

EAST BETHEL CITY COUNCIL WORK MEETING

March 6, 2013

The East Bethel City Council met on March 6, 2013 at 6:00 PM for a special meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator

Call to Order **The March 6, 2013 City Council work meeting was called to order by Acting Mayor Moegerle at 6:00 PM.**

Adopt Agenda **Moegerle made a motion to adopt the March 6, 2013 City Council work meeting agenda. Koller seconded.**

Ronning made a motion to amend the agenda to reverse the order of the agenda and address the Revolving Loan Program for City SAC & WAC Charges and then the Potential Waterpark Project. DeRoche seconded the amendment. DeRoche, Koller, Ronning, aye; Moegerle, nay; motion carries.

The vote is now on the agenda as amended. All in favor, motion carries. Mayor Lawrence arrived.

Revolving Loan Program for City SAC & WAC Charges Staff is seeking Council input regarding this program. In order to minimize the impact of City SAC (Sewer Access Charge) and WAC (Water Access Charge) charges to existing businesses in the sewer district, Staff is proposing the creation of a City SAC and WAC Revolving Loan Program. This program would provide loan funds to these businesses to assist them in paying their City SAC and WAC charges in the event other resources are not available or they could not qualify for a bank loan for this purpose. This could provide an alternative and a last means option of financing to those businesses that would be affected by the mandatory SAC and WAC fees.

The basic framework of the program would be as follows:

- The City HRA by resolution would loan the City \$XXX,XXX as seed money to create the loan fund. The city would repay the HRA as loan repayments were collected. The loan could be no interest or at a rate established by Council.
- Businesses that met the requirements of the loan policy could finance up to 10 SAC and WAC assigned units over a period of five years. The loan would subject to an upfront payment of 20% of the charges and at an interest rate to be determined by Council.
- Businesses would be required to apply for the loan, meet loan policy requirements and pay an application fee to be determined. The application fee would cover the cost of staff time for processing the loan and discourage those that did not have a legitimate interest in the program. The loan would be approved by Council based on requirements of eligibility.
- The program could be utilized for other businesses as utilities are extended through the Hwy. 65 Corridor.
- The owner of record would need to execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement and payment of all property taxes or any other fees owed to the City must be current.
- This program would not be available to the construction of single family homes.

For 2013 the City SAC and WAC fee for each ERU (Equivalent Residential Unit) is \$5,600. If the Revolving Loan Program (RLP) is approved, a business that is assigned a single (1) ERU rating could borrow this money from the fund to pay this charge. The City would receive the money upfront to escrow for bond payments and the business would pay \$1,120 (20%) as the down payment cost and pay annual installments of \$989.10 for five years if the interest rate were 4%. These payments would be used to pay down the HRA Loan.

As to the case described above, the City would make \$465.50 in interest which could be applied to Municipal Utilities Project or applied to the HRA loan debt to accelerate the pay off. A preliminary estimate for initial fund needs could be \$251,000. This estimate is based on the assumption that 80% of the customers in the sewer district (14 customers and 56 ERU's) would use the program. As we are loaning money to ourselves, the capital amount could be adjusted as required. We would also incorporate appropriate measures to secure the loan and include means of collection in the event of default.

This program has been discussed with EDA on numerous occasions and the Authority, at their meeting on February 25, 2012, voted to recommend that City Council consider adopting the Revolving Loan Fund Program to include the necessary and appropriate details for the application and administration of the fund.

Staff is seeking Council input regarding this program. We are at the stage now where we need some direction from you as to how we are to proceed with this.

DeRoche, "After looking at the paperwork, I contacted the City of Anoka; spent about an hour on the phone with a gentleman. The City of Anoka has a couple different programs. One is dealt with through the HRA and one is through the EDA. The HRA one they actually did a \$25,000 match, but the person also had to get part of it loaned through the bank. The City of Anoka did not want to be a bank themselves. And, just to put things in perspective, the City of Anoka is seven square miles and 18,000 people. So, what worked for them, might not work for us. I would suggest that there is a work meeting between the Council and the EDA. I don't want the EDA to sit down and figure this out and then we get it and have to vote on it. I think to save some time, there has to be some back and forth with the ideas and see how everything fits in before it gets to that. Because this is a pretty big deal and I have heard comments that the HRA will just borrow the money to the EDA and EDA will just pay them back. Can that work? Sure. But in downloading the HRA statutes I don't know if a loan is possible, but I do know what the guidelines are and there are certain things that HRA money has to be used for."

Vierling, "There are certainly limitations to HRA funding, certain projects. But we would have to take a look at which vehicle you would want to use as a funding source for this. Without doubt, either the City itself or the HRA or EDA would be able to go into a loan program if you wish to do so. We would take a look at which of the entities if you so desire to go forward, which would be the best funding place for that." Davis, "Actually, it is probably a misnomer to call this a Revolving Loan Fund Program, especially if the monies come from the HRA. Because this wouldn't be seed money that actually stayed with the program. There would be a time limit on this and if we are looking at a five year payback. You could set it up a number of different ways. You could set it up that it has to be paid back to the HRA in five years. And that is certainly doable. Also, if nobody borrowed the money, there would be no need to make the loan. And, it probably wouldn't be a loan; it would be more of an internal transfer. The precedent has been set twice for this.

DeRoche, "Also, primarily with Anoka's HRA Loan that was done to rehab buildings, storefronts on Main Street. They were concerned with them getting to the point where they would have to be torn down or low income situations. The EDA, WAC and SAC were set up primarily to draw new businesses in. And so we can't really use their example for what we are trying to do, because we are trying to work with the businesses that are currently here." Davis, "I don't think the framework that is attached here makes any difference as far as to size. What we are trying to do with the framework is just set up the terms for the loan and set up the basis for provision for collection for default; just term agreements. This loan could also be used to attract new businesses. We thought that it might be best to limit it initially to the existing business in the sewer area, but those that are impacted by this through no decision of their own. It is one of the few things we can do. We tried discussing reducing ERUs. That wasn't feasible from an economic standpoint. They may not all use it and the example I gave, of 80% using it, is probably high. I would rather go in with a high number than a low number. If the theatre and the bank didn't use it, then it would only be 25 ERUs available."

DeRoche, "If I remember right, two years ago when the three of us came in, we discussed using HRA funds to help the businesses come in and remove blight and making it place that you might want to move your business to." Davis, "You could do a storefront renovation loan program on that. I would rather not tie it in with this one." DeRoche, "Along with that, we had discussed working with them to hook them up. That was why the stubs were run across the highway. And, I think one of the first business meetings we had at Route 65 that was discussed." Davis, "There have been discussions on that. We can create a loan program to address anything. This loan is probably going to be for higher risk. The storefront renovations are even riskier loans. The thing with this is they would have to sign an agreement that we could assess it to their property taxes in the case of default. We have talked to the banks and they are interested in making some of these loans. They are not really excited about it. In most case these would be \$6,000 to \$12,000. For the purpose of this, it would be cleaner to keep the SAC & WAC and storefront separate."

Moegerle, "At the EDA meeting we discussed the possibility of having two additional loan funds because of the additional \$750,000 in the HRA. So, this \$251,000 would be the first of one or two possible loan programs. I want to make sure the record is clear that this is not in lieu of another option. This is one of a couple options we are looking at as the EDA. This was the one that was presented at the EDA and is now ready for presentation to the Council."

