

## EAST BETHEL CITY COUNCIL WORK MEETING

August 1, 2011

The East Bethel City Council met on August 1, 2011 at 6:00 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle  
Steve Voss

MEMBERS ABSENT: Bill Boyer

ALSO PRESENT: Jack Davis, Interim City Administrator  
Mark DuCharme, Fire Chief  
Stephanie Hanson, City Planner  
Larry Martin, Building Official/Code Enforcement Officer  
Rita Pierce, Fiscal and Support Services Director

Call to Order **The August 1, 2011 City Council work meeting was called to order by Mayor Lawrence at 6:00 PM.**

Adopt Agenda **Voss made a motion to adopt the August 1, 2011 City Council work meeting agenda. Moegerle seconded; all in favor, motion carries.**

2012 Budget Review Davis explained that he invited staff to briefly present budget request for their respective departments, that way if Council has any questions about that department they can ask. He said he has a couple highlights he would like to point out, the levy limits are not applicable for 2012, we have two less staff

Stephanie Hanson, City Planner explained that she will be presenting the Planning Department, EDA and HRA budgets. She said planning is on pages 26-28 in your budget book. Hanson said this department formulates, administrates and interprets ordinances. She said we also help review building permits. Hanson explained we oversee the GIS functions, economic development, environmental planning, customer service and related activities. She said this budget for 2012 has an increase of \$600 in the salaries, most is for FICA. It also does include \$200 for conferences and \$150 for travel. Hanson said in 2011 all training was taken out of the budget, we are just adding this in for 2012. She said in last year's budget we had to budget for aerial photos that were taken this spring, and those will be available this fall. Moegerle asked in general we have talked about going to electronic copies for packets. Is this impossible for the Planning Commission because of the maps? Hanson said she has a couple members on the commission that would like their packets that way, but she also has a couple members that don't have internet and one that has very slow internet. Moegerle asked so we would have to phase into it. She asked when are you getting a vehicle? Hanson said not any time soon. She said every year departments have to put money aside into the equipment replacement fund. Davis said this is included as a future purchase, but we don't know what year it will be purchased.

Hanson said next is the Housing and Redevelopment Authority (HRA) budget. This is a special revenue fund on pages 71-73. She said the funding for HRA would normally come from a levy, but we have not proposed a levy for 2012. The HRA purpose is to provide safe and sanitary dwellings to persons of low and moderate income and their families at prices and amounts they can afford within the City and to address substandard, slum or blighted

areas. Hanson said we haven't had any projects yet but there may be some in the future and although we are not active, we are still an authority and we still need a budget for legal, council and staffing. She said our total budget for 2012 is \$37,100, down from 2011 which was \$126,058. Hanson said one thing we do have on there is \$10,000 for professional services fees for a housing study for 2012. Moegerle asked did you have the greatest reduction in budgets with this budget? Hanson said probably.

Hanson said and last is the Economic Development Authority (EDA) budget included on pages 78-80 also a special revenue fund. She said there is a special levy for taxable year 2012 of \$163,428. Hanson said this is a new budget, since the EDA will become an active authority. She said one thing the EDA and City Council will have to consider now is legal services (\$50,000) because the EDA will become an active authority and staff is proposing \$25,000 for professional services for marketing and branding. Moegerle asked what insurance do we need? The \$1,300 is it over and above? Pierce said we are not sure with the proposal of the EDA, and how it will be in the future, so our agent has suggested we have separate insurance on both the EDA and the HRA.

DeRoche asked about step increases. Davis explained when staff started this budget cycle they were told 0% increase and no COLA. But some of the budgets do include step increases. He said when the budgets were kept at a 0% increase those employees that were due a step increase did not receive them. Davis said others are at the top of their step plan. He said so those employees that did not receive step increases and are not at the top of their step plans do have step increases included in the budget.

Larry Martin, Building Official/Code Enforcement Officer said the building department budget is on pages 41-43. He said some of these numbers will be lower or go away such as motor vehicle parts in the amount of \$400. He swapped out the spare tires and now we just have some bald spare tires. Martin said he has asked to have some training money put back in his budget. He said this is the minimum CEUs that need to be maintained for his department. Martin said his building inspector needs to maintain his septic design certification. He explained that his department is in charge of plan review, plumbing, mechanical permits and facilities maintenance. Martin said he has also been working with the residents at Castle Towers along with APAC. Council asked what is APAC. Lawrence said they help the mobile home park residents establish an association. He said he has been holding monthly meetings at the community center at Whispering Aspen. Lawrence asked are they working on the road issues up there? Martin said he is working with them. He said the only item he doesn't have separated out is code enforcement activities. He doesn't know if you want to separate that out. DeRoche asked if animal control services come out of the building department or general fund. Pierce said it is included in the police department budget. Lawrence said we just have one new building permit so far this year. Martin said we have one new home so far and he is talking to three others. He said he would like to see commercial pick up. Martin said a building permit for a Wal-Mart would be \$95,000.

Mark DuCharme, Fire Chief said his fire department budget starts on page 33. He said one of the big things we do every year is estimate how many fire calls there is going to be and history says there is going to be 500 to 550 for year 2012. DuCharme said wild land fires are kind of hard to estimate. He said we do have a host of officers. DuCharme said we run a duty officer program that he started in 2009. He said we currently have 34 firefighters on our roster. Of that three are on leave right now and he anticipates that two or three might not come back. DuCharme said he had quite a conversation with DeRoche on what is the right number of fire fighters for East Bethel. He said the budget calls for 35 firefighters. We have

some senior fire fighters and he tries to plan for those that are getting near retirement. He said for 2012 we are predicting 501 calls.

DuCharme said the municipal contribution to the relief association is \$17,500, down from a year ago. Moegerle asked how can there be a voluntary contribution required by the city? DuCharme explained just so everyone understands this is a voluntary contribution the relief association came to the Council and asked for at a Council meeting a couple months ago. Lawrence asked if the three fire fighters that are leaving, do they have a lot of years vested? DuCharme said one has sixteen years. Lawrence asked are they eligible for direct payout? DuCharme said for a direct payout they have to be above 50 years of age. DeRoche asked what kind of financial liability we are talking about? DuCharme said about \$65,000. He said but that is the relief association, the fund is over a million dollars. DeRoche said he is curious, if they are ready to leave and there is a financial commitment to the city, that has to be anticipated. DuCharme said they do plan in advance of that. The retirements he talks about are not unexpected.

DuCharme said on page 36 he has asked for additional equipment, turnout gear for five (5) fire fighters. He said we try to rotate in three to four sets per years. DuCharme said when we bring in new people sometimes we have gear that fits them, but sometimes we have someone that is a special size. He said we also are asking for seven additional pagers, last year we bought five. DuCharme said we operate on 800mhz system, when they put a call out it is simulcast. He said we also have to budget for the weather sirens. All the sirens are getting repaired this year, and what he means by repaired is, Council voted to accept a grant to upgrade the sirens. DeRoche said the sirens at Coon Lake Beach (CLB) are not working. DuCharme said if he doesn't hear that he doesn't know. You have to let him know. He said we have fifteen weather sirens and they are very expensive to maintain, we spend at least a \$1,000 a year on maintenance. Moegerle asked what has been built so poorly, or what is so sensitive on these? DuCharme said they are all are controlled by radio, it is a high maintenance item. He said with new radios going in, it might be better. DuCharme said we have been chasing radio grounds since they went in. Davis said they are a high maintenance item, that is why they are tested every month. DuCharme said Anoka County does the testing, they set them off. He said there also is a test you don't know about. That happens every single day. DeRoche said he has people ask him all the time why the sirens don't go off. He said they didn't go off for the tornado at CLB.

DeRoche asked what kind of pagers are we getting that are \$600 each. DuCharme said they are Motorola's. He said we stress "don't drop them." It includes the charger. DuCharme said they are repeatable pagers, they store the calls for you and a lot of people list to the calls on the way to the station and on the way to they calls to make sure they have the right address. He said we have three different types of pagers, A for station 1, B for station 2, and C for chief officers. DuCharme said plus the calls come over on a text to our cell phones. DeRoche said it seems as most of the calls that come in are medicals. What is being done to get fire fighters to be able to respond to these calls. DuCharme said we used the Safer Grant to get a lot of our fire fighters trained in EMT. He said Allina enjoys having our fire fighters trained as EMTs. DuCharme said right now he thinks we are almost 1/2 EMT trained. Voss asked how much training do you do for EMT compared to a first responder? DuCharme said EMT is about 150 hours. He said but when people get to the EMT he finds people don't want to let it go. They want to keep the training up.

DuCharme said on page 38, item 433, dues and subscriptions we lowered this to \$1,000 from \$1,750 and we added additional training. He said we require our officers to have 12 hours of

training at an outside class. DuCharme said the other thing is we have been operating on the FEMA Safer Grant. We have been enjoying this and we want to make sure FEMA doesn't come back and say "this wasn't meant to replace training." He said it costs local fire departments \$15,000 to \$20,000 for training. DuCharme said we have been able to get \$9,300 from the MN Fire Training Board as reimbursements along with Safer Grant. He said we have been able to do things that we wouldn't normally be able to do. DeRoche asked are these CEUs? DuCharme said this is over and beyond. He said we address the certification through our training program on staff, they can instruct our ongoing training fire fighters up to Fire Fighter II.

Moegerle said on the Safe Assure contract, there was some discussion about the fire department taking that over for the coming year. Are you interested in doing that or would you rather fight fires for the coming years. DuCharme said that depends on the city budget.

DuCharme said he wants to touch on the Safer Grant. He said we are going to be entering year three of the Safer Grant. They don't run a fiscal year, don't run a calendar year, they run a grant year and it starts November 5<sup>th</sup>. DuCharme said we are just finishing the 2<sup>nd</sup> year and could draw up to \$83,000. He said there is \$20,000 for program coordination, there is a lot of accounting that goes on. DuCharme said we market our program, have open houses, and also on occasion have meetings where we will do cooking for fire fighters, recruitment and retention, and length of service awards. He said sometime in November everyone here will get an invitation to the fire relief association dinner in December. DuCharme said there is \$2,500 for travel for education. DeRoche said plus, you pay for the time they are at the meeting. DuCharme said we pay the officers for the time they are at the meetings, and we pay the fire fighters for the calls they miss. He said there is \$2,500 for the Explorer program; a health insurance match which is a \$30,000 a year item. DuCharme said how this works is we will match health insurance or health care costs up to \$1,000 per fire fighter a year. He said and this year we have \$6,500 in our marketing program for equipment, last year we used this for a projector.

DeRoche asked about the replacement of SCBA in the amount of \$20,000 on page 38. DuCharme said this is an increase over last year. He said this is used to fill our bottles for Station 1. DuCharme said the one we are using is 25 years old and on its last leg. We have to repair it yearly. He said it has passed certification, but it takes a long time to fill the bottles. DuCharme said we don't need a cascade system. We need a compressor. He said this amount might be high, but that is his best guess. DuCharme said he thinks his 2012 budget is a 0 increase from 2011. DeRoche asked wasn't the joint powers that we agreed to with Anoka County on radio transmissions, wasn't that a no cost thing? DuCharme said he sits on that committee and that is records management. He said that just deals with records management and even our City Attorney has been involved with that. Moegerle asked not to be nit picky, but on page 38, care and cleaning of six doormats can't you just hose them off with the equipment you have? DuCharme said we do buy them now and hose them off and then at the end of the year certain ones will wear out. Moegerle asked do the fire fighters and the sheriff show up for medicals? DuCharme said sometimes. He said some people say that there are a lot of people there on that type of call, ambulance, fire truck, sheriff. DuCharme said he has never heard anyone complain that has been sick that we have helped out. He said our staff is good at what they do. DuCharme said we had nine people on a medical and they all had a job to do.

Davis explained the City Administrator, Elections, City Clerk, Finance, Assessing, Legal, Human resources, General Government, Police, Engineering, Park Maintenance, Streets,

## Central Services and Transfers Outs budgets briefly.

Moegerle asked our building permit income is at \$13,000 are we hoping for \$70,000. Where does that number come from? She asked is this based upon ERU projections or where does that come from? Davis said the \$70,000 comes from what was used last year, that is a best guess estimate, and we hope to come close to that or exceed it. He said there is not scientific evidence to work out a number for this, so this is just what we anticipate. Moegerle said and it is the same for all the building department permit revenue numbers? Davis said that is correct.

Davis said if you don't have any questions any on this, this is our initial proposal to you and we are asking you for direction. Pierce said our purpose here to lead up to is by September 15 we have to have a preliminary levy for the general fund and the EDA to the county. She said the last City Council meeting we can do that is September 7<sup>th</sup>, so we would like to bring those resolutions to Council at that meeting to do that. Pierce said then the county takes those resolutions and sends out parcel specific notices with the date for the public hearing. After people get their parcel specific notices, there is a date on there that Council will take public input on the budget and then the 2012 budget will be adopted after that meeting. She said the December 7<sup>th</sup> meeting would be the suggested meeting for the public meeting and then the adoption of the 2012 budget would be at the second meeting in December. Voss said and you can only go down from the levy you submit. Pierce said that was her comment, from the preliminary levy you can only go down, you can shuffle around. DeRoche said once we give it to the county we can do down, but we can't go up.

Lawrence asked with these bonds coming up that we have to pay for, how prepared are we? Pierce said for 2012 we have enough capitalized interest to pay for the debt. She said in 2013 that is where the ERUs and special assessments are anticipated to come in. Pierce said we have put together a proposed schedule and gone to 50% of what Bolton and Menk projected in October, the worst case scenario that Landform used. Davis said the first sheet we provided shows the different type of bond payments. He said the second sheet shows the ERUs. Davis said this is based on 27 ERUs for 2013 and 27 for 2014. He said the numbers we talked about originally the critical year is 2013. Moegerle asked what about bonds from 2005, they are not added in here. Pierce said there were two bonds issued in 2005, one is totally paid from special assessments, and one is totally paid off. She said the other is fire station and warning sirens and that was a referendum. Those are paid by property taxes. Moegerle asked these are just sewer bonds? Pierce said correct. Davis said really the only thing we know is 2013 is the critical year, we need to get the connections.

Voss said generally we have gone through the budget review two different ways in the past, either jump around or gone page by page.

Voss said he has a question on page 7, item 351. Do we print new town hall meeting signs every year? Is there a way to make permanent signs and just change them? Davis said if anything changes we have to reprint them. Voss said he said in New Brighton they just put a sticker on them. Lawrence said sometimes it costs just as much to buy the stickers. Voss said we need to find a way to bring that down. Voss asked and under audio equipment rental, do we need this item? Pierce said it was left in there in case we switch locations for the Town Hall meeting. Moegerle asked where does the expense from our packets come from? Pierce said from general fund, we don't split that out. Voss said and same page, line item 434, conferences/meetings under Mayor/Council, that is a big jump in those. Davis said we went ahead and increased conference and training in all budgets. He said this is for the League of

Minnesota Cities (LMC) meetings, Local Government Officials meetings, etc. Voss asked they cost this much? Davis said it depends on how many Council members want to go and this is a first blush at the budget. Voss said this is a lot more than most budgets have for training. Moegerle said there are five of us. She said and the annual training at the LMC was great, very informative.

Moegerle asked about telephone bills; a global concern. Is it impossible to consolidate telephone bills and get a good deal for the city. Staff said they would look into this.

Voss asked about the City Clerk budget and why are we budgeting so much for overtime? Davis explained that it costs about \$9,000 for her to do the minutes. \$15,000 was in there; just estimated from what it has cost so far this year and then until the end of this year. He said this is also because of staff reductions, She has had to work extra hours. We talked about this prior to the submission of this budget and we feel that this could be reduced to \$12,000. But this is minute taking and the time she spends at Council meetings and does all that about 26 times a year, it amounts to about \$9,000. Voss asked how did we get by in 2009 and 2010? Davis said she worked a different schedule in 2010. Moegerle asked what the possibility of contracting it out is. Davis said we talked about that, the only thing about that is the expediency of getting it back and this way we have it fresh, and we have someone here that understands the background. Voss said there is also a lot to be gained by having Wendy here at the Council meetings. Moegerle asked Warren if she is interested in going back to the alternate schedule? Warren answered she would not be able to get her other work done. She indicated for most of 2009 she was not working the alternate schedule and she had a support person. Warren said when this was changed, we hired someone to tape the Council meetings because the alternate schedule was interfering with the other employees work, they could not get their regular work done because of loss of hours, but she still lost her regular hours and had to get all her regular work done. She said with the increased duties because of staff cuts, she doesn't feel she can get all her work done with the alternate hours. Voss asked what if we hired someone part time to do some of these extra duties. Davis said it is very hard to hire someone part time and then we have to get them trained. He doubts, very seriously, that they can do what Warren does. He said he had told Warren that if she has issues with her time to let him know. Voss said he has issues with budgeting overtime and he doesn't think it is good for someone to work overtime like this. Warren said she was hired to work these overtime hours in 2002, it is something she is used to.

Moegerle asked about the Finance Department budget. The GFOA training is that for both staff members. Pierce said yes.

Voss said this is not much, but why is there \$2,500 being budgeted for legal in the Human Resources budget, why are we budgeting for legal by department. Davis said we put that under Human Resources because we didn't want to do away with the category. We do consult with attorney that deals with HR. He said when we have an issue that we need to, we get basic consultation on HR issues. Voss said but when we have issues on Roads and Planning we don't charge it that way. Davis said this is one that you can call it either way. Moegerle said she likes it because it will be a gauge of when we need a HR person. Voss said he understands if we have to outsource for HR needs, but it is odd that we broke out the legal as separate. Lawrence said if this wasn't budgeted separately wouldn't it just come out of legal budget. Davis said yes.

Moegerle asked about the water softener rental. Davis said we are paying rental on a water softener, we have been paying this since 2003. He said we are going to have Traut Wells

come in and see what kind of water we are dealing with. Davis said then we can see what kind of system we need and see what the pricing is.

DeRoche asked in the planning department budget, on page 28 under full time employees, what is the \$500 increase. Pierce said both of the employees are at the top of their pay grade. So neither will get a pay increase but she put in \$500 for sick and vacation payout accrual. DeRoche asked what are the limits on sick and vacation accrual? Davis said 240 hours for vacation and employees can accrue 640 hour of sick time but only get 50% of sick payout. Pierce said this is accounted for at the end of the budget. DeRoche asked also on page 28 there are separate line items for conferences and mileage. He asked are meetings and mileage together or separate. Pierce said they are separate line items, mileage and conferences. Davis said we encourage staff to attend meetings that are within driving distance, so there are not any overnight costs. DeRoche asked these conferences all fall within the parameters of their jobs. Davis said yes. He said we disapprove of overnight conferences.

DeRoche said on page 34, normally you can see where city would pay for training. But as a rule CEU's a medic or fire fighter does on their own to keep their certification up. They would pay for specialized training, but they wouldn't pay for you to sit in training. He said one of his concerns is; they can leave at any time and go to another department. DeRoche said we are paying people to drive to training, hourly wages at training and for training. Davis said if it is a regular fire fighter and there is no fire call you missed; you don't get paid. He said it is just the officers. Voss said so if there are four calls while they are gone, then they get compensated as if they are at the call. He said as he understands it, if there is a medical call not every one responds. DeRoche said he has been told between seven and nine go out. Voss said he has been on some accident scenes, where you need the response like that. He said they should send them back if you don't need them. Davis said he needs to sit down with the fire chief and have him develop a plan for this. DeRoche said when we talked about it, he said he would be interested in doing it in a year or year ½. Moegerle said she has had some experience with this and four people is too much for one injury. DeRoche said he has been on the middle of Highway 8 with thirteen patients on the ground with five medics and too many cooks spoil the pot is true. He said when he worked training you have to go in, triage and be out. DeRoche said you can't have that many people around. If there is a way to send people home. Voss said the two station approach changes that, the times he has been with the sheriff on medical calls the sheriff is first there; then fire then the ambulance. He said the ambulance/Allina is usually the last ones there. Voss said he agrees that you don't need that many there, but when he has been there, he has only seen four fire fighters there. DeRoche said most deputies are first responders, minimum. Lawrence said a lot of calls don't come in as medical emergencies. Voss said he thought all three were dispatched on any medical. Davis said in regards to the number of people that respond to an incident, we can find out from the fire chief and see what we can do about that.

DeRoche asked the fire chief has a truck and the fire inspector has a vehicle. Moegerle asked do they take it home? Is that where we are going with this? Voss said the fire chief does. Moegerle asked does the fire chief respond to calls from his home? Voss said not outside of his eight hours. Moegerle said she is looking at the motor fuel budget. She said in one place of the budget we have budgeted for about \$3.00 per gallon and another about \$5.00 per gallon. DeRoche asked for the deferred compensation is that strictly for the fire chief. Pierce said yes. DeRoche said and the fire pension contribution, city and state, explain that. Pierce said we get funds from the state and we pass that on to the fire relief association for their pension fund. DeRoche asked about the health insurance match. Pierce said that is

in the Safer Grant. DeRoche asked is this different than the disability insurance? Pierce said the disability insurance is for fire fighters that get hurt on the job. DeRoche asked what is the cafeteria contribution? Pierce said this is something that all regular full time employees receive, an amount towards health, dental, and other benefits.

DeRoche asked who do we have workers compensations insurance through? Pierce said LMC, but our experience rating with that has not been very good either. She said one year it will go up and one year it will go down. DeRoche said insurance companies don't get hit bad with workers compensation, there is a reinsurance that takes over. Lawrence said he spoke with the fire chief and learned about the pay plan, training and stuff. He said he told him after seven years of service, the fire fighters become a little more valuable to the city, they get their pension locked up tightly, but before seven they can fall off. Voss said in that five to seven years they are going to stay. Pension is retention. DeRoche asked about the drug testing. He has had complaints about the same person getting tested and the one who needs to get tested doesn't. Davis said this is totally random. The city has no control over who gets tested. He said he has one guy who gets tested over and over in public works. DeRoche said one of problems you have with that is if someone is stoned and is driving.

DeRoche asked on page 37, item 307, continuing health surveillance of fire fighters. What is this? Davis said he thinks this is a program to make sure the fire fighters make the standards.

DeRoche said \$20,000 for a compressor is really high, he knows people that fill tanks. Davis said he will request quotes.

Voss asked under Civic Events on page 60, why was this dropped from \$5,000 to \$2,500. Davis said if we are going to potentially eliminate the fireworks from the budget, then it was thought to scale it back. Lawrence said this was done because it was thought that the Booster Day Committee should be responsible to get donations to cover the fireworks. Voss said we used to get sponsorships for fireworks and when it dried up the city took it over. Moegerle said if we stated it at this point, it is our encouragement; to state we are not going to do it now. Lawrence said the Booster Day Committee is the fundraising driver and the funding should not be on the back of the taxpayers. He said it is their event and they want to take ownership of it. They should take ownership of it. Voss said if we take away the fireworks then there will be less people there. He asked has this been presented to the Booster Day Committee. Lawrence said no. Davis said this was briefly touched on at a council meeting. Voss said he must have missed this meeting. He said this is a small expenditure out of whole budget, but it will be a much more dramatic effect.

Voss said almost every year after we submit the budget to the county, we have cut it.

DeRoche asked what most of the cost of the building department is. Davis said like everything else, salaries and benefits. Moegerle said we are down on recycling. Pierce said mainly that is because of the recycled oil, we are not doing that. Davis said we have a company that has proposed to bring in a truck a certain number of hours a week.

Moegerle said we have in the budget \$62,191 for trails, Phase 2 for Cedar Creek Trails, should we not decide to fund the trails capital fund, can we save that for a rainy day such as paying for the bonds in 2013. Davis said as far as trails transfers he would like to keep that, we might be using that someday. DeRoche said you should emphasis the trails and how they are on the side of the shoulder.

Voss asked when will we continue this discussion.

**Lawrence made a motion to continue the 2012 Budget discussion at the August 17, 2011 City Council meeting. DeRoche seconded; all in favor, motion carries.**

Adjourn **Moegerle made a motion to adjourn at 8:36 PM. Voss seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk