

EAST BETHEL TOWN HALL MEETING

April 22, 2010

The East Bethel City Council met on April 22, 2010 at 7:00 P.M. for their Town Hall Meeting in Council Chambers.

COUNCIL PRESENT: Bill Boyer Steve Channer Kathy Paavola
 Steve Voss

COUNCIL EXCUSED: Greg Hunter

ALSO PRESENT: Douglas Sell, City Administrator
 Tammy Schutta, Asst. City Administrator/HR Director
 Rita Pierce, Director of Fiscal and Support Services
 Stephanie Hanson, City Planner
 Jack Davis, Public Works Manager
 Mark DuCharme, Fire Chief
 Craig Jochum, City Engineer
 Larry Martin, Building Official/Code Enforcement Officer
 Lt. Michelle Orlando, Anoka County Sheriff's Office
 Kreg Schmidt, Bolton & Menk
 Jim Roth, Met Council

Call
Meeting to
Order

Voss called the Town Hall Meeting to order at 7:05 P.M. He welcomed the residents and business owners to the Town Hall Meeting. Voss said he wants to thank everyone for being here. He said this is our sixth year of doing these and he sees some familiar faces and some new faces. Voss said unfortunately Mayor Hunter cannot be here tonight.

The Council Members introduced themselves. Council Member Steve Channer said he is your unelected member, he said he is very approachable. Council Member Bill Boyer said he has been here a long time. Council Member Kathy Paavola said she also has been here a long time and she is from Coon Lake Beach. Doug Sell, said he is the City Administrator. City staff was introduced and consultants and contracted service staff.

Voss said the first hour of the Town Hall meeting was time to mingle and see some visuals of what is going on in City, and the rest of the evening is for you to raise your questions and concerns, give us ideas. He said staff, council and the consultants will do our best to answer your questions.

Voss said to start we have a bit of news. He said many times our Town Hall meetings are focused around our plans for sewer and water and although you don't see anything in the ground yet the process is moving along. Voss said this week he was excited about what happened as it relates to how we fund the project. He said through a stimulus fund through the state that went through the county, the City put in a request to share bonding authority, and our interest rates would be about half, and our savings would be about \$2,600,000. Voss said the county has verbally told us we have been awarded this authority. He said nothing is committed yet, we are just starting the process, City council and staff is very deliberate and we are taking the proper steps. Voss said but to say that kind of money is a great way to start.

Karen S, a resident, asked did you say we received stimulus money or we will get special

rates. Sell said the program we made application for recovery zone bonds, a program provided by the State of Minnesota for economic recovery debt and Anoka County received so much of these taxable bonds, and the federal government will reimburse \$2,600,000 for interest on the bonds.

Muriel Maskalans resident said if you are saving \$2,600,000 what it is costing. Sell said he can tell you on the water side we have made application to the county for Recovery Zone Bonds for Project 1, Phase 1 in the amount of \$10,900,000, the interest cost is about \$6,500,000 and our net interest with the Recovery Zone Bond savings would be \$4,000,000. Schmidt said the sanitary sewer would be \$9,000,000. Sell said the interest savings would be about \$5,000,000.

Diane Jacobson, resident said so what is this costing each household in the Coty. Voss said that depends on if they have water and sewer. Sell said for the water in Project 1, Phase 1, revenues will generate about \$19,000,000 and expense will be under \$17,000,000 million, so there will be a positive cash flow of about \$2,000,000. Jacobson said so if you don't have the positive cash flow, how much will we have to pay for it. She said she will be back to every meeting if her taxes go up. Jacobson said her house estimate went down, but her taxes went up 3.9%. She said when she was at the budget meetings, you said the employees would not get pay raises. Jacobson said they got a benefit increase. Sell said we were clear they would be getting that at the meetings. Jacobson said there is a vast majority of people that did not get a pay increase or benefit increase. She said she happens to know that the union the employees belong to would have worked with you on this, you did not have to give them this. Jacobson said if the employees do not like what you are giving them, she would suggest they go check the unemployment line and see who can replace them. She said she would suggest you hold the line on benefits and wages to a zero. Jacobson said that is how it goes.

Voss asked the city administrator when he anticipates the meetings for the 2011 budget to be scheduled. Sell said sometime in July. Voss said all our meetings are advertised, but all meetings regarding budget are public meetings and you can watch the process again. He said he pushed for 0% pay increase. Boyer said the budget went down. 2.3% overall last year, despite the governor taking what equates to an 8% cut between 2009 and 2010. Jacobson asked is that why you increased my taxes 3.9%. She said that is why she is telling Council they better hold the line.

Resident asked what the rate on the bond is. Sell said it won't be determined until the bond is sold. Resident said when using your numbers on an equivalent residential it works out to \$7,712 per man or child. He said he is using the Equivalent Residential Units (ERUs) in this document. Schmidt said the ERU is 2.8 people. Resident asked when the project starts, when do we start paying. Boyer said whenever the bond starts paying. He said there has been no vote to issue this bond, or no request to issue bond proposal.

Voss said back when held the public hearing in March of 2009, we were presented with simulations of how the bond revenue plays out over time based on growth, then we had the consultant go back and provide more conservative estimates on what if the economy stays flat or gets worse, and even if that happens we were still okay. He said the mantra of this whole thing was only users of the system would be paying for the system. Resident asked who pays for the bonds until the users come along. Voss asked the engineer how many users do we have right off the bat. Schmidt said in Phase 1, Project 1 he thinks there are 100 ERUs. Sell said it is 100 a year for several years. Schmidt said when you sell a bond you don't have a

payment immediately. Resident said isn't there a cost to that. Schmidt said yes, you have to use capitalized interest. Sell said it is the same as when you build a house.

Resident said he is afraid of the cost just like most people. He said he is afraid, like most people. Resident said he is afraid it won't pay for operating. He asked when does the bond get finished. Resident asked when does the bond get finished. He said we got a bid project with no money. Voss said this is part of the process. He asked the city administrator how much the city has in the project now. Sell said what the City has invested so far is development and the feasibility study, etc. He said those dollars we have spent so far have come mostly from a grant from the county. Voss said the project is phased. He said some parts are twenty (20) years down the road. Voss said Phase 1 is the southern two (2) miles of Trunk Highway 65. Resident said we are worried about the cost when you can't pay the bill and we are all stuck with it.

Schmidt said this is on the City web site, we looked at five (5) or six (6) different scenarios, and we came up with a plan that everyone on Council was comfortable with. He said they were very concerned that this could be paid for by the users. Schmidt said maybe it was a good thing that the process got slowed down the last couple years.

Voss said Met Council is very involved in this process. He said they will be constructing the treatment plant. Voss said that fact shows that we are very careful about this process. Resident asked is there anything that shows trending. Voss said when he moved here it was very different. Sell said the connection count for commercial on high side was 250 on a good year. Jacobson asked how much have we lost. Voss said he doesn't think anyone totally lost. He said over half of the investment being made is by the Met Council. Jacobson said of which we pay a tax on. Jim Roth from Met Council said that is not true, it is funded by new connections in East Bethel, we do not use tax dollars. He said it will also be funded by other users across the metro area. Schmidt said they are spread out through the metro area. Roth said we serve \$1,500,000 right now. He said those households can absorb that better than East Bethel. Roth said without those households this conversation becomes difficult.

Karen S., resident, said she comes from a township and she thought this was the annual meeting, but where is the mayor. Voss said he believes he is working. Karen asked this one night he cannot get off work that seems a little odd to her. Boyer said in defense of the mayor he was out of work for a while and he has a new job, so he is new there, so it might be hard to ask for time off.

Muriel Maskalans said now that we got Phase 1 paid and going tell me about Phase 1A, Coon Lake. Voss said there is a reason we separated this. He said with the Trunk Highway 65 corridor approach Council has taken, no existing homes will be forced to hook up. Voss said it might not be the same for the Coon Lake area. He said that will be a whole different type of discussion. Boyer said we did a feasibility study for Coon Lake and the price just did not work, so that led to the separation from the whole project. He said it is the Council's hope that we can get grants or some type of funding to lower the cost, make it more reasonable and getting the plant built is one part of it.

Paavola said she agrees, she lives in that area and if she gets a big bill like that, she can't do it and neither can most of the residents over there. Schmidt said his assessment of the Phase 1A area, is it is an opportunity for a bunch of people to do something they will be happy they did at some time, but people don't want to deal with it this year. He said the rate is very challenging. Schmidt said in order to attack that thing it is going to have to be a whole bunch

of people that stick together to get that done. He said that area most likely has contamination issues, there is a list of stuff that doesn't fit in there. Schmidt said if we started that discussion he thinks everyone would be really happy when it is all said and done.

Boyer said speaking personally for himself as a Council member, he thinks he would apply the same standards that he applies to road improvements. He said not everyone is going to be able to come up with the money. Voss said one question always comes up,, we are not banking on Coon Lake getting hooked up, and we also get the question of will this go to a vote, will it go to a referendum, and it can't. He said it will be a dialogue, there will be discussion with the residents. Channer said whether you have a new or old house, septic just keep getting older and they will ultimately fail. Paavola said we are committed to trying to find ways to minimize costs.

Brian, Pastor from Our Saviour's Lutheran Church said he just wants to thank Council for having this event. He said his question is historically when water and sewer is brought in, what does it do to property values, improve them. Sell said yes, they will increase when sewer and water becomes available. Schmidt said yes, they will improve for existing and new properties. Brian asked are the number significant. Sell said he can pull some data together and get it to him. Voss said this is significant for businesses. Boyer said even your Target Store wants City sewer and water. Channer said and where you have your drainfield, now it will become useable space. Resident asked are reconstruction costs included in these costs. Schmidt said yes. Boyer asked and replacement costs. Schmidt said both operation costs and replacement costs. Voss said there are places that we have put off road reconstruction where the sewer would be put in, because it makes more sense to do the roads at the same time as the sewer, so there would be savings there also.

Resident asked what is time table on sewer. Schmidt said it could be in 2011. Sell said the Waste Water Treatment Plant (WWTP) would be the 3rd quarter of 2012. Schmidt said so if a Target wanted to come in they could plan for that date.

Jessica Zimmer said she is a Deputy for East Bethel. She asked about solicitors, is this allowed in East Bethel and if so, is there a certificate of license that is issued. Sell said we have not issued any under our new ordinance. Warren said there were be a certificate of license that they would be required to keep on them if they were issued a license to operate in East Bethel.

Diane Jacobson said we have wonderful park and trails to walk on and ride bikes, when is City going to support an ATV trail. She said there are grants available for this. Jacobson said if the City would support it and allow it here there are ATV clubs that would maintain it. She said it would cost the City \$0 to maintain unlike your regular parks and trails. Jacobson said so when are we going to get one. Voss asked in other areas how do these trails get built. Jacobson said sometimes with private donations. She said it is usually on public lands. Voss asked is it in the ditches. Jacobson said they usually do not ride in the snowmobile trails. Voss said he has been here seventeen (17) years and he doesn't ever remember it being requested. He said if someone comes in with a request, he thinks we would listen to it. Jacobson said usually the groups build them and maintain them. Boyer said how we determine what is needed in for parks or trails in the City is surveys and we did three (3) of these. He said we have worked with horse owners and many others. Boyer said he doesn't remember seeing anything on the surveys about ATV trails, any requests for ATV trails. Jacobson said the ATVs are all registered and we pay the gas tax.

Karen S. said she does not know what City ordinance is about driving ATVs on your own property for hours constantly. Voss said you can drive on your own property. Sell said most issues are the result of noise. He said if there is an issue, call 911. Sell said we had several issues behind City Hall and a group put together an ordinance to address this. He said it is a good ordinance. Voss said as far as ATVs he doesn't think he has see a year compared to this year where he has seen so many ATVs out, they are only on the City streets. Sell said you can come in and he will run a copy of the rules for you.

Channer asked for burning update. Chief DuCharme said he just got an updated forecast for the weekend. He said 2/3 of Minnesota is under burning restrictions, and we are not allowing open burning/pile burning, but recreational fires are still allowed. Chief DuCharme said one thing about a recreational fire is it has to be 25 feet away from any buildings, you have to have a hose there and someone has to be with the fire. He said if you see a fire call 911. Chief DuCharme said we are going to reinforce with our fire fighters to not tell who called. He said we are looking at a ¼ inch of rain this weekend, maybe a ½ of rain. Chief DuCharme said if we get that rain we will still probably allow recreational fires, but if we don't, we might have a total burning ban. He said in the long range forecast there is not a lot of rain. Chief DuCharme said in a week or two we might be back in the same predicament. Resident said on 109th where the fancy golf houses are there was a pretty impressive house fire. He said they were fighting it, and it looked like they had it under control. Resident asked about Cedar Creek burns. Chief DuCharme said they are part of the University, and they have their own burn team. He said they do a good job, they are well trained. Chief DuCharme said what gets you is the smoke. He said they try to be as non bothersome as possible. Chief DuCharme said they are trying to be more proactive and give out more information. He said he knows it is frustrating for residents, we say don't burn and then you see them burning.

There were no more comments or questions so the meeting was adjourned.

ATTEST:

Wendy Warren
Deputy City Clerk