

EAST BETHEL CITY COUNCIL MEETING

April 17, 2013

The East Bethel City Council met on March 20, 2013 at 7:40 PM for their regular meeting at City Hall.

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

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

Call to Order **The April 17, 2013 City Council meeting was called to order by Mayor Lawrence at 7:40 PM.**

Adopt Agenda **Moegerle made a motion to adopt the April 17, 2013 City Council agenda. Lawrence seconded; all in favor, motion carries.**

Sheriff's Report Lt. Orlando gave the March 2013 report as follows:

DWI Arrests: There was one DWI arrest for March. This arrest was the result of driving conduct. The male refused to test.

Thefts: There were two thefts reported. There were five other thefts as a financial card fraud. One report involved jewelry that was taken from a home. The suspect is an acquaintance of the homeowner's son. The case is under investigation. The second report was a theft of license plates from a vehicle parked in the driveway. There are a lot of license plate thefts going on, around the county. What the suspects do is they take the license plates and go and fill up with gas and do the gas drive-off and you have a stolen license plate. Moegerle, "These people aren't getting pulled over without a plate?" Orlando, "They are taking both usually. Like if you are at a movie theater, they don't realize it until they get a call from a police department. Once in a while they get caught driving the car with the stolen license plate. If you are parked in a parking lot, it is a good idea to take a look that everything is there when you get back."

Burglaries: There were two burglaries reported in March. One report involved a residence that was burglarized where the house was left unsecured. Items taken included a laptop, Wii game system, and jewelry. The second burglary was of a business. The business owner was out of the state so loss is unknown at this time.

Damage to Property: There were no reports of damage to property in March! I have never had a month without damage to property reports. I don't know if it was because of the colder than average temperatures."

Assaults: On March 19th deputies were dispatched to a report of a male being held hostage at a residence, the information was secondhand. Deputies responded, along with other law enforcement agencies to set up a perimeter. The SWAT team was also deployed. Deputies were able to make contact with a resident of the home, who indicated that there was nothing wrong. The male, who was also the alleged suspect, agreed to come out, along with the alleged victim. It turned out that the alleged "victim" had sent texts to his adult son stating he was being held at gun point as he wanted him to come pick him up, not realizing the

consequences of his actions. Both males had been drinking alcohol. It was determined that this was all a hoax. So unfortunately those things do happen.

Lawrence, "Do you get fined if you do something like that?" Lt. Orlando, "If the father had been the one calling and reporting a false crime than yes. But, he was sending text messages to his son and then his son called us. He would have never called us if he knew his father wasn't in danger. Obviously they will think twice before making that allegation again."

Lt. Orlando, "I was going to have some information on different types of crimes to see if there are any patterns for the past couple years. Unfortunately, I have been really busy for the last month. The only crime I have had time to look at was damage to property reports. I will have something for our next Council meeting. But, a lot of them are acquaintance related or domestic related. Then we do have some mailbox damages that go on. But, they are really sporadic, and all over. There were three in one neighborhood on one night and six months earlier I found two reports in one neighborhood on one night. Sometimes depending on residents or kids in certain neighborhoods you see certain patterns, but there wasn't anything like that. There were no trends that I could see." Moegerle, "Are we seeing an increase in domestics, assaults or crimes?" Orlando, "The domestic and assaults are not concerning at this point. As the weather warms up we usually see crimes increase. Unfortunately, things will probably turn around and it won't stay this quiet."

East Bethel
Firefighters
Relief
Association
(EBFRA) By-
Law
Amendments

Davis explained that the East Bethel Firefighters Relief Association (EBFRA) provides firefighter pensions that must meet certain requirements. From time to time, by-laws and benefits of the EBFRA are modified and/or updated as a result of statutory or regulatory changes. Currently, the by-laws of the EBFRA have gone through an update to incorporate changes and clarifications in state statute. The changes that are proposed for Council consideration were approved by the members on April 1, 2013. There are no changes to the pension amount. This matter is pending and for consideration of City Council."

Troy Lachinski, East Bethel Fire Relief Association, "Good evening. In the room there are four of the nine trustees here tonight. Secretary Mark DuCharme, Mayor Richard Lawrence and Fire Chief Mark DuCharme. Last month I was able to host two training sessions regarding these changes. All the Council Members were invited. The Mayor and Council Member Koller attended." Moegerle, "I missed that, I am sorry." Lachinski, "I am willing to do that training at any time."

Lachinski, "The current by-laws were revised and we work with a by-laws consultant. They develop them for 60 to 70 cities in MN, including St. Francis, Oak Grove, Stacy, Brooklyn Park, Eagan, many other cities. These are not something we wrote on our own. Our consultant works with two different teams of lawyers. She uses a non-profit lawyer. That person works on the by-laws portion, the non-profit portion. The other lawyer works on the articles, the law side of it. The Minnesota State Statutes relating to fire relief, we stick to that. The main changes that we are proposing have to do with recent changes in state statutes. There is a working group that proposes things that are added or subtract."

DeRoche, "I am looking at paragraph 3, is that something that was going to change, but didn't?" Lachinski, "There are a lot of things in the changed document that are underlined that may have been deleted and added back in. Lucky for you, I do have a presentation and I will be going through every single change. It goes through and defines all the topics that are defined in the bylaws. In this paragraph it looks like they just added a space." DeRoche, "I didn't see anything in there." Lachinski, "In your packet you had the old by-laws and the

new by-laws in your packet. I will go over a presentation on here. I can go through this as quickly or slowly as you want. Richard and Ron have already gone through this. One of the changes is in state statute they clarified who should be the signer on checks. It requires two signatures on checks; President and secretary. We have been doing this for many years. The next three slides are identical. It dictates what nights our meetings are held and if it falls on a holiday how we reschedule the meeting. Now we just say the trustee have the ability to choose another night. The next things are the municipal trustee terms. There are three municipal trustees, the fire chief and the elected official and an appointed official. In this case, it has been Rita Pierce. What this talks about is if one of them is no longer in employment or moves out of the City and then their term ends. Next is voting on trustees, every year we elect three trustees with a two-year term. If a voice vote is not good enough to determine a winner, then a show of hands, then a run off vote. It added another option that we can use.”

Moegerle, “I had a question about proxy and absentee ballots. Is it my understanding that there is no secret balloting at these meetings?” Lachinski, “There is no secret balloting. Absentee and proxy balloting are really for our day shift people if they cannot attend the night meetings.” Moegerle, “I understand. But if there were big changes that they wanted to be made, perhaps that wouldn’t be accomplished with the open ballot.”

Lachinski, “Officer terms were clarified a little bit. In the past, every year at the annual meeting the board will vote on who will be the officers next year; President, secretary and treasurer. It states that they will begin their terms at the end of the meeting when they are elected. Conflict of interest was also addressed. Every year starting in January, all the trustees have to fill out a worksheet for the State. It states that we don’t own any banks, any financial institutions, anything that could cause a conflict of interest. There wasn’t any verbiage that discussed this in the past. If any board members felt that someone on the board has a conflict of interest that they didn’t bring forward, we are obligated to bring that forward.”

“Regarding our special fund, we use this to pay pensions. In the past, there were only three things we could use that money for and they added two things. In the past, we could use it to pay a service pension, benefit if a member passed away and they had a beneficiary and administrative expenses. We can now also use it to pay for fees or dues and to pay insurance premiums for volunteer fire fighters benefit association.”

“Board limitations; we made a decision that the board of trustee can make some changes, such as wording without going to a board for a vote.” DeRoche, “Are those non-policy kinds of things?” Lachinski, “Anything that will not change the money. If there is a vesting change, we go to the Board. We can’t change the definition of how active service is determined and we can’t change the deferred interest percentage. And, we can’t revise the number of members required to amend the by-laws.”

“In Appendix B they changed the definition of ‘active service;’ this is for return to service. ‘Break in service;’ they use to have a lot of talk about this. They stripped the wording out of this area and added it to return to service area. Current by-laws don’t say anything about resumption of active service. The requirement definition was added to bylaws. We chose the option to have three years.” DeRoche, “Do they have to do some kind of training when they come back?” Lachinski, “That goes back to our SOGs. And the Fire Chief will make a recommendation to the City Council regarding this and the City Council will decide what those requirements will be. The Relief Association’s only goal is to provide a pension to the

members. We keep track of the good years of service. We don't set the rules. We try to have a good relationship with the City Council. It is up to the City Council to decide who is on the department, hiring, firing and discipline." DeRoche, "I don't know why you wouldn't want them back if they left in good standing. As long as their training is current, a lot of it would expire. Some of them would have to come back and go over it again. If they left on good standing, it would be worth bringing them back. Are there CEUs that you have to do?" DuCharme, "For every certification that a fire fighter has, they have to have 10 to 24 hours of training on that certification per year. Only those firefighters that have had the training and it is verifiable are able to be recertified. We don't call them CEUs, we call them training hours."

"Clarification on the definition of 'retirement benefit;' it states you are entitled to a retirement benefit but only after you meet all the requirements." Moegerle, "On those benefits, I was looking at Exhibit C. Are there lump sum benefits and periodic benefits? Or how are those benefits distributed?" Lachinski, "Currently we have a lump sum benefit. What it equates to today is \$3,400 per year of good service. At 20 years, you are 100% vested." Moegerle, "And when you tap that fund you get it all in one lump sum?" Lachinski, "Yes. The one other main requirement is you have to reach age 50."

Lachinski, "'Return to service;' they added some wording. Those talks about active service. It addresses how to account for breaks in service. Forfeiture of accrued benefits it worked against anyone coming back. They basically struck this out. 'Return to service,' it is talking about the benefit level in effect at their separation date. What that talks about is say the benefit level today is \$3,400. Then they leave and in two years they come back and it is at \$3,600 now. They would have to stay for a minimum for three years to get the new benefit level. They don't want people who retired to come back for a few months to get a higher benefit level. There is some more wording on that change. This is the bulk of the changes here talking about the return to service. It was also included in the packet the state auditor made a statement on return to service, five to six pages in your packet. We want to be able to allow good fire fighters the ability to come back and this explains how their benefits will be handled if they come back. If they work three years or more they will be eligible to receive the new benefit level." "

Moegerle, "Could you provide more information on deferred members? I saw the definition. Then as I read through the by-laws, I saw active members and active members defined. Do they have voting rights?" Lachinski, "A deferred member is someone that has left the Department but has not reached the age of 50 yet. They do not have voting rights. They cannot take the money out until they reach the age of 50, but they can leave the money in our account until they reach the age of 71 if they so wish."

Moegerle, "There is voting in section four, seven and eight; that is confusing. There is something in 6.4 that say a Vice-President shall not exist?" Lachinski, "There is strictly in our by-laws, we don't have a vice-president." Moegerle, "But 6.3 says in the absence of President, or Vice-President if applicable. And I was wondering if, because of your standards, you meant to use secretary or treasurer. Is that an oversight?" Lachinski, "It is hard when you deal with document that is shared with many people." Moegerle, "If the President isn't there, is a Pro-Tem officer selected?" DeRoche, "Yes, just like up here, then the rest of the Board votes who will be the second." Lachinski, "Yes, as long as we have quorum, and the majority vote for it, it will pass."

Moegerle, "The other one I have a question about is 9.1. You have a definition for Board of

Trustees, and you talk about a Board of Directors and then it talks about the Board of Trustees operates as the Board of Directors. Is that also a typo from using the model?" Lachinski, "Because we are a non-profit we also operate as a Board of Directors. But, I can ask the consultant in the morning about this."

Moegerle, "Exhibit C on page 53, the member is active and vested; Terminates active service, lump sum is not paid, returns to service and then the option on the left, not paid. Shouldn't they have gotten some benefit?" Lachinski, "If you are here for 10 years, you get 60%, it will be based on the benefit level." Moegerle, "You could have some fun calling the State Auditor. I understand they have to be age 50." Ronning, "The term 'vested' means you have crossed the line to where you are entitled to something. I have some questions on your benefits. Do you trade it as a 'deferred vested?'" Lachinski, "Yes." Ronning, "But they can leave it to age 71?" Lachinski, "Yes." Ronning, "Do they freeze at the time that they left?" Lachinski, "Yes. Once again that is state statute. We don't pay out until they ask us. The reason they have to ask is because there is a bunch of paperwork they have to fill out. Every year we submit a huge report to the State Auditor, which includes all members. In 1987, it became five years vesting. The state statute determines the minimum and maximum. The state said says the minimum is five and twenty maximum. A fire fighter becomes valuable with five, six and seven years of service." Ronning, "Do you have the authority to choose what the vesting is?" Lachinski, "Yes. We wouldn't want to do that because we would lose a lot of people after five years. The City invests a lot of money in fire fighters in training. You pay for this person to go through training. Getting to the ten-year mark, it seems like it is easy to get to twenty then. The first five years is tough. There are 100 hours of training. We do have the ability to change it, but we wouldn't want to do that. We are requesting that you ratify these by-laws for us."

DeRoche made a motion to ratify the by-laws of the East Bethel Fire Relief Association as submitted with the changes incorporated and clarifications in state statute. Lawrence seconded, all in favor, motion carries.

Public Forum

Christine Howell of 22314 7th Street, "I think it needs to get said out loud because there are still people out there under the impression that if you don't hook up you don't pay. I will go over the figures that Mr. Davis gave me. If all businesses sign up like they were supposed to do by September, and nothing else changes, what are the residents going to be held accountable for?" Davis, "The funds for the project available will be \$90,000 short. As far as the residents being accountable this year, that won't be figured on your taxes. Those monies will have to be transferred from the general fund or another account to make that up. Going forward into 2014 when we get into our budget, hopefully we will have some kind of projection of what we will see coming on the corner of County Road 22 and Hwy 65. We will have to make some other assumptions. But there will be some deficits that will have to be factored in there and Council will have to determine if they will levy or use existing funds to pay for this."

Howell, "I know it is not from anybody up here now. And, I can't believe that people are out there with that in their head. Now it gets me to development of business and stuff, but this water park issue? I am open to change, and you do whatever you have to do to get this debt off our back that isn't working out too well. We have had a lot of failed projects, or projects that didn't work out as planned. This water park is supposed to be privately funded. What if it ends up like the ice arena? If it goes under, will we not touch it?" Lawrence, "We own the ice arena. Just like any other business, like Fat Boys it would be sitting empty like that." Ronning, "No one can say, 'No.' If those end up on the agreement, we would be on

the hook.” Howell, “Is there language we could put in the agreement to keep that from happening?” Ronning, “We haven’t seen any of it. So we can’t say what it is or isn’t.” Lawrence, “I can’t see anybody coming here, no business wants the City in their business.” Moegerle, “That is why we are doing a feasibility study. We aren’t talking Disneyland here. That is such a significant investment. It isn’t like you can pick up a water park and move to Mankato. A light industrial business could do that. That is why it takes so long to get one of these things; they need to do some in-depth investigation. We do the feasibility study. It is up to private developer and builder to make it a success.” DeRoche, “I am missing something. I didn’t realize we are at the feasibility study now. I thought we were sending out for RFPs.” Moegerle, “If we get that back and have a feasibility study.” Ronning, “One of the things I swore to do was try to be upfront and tell everyone the truth. Whatever you have heard now doesn’t change what I said.”

Howell, “That is another thing. It doesn’t appear we are all playing together as a team. It doesn’t mean one is right and one is wrong. You were all elected for the values you campaigned with. You need to stick with those.” Ronning, “It is not something that is on the table. But what you said about information. Everyone should know as much as there is, as soon as there is. Not three years later.” Howell, “And you should get the same information from everyone. Not opinion wise, but dollar wise. When you ask a question, that number shouldn’t change. You don’t always get that same information.” Lawrence, “I have gotten your email, but haven’t had a chance to respond.”

There were no more comments so the Public Forum was closed.

Consent
Agenda

Ronning, “I pull items D and E.” **Lawrence made a motion to approve A) Approve Bills; B) Approve Hire of Seasonal Maintenance Employees; C) 2013 Class 5 Project Bids; D) ~~March 20, 2013 City Council Work Meeting Minutes; E) April 3, 2013 City Council Regular Meeting Minutes.~~ And an addition of the bill for Connexus Energy in the amount of \$638.48, to get electric to the reader board. Moegerle seconded; all in favor, motion carries.**

E) April 3,
2013 Minutes

Item E – Ronning, “April 3, 2013 Page 81, 7 of 14 of the minutes from the last council meeting, I want to change where it says the vote was 4 to 1 because it didn’t cost anything. I don’t know why it was in there, there is no motion, no second, no who voted.” DeRoche, “I voted no, since I didn’t want it to go forward.” Moegerle, “Those were the March 20th minutes and those were approved. They are in this packet.”

D) March 20,
2013 Minutes

March 20, 2013 – Ronning, “Page 4 of 10 of the minutes, page 68 one of my comments, I spoke against this at the last meeting, I intend to do it now and I intend to do it again. If anyone besides me said ‘No,’ and I would like to know who they are, and where the motion came from and who seconded, we have been taking roll call votes on this issue. It was a work meeting, so you can’t take real action. You took a survey of the group. That is what was four to one.” Moegerle, “It was the last sentence on the minutes.” Ronning, “I voted ‘No’ and so did DeRoche.” Moegerle, “I disagree and I think those minutes were approved.” Ronning, “We are behind on minutes. There was not support for this to any extreme.” DeRoche, “I voted ‘No’ every time.” Moegerle, “Why don’t we just table these until the next meeting?” Lawrence, “We can look this up on tape and correct the records.” Moegerle, “We need to listen to the tape. What is your recollection?” Ronning, “It is the March 20th, meeting and it is referring to the March 6th meeting.” DeRoche, “At that meeting, staff was looking for direction to go ahead with the RFP.”

Lawrence made a motion to table items D) March 20, 2013 City Council Work Meeting Minutes; E) April 3, 2013 City Council Regular Meeting Minutes until this is reviewed on the tapes by staff. Moegerle seconded; all in favor, motion carries.

EDA Minutes Davis explained that the Economic Development Authority minutes are provided for your review and information.

DeRoche, "First question and I hate to beat a dead horse. The EDA did not decide or even care to go forward with the RFP for the water park. Why did it go before the City Council when that is not what the EDA wanted to do with it? Those comments were made by Mike Connor." Davis, "The EDA, by not acting gave no direction. This is something that was discussed by staff and needing direction." DeRoche, "We task these commissions to do things and if it has to do with community development and I would hope that they would have the opportunity to get everything together and vote on it. To just circumvent that and move it up some of the people on the EDA feel like that is our job, why are we even here? Mike Conner is more than willing to talk about it, because I talked to him for more than an hour on Saturday. If they weren't going to bump it up, why did it go there?" Lawrence, "We are supposed to be discussing the minutes. I am wondering what your point is. Do you have anything to discuss on the minutes?" DeRoche, "I have questions on the minutes." Ronning, "The minutes are contradictory." DeRoche, "I can't okay the minutes, I wasn't at the meeting. But, I can comment on what I was told by other people."

Lawrence, "Davis said this idea had moved around enough. Staff was working on it. It had come to the point where something needed to be done, that is why it was brought to Council." Moegerle, "It was put on the agenda for a discussion of a topic, not on it for a vote." DeRoche, "The meeting on the 20th is when a decision was made to go forward." Ronning, "I am confused, I thought the City Council gave the direction not the staff. 'The staff has talked about it long enough,' that is what you said." Lawrence, "Staff was working on it, no matter what was happening at the EDA, it has to come before the Council." Ronning, "According to the minutes it was February 25 to our March 6 meeting. The one guy said he doesn't want to sit and talk about things when the idea is moot." Lawrence, "These are the minutes of the EDA and this is the discussion that came from it. What is the question you have on the minutes?" Ronning, "The work meeting on the 6th, work meeting, that these directions came from the EDA." Lawrence, "It was a discussion from the EDA on the topic." DeRoche, "You are getting upset here. You are raising up the level, we got to keep it down." Lawrence, "I am trying to figure out what your issue is. Is there an issue with the minutes?" Ronning, "I don't know if they are proper or not."

Moegerle, "The matter with the water park needs to be clarified. I think we need a chronology, with a list of the votes. I don't know if we need to go back two years or so. Let's settle it once and for all." Lawrence, "Not a bad thought, but let's wait a little bit. Let's get the minutes approved to the beginning of the meeting." DeRoche, "There isn't a quorum here from the EDA. That is why the information is brought up for discussion." Vierling, "This is for information only." DeRoche, "It wasn't what I had seen coming out of Council meetings. It was my understanding that the EDA had discussed and was moving forward on the water park. When the RFP came up at Council, I was given the impression the EDA was moving forward." Lawrence, "Staff was requesting direction from Council." DeRoche, "Davis has people pulling at him." Davis, "The EDA took no action on this. We are not a bunch of cowboys at staff and we needed direction on whether or not to proceed on this matter." DeRoche, "That brings me back to the EDA that is supposed to be spearheading economic development. If we aren't going to depend on what they are saying,

and are just going to go over them then why even have them?" Davis, "We are still getting pressure to move forward." Davis, "In a staff position sometimes we are caught between two opposing forces and that is why we brought this forward."

Ronning, "This indicates the meeting on the 25th, lengthy on the water park and level of interest on this type of proposal. The EDA reviewed it as a potential recreation destination. They EDA did not take any action on this issue. At a special meeting on March 6, the City Council also discussed and directed staff to put together a Request for Proposals. We didn't come out of that meeting with any recommendation. Inconsistencies aren't going to put us on the hook for anything."

Davis, "I think all the talks about a water park are premature." Lawrence, "Until someone comes back with an RPF we won't see anything." Ronning, "Why is there inconsistency? On March 6, you took up a survey vote. What were the votes?" Lawrence, "I would have to look it up." Ronning, "The votes were no, no, no." Moegerle, "The vote was not that way. And they have been approved."

Ronning, "At a work meeting, how many votes are taken?" Moegerle, "It doesn't cost anything to get more information. Information is power. As far as going with a feasibility study, we have looked into that." Ronning, "We did say it we can't just talk about this. It was one for unofficially and four against." Moegerle, "We have had staffing problems. The minutes are not online on the website."

Ronning, "What is the motion to follow up with that?" Ronning, "You made a motion to postpone." Lawrence, "That was before. This is just information."

Building Official's Report

Davis explained that included in your packet was the Building Department reports for March 2013 your review.

Total amounts billed for the Oak Grove Building Official and Inspections Services through the end of March are \$22,698. Total fees for this service for 2013 from Oak Grove were projected to be \$60,000.

Our cost for providing these services to Oak Grove through March 2013 has been \$10,669. This includes 107 hours for Nick Schmitz, 107 hours for Joan Steffen-Baker and 1,800 miles of travel at \$0.85/mile. Forty one per cent (41) of our time has been spent for Oak Grove Building Official and Inspection Services. Based on these costs through March, our projected costs for providing this service for 2013 is \$42,924.

Permit fees received within the City of East Bethel in March 2013 were \$12,799.74 and our year to date total for the City is \$23,732.71. Our projected fee revenue for the Department for 2013 is \$87,700 and we are on pace to collect \$94,930.

Koller, "No comment." Lawrence, "No comment." Moegerle, "Good job, this relationship with Oak Grove is great. I realize it is a linear thing, past results don't predict future success." Ronning, "We don't hire staff to get paid in our community to work somewhere else do we?" Moegerle, "Yes, we do. Could someone provide background on this service?"

Davis, "Oak Grove asked us to provide them with Building Official services. They had previously contracted this service out and were very dissatisfied. We made a proposal that we would do this for them at a rate of 95% of their permit fees and 100% of their plan

review fees. We did hire an additional person to do this; currently the revenues will exceed the cost of the salary of that person. Since this person only spends 41% of their time in Oak Grove, the rest of their time is spent in East Bethel. This is a revenue side of the equation.” Ronning, “Would it be fair to say we have gotten a second person because we don’t have the use of our first person?” Davis, “Yes. But, our first person is mostly in East Bethel.”

DeRoche, “Last night when Nick was talking at the Town Hall meeting he mentioned we also do Bethel? When did we start this?” Davis, “Yes, we do Bethel. We started with them two or three years ago. For Bethel we did nine or ten inspections last year. We have been doing it for them since 2010. They lost their service and we agreed to help them out.” Lawrence, “I wasn’t aware of this either, but it doesn’t surprise me that we do it for them.” DeRoche, “I feel their pain, but we are in the midst for budget talks.” Davis, “We bill them for the service.” DeRoche, “I understand that. We have Nick full time with benefits. And now we have Steve and now we have Joan doing 107 hours of other things. Maybe in the interim she could be working on the web page. We are paying for doing other peoples’ services. I haven’t seen the figures that say this is what is going on here. We really don’t have extra money to do anything else, unless we know if we are going to be making money at it.” Davis, “We could generate an extra \$40,000 or \$50,000 over and above our cost. As we talk about budget and taxes, we need to get revenue that is non-tax dollars.”

Ronning, “I am used to talking about total costs. Where it could go is the \$90,000. That is the City side.” Davis, “For East Bethel to take in \$94,000, we anticipated taking in \$90,000. Things could slow down next month. Currently we are on pace to be ahead.” Ronning, “The package (all in for the second person), do those two add up, with all expenses, with a profit at that point?” Davis, “Today we billed for \$22,000 for the services. The costs were just over \$10,000.” Ronning, “Do we need to have a second guy. It will be interesting to see how it turns out with more experience.” Davis, “Before, Nick was very busy. He is doing most of his work in East Bethel, doing code enforcement and permits and taking this side of it. Our load here is more than one person. If you look at the report you will see the various activities they are involved in. They have inspections, meetings, etc. it is a very involved position. We were even considering the inspector to cover our own needs. Oak Grove helped us justify the position.” Ronning, “If that is the way it turns out, I would like to be able to say it is a plus.” Moegerle, “This is something we did last year. It is clear it is making us money. Good job bringing that to us.”

Utility
Infrastructure
Loan Funds
for Municipal
Water Area

Davis explained that the City’s Municipal Utility project is substantially complete and there are several businesses that will be required to connect to the system. We understand that there is a substantial cost to these businesses owners for accessing the new utilities and over the past few months, the Economic Development Authority and City Council have been discussing ways to minimize that impact. The discussion has been to set up an Economic Development Loan Fund herein referred to as “The Utility Infrastructure Loan Program”. This program would provide loan funds to eligible applicants to assist them in paying for their utility costs in the event other resources are not available, or they are only able to obtain partial funding or they could not qualify for a bank loan for this purpose. This could provide an alternative and a last gap option of financing to those businesses that would be affected by the mandatory utility connections.

The basic framework of the program would be as follows:

- The City HRA by resolution would loan the EDA \$281,400 as seed money to create the loan fund. The city would repay the HRA as loan repayments were collected. The inter-fund loan rate would be set at 4%.

- Businesses that met the requirements of the loan policy could finance up to 4 SAC and WAC assigned units, and pay for other costs and fees associated with hooking up to the municipal system. The loan would be for five years with no penalty for early payment.
- Businesses would be required to apply for the loan, meet loan policy requirements and pay an application fee of \$200.00 and an escrow fee of \$300.00. 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 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.

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 Utility Infrastructure Loan Fund Program to include the necessary and appropriate details for the application and administration of the fund.

\$281,400 inter-fund Loan from HRA to EDA with this amount repaid to the HRA upon expiration of the program which is scheduled to be December 31, 2013.

Staff is seeking Council's final input and approval regarding this proposed program.

Colleen Winter, "Based on the conversations in the previous City Council meetings one of the concerns that were raised was the language regarding the revolving loan fund. And we specifically addressed it as a Utility Infrastructure Loan Fund Program. It would be available for the 14 businesses that have to hook up to the sewer and water system. We also talk about what the purpose is. Included in the packet is the project map. We also talk about the goals of the loan program. We also understand these businesses will also have other charges. We also talk about two different types of goals, we talk about City sewer and water access charges and the Met Council access charges, and also other costs and fees people will have that they would like to have lending for."

Winter, "We also don't want to compete with banks. I have had the opportunity to visit with both the local banks. We have had conversations with them and wherever possible, they will work with customers and help them with loans. If they cannot help their customers or they cannot fund the whole amount, which is where this program will come in. The banks see it as a win-win."

"The applicant eligibility, a concern was, 'How do you make the determination of who would be eligible?' It will be individual owners, partnerships, or corporations within the City of East Bethel and are Municipal 1 (those affected by the mandatory hook-ups) are the ones that would be supported. They must be in good standing. All applicants will have to submit an economic development application. They will have to pay a loan fund application fee of \$200. Originally, it was a percentage and it was determined a fee would be better. That does just cover our staff time. The escrow is something that is set aside to cover attorney or other fees. Once the project has been completed any money in the escrow would be reimbursed. \$38,000 would be the maximum amount funded and 4% is the standard inter-fund rate. The term of the loan is five years with no penalty for early payment. The

applicant must execute an agreement. The utility infrastructure loan program is available through December 31, 2013. If they want to fund other types such as their lateral line, or decommissioning their septic system all work would need to conform to laws and be inspected. There is also a conflict of interest form. Anything that happens the City attorney would review this when it is in final stage.”

Ronning, “Why isn’t the HRA doing it themselves?” Winter, “They can’t set up a loan program like this.” Ronning, “The purpose of the HRA it is to address blighted areas that can’t be redeveloped without assistance; provide a sufficient supply of adequate safe and sanitary dwellings to persons of low or moderate income. The money is vested in the HRA. The League of MN Cities and State Statute supports it itself. There is no vehicle to get the money anywhere else.” Winter, “They can loan the money to the fund.” Vierling, “The EDA can make a loan, but they don’t have the cash. The HRA can’t have a loan fund, but they can loan money to other funds.” Davis, “There is precedence in the City and it has been done twice in the past three years.”

Moegerle, “I really appreciate this, because when this left the EDA, we said it is in the pervue of the Council to fill in the information. I appreciate you taking the initiative to do that. The HRA is primarily for residents. Where EDA is for business. I did notice the dollar amount is different, \$281,000, instead of \$251,000.” Winter, “Right now the City of East Bethel water charge is \$2,000 and sewer is \$3,600. You also have the charge from the Met Council a sewer only access charge for a total of \$8,200. You have 27 ERUs that could take advantage of the program. That equals \$221,400. In addition there are other fees associated with hooking up. Those costs include private lateral line, inspection fee, water inspection fee, meter cost, etc. They have the potential to use up to \$5,000 to cover costs.” Davis, “The theatre is included in the costs.”

Moegerle, “This would be secured by a mortgage?” Vierling, “No, probably not a mortgage.” Moegerle, “How safe is this for us to do? What protections are in place?” Vierling, “We would use a 429 petition, where they could be assessed for payment. It isn’t a lien on the property in the event on default, you would be on top of the list. You wouldn’t be subordinate to a lien.” Davis, “It is all internal. If business ‘A’ is assigned one ERU, the money is all transferred internally. They don’t see the money for fees. The other portion would require a copy of a bill to be paid.”

Moegerle, “There is no transfer of money between hands. The money doesn’t leave City Hall?” Vierling, “Yes, it is a lot like a real estate closing where you see the money transferred, but nothing leaves.” Ronning, “This is a forgiveness of the fees then?” Winter, “No, it isn’t. If you can’t get a bank loan, that is the first qualifier. Second you have to be current on fees and property taxes. With the banks, they may give someone \$20,000 and then we have to come up with \$10,000. It might be a partial financing.”

DeRoche, “First off, I didn’t care that we couldn’t come up with something. It never came back to City Council. In the part under where the disbursements are coming back to the City, why do they come back to the Community Development, not Finance?” Winter, “We get all the numbers from the Finance Department. There are internal checks and balances.” DeRoche, “I am looking more towards whatever money is loaned to the ERA needs to go back to the HRA. I want this money dedicated solely to this. There has been all this talk about helping the existing business. I understand the businesses on the west side are a mandatory hook up. I don’t understand why Village Green isn’t forced to hook up. I can’t see why we don’t run the water line there. The ordinance that was passed that the sewer line

goes past your house, you have to hook up.”

Davis, “Village Green didn’t want to take the offer to hook up to water. Met Council owns and operates the existing system. Village Green said ‘Yes, we will let you hook up to the water.’ We didn’t want the liability of decommission the system. Plus the property had no value to the City. In talking with Vierling, he asked if we could make them hook up. The answer appeared to be no. They weren’t in the map of the sewer district. There were no services planned to extend to them. We were going to extend the service after the fact and charge them.”

DeRoche, “Met Council is coming in it at the back door. They are going to come in and hook them up, when we had said we would hook you up. We are going to hook them up, and run a line. But now we won’t get the water line hook up.” Davis, “Anything south of 185th is not in the district.” DeRoche, “The monies will all go back into the HRA?” Moegerle, “This is something the auditor would look at.” Vierling, “The auditor would look at it each year and show you were the City is at.”

Ronning, “The funds are obligated back to the HRA. Anything exceptional to that would be by City Council action by resolution only.” Vierling, “Yes.” Lawrence, “It looks like the program is good and should work.”

Davis, “Pending the decision tonight, I have an appointment to talk to one of the businesses tomorrow.” DeRoche, “Village Bank wasn’t interested in doing anything because this wasn’t that big of a loan. Now have they changed their position?” Winter, “We won’t know until they have a conversation tomorrow. They were supportive of the City moving in the direction of a loan program.” Moegerle, “Do you want a formal motion, or how would you like us to proceed?” Winter, “To approve the program, the document and what comes back to the City Council would a resolution to allow the loans.”

Moegerle made a motion to approve the Interfund Loan Application Fund Program, including the application fees, and terms that have been provided in packet subject to attorney approval. Koller seconded.

DeRoche, “I would like to have the attorney approve it first.” Vierling, “I don’t see the policy changing from the program.” Ronning, “Is there a potential for re-discussion when it comes back up?” Vierling, “The resolution that comes before you will be voted on.” Ronning, “I would like to see the whole horse, before I buy it.” Vierling, “This is of the approval the program.” DeRoche, “The whole council isn’t always involved in putting things together.”

Roll Call: DeRoche, aye; Moegerle, aye; Lawrence; aye; Koller, aye; Ronning, aye; motion carries.

Fence for Water Treatment Plant

Davis explained that at the time of the bidding for Water Treatment Plant (WTP) alternate bids were received for a perimeter fence. The fence bid was suspended and Staff was directed by Council to review the possibility of obtaining grant funds for the perimeter fence. No grant funds are available for the perimeter fence through Homeland Security, Minnesota Department of Health, Anoka County or other sources.

Given the isolated nature of this facility and the potential for vandalism of outside appurtenances, staff is requesting approval to solicit quotes for a perimeter fence. The

perimeter fence layout is shown on Attachment 1. The estimated cost of the perimeter fence is \$30,000.

Quotes received on the fence would be brought to council for consideration at a later date. The estimated cost of the perimeter fence is \$30,000.

Staff is requesting approval to obtain quotes on a perimeter fence for Water Treatment Plant No. 1.

Moegerle made a motion to approve staff obtaining quotes on a perimeter fence for Water Treatment Plant No. 1. Lawrence seconded.

Moegerle, "There was discussion on the likelihood on the vandalism. Has there been any indication on vandalism? Has there been anything vandalized at this point?"

Davis, "The closest structure is about a ¼ mile down Viking. Not only from a vandalism and a water protection issue. We had an issue when we thought some fire hydrants were vandalized. We are exposing ourselves to some risk. It is a very nice structure. While \$30,000 is a substantial amount, it provides protection."

Moegerle, "With the development in the area. It could become an attractive target." Davis, "Yes. It would be a nice easel for graffiti. If we could secure it would give us protection on well heads also." DeRoche, "I don't know why the big discussion. We voted for it when Steve Voss was on the City Council."

Koller, "I don't understand this, the property is owned by the Met Council." Lawrence, "This is water treatment, our property." Ronning, "It seems like a large area." Jochum, "It is like 1,200 linear feet. The back wash pond and a reclaim pond." Lawrence, "How high is this fence?" Jochum, "Six feet to eight feet." Moegerle, "What does Homeland Security recommend?" Davis, "This will stop a casual vandal." Lawrence, "Is there barbed wire on it?" Jochum, "We would enclose the reclamation pond, and it could be brought to the north and slightly to the east to decrease the size." Ronning, "We are protecting our own stuff. Why not?" Moegerle, "This would be around the ponds. A shorter fence would still be around the ponds, correct?" Jochum, "Yes." **All in favor, motion carries.**

Castle Towers / Whispering Aspen Forecmain Update

Davis explained that as you are aware the City and the Metropolitan Council of Environmental Services (MCES) have entered into an agreement to construct a joint project from Viking Boulevard to 229th Avenue. The project consists of two pipes in a common trench. The City pipe will be used to convey sanitary sewer waste from the Castle Towers wastewater treatment plant to the MCES system at Viking Boulevard and the MCES pipe will convey treatment plant effluent to the two rapid infiltration basins. The forcemain that is required to complete the City connection from 229th Avenue to Castle Towers will be constructed as a City only project. Attachment 1 shows the proposed pipe routes and the location of the rapid infiltration basins.

MCES bid this project in November of 2012. The bids were higher than the engineers estimate and all bids were rejected. The MCES rebid the project on February 12, 2013. Four bids ranging from \$8,423,076 to \$9,454,255 were received. MCES concluded that the second bidder, S.M. Hentges and Sons, Inc., offered the lowest responsive bid of \$8,588,125.92. This bid will be recommended for award to the MCES Council at their April 10, 2013 meeting. The City's share of the construction is \$1,606,128.31.

The City forcemain project will consist of the construction of approximately 34,200 lineal feet of 6-inch, 8-inch and 10-inch forcemain and one lift station. Bids will be opened on May 9, 2013. Bids will be presented to the City Council at the May 15, 2013 meeting. A completion date of December 1, 2013 has been established in the contract documents. Provided for informational purposes only.

Lawrence, "Where the lift station will be?" Jochum, "it will be on Johnson Street, near Wargo Ponds, where it hits 241st. It will be on that corner." Ronning, "from my understanding of it we are stuck with this. We are half in and half out. No one out here knows what we are reading. Your retention from recycle is not very good. Can you explain what we are stuck with the Castle Towers mess? What are the costs versus not fixin?"

Jochum, "The plant is at the end of the life. The City will need to make improvements, estimated at \$2,000,000 and \$3,000,000 for operation for similar costs or less will see lower user fees and we also get credit for people who hook up on this system." Ronning, "What you're saying is from a business stand point it costs less this way." Engineer, "Yes, and we have the ability to hook others up a long the way." Ronning, "I am trying to help everyone understand. We are reading something." Lawrence, "I have toured that plant up there. It has undergone several band-aids. The shelf life is 40 years and we are well past the 40-year mark." Ronning, "The people that live up there believe there is leakage into the lake. That is second hand to me."

Res. 2013-17
Amending
Fee Schedule
to Adopt
Water and
Sewer Rates
for East

Davis explained that water and sewer rates for the Municipal Utilities Project area. Aggressive Hydraulics is connected to the system and rates must be adopted to provide a funding source for operations and maintenance.

The proposed water and sewer rates were presented as part of the Feasibility Study for Phase 1 Project 1 Utility Infrastructure Improvements in September 2010. These rates are the projections of the consultants and are the only basis we have for setting an initial rate. Until such time that sufficient data is available for an analysis of our costs water for operating the system, Staff recommends the adoption of these rates.

Attachment #2 compares the proposed water and sewer rates to the cities of Andover, Blaine and Isanti.

As an example, a business that has an assignment of 1 ERU and an average monthly usage of 7,500 gallons of water would be charged the following amounts:

Monthly Water Costs

Base Charge @ \$5.00/ERU	5.00
Plant Charge @ \$10.00/ERU	10.00
Usage Charge, 7,500 g. @ \$3/1,000 g.	<u>22.50</u>
Total	\$37.50

Monthly Sewer Charges*

Base Charge @ \$5.00/ERU	5.00
MCES User Charge @ \$2/1,000 g.	12.50
City Usage Charge @ \$2.75/1,000 g.	<u>17.19</u>
Total	\$34.69

*Based on 6,250 gals.

Provide water and sewer revenues for the Municipal Utilities Project area to provide a funding source for operations and maintenance from user fees.

Staff requests approval of Resolution 2013-17 Modifying the 2013 Fee Schedule. Fees will be effective immediately.

DeRoche, "I understand the criticalness of this, but I would like to table it. I did some research and looked at Lino Lakes, Forest Lake, Andover and Anoka. I think these rates are really high and they will look really high to others. I think we need to reevaluate our fees."

Moegerle, "The numbers on the page 125 are annual, as opposed to monthly." Davis, "All the cities you mentioned do not have treatment plants. They have the benefit of line extensions. That is why are rates aren't comparable to them. Our rates will be higher than the other ones. We can set the fees for anything we want to do. Our electric bill for the water plant was \$1,300 last month. This month will be higher. We are selling water to S.R. Wedema at \$10.00 a gallon. We have to set some rates. They need to be examined in a year when we get some historical data and we can do that. This is a baseline we are recommending." DeRoche, "Once you put a levy or tax in, it stays. Once you set a rate, we will not lower the rate down. You get use to putting that money in the budget. Just like some cities used to use the LGA. I think we are too high. Especially if you are a water park. Most cities charge \$1.00 a 1,000 gallons we are going to go \$3.00 a 1,000 gallons." Davis, "We got Aggressive Hydraulics water usage from them from Blaine and I think it was on an average about 10,000 gallons a month. That is a relatively low usage. I don't think the water rates will determine if a business locates here."

DeRoche, "Do people forget the conversations that went on about the Whispering Aspen water charges? How there are only so many people. So, if it takes us longer, we will still have to raise more money, we will raise the rates more. I remember those conversations." Davis, "Those are two totally different situations. We have more opportunities to raise the customer base." Davis, "In Whispering Aspen that amount is limited. I understand those rates are high. We wanted that system to pay for itself, but the rest of the City shouldn't subsidize it." DeRoche, "We are going to do that anyway. And what kind of customer base do we have in the sewer district." Davis, "We have the potential to grow that customer base." DeRoche, "I come from the philosophy where you charge a little and get a large customer base, versus charging a lot and getting a customer base. I wasn't born with a silver spoon in my mouth. I am very frugal. From a business standpoint, whatever."

Koller, "I agree with DeRoche, but we have to make the money to pay for the system. These fees aren't too out of line." Lawrence, "At first glance they look high. So I wasn't sure where we should be at to make our costs." Davis, "We aren't sure what our costs are until we have a basis for assessing that. If there is hesitation on these things, one thing we might want to look at adjusting is beyond a certain amount of ERUs there is not a charge. We won't know our true operation costs for at a least a year. I do agree, at some level, that when you charge fees you don't lower them. But, we do lower them, especially at this level. At this level we have adjusted our fee level many times. We look at them each year. There is still that opportunity. It would be recommended to do a rate study after a year. There is a limit to what we can charge. We may have to charge a little bit higher rate." Lawrence, "You bounced this off the City of Isanti?" Davis, "They have a stand-alone system like ours." Lawrence, "They had some issues with their system and had to raise their rates because of that." Davis, "They had some issues with a sewer system extension in 2007/2008 and they had to pay the bill. We have to make sure we compare that we are a stand-alone

system, which have had theirs as extensions of collection lines.” Lawrence, “They had continual problems with their system, they couldn’t drink their water. They had to clean that problem up.”

Ronning, “Andover and Blaine all go to Pigs Eye, and there has to be a charge for it somehow.” Davis, “There is MCES charge of \$2.00 per gallon. We are charging a base charge of \$5.00 per ERU in addition for flow charges. They have the advantage of economies of scale. They got a break, and it is costing us more. These Met Council charges are going to be their charge to us for the flow. The sewer charges are what were predicted what would need to be charge in the study to help amortize the system. If you have a better number that can be used and justified, by all means let’s consider it.” Ronning, “What is rate to get these septic tanks guys. And draw revenue from them.” Davis, “That proved to be not feasible.” Moegerle, “It is water reclamation plant, and doesn’t treat solids.” Davis, “It would cost us \$60 to 70 to dump.”

Moegerle, “My thought is that the difference between Isanti is over \$100 a year, that could account for problems solved through an assessment. There is a portion of our expenses that are clearly associated with business, and some with residents. This is associated with businesses. I don’t want to get in the business of helping each other out. This is something that needs to be borne by the businesses. I don’t want to be too high, but don’t want to be too low. Knowing this group how we are and frugal, if we make the motion to accept this and then review it in a year, we will tweak it.

Moegerle made a motion to approve the initial rates, water use and waste water for one year, this be revised and brought to the 2nd meeting in April 2014 reconsider and to discuss rates. Davis, “This will be reviewed as part of the fee schedule anyways.”

Moegerle, “Are you going to have enough information by January? Davis, “We review our rates every January. We can even do it then.” Koller, “I just looked up Cambridge and their water and sewer rates are slightly higher than the ones here. We are very close.” Davis, “They are stand-alone systems also. From an Economic Development standpoint we will be competing with Cambridge and Isanti.”

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

Fire Dept.
Report

Davis explained that the Fire Chief has provided reports of Fire Department emergency calls, fire inspections, and emergency medical calls from March 2013.

Chief DuCharme, “There were 38 calls. We had a building fire that was a chimney fire. It was quite a job taking the chimney apart to get to the fire. One mutual aid for a fire in Oak Grove. Council had a question on addresses that are repeat calls, and he has listed that in the report. What I did was go from the first of year until now. You can see 18164 Hwy 65 has numerous numbers of calls. That is Village Green. That is not one residence and is a higher density area. Also Castle Towers, 24355 Hwy 65. At this time we were only in there twice. It has more than doubled in April. Also one call on Hwy 65. There was also a maternity call on Klondike. The infant is doing well.”

Staff Reports
– City
Administrator

Davis, “The Board of Equalization continuation meeting will be next Wednesday and the HRA meeting and prior to the May 1st we have the 2nd installment on the Fire Department

Emergency Management.”

Council
Member
Report –
DeRoche

DeRoche, “I have gotten a couple e-mails on the water park. I have copies on a couple. I am not sure I want to discuss it this evening. We as a Council will have to sit down and decide if we are going to depend on the commissions. And not just a person that represents them all, and what is the whole commission thing? Information is done through meetings and people going out and have meetings and it comes before City Council and they wind up in nasty arguments because they don’t have all the information. If you weren’t involved in a meeting, you don’t know what is going on. If I don’t have all the information I am not going to just rubber stamp it. People have come to accept that fact that I am straight forward and upfront. At least you know where I am coming from. I hear things and it is a little frustrating. At some time we all have to get on the same page here. I understand the commitment when we all ran for this office. I am not quite sure what the answer is. If staff has information, everyone on the City Council has to know it. It can’t be, whether it is a quick one-liner, there is a colored paper in the packet that has the staff report name on it. Community Development Report, Building Report, I am not going to follow staff around to micromanage what they are doing every day. Whether it is a blanket e-mail from Jack to find out what is going on, this is what we are looking at, what we are doing, we had these meetings, without getting too detailed because some of these things you can’t get too detailed on. But, I just think that somewhere communication has to come together here. I know a lot of people look at this Council as politically in chaos. They look at the City as a joke because they can’t get anything done at meetings. Who is going to want to come here? Hopefully we merrily move along here and things will work.”

Council
Member
Report –
Koller

Koller, “Not a whole lot to say. You were all here yesterday when we had our friendly people here. I talked with him afterwards and he was correct, I screwed up. And I received several e-mails about that subject that all had the same opinion. I made a mistake on a vote, and I will try not to do that again. I was voted in to do what the people wanted and that is what I have to do.”

Council
Member
Report –
Moegerle

Moegerle, “We had the EDA meeting on Monday, it was the best meeting we have ever had from the standpoint that group is finally on the page of saying, ‘We have got to do anything we can and look at all options to go forward to make the City a success. It is important to have information about what our options are. It is a marathon and not a sprint.’ The idea that we need to hear from the residents. We are truly interested in what you have to say. What we don’t hear, we may not investigate and that may be the thing that could solve the problem. So please drop a line to Jack or Colleen or one of the City Council people. It will go forward and it will be considered. The EDA meeting was great in that regard. They are too are going to all electronic packets. If anyone on the EDA one wants a written copy, they will be charged \$.25 per page just like any other resident.”

“I attended the art crawl on Sunday April 7th. I went to see two residents that were participating. They were wildly pleased with the turnout, and are discussing possibility of having one in the fall. I learned more information why art and Booster Days might not be a good fit for them and how we could work something out to help them.”

“Sandhill Crane group is working hard and is an important issue where they will be clearing some land owned by the DNR School Trust. We are waiting to hear more information with regard to issues on habitat. The DNR will put out their bid on May 1, 2013, with auction starting on June 1. Tomorrow is Tornado Day. We will have some sirens with that.”

“I would like to follow up on some comments. I don’t think anyone on this Council is getting special information at anytime. We all get the same information. Information is available if you call Jack or Colleen. I don’t think there are special meetings going on where there is privileged information. I think that really needs to come to an end. Whole aspects of that there are not special pockets of information. I do understand there is a lot of fear about going forward, and ‘just by accident’ re-creating what happened in 2010. There are five people here who are dedicated to not allow that to happen. Ideas are not being reviewed objectively; water parks like this would be a private one as opposed to the ones that are paid for with public money. There is a big difference in that, and those kinds of oversights create panic with people. All of us are frugal and will make this City a success. When it comes down to 2016 and we owe 1.5 million dollars and we don’t have our 200 ERUs a year going on, what’s our option? When I spoke with Senator Benson, she said do absolutely everything you can, turn over every rock, take advantage of every opportunity, and learn anything you can. If you need a bail out from the legislature or Met Council they will look at it with a dim view if we didn’t.”

“The EDA is very dedicated at doing that. Lux said she brought the water park development to a developer that she thinks is authoritative and he thought it made sense. Under circumstances that are carefully thought out and reviewed this could make some sense. I just want you to give every idea an objective chance to be successful.”

Council
Member
Report –
Ronning

Ronning, “As far as Council liaisons, are any of us voting in our commissions? Because that is not to be done. When I look at the City web page, I pull up the commissions, the Road Commission, is comprised of seven voting members. The Planning Commission is comprised of seven voting members, and the Parks Commission is comprised of seven voting members. The purpose of the HRA is to such per League of Minnesota Cities and statutes. When I get to the EDA, the purpose is to coordinate economic development, and that seems to be stretching it for East Bethel. Chapter 6, V.A, amount of discretionary powers, in my opinion this crosses the line on what is my job and what is everyone else’s job.”

Ronning, “I hear there is a President of the EDA?” Davis, “Yes. The EDA is not a Commission. It is an Authority. They are two Council Members on there that are voting members. They cannot spend any money. Everything has to be approved by the City Council.” Moegerle, “That is all documented in the Bylaws.” Ronning, “If there is President, I don’t know where that is authorized. There are board members, chair, vice-chair and secretary, elected for one year.” Moegerle, “You are the president of the HRA.” DeRoche, “No, I am the chair.” Ronning, “What is the typical recommendation about a Council person interaction with a Commission or Authority?” Vierling, “Typical is hard to come by because a lot of cities have their own history of what they do. For commissions, the role of the liaison is to make sure the discussion of the body get communicated back to the City Council. The commission might also want to know what the thoughts of the City Council are.” Ronning, “Are we encouraged to lead?” Vierling, “The chair should usually not be a City Council person. That person leads the meeting.” Ronning, “What I thought I saw in the Statute is that none of us will be officers unless our ordinances that describes it and explains it.” Vierling, “That is correct. The EDA and HRA are statutory bodies that have functions and tasks. I have seen EDA and HRA made up exclusively of City Council.” Ronning, “I don’t know if we should be sitting in that capacity.” Vierling, “That is a policy choice.”

Mayor Report Lawrence, “I have gotten two e-mails this week about the water park and I think a lot of

people don't understand what that was really for. The water park is possible. But really what it has done is allowed us to get information to developers to encourage them to look at East Bethel. If we get a water park, that is great. I have asked people, 'Are you opposed to a restaurant?' That is what it is about; different items will all come together. These are the things that will help get by. I had one gentleman email me and we chatted on the phone, and he said, 'Don't do anything and we will pay the taxes as they go up.' I don't think many are that way. After I explained the water park issue, he wasn't so against it, he now understands the process a little better. He did say we aren't decisive up here."

Lawrence, "We had a decisive decision in 2010. We need people like Bob to say it isn't a good idea. It helps everyone take notice of what is going on. That is how you balance, by some people saying, 'No.' Does that make for a dysfunctional City Council? This is what we call doing our job. I hope we don't have to stop. I want to do something with this water and sewer project. These things don't come lightly. Being on the EDA also it takes a lot of work and energy to bring something to the table that can be viable to send out for an RFP. Some things are just not possible."

Ronning, "Koller's comments tonight are very commendable. I have spoken with people from the early Councils that sat up here and asked one of them, why didn't you just say you made a mistake? The response was, "Never. I will never admit I made a mistake." And if somebody hears that, you lose almost all respect for this person. Whether it is a mistake or not, I have never liked the taste of crow. I have eaten it more than once."

DeRoche, "On another note, I did drive by where they clear cut on Sims and it really looks terrible." Moegerle, "Let's not get any more clear cutting in East Bethel if possible."

Adjourn

Lawrence made a motion to adjourn at 10:45 p.m. Moegerle seconded; all in favor, motion carries unanimously.

Submitted by: Jill Anderson, Recording Secretary

Attest:

Wendy Warren
Deputy City Clerk