Lawrence, "Well just for conversation sake, do we have interest on the Council to help small businesses with a loan with the water and sewer project?" DeRoche, "I do as long as it is a collaborative effort with Council and the EDA. Because to have the EDA to come up with this and then bring it to Council and say here it is, vote it up or down." Lawrence, "I think at the EDA we should bang out a rough draft. And then invite the Council in. Otherwise the EDA will be spinning their wheels just to get a draft done." Moegerle, "My concern is what we have before us is a rough draft, with the blanks left open. You were unable to attend that meeting. But, this was what we agreed to and we were reluctant to specify any additional information because that would impinge upon the prerogative of the Council. As far as going back to the EDA, while it is nice to do that, it will not produce any additional information than we have before us."

Davis, "I think what the EDA has done is their duty. They have recommended we consider this type of loan program. It is up to staff to develop the details based on your direction if we

want to do that and then provide that to you for your consideration. What we have given you is just a sample agreement. What we would do based on your direction is refine that agreement, submit it to the City Attorney for his comments and then bring it back to the City Council for any additional discussion. However they wanted to act on it.”

Ronning, “What authority do the Commissions have to dispense or spend funds?” Davis, “None.” Moegerle, “And neither does the EDA, which is not a commission. It is an authority.” Ronning, “What kinds of thoughts have been given to default and legal expense?” Davis, “The basic consideration for default is that it would be assessed back against the property taxes. Personal guarantees are another way you can do it, but sometimes personal guarantees are only worth the paper they are written on.”

Ronning, “Before it went back to the EDA, would it be reasonable to look at a window of expense?” Davis, “Yes, there could be an application cost that would cover the servicing of the loan. What we are asking for is, instead of details now, is direction is this something we want to pursue? If it is, then the next step is to start bringing details to Council. As far as the EDA goes, I don’t see any reason to take it back to them. I think this is solely a Council consideration from this point on.” Ronning, “I share Bob’s concerns, I get a finished document and then vote up or down and are you opposed to helping the community? Then why did you vote against it?” Moegerle, “That is why you have the microphone to speak into that. I don’t understand, please explain.” Ronning, “If it is all said except for us signing the bottom line, that is too far down for us to get involved in it. You want to get involved in it earlier so you have time to get some guidance, direction.” Moegerle, “Isn’t that this opportunity?” Ronning, “Opportunity is one thing. A finished product is another thing.” Davis, “This is just a first step in the opportunity and if you tell us you want to proceed we can have another work meeting. If you tell us you don’t want to proceed with it we will just drop it.”

DeRoche, “I think we already have the consensus. We have to do something. We have this project and we have businesses that were told they wouldn’t have to hook-up and they do. And some of them can’t just pull the money out of their pocket, so it is up to us to help them with it. I do think it is a good idea to start on this, but I don’t like to just say go ahead, EDA draft something and bring it back and we will vote it up or down.” Davis, “Are you saying you want more EDA input? Or you want Council to strictly work on this now?” DeRoche, “This is a pretty big issue. To discuss this in an hour and all we got was this paper from the City of Anoka. And, unless you dig into it and talk to people who have done this and where they have found bad problems I don’t feel comfortable telling them to go ahead and do it. Then bringing it back and hearing, you don’t like the community because you voted it down? I feel the community has to have input. Staff looks at it. That is why I suggested the Council and the EDA sit down in a work session and say, “Okay, what do you think of this suggestion?”

Moegerle, “The EDA did review this. We talked about the pros and cons. We have a well-qualified City Administrator and Community Development Director. Over the course of the past 28 months certainly the three of us have gone through this and we are all responsible to know what is going on in the City, not only at Council, but also at EDA. We have gone through the Ady Voltedge marketing and branding process. This concept of doing a loan is nothing new. There are always risks, pros and cons of doing this. However, the risks of doing nothing are usually greater than doing something. What we do have is information here that there are ways of protecting the City. We are in the position of loaning these funds and the loan program we are looking at is a loan program of last resort. We would not be

expecting to finance a great majority of the businesses. We have in place an application fee which would eliminate casual applications from businesses that would not actually be able to qualify for the loan. We have in place a way to check the credit worthiness and stability of the business within our borders. Those things are in place and discussed at the EDA. While I understand there may be a desire to pick the brain further of the EDA, this is really the limits of their desire to indicate to the Council specificities of what this loan should be. Engaging more of the public is a valuable thing, but as far as meaningful dialogue to flush this out anymore, this is really where the discussion ended as this is where they were satisfied with.”

Ronning, “From that explanation it sounds like it is done, where is the pen? I agree with the comments about the City Administrator and the Planner, but how many votes do they have?” Davis, “We are not recommending you approve this. All I want to know is if you want us to move forward with this and get the information you need to make a decision.” Ronning, “Unless I am mistaken, a concept is one thing, but when it is pretty well laid out, step by step, by step, that train is already moving.” Davis, “No because you have the control and the vote over anything here.” Ronning, “Absolutely.”

Lawrence, “Where are the EDA on this format?” Winter, “They had the revolving loan presented to them three times. Jack discussed it a Council meeting in October or November. Since I have been here, we have had two discussions with the EDA. What I need to understand from Council is the EDA is just a recommending body to Council. They are saying this is sort of what makes sense. They are not in any way saying this is what we should adopt. They are giving you their input. If there are specific concerns we can address as part of the program, I would be happy to address those concerns.” DeRoche, “Whenever there is a disagreement or a discussion about an issue, it is, ‘Don’t you trust the City Administrator? Don’t you trust City staff?’ And you know what; if we didn’t trust them we wouldn’t have them here. Heidi just brought up the fact, not even here it is, it was this is the proposal from the EDA and we are saying, this is a work meeting and I have looked at the EDA minutes and I haven’t got all this stuff out of it for whatever reason. I don’t go to their meetings, but you should be able to draw that out of their minutes. Correct?”

Lawrence, “When you read this did you see something you wanted to change in there?” DeRoche, “Yes, what I will suggest I will sit down and put it on paper and I will give it to Colleen.” Ronning, “Wouldn’t it be wise to have the two groups together? They can give a presentation of what they have looked at that we don’t know? You get rid of the messenger.” Koller, “I agree it would be nice to have a work meeting with the EDA. You said they have to have a credit check. What if they fail it? We are forcing them to hook-up. What if they are going through bankruptcy? If they can’t afford to repay it?” Davis, “I think we have to have some favorable indication they are going to be able to repay.” Koller, “But they are being forced to hook-up.” DeRoche, “Which to me is why a work meeting, more than before a Council Meeting. Put the questions out there and get the answers.” Moegerle, “What questions are there? I want to know if the questions have been asked and answered before. I want to know what type of questions there are and if they are questions that are within the knowledge of the group since I am the president of the group. I don’t want to waste my time at another meeting.”

DeRoche, “Being the president of the EDA, how many other cities were researched to find out how they did it, whether they had good luck, bad luck and were they comparable to East Bethel?” Davis, “There are no comparable cities to East Bethel. I did some research and Ehlers sent us some information. This agreement was probably pretty standard and

framework to start from. I am getting a sense you want to have a meeting with the EDA and the City Council to get some questions answered.” Lawrence, “You have questions, and you have questions, as a group we should present our questions to staff so they can make sure we can get the answers for your questions and have our joint meeting and it will be resolved.” Moegerle, “Not knowing the nature of the questions.” Ronning, “Don’t know how we are going to generate a whole lot of questions about what we don’t know. I would suggest they tell us where they are. And we just ask questions. I have no clue about what Moegerle is defensive about. Seems strange that we don’t want to advance the knowledge.” Moegerle, “I am not sure that individual EDA members are going to have answers to your questions that staff members and the attorney aren’t going to already have from attending those meetings. I also think we have bond counsel, we have our own attorney.” Ronning, “Why don’t you want us to ask them questions?” Moegerle, “Because I don’t know what questions you are going to ask. We all go to so many meetings and if the questions you ask are not within their knowledge then they are just going to say, “I don’t know, ask Jack and Colleen.” Then it is just another night away from home that I would rather not spend with you lovely folks.” Lawrence, “Now is the time for the input, the best situation would be to submit your questions so we can get them answered.”

Moegerle, “Let’s talk about the questions.” DeRoche, “To begin with, why was only one City or if there were other cities researched where the data is for that? I learned coming in here that there was not enough research done. Now I want information and if it is not there, I am going to ask for it.” Moegerle, “These kinds of loans are not unusual methods of handling this. This is one of the tools in the toolbox. Not every city is in a comparable situation as us. You could ask the city attorney, Jack and Colleen their experience on this. What concerns you about this? Being in the banking situation on this?”

DeRoche, “I have Googled this to find out what other cities do this and not a lot of information comes up. Maybe you could download it or send us links.” Lawrence, “Maybe you need to expand to what cities do revolving loans for businesses. We are in a very unique situation where we have a very large system with no users. And we have users that are going to have to hook-up whether they like it or not.” DeRoche, “When I first contacted the City of Anoka, it came out that it was mainly on new stuff coming in. That doesn’t fit on anything that we are doing. I was looking for something that we can compare with. It is our attempt to help people stay here. I think all this stuff needs to be discussed.” Moegerle, “I think there is going to be extremely limited information on SAC and WAC charges for loans.”

DeRoche, “Staff knows we are interested in this program. This is good framework. Council members need more information.” Ronning, “You mentioned there were several hundreds of thousands that came up when you googled this. Can you name a few?” Moegerle, “Mankato, Stewartville, Lake City, looked at so many I couldn’t tell you. Most of them have been in articles on Economic Development. I couldn’t tell you.” Davis, “The Chamber of Commerce of Ham Lake runs a little revolving loan fund. I would not limit this to the size of the city. It is the framework and what best suits our particular needs. I don’t think we are going to find anything right off the shelf.” Lawrence, “I think the city size might be important. However, you might want to look at cities under 5,000 with quite an industrial park, like Montevideo.”

Moegerle, “Understanding of questions. If we are forcing them to hookup and we deny them loan is there any legal recourse.” Vierling, “With any city program, you have to treat them alike. Programs have to be based with objective criteria. Review of credit worthiness.

Establishing criteria and making sure those are observed.” Davis, “We have a good sense of what you would like to look at and can bring that to you.” DeRoche, “Where do we stand with these businesses all being told they wouldn’t have to hook-up and now we tell them they do? Are we morally bound or legally bound?” Vierling, “I don’t think there is any such thing as morally bound. Obviously you have different administrations. Your rules and ordinances are what they are. If your ordinances require connection, that is the law. If that is what the previous Council was thinking, you are not bound by that.” Davis, “We have existing ordinances that state that if the services are available, you are required to connect.”

Potential Waterpark Project

Davis explained that at the at the Economic Development Authority meeting on February 25, 2013 there was a lengthy discussion regarding a waterpark development and the level of interest in this type of facility in East Bethel. The EDA reviewed and examined the waterpark proposal and the geographic advantages and amenities of East Bethel as a potential recreation destination for Anoka County. The EDA did not take any action on the presentation.

The waterpark idea originated as a recreational amenity that was identified in a Booster Day/needs assessment survey that was conducted in July 2012 and has since evolved into an image that includes a vision of the City becoming a recreation destination for the North Metro Area. The concept is a bold an innovative proposal that creates as many questions as it does opportunities for our economic development options and initiatives. The conceptual phase of this proposition has evolved into a plan that proposes to attract a private developer to construct a hotel with convention facilities and an attached indoor waterpark as the central focus of the project. It would also require the spin-off development of additional recreational and commercial facilities as peripheral attractions that are needed to provide the secondary support activities and services necessary for a development of this scale. Even though this type of facility would need to be located along the Hwy. 65 Corridor, no specific site has been recommended for this project and any discussions regarding potential site locations should remain confidential at this time.

Projects of this magnitude can have a tremendous economic impact and serve as the magnet/anchor to attract additional development. This proposed project is still in the discussion stage and has reached the point that requires Council advice as to the direction staff should follow concerning the advancement of the proposal.

The basic question regarding this project is one of marketability and the potential for attraction that would appeal to a private developer. That is the issue with this proposal and until we can provide that answer, the status of this proposal is indeterminate. As in the case of these matters, it may require a financial commitment to proceed with the determination of feasibility.

One of the next steps for consideration is a feasibility study to provide the City necessary data that will be required to establish the practicality of this venture. The costs to perform a feasibility study could vary widely, with basic costs estimated to range between \$8,000 to \$20,000, depending on the depth of analysis that is requested. As such and should authorization be considered and approved, it would be advisable to put this out as a Request for Proposal (RFP) for a Waterpark Feasibility Study. The feasibility study would provide the marketing information required for making a sound business decision on this proposal. The development of the RFP would require minimal staff time and incidental costs for office supplies, postage and other materials necessary for preparation. Staff would submit any RFP to Council for review prior to any submissions for proposals.

The purpose of the discussion before Council is not a referendum on a waterpark project/recreation destination area but rather a means for Council to guide staff on the direction to proceed on this matter. Regardless of the direction we proceed with this proposal at this time, this, along with any other potential economic development project, will always be open for deliberation and on our menu of options.

We have reached a point in the research of this matter that involves consideration of expenditures for marketing consultant services to assist in determining the feasibility of this proposal and Council input. This decision concerning expenditures is beyond the staff level and requires Council approval to proceed or provide alternate recommendations to advance and promote the proposal.

Attached is information that relates to the concept of this project and its relation to our economic development plan.

Staff is requesting direction from City Council as to the preferred course of action concerning the next phase of this project.

Moegerle, "I did some additional research about this proposal. As you saw in your packet was the data from Booster Day desirability's for the development of East Bethel. And, Waterpark hit the highest response with 40. Clearly there was interest with having more recreational activities in East Bethel. East Bethel residents also want to keep East Bethel rural. What has come through from the information in the packet anything we do should be a low impact on the environment. Mr. Coy from Rochester in information I found when I Googled 'water parks,' I feel this is a very reliable source. One of the things they talk about is water parks draw from a 200 mile radius. So that makes this a little more doable than a Target. One other thing that factors into this is that this has to be a year-round facility; it has an indoor/outdoor facility; has to be a facility that can meet the needs Cedar Creek is projecting for symposiums and those kinds of things. It has to meet the requirements of having businesses and dances and activities that will support it or nobody's going to come. The question is, 'Are those entities out there that would come this far north of the Twin Cities, knowing there are certain amenities within relatively quick distance and time to go to a stadium and so forth?' So, that is something that we, as a Council, can understand pragmatically, but what is needed is a feasibility study. I know Tom and Ron are coming a little late to the info on economic development. I have read many articles, read many books, and attended many conferences from the LMC and consistently they have said that an Economic Development Authority in difficult situations has to be bold in their decision - making as far as exploring opportunities and possibilities. So, at this point, the EDA said at their last meeting they were interested in this. A feasibility study costs money, but the preparation of an RFP does not. And so this may be the first of many types of possibilities the Council may want to consider getting an RFP for a feasibility study."

Ronning, "I am familiar with one of these places; I have stayed there several times. Wisconsin Dells, a large portion of their business comes from Chicago. They have a pro golf course. And have river sports as well." Moegerle, "We may be looking at something where cross-country skiing is the attraction. We have an area where launching snowmobiles trips north is ideal. 'Leave wife and kids at the water park and fathers and sons go north and go snowmobiling or go south and go to sports games.' It's not intended to make East Bethel the new Wisconsin Dells. This is not Dollywood. We have a bed and breakfast on Viking Blvd that does quilting retreats that takes up to 15 weekend residents. We have a strong basis of

recreation, hunting and others.”

Ronning, “Is the EDA behind this? Have they contacted any of the convention centers in Minnesota?” Moegerle, “We spoke with individuals from the National Sports Center and they are associated with a tourism association out of Ham Lake or Anoka County. The tourism organization has beds, hotel beds, motel beds, came to speak to Jack and Colleen and I. We also got an e-mail from someone in Cleveland. There are always going to be questions. Is this a reasonable avenue for East Bethel to explore?” Ronning, “Has the question of what is their occupancy been asked?” Moegerle, “It is really the question of what is the success of the Waterparks. We have the one at Bunker Lake, Mall of America; Waterparks in general are successful if they are scaled appropriately for the community and the destination.”

DeRoche, “The other recreational sporting goods had 39, this one had 40. A City with 11,450 people to have 40 people say that, it just doesn’t generate that kind of excitement in me. When we are looking at most communities, whether Maplewood or Shoreview, they have their City Center, Community Center and have a Waterpark inside.” Moegerle, “I researched the community Waterparks and I talked to the city administrator of Andover and I said, “I really admire your community center you have over there.” And he said, “You shouldn’t. Cities shouldn’t get into that business. They never pay for themselves.” I have chatted with various people and that tends to be the consensus, is don’t get into the business of community centers, they don’t pay for themselves. I think at the LGO meeting at Columbia Heights there was emphasis on that. We are never going to be able to scientifically poll every resident and find out what they want. And, ultimately, we are the leaders and have to make the decisions. My point is that what are we supposed to do, we have information. What is the EDA supposed to do to come up with ideas? If that is not an idea you want to pursue, I would ask that the Council give the EDA criteria; do we need 45, 75 or 105 before this is something we are going to pursue? Or does some background research into the opportunity say we need to get more information?” DeRoche, “I don’t want to get into a build it and they will come. We have a sewer and water district that we need to get going on. We need to focus on certain things. I would like to see the EDA focus on developing the sewer area. And I don’t think a Waterpark is part of that. And, I don’t think putting \$8,000 to \$12,000 into a RFP is prudent at this time” Moegerle, “We are not at that decision yet. The decision to be made today is whether staff should develop RFP on feasibility costs. We need additional information on whether or not to invest the \$8,000 to \$20,000 on a feasibility study.”

DeRoche, “I would have liked to have had Council give direction to staff to even look into this to begin with.” Ronning, This Booster Day, in the packet it says 40 people. .03% of the population at a picnic. We can’t base something like this on .03%.” Moegerle, “Getting individuals into one place where they will tell us what they want to do is like pulling teeth. As a practical matter there is no way to survey every single person. You are new to this and I remember those days. We had the opportunities at Booster Days.” Ronning, “Is 40 out of 11,000 a good sample?” Moegerle, “It is a good sample out of East Bethel people. That is frightening and to me I am appalled.” Ronning, “I wouldn’t want to put my future into the hands of 40 people that are just passing time.” Moegerle, “The future is put into five people who are just passing time.” Ronning, “We are supposed to make decisions on spending money.”

Moegerle, “The decision here is not to spend money. It is whether to invest time in exploring the possibility of whether it is worthwhile to proceed on this.” Lawrence, “What is the cost

of an RFP?” Davis, “It would take about ½ day, day at the most to develop the RFP. Then send it out to consultants.” Ronning, “What is the staff time that has been spent on this package?” Davis, “Not a lot of time. But, now we are here asking for advice if we should take it any further.” Ronning, “We already have some investment in staff time.”

DeRoche, “It is my understanding that Council does not direct staff. It is up to us to say, City Administrator, how can we get it done and he goes to staff and gets it done before there is any commitment made, correct?” Davis, “And that is why I am here tonight, I am asking you. But if I have to come to you every time and ask you. We are at the point where we need direction from Council.” Moegerle, “I think it is worthwhile to do the RFP.” Koller, “I think it is okay to look into it, but like Tom said, I wouldn’t make it a priority.”

Moegerle,

“We don’t have enough time, but I think we need to talk about the role of the EDA. It seems to me that I am hearing some confusion over that.”

Lawrence, “When the commissions have ideas, they go to staff for information or data.”

Davis, “Everything goes through staff and then to Council. We present a lot to them.”

Lawrence, “There is a fair amount of work that goes to staff before it comes to us.” Davis, “We deal with a lot of issues that have to be vetted before we bring them to Council so you have the information.” Ronning, “To what extent do you research questions?” Davis, “You wouldn’t believe the amount of time we spend answering questions. As with anything that comes up with the ERUs anything is fair game. If we think it has merit, we will bring it to Council.” Lawrence, “You are thinking about a days’ worth of work to put this together?” Davis, “Yes, and then as with anything, we will bring it to Council and see what you want to do with it.”

Colleen Winter, “The trick is going to be finding who to send the RFPs to. Not a lot of companies that do this specific kind of marketing. That is going what will take the kind of time.” Davis, “We don’t want to spend time on things that Council doesn’t want us working on. That is why we are here; we have reached the point to take it to the next step so we want direction.” DeRoche, “Confused because I hear how taxed our staff is working on current things. But apparently not if we can just start chasing things like this.” Davis, “Our staff is very taxed, they work very hard. I get here at 5:00 a.m. and leave at 6:00 – 7:00 p.m. Colleen gets here early and works hard. Everybody here works hard. We do spend a lot of time. There are things that we have to do as part of our job; to investigate things that come up. But, when we reach a certain point, that is when you kick in.” DeRoche, “Nobody said you don’t work hard, don’t even put those words out there. I said it is always how much our staff has to do we got to hire more people because we have all this stuff going on. To me this water park would be great down the road somewhere, but I think we have more pressing issues at this time that need to be dealt with before a Waterpark idea. Because 40 people on a survey of 11,000 thought that might be a good idea.”

Moegerle, “One person thought having Aggressive Hydraulics was a good idea in East Bethel. It is not the number of the idea; it is the quality of the idea. I thought part of it was to get away from if you build it we will come so we all sit back here with our hands in our laps and say, “You have infrastructure, come on in.” I thought our role was going to be was to shake the trees to see what business would come to our small community and thrive and give us workers, give us jobs, give us security on the infrastructure. I thought that was what our job was to be. Apparently my position disagrees with yours. I need to be redirected in this. I thought we were supposed to shake the trees and find a good fit for East Bethel within the parameters of keeping it rural and limiting impact on residents.”

DeRoche, "I put a lot more faith in the residents, I get out and ask the people, "What do you want, what do you think?" I don't represent just me up here. I represent what I hear people saying." Moegerle, "I don't represent just me. I am taking valid information that we have that there are 40 people out there that feel we should have a water park. You can go to any bar on any Friday night, and get every kind of opinion you want in the world. But what I know is on Booster Day, the people there, concerned about East Bethel that were sober who had some ideas they wanted to present to us. Forty is a lot more than you get anecdotally at the Pub and Grub or Hunters, or anywhere else on a snowmobile trail. You have them all together, that has more merit than anecdotally here and there." DeRoche, "What a statement. You have no clue what I do with my life, who I talk to and where I talk to them. I think we are spending our taxpayer's money incorrectly doing this, but so be it."

Lawrence, "What do you want to do?" Ronning, "I don't think we have enough information." Koller, "And I agree." Moegerle, "What more information do you want?" Koller, "How big of a waterpark would work here." Moegerle, "That would be part of the feasibility study. To know what kind of size would depend on the market research, but we would need the RFP. Koller, "I guess we can have staff look into it, but I don't think it is the right time."

Davis, "We would develop a set of criteria for a market study." Ronning, "We can go ahead with the RFP."

Adjourn

Moegerle made a motion to adjourn at 7:30 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk