

EAST BETHEL CITY COUNCIL MEETING

April 3, 2013

The East Bethel City Council met on April 3, 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
 Andy Pratt, Acting City Attorney
 Craig Jochum, City Engineer

Call to Order **The April 3, 2013 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the April 3, 2013 City Council agenda. Lawrence seconded. Lawrence, "I would like to add a closed session to discuss the purchase or property per MN Statute 13D.05, subd. 3. c. at the end of the meeting."** DeRoche, "I am just curious why the HRA meeting isn't first?" Davis, "The reason we didn't schedule it first is because we had the work meeting which took up the entire time before the regular meeting. Council normally starts at 7:30 p.m. The HRA is just a very simple budget and that is all we are asking for approval on." **Koller seconded the amendment. All in favor of the amendment; motion carries. All in favor of the agenda as amended; motion carries.**

Public Forum Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda. There were no comments so the Public Forum was closed.

Consent Agenda **Moegerle made a motion to approve A) Approve Bills; F) Approve Proposal from Dascom Systems Group for Assistive Listening System for Council Chambers, G) Declare Surplus Equipment John Deere Tractor, H) Equipment Purchases for Public Works, I) Pay Estimate #20, Phase 1, Project 1, Utilities, J) Pay Estimate #1, Viking Blvd. Turn Lane, S.R. Weidema and pulling items B) Meeting Minutes, March 6, 2013, Regular Meeting; C) March 6, 2013, Work Meeting Minutes; D) March 20, 2013, Regular Meeting Minutes, E) March 20, 2013, Work Meeting Minutes and add K) Resignation of Darrin Hansen effective April 19, 2013 and authorize staff to advertise to fill this position to be discussed separately. Lawrence seconded; all in favor, motion carries.**

B) Meeting Minutes, March 6, 2013, Regular Meeting Moegerle, "I pulled B) Meeting Minutes, March 6, 2013, Regular Meeting because there are quite a few changes in these fourteen pages. Starting with page one, '1st' is abbreviated, needs to be spelled out. 'Waterboard' is one word, needs to be two words, '2nd' is abbreviated and should be spelled out. The punctuation changes I am not going to discuss. At the top of page two, third word is 'there', it should be 'their'. Second from bottom paragraph, starting with Moegerle, 'Metro' should be capitalized. Same in page three. Mark Vierling (too bad he is not here tonight), has sentences starting on page seven, third full paragraph, transcribed as 'which' in two full sentences think he said 'what'. Next paragraph we have interim City Administrator, City Administrator is always capitalized. Need a word check on page nine, fifth paragraph, 'Moegerle... continued detail,' not sure 'continued' was the word there. On page 13 of the meeting minutes, there are a couple places where 'City' is not capitalized and City Administrator is not capitalized. Council reports by Koller, Fire Department is not capitalized, and those are the most of the ones that are not the punctuation.

Those are all of the ones I have.” Lawrence, “Okay, that is a handful.”

Moegerle made a motion to adopt B) Meeting Minutes, March 6, 2013, Regular Meeting with those changes. Lawrence seconded; all in favor, motion carries. ;

C) Meeting Minutes, March 6, 2013, Work Meeting

Moegerle, “I pulled C) Meeting Minutes, March 6, 2013 Work Meeting because these minutes are incomplete. We had a discussion with regard to the issue of revolving City loans and there was a question about finding information. And I did a “Google” while we were in that work meeting and I found 898,000 hits for revolving City loans. Then I also did Minnesota revolving City loans and I found 155,000 hits. And they are not referenced in these minutes so I pulled these minutes so they would be tabled and be made complete.”

Moegerle made a motion to table the minutes from March 6, 2013 City Council Work Meeting until this information is included. Lawrence seconded. Ronning, “was that a part of the meeting: Was the referenced in that specific term?” Moegerle, “It was omitted in here. It was part of the discussion. We have verbatim minutes. I object to verbatim minutes. But if we are going to have verbatim minutes, then they should be complete and correct. And these are incomplete and incorrect.” Ronning, “Which portion are you referring to?” Moegerle, “Because it is omitted, it is hard to be exact. But page six and third paragraph from bottom.” DeRoche, “Well that being said, I guess we can expect this at just about every meeting then that every single word isn’t in the minutes.” Moegerle, “I am saying that is an important point to be made here. And there was an important point being made here that there is information out there about revolving loans and there are many Minnesota cities with revolving loans. That is an important fact that needs to be in these minutes and out to the public if we are going to be completely transparent. I am sure there were other points that were lesser, but I think that is an important point.”

DeRoche, “Well that is fine. Everybody is worried about staff’s time and nitpicking. If that is the road we are going down, I will start nitpicking all the minutes so we can make sure every word is in there.” Lawrence, “I think it is being accurate is the point. We want to make sure they are accurate.” DeRoche, “That is fine; just understand the road we are going down.” Moegerle, “My view is we should have summary minutes. But, I am conceding to the majority. So, that is my point.” **Lawrence and Moegerle, aye; DeRoche, Koller and Ronning, nay; motion fails.**

DeRoche made a motion to approve the March 6, 2013 City Council Work Meeting minutes. Ronning seconded. Lawrence and Moegerle, nay; DeRoche, Koller and Ronning, aye; motion carries.

E) March 20, 2013 Work Meeting Minutes

Moegerle, “I also pulled the March 20, 2013 Work Meeting minutes because they are not in the packet. So obviously they will need to be tabled because they are not present for us to review.” **Moegerle made a motion to table the March 20, 2013 City Council Work Meeting minutes because they are not in the packet. Lawrence seconded.** Davis, “We were going to try to get these to you on Monday. But due to some staffing issues, those were not ready to send out to you and will be part of your next packet.” **All in favor, motion carries.**

D) March 20, 2013 Regular Meeting Minutes

Moegerle, “I also pulled D) March 20, 2013 Regular Meeting Minutes so I can object to minutes that are not in summary form. I will turn in all the corrections, spelling and the rest later.” Ronning, “We don’t have a court reporter here and I don’t think you are going to have a court reporter minutes. I think we are going to have verbatim minutes to the best of the

ability we have within our City. Based on my experience.” Moegerle, “And you are right. This is not a court and we don’t have court reporters. I just pulled this so we can have a regular vote on the meeting minutes and if anyone wants to approve the meeting minutes that is fine. I am not going to vote to approve these meeting minutes.”

DeRoche made a motion to approve D) Meeting Minutes, March 20, 2013 City Council Regular Meeting. Koller seconded. Moegerle, nay; DeRoche, Koller, Lawrence and Ronning, aye; motion carries.

Moegerle, “I added this item, K) Accept Resignation of Darrin Hansen Public Works Maintenance Worker effective April 19, 2013 and authorize staff to advertise to fill this position. We have in front of us a letter of resignation.”

K) Resignation and Advertise **Moegerle made a motion to approve K) Accept Resignation of Darrin Hansen Public Works Maintenance Worker effective April 19, 2013 and authorize staff to advertise to fill this position. DeRoche seconded; all in favor, motion carries.**

Park Minutes Davis explained that the meeting minutes from the March 13, 2013 Park Commission meeting are included for your review. DeRoche, “Are we going to have any discussion on the Old School House?” Davis, “That is the next agenda item.”

Old School House Davis explained that the school building at Booster East Park was moved from its previous location on East Bethel Blvd. to Booster East Park in September 2010. Approximately \$21,000 was spent to move the building and set it on a permanent foundation. There have been no City funds budgeted for additional improvements or renovations to the building. To date \$2,850.00 has been donated for the renovation of the school house. A portion of that money was used to purchase windows and doors so that the building could be secured, but have not been installed at this time. There is currently a balance of \$1,855 remaining in the donation account.

The City Building Official was asked to inspect the building and recommend what repairs were needed and if the building was safe for occupancy. His conclusion was that in its current state, the building is unsafe for use and presents a liability to the City. The repairs required are extensive and any attempts at renovation would leave very little of the original structure intact.

Staff has contacted numerous contractors for estimates concerning the cost of renovation but has been unsuccessful in getting contractors to quote the project. Contractors are reluctant to provide estimates due to the unknowns involved in the project and because they are aware that there is no dedicated funding for the renovation.

At their March 13, 2013 Park Commission meeting, the Commission discussed what the requirements were for repairing and renovating the structure to make it safe and attractive as a public building in our park system. The Commission was sensitive to the significance of the building and the local personal connections, but after reviewing a slide show of the building, reading the memo provided by the building official and a description of the repair requirements, they passed a motion recommending the building be removed from the park. The Commission also expressed an interest to provide a commemorative display or kiosk at City Hall or in Booster Park that reflected what life was like attending a one room school house in the area.

If removal is approved by City Council, the next step would be to declare, by resolution, the building as surplus property. The building could then be advertised for sale. The sale price of the building could be set at \$1.00 or offered as a donation with the cost of removal and transport being the responsibility of the buyer or recipient. Should a sale or donation not be concluded within 30 days of advertisement on the City's and the League of Minnesota City's Website it would be necessary to consider demolition and transport to an off-site disposal facility as a means of removing the structure from the property. The floor joists of the building are large wooden beams that, although split, could be salvaged and repurposed for commemorative uses.

Donations for the renovation would be returned to the donors. The doors and windows that have been purchased with monies raised for the renovation could be donated to the Habitat for Humanity or sold and returned to the contributors with the decision for the refund pending their choice of options.

The City of Nowthen expressed an interest in the building, but upon inspection, deemed the structure uneconomical to renovate and coupled with the moving costs associated with transporting the structure, reported that they had no further interest in the building. Staff is obtaining quotes for the demolition costs of the structure should this be the final alternative for removal and should this be approved by City Council.

Staff and the Park Commission recommend the old school house in Booster Park East be declared surplus property and offered up for sale for a 30 day period, upon which time if no offers are made the building would be removed and disposed in the most appropriate manner.

DeRoche, "We have some people that I think would like to speak to the old school house." Moegerle, "Nate, do you have those pictures of the old school house?" Nate Ayshford, Public Works Manager, "Yes, I do have them with me." Moegerle, "Has all the Council seen the pictures?"

DeRoche made the motion to declare the old school house surplus property and to be offered up for sale for a 30 day period and if there are no offers the building would be removed and disposed in the most appropriate manner. Koller seconded.

DeRoche, "It was moved here with plastic because of lead paint. It is structurally not sound. City has about \$23,000 into it. We can't burn it. We can't demolish it." Davis, "We can't burn it. We received a letter from the DNR stating that they will not grant a burning permit as a means of disposal for that building." DeRoche, "I am at a loss for thing to do with it, unless we put it up as surplus property. Ken and I talked about this, this morning. What do you do? We are caught between a rock and hard place." Moegerle, "At the Parks Commission we talked about this and there were quite a few people that were excited about the possibility when this first happened. However, until it was moved here, they didn't have photographs. And, I am not sure if the minutes revealed their sentiments, but they were appalled at condition it was in. Buyer's remorse kicked in pretty quickly for some of them. There is a sentimental value but there is a practical issue that it is a liability to the City due to its poor structural circumstances."

Lawrence, "I know there was a lot of research done to try to get it set up as a historical building. But there are so many school houses they don't recognize them anymore. It is a tough one; you wind up with a building you can't do much with. Even if you fix it."

DeRoche, "Even if you fix the floors, the walls, the ceiling, then it is not the old school house anymore. Now it is the replication of it." Lawrence, "We might be able to use some of the wood from it for the residents if they want a memorable piece." DeRoche asked Mr. Pratt, "What is your thought on that, if it has lead paint on it?" Davis, "The joists are not painted; the only thing that is painted is the siding. So, that is what would have to be dealt with as far as lead paint issues." DeRoche, "And what do we do? We have \$23,000 into having it moved here and the slab cost." Davis, "The moving costs were \$14,000 and it was \$7,000 for the slab. So we have \$21,000 invested in the structure." Moegerle, "At the Park Commission we did discuss reuse of the slab for shuffleboard." **All in favor, motion carries.** Lawrence, "My apologies to all the people that have tried to put this together and get it to work."

Road Comm.
Minutes

Davis explained that the meeting minutes from the March 12, 2013 Road Commission meeting are included for your review. Lawrence, "The striping in the Coon Lake Beach area, are we going to do that? The 'S' curve?" Davis, "When the reconstruction is done this summer it will be striped." Ronning, "For everyone else's information, there are several bid categories in here. Aggregate, 65,000 square yards, crack sealing, 100,000 feet, striping, 55,000, contingency 5%, I am not sure what that is. I didn't catch that one myself." Davis, "The contingencies are always put on any estimate to cover any potential cost overruns or any unanticipated costs. That is just a standard item in an estimate. The administrative costs (the City of Coon Rapids is the one that administers this program), they handle putting all the bids together, handing it out, putting all the bids together. So, you pay a certain percentage of the project costs. We pay that to Coon Rapids and there is a cap on that, 1.5% not to exceed \$3,000. If we prepared the bids, Craig would have to do it. Legal would have to review it. It is a really good bargain."

DeRoche, "There was another discussion regarding the west side of Highway 65 and the service road and the expenditures of that. And they again were asking me why when the Road Commission voted against it. It was voted to go ahead with it. Davis, "That is a Council decision. Commissions can make recommendations to Council, but Council has the ultimate vote on how they want to develop. I know there was some concern about that and why there wasn't one in the sewer district. But, part of the reason for getting this money was being ready to close certain crossovers. There was talk about extending Ulysses or Jackson south to Viking Boulevard, but this wouldn't have qualified for the closure of an intersection. Plus it would have been a much more expensive project and I am not so sure that it would be one that would divert enough traffic in there. One of the things we have discussed is a project with MnDOT, extending Ulysses or Johnson Street south and then east to give another connection into that area. Right now we have an issue. One of the trucks coming out of that area got stuck at that intersection and couldn't get out and traffic got backed up to the bus place. It took quite a while for that to clear up. Also, if there is ever an issue down there with public safety, there is only one way in and one way out. Also, an additional entrance and perhaps a signal south of there would probably enhance the development."

Water Park
Request for
Proposals
(RFPs)

Davis explained that the water park 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 and innovative approach 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/resort with convention facilities

and an attached indoor water park 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.

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. The next step would be 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 and \$25,000 depending on the depth of analysis that is requested. Should authorization be considered and approved, it would be advisable to put this out as a Request for Proposal (RFP) for a Water Park Feasibility Study. The feasibility study would provide the marketing information required for making a decision on this proposal. A draft attachment of an RFP for this proposal is attached for your review and consideration.

City Council gave direction to staff to prepare a draft RFP for consideration of this service at the March 6, 2013 Work Meeting.

There would no cost associated with the submission of a RFP requesting proposals for this service other than postage. Staff spent approximately 6 hours preparing the draft RFP and total staff time spent on the water park concept has not exceeded 16 hours.

Staff is requesting direction from City Council as to the preferred course of action concerning the approval and submission of the attached RFP for feasibility analysis of the Water Park/Resort Project.

Moegerle made a motion to direct staff to submit the RFP for a feasibility analysis of the Water Park/Resort Project. Lawrence seconded.

DeRoche, "For the same reasons I brought up last time this came up, I am complete against it. I thought it was only going to take a couple hours of staff time. Now we are at 16 hours of staff time. I thought it was going to be completely developer driven. Water parks for the most part are on the decline. We are not going to compete with Mall of America. We are not going to compete with Bunker Lake, and we are not going to compete with these other communities that have water parks in these little community centers." Moegerle, "Can I see the feasibility study that proves that, please?" DeRoche, "Let me see the feasibility study that says it will work. I think to spend between \$8,000 and \$20,000 on a feasibility study is a waste of taxpayers' money."

Moegerle, "We don't know that cost. We are sending an RFP that is just the cost of staff (cost of postage for the ones that we don't put online), and then we will find out whether it is \$8,000 or \$22,000 and we will have more information. We are trying to find out if this is a way to go. As far as high priority, I think anything that is reasonably likely to provide us

with information on the way we can move our City forward is valuable. We did that marketing and branding study and we spent thousands of dollars on it. And some people who looked at that costly advice threw it away. We need to move forward on this, and this is not the only one. We need to look forward to see if data centers are a possibility. We need to look at light industrial, in my opinion; we need to be sending out RFPs just about every meeting to find out how we make our infrastructure be fulfilled for its potential. When we say 'No,' we are saying, 'If we build it they will come.' This is just one option; we have got to get the information. Let's find out what experts have to say. The reason they haven't been building water parks is because of the recession. They all went to Europe. If we can't spend the cost of postage, we already spent the staff time. If we can't spend the cost of postage, then it is real sad view of how we are going to take care of all the other options we have."

Ronning, "We have gone through this before and it is nothing new and there was no support for it at that time. When we say about these 16 hours, we didn't have any input into the 16 hours. And the estimate is a lot of money, \$8,000 to \$25,000." Moegerle, "That is what we are expecting the feasibility study to cost." Lawrence, "We are not to that point yet. It won't cost anything, except postage. Right now, what this proposal says is, 'We are mailing out information to see what it is and if it is viable to do in East Bethel.'" DeRoche, "This came out of a survey that was done on Booster Day out of 12,000 people, you get 157 replies and 40 people said they wanted a water park. And now we have spent 16 hours of staff time. And I knew there would be more staff time in it. There are five people up here that can vote on it. I think we ought to call the vote." Moegerle, "The vote was 4 to 1 to prepare the RFP because it didn't cost anything. It is only when you get back responses to the RFP and they say, 'East Bethel it will cost you X amount of dollars.' There are a lot of fail-safe's built in this project. I agree 40 are not a lot. But if you look out there in our audience and we only have four and those not associated with our commissions are two. I thought we were up here to create possibilities and to throw away a possibility without even looking at it bodes very ill for our City."

DeRoche, "You always have compliments on the rest of Council, but we have spent money, 16 hours getting this far. I think back to 2010 when there was another feasibility study and people saying this and that and it stuck here. And you like to say, 'That is history, forget it.' Well no, I won't forget it. I don't think having a developer and the RFP is where we should go. You know why we don't have a lot of civic involvement out here? Because people go, 'What is the difference? You are going to do what you want to do anyways.'" Moegerle, "We have 40 people who said this. What do you say to those 40 people that were interested in the water park? 'We as residents can't put together a RFP and can't find out. You are our elected government officials.' This is the strongest interest we have gotten from people to say anything about and you are going to thumb your nose at it. But more than that, everything is feasible. It is just how much you want to spend. Of course it is feasible. It is just what does it cost? In my mind, it is we get a feasibility study and find out what it is going to cost for a developer to come in and want to do this. There are a lot of questions about how we are going to develop the City. I think we should be working on it. But, I don't think we should be working it until we know dollar cost. We have gotten this far, let's find out the answer. We got to get in the habit of getting the information before us to make an informed decision."

DeRoche, "You can put it in your own words as you always do. I think that 16 hours would have been better spent. We have a mile and a half of the sewer district that we have to develop. Yes, we have a forcemain coming up, but unless someone is big enough to attach to it, we as a City and elected officials have a duty to our citizens to try to get the development

down there so that they are not hit with the bill.” Moegerle, “Doesn’t water park fit that?” Lawrence, “What we are doing, this particular project, this is not something new that just came up. I recall the meetings you are referring to and this room was packed and everyone was saying no. I don’t see anyone saying no today. We have been kicking this around for a couple years. We don’t know if we will get a reply back. But the least we can do is sending out the two bucks in stamps to find out.”

Moegerle, “We have to be planning for the future. How long would it take to get a water park? We have the East Bethel Properties, LLC and they are going to be breaking ground. Then many more will be breaking ground. This one is a longer term one, but we have the short term ones coming up. We don’t have a strategic plan, but this shows our dedication.” Ronning, “It says on second page, City Council gave direction to staff to prepare a draft RFP for consideration at March 6, 2013 work meeting. There was a consensus, I was opposed.” Lawrence, “I think what it came to, if my memory serves me correctly was Jack said it would take a few hours of staff time.” Davis, “The issue was discussed and there was not any general support for the project. However, the question was brought up to get direction from council to draft the RFP because that could be done at no cost. That was discussed and no vote was taken because it was a work meeting. The direction from Council was four to one to permit staff to draft an RFP and bring it back to Council for direction.” Moegerle, “And you kind of said, “Oh what the heck because there were no out-of-pocket expense.” Ronning, “I remember saying to Jack, ‘Do you want my answer now or later? No.’”

Lawrence, “Basically this whole thing has been structured and now we are to the end to find out what it is going to cost and it is stamps.” Ronning, “How many of these people in the survey were East Bethel residents?” Moegerle, “Dan Butler was there and was specifically advised to get these from residents. I think there were 80 from Booster Day and the balance was from the website and I think we asked them to say if they were residents.” Ronning, “So we don’t know if they were residents.” Moegerle, “We have a large probability, the whole point was that Dan Butler and I asked them if they were residents. We can do a feasibility study for a \$1,000 and then we can say we are already there. We can send these out for the postage. The time has already been spent.”

Koller, “I am not really for a water park but would be willing to find out if feasible.”

DeRoche and Ronning, nay; Koller, Lawrence, Moegerle, aye; motion carries.

Water &
Sewer
Ordinance

Davis explained that In order to update our current Ordinance that regulates Waterworks and Sanitary Sewer, the attached amendments are proposed for Council’s consideration. These revisions will allow us to more effectively administer and manage the operation of the Municipal Utilities System that will be accepting customers beginning in May 2013.

Other changes, including the time required to connect to the system and a statement exempting existing residential properties from mandatory connections along with a clarification of definitions, were recommended by Council. These changes are incorporated in the attached Ordinance revision.

The City Attorney also recommends that the City Council adopt a policy on mandatory connection by Resolution where municipal services are available. Although that is not needed immediately at this point we should begin the preparation of a draft for that for consideration.

Moegerle, "What is the cost for a home to connect to the forcemain?" Jochum, "\$30,000 to \$50,000."

The time required for the existing businesses to connect to the system will have an impact on the project bond payment deficit for 2013. If payment for all those notified in the 429 notification process are required to pay their connection fees in 2013(14 businesses), our projected deficit for our bond payments will be \$91,376 depending on the outcome of the federal "sequestration" debate.

If an additional time extension beyond 2013 is given to the 429 noticed properties, our budget deficit for the bond payments could increase to \$412,873 for 2013(this accounts for a \$41,000 reduction in our federal tax credits which may or may not happen and includes the connection of Aggressive Hydraulics to the system).

In both cases these deficits would have to be covered from the City General Fund or other City reserves as directed by City Council.

Staff is recommending the approval of the amendments to Ordinance 44, Second Series, Chapter 74, Article V, Regulating Waterworks and Sanitary Sewer as presented in the attachments and direction to publish.

Ronning made a motion to suspend and hold in abeyance all amendments, additions or deletions to Chapter 74, Article V. of the City Code of Ordinances until such time as the completion of: The City of East Bethel shall research and produce a chronology of events and details concerning the Sewer and Water Project, including pertinent events, cost explanations and other necessary descriptions beginning at a point in time on or about the 3rd or 4th quarter of 2010 for review by City Council. Upon City Council review, the City shall produce adequate details as to be understandable by a layperson between the ages of 18 and 100. The City shall produce the Sewer and Water Project Information, to be distributed to the residents of East Bethel by means of written communications, town hall type meeting and through the City website. The purpose will be to create an awareness and understanding of the potential impact on City residents and City business so as to better prepare for possible shortfalls and potential necessary actions by the City to react with means necessary to maintain our community. Exceptions to this suspension shall include a shovel-ready connection that may be requested by Aggressive Hydraulics. Subject to Council vote of approval, this action is to provide adequate information to the residents that they may be advised of the present state of the Sewer/Water System and be aware of potential future necessary actions by the City. The conditions identified in the current Code of Ordinances, Chapter 74, Utilities, Article V. Regulating Waterworks and Sanitary Sewer, Division 1. Generally, Section 74-123 are suspended upon approval of this amendment. Upon satisfying the referenced information and distributions, conditions of these suspensions shall expire. Similar communications shall be updated for residents and business and shall be made available bi-annually thru 2015. DeRoche seconded.

Moegerle, I would like to table the motion." Ronning, "You can't make a motion on top of a motion." Moegerle, "Can we get a copy of that?" Ronning distributed copies. Moegerle, "Hasn't this already been done and wasn't this done in February 2011? We did a feasibility study review in February 2011 to create awareness regarding the potential impact on businesses and residents. And we don't want the City to react. We want it to act." Ronning, "I am absolutely convinced the vast majority of this community does not know about what

the City is facing. And further if someone is going to vote against informing the residents of the information like that, I would have to see it.” Moegerle, “This has already been done in our feasibility study.” Ronning, “My motion is in response to the recommendation that is on the table.” Moegerle, “Jack, how long would it take to complete something like this? Would it take 16 staff hours?” Davis, “It would depend on how much detail you want. Maybe a day.” Ronning, “I would want to work with you so that it wouldn’t be a waste of time. How many are here, 12,000? I would say 10,000 at a minimum don’t have adequate information available to them that they can make a decision on. Such as, if there is a cost like that \$30,000 coming up, people are going to have to decide, ‘Do I buy a car or not?’ It will have to get there sooner or later.” Davis, “The answer that Craig gave was that it wouldn’t be feasible for a residential connection to be made to the system because it would be too costly. Nor is it intended or designed for that purpose. And the language in this new version specifically refers to non-residential property. Requiring residents to hook-up is not the intent of this ordinance.”

Moegerle, “Are you suggesting that the City mail this document to every household. And if so, do you have a bond to reimburse this? Who is going to pay for doing this? I absolutely agree with you. Most residents don’t know about it, don’t want to know about it. They are totally befuddled by it and they don’t understand how we got there and those kinds of things. But, what I find when I talk to people is they say, ‘I am glad you are on the job figuring this out, because it is real complex.’ So, to this there is going to be a cost. So who is going to pay this cost?” DeRoche, “The same ones that are paying the 16 hours preparing an RFP. This is informing residents of what they are really looking at. I don’t think they really understand the sewer project. I recall when we ran for Council the platform was, ‘We were not going to push this project through.’ Because we knew somewhat of how it would come down to the residents.” Moegerle, “Our plan was we were going to try to stop it. And then we learned that it would cost \$9,000,000 to stop it. That is twice what our budget was at that point. And we would have to pay that back immediately.” DeRoche, “I never saw anything that said it would cost \$9,000,000. In lieu of, now we are into a \$35,000,000 deal.”

Lawrence, “I need more information to even put this together to vote on this. I can’t vote on something I don’t have all the information on.” Ronning, “We know that Weidema stopped work for 45 days last year and know that they were supposed to be done either June or July of last year. And, we gave them an extra year and we are paying 10’s of extras dollars of cost because of them. Sixteen hours means crap to me!” Moegerle, “Did you get that (to the minute taker)?” Ronning, “If you didn’t I have it. The residents deserve at least some of the multi-thousands of dollars we have given to Weidema.”

Moegerle, “So we are going to not move forward with getting our work done as far as this ordinance? Why can’t these be done at the same time? Because if we get this done, we can move forward with getting connections to this to pay for it. We just had the write-up and we are looking at in excess of \$400,000 that we need to make our payment. We are going to cost those residents if we don’t get these businesses hooked-up by the end of the year.”

DeRoche, “That isn’t the figure I got out of the budget meeting we had two days ago. There was another number that could happen next year possibly if some things don’t happen.” Davis, “This is for this year only. This is a real number for 2013, if we don’t get the connections for this year, we will be short \$420,000.” Ronning, “I am not going to be one of these regular politicians that tells people one thing and does another. If there is transparency, there is. If there isn’t, close your eyes. I have been asking for guys to do this for two years and nothing has happened.” Moegerle, “You are the one that that came up with the

\$75,000,000 with interest.” Ronning, “No it was \$51,000,000. And when you look at the amortization schedule the first fifteen years on the big mortgage is interest only. So that practically doubles the cost.” Moegerle, “When the residents get this, does that mean they are going to be coming forward with ideas of how to pay for this? What is going to be the sign that you are satisfied that the residents of the City of East Bethel are well aware of this issue? Because I can see that we are going to tie up the whole City for an indefinite time until you get what you want and then you are going to come here and say, ‘But the Council Chambers are empty they must not understand this.’ I think this is too vague.” Ronning, “I deliberately made sure it is not me that reviews it. It is the Council. I would like input.”

Pratt, “From a legal prospective this certainly is not legal document, it is not meant for that and that is fine. I agree it is in the Councils discretion on how these conditions will be satisfied in the future if you adopt this motion. Number two; my question is the third paragraph from the bottom, Section 74-123 is mentioned that the regulations are suspended upon approval of this amendment. The way the ordinance reads now, before you have a blank and then a sentence that will be added to the bottom of it, if you adopt the staff recommendation. The way the ordinance reads now, how would that be affected by this motion?” Ronning, “74-123 is the proposed six months mandatory, no additions, deletions or amendments. It is left to the city engineer to make changes. It is strange when some people came in here, they were opposed to this. Then within a few weeks, they started voting in favor of this. Voting for change orders for Weidema, etc. If you have to do it, reality is reality. To say our residents aren’t entitled to as much information as they are.” Moegerle, “I think you go too far.” Ronning, “I can go back in minutes and get records for it.”

Lawrence, “We have had many open houses to inform residents of what is going on openly. We have worked very hard to ensure they knew what was going on.” Ronning, “I spoke at many of those. One time I spoke and asked Voss, ‘Did you know you were doing this?’ and I went through the amortization schedule was there any other time that was given out?” Moegerle, “It is freely available to our residents. If we suspend this, will we get paid for the services at Castle Tower services?” Davis, “They will have to, even when we decommission the plant, and build a new one. We will get the ERUs from them.” Davis, “I will be happy to provide this information and present it in any kind of format. We can bring it up at the Town Hall meeting. We need to move forward with this in August for our budget.” **DeRoche and Ronning, aye, Koller, Lawrence and Moegerle, nay; motion fails.** Ronning, “Nobody wants to hear it, but I believe we failed.”

Moegerle made a motion to approve Ordinance 44, Second Series, Chapter 74, Article V, Regulating Waterworks and Sanitary Sewer with the amendments as proposed and direction to publish. Lawrence seconded. Moegerle, “There was discussion about the issue of the definition of ‘Customer’ and I like the changes that were made to ‘Customer.’ If we get a Planned Unit Development, (PUD), the business is residential. How do we get around that being residential?” Davis, “By inserting today’s date. The example that Jochum gave shows that most won’t want to hook-up in that area if they don’t have to.” Moegerle, “I understand that the 429 process is a statute. Can we say, ‘pursuant to Statute 429’ because a ‘429 assessment’ isn’t a very clear term, for transparency. With regard to 74-123, I like the six months there and I like that initial customers must connect and pay all WAC and SAC fees. I would say prior to December 31, 2013.” Lawrence, “I would like the six to go to nine months.” Moegerle, “This is not for initial, this is for subsequent customers. That is why I like the six months, because if they are here they are planning on doing it anyway.” Lawrence, “Okay, I see what you are saying.” Davis, “What about the time for the existing businesses, that received their assessment notices on this?” Moegerle, “By the end of the

year. That way we won't have the problem with the bond payment. We all hate it." Pratt, "Moegerle had mentioned the initial customer's definition and the 429 procedure. I would agree to clarify that a little more with a statutory reference. Is there a time date on that you know you are an initial customer. That this process happened?" Davis, "Yes there are dates for that and they could be inserted in there."

Lawrence asked Pratt "Have you read this document?" Pratt, "Yes Mayor." Moegerle, "The highlighted section at 74-190, that is highlighted? Did I do that by accident?" Ronning, "Are these the revised ones following the last ordinance meeting?" Davis, "These are the changes from the work meeting Council had March 6th." Ronning, "Who took the minutes and who made the corrections and changes?" Davis, "Wendy took the minutes and I made the corrections and changes to the ordinance." DeRoche, "Didn't Heidi just say she made the corrections, a lot of them? At the meeting it was my understanding that our Ordinance Committee was going to review these prior to it coming back to the Council. Apparently that step got missed." Davis, "This went to the Ordinance Committee. Then we took their input and it went to the Council work meeting." DeRoche, "It was my understanding that there would be others, because we were in a hurry. Apparently when we set up committees we let them look at them once and them sometimes twice." Moegerle, "I presided at that meeting and I took notes of what definitions we agreed on and then at the end of that I asked, "Is this good?" Council said, "Make the changes and bring it back and we will look at it and make any other changes." DeRoche, "I wanted clarification; I want people to understand how this works." Lawrence, "When you reviewed this did you see anything that stood out?" Pratt, "I reviewed this with Mark Vierling before the meeting. Generally this seems to be just fulfilling the issue of mandatory hook-ups for non-residential. I would second the concern about unfinished business of mandatory hook-ups for residential, but it sounds like it might be a moot point. Mark and I talked about adding that idea into the word 'customer,' but that may not be effective for any residential people."

DeRoche, "I just want to clarify is earlier in the evening we are talking about bringing businesses in. We are going to be the highest rates out there, and we told the people, 'Don't worry if you don't hook-up, you don't pay.' Now we are going to give them six months to pay, and if they don't pay within six months, from what I have read it is not that they will be billed monthly. It is that they will have to pay in 14 days or face a possible tax lien. So how much business do you think we are going to do?" Moegerle, "It is not six months; it is by December 31, 2013. Let's be correct." DeRoche, "There are a lot of smaller businesses down there. I was told if it comes down to this, they may be leaving. I think they need more time. They don't even know if they can get a loan." Moegerle, "Maybe the EDA should come up with another kind of loan program to help them. There are other possibilities. We have a willing staff. Davis, "We discussed the loan policy for SAC and WAC Policy. That is a way to spread the payments out for these people." DeRoche, "Some people can't do that. I do business at the hardware store. I go to the bar and have dinner. I go to the party bus place and talk to them. And Roger. We took the 'may' out and it is 'shall' do this and 'shall' do that. It is 'we will do this.' To me it sounds dictatorial." Ronning, "We talked about money. We will all end up paying for this. There is no way you can get seventeen businesses to pay \$51,000,000 in costs. I believe people should have more information to know what they are in for." Koller, "The changes they made are what you asked for at the last meeting." **Koller, Lawrence and Moegerle, aye; DeRoche and Ronning, nay; motion carries.**

Staff Update

Davis, "We had a business breakfast for the East Bethel business community. I think we had 54 attend, the biggest crowd to date. We generally talked about the some of the same issues that we talked about at the previous meetings. There were very few questions, so either they

were disinterested or we just had good presentations. I did hear some good comments from some of the people afterwards especially about the information on the taxes and how that was very beneficial to them. Colleen and I did a little after assessment of the meeting and there will be a thank you letter sent out and we request any information that they would like to see addressed at any future meetings.”

Council
Member
Report –
DeRoche

DeRoche, “I also went to that meeting, and received numerous compliments on Wendy. That Wendy when they come in seems to know everything and when she is not here, they don’t. Other than that, this was kind of a contentious meeting. As I have said before, there are five people up here; I am not going to vote for something I don’t believe in. If I tell people something, if they can’t watch it on cable or on the internet, at least they can read the discussion. Because to me summary minutes you get what the vote on was. They voted on the water, who voted and then you are down the road. They don’t know everything that is around that. I have had numerous people say they are glad we are doing verbatim minutes because they don’t have any other way to get the information. I remember Boyer saying when they were getting ready to pass those contracts in December of 2010, ‘Well there is nobody here, so nobody must care.’ I heard that same comment tonight. Regardless, I understand our issues. Does Aggressive Hydraulics need to hook up? You bet they do. They are running into the same problems we did with some of the same people. I don’t know if Jack can make a call to whoever this person’s boss is and get it going. They need power, water and an analog connection. This is a promise we made to them. We told them when you are ready to go; we will make sure you have what you need. It looks like 22 is moving along. The sign looks the same. There are some panels from the old sign laying all over the place down there, and if we get a good wind, I have to think they are going to be all over the road.” Davis, “That will be taken care of tomorrow.”

Council
Member
Report –
Koller

Koller, “Not a whole lot at the Fire Department. The Mayor and I attended their Fire Relief Association meeting. They are proposing some changes to their rules. With the upturn in the economy their fund is well funded so we will not need to bail them at all.” DeRoche, “The Fire Relief, I talked to Dan Butler, there is a proposal at the legislature for a proposed 5% on auto insurance and gas to supposedly pay their pension, but it is going in the general fund if it gets passed.”

Council
Member
Report –
Moegerle

Moegerle, “We had the Park Commission meeting and the discussion on the school house. That was an emotional discussion. A lot of people are emotionally connected to that. They wanted to vote against it but, after seeing how much it would cost the City and we were not getting recouped, they agreed that we cannot move forward with the previous plan. I have great sympathy on how they handled that. More importantly, I am not sure if you are familiar with the Sandhill Crane group. There was a meeting with the community members last Thursday. That group has been meeting since 2011, after a 3-5 year hiatus. They coordinate the state, county, and City land, primarily around the Sandhill Crane area. Because of the legislature they have a situation. The Governor has told the DNR (who manages the school trust lands) that they must produce monies for schools. We have three of these lands. Most of these lands have oak wilt. So, the proposal is to clear cut these properties and sell the wood. But, there are other ways to treat oak wilt. The situation is that they want to let the contract out for auction on May 1, with the auction being held on June 1. We are trying to make the public aware of what is happening. The next meeting is scheduled for April 18th. I have a lot of meetings coming up next week, four meetings.”

Council
Member

Ronning, “A week ago yesterday, there was a Planning Commission meeting and accessory structures were discussed. Even to the extent on whether you can have outside storage and

an example given was a plant garden place. At one point I believe they said, 'We don't want to make things too hard.' The definition of Home Occupation also was discussed and parking vehicles in the street. This is East Bethel and I don't think there is an issue of parking vehicles in the street, but that is their call. They seem to be wondering why are we getting these ordinances, what is the drive? Where are the mistakes? What is pushing this?" Davis, "Some of this is a means of cleaning up things that are inconsistent. Also to address some problem/grey areas where the ordinance didn't cover things, for clarification." Ronning, "Did you or who in the City had a problem with cleaning up the language? Or called attention to this?" Davis, "There have been several times we have had problems with language. One is outside storage and this almost precludes outside storage, it is 10 x 10." Ronning, "You are very observant to come up with this."

Mayor
Report –
Lawrence

Lawrence, "Ron and I attended the Fire Relief Association meeting. Also, I attended the breakfast meeting this morning. I met a lot of business owners and had some good conversations with those gentlemen also."

Closed
Meeting –

Pratt, "The agenda was amended to add a closed session to discuss the offers/purchase of real or personal property per MN Statute 13D.05, subd. 3. The meeting will be tape recorded and the tape will be preserved for eight years and will be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. The properties that will be discussed are: PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Any purchase or sale price is public data."

Moegerle made a motion to close the meeting to discuss the offers/purchase of real or personal property per MN Statute 13D.05 subd. 3c PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Lawrence seconded; all in favor, motion carries.

Pratt, "The City Council met in closed session to discuss consideration of any purchase of real or personal property PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Attending were the Mayor and all four City Council Members. Also attending were Craig Jochum, City Engineer, Jack Davis, City Administrator, and myself. They received information from the City Engineer on discussions that have taken place with the property owners. No decisions or actions were made."

Adjourn

Moegerle made a motion to adjourn at 9:55 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk