were numerous events last summer and then he wanted his money back. That is different to me than if someone dies, or if the place burns down.” Vierling, “I appreciate the Council wants to be compassionate on many of these things and that is understandable. Practically speaking, it has been a really long time since I have seen a liquor license held by an individual, as opposed to a corporate entity. From a matter of liability, people just don’t own them in their own name. Usually held in name of corporation, LLC or some other organization. If there is a death in a corporation, death is a non-event. In terms of total destruction, the building would usually have insurance. Since this ordinance was probably drafted in another era, where people held the licenses, and we just don’t see that anymore” **DeRoche, nay; Koller, Lawrence, Moegerle, and Ronning, aye; motion carries.**

Council
Member
Report –
DeRoche

DeRoche, “Who is absorbing the costs for us from a legal standpoint and staff time to be working these change orders and working out the deals with LLC and Weidema and MCES? Are we eating the cost?” Davis, “Some of the costs can be charged back to the project. And some of the services that we perform as a Staff and Economic Development efforts. Jochum’s services we should be able to bill back to the project.” DeRoche, “I appreciate this, but there was a contract between MCES and Anoka County, and the City was just in the middle. But yet, we still have to have the City Attorney look at things. Especially now with the new contract being drawn up. We have to have the City Attorney look at.” Davis, “We should be able to charge Mark’s time back to the project. Staff’s time, which is a budgeted expense, and to implement our economic development projects.” DeRoche, “We seem to spend a lot of time on certain things that aren’t making us a lot of money in the process.

There have been a lot of fishing contests on Coon Lake. And the Mayor’s ride is coming up. Public Works does a pretty good job on the roads. Is there a reason we don’t use chemicals

on some of these roads?” Davis, “We have used chemicals and you have to have applicators, we would have to invest in the applicators. The cost on it is very substantial. We do use calcium chloride.” DeRoche, “The catch basins, I keep the one on Bryant Lane clean. Are we keeping those others open?” Davis, “They will be kept clean as part of our road program.”

Council
Member
Report –
Koller

Koller, “Is the Reclamation Center done?” Jochum, “No, the Water Treatment Plant is finished.” Koller, “When are we going to get something hooked up to it?” Davis, “Aggressive Hydraulics will be hooking up the beginning of May. The East Bethel Theater would like to get connected in the spring, to both the water and the sewer. And then we will be sending out notices to the rest of the businesses that will be required to hookup.” Koller, “When will the reclamation center be connected?” Davis, “September or October this year. But Met Council has agreed that they will haul it out if we have anyone that wants to hookup prior to completion of it, so we can go ahead and make connections any time now.”

Council
Member
Report –
Moegerle

Moegerle, “I had a meeting with the ISD 15 superintendent on Thursday, after the last Council meeting. Colleen and Jack were going to go with me, but because it got cancelled and then it was back on, they couldn’t attend. It was very interesting especially about the technology that 1st and 2nd graders are using. So, there is a lot of enthusiasm from their community liaison and the superintendent to be involved with the City. They are interested in bringing some of the high schoolers art to be displayed in our Hall. East Bethel was the first City to contact ISD 15 to get more of a community involvement with education. The following Thursday we got our new website online. I think the capabilities will benefit us. That is just really exciting. The retreat was a great opportunity to spend time with Staff and I am grateful that Staff took their Saturday to spend time with us. I think we got some nuts and bolts things out of the way. Some of the philosophical things that were discussed here tonight would benefit from another retreat and get the communication clear. So Staff and Council are on track with each other.”

Council
Member
Report -
Ronning

Ronning, “Retreat is too ‘vacationy’. Can we call them off-site meetings? And I haven’t heard anything negative about it. On the salt cost, I was buying 500 pounds for a group today and the difference in the cost for 5 degrees was 100% difference in cost. And, I find myself negative about some things sometimes. I am a doubting Thomas and the way it was explained here tonight, that Change Order #8, the easy thing to do would be to just let it happen. But I appreciate what you did to make some wiggle room happen.”

Council
Member
Report –
Lawrence

Lawrence, “This is my first meeting with the computer in front of me. The accident on 221st and Highway 65. They brought the helicopter and so I got a phone call right away.” Chief DuCharme, “The paramedics ordered the air ambulance.” Lawrence, “I think things are moving along relatively smoothly. The completion of the total project will be three to four weeks?” Jochum, “Yes, three to four weeks.” Lawrence, “How long before Viking will be open?” Davis, “Probably in May or June, I think that is their schedule.”

Davis, “The website is online; we do recognize there is still a lot of work to complete this. I want to commend Wendy Warren for her hard work. And also the Committee members who spent a lot time on this. We could have waited to go online later, but sometimes if you wait things keep getting put off. So, we went online with it and will diligently work to get it up to speed. Also, we mentioned the possibility of a work meeting. I am checking to see if we want to call for a work meeting and what we want to discuss. Hopefully we will have some final information on the bid openings for the forcemain project. And the city share may have dropped from 3.9 to 2.1 million. We are hoping to get all the final numbers from the Met Council in the three to four days. We did have a discussion with the Bond counsel. There was some question about the commitment of funds on this. We had received some indications that the funds may have to be expended by December 31, 2013. We did have a

conversation today and we think there will be latitude in that. And we have that one small bond that we should be able to use that is not a rebate bond.”

Adjourn **DeRoche made a motion to adjourn at 9:38 PM. Moegerle seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk