

EAST BETHEL CITY COUNCIL MEETING

September 7, 2011

The East Bethel City Council met on September 7, 2011 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle
Steve Voss (left at 9:40 p.m.)

MEMBERS ABSENT: Bill Boyer

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

Call to Order **The September 7, 2011 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the September 7, 2011 City Council Agenda with addition of item 10.D Closed Session - Union Wage Reopener Session. DeRoche seconded.** Voss asked do we have any handouts on that. Davis said he has some information to give you, it is briefly the wage reopener and he has some questions on what is Council's direction on where we should go with this. **All in favor, motion carries.**

Administrative Hearings – Resolutions 2011-34 & 35 – Black Bear Liquors Alcohol Sales Violations Licensee and Clerk Vierling said for purposes of the administrative hearing with regard to Black Bear Liquor and sale to a minor the Council will be conducting a hearing on the issue before considering the issue before them. He explained for purposes of conducting the hearing, we have Officer Mike Wahl from the Anoka County Sheriff's Department that will make the initial presentation and then we will certainly recognize any representative from Black Bear Liquors, clerk Victoria Lynn Raines and anyone else that wishes to speak on the matter. He asked for purposes of order if there was anyone in attendance from Black Bear Liquors. Mr. Vincent Charles identified himself (owner of store). Vierling assured Mr. Charles that he would be recognized. He asked if Ms. Raines was present. It was determined that Ms. Raines was not present. Vierling then recommended that the Mayor open the hearing with comments from Officer Wahl.

Investigator Wahl, ACSO introduced himself and explained that he is currently assigned to investigate a lot of complaints that come up through the City of East Bethel. He said as part of his normal duties, twice a year, we also do alcohol compliance checks. Wahl said the areas that contract with the ACSO are checked to make sure they are in compliance with the standard liquor laws and are not selling to those that are underage. Specifically on the 22nd of June, 2011 we conducted these checks in East Bethel, Bethel, Linwood, Columbus and Ham Lake. He said during that time the checker, a person that is under the legal age and who is a matter of fact, she is approximately 16 years of age. Wahl had her go into Black Bear Liquors at 18453 Highway 65 NE at approximately 7:17 p.m. The clerk that was working the store at that time was identified by Minnesota Picture Drivers License as Victoria Lynn Raines and advised she was employed by Black Bear Liquors. The checker was advised to go in and attempt to purchase a 12 pack of Coors Light. We keep it the same, go into every business and attempt to purchase the same product, unless they are going into a bar. Wahl said then we have them attempt to purchase a single beer and conduct the check that way. He said what ended up happening here is the checker brought

the 12 pack of beer up to the clerk and she made casual conversation with her and she presented the \$20 bill for the sale and at that time she did not ask her for ID and then the checker came back out to my car with the beer in hand and receipt and change that go along with it, where I was sitting outside.

Investigator Wahl said he went in and identified himself as an investigator that was conducting alcohol compliance checks and that she had just sold to a minor. He said at that point we just gathered evidence, gave the clerk back the change, got back the \$20 bill that was used and then notified the clerk that we would be sending the case forward for review to the city attorney's office for formal charges. Wahl said he thinks it is worthy to note that as soon as the compliance check was complete, he advised Ms. Raines that she was going to want to contact the business owner and let them know that a compliance check was completed and they failed. He said he left his business card for the business owner to contract him with any questions. Wahl said and he did, the very next day. He said in that conversation he was very apologetic, very forthright, and he came out and said this was a check where it should have been very easy to detect that she was underage. Wahl said the business owner said he reviewed his tapes to determine this. He said the business owner said it was just a mistake on the clerk's part. Wahl said the employer took swift action and terminated employment of Ms. Raines. He said so what we have here is an employee that made a mistake. In doing some checking on the previous compliance checks on Black Bear Liquors it is also noteworthy to mention that they don't have any previous violations and that is going back a few years. Wahl said at this point it is in the Council hands and he will answer any questions you may have.

Vierling called Mr. Vince Charles up to the podium for his opportunity to speak. Vincent Charles, owner of Black Bear Liquors, introduced himself and said he resides in Cambridge, Minnesota. He said this is for folks that think that we are not treated fairly in these compliance checks Charles said we were and we are, they are not out to get you. He said they did not set us up by any means, she should have been ID'd. Charles said if he had any inkling that (Victoria is a good person, not here to say anything bad about her) but him as a store owner, if he had felt that in any time in his absence that these things weren't happening, she wouldn't have been working for him. He said he has a practice that when someone new comes into the business (it is a small business that he is very involved in) he spends a fair amount of time with them until he is comfortable that they are going to take care of the business, businesslike and in a good fashion. Charles said and that they understand the produce we are selling and that it isn't sold to minors.

Charles said what this has done is made him more aware as an owner of some things that he can do so that this doesn't happen again. Such as he saved the video from this instance and everyone is going to see and understand that video and the ramifications of it. Charles said they will also know what it does to him as an owner. He also said but it sends a message to them that they are going to be responsible too. They are going to get cited. Charles said he stands here humbled because he is a good operator of his businesses and had no intent to sell to anyone underage, it will never happen to his store that he can control. He said Ms. Raines made a poor, poor decision in this case and yet we were set up to succeed in this situation. Charles said we will go forward and use this for a training tool in the future. He is not proud to be here at all. Charles said he takes responsibility for what he sells seriously, and he apologizes for what has happened. He said he didn't like to let Victoria to go, but he didn't see any option in the case, she was a good employee, good worker who had a lack of judgment and if that was going to continue he couldn't have her work for him any longer. Charles said he asks the City Council's to do what you feel is fair for recourse here and he

has already taken it to deep heart, what you feel is fair and just, but this is not something he has taken lightly.

Vierling asked the ordinance talks about a responsible beverage service training course do you use that? Charles said he does not. He said but in Ms. Raines resume, and one of the reasons he hired her, it did say that she had that training previously. DeRoche asked is this something you might consider. Moegerle asked about the community service requirement, is that required against the licensee or does that only apply against the clerk or seller. Vierling said it certainly applies to the cashier and seller. Moegerle said we have a proposed resolution that addresses the issue of community service and she just wanted to double check. Vierling said the way he is reading that it is certainly mandatory against the clerk, the way he is reading it that it is not mandatory against the licensee. Moegerle said she also doesn't read this as being mandatory against the licensee either, but she wanted to double check. Voss said he thinks it is if the licensee was the clerk. Vierling said yes, if the licensee was the clerk. He said staff has prepared two resolutions for council review. Vierling said the provisions under there deal with the incorporation of the ordinance provisions with regard to the fine and possibility of community work service. With the licensee that would be permissive but not mandatory. He said since we have had no appearance from the clerk obviously there is not anything to discuss. But what the ordinance provides. Voss asked is that a separate action for the clerk. Vierling said yes that is a separate resolution as to each. Moegerle asked are you asking if there will be a separate fact presentation. Voss said yes. Vierling said the facts are the same for both and since she has not appeared she has essentially defaulted from that part of it. DeRoche asked the city administrator if to his knowledge this is the first time this has come up at this business. Davis said for Black Bear Liquors this is the first violation.

Moegerle made a motion to adopt Resolution 2011-34 Determining Findings of Fact and Administrative Penalties for the Licensee Pursuant to City Code Article IV, Section 6-93 Relative to Black Bear Liquor, 18453 Highway 65 NE – Licensee - striking the 8 hours of community service, in a large part due to the candor of Mr. Charles so that the penalty would be the mandatory requirement of a \$500 administrative fee. DeRoche seconded. All in favor, motion carries.

Voss made a motion to adopt Resolution 2011-35 Determining Findings of Fact and Administrative Penalties for the Licensee Pursuant to City Code Article IV, Section 6-93 Relative to Black Bear Liquor, 18453 Highway 65 NE – Clerk - \$250 administrative fee and 8 hours of community service. DeRoche seconded. DeRoche asked how do we do this, being as she is no longer there. Vierling said you can certainly assess the fine. He said we will deal with it as part of the other proceedings because she was charged with a criminal violation. Vierling said we will deal with the administrative matter as part of that as well. He said the other question you have is there is a provision in the draft of that resolution that if the clerk's fine is not paid then the license could be suspended. He doesn't know if the Council wants that so he just draws it to you attention. Vierling said you could basically separate that entirely in terms of not making that a condition on the licensee. DeRoche said he thinks this should be separated. Voss asked has this gone through the county courts? Vierling said first appearance has been made.

Voss said this happened a couple years ago. He doesn't recall exactly, he thinks the clerk had been terminated and had a first hearing, same situation. He said we applied the same penalty and the court took that into consideration. Vierling said they certainly will in regard to any criminal sanction that goes forward. Voss said and we had the same question about

community service. How do we enforce that. And he thought the court took that into consideration also. Vierling said he does want to note however, and perhaps he wasn't clear, the resolution dealing with Ms. Raines has a provision that if she doesn't pay her fine the licensee could have their license suspended until she does or until they pay it. He said he doesn't know if the Council wants that, so he just draws that to your attention. Vierling said if you don't want it you can strike that provision out. Moegerle asked which one is that. Vierling said that would be following paragraph B. Voss said would we not as a City move to collect that fine directly from the person? Vierling said you certainly are here> But you certainly have the ability to require the licensee to cover the clerks administrative fine if they do not. Knowing the clerks are fairly mobile, they may default and not appear. Voss said so. If we are not able to collect this or unable to pay. Vierling said either or both. Voss said he draws the distinction because when this person goes before the county court and when the administration finds out that they skipped payment on the administrative fine it is not going to go over well. He agrees it is problematic to pass this on to the business because they are not an employee there anymore.

DeRoche said he thinks it would behoove them to pay it before she gets to the county and they find out she skipped out on the fine. They might not look at that too highly Voss said he made the same point with the community service. And he would rather have the community service than the fine. DeRoche said he just has a problem with going back after the license for this. Everybody makes mistakes and he took Mr. Charles statements to heart. DeRoche said it is obvious it wasn't an intentional act and he did everything he could to prevent it. If it were the second time, then it would be a whole different ballgame. Moegerle asked and Ms. Raines has appeared for the preliminary or has she appeared through an attorney. Vierling said he cannot recall if she was represented by counsel, but a first appearance has occurred. Lawrence said with the motion she pays \$250. Is there also community service involved in this. Voss said yes. Just like there is written in the resolution, 8 hours community service. Vierling said and the other provision he calls to the Council's attention immediately follows paragraph B. Voss asked isn't that part of code as well. Lawrence said we don't have to enforce that if we don't wish to. Vierling said no, he doesn't believe it is. DeRoche said he thinks it is up to the discretion of the Council. Voss said well it is and it isn't. If the code says it shall be this, it shall be. Vierling said the code does not impose the clerk's fine on the licensee, it doesn't do that. Moegerle asked what about 6.93 subd. c. responsibility of the licensee to assist the city to collect the fee. Voss asked what page is that on. Moegerle said she is looking at the code online.

Voss said if it is not part of the code then he will amend his motion to strike the paragraph after B, This administrative penalty is immediately payable to the City of East Bethel and if not paid within one week of the date hereof or the license for on-sale liquor otherwise provided to Black Bear Liquor is suspended until paid in full. The community service must be scheduled with the City Administrator within 20 business days and completed within 60 days of the date hereof or the license provided to Black Bear Liquor is suspended until the community service is completed. but he would also like to add that, within that same time frame if this is not taken care of that this be reported to the county. Lawrence asked would you be agreeable to that if she pays her fine in 10 days we would strike her community service. Voss said absolutely not. He said community service is much more valuable than \$250.

Moegerle said the code reads "if such an employee does not pay or make arrangements to pay an administrative penalty within ten days of imposition of the penalty, the employer licensee will be responsible for payment of the employee's penalty, in addition to any

penalty imposed upon the employer licensee. She said so, it sounds like that first sentence under paragraph B is in fact required. DeRoche asks so it is that he would have to pay and then he is down the \$250. Moegerle said the only thing she would change is the one week to 10 days because the ordinance says 10 days. DeRoche asked Charles if he has a way to send her a letter. Charles said he can try. Vierling said this is a city action, the only comment he has is he doesn't think the court is going to double up, make the fine and community service concurrent. He said and there is no way the district court is going to happen in 10 days, so if you want to extend this so as long as she performs this under the district court action. Vierling said we will monitor that and get back to you on it. Voss said the community service was supposed to be scheduled in 20 days and completed in 60 days. Vierling said he understands that, but the fine part is in 10 days. He said the question he has for Council is if they either/and/or on the fine and community service is acceptable with this running concurrent with any sentence imposed by the courts. Vierling said such as if the fine she pays in the court is equal or comparable to what the administrative fine would be, they are not going to double it up anyway, that is his point.

Voss said he is not suggesting the county collect for us. Vierling said they won't. Voss said right, just suggesting it be mentioned that the City imposed these administrative penalties and they were ignored. Vierling said he is suggesting it get monitored so we can make sure it gets collected through that system. He said so all we are going to be releasing is the time deadlines relative to the licensee and if we don't collect it through the court system then we will revisit with the Council. Voss asked about Moegerle's statement that it is in the code the licensee has to pay the fee if the clerk doesn't. Vierling said that is not his recollection, but if she has it up he will defer to her. Moegerle said it is kind of curious because it says it has to be paid within 10 days in one part and in the other it says payable in 20 days all in code Section 6.93. Lawrence asked should she make the process through the court and be found not guilty then what would happen. Vierling said then we would revisit the issue with the licensee. He said all he is suggesting you do is suspending the time for her performance. Voss said the purpose of this process is we are having a hearing to determine if there has been a violation of the city code. Vierling said and if you adopt the resolutions you will have done that in the upper portions of the resolutions. He said paragraph A and B the only thing he is suggesting is temporarily staying the imposition of those on the licensee if she doesn't perform until this goes through the court system. Voss said DeRoche's point was whether or not the county finds her guilty but to him that is irrelevant, two separate actions. Vierling said it is just the collateral impact on licensee will be held in abeyance if we can collect it from her through the court system. He said if we cannot, we will revisit it. Voss said he is fine with that, how do you suggest this language be changed then.

Vierling said he would suggest that the paragraph that follows B be modified so that the time performance of the payment of the fine or community service be suspended to coincide with any court sentence that will be going on and if for any reason that doesn't get paid through the district court then that will be revisited with the licensee. **Voss amended his motion to include this language the language as proposed by the city attorney in the resolution. DeRoche accepted the amendment. All in favor, motion carries.**

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

Tyrone Irons from Northern Wisconsin, Spring Brook introduced himself. He said he is here tonight not only as a representative of his non-profit, the Wisconsin Equine Youth Ranch but also as a representative of 1,200+ people who joined a group called Standing

Together for the Horses and most of these people are made up of locals in your area that are trying to stand up against Lowell Friday and against his horse ranch. Irons said he is here to support and help you in any way we can. We wanted to state to this Council that we are here to help in anyway we can, we do have things that you may want from us, evidence rather. He said he knows that you really aren't allowed to talk much. Irons said he is here to show support.

DeRoche asked have you worked with other cities, your group. Irons said no, to be quite honest we have stayed in our state, but in this particular situation we have been called in from locals that were concerned about this place. He said not only locals in the community, but people that were working on the property itself. Irons said they felt like an outside entity would be able to help out the situation, it seemed like this has been going on a long time, so that is why we were called in. DeRoche said he didn't mean exclusively in Minnesota, obviously you have done work in Wisconsin. Irons said absolutely. Lawrence said obviously we are waiting for everything to shake out. He said we thank you for your time.

Ryan DiMuzio of 585 184th Lane NE, East Bethel said he is here tonight trying to ask for a variance. He said we are trying to obtain a dealers license at 18805 Highway 65 NE. DiMuzio said currently there is a dealers license that is good through the state for Ham Lake Motors that has been there for 30 years. He said we talked to the city planner and were told we could not obtain a dealers' license there. DiMuzio said he talked to the city administrator and he told me to come to the public forum and ask to be added to the agenda. Davis said what he recommended was if you wanted to speak was to come before Council and if you have any issues then it would go before the planning commission. DiMuzio said that is correct, we are here the building owner, business owner and myself, the general manager and we are here trying to figure out how to take the appropriate steps before the City to work together, get a variance and just move forward. DeRoche said that sounds good.

Jordan Valder of 180 184th Lane NE, East Bethel said he is the business owner of Valder's Vehicles. He said he is here with Ryan and he would like to get the variance for the dealer's license as it is available for Ham Lake Motors and he would like it in his name. He currently has his business in Spring Lake Park and he would like to move it up here closer to his home. Valder said he would like to have more room, that is his goal. He said he runs a nice clean lot. Valder said used trucks are what he specializes in, and used cars. He said he is here to get your blessing tonight.

Voss asked so that he understands the issue, and he appreciates them coming tonight, but why haven't they been on the planning commission agenda. Davis said they haven't applied to be, they haven't submitted anything. He said he told them if they wanted to speak tonight they could come and speak at the public forum, but that they would have to bring this issue before the planning commission before it could be an agenda item. Voss asked them if they were aware of the process, it doesn't start here, it starts with the planning commission.

DiMuzio said he tried for about a month and a half. He said he started with the city planner; he made an executive summary and showed it to her. DiMuzio said the city planner said the city was not zoned for that, there is 5K Auto and that is all. He said he asked is there anything else we can do. DiMuzio said she said no. He said there must be something else we can do, we have an active dealer's license in East Bethel, and you are getting tax dollars for this. DiMuzio said we can go to Ham Lake, but he loves this city, he grew up in this city, he has kids that are growing up in this city, and he wanted our business in this city but he wanted to do it right. He said he didn't want to fight. DiMuzio said he has asked the city

is there a packet to start a small business in East Bethel? Is there a process to follow, so he doesn't waste your time, the Council's time or my time. With all the statutes, the ordinances, so he is prepared, so he doesn't walk in to this blind. He said because he is blind. He doesn't know what you expect or need. He doesn't want to break the city laws. He wants this to be a good relationship. DiMuzio said he came from the Luther Group for 17 years; he was a sales manager there. He said the reason he is doing this with Jordan is he has three young children that go to Cedar Creek and he needs to be home more.

Davis said we had some e-mail communication and Ryan said he was unfamiliar with the process and what I advised him to do was if he wished to speak to City Council he could do it at public forum. But what he needed to do was present his proposal to the planning commission which meets on the 27th. He said if Ryan wants to get with myself or the city planner to get on the agenda, do that. And we will get you on the agenda. DeRoche said he thinks he talked with him on the phone. And it was his understanding he was having a tough time so he told him to bring it to the Council. DiMuzio said yes, that is correct. Voss said and whether planning commission turns this down or not, it comes to us for the final say. DiMuzio asked if he could have the application for planning commission sent to him. Davis said he would get it sent to him.

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

Consent Agenda

Voss made motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, August 17, 2011, Regular Meeting; C) Meeting Minutes, August 17, 2011, Special Meeting; D) Resolution 2011-36 Proclaiming Domestic Violence Month; E) FEMA Assistance to Fire Fighters Grant (AFG); F) Resolution 2011-37 – Accepting Work & Authorizing Final Payment for 2010 Improvement Project; G) Resolution 2011-38 – Accepting Work & Authorizing Final Payment for Booster East Trail Payment; H) Approve Paving Bid for Whispering Aspen Development; I) Approve Bid for Culvert Replacement on Durant Street; J) Adopt Resolution 2011-39 Approving Application with No Waiting Period for a Raffle Permit for St. Francis Area Chamber of Commerce at Hidden Haven Country Club. Lawrence seconded. Moegerle said she just has some grammar and spelling changes to the minutes, her usual, it doesn't change the content of the minutes. All in favor, motion carries.

Special Order of Business – EDA Meeting Minutes

Davis explained that the Economic Development Authority held a regular meeting on April 6, 2011 and a work meeting on April 28, 2011. The Council Members attended these meetings as EDA members.

A Public Hearing was held on August 17, 2011 and the EDA Commission membership format has been changed and no longer has five (5) Council members serving on the Commission to approve the minutes.

Staff recommends Council considers approving the April 6, 2011 EDA Meeting minutes and the April 28, 2011 EDA Work Meeting minutes.

Moegerle made a motion to approve the April 6, 2011 EDA Meeting minutes with minor spelling and grammar changes. DeRoche seconded; all in favor, motion carries.

Moegerle made a motion to approve the April 28, 2011 EDA Work Meeting minutes with minor spelling and grammar changes. DeRoche seconded. Voss abstained; DeRoche, Lawrence and Moegerle, aye; motion carries.

Pay Estimate #5 for the Construction of Municipal Well No. 3 and No. 4

Jochum said this item is Pay Estimate #5 to Traut Wells, Inc. for the Construction of Municipal Well No. 3 and No. 4. The major pay item for this pay request includes the development of Well No. 3 and Well No. 4. The Pay Estimate includes payment for work completed to date minus a five percent retainage. We recommend partial payment of \$24,711.17. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 203,334.25
Less Previous Payments	\$ 168,456.37
Less 5% Retainage	<u>\$ 10,166.71</u>
Total payment	\$ 24,711.17

This estimate includes payment of \$24,711.17 to Traut Wells, Inc. Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project.

Staff recommends Council consider approval of Pay Estimate #5 in the amount of \$24,711.17 for the Construction of Municipal Well No. 3 and No. 4.

Moegerle asked is that the well that we hadn't started on, to make it more productive, do we have an update on that. Jochum said they are going to start developing probably next week, we had problems getting enough wells to monitor, we had to have 13 wells to monitor in the area as part of a DNR seven day pump test. He said and a lot of the wells we need to get our adaptors by the pitless so it has been quite a struggle, but today we got the last well. Jochum said so monitoring will start in the next week or two and that's when we will start the drawdown and pumping to see how it turns out.

Moegerle made a motion to approve Pay Estimate #5 in the amount of \$24,711.17 for the Construction of Municipal Well No. 3 and No. 4 to Traut Wells Inc. DeRoche seconded; all in favor, motion carries.

Pay Estimate #4 for the Phase 1, Project 1, Municipal Utility Project

Jochum said the major pay items for this pay request include sewer and water installation on 185th Avenue, Ulysses Street, and along TH 65, and concrete curb and gutter installation on Buchanan Street. Two separate payments will be made. One payment will be to S.R. Weidema and the other will be to the escrow account established at TCF Bank. We recommend partial payment of \$965,946.91. A summary of the recommended payment breakdown is as follows:

Contractor Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	\$1,840,612.78	\$1,349,287.42	\$491,325.36
City	\$1,239,008.34	\$812,684.13	\$426,324.20
Total	\$3,079,621.12	\$2,161,971.55	\$917,649.56
Escrow Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	\$96,874.36	\$71,015.13	\$25,859.23
City	\$65,210.97	\$42,772.85	\$22,438.12
Total	\$162,085.33	\$113,787.98	\$48,297.35

This estimate includes payment of \$917,649.56 to S.R. Weidema and \$48,297.35 to the escrow account for a total of \$965,946.91. Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project.

Staff recommends Council consider approval of Pay Estimate #4 in the amount of

\$965,946.91 for the Phase 1, Project 1 Utility Improvements.

Lawrence made a motion to approve Pay Estimate #4 in the amount of \$965,946.91 for Phase 1, Project 1 Utility Improvements, \$917,649.56 to S.R. Weidema and \$48,297.35 to the escrow account. Voss seconded; all in favor, motion carries.

Castle Tower
Waste Water
Treatment
Facility
Feasibility
Report

Jochum said as we discussed at a number of meetings, the Castle Towers Waste Water Treatment Plant is at or near the end of its life. Staff was asked to look at several options to replace that plant or other things that could be done. He said the feasibility report that was submitted under separate cover should have been in your packet. Essentially there are two alternatives.

- Alternative 1 – Reconstruction of Existing Plant
- Alternative 2 – Forcemain Construction to MCES System

Summary of Alternative 1- treatment tank and equipment replacement, treatment building reconstruction, polishing pond solids disposal and sludge drying bed reconstruction in year 2012, lift station pumps in and chemical building reconstruction in year 2012-2017 and beyond year 2030 polishing pond reconstruction and sand filter reconstruction. The first two columns were figured in the cost analysis that we will talk about in a little bit, the last column was not. DeRoche asked do you have pictures of what this looks like so the Council could look at it. He said he has been up there and it would be rather enlightening, you can see the numbers, but it would be easier to put in perspective. Voss said it looks a lot better now that it did a few years ago.

Jochum said Alternative 2 would be to connect this system to the Metropolitan Waste System on Viking Blvd, which would require about 30,000 feet of forcemain. He showed where the gravity system would go along Pierce Street, new lift station along 221st, and a forcemain up to 229th, this is where the first RBI basin would be from the MET Council. Jochum said this would extend to Viking, this system would be the ultimate system as outlined in your master document. This would be considered a temporary system until gravity systems moved to the north.

Jochum explained the assumptions used for cost analysis for the bonds: bond rate 4%, bond payment period – 20 years, MCES Access charge - \$3,450 per ERU, MCES User Charge - \$2.25 per 1,000 gallons, City Access charge – assumed the fund would be flush by year 2042. Moegerle asked it would be 30 years to be in the black? Jochum said yes, that is what we are using. He said we can talk a little bit more about that later. He said and the City User charge - \$6.30 to \$8.08 per 1,000 gallons which is basically what they are charging now, and all available ERUs will be allocated by the year 2042. Some other things in the cost analysis such as the existing revenue, Castle Tower Assessment that the city is currently collecting, and two expenses the 2010 Tax Levy and the 2008 Revenue Bond that was taken out to is being paid back currently in the amount of \$2,065,725 which includes principal and interest.

Jochum said then we have the Option Comparison, which includes 4 options for each alternative. Alternative 1 is reconstruction of plant and Alternative 2 is forcemain. First column is Capital Cost. Next column is whether or not we assess the existing users and the existing users are the 42 lots sold in Whispering Aspen and the 100 to 125 lots in Castle Towers. Next Column is the total capacity of that option. So with option 1 you could hook up 383 ERUs/homes. Next column is the ERUs used by existing users, next is the remaining ERUs and then the assumed assessments, ERU which comes from whether or not

we are assessing the current ERUs or users. Then from there the required ERU charge. He said so if you take option 1, current plant in the current capacity, you would need to charge \$12,800 per ERU to make the fund flush by 2042. Option 2 is the same as option 1 only we would assess the current customers and that takes the assessment amount down to \$6,000 per ERU. Option 3 & 4 are essentially the same except we would almost double the plant capacity.

Jochum said option 5-8 is the forcemain option. The only difference between 5, 6, 7 and 8 is 5 and 6 assume the forcemain would be built within the MnDOT ROW and 7 and 8 assume they would not. He said again this is assuming we are assessing and we aren't assessing with the different options. This 8 inch forcemain would have a capacity of about a 1,000 and would serve another 80 homes beyond the Whispering Aspen/Castle Towers area, quite an expansion. Lawrence asked on those ERUs charges, is this something you assess to the existing users or to the new builders. Jochum said we can talk about this at the end, one of the conclusions of this is if Council can select or narrow this down some alternatives. He said this really needs to be a detailed cash analysis. The user's fees up there are quite high, he wouldn't suggest ever lowering the user fees to \$3,700. This scenario is user latent, because look at this, the user fee of \$3,700, Met Council is getting \$3,400 and it is really being funded by user fees that are really high. Jochum said once you get a lot of people on the system, that is when the revenue will really start coming in. He said there are thousands of alternatives that is really why we should narrow it down. He said once this is narrowed down we can get this narrowed down to more sensible user rates.

Moegerle asked is an ERU based upon 274 gallons a day? Jochum said that is correct. Moegerle asked so how many thousands of gallons would a family of four use in a month. She said approximately? Moegerle said she was looking at Andover and they have a flat rate of \$58 a quarter and she is thinking ours is substantially higher than that. She said and she is thinking is that competitive? Moegerle said and it is \$57.64 per quarter for sewer. Jochum said the user fee assumes (to be on the safe side) about 175 gallons per day per house. He said it is a pretty good average. Moegerle asked because people are conserving water more than they used to? Jochum said that and the 274 is an old number, we have high efficiency toilets now, low flushing, etc. He said so we didn't use the 274 number. Jochum said if you took the 175 x 30 that would be pretty close, divided by 1,000 x 6. Jochum said you will be a little higher up here with your own system, in the metro it is probably between \$3 and \$4 per 1,000 you are at about \$6 and think Castle Towers is at \$8.

Lawrence said just so we all understand if we put in the forcemain option it is running up and down Highway 65 with it. He said he has had some people ask him, "Is this meant for our business?" Lawrence asked can we hook up individual businesses? Jochum said he doubts you could hook up one business but you could have a central lift station. Lawrence asked so a cluster of businesses could hook up? He said just to put people's minds at ease, this is not really a just because it runs by your property, it doesn't mean you get the opportunity to hook up. Jochum said but one thing to keep in mind is; if you are looking at the forcemain option you have to sell about 1,100 ERUs.

Voss said that is the point where he is getting stuck. He asked with Whispering Aspen and Castle Tower there are 383 ERUs. Jochum said once Whispering Aspen and Castle Towers are to their capacity there are 55 ERUs left. That you could sell or use elsewhere. Jochum said the existing permit is 105,000 gallons. He said this scenario was looked at because it is fairly easy to go up to 200,000 gallons. They usually let you keep your discharge limits if you stay under 200,000. So that is why this was looked at. Voss said so where does the 729

ERUs come from. Jochum said this is coming up later. You would have to sell those units elsewhere. Voss asked along this line? Davis said in the case of option 3 or 4 they wouldn't have to be sold along the line. They could be sold north of 241st. Jochum said some options are confined to the north end of the city and other options, with forcemain that could be tapped into anywhere. Voss said from what he recalls, and we don't have the comp plan maps in front of us, but most of that area is not residential. Jochum said if he remembers it is residential on the east side and some industrial.

Voss said so the question comes in then, what about water service? He said we are not going to get commercial users unless there is water service. Jochum said right, this is just looking at the sewer. Davis said from a water standpoint, we have the two wells up there that have excess capacity for all the area. Voss said but now we need towers and water treatment would need to be changed. We don't have enough water treatment capacity up there for that many users. Lawrence said we need to reevaluate our water treatment is what Voss is thinking. Voss said sort of. Where he is going is the plans we have now is they are conceptual and we go up 65, but it was a plan. He said where he is throwing some caution out is he understands the need for this. But in the same token in the long term planning how this fit in any long term plans? Voss said if he recalls, there is far more than 1,000 ERUs on the north side of the City. So if we are opening up development up there, is this forcemain going to handle everything up there? He said part of the way the comp plan is set up also is development occurs at some organized pace. And obviously by putting sewer and water up there, obviously we have to go through Met Council. Because it is a comp plan change. But we can't discount that we have the plan for long term. That area being part of the whole system. Voss said it is a long way from saying we can't have a small pipe if we are going to serve the whole City. He said and now you are getting away from a forcemain. So where is the tradeoff. Voss said and if we do the forcemain 20 years down the road, and we have to replace it and put a bigger pipe in now how do we pay for all that? Because the original setup was for everyone to pay for that bigger pipe.

Jochum said so you are saying we need to plan the water and the sewer side. Voss said that is why he suggested a while back looking at least the portions of the sewer system that make sense. He said because you don't want to dig anything up twice. You only want to dig once. Jochum said this system is constructed up to size up to 229th. He said that is what they had in the master plan an 8" forcemain. Voss asked so the 229th this will service everything that was planned? Jochum said the in the master plan this forcemain is an 8" pipe with this lift station here. The only difference in forcemain is they had it running down some streets because they had some gravity in there. He said we are running it along TH 65. Voss asked your evaluation of 1,000 ERUs that was only on the very north end of that. He said because that pipe had to get bigger going south. Jochum said there is not a forcemain all the way. There is only here and there where there isn't gravity. He said the report shows where the forcemain ends. Lawrence said just before 229th. Jochum said on Figure 3 in feasibility report we looked at the options on the master plan. He said we are just looked at 226th to 241st and to run it this far would be about another 1.3 million. Jochum said given the cash flow of this option, we didn't consider this option, but we could have if this makes sense. He said to construct it all the way to Viking would have been quite large. Jochum said that is how the master plan is. There is not forcemain the whole way, probably goes to the creek. But it is gravity again to the lift station. Lawrence asked is it still 8" pipe on the gravity. Jochum said no, it is probably a larger pipe on the gravity. He said the lift station on 226th would be the low point in the master plan and there would be gravity coming back to it.

Voss said he is still confused. On figure 3 there is a portion of gravity. But you are showing

force main south of 226 all the way down to Viking. Jochum said this compared the cost, vs. the other option. He said it cost another 1.3 million. Jochum said at some point we had to break it off. We can't build it all the way to Viking. Voss asked so this is where the trench will already be open. Davis said on the master plan eventually there will be gravity sewer all the way from 221st to Viking.

Lawrence asked if we went with the force main system, what is involved in no longer using the system at Whispering Aspen/Castle Towers? He asked what are there ramifications with that, the financial impact of that? Jochum said essentially that plant would be demolished. We would hook up to the force main, and that plant would no longer be needed. Lawrence asked but what about the \$2 million bond? Jochum said that would still be in play. Davis said if this plant were decommissioned there is also a potential savings of the operating costs of keeping that plant open. He said there would also be some property value with lots along 243rd Street that the city owns that the city could sell. Plus whatever residual value of the property once that plant was cleaned up and that whole area was reclaimed from its current use. Moegerle asked how many acres is that again? Davis said there is 10 acres up there in that site.

Jochum said so these are the advantages and disadvantages of Alternative 1. All the option's advantages are the same except for option 3 and 4 have more expansion potential. Some disadvantages are this one has the highest ERU requirement. The biggest problem with this plant is it is \$2 million in the hole today. Jochum said with the connection to the MCES system, you wouldn't get credits under these options for those connections. If you look in the report it summarizes what you are required by MCES to hook up per year he is thinking you have committed to about 12,000 connections over the next 30 years. And a licensed operator is required. You are in the sewer business with this alternative.

Jochum said and the advantages and disadvantages of Alternative 2. All the options are the same pretty much. He said 5 and 6 are being constructed in MnDOT's right-of-way (ROW), 7 and 8 outside so thus the higher costs. The biggest disadvantage of this alternative is you don't have control of the easement such that let's say MnDOT constructed an interchange to Viking Blvd. Someday, you would have to move at your cost. That is the disadvantage of not controlling your ROW. He said if you control your ROW, if you buy it before they have to buy it, they have to pay to relocate your facilities.

Jochum said so then we are at the conclusions. The connection charges will be very high without expansion of that system up there. He said unless you raise the user rates even higher which is probably not very feasible. Essentially if you construct the plant with 383 connections, you can only get so much money out of 383 connections. Alternative 2 requires a minor comp plan amendment. If the existing users are assessed, there should be an appraisal done to justify the assessment. For Alternative 1 – confirm discharge limits with the MPCA. He said basically you have some pretty liberal discharge limits now. They have indicated in the past that those wouldn't change, but that should be confirmed. For Alternative 2 – Determine if the City will do a joint project with MCES or a stand alone project. Again their project starts at 229th and goes south. If you are thinking about option 5 or 6, we should do a preliminary survey of the existing MnDOT utilities to make sure there is adequate room for that to fit in there. Jochum said and again, a detailed financial analysis needs to be completed for the selected alternative. This is to balance the user rates with the access charges before you make too many decisions.

Jochum said as far as a recommendation, it isn't based on advantages or disadvantages. It is

more on perspective. If you do a forcemain, you are really going to need to expand the system beyond what is there. He said the biggest decision really is; if you are going to assess the existing residents because that has a huge financial impact on this analysis.

Moegerle asked how much of this is being driven by being in the Phase 4 of the comp plan and the sewer and water system? She asked is the fact that it is in the sewer and water system area driving/working this? Besides the fact that the system is failing or needs substantial repair? Jochum said as far as staff is concerned, this doesn't have any bearing. We are just trying to have a plan in place. Moegerle said and her second option, not that she is going this way, but she likes to have options, why don't we just turn the switch and tell everyone to get their own wells and septic? She asked are the lots not big enough to make that an option. Jochum said no, Whispering Aspen is only 10,000 square feet. Moegerle said so they need an option. Jochum said plus, there is an agreement with the developer to provide those services and he doesn't know how the courts would look on Castle Towers, the city attorney would have to answer that. Moegerle said so we are not in trouble with the MPCA on this. Jochum said no. Moegerle asked even if we don't do something? Jochum said he doesn't think we are in trouble, but the limits of discharge are pretty good up. He is not involved in the day to day operations.

Davis said we don't have problems with discharge limits, however are starting to push the envelope with several of the facilities up there. He said two in particular that need fairly immediate attention are the reconstruction of the brine beds and cleaning of the polishing pond. Davis said we also have the issue with the existing treatment tank and the building itself. He said the tank is 40 years old and we did have some integrity test done on the tanks about four years ago that showed there was erosion of part of the material. Davis said the problem is there is four feet of that tank that is underground that can't be tested. So we are not exactly sure what that condition is. He said also the building is just a shed with some tin on it. It is not heated or insulated which reduces the efficiency of running the plant. Davis said we have had a couple of freeze ups. We had one bad freeze up last winter. He said there are many things up there that are going to require attention. Davis said perhaps some things could be done in phases if we wanted to try to keep that plant in operation, but regardless of what we do we are looking at expenses to make those changes to keep it operational.

Jochum said along the lines of drivers, a) the money that wasn't spent on the water treatment plant. Trying to decide if you are going to use that or not, and b) the Met Council is constructing that forcemain now. Not that you are going to go that route, but the decision has to be made soon. Moegerle said in her view, that system has been a money pit for years and years and years, and she hates to add to that. She said she is sitting here and just wants it to go away and she realizes that is not an option. Moegerle said so she wants to look at another options. Question is what is 1,080 ERUs? She asked are we looking at going into former Phase 3 area? Jochum said he doesn't know the exact Phase area, but it is likely north of 229th for sure. Voss said it was pretty much everything on the east side, new development. Moegerle asked so that could be a 1080 ERUs from here on up? Jochum said it is probably more than that. He said for prospective, Whispering Aspen and Castle Towers, those dark two squares are 383. Lawrence asked 383? Is that how many are available to be used by Whispering Aspen and Castle Towers? Jochum said excuse me, it is 383 minus 55, so 328. Moegerle said and of course they don't always come from south to north, so starting in the north is not bad for that reason. But we can't know where that development will tie in here. Jochum said you can tie into the forcemain any way you want, but as Voss stated you might not be able to provide them water. Jochum said he doesn't know what kind of belt may come. Voss said you won't get any commercial without water.

Lawrence asked so with current ERUs you are using, if we totally built out Whispering Aspen and Castle Towers we would have 50 ERUs as buffer. Jochum said yes, 55. He said that would be replacing the plant at its current capacity. Moegerle asked and the 12,000 ERUs by 2030 is Met Council's estimate. Jochum said no, table 12 of your report is an agreement you have with Met Council. Moegerle said that is 400 a year if we do it straight line. Davis said it was Council's projection to have it pyramid up, but straight line that is correct. Lawrence said he is thinking we need to have more of an in-depth discussion on this. Jochum said he doesn't know that staff was expecting a decision tonight, just trying to get the information out there and make sure there wasn't anything else.

DeRoche asked but how long can we keep piece mealing this together. We are spending money, a lot of money to fix it. Davis said what he would anticipate is, like Jochum said, not a decision on the alternatives tonight. This is more of an informational item, where we can get a grasp of the concept and get our arms around this. He said he would think that we do need to make some type of decision in the next couple of months on which direction we are going to go for two reasons, 1) the aging of the facility and the fact that there are certain parts of it that we need to address and 2) what are we going to do with the excess bond money? Since this would be at least the forcemain cost of it would be an eligible cost for that. Moegerle asked the reconstruction would not be eligible or is that unknown? Davis said anything that is a capitalized project would be eligible for the bond money. He said the bond money is not exactly tied to the Met Council project themselves, but anything that is a capitalized project that deals with water and sewer is an eligible cost item, according to what Dorsey and Whitney the bond counsel gave us. Moegerle asked to have her memory refreshed, do they have individual wells up there? Davis said we have two wells that serve the Whispering Aspen Development, and Castle Towers has their own well.

Jochum said one other item to note, it was an unknown at the last meeting about the exiting SACs, but Met Council will not charge the existing customers SACs for hooking up. He said whatever is in place right now, but whatever comes in the future would be. Jochum said but you are not going to get credit for what those would be. He found a provision in their SAC manual that said that said if you have people hooked up to existing sewer or a municipal sewer we won't charge you SAC. He said so he discussed those with them and they confirmed that they would not charge basically the 167 that are there today. Jochum said he doesn't know if you remember, but in the first go around this was about \$3 million because of the SAC in there. So the costs were brought down.

Moegerle asked have you had any contact with MnDOT about these easements, and whether we would want to buy an easement rather than a having to change it at a later date and having to bear those costs? And where are you at. Jochum said just preliminary discussions. He said they will allow it. You will have to have an agreement with them outlining what we want to approve and you will do it at their cost. Voss said and that will be a \$500,000 cost. Jochum said we estimated that at \$500,000. Voss said he would suggest that we buy our own easements at Viking, Sims, 221st, outside of MnDOT where you know there is a potential for it. They have a humongous ROW on the freeway. They are not going to widen it anymore, but the interchange, we will need it. He thinks we need to look at that. Jochum said there are a few areas where we have easement in plats. He said that forcemain, that is Wargo Ponds and West Side Estates, we have easement there. It would be in an easement.

Voss said one last thing. At one time we were talking about the City of Bethel and their system. Did that go anywhere? Jochum said they are of course interested. They have about

200 ERUs, don't know that they are in the position today to hook up. Moegerle asked and those wouldn't count either? Jochum said not unless you paid the \$3,450. Lawrence asked they are all on private wells too aren't they? Jochum said correct. Their whole city is on private wells. He said but they are looking at some substantial upgrades to their system, their users fees are fairly high. They are in the same boat. Jochum said sure they have 8-10 years left on some bonds. But again, we haven't approached them too much until East Bethel decides what they want to do.

Lawrence said he thinks we should check on the easements and check with Bethel and see where they are at. Moegerle said and the forcemain makes sense, as much as she feels let's not throw more money at this thing. She said this seems to be the most logical approach to keep the cost down. Lawrence asked with the forcemain will that lower the cost to the people in Whispering Aspen for their sewer? Jochum said that is why you should at least narrow some alternatives and do a more detailed cost analysis so you can look closer at user fees, with the ERU or access charge. He said again he wouldn't set the access charge at \$3,700 and then charge \$6 a gallon. He would try to balance that a little more. Moegerle said compared to replacing a septic system that you have to replace every 20 or so years, that alternative looks attractive. Jochum said another decision, assessing the 167 units that are there has huge implications on the cash flow of this thing. And maybe you aren't ready to make decisions tonight. He asked do you have any feelings one way or another on that issue? Jochum said this analysis assumed that the new ones got assessed \$6,000 and existing ones got assessed \$6,000 would rather see less on existing or some kind of combination. There are thousands of alternatives and until Council narrows it down a little bit it is hard to know what you are thinking.

Davis said one other thing that is going to drive this is Met Council will want to know in a relatively short period of time, guessing within 60-90 days if we are going to try to locate any of this forcemain in their trench. Because they are going to start relatively soon and we are going to have to give them an answer, if we want to participate with them jointly with that part of that project. Voss asked Vierling if we apply to the existing users these charges isn't it kind of a special assessment in a way? And do we need to show value? Vierling said you need to show benefit. He said if you are going to do a 429 special assessment you have to show benefit. Vierling said you have the opportunity when you are doing a new improvement when you are either rebuilding infrastructure or redoing a new system, that is a new improvement. He said you have the opportunity to do a 429 assessment. Vierling said you have to show benefit. Voss said personal view on it then is how are we showing benefit when they already have a sewer service. Vierling said what they have is a system that is failing however. Voss said no, we have a system that is failing. Vierling said they are connected to an infrastructure system that is failing. He said it is the same as the issue you have if you have a street that is failing, and the Council makes the decision to reconstruct the street, tear it all out and redo it, as opposed to patch it. The useful life of the infrastructure has come to its end. He said when you have to replace infrastructure because that has happened, you have the opportunity to assess and there is benefit. Vierling said with that benefit they have the opportunity to continue using it. They have new infrastructure that is serving their property and provides them longevity for whatever utility is being discussed.

Jochum said as discussed in his conclusions, you would likely want to get an appraisal to see what is justified. Moegerle asked when you work these numbers up she wants to know if it is possible that this is not going to be paid for by the general public. She said this is something she wants to know, because, not that it is going to change her decision, but she

thinks we need to know that. Moegerle asked if this isn't going to be in the black until 2040, who is paying for that during that time? Because that is not going to be self supporting during that time. Jochum said if you really dive into the cost summaries it tells you what the biggest cash deficit is. He said option 1 is \$2 million in year 2021 and it goes on. Jochum said the forcemain options might have the largest deficits. He said but again this also assumes that this money would all be bonded. Davis said this money has essentially already been bonded and we have to pay it back regardless. Moegerle asked how long is the life span on these? Jochum said 30-40 years. Lawrence said so we need more information about easements and cost for residents. Davis said that would be one of the things, and Voss's assessment is correct, we should look at the other intersections. His recommendation would be to narrow this down to about four options and get some more detail cash flow information on it. Davis said and then we can re-present this and begin whittling it down until we can come up with two options and see which one is the most viable.

Jochum asked are there any options you don't like or wouldn't want to consider further? He said it sounds like get the easements and the critical areas. Sounds like "get easements and critical areas." Lawrence said option 3 and 4, if that is what we are going to do. It sounds like a waste of money if that is what we are going to do because just fixing a tank that can only handle those there. Jochum said that is a brand new system. We would add another tank 15 or 20 years down the road. He said the building would be sized so you could add another treatment pond. Lawrence asked so just enlarging building, not ERUs? Jochum said basically setting it up to expand in 15 or 20 years. DeRoche said but in 15 or 20 years, the sewer system is going to come up. He said so we replace this plant and then we have the sewer system come up to serve the people on the east side, we have kind of wasted a lot of money. Jochum said again it goes back to what is your optimism of the sewer getting up to the north end. Voss said with this analysis here, set aside what is projected in the comp plan, this is another whole set of options of growth in the north side of city which is 7 to 8 miles away from where we are focusing right now. He said one way we need to look at this is the relative risk between really constructing existing plant and forcemain. And also, it really comes down to expansion.

Voss said his view is we have a duty to provide that reliable service that we have now. He said to him that is the base we need to work off of. Voss it becomes a risk/reward in terms of what risk do we have, in terms of projecting what additional development can happen for reward of reducing overall cost of the system. He said because if that fails, like Moegerle mentioned, it will fall back on everyone. Voss said but for the system that is there right now, and to rebuild it, (that is the commitment we have right now) is to provide those services. He said he thinks getting an appreciation for how much additional development would have to happen for these other options, to cash flow, for them to work, to him that is the evaluation. DeRoche said he thinks we need more information.

Moegerle asked part of the problem for her is her not complete understanding of Met Council's projection for wastewater treatment. She said her understanding is that somewhere in the middle, they have to have supportive structures and those sort of things. She said and if that is the case, could that be up there instead of this? And we can start Met Council working both sides towards the middle. Davis said this was plant expansion of the WWTF. Moegerle asked so it is just down there? Jochum said as of right now they have trunks going towards Oak Grove and Ham Lake. DeRoche asked did they pass that to have a trunk going to Oak Grove? Jochum said this is along Viking. It will terminate, but it is sized for a portion of Oak Grove. Davis said what Moegerle is referring to is the WWTF expands, which is in their plans. He said so the treatment plant is planned for a 1/2 million

gallons a day initially and then ultimately can be built out to 10 million gallons a day. Moegerle said and she was referencing (no pun intended) but are they going to have satellites there? Jochum said no, no satellites. Lawrence asked with this planning we could have development anywhere north and south of the city? Correct? Jochum said that is true, but we wouldn't have water there. Lawrence asked what about water? Jochum said it would be a matter of getting it there. It could be a major expense. Lawrence said the major development could be at Sims Road. Jochum said you might be better to get the infrastructure there.

Moegerle said this might be better for a work session. She said she would like to see this contrasting with the comp plan. Jochum said as in "if there are 1,000 ERUs does it have to be light industrial, what area that would serve. Moegerle said yes. She said what if we do get light industrial?" What if we do get a data center? Moegerle said she thinks we should look at an optimistic view, very pessimist view and something in between. She said and she is not sure which of those are up there. Jochum asked so you are saying we look at forcemain and we only get 400 connections, what does that look like? DeRoche said we need an actual worst case scenario, not a feel good approach. He said if things don't happen, what are the numbers going to be. Jochum said if you remember last time he had at least 30 options. It is very difficult if we don't narrow it some. Moegerle said she like options 5 and 6, if we could do it at a hybrid with regard to the easements. She said which does that convert that into options 9 and 10? Jochum said one note on options 1, 2, 3 and 4; you wouldn't have to move to 3 or 4 until you know you are going to have the growth.

Council Member Voss excused himself from the meeting.

Resolution
2011-40 Water
Treatment
Plant
Construction
Project

Jochum said he has prepared plans and specifications for the Water Treatment Plant (WTP) Construction Project. The project will consist of constructing a water treatment plant that removes iron and manganese with pressure filters. The process will also include the addition of sulfur dioxide, ferric chloride, fluoride and chlorine.

The WTP will be owned and operated by the City of East Bethel. The current floor plan shows two pressure filters in the Water Treatment Plant. The second filter will be bid as an alternate.

The construction plans have been submitted to the Minnesota Department of Health (MDH) for final approval. It is anticipated that the MDH will review the plans within the next 4-6 weeks.

Staff is recommending approval of Resolution 2011-40 Approving Plans and Specifications for the Water Treatment Plant Construction Project and Direction to Solicit Bids. Approval of Resolution 2011-40 would be contingent on receipt of final approval from the MDH.

Lawrence said the wells have been drilled and we are ready to start pumping for a drawdown test. He said his question, since we done some modification on the wells to get some more water into the well system, is there a chance we will be pulling some iron into the system at this time and, if there is, do we have the ability to clean that iron out? Jochum said yes, that is the main purpose of the pressure filters, for iron and manganese. Lawrence said because right now we have no iron whatsoever. Jochum said very low. He said the second well is very high in manganese and it is kind of ironic we actually have to add iron to the water to remove the manganese. Jochum said it sticks to the filter media. He said but that is the reason for the chloride. Jochum said this is only for the gravel well though, the other

well is very good quality in both iron and manganese.

DeRoche made a motion to adopt Resolution 2011-40 Approving Plans and Specifications for the Water Treatment Plant Construction Project and Direction to Solicit Bids. This is contingent on receipt and final approval from the Minnesota Department of Health. Moegerle seconded; all in favor, motion carries.

Sylvan Street
Licensing
Agreement

Davis explained that Sylvan Street is the street that is being petitioned for a license agreement to locate and maintain well and septic system improvements within a public lands controlled by the City of East Bethel by Andy Nelson. The City Attorney has advised staff that platted City streets can not be sold but a license agreement could be executed with Mr. Nelson to address his problem. It is unlikely that the City would ever use this right of way but in the event its use was required the City could rescind the agreement at any time it deems necessary to serve a public purpose.

This platted but undeveloped street is rarely if ever used for lake access by the general public, possesses little benefit for a drainage easement and is not necessary for fire equipment access to the lake. Therefore, Staff recommends the license agreement as prepared by the City Attorney and between Mr. Nelson and the City be approved.

Moegerle made a motion to approve the non-exclusive license agreement between Mr. and Mrs. Andy Nelson. Lawrence seconded. Vierling said for discussion purposes he did have some contact from Mr. Nelson's counsel and provided them a copy of the license agreement. He said he also got some additional information about a future improvement that would include an above surface improvement atop of this area which would not be appropriate at all with the agreement. Vierling said he is not sure the license agreement is going to do what Mr. Nelson wants, or that he wants to proceed ahead with the petition and that issue. He said he is fine with the license agreement. He doesn't know that it will suit Mr. Nelson's purposes if he plans on doing anything more than a well and septic system. Davis said what we were also proposing here is as a second item, is the vacation of that street. This would permit him to proceed with this project during this construction year. He said as we discussed last time, the petition may take a while and not meet his timetable for the well and septic improvement. Davis said then, if approved, maybe he could construct his other permanent improvements, if it was vacated. Vierling said that is fine, as long as everyone understand, the license agreement is at risk. He said and if a person precedes ahead the improvements they put in there are at their own risk. Vierling said and if for any reason the City would not go ahead with the street vacation or the DNR would object to it, then obviously they would have to live under the terms of the license agreement.

DeRoche asked weren't we going to get some information from the DNR. Davis said only if we approve this as a vacation request. Then we will submit it to the DNR for their comment and approval and review. DeRoche asked what if we submit it and they say no? Vierling said if they indicate they would prefer to acquire the property within the agency as an access, which is a possibility, then we would have to go back to the property owner and see what he would want to do. He said but he assumes at that point and time Mr. Nelson would withdraw the request for the street vacation because of the improvement in the ROW would be potentially acquired by the DNR and it would be of no value to them. Moegerle said basically the resident proceeds at his own risk. Vierling said absolutely. Moegerle said a and for us there is no risk. Vierling said no. He said he understands to use this as a precursor for the street vacation, he understands the logic, but that doesn't necessarily mean the street vacation will succeed or go forward. Vierling said or Council may decide from a

policy standpoint, because this street is in approximation where other streets have been raised, there may be some issues there too. Lawrence asked there is no liability to the City with this particular item. Vierling said the property owner will be proceeding at his own risk. Lawrence said and if there are any issues that arise it would be on the property owner to handle his own way. Vierling said certainly at his financial risk, yes. **All in favor, motion carries.**

Sylvan Street
Vacation
Request

Davis explained that the Sylvan Street is the street that is being petitioned for vacation. The City Attorney has advised staff that platted City streets can not be sold but must transferred to the adjoining property owners if a vacation is approved.

The two residents that adjoin Sylvan Street, Andrew Nelson and Richard Roback, have submitted a petition to have this street vacated. These residents need additional property to remediate septic system and well issues. The residents have been advised that since these are platted City streets they must follow the requirements of State Statute 412.851.

As part of this approval this must be submitted to the DNR for review.

Staff recommends the process of vacation of Sylvan Street as prescribed by Statute 412.851 commence and upon completion of the requirements be presented to City Council for consideration.

Moegerle made a motion to proceed with process of vacation of Sylvan Street and upon completion of the requirements this will be presented back to Council for consideration. Lawrence seconded. DeRoche asked aren't we opening a can of worms? Lawrence said we are just allowing them to go ahead do what they want to do. DeRoche asked about the other properties that are in the same situation. Davis said you make a valid point. There are other platted, but undeveloped streets, that may come under consideration. He said however, this street has almost no value at all to the City because of the ways it lays topographically. It has not been used for lake access at all to the other residents in the area. The fire department has other access to water and doesn't use this for access. Davis said some of the other platted but undeveloped streets do have other uses. Some have drainage easements on them, some are used as access to the lake, so these would have to be evaluated on a case-by-case basis. DeRoche said that was his point. If we can do it on a case-by-case basis, because if we do it once, then anyone that is made aware of that is going to want to do the same thing. And we don't want to give up the opportunity to say this was a unique situation. This situation is completely different and we just can't do it this way. Moegerle said but this just starts the process. We still have the right to stop it. **All in favor, motion carries.**

BDM
Compensa-
tion Claim

Brian Mundle and the City of East Bethel entered into a purchase agreement on January 8, 2004 in which the City sold 75 acres of the property now know as Whispering Aspen to Mr. Mundle. As part of that agreement a fee was established for SAC (\$6,000) and WAC (\$500) charges for connection charges for each lot that is developed. The agreement further states that the contract may be amended only by a written instrument executed by both the City and Mr. Mundle.

The City raised the SAC fees for the Whispering Aspen Development in 2006 to cover the costs associated with the acquisition of the Castle Towers Sewer Treatment Plant. The SAC fees were raised from \$6,000 as specified in the Purchase Agreement to \$10,250 per Resolution 2006-48 as adopted on September 6, 2006 by City Council.

Mr. Mundle contends that this change in fees is not valid as he did not consent to the increase. Mr. Mundle also contends that he paid seven SAC fees based on the 2006 rate adopted by Council, under protest, and this resulted in an overcharge of \$29,435 in connection fees. Staff has verified that Mr. Mundle paid the \$10,250 SAC charges per lot for the seven properties in dispute.

The City Attorney has reviewed this issue and in his opinion the SAC fees (\$6,000) as set forth in the 2004 Amended and Restated Purchase Agreement "have application until and unless the wastewater treatment plant at the Castle Towers facility is decommissioned."

Mr. Mundle is also seeking interest charges on the overpayment claim of \$10,689.90 or a total of \$40,124.90 as repayment from the City. Staff is requesting Mr. Mundle provide additional verification of the interest claim. This information will be forwarded to Council members prior to the September 7, 2011 meeting.

Staff is seeking direction from Council on this matter.

Lawrence asked is it the city's right to raise the fee if they see a reason to raise the fee on the SAC and WAC charges? Vierling said normally the city can raise the fees on utilities periodically as you choose. But in this particular instance the question comes down to the agreement that was signed between the city and Mr. Mundle which related to a provision that indicated that the fee would be capped or kept at \$6,000. He said that did not apply to monthly utility rates. Nor would it apply to assessments, nor would it apply to infrastructure changes and improvements. Vierling said but, as far as connection fee was concerned, that was specified in the particular agreement. Lawrence said we need to table this until we get the information from Mr. Mundle that the costs weren't passed on to his consumers. Davis said Mr. Mundle is here, he can answer any questions you may have. DeRoche asked it is 2011 and this didn't come to light before that? If it was done in 2006 and now we are in 2011, why didn't you come forward sooner?

Mundle said in 2006 the city passed an ordinance which put them in default of my contract. He said he did address the former city administrator and letter he received from him said he had to put a proposal in front of the City which was completely off the charts. Mundle asked why would you default on my contract and then have me come and provide proof. DeRoche said he is not making an accusation one way or the other. We weren't involved in that, so we are looking for information. He said what the previous city administrator did. We have no clue. DeRoche said he has no letters in the packet. He has nothing, so he hasn't decided. Heck he can't just make a decision without information. Lawrence asked was this charge passed on to your customers then? Mundle said in 2007 we built a bunch of homes up there and he had to devalue the homes in order to sell them. He said he took a kicking on every single home up there because he had to pay this extra fee.

Moegerle asked wasn't the real estate bubble about that same time? Mundle said that started in 2006. And in 2007 he was still building up there. But that was the end of it when the City instituted that extra money against me. We were done. It was all over. He said he did address the issue with city administrator. He went in and talked to him about it. He talked to the mayor, four times and they didn't do anything about it. Mundle said he asked the city council four times to address it. He said the response the last time was a letter he received. Because he was being very patient with him, this letter states that the City Council would insist the matter be revenue neutral, any reduction in fees would have to be generated by

him.

Mundle said under his agreement with the City, the City was supposed to acquire the treatment plant. He said and his fees were based upon his contract and they should never have been altered. Mundle said his contract specifically says they cannot alter it. He said he paid 1.7 million for that place and then the City came back and said we are short, why don't you give us another million dollars? Davis, DeRoche and Lawrence sit down and work this out and get all the information we are looking for and then we can bring it before Council and get a good feel for it. Mundle said in October 2008 his attorney sent a letter to the City. And the last line states, "If the City has a legal rationale for ignoring the purchase agreement, we would like to hear it." He said we got no response from the City. Vierling said he would note because it is in the packet, that the resolution in issue, resolution 2006-48 that increased the fees references expenses that the City incurred for the betterment and replacement of the WWTF. He said in advance of your meeting with Mundle it might be appropriate of staff to look back and see what expenses were incurred for betterment and replacement of that facility if any. Davis said we can look at that, to his knowledge there were no improvements to the facility at that time.

Moegerle asked and can we get documentation of whether the costs were passed on or not passed on? Lawrence said he would like to see the current rate of what they were going for and the devaluation that he had to take because of this. Moegerle said "and the interest rates." Mundle said so you are asking me, "Did I pass it on to the customer?" He said the city should have never had charged me for this. Moegerle said she agrees. But she also thinks you have a duty to mitigate your damage. She said and, if you passed it on to your customer and the customer has paid you that \$10,000, then is it double dipping to come ask for it from us. Moegerle said she is not making that allegation at all. But that is something that we have to parse carefully to see what your damage is. She said she appreciates the contract. She appreciates this resolution. There is a disconnect. But it needs to be fair, because this money is coming out of taxpayers money if we should pay. Mundle said it came out of my pocket. Mundle said you guys are default. And you are standing there and saying, "I have to justify something, he paid it to the city and they were not supposed to have this money. My contract has been violated." Lawrence said if he overcharged you a dollar amount and you passed it on (so you didn't have to pay it) that is the person that should get the money. Mundle said there was no money passed on.

Mundle said some of those homes weren't sold for a couple years and he lost up to \$75,000. Lawrence said that wasn't because of the charge for the water. Mundle said he expected these questions from you, but in his opinion they are irrelevant. Moegerle said if there is a payment made by the city, we have to have be able to justify it, we have a due diligence requirement. She said if we didn't the line would be out of North Dakota saying we have a claim, it is because we have a responsibility to the residents to be careful with their money. It is why she is asking these questions, representing the taxpayers. DeRoche said he can't change what went on with the previous council or administrator, but he is probably one of the most honest and direct person you are going to meet. He said and if he doesn't know the questions, he will find the answer. DeRoche said and if they ask me why did you pay Mr. Mundle this, he can say because this is what happened and he can say that with all honesty. He said he is not saying what you are saying is wrong, but he thinks we need to sit down and go over everything. Mundle said that sounds good to him. Meeting was scheduled for 10:00 a.m. Monday, September 19, 2011 with Mr. Mundle, Jack Davis, Council Member DeRoche and Mayor Lawrence at City Hall.

Proposed
Reduction in
Force

Davis explained there are staffing concerns in the Building Department that require evaluation due to a decrease in the number and value of permits issued over the past three years.

Permit fees for this Department have declined from \$304,057 in 2008 to a projected total of \$77,000 for 2011. It is not anticipated that fees projected to be collected for 2012 would increase substantially over those that were projected for 2011. Fees from permits are expected to be a significant portion of the funding source for this department. The Building Department budget for 2011 is \$265,066.

One proposal for reducing costs in this department is to eliminate the Administrative Support Position and reduce the salaries/wages of the Building Official and Inspector by 20%. This would result in a gross savings of \$98,527. Deducting \$16,341 for 39 weeks of anticipated unemployment claims would produce a net savings of \$82,186. This proposal would allow the City to retain the accumulated knowledge of the Building Official and Inspector and permit the department to function with no disruption and continuity of service.

As part of this proposal it is recommended that the City consider hiring a full time receptionist. This position is needed to provide a consistent source of contact and information to the public and eliminate the unproductive method of rotating existing staff to perform this duty. The cost for this position would \$53,882 annually.

Staff recommends that the administrative support position for the Building Department be eliminated effective September 8, 2011 and the salaries/wages of the Building Official and the Building Inspector be reduced by 20% as per advice of legal counsel effective September 25, 2011. It is also recommended, as part of this proposal, that the Building Official be required to obtain his PCA septic certification within the cycle of available classes required to sit for the certification test or face disciplinary action to be determined by the City Council.

If the recommendation of eliminating the Administrative Support Position is approved it is also requested that Council approve the creation of and advertisement for a receptionist position at a Grade 3 pay level which represents an annual compensation package of \$53,882.

Moegerle made a motion to eliminate the Building Department Administrative Support Position effective September 8, 2011 with two weeks severance pay and the salaries/wages of the Building Official and the Building Inspector be reduced by 20% effective September 25, 2011. The Building Official is required to obtain his PCA septic certification within the cycle of available classes required to sit for the certification test. Also to approve the creation and advertisement of the receptionist position at a Grade 3 pay level. Lawrence seconded. Moegerle said these are jobs and peoples lives, it is a necessary thing to do but a painful thing to do. And so this is not an easy motion to make. She said she hopes that is relayed accordingly. Davis said it is. Nor was it a pleasant recommendation to make. But in light of the economic situation, it is a choice that we are faced with. Lawrence asked with this 20% reduction so we are clear on that, they are reduced to a four day work week? Davis said no. There will be no reduction in hours, just a reduction in salary. It was advised that we do it this way so that there wasn't a problem with coverage of benefits and Fair Labor Standards Act. Moegerle said because these are exempt employees. She asked should this motion be amended with consequences for the Building Official if he does not obtain his septic certification following the next round of classes?

Davis said that is certainly up to Council and probably something we need to consider to make sure this action is followed through with. Vierling said he would suggest that you do this as a separate resolution on the issue and opposed to identifying consequences, simply say that you want to reserve the opportunity if he does not complete to revisit the issue and impose any disciplinary or sanctions. **All in favor, motion carries.**

Moegerle made a motion that if the Building Official does not take the PCA septic certification classes and obtain his certification within the cycle of available classes required to sit for the certification test, the City Council reserves the right to review his position further and/or impose sanctions as reasonable under the circumstances. DeRoche seconded; all in favor, motion carries.

Resolution
2011-41 Set
Final Levy &
Budget Date

Pierce explained Resolution 2011-41 sets the date for Wednesday, December 7, 2011 at 7:30 p.m. at City Hall for the adoption of the final budget and tax levy for 2012. She said this date and time will also be on the parcel specific notices.

Staff recommends adoption of Resolution 2011-41 approving the date of Wednesday, December 7, 2011 at 7:30 p.m. at City Hall for discussion and adoption of the Final Budget and Tax Levy for 2012. Further, that a copy of the adopted resolution be transmitted to the County Auditor.

Moegerle made a motion to adopt Resolution 2011-41 Setting the Final Levy & Budget Date and that staff send a certified copy to the Anoka County Auditor. Lawrence seconded; all in favor, motion carries.

Resolution
2011-42 Set
Preliminary
Levy &
Budget 2012

Pierce explained that the budget has been decreased by \$153,528 since the last meeting. She said those decreases included an administration increase for the receptionist position, building department decreases that were just discussed, for the fire department we got quotes for some items (heavy equipment was decreased by \$4,000 and software by \$1,000). DeRoche asked can you explain this further. Pierce said quotes were obtained for the Self Contained Breathing Apparatus (SCBA) breather air compressor. She said cost of equipment plus shipping will not exceed \$16,000. DeRoche asked is the compressor we currently have that bad. Davis said it is something that needs to be replaced.

DeRoche said we cut back on the police coverage, they took a hit. He said he didn't catch this on the consent agenda, but he wanted to discuss this. DeRoche said the FEMA grant; it is not a guarantee that the City is going to pay that continually. He said he has had discussions with the staff and at some point the City could be on the hook to pay more money mandatorily and plus the \$17,000. DeRoche said he has spent the last couple weeks going from city to city talking to police departments, fire departments, city administrators and everyone is having to cut back. He said it is not a matter of "gee whiz". It is no, the nice projects are done. The fire is cutting, police are cutting, staff is getting down to bare bones." And if anyone checks with other cities they are going to find out that is what is going on. DeRoche said if you are going to replace equipment if it is worn out, so be it. Moegerle asked is the mandatory, voluntary \$17,000 contribution included in this budget? Davis said the relief association contribution? Yes it is.

Moegerle made a motion to table Resolution 2011- until we can have a special meeting with the full council, no later than September 14, 2011 so we can approve the budget. Davis said we can approve the budget as it is, we can always decrease this up until December 7th time period. DeRoche said he also questions why we have three Council

Members again, when we are talking the budget here. He thinks all five should be here and to approve it. He said he thinks the reasoning's need to be put out there. DeRoche said to just not show up, is just not appropriate. And he thinks we need to put this out there. Davis said he would recommend you approve this so we can submit it to the county and then Council is entitled to look at budget reductions until December 7th. DeRoche said he is alright with that as long as that is what we do. Lawrence asked you need to get this to the county by when. Pierce said September 15th.

Moegerle withdrew her motion. Pierce read the Self Contained Breathing Apparatus Description, which includes that it will make it compliant with OSHA and NFPA.

Pierce said to make provisions for these proposed and potential changes, which decrease the General Fund budget \$153,528, a General Fund levy of \$4,192,170 is necessary. The General Fund proposed levy is \$489,175 or 10.45% less than last year's levy.

To service existing debt, a market based debt levy of \$147,328 is required to meet the debt service requirements for the 2005A Public Safety Bonds issued for the fire station and the weather warning sirens and a tax capacity based debt levy of \$158,000 is required to meet the debt service requirements for the 2008A Sewer Revenue Bonds.

The total property tax levy amount proposed is \$4,497,498. Resolution 2011-42 provides for this property tax levy.

Preliminary 2012 General Fund expenditures decrease \$169,967 or 3.42% from the adopted 2011 Budget.

Staff recommends adoption of Resolution 2011-42 approving the preliminary property tax levy for 2012 at \$4,497,498 and setting the preliminary General Fund and Debt Service Budgets at \$4,796,598 and \$1,563,616 respectively. Further, that a copy of the approved resolution be transmitted to the County on or before September 15, 2011. Can change up to December 28th, she believes. Amount goes on parcel specific notices and meeting would be December 7, 2011 for public input.

DeRoche made a motion to adopt Resolution 2011-42 Approving the Preliminary Property Tax Levy for 2012 at \$4,497,498 and setting the Preliminary General Fund and Debt Service Budgets at \$4,796,598 and \$1,563,616. Lawrence seconded; all in favor, motion carries.

Resolution
2011-43 Set
Preliminary
EDA Levy &
Budget 2012

Pierce explained that the East Bethel City Council passed enabling Resolution No. 2008-83 establishing the East Bethel Economic Development Authority (EBEDA) on July 16, 2008. Resolution No. 2011-27 amending Resolution No. 2008-83 was approved on August 17, 2011 and limited the powers of the EBEDA to levy a tax within the City of East Bethel.

City Council has directed the EBEDA to become an active board to address economic planning, marketing and improve the economic vitality within the City. In order to accomplish these goals the EBEDA requires financial resources.

The EBEDA is a special taxing district and the City of East Bethel is authorized by Minnesota Statute 469.107 to levy a tax in any year for the benefit of the authority. The tax must not be more than 0.01813 percent of the taxable market value.

The maximum levy allowed for pay 2012 taxes is \$163,428 (East Bethel Market Value of \$901,424,900 X 0.0183%). The resolution presented for your approval provides for the maximum tax levy for pay 2012.

The tax levy must be submitted to Anoka County by September 15, 2011.

Also attached is a proposed EBEDA budget for 2012. The EBEDA has not had an opportunity to review the budget.

Staff recommends adoption of Resolution 2011-43 approving the preliminary EBEDA property tax levy and proposed budget for 2012 at \$163,428. Further, that a copy of the approved resolution be transmitted to the County on or before September 15, 2011.

Moegerle made a motion to adopt Resolution 2011-43 Approving the Preliminary EBEDA Property Tax Levy and Proposed Budget for 2012 at \$163,428. DeRoche seconded; all in favor, motion carries.

Consider Resolution 2011-44 Consenting to EBHRA Resolution 2011-06 Adopting 2011 Tax Levy Collectable in 2012

Pierce explained that the East Bethel City Council passed enabling Resolution No. 2009-36 establishing the East Bethel Housing and Redevelopment Authority (EBHRA) on May 20, 2009. The EBHRA is a taxing authority independent from the City of East Bethel and is authorized by Minnesota Statute 469.033 to adopt a levy on all taxable property within its area of operation, which is the City of East Bethel, Minnesota.

At the Wednesday, July 6, 2011, EBHRA meeting, a resolution adopting no tax levy collectible in 2012 was approved after review of the 2012 EBHRA Budget.

Staff recommends adoption of Resolution 2011-44 consenting to Resolution 2011-06 approving the HRA Budget and Tax Levy for 2012.

Moegerle motion to adopt Resolution 2011-44 Consenting to Resolution 2011-06 approving the HRA Budget and Tax Levy for 2012. Lawrence seconded; all in favor, motion carries.

MnDOT Grant Application for Service Road from 215th to 221st (Co. Road 74) Avenue NE

Davis explained that staff is seeking authorization to apply for MnDOT Cooperative Agreement Funds to finance a service road between 215th Avenue and 221st Avenue on the west side of TH 65. This project is consistent with the City’s Comprehensive Plan.

This project is estimated to cost \$1,590,968 and would be financed with a MnDOT grant of \$702,000 and the balance being a combination of City MSA funds and Street Capital Funds.

This request authorizes us to apply for the MnDOT grant.

Staff recommends approval of the request to submit the resolution authorizing the application for MnDOT Municipal Agreement Funds for this project.

DeRoche motion to adopt Resolution 2011-45 Requesting Participation in the Upgrading and Construction of a Frontage Road along Trunk Highway 65 to Consolidate Access Points onto Trunk Highway 65 and approval of the request to submit the resolution authorizing the application for MnDOT Municipal Agreement Funds for this project. Lawrence seconded; all in favor, motion carries.

Council
Reports -
DeRoche

DeRoche said noticed the fire department must have been doing training last night they had all the trucks outside the station. He said he has been running around to a lot of cities, pretty good reception. They are more than willing to talk. DeRoche said everyone is in the same boat. Everyone needs to understand that any cuts made are not made for sake of doing it. He said times are tight all over and you either make changes or you get caught up in it and it is not going to work.

Council
Reports –
Moegerle

Moegerle said it has been a little bit quiet but there has been some brainstorming going on for the EDA. She said an important thing is going on, next week, on September 13th. The Connect Anoka County (fiber project) is having their ground breaking and Connexus will be there. Moegerle said it will be good time to rub elbows with the EDA development people if you can be there, and she hopes we can get this to the EDA folks in their packet for next weeks meeting. She said it has been kind of a nice break after a hectic summer.

Moegerle said and there is the GRE meeting tomorrow at 4:00 p.m. to possibly come to a solution, to begin the process. DeRoche said speaking of GRE there seem to be some issues with GRE and Elk River and Andover, it has been in the news.

Council
Reports -
Lawrence

Lawrence said we have been quite busy. We met with local businessmen, existing users regarding their ERUs. He said we had residents complaining about long grass and we dealt with that. Lawrence asked can we look into going electronic on the packets? Do we have numbers on this. Davis said we will look into this. Moegerle said so long as we still have the option to have a hard copy in a pinch. DeRoche said the only problem he sees is not having anything at the meeting. Moegerle asked and what about the attachments? Davis said there can be a problem with the attachments, or you can request we send it to you by e-mail.

Lawrence and the only other issue he has is GRE. Davis said we will be meeting with GRE tomorrow, Strommen, Moegerle, Boyer, Hanson and myself and 4 or 5 members from GRE. He said we will see if there is any compromise.

Closed
Session –
GRE
Settlement
Discussion

Vierling said for the benefit of the public and the public record, Council has recommended we go into closed session per Minnesota Statute 13D regarding a matter of litigation, GRE vs. the City of East Bethel and a second matter Teamsters Union Negotiations which will be tape recorded and kept as required by state statute. Council will return into open session to announce any motions or actions.

Moegerle made a motion to go into closed session to discuss the GRE Litigation and Teamsters Union Negotiations. Lawrence seconded; all in favor, motion carries.

Vierling said the Council has concluded the closed sessions. He said attending were Council Member Moegerle, Council Member DeRoche and Mayor Lawrence. Also attending were Jack Davis, city administrator and myself, city attorney. Vierling said in the matter of GRE vs. City of East Bethel no specific actions or motions were made. He said in the matter of the Teamsters Union Negotiations the Council was presented with outstanding issues and proposals but no specific actions were taken.

Adjourn

DeRoche made a motion to adjourn at 11:01 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk