

EAST BETHEL CITY COUNCIL MEETING

May 15, 2013

The East Bethel City Council met on May 15, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence (7:33 PM)
 Heidi Moegerle Tom Ronning

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

Call to Order **The May 15, 2013 City Council meeting was called to order by Acting Mayor Moegerle at 7:30 PM.**

Adopt Agenda **DeRoche made a motion to adopt the May 15, 2013 City Council agenda with the addition of 8.0 G.6 Resolution 2010-60 Temporarily Setting Maximum Vacation Accumulation. Moegerle seconded; all in favor, motion carries.**

Ehlers –
Refinancing
Bonds – Res.
2013-21
Providing for
the Sale of
\$18,275,000
General
Obligation
Refunding
Bonds, Series
2013A

Davis explained there is the potential for redeeming (refinancing) our Municipal Utility Project Bonds under provisions of the bond documents which allow us to redeem if there is a reduction in the federal subsidy payments flowing to the bonds. It was fairly common practice for this extraordinary redemption language to be inserted in the bond documents, as an extra precaution, when these bonds were issued in 2010.

At the direction of staff Ehlers has prepared some updated bond run analysis to provide us some hard numbers as to our potential savings. They are assuming current market rates in their calculations with the bonds proposed to be selling in June and closing in July. They will run their projections at both separate and individual issues. Ehlers is here tonight to present their findings and recommendations for the potential for refinancing our 2010A and 2010B Bonds and along with the City Attorney, will provide an assessment of the risk associated with this potential consideration. There is a potential savings of up to \$3,000,000 with this refinancing issue. Staff recommends that Council consider the proposal as presented by Ehlers and consider approving the bond refinancing by approving Resolution 2013-21. At this time Stacy Kvilvang will make a presentation.

Stacie Kvilvang, Ehlers and Associates, “As the City Administrator has stated, we are looking at selling \$18, 275,000 in G.O. Bonds for you. This is refinancing taxable bonds. This is a special authority that was given by the federal government. You are not alone, with many municipalities that looked at issuing these debts back then, they were a little skeptical that they would always keep the program around. So that is why that extra call provision was in the bonds you had. I think the bigger opportunity that is here is that it gives an opportunity to restructure this debt. This debt is being repaid by utility connection fees that you get and other fees and so what we have done is pushed out the principal payment five years to give you some time for development to catch-up. Your first principal payments wouldn't be until 2018 first payments, it would be interest payments from here forward until that date. The other significant thing is your future value savings is over \$3,000,000. In those first five years because of the restructuring, you are going to be savings of over \$300,000 a year.”

“These are going to be issued as tax exempt and we are anticipating that these will be under

3%, probably about 2.8%. We are not extending the term on the bonds, so they will be finished up in 27 years. I did receive an opinion from Dorsey and Whitney you bond counsel, and the City Attorney. We concur with your City Attorney, he hit it on the head, you have these investors that bought these. And if you look at a typical investor portfolio they are buying them in \$5,000 increments. So someone would have to have a significant amount of bonds to want to take it under litigation. There are significant costs associated with that. I can state from our perspective, our office did some of the first in the nation in Wisconsin. Wisconsin used the Build American Bonds more readily than we did in Minnesota. We have three closings to date with no issues that have risen as far as litigation and we have another 17 sales scheduled in our office for this type of financing. There are a couple other refundings we will be discussing with staff, a current refunding that was before you, but more importantly we are starting discussions on the 2010C bonds. Those are non-callable but we are going to look to see if there are any other options that we can look at to alleviate some of that heavy principal payment you are expecting in 2016 and 2017. If approved the sale will be June 19th and then closing July 10th.

DeRoche, "Any questions I had, I asked Jack and the City Attorney and got my answers. To me this is almost a no-brainer for the situation we are in. Yes, there are risks, but there are a lot of risks in a lot of things you do. And, I think that when you weigh the risks of what we are going to get out of it, we are much better going with it."

Koller, "I think pushing it out four or five years, will really help us a lot. We need to get the businesses in here and right now we are really struck for time. So I would agree with this."

Moegerle, "This doesn't push it out at all, right? It just pushes out the \$1,500,000."

Kvilvang, "It pushes out the principal payments that were going to be due in the early years. They won't be due in the first five years."

Lawrence, "On that push out, at first glance this is a pretty decent idea. Gives us some relief in the beginning. I think it is a possibility."

Moegerle, "Would you please describe what 'par plus accrued interest' means?" Kvilvang, "It will be the par amount in the principal amount of bonds, plus the accrued interest from date of when the next payment is due to when you actually have the sale." Moegerle, "So what does that mean as far as what we get and actually end up paying in interest?"

Kvilvang, "If you note on the page 1 there is a sources and uses statement. Basically what we are depositing of that \$18,275,000 is goes to the refunding or construction fund is just about \$18,100,000." Moegerle, "We had discussed this earlier with the entire group, which was that the call features didn't have a call for over 10 years. Is there a way to get an earlier call on this?" Kvilvang, "You have an eight year call on this. And that is the shortest call you are going to get without paying considerably more on refinancing."

Moegerle, "The Build America Bonds could only be used for sewer and water infrastructure. So, when we refinance this, can these [new funds] only be used for sewer and water infrastructure or for anything?" Kvilvang, "Your existing funds, about \$5,500,000 those already have specified projects which those can be used for." Moegerle, "And so, after we refinance, can we change our decision on that \$5,500,000 and pay down the principal?" Kvilvang, "No. You have to make that decision to cancel all those projects and bring it to the table before the sale." Moegerle, "But it could be that we change our mind later. So, we can't change our mind later." Kvilvang, "Correct, because you have a call date eight years out." Moegerle, "Well that is good to know."

Moegerle, "With regard to bank qualification. On the pre-sale report because the City is issuing more than \$10,000,000 in the calendar year the City will not be able to designate the bonds as bank qualified obligations. I realize that one of these loans is \$11,000,000+ and another is \$6,000,000+. Why can't we redo this into two groups so the \$6,000,000+ which I think is the Build America Bond is a bank qualified bond so we can save more money by paying less interest?" Kvilvang, "There is always that debate. Bank qualification broadens your market for investors. It doesn't mean that you are going to pay more in interest because they aren't bank qualified. If you could always split it into two, such as \$9,000,000 this year and \$9,000,000 the next year then you would have an interest rate risk. Where are interest rates going to be 6 months from now, or a year from now if you are going to try to split it. We have seen rates going up and down." Moegerle, "Do you have any idea what kind of savings we could have if the one loan was done as a bank qualified loan?" Kvilvang, "I do not have that off the top of my head. We can run those if you want to see that analysis." Moegerle, "I think that would be interesting to know."

Moegerle, "The \$127,000 is that Ehlers fee? Or what are the fees associated with Ehlers, bond counsel, etc." Kvilvang, "The fees above and beyond is one you have the underwriter discount, that is for their work on facilitating the purchase of the bonds and that is about \$128,000. Cost of issuance is about \$105,000 and that is our fee, bond counsel fee, rating fee and county fee and a few other miscellaneous fees." Moegerle, "So about 10% of our 'savings' go to fees?" Davis, "It is about 7%." Moegerle, "These are GO Bonds and revisiting 2010 there was discussion that these could be revenue bonds. My understanding is not then, not now could these ever be revenue bonds because there is no revenue, is that correct?" Kvilvang, "It would be difficult because then you would be looking at the revenues of the system to pay for it. And, is there enough revenue to have debt service coverage for the bond? Not as far as I know. But, with the GO you will get lower interest rates because they will know you will have that backing for them."

Ronning, "What interest rates costs did you use for the 2010A and B?" Kvilvang, "The existing rates on the 2010A and B which were sold prior to us, they ranged from 3% on low end to 7 1/2 % on the high end. Those were taxable rates but knowing you were getting a rebate in the end. So, rate ranged right now on a tax exempt is running 1% to 3.2%. The average is 2.8%." DeRoche, "With that being said, I personally think we should go ahead with staff's recommendation."

Ronning, "What becomes the total cost for 2013, beginning to end?" Kvilvang, "For the 2013 the total cost is \$18,275,000." Ronning, "The bond value is \$11,940,000, that \$18,275,000 is the face value, not the total cost." Kvilvang, "That is the total cost." Ronning, "Maybe I misunderstand. The first column, is that the amount the bond sells for?" Kvilvang, "That is to pay off the current bond, cost of issuance, underwriters discount." Ronning, "We can't borrow \$18,275,000 and only owe \$18,275,000 there is no way. What is the cost after 20 years?" Kvilvang, "Total principal and interest cost is estimated to be about \$27,500,000 million for both bonds combined." Ronning, "This is part of what happened with the last group, they looked at raw numbers, they didn't look at the real numbers. The purpose of this is to pay off the old stuff. If you are borrowing this much to pay off the old stuff." DeRoche, "This is \$3,000,000 interest less than what we were paying before." Moegerle, "We are going to pay about \$300,000 to save about \$2,700,000." DeRoche, "And before they were looking at rebates, but they didn't look at the \$14,500,000 in interest rates."

Ronning, "How firm are these interest rates?" Kvilvang, "We are going out to the market

and competitively bidding this. There is a rating and we look at your size. So there is a range 10 to 20 base points in there, of cushion in there. Then the bids come in and would be finalized. We anticipate they should be at the rates shown if not better.” Ronning, “This is the cost they looked at in November of 2010. And, somehow the net interest was 3.5974%. All inclusive was 3.82% and somehow it went up to 7%. Is that possible for us?” Kvilvang, “No. Unless something significantly happens in the economy or we have another major disaster I don’t anticipate that would happen. If something were to happen in the market prior to the sale, we would be back before you discussing delay of the sale.” Lawrence, “How many days do we have to delay the sale before the sale?” Kvilvang, “We can pull the sale up to the day of the sale. We like to pull the sale the day before though because the underwriters are busy working on their bids.” Moegerle, “How long would it take to work up what savings we might get through a bank qualifying?” Kvilvang, “I can go ahead and run those numbers and likely get them over to staff tomorrow.” Moegerle, “And that is refunding one now and one next year. One bond could be refunded at bank qualifying and we might even be able to save more.” Kvilvang, “It might cost more to do.” Moegerle, “I hate to leave a stone unturned. They were left unturned last time.” Lawrence, “What is the difference? Is there an advantage to going bank qualified?” Kvilvang, “The differences between rates haven’t varied that much lately. If it was several years ago, it would be a different story.”

DeRoche made motion to adopt Resolution. 2013-21 Providing for the Sale of \$18,275,000 General Obligation Refunding Bonds, Series 2013A. Koller seconded. Roll call was taken. DeRoche, aye; Koller, aye; Lawrence, aye; Ronning, aye; Moegerle, aye; motion carries.

Sheriff’s
Report

Lt. Orlando gave the April 2013 report as follows:

DWI Arrests: There were four DWI arrests in April. Two were the result of crashes. One was a single vehicle roll-over where the driver submitted to a blood test, results are pending. The second crash also involved a single vehicle that had struck a stop sign. This driver submitted to a breath test which indicated a BAC of .17.

Thefts: There were eight theft reports. There were three thefts from vehicles reported. One involved construction tools that were taken from an unlocked storage box on a truck. The second theft involved a purse being taken from a vehicle after the owner had put it into the car, went back into the house and came back out 30 minutes later to find it gone. The third involved license plates’ being stolen off a vehicle as it was sitting in the driveway. These license plates were involved in a gas drive off in Princeton. A business had a work van broken into and a second work van had its tires and rims stolen. An exterior light on the business was also broken. There were no suspects in any of the above incidents.

Burglaries: There was one reported burglary at a vacant residence. The cover was found off the furnace and a cigarette burn was on the new carpeting.

Damage to Property: There were seven reports of damage to property. Three reports involved property that was damaged at the Village Green Trailer Park, all on separate days over a three week span of time, separate victims. One involved a window that was damaged, no entry made into the home. One involved tires being deflated on a vehicle. The last involved soda being poured onto a vehicle. Unknown suspects in these incidents. One report was an adult son who was damaging property in the home. The male was arrested. One report was for the business with the exterior light broken and the last report involved

an assault situation where a vehicle and a front door were damaged.

Assaults: On April 28th at 03:28 a.m. deputies were called to a residence on a report of two males who had gained entry into a residence and were assaulting the adult son of the homeowner. Upon arriving in the area, three males were located who were “suspects” at coming into a house and getting in to a fight with the homeowner and his adult son. The homeowner and son stated that they had a BBQ earlier in the night and the son’s fiancée had her sister over. Everyone had decided to spend the night, as they were drinking and they all went to sleep in different areas of the home. The suspect males had come to the residence to pick up the sister. Two males went into the home and got into a fight with the sister, while trying to get her to leave with them. That is when the fight between homeowner and one of the male suspects began. The male suspect was told to get out of the house at which point the fight was taken outside of the residence. Involved were the homeowner, his adult son, the three male suspects and one male that had fled the area prior to deputies arriving. There was a baseball bat as well as mace utilized. Two parties, one of the suspects and the homeowner’s son, were transported to the hospital for their injuries. Damaged was the suspect’s vehicle as well as the front door. The case is currently under review by the Criminal Investigation Division.

On April 13th Deputies were dispatched to a report of six people fighting at a residence, with a female who was unconscious. Upon arriving and sorting things out, two males were charged with 5th degree assault and disorderly conduct. The female was taken to the hospital due to a high blood alcohol level and having been found unconscious.

Possession of Stolen Property: On April 25th a deputy responded to a call of a suspicious vehicle that deputies had been looking for earlier in the day. The deputy located and stopped the vehicle. The male driver had a suspended driver’s license and admitted that there was no insurance on the vehicle. While conducting an inventory search, the deputy located three different sets of license plates. One was used in a no-pay gas theft in Princeton that had been stolen from a vehicle in East Bethel. The deputy was able to get a photograph of the suspect in the no pay, which matched the driver of the vehicle. The male denied ever being in Princeton. The male was charged with possession of stolen property, driving after suspension, and no insurance violations.

Lt. Orlando, “Our Crime Prevention Coordinator works a couple days a week down in Minneapolis. I told her I was looking for trends in crimes for the past three years in East Bethel. So, I got these maps for 2010, 2011 and 2012 that have been given to you that show the different trends in crimes and the different areas that they happened. The trending crimes for 2010 were thefts from vehicles at boat landings, thefts of catalytic converters, theft of copper from homes and syphoning of gas from vehicles. The trending of crimes for 2011 were thefts from unlocked vehicles, thefts from garages and burglaries at vacant businesses. They are pretty spread out. And the trending of crimes for 2012 was a significant reduction in thefts from vehicles and property as opposed to two years prior.”

DeRoche, “Residential burglary went up.” Lt. Orlando, “In 2012? It did, but if you look at the homes that were actually burglarized it went down by one.” Moegerle, “So our next year’s contract will be really reduced, right?” Lt. Orlando, “Crime trends are down, which are good. We have had a fairly quiet winter. I expect to see a lot of activity in the coming month, which seems to go hand in hand with the warmer weather.” DeRoche, “What do you see with the heroin trend these days?” Lt. Orlando, “We see a lot of overdoses. But we see a lot of saves because of Narcan.” Lawrence, “Is that a new drug of choice?” Lt. Orlando,

“Seems to be more popular than meth. Not to say meth has gone away. It is not restricted to one area. We see it all over.” DeRoche, “How are we doing on accidents?” Lt. Orlando, “Good. It has leveled off. Been quiet.”

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 **Lawrence made a motion to approve the Consent Agenda.** Moegerle asked to pull Items B) April 3, 2012 City Council Regular Meeting Minutes; C) April 17, 2017 City Council Regular Meeting Minutes. Ronning also wants to pull Items B & C. DeRoche wants to pull Item G) Approve Hire of Maintenance Technician. **Items approved include: A) Approve Bills; B) ~~April 3, 2012 City Council Regular Meeting Minutes; C) April 17, 2017 City Council Regular Meeting Minutes; D) April 17, 2013 Board of Appeals and Equalization; E) May 1, 2013 City Council Work Meeting Minutes; F) Res. 2013-22 Designating 1996 Single Axle Ford Plow Truck Surplus Property; G) ~~Approve Hire of Maintenance Technician; H) Approval to Advertise for Website Intern; I) Purchase of Single Axle Plow Truck with Single Axle Equipment; J) Approve 1 to 4 Day Temporary On-Sale Liquor License for Alliance for Metropolitan Stability.~~ DeRoche seconded; all in favor, motion carries.~~**

Moegerle, “I pulled Item B) April 3, 2013 City Council Regular Meeting Minutes because there are a couple of errors in that I think we can correct pretty easily. Page 2, second paragraph, 3rd line from bottom, *search* Minnesota. Same page, but *due* to some staffing issues. Most important one, page 5, Road Commission minutes, Lawrence, “The *striping* of road... Davis, “It will be *striped*...Page 14 Tom’s report, A week ago.” Ronning, “Page 7 of 14 in the book it is 43. The second paragraph, about 2/3rds of the way down. A reminder that this was a work meeting and we don’t vote at work meetings. Moegerle, “The vote was four to one to prepare the RFP because it didn’t cost anything.” Moegerle, “I admit I said that. There was an indication that it was four to one.” Ronning, “Here is a suggestion, ‘discussion was held and there was a consensus to prepare an RFP’. That takes the vote out of there.” Moegerle, “Why don’t we change the word vote to consensus. Why don’t we say, ‘The consensus was four to one.’ Solve your problem for accuracy?” Ronning, “It is not just my problem, we don’t take votes. I can do that.” Moegerle, “Okay done, I can agree to that.”

Moegerle made a motion to approve the April 3, 2013 City Council Regular Meeting Minutes with the changes as noted. Ronning seconded; all in favor, motion carries.

Moegerle, “I pulled Item C) April 17, 2013 City Council Regular Meeting Minutes for the purposes of tabling them. There are quite a few issues throughout. A lot are ones that wouldn’t normally be mentioned here. But, I am looking at starting at page 4 of 18. Lachinski is talking he says, ‘They work for one month and quick.’ Should have been ‘quit.’ We have conversations where Council Members are speaking to themselves or there are missing statements.” Ronning, “On page 5 of 18, in retrospect, consensus doesn’t take numbers.” Moegerle, “But you actually did state that and we did just change that in the minutes.” Ronning, “You change the whole thread don’t you?” Moegerle, “I think you have to have a record of the change. In my opinion.” Vierling, “The minutes that we are taking now will certainly reflect the changes you are making to the other minutes that you are talking about, yes.” Moegerle, “But, the ones in the April 17th meeting where he is discussing the April 3rd meeting where we just discussed to make the change that we just made, we are getting multiple layers. That is why I think we should leave this one alone, just like when this comes up again, we leave this alone. Mission accomplished.” Vierling,

“If the statement is accurate, even if it is substantively wrong, if the recording the statement is correct, the minutes should be retained.” Moegerle, “Then we shouldn’t have changed the April 3rd one. Because that is what I said.” Vierling, “Always get to the question of degree.” Ronning, “At no time in the future will there ever be a reference to a vote during this time in the process at a work meeting.” Vierling, “I think your point is well taken, that there are not votes taken at work meetings.”

Moegerle made a motion to table the April 17, 2013 City Council Regular Meeting Minutes for these changes and others. Lawrence seconded; all in favor, motion carries.

DeRoche, “Item G) Approve Hire of Maintenance Technician. The reason I pulled this is we started out with 91 applications and whittled it down and for whatever reason, I am troubled we didn’t hire an East Bethel resident. We seem to be hiring applicants out of Ham Lake. If we had an East Bethel resident that was qualified, if there a reason we don’t hire East Bethel residents?” Davis, “No reason at all. There were twelve applicants from East Bethel, but none had previous public works experience. They had some peripheral experience and this gentleman had three years experience and comes highly recommended. We always select the most qualified applicant. Address is not a concern.”

DeRoche made a motion to approve the hire of the Maintenance Technician. Moegerle seconded. DeRoche, “When is he starting?” Davis, “He starts Monday, May 20th.” **All in favor, motion carries.**

Ronning, “Point of information, the grammar corrections on April 17th were not taken by our present minute taker they were taken by someone else. Don’t put any un-credit where credit isn’t due.

Economic
Development
Authority

Davis explained that the Economic Development Authority (EDA) minutes are provided for your review and information. DeRoche, “I have comments on March and Aprils EDA minutes.” Moegerle, “Are these approved yet?” Davis, “The March minutes are, but not the April minutes.” DeRoche, “I would like to see the EDA meetings online or cable. I think it is important for the meetings to be on there. After viewing both the March and April meetings and then looking at the minutes, I got the impression that the minutes were more summary than anything. Especially with the April meeting, there was a fifteen minute discussion about verbatim versus summary minutes and that was just a paragraph in the draft minutes. There are a lot of comments and context that was not in there. That is one of the reasons I have been pushing for the verbatim minutes. I personally would like to see the EDA meetings on cable. I think it is important for the residents to view those. There seems to be some lack of information or wrong information that is put out.”

Ronning, “I agree. When I watch that, or if someone else watches it, the Authority was jesting or making fun of the Council for votes taken. The Council doesn’t set requisites like summary versus verbatim unless it is an independent group.” Moegerle, “I don’t understand what you are saying.” Ronning, “You spent about 10 minutes discussing it and then say, ‘The Council can do what they want. We are going to summary minutes.’” Moegerle, “That was the gist of what was said, correct.” Ronning, “With that in mind, I think we need to know what is going on as well.” Moegerle, “I think Dan Butler had a point he made to each of the Council Members through e-mail and he was just restating this issue. I think at the time, Colleen was there, Jack was not there and there was a question. What I think has to happen, is there needs to be an end of the sniping between the Council and the EDA. The Council controls all the dollars and everything the EDA does. It is clear and these minutes

have not been approved. He made a statement. I think it has been made clear that Council determines whether the EDA does summary or verbatim minutes. Dan was making a political statement. Subsequently it has been made clear to me that they don't have that authority, or do they?" Vierling, "Generally speaking each body can decide how they keep their minutes or records. However, the Council can dictate as a matter of policy across the board how the minutes are going to be kept." Moegerle, "I also understand the Planning Commission decided they wanted to have summary minutes as well." Ronning, "That was before it went away. As far as I know, I don't think the Planning Commission has any issue with their minutes. Not at the last meeting." Moegerle, "I have heard continuing discussions about it. I think it would be better if we actually had an agenda item to address the issue of authorities, commissions, committees and the Council and the relationship and whether they can do verbatim or summary minutes and where the powers are. Because we are spending far too much of the Council's time throwing harpoons at the commissions and they do a lot of hard work, they have genuine concerns. This was a genuine concern that was expressed here and I think we should deal with it upfront once and for all instead of sniping."

Ronning, "I agree with a lot of that. The inference of the sniping between the Council and the EDA. If I am sniping I apologize, I shouldn't be doing that. If I am sniping it is reactive of what I saw from the EDA on April 15th." DeRoche, "The fact of the matter is it wasn't Mr. Butler, it was Council members that brought it up and went on and on. The first 14:52 minutes of the meeting. Just like the conversation with Julie Lux, that prompted this at the last Council meeting, and that didn't happen during the meeting like you said, it happened after the meeting standing right next to my microphone, and that has been part of the contention." Lawrence, "We are done. I am tired of hearing about it. This EDA stuff and all you do is pick on these people. You want to stifle them and micromanage them? Fine. That is not your job." Ronning, "Point of order, we have a group that is going to be administering up to \$281,000 and they are not just casual acquaintances. They are accountable. Not an independent group to do whatever they want. No matter who gets angry with who, this stuff has to come to an end." Lawrence, "You are inaccurate. They can't do that. They cannot spend a dime without Council approval." Vierling, "Point of Order is procedural question and that was a substantive comment. The issue is debate going to go on regarding the issue or not. I will take the Mayors commentary as calling the question on the minutes and under the rules if there is a motion to continue debate and it is seconded and passed, you can override a call of the question."

DeRoche made a motion to continue the debate on the EDA Minutes. Ronning seconded. Koller, DeRoche and Ronning, aye; Lawrence and Moegerle, nay; motion carries.

DeRoche, "I was going to suggest in my Council report that there be a meeting between certain parties to distinguish what each of us does. The comment has been made that we beat them up and that is not true. I spoke with them and asked, "What do you think is going on between the Council and the EDA or the Council and the Planning Commission, etc. What is it going to take?" Lawrence, "What does this have to do with the minutes?" DeRoche, "Because the minutes don't reflect what is on the DVD." Lawrence, "What do you have for the minutes? You are off track here running around somewhere else." DeRoche, "The minutes should reflect what are on the DVD and they don't." Moegerle, "These minutes are not approved. When I said, 'Julie Lux said that at the EDA meeting,' I said 'at the EDA meeting,' not during the meeting. She said what she said. That is where I said here. Not a meeting at some hole in the wall." DeRoche, "We were discussing what I had to say. Whenever comments come from that end they are not gavelled or stopped. But

when Tom or I say them they are. Maybe they should be dealt with.”

Ronning, “This is some of what was said about summary minutes, ‘Let’s take out the pabulum and leave the meat and potatoes. That is our prerogative, is it not?’ I talked to Stan about summary minutes and I think it is ridiculous to have verbatim.” Moegerle, “You have made the point time and again that we don’t have a court reporter. If we are going to do a court reporter, that is what we need. It gets ridiculous if we aren’t going to every comma.” Ronning, “Practice what you preach.” Moegerle, “I just want to be clear on what we are supposed to be getting. I don’t care if anything I say is repeated. How detailed do you want? It costs us money. We are losing getting information out to the residents by spending all this time on court reporter dialogue. If you want a court reporter, spend the money.” Ronning, “I want people in this room to know that there are some things that are not appropriate in these commissions. And some of the things that were said in there - talk about sniping.” Moegerle, “We need to get this resolved once and for all. I want to have a work meeting on the issue of commissions, authorities and committees and then have it on the regular agenda. That way everyone is indicating during the work meeting how they are going to vote. We have had people in this group make indications and then staff has gone forward and work of staff has been wasted.” Ronning, “Is it proper to have a meeting before a vote meeting without having the substance available?” Vierling, “You can have work meetings to take the time to flush out issues. Certainly no votes can be taken. But meetings to work to discuss to get all the facts on the floor can happen. It is not uncommon to conduct workshops on things that are going to take longer than a business meeting. So that people come prepared to vote at the regular meeting. They are not closed; they are open to the public.” DeRoche, “We need enough time allocated so we can pull up some of these CDs so we can listen to the comments made.” Moegerle, “I think that is a waste of time.” Ronning, “Why are you defensive?” Moegerle, “I am not defensive. Let’s formalize the policies and get on. Let’s resolve the issues and policies and move on.” DeRoche, “I have no problem doing that, except for it is the pot calling the kettle black. With the comments on these DVDs about circumventing the Council, I time stamped, I know what is on them. Moegerle, “Please provide me with a copy.” DeRoche, “I have no problem doing that.”

Planning Minutes

Davis explained that the Planning Commission minutes are provided for your review and information. Moegerle, “I was glad to see they are moving forward on the MIDS. I think that is really great.”

MSA Road Designations

Davis explained that the Minnesota Department of Transportation State Aid Office has revised the procedure for allocating funds to City’s that qualify for Municipal State Aid (MSA). Currently 50% of the allocation is based on ‘Population’ and the other 50% is based on ‘Need’. The ‘Need’ based criteria is being replaced by traffic volume. In order to maximize the funding received from MSA and considering other needs in the sewer district staff is recommending several revisions to the current MSA system. The table below summarizes the street segments that staff recommends to be added and revoked from the system. The streets recommended for addition and removal from the system is shown on Attachments 1 and 2.

Street	Segment	Length (Miles)
Roads Added to the MSAS:		
Aberdeen Street	Briarwood Lane to 186 th Avenue	0.54
186 th Avenue	Aberdeen Street to Baltimore Street	0.21
Buchanan Street	Viking Boulevard to Klondike Drive	1.00

205 th Avenue	TH 65 to Davenport Street	0.08
209 th Avenue	TH 65 to Davenport Street	0.15
213 th Avenue	TH 65 to Davenport Street	0.17
Total Miles Added		2.15
Roads Revoked from the MSAS:		
Baltimore Street	Briarwood Lane to 0.09 miles south of 187 th Lane	0.51
Davenport Street	Klondike Drive to 205 th Avenue	0.66
197 th Avenue	Polk Street to Buchanan Street	0.27
217 th Avenue	East Bethel Boulevard to Durant Street	0.75
Total Miles Revoked		2.19

Staff recommends that Council adopt Resolution 2013-23 Revoking Municipal State Aid Streets and Resolution 2013 -24 Establishing New Municipal State Aid Streets.

Moegerle made a motion to adopt 2013-23 Revoking Municipal State Aid Streets. Lawrence seconded. DeRoche, “This came up at the Road Commission last night. They are talking about a ghost road behind the businesses that goes up to Briarwood and switching it around to the front? Wasn’t there discussion about developing behind the businesses? So if we go and take the MSA designation off, what happens to that road?” Davis, “The thoughts are the proposed or ghost road will be developed at the developer’s expense. And we can use this to bundle several sources of funds an improvement project there. To cover the road restoration cost there for sewer if it is done.” DeRoche, “Is that Baltimore? What is the potential that they wouldn’t come off of Briarwood anyways?” Davis, “There is potential to access that road from just north of 184th and there is access as you come off of 187th. We are shifting traffic there and if that property is developed it would be a developer cost anyway.” DeRoche, “We have full easement on that road?” Davis, “We have an easement; part of the project would be land acquisition.” Ronning, “Looking at attachment 1, Aberdeen/Baltimore change. It appears that it takes the angle out and leaves the connection to Briarwood.” Davis, “That is the existing service road that services it now. I think everyone agrees at some point we are going to have to do a project down there.” **All in favor, motion carries.**

Moegerle made a motion to adopt Resolution 2013-24 Establishing New Municipal State Aid Streets. Lawrence seconded; all in favor, motion carries.

Building
Official’s
Report

Davis explained that permit fees received within the City of East Bethel in April 2013 were \$9,262 and our year to date total for the City is \$32,995. Our projected fee revenue for the Department for 2013 is \$87,700 and we are currently on pace to collect \$99,084.

Total amounts billed for the Oak Grove Building Official and Inspections Services through the end of April are \$38,916. Total fees for this service for 2013 from Oak Grove were projected to be \$60,000. The fees we charge Oak Grove are based on a percentage of permit and plan review fees that are issued and conducted.

Our cost for providing these services to Oak Grove through April 2013 has been \$16,331. Based on these expenses through April, our costs for providing this service for the year of 2013 are projected to be \$49,042.

We have conducted three inspections for the City of Bethel and will be billing them approximately \$400 for this service. Our costs for this service were \$238.00. The time spent

for our inspection services for the City of Bethel has been 5 hours or 0.4 per cent of our time for 2013.

As was discussed and presented in the development of the 2013 Budget, the Building Inspector's position, previously held by Emanuel Sackey, was to be continued and was approved by City Council. This was decided before the agreement with Oak Grove and the retention of this position was necessary due to the demands of the work solely within the City of East Bethel. The agreement with Oak Grove enables us to maximize the use of our Building Official and Inspector's time, generate additional revenue for the City and still provide the complete service that is required for East Bethel residents.

DeRoche, "Amount of time, 151 hours for Nick, 68 hours for Steve and 128 hours for Joan; are we staffing our building department primarily to make money contracting with Oak Grove? It was my understanding that Nick Schmitz was going to do the building inspection stuff over there and Steve as going to do the building inspection stuff over here. Now it looks like all three are doing stuff over there." Davis, "We had approved the building inspector position prior to the entering the agreement with Oak Grove. We were fortunate to be in a position to offer them this service and they were in a position where they required the service from us. This is a win, win situation for us. If it weren't for the contract with Oak Grove, we would still have the same expense for the city budget without the revenue from Oak Grove." DeRoche, "Have been on the finance committee for two years and at one point we were talking about only having a building official." Davis, "That was discussed and that was when Mr. Boyer was on there. But things have picked up and it is more than one person can handle, and Council approved to continue the building inspector position for the 2013 budget. This was before we entered into anything with Oak Grove." DeRoche, "Do Nick and Steve go out at the same time to the same job?" Davis, "Nick goes to Oak Grove about four hours a week. He is the building official for Oak Grove. Steve does a lot of the inspections over there. Nobody has suffered from lack of service from us doing the inspections over there. There is no duplication of service." Lawrence, "The inspectors, are they both qualified to do all inspections?" Davis, "Yes they both have all their certifications." Ronning, "How are we charging Oak Grove?" Davis, "We charge them 95% of the permit fees and 100% of the plan review fees."

Res. 2013-25
Approval of
Plans and
Specifications
and
Solicitations
for the Trunk
Highway 65
Service Road

Jochum explained, as requested, staff has prepared plans and specifications for the Johnson Street Construction Project and Trunk Highway 65 Improvements. The project will include constructing Johnson Street from 215th Avenue to 221st Avenue and eliminating the access and median crossing at 219th Avenue and Trunk Highway 65. Selected plan sheets are included in Attachments 2-8. A complete set of plans and specifications are available at city hall for review.

The plans and specifications for this project were submitted to MnDOT for review and approval. All MnDOT comments have been addressed. The plan is currently in the process of receiving the required MnDOT signatures.

The total estimated project cost for the Johnson Street construction project and the Trunk Highway 65 Improvements is \$1,500,000. This project will be financed with Cooperative Agreement Grant Funds and State Aid Construction Funds. Funds are available and appropriate for this project.

Staff recommends that Council approve Resolution 2013-25 which authorizes staff to solicit bids for this project. Bids will be tabulated and presented to the Council for consideration at

the June 19, 2013 meeting.

Lawrence made a motion to adopt Resolution 2013-25 Approval of Plans and Specifications and Solicitations for the Trunk Highway 65 Service Road. Moegerle seconded. Ronning, “This that million and a half and we are splitting it? If this doesn’t happen, what do we owe the state?” Jochum, “You decline the grant. The cost of the overhead, around \$60,000.” DeRoche, “I didn’t agree to doing it to begin with, I would rather see that money go down on Klondike or something being that it is a matching grant.” Davis, “We have to close an intersection to qualify for this. This is also part of our service road plan. It is the only place we can use this money. There is some talk that this program may be going away, so if we don’t leverage our funds now, we may lose them.” DeRoche, “I think sometimes people get caught up in the matching grant and think the state is giving us money.” Davis, “I am with you on that. This is our MSA funds, and if there was a place in the sewer area, that we could use it. It is in the area that we will be putting a lift station in on the forcemain.” **Koller, Lawrence and Moegerle, aye; DeRoche and Ronning, nay; motion carries.**

Fire Dept.
Report

Davis explained that the Fire Department reports are for your review and information. Chief DuCharme, “You have the monthly reports from April 2013. During that month responded to 56 calls and 23 were medical related. We responded to one address four times during the month of April and the patient was trying to tweak their medication and was very ill. We included the inspection report which includes eleven fire inspections during the month of April. Overall we also responded to four car accidents, but that was in April when there was still snow on the ground. And, there is a call that talks about special types of incidents, that was when we were doing hose testing. We had multiple grass fires and a house fire that day.”

Moegerle, “The last two listed for April 29th we have the same address a gas leak, four hours apart.” Chief DuCharme, “That did happen. It was a gas leak at a gas meter at a garage that was demo’d. I did check with the building department and they did have a demolition permit. The property owner had left and when I arrived I found the meter that was sticking out of the ground but since there was no one to talk to, we cleared the scene and left. When that individual came home, they called again and we did find a gas leak. But we tried to educate the homeowner that the gas company takes care of gas leaks.”

Moegerle, “The special type of incident on April 27th?” Chief DuCharme, “That was hose testing.” DeRoche, “How are we doing on grass fires?” Chief DuCharme, “We did have a one acre fire yesterday. Caused by a homeowner that was burning some construction debris in their yard. We were lucky enough to have the DNR near and the wind was in our favor. The DNR issued a ticket to the homeowner. The burning ban is on, it is extremely dry. Yesterday Anoka County sent out a warning to Fire Chiefs that it was extremely dry.” DeRoche, “There is still a burning ban, but you can have recreational fires?” Chief DuCharme, “Yes, but recreational fires are three feet wide and not more than three feet high.” Moegerle, “Are they ever prohibited?” Chief DuCharme, “Yes they are. The usual procedure with that is the City Administrator, myself, and the Mayor talk, and the Mayor will declare that. Andover had a major fire and we were over there helping them out.”

LMC
Nomination
and
Resolution

Davis explained that Wendy Warren has been working for the City since August 2002. In her years of service her name has become synonymous with East Bethel. She has given the City and its residents eleven years of dedicated and selfless service and is involved with many of the activities and functions of the City. If there were a word association game that

used the phrase 'City of East Bethel, Minnesota', Wendy Warren would be the answer.

In addition to Wendy's many civic duties she is responsible, as a volunteer, for the Kiddie Parade and Movie in the Park for Booster Day. Wendy is the past parade director for Booster Day and is still active in Booster Day planning activities. In addition to these contributions, Wendy, on her own time, plans, organizes and manages the East Bethel Pet Clinic Day for the City and is active in coordinating the senior center.

In conjunction with her basic job duties, Wendy is responsible for managing the City Elections, preparing the quarterly newsletter and has been the driving force for the development of the new City Website. If a citizen has an issue or there is a problem at City Hall, Wendy is usually the first choice for a solution.

Wendy is a most deserving candidate for the 2013 LMC Leadership Award for Appointed Officials, and Council and Staff are proud to endorse Wendy for this honor.

Staff recommends adoption of Resolution 2013-26 and the nomination of Wendy Warren for the 2013 LMC Leadership Award for Appointed Officials.

DeRoche made a motion to adopt Resolution 2013-26 Nomination of Wendy Warren for the 2013 LMC Leadership Award for Appointed Officials. Moegerle seconded. Moegerle, "I have written a letter of nomination for the LMC and will be accepting letters that second that nomination to include in that packet. But, today I got a document that talked about leadership qualities of the ideal leader and these qualities all of which Wendy has in abundance: connectedness, humility, candor, patience, empathy, trustworthiness, openness, flexibility, vulnerability and valiance. So I think this is a great and overdue honor. **All in favor, motion carries.**

Res. 2013-27
Amending
Fee Schedule
Adding a
Seasonal
Solicitor
Permit Fee

Davis explained that one of our residential garbage collection contractors, LePage, has requested permission from the City to perform a door to door survey to determine the interest for their service within East Bethel. This is their first year as a licensed residential waste hauler in the City. In order to legally comply with the City Code they would be required to obtain a Solicitor's License for a fee of \$1,000 to perform this type of survey. This activity is regulated under Chapter 18, Article V of the City Code.

The intended rationale behind the amount of the fee was to discourage door to door residential sales. The fee for this activity and the general decline of door to door sales has been effective in curtailing this means of marketing. The City has received no complaints of door-to-door sales solicitations in the last two years.

LePage's request or that of any other licensed business within the City, for the door to door surveys could provide information that may result in improved, opportunities for new or potential cost savings for services for City residents. Due to this request, and coupled with an infrequent incidence of this type of solicitation, this circumstance may be a basis to consider offering a more limited solicitor's license. This is a practice that is common for our neighboring Cities and the fees that they charge for this license range from no charge to \$75 for the license and up to \$35 for the background check for a 30 day license (see attached fee comparisons).

Should Council have an interest in adding a limited solicitor's license and amending the fee schedule, this action could be accomplished by approving the attached resolution. While

there is no indication of the fee in the resolution, it is staff's opinion that the monthly fee projected on an annual basis should exceed the yearly fee of \$1,000 for the solicitor's license. Based on this recommendation the minimum monthly fee is recommended to be \$85 for the 30 day license, provided we continue the \$1,000 annual fee.

We have no record of issuing a solicitors license or collecting a fee for this activity. Amending this fee would have no negative impact on the 2013 Budget.

Staff is seeking direction from Council on this matter in terms of consideration of a limited Solicitors License (with a specification of the term) and a fee for the license.

Moegerle made a motion to adopt Resolution 2013-27 Amending Fee Schedule Adding a Seasonal Solicitor Permit Fee. DeRoche seconded. Moegerle, "This does not apply to Girl Scouts?" Davis, "No, they are exempt." DeRoche, "They are just taking a survey? Why would we charge them for that?" Davis, "Because if we are following the ordinance, they are a solicitor." DeRoche, "If there are already a couple sanitary technicians and they are looking to see if there is a market for it. If they were peddling lawnmowers, or vacuum cleaners." Davis, "Door-to-door sales are a technique that has declined. We have never issued a permit, probably due to the fee. These don't happen that frequently. If you look at the attachment, our neighboring communities charge much less." DeRoche, "What is the staff cost is they are going door knocking?" Davis, "The only reason I said \$85 is we don't want to get in a position where the monthly fee is cheaper than the annual fee." Lawrence, "We want to charge \$85 for 30 days?" Davis, "That is if we keep \$1,000 for the annual fee." Ronning, "Door-to-door solicitation, is that different than on the phone?" Davis, "We have no control over someone calling you on the phone." Moegerle, "I don't want people coming to my door; I don't want them calling me either. I am fine with the rate." Koller, "I don't like phone soliciting, or door-to-door." **Koller, Lawrence, Moegerle and Ronning, aye; DeRoche, nay; motion carries.**

Midcontinent
Lease
Agreement

Davis explained that Midcontinent Communications, the City's cable provider, is requesting permission to relocate their existing control cabinet and generator, located on the southeast corner of the City Hall site to the southwest corner of our property (see attached site plan). They need to upgrade their OTN (Optical Transition Node) which is the fiber optic equipment that feeds the optical nodes in this area and provide protection for this equipment. The current location is exposed to potential snow plowing and traffic damage from 221st Avenue and the control cabinet at this location was struck by an automobile in 2008, causing extensive damage and disrupting service. The current location is also difficult to approach in wet weather conditions due to soft ground which can preclude vehicle access.

For these reasons Midcontinent Communications is requesting permission to relocate their facility to the southwest corner of the City Hall property to an area between the parking lot and the row of pine trees along 221st Avenue and Palisade Street. This new facility would be a precast, pebble aggregate finish, concrete building which would be more attractive than the existing exposed equipment, more secure and less exposed to weather and traffic damage.

Midcontinent has a similar facility at Forest Lake and pays the same lease payment as proposed in the lease agreement that is offered for East Bethel. The City currently receives no payment for use of the southeast corner of City Hall property. The proposed relocation of their equipment and subsequent lease would provide \$1,800 in payment for 2013 and

each subsequent year would increase the payment by 3% over the ten year lease. Their proposal would not disrupt any Booster Day Activities and would require an outage of approximately six hours for the conversion.

Staff recommends the approval of the relocation of the Midcontinent control cabinet and generator from the southeast corner to the southwest corner of City Hall property as indicated on the attached site plan and the lease agreement as attached per approval of the City Attorney.

Moegerle made a motion to approve the relocation of the Midcontinent control cabinet and generator from the southeast corner to the southwest corner of City Hall property as indicated on the attached site plan and the lease agreement as attached per approval of the City Attorney. Lawrence seconded.

Moegerle, "How is Midcontinent going to notify the customers of the interruption of six hours in services? We have been there before and I don't want to be there again." Davis, "They haven't given us that information. We can require them to do this in a number of ways. We can put it on our website and on Channel 10. And have them put it on their website." Moegerle, "And include it with their monthly statement. We need to protect our residents with this. I don't know whether it is something we need to include in the contract." Vierling, "We can hold the contract until they comply with staff's request." DeRoche, "Will they be trenching? Burying the cable underground? Will they be cutting the tree roots? Will the trees die?" Davis, "We haven't addressed that. We can add some stipulations to safeguard the trees in the area. We can make them responsible for the damage. We can make sure they stay as far from the trees as possible." DeRoche, "They will have to extend these wires and change the other ones. Like our concerns with GRE." Vierling, "You can require bonds." Davis, "They will have to obtain a ROW permit with this." Vierling, "Staff will automatically require them to obtain a ROW permit with this." DeRoche, "I don't care if they do it, I just don't want them wrecking trees. Looking at how they are doing it, the trees add to City Hall being here." **All in favor, motion carries.**

Commissions
& Authority
Liaison
Reimburse-
ment

Davis explained that traditionally City Council members who are Commission liaisons or Authority or Committee members have not been compensated for their service on these types of boards. While Council has elected to compensate citizen members of these boards, they have not, in the past, received any payment for service in a Commission, Authority or Committee capacity over and above the their Council pay, as approved by City Code, Chapter 2, Article 2, Sections 2-44 and 2-45.

Under State Statute 469.095 it is permissible to pay all EDA Authority members at a rate to be determined by City Council and such compensation would not be subject to Minn. Stat. 415.11, Governing Body Salaries. However, the same does not apply to Council Commission Liaisons and any compensation extended to them would have to be enacted by Ordinance and would be effective only after the next general election.

To date, no City Council members have been paid for their services either as EDA members or Commission Liaisons. If all Council members received equal pay for these positions the minimum cost would be \$1,840 per year and would include payments of \$480 to EDA Council Commissioners (2), \$400 to the HRA members (5) and \$240 to the Fire, Planning, Parks and Roads Commission Liaisons. Should other committee or commission assignments such as the Finance or Website Committee be included in this plan the costs would increase by \$20 per member multiplied by the number of meetings.

There has been some general discussion regarding compensating Council members for time and attendance for meetings other than regularly scheduled or called Council meetings. Staff is seeking direction from Council as to procedure in this matter.

Moegerle, "My view on this is that and has been for some time, that liaisons should be compensated for their time. In my household, it is expected that 'Yes, I will go to a Council meeting, an EDA meeting, a Planning meeting,' but as each one piles up it becomes more responsibility. It does subtract from our lives. We recognized that it takes from our Commission members' lives. And certain things are covered by what we are compensated as Council members. But to the extent that it is additional, I think that Council members should be compensated for that. Even if it is the mileage to and from City Hall. I think that commission members and Council members that are liaisons should be treated equally."

Koller, "I am against it. When I put my name on the ballot, it was to help the City as much as I can. I don't expect to get more and more money as I put more work out. If I join more and more commissions to make more money, it shouldn't be that way." Moegerle, "There are some members of this Council that are liaisons on one committee and some that are on four committees, how is the same stipend fair. Otherwise you don't encourage people to go out and learn more and participating. There is a kind of a cooling effect if there isn't recognition of at least mileage." DeRoche, "I spoke out against this before. I asked to have this put on here. I am on four commissions. I at least spend three to four hours a day doing something related to the City. I agreed to do this; I don't see a need to be compensated for it. Council members are being paid somewhat a month."

Moegerle, "By statute, the EDA members shall be paid. That includes Richard and I. There was a big outcry when the by-laws reflected that the EDA members shall be paid. The City is required to compensate us because we are on the EDA. I want to level the playing field. Maybe it is just the HRA. I am reaching out to say, 'How do we make that fair?' Or is the issue with the EDA members being compensated a moot point?" DeRoche, "I brought this up before, actually what it says is at an amount to be determined by City Council. If the Council decides there is no pay to go to the Council members then so be it."

Moegerle asked the City Attorney, "Can the Council members be paid less on the EDA than the committee members?" Vierling, "The Council is not required to set an equal compensation for committee members. If the Council determines that the Council members of the EDA are compensated as part of their Council compensation that is valid. That is not uncommon that many EDAs have Council members that do not get a separate compensation. Some do and some don't." Moegerle, "And so far our City has been silent on that as far as differentiating between Council and non-Council members. So, would payment be due since it hasn't been addressed?" Vierling, "Theoretically, since it has not been addressed, I would consider it a non-compensated position." Moegerle, "But if they are an EDA members, they are EDA members and the statute says they shall be paid." Vierling, "You have to read the whole sentence. Shall be paid at a level determined by the City Council. And if the Council determined that they are not going to compensate I think within the qualification of that sentence they are allowed to do that."

Moegerle, "It is very clear that Parks and Roads do not get compensated the same as Planning and the EDA do not get compensated the same." DeRoche, "Didn't we discuss that and change that?" Davis, "I think we have all kicked it around and agreed that it should

be changed.” DeRoche, “I think they should all be paid the same. My personal opinion, if you are a Council Member and on the EDA Authority, you don’t serve on there separately and you get your Council pay. If you are a Council Member that is one of your commitments. If you aren’t going to be on there because you aren’t going to be paid, then so be it.” Moegerle, “I agree with that, but when there is an inequity between Council Members, such as last year, one Council Member was on one committee. But the rest of the Council was carrying that person’s load because of a choice. We should always have a mind towards equity.” Koller, “I agree with Bob. We are paid to be on the Council and being on the committees and as a liaison that is part of it.” Ronning, “If you are on one committee is it more or less? I am opposed to it. I am not here to make money.”

Moegerle made a motion retroactive to January 1st all commission members (Planning, Road, Parks, EDA) be paid equally \$20 per regularly scheduled meeting. Lawrence seconded. Ronning, “That includes if you were meeting outside of the area?” Moegerle, “No.” **All in favor, motion carries.**

Recycle
Saturday
Drop-off

Davis explained that In addition to the City’s basic recycling activities funded by the County, the City of East Bethel received an additional grant from the Anoka County SCORE Program in the amount of \$10,000 to operate a monthly drop off service for tires, batteries, electronics and appliances at the City Recycle Center. This is a service that is offered on the last Saturday of every month from 9:00 AM to Noon. Funding for this activity has increased our recycling presence and service over and above our traditional Spring and Fall Recycling Day events.

The operation of this extra service has been temporarily managed by the Lions Club under the existing agreement with the City to run the Recycle Center. This arrangement is not part of the agreement with the Lions Club to operate the weekly activities of the Recycling Center. This is an added duty that was intended to be funded by the additional 2013 funding of \$10,000.

Staff considered and examined the possibility of the City operating the service and is of the opinion that this choice could result in disruption of operations during the winter months if there was a snow event conflict. In addition, our costs for labor would exceed those allowable by the grant. After reviewing our options and the conditions of the grant agreement, the most cost effective and seamless means to provide this service would be through the Lions Club and the existing agreement that is currently in place with the City.

Staff met with the Lions Club on May 7, 2013 and the Lions Club agreed to operate the Saturday Drop-off Program. The Lions Club would be compensated within the terms of the new grant for this service and it is anticipated that the compensation would not exceed \$1,800 for 2013. The Lions Club indicated that they may request additional assistance from other community organizations to assist them in the operation of the program. It was explained to them that this would be acceptable but any assistance outside the coverage of the Lion’s insurance would require an additional policy with a minimum of \$1.5 million in liability coverage, naming the City as an additional insured.

The cost of operating the Saturday Drop-off Service would be a not exceed fee of \$1,800 for the East Bethel Lions Club. Advertising and other City associated costs should not exceed \$3,600. The grant amount for this program for 2013 is \$10,000 and this amount is separate and over and above the base grant we receive to operate the Recycle Center and run the City Recycle Program. No City levied funds will be used for the operation of the

Saturday Drop-off Program.

Staff recommends approval for the East Bethel Lions Club to operate the Saturday Recycle Drop-off Program at a cost not to exceed \$1,800 for 2013.

Lawrence made a motion to approve the East Bethel Lions Club operating the Saturday Recycle Drop-off Program at a cost not to exceed \$1,800 for 2013. Ronning seconded; all in favor, motion carries.

Resolution
2010-60
Temporarily
Setting
Maximum
Vacation
Accumulation

Moegerle, “Resolution 2010-60 Temporarily Setting Maximum Vacation Accumulation. Whereas, City Personnel Policies limit accumulated vacation accrued at 240 hours; and Whereas, it has been and will continue to be operationally necessary to have the City Administrator and Public Works Manager available during periods of significant activity related to utility improvements and public works activities; and Whereas, such operationally necessity during this period has and will continue to preclude use of accumulated vacation accrual to comply with Personnel Policy guidelines. Now therefore, be it resolved by the City Council of the City of East Bethel, Minnesota that: The City Administrator and Public Works Manager will be permitted to temporarily accumulate vacation in excess of the limitations noted in the City’s Personnel Policy. Be it further resolved that the City Council of the City of East Bethel, Minnesota that: it is hereby confirmed that the maximum payout of accrued unused vacation shall be limited to 240 hours as provided for in the City’s Personnel Policy. Any vacation hours in excess of 240 hours must be used by June 30, 2013 or it will be forfeited.”

Moegerle, “I became aware that Jack has accrued vacation in excess of 240 hours and that makes sense in view of how complicated dealing with our infrastructure situation has been, GRE, on and on and on. And so I suggest we suspend the operation of this and agree to make this a subject to our attention. DeRoche, “This is something Jack has brought to my attention in the past. Either we cut him out of it or tell him to take his seven weeks and be without him. When this was put in place, Doug Sell was in this position and this whole thing hasn’t come into fruition like they thought it would. Personally I get e-mails from Jack at 4:30 a.m. and later in the evening. He works like crazy! To have him lose his accrued time would be a travesty. I just don’t think he should. So whatever it is going to take to get it extended.” Vierling, “If you want to suspend this and then discuss this so that he isn’t in the position of forfeiture. So that you can deal with it before the end of the year.” Moegerle, “Nate isn’t in this position, is he?” Ronning, “Can you make a motion to suspend and some degree of remedy with it? Pay in lieu option.” Moegerle, “I think that is something Jack needs to figure out what he wants to do.”

Moegerle made a motion to suspend Resolution 2010-60 Temporarily Setting Maximum Vacation Accumulation indefinitely and to have it placed on first meeting in June for further discussion and resolution. Ronning, “I would like to amend the motion that if within the next six months the City Administrator decides it will be more difficult or whatever it amounts to, he be permitted some pay in lieu. DeRoche seconded the amendment. Lawrence and Moegerle, nay; DeRoche, Koller and Ronning, aye; motion carries. Vote on motion as amended. All in favor, motion carries. Lawrence, “I wanted to make it cleaner so we could take care of it all at the Council meeting.” Moegerle, “I agree.”

Staff
Reports

Davis, “The Met Council Castle Towers forcemain project, they have decided to rebid the project again. We did open bids for our City only portion of project. The low bid came in at

\$2,400,000. This did include some alternatives. One is a partial gravity sewer replacement and upgrading the line size to 10 inches. Unless there are some real surprises with Met Councils we are looking at coming in below our breakeven point. This Friday there is a meeting of the Sandhill Crane players and the DNR to sort through some options and alternatives. Hopefully they will come up with some alternatives to modify their approach.

Council
Member
Report –
DeRoche

DeRoche, “There has to be some kind of a meeting set up, a lot of comments that are made to the commissions have to stop. When we have a meeting the comments will be there. I got a hold of different people on the different commissions because I wanted to why or what their thoughts are. At some point the EDA, Planning and Council and staff have to get on the same page. It can’t be where the same issues are beat to death time after time after time. I go to the Road Commission and the meeting is pretty quick and there is no talking about anybody. We need to sit down and hash it out. Public perception of what this Council does is pretty bad. Whatever goes on at the meeting it has to be that you are part of the commission, not the City Council. There is too much chance of influence. The DVDs don’t lie. Also, golf carts aren’t legal on the streets. When you have five or six kids hanging on them it is only going to be a matter of time before someone falls off and someone gets hurt.” Lawrence, “When a golf cart is modified to be an ATV, it is legal?” DeRoche, “Is it registered as an ATV in the State of Minnesota? There is Class I and II for ATVs. There was an accident at a Firearm Safety class, so now any Firearm Safety classes have to have locks on the guns. The lakes are open, boats are out. Don’t keep stuff on boats, it could get stolen.”

Council
Member
Report –
Koller

Koller, “I went to the Fire Department meeting. After the meeting they were doing practice on the tanker trucks, they are well trained. Four fire fighters just got certifications for Fire Fighter II. Eight got their Fire Hazard certification which was a very lengthy training. We have a very well qualified Fire Department.”

Council
Member
Report –
Moegerle

Moegerle, “I was over at the Anoka County offices. They have this neat Anoka County Community Resource Guide. I am very pleased to nominate Wendy for all the things she has done for the past two and a half years that I know of. We are well represented at LMC leadership nominations. Interestingly, I found out that Jack could be competing for the same award because they do carry over from year to year. We do have until a week from today to get in additional letters. With regard to Parks, they discussed the park and trail comp update. Anoka County will discuss park and trail update to their plan. MSP 2040 is having meetings every Thursday. The Booster Day Group is interested in having an additional access to Booster West. While I do think controversy and beating up on Commissions must stop, we also have to realize each person has freedom of speech. The EDA is there to become an engine of ideas and often there is a lot of brainstorming of ideas. If you don’t attend and understand that dynamic, I hope you will attend and witness it.”

Council
Member
Report –
Ronning

Ronning, “I witnessed a statement that a commission is going to electronic packets and if you don’t take the electronic packet they are going to charge 25 cents per page for the packet. Do commissions have the authority to do that? The golf course was open a few weeks ago. Booster Day meetings have been going on. The people that work to serve not our group, but the commissions, the fire department, none of them are in it for the money. There is a huge amount of dedication. The commission I liaison to, they put in a lot of work, a lot of time. I want to recognize the commissions, the fire departments, the CSOs, they do a heck of a job, thank you.”

Council

Lawrence, “I am honored to nominate Wendy for this position. Hopefully she will win, I

Member
Report –
Lawrence

know she has worked extremely hard and has always been the go to for this position. Jack, I think you need to take some vacation, soon. You deserve it. I remember e-mailing you and making the comment, you are up too?” Ronning, “The remedy, the more you have, the harder it is to use. At some point, something will have to be worked out. It is not your fault you are not getting it. If there is a way to accommodate you, I am more than willing to help you.”

Davis, “You mentioned something about wanting to have a work meeting, special meeting to discuss these issues. For this meeting the mayor or two council members need to call the meeting.” DeRoche, “How about we let Jack know our schedules. I am pretty much open.”

Adjourn

DeRoche made a motion to adjourn at 10:12 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk