

## EAST BETHEL CITY COUNCIL MEETING

August 18, 2010

The East Bethel City Council met on August 18, 2010 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bill Boyer Steve Channer Greg Hunter  
Kathy Paavola Steve Voss

ALSO PRESENT: Douglas Sell, City Administrator  
Tammy Schutta, Asst. City Administrator/HR Director  
Jerry Randall, City Attorney  
Craig Jochum, City Engineer

Call to Order **The August 18, 2010 City Council meeting was called to order by at 7:30 PM.**

Adopt Agenda **Boyer made a motion to adopt the August 18, 2010 City Council Agenda with the addition of Item 9.0 D, Closed Session to discuss ACHRA Litigation and Real Estate Purchase. Voss seconded; all in favor, motion carries.**

Sheriff's Report Sergeant Schrempp reported on the custodial arrests/significant arrests for the month of July 2010 as follows:

**07-03-10 - 4<sup>th</sup> Degree DWI/ Property Damage Accident / Warrant Arrest** - While on routine patrol, a deputy came upon a two vehicle property damage accident. On driver appeared to be under the influence of alcohol. He failed field sobriety tests and was taken into custody. He also had a Hennepin Co warrant for his arrest.

**07-04-10 - 2<sup>nd</sup> Degree BWI** - ACSO Recreational Deputy saw a pontoon boat on Coon Lake approaching the channel, but not displaying the white light to the rear. Deputy stopped the boat and the driver advised he needed to put the top up for the light to show. Male had difficulties in doing so and appeared to be under the influence of alcohol. The driver failed field sobriety tests. Driver had two prior DWI's so a blood test was taken. Driver was booked into jail.

**07-04-10 - Under 21 Drink & Drive / Possess Drug Paraphernalia** - Deputies were called on a domestic report. Upon arriving they found one party in his vehicle in the area. The male admitted to drinking earlier in the day. He took a pbt test which showed a BAC of .03. The male was also in possession of a glass pipe. He was taken to jail.

**07-15-10 - 5<sup>th</sup> Degree Domestic Assault** - Deputies were called to a boyfriend/girlfriend domestic. The girlfriend and boyfriend had been arguing about his drug use, when he threatened to kill her. She then was hit in the ear, causing a cut on her ear and redness around the cut. The boyfriend had left prior to deputies arriving. An attempt to locate was broadcast. The boyfriend was later arrested in Isanti County.

**07-24-10 - Felony Flee / Warrant Arrest** - A deputy attempted to stop a vehicle after observing a vehicle displaying a dealership license plate with expired tabs. The vehicle slowed down at first but then increased its speed. The deputy pursued the vehicle into Isanti County. The driver fled the vehicle on foot. A perimeter was set up and K9 was deployed. The driver was apprehended by K9 hiding in a swamp under some cattails. The driver had

three felony warrants for his arrest. (One for felony fleeing). The driver stated he should have surrendered but he thought they would never locate him in the swamp.

Sergeant Schrempp said domestic calls (non-crime) for the month were sixteen (16) and DWI arrests for this month were five (5).

Hunter asked are our new cars in service. Sergeant Schrempp said yes, they are all in service.

#### Introduction of New Fire Fighters

Sell explained that the Fire Chief is with us this evening to introduce our latest fire fighter recruits. These individuals have completed 20 hours of training and are eligible for appointment as probationary fire fighters.

Chief DuCharme said we have started our class for our new recruits and we have eight (8) in this class. He said he is going to have them introduce themselves. Chief DuCharme said unfortunately Chad Fish and Ryan Henry were not available tonight. He said we are really getting into the hands on stuff now and looking forward to the September 25<sup>th</sup> State certification class. Wade Hoffman introduced himself. Kalli Haapoja said she has lived here for thirteen (13) years and was in the explorer program. Stephanie Bragstad said she is a new resident. Nikole Novak said she has lived here for fourteen (14) years. Bill (William) Folwarski said he has lived in East Bethel for three and one-half years (3 ½) years. Matthew Knealing said he has lived in East Bethel for twenty-four (24) years.

**Voss made a motion to appoint Stephanie Bragstad, Chad Fish, William Folwarski, Kalli Haapoja, Ryan Henry, Wade Hoffman, Matthew Knealing and Nikole Novak as probationary fire fighters effective September 1, 2010. Channer seconded; all in favor, motion carries.**

#### Springsted, Inc Presentation

Sell explained that Mr. Paul Steinman is with us this evening to present background information and recommendations regarding the RZED Bonds. We will be asking for Council direction to move forward with the preparation of the Official offering statement following the presentation.

Steinman as you are all aware we are discussing the issuance of recovery bonds, these are not your plain vanilla bond issuance. He said it is a bit more technical than a standard issuance. Steinman said you get to have a rebate on these bonds. He said the process of issuing these bonds has to be concluded prior to January 1, 2011. Steinman said we have a fairly aggressive timetable to get that completed prior to the end of the year. He said he believes there is a calendar in Council's packet. Steinman said Springsted would finalize the bond structure and prepare terms of the proposal by September 3, 2010. He said Springsted and Dorsey & Whitney would make sale recommendations and a bond resolution would be delivered to the City. Steinman said as part of bond process we have to collect information. He said we would be back before you on September 15<sup>th</sup> at which time you will consider establishing a sale date for these bonds, and that date as proposed is November 3<sup>rd</sup>.

Steinman said the other major component that we have to start right away is the feasibility study. He said we haven't structured the bonds, we have to see the revenue stream and we are waiting for some more information from your engineers before we can do that. Steinman said as far as the cost of issuance for the \$11,600,000 bonds is approximately \$59,125. He said it would depend on how the bonds are structured, it may go up slightly or down slightly. Steinman said the breakdown is: Financial Advisor - \$34,375; Bond Counsel - \$11,000;

Rating Agency Fee - \$10,000; POS/Official Statement - \$2,000, Registrar - \$750 and Miscellaneous Costs about \$1,000.

Sell asked Steinman to describe the different bonds. Steinman said there are a couple different options when it comes to selling bonds, competitive sale or negotiated sale. He said with competitive sale we offer your issuance to as many underwriters that wish to bid as possible and on the night of the bid you offer it to the lowest bidder. Steinman said our firm would specifically recommend a competitive sale because this is a large amount and it is a taxable bond, so it makes the market larger for this bond. He said as we have discussed, we don't see any reason why this would not be a wonderful bond to bid on. Steinman said we would like to stick to the November date because it offers some flexibility. Sell asked if we moved forward with the competitive sale, would that add to the calendar. Boyer asked what is the projected interest rates. Steinman said haven't done anything on the structure. He said we are still waiting on information.

Voss said you mentioned about getting direction this evening from Council, or is this next meeting. Sell said we are looking for Council direction to begin process to pull all the information together so we can bring everything to you. Boyer asked will you have a better handle on the cost then. Steinman said once we have the information from the City Administrator then we will know more. Sell said the last item on tonight's agenda will be the last piece of this, then he will be able to provide them with all the information they need. Voss said in terms of the manner of which way the bonds are offered are you looking for direction on that also, because his gut feeling is the competitive sale.

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

Susan Sodren of 24347 Polk St. NE said she is here to discuss water prices in East Bethel at Whispering Aspen. She said being a new person out there, she is disappointed in living here. Sodren said we are two people and our water bill is \$700. Beverly Wicklund of 24335 Polk St. NE said we went and talked to everyone there at Whispering Aspen Development. She said we did a petition, we have signatures. Wicklund said everyone there has the same feeling. Sodren said we have a nice development, new homes and we can't afford to water our lawns.

Voss asked what the purpose of the petition was. Sodren said to address the price of the water. Wicklund said the price and the quality. Sodren said when you gag when you brush your teeth that is pretty bad. Hunter said he thought the rates were restructured. Sell said the rates are determined basically by what it costs us to run the facility. He said labor, machine repair, etc., water or sewer, they have to produce enough to pay their own way. Sell said traditionally the sewer had come close to pay its own way, but the water has never come close to paying its own way. He said in December new rates were adopted. Sell said if you use more water, it gets more expensive. He said so if you water your lawn it gets very expensive.

Voss said for the water fund the general fund is picking up the tab. He said the users are not paying all the costs. Voss asked what is the major cost driver, chemical treatment, labor. Pierce said chemical and utilities to run the plant. She said we charge a very insignificant amount of labor to the fund. Voss asked the recent changes to the water system with the new well, it is not on line. Jochum said correct. Voss asked what we expect with the water quality. Jochum said it will probably stay very similar, less radium. Sodren said for two

people who are gone all day, \$700 is ridiculous.

Richard Miller asked do we have a cost per gallon Sodren said she lived in Andover and watered her lawn daily and never had a bill like this. Voss said they have a much higher population. Miller asked are we paying for the development of the water system for that area or are we paying for usage. Sell said you are paying for maintenance. Miller asked so why the second well. Sell said that was a quality issue. Miller said we were under the assumption that we would have some cost savings with the new well. He said there is very little being charged back for the new well, because it was being paid for with a grant. Miller asked there was a plan in the City for sewer and water in 2005, what happened to that. He asked why it has taken so long. Voss said that was the previous presentation, we have been working on it. Boyer said it is a very complicated process. Voss and we have been very careful on this. Sell said and the Met Council is being very careful, this is a pilot program for them. He said we are the first place where they are building a stand alone treatment facility. Sell said if everything moves on schedule it will be by mid 2012. Miller said and the cost is 11.5 million. Sell said yes.

Channer asked Sell to address our new billing format. Sell said we received a request for more information on the bill, so we have revised your statement and you will now get more information on your bill that will show past information such as past use, etc. Miller asked is there anywhere we can see cost analysis on the water and sewer on this. Sell said we have this in our budget. Voss asked if the rate schedule is in their new invoicing. Sell said yes. Miller asked with the new water system in 2012 are we one of the last ones to get hooked up. Voss said yes, in the plan it will be about 2030. He said it is all development driven. Voss said geographically you are eight (8) miles away from the water treatment plant. Boyer said sewer costs about one million per million. Miller asked is there any way to bring the cost down. Sell said basically we need more customers. Voss said also there is a commercial piece that is supposed to be tied into this system. Miller asked who is on there now. Voss said Castle Tower and Whispering Aspen.

Sodren asked what causes the bad smell. Jochum said the iron in the water. Hunter said probably lack of movement also. Sodren said she is really disappointed that she moved out here. Wicklund said City water was a selling factor for her. She said she didn't expect to have this quality or rates. Voss said before you moved here, it was something you could have looked into. He said most cities serve more than forty (40) homes. Sodren said she understands but when you spend thousands of dollars on a home she doesn't understand how you shouldn't be able to afford to water your lawn. Voss said we have been adamant that the new system is going to be paid by the ones that use it. He said it would be tough to set a precedent for a small development to have the other residents pay for your water. Voss said when you say you are penalized, it sounds like we are trying to make you pay more than you should. He said we did not develop that land and did not develop those houses. Voss said we just provide the water.

Wicklund said when more people come in will it cost more to run the system. Voss said there is a fixed cost to things, but there is an operational cost for things. Wicklund asked can we see those costs. She said there is a number of ways we have tried to cut back ourselves. Wicklund said it is kind of shocking to open your bill and see \$400, maybe we should go to a monthly basis. Sell said right now we do this manually, we aren't big enough to purchase an expensive system for this. Wicklund said so we have stinky, expensive water and that is it. Sell said Council went through four different analyses on how to charge for this and thought they found the fairest one. Voss said as far as water quality you can get together as a

community and bring an idea to us and we can look at doing it, but the cost will be for the residents to share.

Lisa Demarais of 1153 Pierce Path NE asked is there something that can be done about the quality of the water. She said her son takes an orange bath. Demarais said you can drive down our road and the houses are all orange. Sell asked her to leave her name and address with the city engineer and he will get some information to her on different ways she can address this.

Heidi Moegerle of 179 Forest Road said Sell was invited to the Coon Lake Community Center last Tuesday and he did a good job of giving the residents information on sewer and water. She said but before he came a petition was sent around about whether the residents wanted City sewer and water. Moegerle said we are still circulating the petitions. She said there may be a maximum of 258 addresses out there around Coon Lake, we think that is way high because we think there are empty houses, foreclosures, etc. Moegerle said with 158 responding, 131 or 80.78% said no they don't want it, 16 or 6.20% said maybe, 9 or 3.49% said yes and 59 said please enforce ordinances. She said we thought this was informative.

Moegerle said two questions came up as a result of this. She said on the web site of the City it says that East Bethel is "The Gateway to the Twin Cities" is that the official motto of the City. Voss said no. Moegerle said certainly in 2002 and even into late 2007 the economy was going great, but since we are no longer in Kansas. Boyer said right now the public forum which is slated for 15 minutes, has gone way over. Voss said he has a quick question. He asked what the purpose of this is? Voss asked why did you present this. Moegerle said the community has come together, this is good. She said there was a rumor around the Coon Lake Beach community that if 75% of us wanted City sewer and water and then we were told if 50% wanted it, we would get it. Moegerle said then we were told the Council would do what they wanted.

Voss said there is nothing on tonight's agenda about this. He said we have stated numerous times that we are going to examine putting sewer around the lake, but not for a long time. Voss said we had discussions eight to nine or four to five years ago and we decided we are not going to do this for a long time. He said at some point and time there will be the discussion. Voss said for water and sewer around the lake, the success of the system that we are currently building does not depend on water and sewer going in around the lake. Hunter said actually water and sewer around lake would increase the total user cost.

Moegerle said what happened at the beach, everyone getting involved, wanting to know what is going on, and that is great. She said if that is what is taken away from here it is great. Boyer said the 75-80% have to want it, that is the statement he has made. He said for any kind of special assessment he wants to see that amount before imposing additional taxes on residents. Boyer said other Council Members might not share his feelings on this. He said he can only speak for himself that he wants to see that number, he doesn't want to force people out of their homes by forcing additional taxes on them. Moegerle asked about her question that she asked last time, about what if the development doesn't come. Voss said the report on this is on our web site. Moegerle asked where she can find this. Voss said call the City Administrator, he will help you with this.

Gale Murphy of 814 Lakeshore Drive said her question is we are in the process of getting a feasibility study for Coon Lake Beach. Hunter said no, this was done for Hwy 65. Murphy asked is there any talk of getting this done, since the strong majority doesn't want this done,

will it be done. Hunter said we don't have the information on this, but because of the density of the lake as a whole, it has been included as a possibility. He said you don't put an 8" pipe in and not plan for the future. Hunter said we have looked towards the future, we are designing for the possibility or the future. Murphy said there is a strong feeling that because we have a large density that we would be the tax base for this system. She said the sad part is sometimes the unknown is more fearful. Murphy said we worry that we aren't going to have anything to say about it, there is a lack of information.

Murphy said so the feasibility study thing, that is more for Highway 65. Boyer said we did do something in 2004. Voss said we have worked on getting more information out. He said when he came on Council we started mailing the newsletter to everyone, etc, but human nature is people don't read it, it is great there is interest in this issue. Voss said it is great you are all here. He said we do Town Hall meetings twice a year, we try to communicate. Boyer said it is hard because we don't have a central place, we don't have a radio station, etc. Channer said we are very compartmentalized. He said we have to have an identity. Channer said commercial development is going to help this along. Paavola said that is what the vision was, a City Center, which was one of the biggest things this Council has worked on since we worked on the new comp plan. She said the beach should rest easy, there is nothing out there for City water and sewer. Paavola said this is concentrated on Highway 65, so rest easy. Voss said we have been looking for ways to reduce funding to do water and sewer on the beach.

Bob DeRoche of 158 Collen said most of his questions have been answered but one of the things you need to be on City Council is if a question is asked you need a certain amount of decorum, it should be there. He said he watches the meetings on TV when he can't be here and there is a lot of speculation on the beach. DeRoche said there are a lot of rumors because there isn't enough communication brought back to the beach. Voss said this is the first time he has heard about the rumors. DeRoche said there is a lot of people here tonight, but it is the intimidation factor. He said he would ask that you as a Council member just think about that you are on that side, representing the City and most people don't know that they can come here and ask a question. Boyer said they can call me, you call me. DeRoche said he hopes people can feel comfortable enough to do that. Boyer said you can call me anytime.

Mike Stokes of 218 Hawthorne Road asked is the system for Highway 65, is that a modular system. Sell said no. Stokes asked why not. Sell said it is not our system, it is Met Council's system. He said the total design capacity is 10 million gallons per day. Stokes said and the hook up for commercial property projection is. Sell said that is one part that is still being done.

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

Consent  
Agenda

**Voss made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, August 4, 2010, Regular Meeting; D) Whispering Aspen Well #2 Change Order #1; E) Resolution 2010-46 Proclaiming September 17-23, 2010 Constitution Week. Boyer seconded. Hunter said the meeting minutes from August 4, 2010 say he was present, he was excused. All in favor, motion carries.**

Park Comm  
Minutes

Sell explained that the unapproved meeting minutes from the July 14, 2010 Parks Commission meeting are provided for your review and information.

Sell explained that the unapproved meeting minutes from the July 13, 2010 Road Commission meeting are provided for your review and information.

Award Bids –  
2010  
Improvement  
Project

Sell explained that 2010 Improvement Projects include the Bataan Street Sealcoat, 5<sup>th</sup> Street Overlay and Drainage Improvements and the Booster West Parking Lot Expansion. Based on Council approved plans and specifications, staff solicited, received and opened bids for these projects on August 10<sup>th</sup>. A total of four bids were received. The bids are summarized on the resolution which is included as Attachment 1. A detailed summary of the bids is shown on the Bid Tabulation which is included as Attachment 2. Project location maps are included as Attachments 3 through 5.

Rum River Contracting, Inc. was the low bidder with a base bid of \$240,194.10. This contractor has worked in the City of East Bethel recently.

A Base Bid and four Alternate Bids were requested. The Base Bid includes the sealcoat on Bataan Street, the Booster West Parking Lot Expansion and the 5<sup>th</sup> Street Overlay with replacement of three of the existing storm sewer manholes along with the associated pipe between them. Alternate Bid No. 1 provides for the replacement of all nine storm sewer manholes and associated pipe between on the 5<sup>th</sup> Street overlay project. Since Alternate Bid No. 1 includes more storm sewer than the Base Bid, the unit prices on the storm sewer items decreased. With this, the parking lot project which includes some storm sewer decreased as the unit price decreased with no increase in quantity. The cost saving is reflected in the recommendation.

Alternate Bid No. 2 includes adding a fog seal to the bituminous sealcoat. Fog seal is a thin layer of asphalt that is sprayed over the seal coat rocks. The fog seal improves water proofing of the surface, prevents stone loss by holding aggregate in place, and improves the surface appearance. Alternate Bid No. 3 includes substituting the dresser trap rock with granite rock for the sealcoat project. Alternate Bid No. 4 includes leveling the small stock pile that is currently northwest of the proposed parking lot in Booster West Park.

Staff obtained cost estimates from Connexus Energy for lights at Booster West Park. Four lights would illuminate the parking lot at a cost of \$7,400 to \$12,628. The less expensive lights include a wood pole mounted light while the \$12,628 includes a bronze fiberglass pole mounted light with a 2.5 foot raised concrete base. The concrete base and bronze pole would match the lights in the current parking lot section at Booster Park West.

Staff recommends accepting Alternate Bid No. 1 and Alternate Bid No. 2 in addition to the Base Bid. Breakdown for each project using including the Alternatives was provided in your agenda materials.

The total estimated construction cost for these projects is estimated to be \$257,550.60. The total project cost with contingency and overhead is estimated to be \$314,892.13. These projects are proposed to be financed with \$94,466.98 from the Park Capital Fund, \$184,171.92 from the Street Capital Fund, and \$36,253.23 from Municipal State Aid Construction Fund. Funds, as noted above, are available and appropriate for these projects.

Staff is recommending approval of Resolution 2010-47 Awarding the Bid to Rum River Contracting in the amount of \$257,550.60 for the 2010 Improvement Projects.

**Boyer made a motion to adopt Resolution 2010-47 Awarding Bid for 2010**

**Improvement Projects which includes the Base Bid of \$240,194.10, Alternate Bid No. 1 - \$12,988.50 and Alternate Bid No. 2 - \$4,368.00 for a total of \$257,550.60. Paavola seconded.** Voss said to be clear this does not include the lights, just the conduits. Jochum said yes that is correct. Channer said just conduits, no wires. Jochum said yes that is correct. **All in favor, motion carries.**

Special  
Assessment  
Policy

Sell explained that the purpose of a Special Assessment Policy is to establish a fair and equitable manner of recovering and distributing the cost of public improvements. The procedures used by the City of East Bethel for levying special assessments are those specified by Minnesota Statutes, Chapter 429 which provides that all or part of the cost of improvements may be assessed against benefiting properties. In addition, Minnesota Statutes, Chapter 444 provides for collection of Service Availability Charges (SAC/WAC) which can be specially assessed under the process and provisions of Chapter 429.

Three basic criteria must be satisfied before a particular parcel can be assessed. They include that the land must have received special benefit from the improvements; the amount of the assessment must not exceed the special benefit (except in cases where the project is 100% petitioned by the property owner(s)); and, the assessment must be uniform in relation to the same class of property within the assessment area.

It is important to recognize that the actual cost of extending public improvements to or past a particular parcel is not the only factor to be considered in determining the amount to be assessed. However, in most cases, the method for determining the value of the benefit to the parcel and therefore the amount to be assessed shall be the cost of the improvement, as long as the cost does not exceed the increase in the market value of the property being assessed. The entire project shall be considered as a whole for the purpose of calculating and computing an assessment rate.

The City must recover the expense of installing public improvements, while ensuring that each parcel pays its fair share of the project cost in accordance with these special assessment guidelines. There is no perfect assessment policy. However, it is important that assessments be implemented in a reasonable, consistent and fair manner. There may be exceptions to the policy or unique circumstances or situations which may require special consideration by the City Council. Such special situations will require the City Staff and City Council to use their best judgment in determining an appropriate amount to specially assess for a public improvement.

This assessment policy is intended to serve as a guide for a systematic special assessment process in the City of East Bethel. Issues to be addressed in the special assessment policy include the assessment of Water and Sewer Availability Charges. This includes existing residential parcels are assessed 100% of the improvements when they connect to water and sewer system; existing or future developed commercial/non-residential parcels located adjacent to a trunk or interceptor facility are assessed 100% of the improvements when the service or services are extended and water and sewer are available to the parcels as no future lateral facility installation is required to provide service to the parcel; and existing or future developed commercial/non residential parcels not located adjacent to a trunk or interceptor facility for which future lateral facility installation will be required are assessed 100% of the improvements when the service is provided to the parcel. A copy of the policy has been provided to the City Attorney for review and comment.

Staff requests Council review the attached Special Assessment Policy and provide direction

as it relates to changes, corrections, assumptions, etc. contained in this policy. A complete review may require a work session unless Council is comfortable with the document.

Boyer said he is not happy with this policy, it lacks flexibility. He said he is not ready to move on this. **Boyer made a motion to move this Agenda Item 8.0 C.1 Special Assessment Policy to the 9.0 C.1 on the agenda, after the 2011 Budget Discussion. Voss seconded; all in favor, motion carries.**

Code Enforcement Report  
Transmission Line Workgroup

Sell explained that the code enforcement report is provided for your review and information.

Sell explained that GRE has submitted a request to initiate the CUP work group process for the construction of a 69 Kilovolt (KV) electric transmission system in the East Bethel area. As required by Ordinance 15, Second Series, a work group must be formed to review the proposal and make recommendations.

Staff completed a review of the submitted request and analysis of the proposed project and recommends the establishment of a work group to begin the process as outlined in city code. Phase I of the preliminary process is the establishment of a work group. The work groups' responsibility is to meet with the applicant to review the proposed project and alternatives for the proposed locations of the electric transmission system. The work group will consist of the applicant, city planner, one Council member, one member of each of the city's commissions, and up to two city residents appointed by the City Council. Following the Phase I process, the applicant may submit an application for a CUP.

Phase I of the process should be completed no later than sixty (60) days of the first scheduled work group session. A tentative timeline was included in your agenda materials

Staff seeks direction to begin the process of work group selection to be placed before City Council at the regularly scheduled meeting on September 1, 2010 and the approval of the Phase I timeline.

**Boyer made a motion to direct staff to begin the process of a Transmission Line CUP work group. Voss seconded; all in favor, motion carries.** Boyer said he would be happy to serve as the liaison to this work group is Council would agree with him serving.

Fire Dept Reports

Sell explained that the monthly Fire Department reports are provided for your review and information. Hunter said with this new system, Image Trend, there are two items, motor vehicle accidents that have no addresses but they are at major intersections. He said he wants to know where they are. Hunter said maybe not specific addresses, but a generality would be good. Channer said it may have been updated. Hunter said they need to be more definitive of where it takes place.

Roof Repairs City Hall

Sell explained that the roof over the conference room and the back half of City Hall is more than 25 years old. As such, it has exceeded its useful life. And, there are a number of places where the roof leaks, has caused damage to ceiling tiles in this room and has stained the carpet. Replacement of this roof segment was proposed as part of the remodel of City Hall in 2007. However, the cost exceeded the budget amounts available to expand City Hall and upgrade technology.

Because of the damage to the conference room, staff solicited quotes from several roofing

contractors for the repair of this roof. Both contractors, after an on-site review, indicated that repairs would not be an efficient corrective method. A City staff member with expertise in this area of construction agreed with the assessment. All suggested that replacement of the roof with modern roofing materials would be the least expensive alternative and would provide for a membrane with a full warranty of 15 years to include repair and replacement of the roof and coverage for any damages as a result of improper installation or material defects.

The proposed membrane is a poly vinyl chloride (pvc) based material that is recognized as a superior product to the rubber roofing materials used over the past decades. It is flame retardant, Ultra Violet (UV) ray resistant and meets all Factory Mutual Ratings. These ratings are the industry standard for this type of roofing products and assemblies. It is rated by Underwriters Laboratories (UL) as Class A material, the highest rating for flame retardant roofing materials.

The installation is prefabricated one piece to the exact specifications of the structure. No on site seaming or welding is required. Work will be completed within four weeks of contract execution. Information regarding the proposals was provided with your agenda materials.

The City's Building Capital Fund has \$56,000 available for these type projects. Staff is seeking direction to proceed with award of the roofing replacement for City Hall to All Elements, Inc in an amount not to exceed \$22,284.58.

**Channer made a motion to award the roofing replacement for City Hall contract to All Elements, Inc in an amount not to exceed \$22,284.58. Hunter seconded.**

Voss asked don't we have to go out to public bid on this. Sell said not if it is under \$50,000. Boyer asked how we came up with PVC materials for this. Sell said it was recommended by the building official. Boyer asked why did we not go with rubber roofing. Sell said because it did not come in one piece installation. He said one piece installation provides us with assurance we are not going to have problems like we had before. Hunter asked would rubber be less expensive. Sell said if you want we can get quote for rubber roofing and bring this back before you. Boyer said he doesn't know that we need to get quotes for rubber, but it would be nice to have a couple people say that this is the way to go. He said he was in construction for 30 years and he used rubber for all those years.

**Channer rescinded his motion.**

**Channer made a motion to get additional information comparing the PVD roof with a rubber roof replacement for City Hall and bring all information back to the City Council meeting for consideration. Voss seconded; all in favor, motion carries.**

#### Schoolhouse Relocation

Sell explained that several months ago, East Bethel resident Mr. Bruce Plochocki contacted the City regarding an old schoolhouse currently located on his property. Mr. Plochocki indicated that he would donate the schoolhouse to the City if the City removed it from his property. This facility meets the historic preservation requirements as provided for in the City's Comprehensive Plan.

City staff has viewed the building and found it to be in reasonable shape. There would be updating and renovation required. A location for the schoolhouse has been identified in Booster East Park on the north side of the parking lot near the horseshoe pits. There is

thought that the schoolhouse could be used as a trail head and interpretive center. Based on staff research, the schoolhouse would not qualify for a historical preservation grant because it's not in its original location. To our knowledge, it has been moved twice and this would be the third move.

Staff has gathered several estimates for the move from moving contactors, foundation contractors and Connexus. The cost to move the structure, excluding the removal of the addition noted above, reframing to close the structure is estimated at approximately \$26,600 to \$30,000. Details were provided in your agenda materials. Funding would be from the 2010 Budget General Fund, under Parks Maintenance. These costs do not address any restoration work required to bring the facility up to current code. Staff is seeking direction from Council on this project.

Sell asked do you want us to move forward and firm these quotes up. He said this would involve moving transmission lines, concrete work, etc. Voss said it talks about original location, where was the original location. He asked is there no other funding we can tap into, no other grants. Schutta said she called the State Historical Society and because it has been moved two times, it does not qualify for any funding. Boyer said this has obvious historic value. He said he doesn't think there are many one room school houses left, and it is roughly the same size as the warming house at Booster. Boyer said it was originally ¼ east of Lone Pine Lake, close to his property.

Paavola said she would hate to see it destroyed. She said it says it was on a parcel owned by JK Dawson. Voss said it is on a resident's property now, how much of a hurry is he to get it off his property. Sell said the sooner the better. Voss said the hard part here is to justify in these times spending \$25,000 to \$30,000 to move a structure, he was hoping there was some funding out there. He said it doesn't seem feasible to do fund raising. Paavola said the good party is once it is moved it is not going anywhere.

Sell said we will bring this back on September 1<sup>st</sup> with firm numbers and a specific plan.

**Our Saviour's  
Zoning  
Request**

Sell explained that following the last Council meeting where direction was provided to meet with Our Saviour's to discuss the purchase of the old church site and the additional seven acres on the west side of TH 65, staff met with Pastor Fragodt and Mr. Tom Olson, the congregation president. They stated that the issue surrounding the old church site on Viking Boulevard had to be resolved before any discussion about the additional seven acres would take place.

With that, City staff met with members of the Our Saviour's congregation, their realtor and the pastor and realtor for the prospective purchaser of the old church site on Viking Boulevard. It appears that the prospective buyer is a bona-fide church with the intent of holding regular worship services following a rehabilitation of the facility.

Our Saviour's, with a prospective buyer, have requested that the City consider a zoning change that would permit the use of this property, 1562 Viking Boulevard, as a church. We advised church council members that a formal request to resolve the zoning issue would be required such that staff would ask for direction from the City Council to move forward with an action to resolve the zoning for this parcel. A copy of that request was included with your agenda materials.

Staff is asking for direction from Council to develop, for Council consideration, a proposal

that would resolve the zoning issue thereby permitting a church to actively use the parcel located at 1562 Viking Boulevard. With the recent Supreme Court decision regarding variances, this request does not meet the new variance standards, ie: no other reasonable use of the property. Any proposed solution would likely require an application by the church for a land use action. Further, a public hearing would likely be required before any zoning change could be considered by Council.

Staff is seeking direction from Council to proceed with a proposal to resolve the zoning issue on the parcel located at 1562 Viking Boulevard.

Voss said he would suggest that we do whatever we need to do to allow the use of this facility as a church. He said even though this building is in disrepair, he hates to have the building sit empty. Sell said he already asked the city attorney to draft something to move forward with this. Hunter said it is great that we can accommodate another church in the city. Paavola said she thinks we need to do this. Channer said we are going to have a hard time doing this with the new laws that have taken effect with variances, etc. Voss said it is unfortunate this building sat empty this long. Boyer said we are not talking about intensification of use. Voss said if they want to expand the building that will have to come before us, it goes without saying.

Sell said he will rely on the city attorney to draft something for Council. Randall asked do you want a Conditional Use Permit (CUP) and how do you want this done. Council asked how we have done this in the past. Randall said this was done as a non-conforming use under the prior ordinance. Direction was to look into how this could be done and work with staff.

Meet the Candidate

Paavola said she will be scheduling a Meet the Candidate Night at Coon Lake Community Center. Hunter said you might want to include the candidate for the Anoka County Sheriff and County Commissioner.

CLB Park

Paavola said the park at Coon Lake Beach Community Center looks really nice. She said the maintenance workers were there trimming trees and bushes. Paavola said the grass is in and the equipment is coming. She said we have some very happy people.

East Bethel Blvd.

Boyer said he always love to beat up on the county, but on East Bethel Blvd. they put new stone on the shoulders and put new gravel on corners which makes the cars throw gravel at the cars behind them and any walkers. He said this gets gravel all over. Sell said he will call the county and asked them to send a sweeper out.

Explorers

Channer said once again he just wants to say, we all saw the new fire fighters tonight and a couple were from our explorer program. He said we are getting kids from all over. Channer said they are willing to travel to come to our program. He said one (1) kid was almost completely trained and two (2) are legacy recruits.

Variance New Language

Voss said Sell mentioned something about the new variance language and new standards that reminded him to bring this up. He asked if the City Planner can do a memo on this and explain the new requirements to us. Voss said it has something to do with undue hardship and reasonable use.

Town Hall Meeting

Hunter said he would like to get some dates out there to schedule a Town Hall Meeting. Boyer said we don't do this until after the election and we are usually pretty limited. Sell

said he will look at when we did it two years ago and bring that information back to you at the next City Council meeting for discussion.

Discuss 2011  
Budget

Sell explained that at the Wednesday, July 21, 2010, City Council meeting, the proposed 2011 Budget was reviewed. City Council provided staff direction regarding wage and benefit proposals and directed those changes be incorporated into the budget. Staff has incorporated these changes and these changes are reflected in the summaries of revenues and expenditures for the General Fund provided in your agenda materials.

Proposed 2011 General Fund expenditures decrease \$112,772 or 2.17% from the adopted 2010 Budget. The General Fund tax levy will decrease \$64,546. However, with the tax levy required for the 2008A Sewer Revenue bond payments, the total tax levy will increase \$31,136 or .62% over the 2010 total tax levy.

The table provided in your agenda materials provides the impact of the proposed budget on sample valued residences. Levy limits are applicable for 2011. However, the Minnesota Department of Revenue does not provide levy limit information until the end of August. Levy limits have been estimated using information from the League of Minnesota Cities. The 2011 proposed levy is \$470,000 less than the estimated levy limit.

At the September 1, 2010 City Council meeting, a resolution adopting a preliminary tax levy and budget will be presented for consideration. A sample of the resolution was provided with your agenda materials. A preliminary budget and tax levy must be adopted and provided to the County Auditor by September 15, 2010. In addition, Council will be asked to set the date for a budget hearing in December, 2010 to review the final budget and tax levy. This date is printed on the proposed tax statement provided to residents.

Staff is seeks direction on the 2011 Proposed Budget.

Boyer said the General Fund went down by \$64,500 so everyone's taxes would have gone down about \$7 per home. He said the Sewer Revenue bond was supposed to be paid by connection charges, but we do not have enough hook ups, so instead we have to levy for this. Sell said we will be back with the other portions of the budget in October to include Capital Projects, Enterprise and Special Revenue Funds.

Special  
Assessment  
Policy

Voss said way we do assessment is based on lots rather than basing it on footage. He said he is thinking residential development. Boyer said yes, he looked at this and it refers to unit/lot. Sell asked what do you want us to look at. Voss said the way he looks at this is it is all based on footage. Rita said it is all based on units in water/sewer area. Voss said as far for roads, if he lives on cul-de-sac and others drive more on it, well units does make more sense. Boyer said and the other way is how about he person that owns the forty (40) and only pays for a forty(40). Voss said no, the one that owns the forty (40) will pay for it when they develop it.

Boyer said the point we are raising is we have historically looked at this on a case by case basis, and the city engineer has always presented this to us on a case by case basis. Voss said yes, and why is footage over units presented. Jochum said he doesn't think footage makes sense in your rural residential areas. He said he agrees that units or lots makes more sense in rural residential. Jochum said but for a typical city street footage is fine when it is a typical forty (40) foot lot. He said it gets tricky in rural residential. Sell said perhaps we need to split out rural residential and city streets. Boyer said that is why we need more zoning

districts. Channer said this is a policy. Sell said we will take what you suggested here and Pierce and I will meet with the engineer and make some changes.

Hunter said he has an issue with page 79 visioning a sixty (60) inch pipe in someone's backyard. He said there seems to be broader to service area. Sell said he thinks storm sewers would be more akin to sewer and water. Hunter said to him sewer and water is more direct. He said there might not be a pipe to your property, but you are getting a benefit. Voss said a lot of communities are going towards a percentage of pervious area on your lot. Sell said the City of Brooklyn center uses that. Boyer said he would like to see credits for rain gardens. Hunter said that is the flexibility you talked about earlier. Jochum said how he would interpret that is for storm sewer each property owner gets assessed per unit. Sell said we will add some things based on the comments we have heard tonight. He said we will bring this back to you on September 15<sup>th</sup>.

Closed Session

Staff recommends Council close the regular City Council meeting pursuant to Minnesota Statutes, Section 13D.05, subd. 3 to discuss and provide direction regarding the legal strategy regarding the ACHRA litigation and to discuss real estate acquisition strategy for property relating to the City's utility project.

**Boyer made a motion to move to close session pursuant to Minnesota Statutes, Section 13D.05, subd. 3. Voss seconded; all in favor, motion carries.**

**Boyer made a motion to return to open session. Hunter seconded; all in favor, motion carries.**

ACHRA Litigation

**Boyer made a motion to retain Hoff, Barry & Kozar, P.A. to defend the City of East Bethel in the ACHRA litigation appeal. Paavola seconded; all in favor, motion carries.**

Boyer asked Randall to point out why we are spending taxpayer money on this. Randall said on July 16<sup>th</sup> Judge Cunningham made a decision that the Anoka County HRA could no longer collect taxes from the residents of East Bethel. He said the Anoka County HRA is appealing that decision. Randall said the city has made a motion to retain the law firm to represent them in this appeal.

Appraisal Services

**Boyer made a motion retain Nagel Appraisal Services for the Thompson property in the Northwest Quadrant of Highway 65 and County Road 22 not to exceed \$500. Voss seconded; all in favor, motion carries.**

Oberstar Meeting

Sell said Oberstar will be at City Hall tomorrow at 3:30 p.m. He said it was his understanding that Oberstar was going to give Council Members an update on the TH 65 Corridor and Trail study. Sell said he found out he was looking for update from Council. He said Tinklenberg who is traveling with Oberstar will be asking Council members questions to facilitate this.

Adjourn

**Boyer made a motion to adjourn at 10:29 PM. Voss seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk