

## EAST BETHEL CITY COUNCIL MEETING

April 21, 2010

The East Bethel City Council met on April 21, 2010 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bill Boyer Steve Channer Kathy Paavola  
Steven Voss

MEMBERS EXCUSED: Greg Hunter

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 April 21, 2010 City Council meeting was called to order by Acting Mayor Voss at 7:30 PM.**

Adopt Agenda **Boyer made a motion to adopt the April 21, 2010 City Council agenda with the additions to agenda item 8.0 A.2 Ordinance 19, Second Series and the addition of item to be numbered 9.0 G.3 Recovery Zone Economic Development Bonds and Compliance with the Reimbursement of Bond Regulations under the Internal Revenue Code. Paavola seconded; all in favor, motion carries.**

Sheriff's Report Lt. Orlando reported on the custodial arrests/significant arrests for the month of March 2010 as follows:

**03-14-10 - Terroristic Threats** - Deputies were called on a gun pointing incident that had occurred. Upon arrival a male advised that a male at a neighboring residence had pointed a gun at him during an argument. The suspect male advised he had a BB gun by his side during an argument but never pointed it at anyone. The victim advised it was not a BB gun. The male was arrested. A search warrant was obtained for the residence which did not produce any other weapons.

**03-16-10 - Burglary – Possess Stolen Property** - Deputies received a call of a burglary that had occurred in East Bethel. Later that day in East Bethel, a deputy stopped a vehicle for a traffic violation that had a large amount of expensive property in the back. It was determined that the property inside the vehicle was from the early morning burglary. One male was arrested for receiving stolen property.

**03-18-10 - 5<sup>th</sup> Degree Domestic Assault** - Deputies were called to a mother / son domestic. Upon arrival the mother advised she had to pick her son up from school as he was threatening to assault another student. The mother and son were arguing and she slapped him across the back of the head. The son told his mother he would break her hand if she tired that again. The mother was also in fear that her son might harm her young daughter. The son was arrested and taken to Lino Lakes Juv. Center.

**03-18-10 - Flee in Motor Vehicle / 2<sup>nd</sup> Degree DWI / DAC – IPS** - A deputy observed a vehicle crossing the center and fog lines several times. The deputy activated his lights and the vehicle pulled over to the shoulder momentarily, and then took off. The vehicle driver

eventually lost control and crashed. The female driver was under the influence of alcohol and tested a .12 at jail. She had two prior DWI convictions within 10 years and her driver's license status was cancelled inimical to public safety.

**03-19-10 - 5<sup>th</sup> Degree Controlled Substance / Driving After Suspension** - A deputy stopped a vehicle for a minor equipment violation. The driver advised he did not have current insurance on the vehicle. The driver did produce a WI driver's license which was valid in WI, however the driver had a MN driver's license which was suspended. During an inventory search of the vehicle, 1.2 grams of meth were located. The male was taken into custody.

**03-21-10 - Underage Drink & Drive / Careless Driving** - Deputies received an anonymous tip of an intoxicated driver who was going to be leaving the area. A deputy located and stopped the vehicle for driving conduct. The driver appeared to be intoxicated. The male failed field sobriety tests. The male took the intoxilyzer test which indicated a bac of .07. He was cited for the above offenses.

**03-21-10 - GM Child Endangerment / 5<sup>th</sup> Degree Domestic Assault** - Deputies were called to a male/female domestic. Upon arrival the female advised she had been holding her three month old daughter when she was punched in the face three times by her boyfriend. The boyfriend advised they were arguing and he was upset at which time he "blacked out" and could not remember what he did. The boyfriend was taken to jail.

**03-27-10 - Burglary / 72 Hour Hold** - A male contacted 911 to report he had returned home to find a naked male sleeping on his couch. The male woke the sleeping party up at which time the suspect began to punch the homeowner. The suspect was detained until the deputies arrived. The suspect refused to talk with the deputies about why he was at this house or how he had made entry. The victim decided he did not want to pursue charges. The suspect was very intoxicated and appeared to possibly be on meth. A 72 hour hold was signed by the deputies on the suspect.

Lt. Orlando said domestic calls (non-crime) for the month were twenty-four (24) and DWI arrests for this month were nine (9).

#### Explorer Program

Sell explained that Fire Chief Mark DuCharme will introduce the East Bethel Fire Explorers and their advisors. Explorer Post 3796 is sanctioned by the Boy Scouts of America and the North Star Council. The City of East Bethel Fire Department is the sponsor of the organization.

This past month our Explorer Post was honored as the "New Post of the Year Award" and received "Exploring Excellence Award" for the North Star Council. Copies of the awards were attached to the agenda materials.

This Friday, April 23<sup>rd</sup>, the East Bethel Fire Explorers will host a benefit Spaghetti Dinner at the East Bethel Senior Center from 5 pm to 9 pm. Tickets to the dinner are \$ 5.00 and may be purchased at the event.

The SAFER Grant is providing funding on certain items for the Post, otherwise the Post is self funded through dues and fund raising.

Chief DuCharme said the explorers post was formed in June of 2009. He said the advisors

went into the high schools and recruited, and since then the post has been operating and been highly successful. Chief DuCharme said to be an Explorer to you have to be 15 years old and up. He said this teaches them about fire service, teaches them the skills to be fire fighters and we don't put them in harms way. Chief DuCharme said they can decide if this is a career choice for them. He said he just found out that one of the explorers might be going to St. John's College and joining their fire service.

Chief DuCharme said Dan Berry who is a District Chief is also a volunteer with the explorers. He said he is one of the advisors. Chief DuCharme said he is going to have Chief Berry explain and introduce the rest of the group and what the explorers do. Berry said they already won two awards, he is so proud of them, they won the Exploring Excellence Award and the New Post of the Year Award, and they have excelled in many ways.

Chief Berry said he is going to first introduce the advisors, they are all volunteers and had to get certified to do this. He said the advisors work with the explorers, do activities with them, the explorers train with us and they have gear like us. Chief Berry said one of our lead advisors is Lt. Tammy Gimpl, she is behind the scenes, and Lt. Rod Sanow and Captain Mark Prachar. He said we have two that are on leave, so we are looking for new advisors.

Dan Berry had the explorers introduce themselves. Kalli Helapoja, John Berry, Jerry Pittman, Harley Lott, and Tony Sharp. Chief Berry said in total we have twelve (12) explorers. He said on behalf of the advisors we want to thank Council for your support.

John Berry told Council at our training last night, they brought in a huge trailer and we found out we were doing a maze and inside were obstacles with three and four levels, with different scenarios and the trick was it is pitch black. He said you go in with a partner and before this program he never met his partner. John Berry said that is one thing about that program is you meet new people, it is very fun, very challenging, cool to experience, the whole fire fighting thing is cool, and he hopes to do something with it in the future.

Tony Sharp said one of the things they work on is the team building, he didn't know any of the kids before this, and he just did it for fun. He said but now he wants to go into the National Guard for fire fighting.

Boyer said he wants to thank all of you for doing this, the City appreciates your service. Voss asked is this an annual program. He asked can these individuals continue in the program. Lt. Gimpl said this program is for kids ages 15 years and up to when they could join the fire department. She said they come from Oak Grove, East Bethel, St. Francis and Forest Lake. Lt. Gimpl said we meet two (2) Tuesdays a month and we recruit all the time. She said we will be going to schools to recruit again in May. Paavola asked when is recruiting done, is it annually, or more often. Lt. Gimpl said at the beginning of the school year and the end. She said these kids motivate you. Voss thanked the explorers for being in the program and the leaders for making it happen. Chief DuCharme reminded everyone of the fundraiser on Friday night at the Community/Senior Center. He said it is a spaghetti dinner to raise funds for the explorer program.

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

Mike Beason at 3500 190<sup>th</sup> Avenue NE said he and his wife have been residents for about 31 years. He said they are here to make comments on Ordinance 19, Second Series, specifically

how it refers to retreat center. Beason said we applied for an Interim Use Permit (IUP) in 2008 for a craft retreat center and after approximately a year of research we found a location. He said we worked with the city planner and the City, we took into consideration the site, the impact to the City, the location, and we decided on and purchased is a lot on Viking Blvd. right next to Mac's. Beason said it is on Viking Blvd. next to Mac's. He said it is about eight (8) acres with a narrow frontage with about thirty (30) foot of pines straight back and we planted evergreen in the front. Beason said his concern is we talked with the Planning Commission and building inspectors at the time we applied and there was no specific ordinance for a craft retreat. He said he was advised to withdraw his application for a craft retreat because the property was foreclosed on and a massive amount of work needed to be done and because no one had ever asked for a craft retreat.

Beason said he has been following this for two years and he commends the council on their hard work. He said up until last month he was at the work meetings, and he was fairly pleased, it looked like everything was going fine. Beason said then this past meeting he was not able to attend, and he was shocked at the results from the last meeting, there was such a difference in what is being considered. He said one of the things he had done was considered impacts where the site is, he has natural screening with the entrance off of Viking Blvd. a main county road and there is a 50 foot turnaround in back.

Beason said the proposal coming out tonight with 500 feet from all property lines you would have to have a 20 acre piece of property and put a house in the middle of it. He said he looked at it and maybe the issue is the definition. Beason said East Bethel did not have a definition for retreat center. He said he submitted an IUP for scrapbooking/craft retreat, if you look by definition on a scrapbooking/craft retreat, it is a small building where they do quilting, crafting, scrapbooking, it is a small group of people. Beason said a retreat center is a large group of people. He said this is not what he applied for. Beason said but by the definition, he just asks the Council to look at the definition of what it is, because a craft retreat is not a craft center.

Voss said at the last two meetings, what we discussed was not necessarily what was happening at the retreat center, but it was the impact a retreat center would have on the properties surrounding them. He said our concern was what is happening in the structure does not impact the neighbors. Voss said the only real difference between the two meetings is the first meeting we knew where we were going with it, so we moved onto other things and the last meeting we discussed it and made decisions. He said you came in and applied in 2008, he spent 10 years on the Planning Commission and one of the unfortunate things that happened in this process is he wasn't aware that staff or anyone was working on crafting language to address a craft center. Voss said it would have been better if we would have been briefed on this. Boyer said Hunter and he sat in on the last Planning Commission meeting and they both said that they did not think Council felt the way Planning Commission was going on this. Beason said at the last meeting there was discussion on five (5), eight (8), and ten (10) acres and there weren't enough votes for it to pass and now all of a sudden it is 500 feet.

Voss said every situation is different and it is impossible to write an ordinance to address every situation. Boyer said we have been issuing IUPs for home occupations for a long time and the thing this Council has focused on the most is traffic and impact. He said we always ask what is the number of deliveries, parking, etc. Voss said he wants to know if a driveway is going to be full, will there be 20 cars there. Beason said he has eight (8) acre and they will park behind the house. He said he guess he opened a can of worms. Voss said he

understands his situation, he has an investment in this, but it still is not allowed by ordinance. Beason said but Council is addressing that issue right now. Voss said it is a home business. Boyer said we did discuss doing these as IUPs, but is a problem as doing this as IUPs when it is a large investment. He said an IUP doesn't stay with the property.

Voss said the retreats are substantially more than a home business. He said that is why we have it in the ordinance as allowable in the commercial district.

Beason said his business is not a retreat center. Voss asked what is the business you are proposing. Beason said the definition that is proposed for the ordinance is not what he applied for. He said it is not a retreat center. Voss asked what are you proposing to do. He said he thinks Beason came before us a couple years ago in the public forum. Beason said first of all it is homesteaded. He said we do not have an occupancy permit yet. Beason said it will be a home business. Paavola said she is thinking when it was labeled a craft retreat, which is not what it should be. Boyer said so you are proposing that they would come stay the night. Beason said yes, typically, they come and do their crafting, scrapbooking, quilting, etc. He said my wife has been doing it for many years. Beason said if you can't use the word retreat, fine.

Voss said he thinks when Council was considering these changes it was partly because it was overnight and we were looking at traffic issues, parking issues and effects on neighboring properties. He said we talked about screening and other ways to deal with the issues. Beason said but the 500 foot setback from the property line, how can you do that. Voss said we did not want this use in a typical residential area. He said and we decided the best way to enforce that was with setbacks.

Beason said there is a gas station next to him, there is 60 acres next to him. Voss said that could be a lot of houses someday. Beason said you are talking about potentially in the future. Voss said if the gas station came down it would never be allowed to go back up. Beason asked how did this change and end up with a 500 foot set back. Voss said if there was another hour of discussion it might not have been allowed at all. He said he did not want them at all, this was a compromise. Voss said he apologizes for the process, this is the first time where staff or a commission has come forward with the change, but he is glad they did.

Boyer said he doesn't feel quite as strong as Voss does about this, he would allow it with IUPs. He said it is virtually impossible to cover every issue with an ordinance. Boyer said if his position was adopted, he is not sure if we said you can do this for a year, and he is not sure you would want to do it, because you would have to put your money in it not knowing whether we are going to say there have been issues after that year and now we are going to revoke it.

Beason said his last question is, Council Member Voss why don't you want this. Voss said because of many issues such as traffic, impact to neighbors such as if you didn't have a single tree on your lot and had cars parking all over. Beason said he could have friends over and cars parking there every night. Voss said yes, but you wouldn't be running a business. Beason said but just look at what it is like across the street. Boyer said they have been there for thirty (30) years, they have been there long before he came here.

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

**Boyer made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, April 7, 2010, Regular CC Meeting; C) Meeting Minutes, April 7, 2010, City Council Work Meeting; D) Resolution 2010-16 Accepting Donation – C and R Properties; E) Appoint Seasonal Maintenance Workers; F) Resolution 2010-17 Accepting Donation from East Bethel Resident. Channer seconded; all in favor, motion carries.**

Planning  
Comm  
Minutes

Sell explained that the unapproved meeting minutes from the March 23, 2010 Planning Commission Meeting are provided for your review and information.

Ord. 19,  
Second Series,  
An Ordinance  
Amending  
Appendix A,  
Zoning of the  
East Bethel  
City Code

Sell explained that East Bethel zoning regulations were adopted on September 14, 2007. Staff has had the opportunity to apply these regulations for two years. During this period, staff has discovered several areas within the zoning code that need to be refined and areas which require change.

On November 24, 2009, Planning Commission held a public hearing on the proposed changes and continued the hearing on January 23, 2010. Upon conclusion of the hearing, Planning Commission directed staff, based on comments from the Public Hearing, to make additional changes.

These changes were incorporated and presented to Council on March 17, 2010 and April 7, 2010 as part of work meetings to discuss the proposed changes. City Council directed staff and the City Attorney to address lot definition and exceptions for properties in which lot size has been reduced for public use. The City Attorney has addressed both of these items and the changes have been incorporated into the code. The changes are noted in your agenda materials under Section 01.9, Definitions, Section 11, Measurements, Encroachments, and Lot Area, subsection C, Exception

Item 8.0 A.2 Last two paragraphs now read:

With these additional changes, the City Attorney is of the opinion that an additional public hearing is not required. A copy of the revised version was included with your agenda materials. We provided you with an addendum with several corrections this evening. Please substitute the new Page 7 for the old Page 7.

Planning Commission recommends approval of Ordinance 19, Second Series, An Ordinance Amending Appendix A, Zoning, of the East Bethel City Code with the corrections and changes as directed.

Voss said as he sees it, within the changes that are in here, are there changes that are so pressing in terms of impacts other than retreat center that we need to do this right away. Sell said the other exception would be the semi trucks parking in R1 and R2 areas. Voss said right now he is so inclined to entertain other options of land use for retreat centers, so he would like to just wait and not adopt this tonight. He said to him if there is a situation where there is a property that is suitably screened and deadens the effect on the neighborhood and the other issues are addressed he might be willing to consider it. Voss said to him he is saying screening is not going to cut it. Boyer said that is why he is willing to go the IUP route. Channer said yes, screening does not always cut it. He said he could hear a kid screaming for his Mom from 1/8 of a mile away the other night. Voss said traffic in and out of Viking Blvd. is different then in and out of Rendova Street.

Sell said so we need something to address screening, traffic issues, etc.. Voss said and it is different when it is off an arterial road or off a collector road. Boyer said it comes down to being very lot specific. He said there are plenty of lots in developments that are eight (8) acres that couldn't fit eight (8) cars, because three (3) acres are wet. Sell said if you have other ideas e-mail them to him. Voss asked can we present this to the Planning Commission to get ideas. Tim Landborg, Planning Commission member said traffic was the issue at the last Planning Commission meeting. He said we added that they had to have a traffic plan and show that it doesn't have an impact on the neighborhood. Voss said his suggestion is to let the Planning Commission know what the problem is. He said he would rather have the ideas right on the Council agenda. Boyer said he doesn't want these in subdivisions.

Sell said on new page 7, item F to Item M, section 10 temporary and seasonal sales, only F and M were changed. He said in Section B, 1 & 2 is new. Boyer said there is one change he would like to see under temporary seasonal sales change to Active seasonal sales. Randall said then we will have to define Active. Voss said then staff can define this. Sell said and under section 12, Metes and Bounds, #7 was rewritten, certificate of approval.

**Voss made a motion to table Ordinance 19, Second Series, An Ordinance Amending Appendix A, Zoning, of the East Bethel City Code. Boyer seconded; all in favor, motion carries.**

Summary of Ord. 19, Second Series

Sell said since City Council tabled the ordinance they should table the summary.

**Boyer made a motion to table Summary for Publication of Ordinance 19, Second Series, An Ordinance Amending Appendix A, Zoning, of the East Bethel City Code for Publication. Channer seconded; all in favor, motion carries.**

Park Comm Minutes

Sell explained that the unapproved meeting minutes from the March 10, 2010 Parks Commission meeting are provided for your review and information.

Road Comm. Minutes

Sell explained that the unapproved meeting minutes from the March 9, 2010 Roads Commission meeting are included for your review and information.

Code Enforcement Report

Sell explained that the code enforcement report was included for your review and information.

Magda Properties- Extension of Mining Performance Agreement

Sell explained that on March 18, 2009, City Council approved Tim Landborg's request to export material off his site with certain conditions. Landborg has requested a two year extension to this Agreement as the original quantities have not been hauled from the site. A Mining Performance Agreement was executed on September 9, 2008 to run to May 1, 2010.

The City Engineer has reviewed the request and has indicated that there are no issues with the current and proposed operation. However, the City Engineer recommends the Mining Performance Agreement be amended to reflect the changes in dates.

Landborg has a current letter of credit (LOC) in the amount of \$193,900 that expires on July 1, 2010. According to the Mining Performance Agreement, the security has been established to guarantee the grading, replacement of topsoil, seed restoration of the site and to guarantee no impacts to neighboring wells and wetlands. The LOC may be reduced to \$54,000 upon completion and acceptance by the City of the grading and replacement of the topsoil, and with satisfactory proof of no impacts to neighboring wells and wetlands. As part of this

approval, Landborg will be required to extend the LOC until this has been completed. Staff recommends the LOC be extended until July 1, 2012 at the current amount, \$193,000.

Landborg is in compliance with the conditions set forth in the Mining Performance Agreement. One of the conditions holds Landborg responsible for the remediation of neighboring wells if the operations result in the failure of any well in close proximity (1000 feet) to the subject property. The neighboring wells continue to be monitored. The monitoring reports have been submitted to the City Engineer and Anoka Conservation District for review. Due to extreme dry conditions, the well monitoring reports have been inconclusive; therefore, they will continue with the monitoring.

On June 4, 2008, City Council approved an Interim Use Permit (IUP) Amendment to allow for the mining of over 1,000 cubic yards of soil. The IUP is set to expire on May 1, 2010. Landborg has completed the excavation of the soils; therefore, the City Attorney is of the opinion that the continued exportation of the existing stockpiles and site clean up should be regulated under an amendment to the existing Mining Performance Agreement. Therefore, the IUP should be allowed to expire.

Should City Council approve the request for an extension to the Mining Performance Agreement for the continued exporting materials, City Attorney will draft an amendment to the existing Agreement to reflect the changes such as LOC extension, vegetation warranty, and security deposit for outstanding and future consulting fees.

Staff is recommending City Council extend the approval for the export of materials off the site of County Road 22 and State Truck Highway 65 for an additional two years as in accordance with the conditions of the Mining Performance Agreement executed on September 9, 2008 with the following conditions and/or modifications:

1. Mr. Landborg is required to comply with all requirements of the Mining Performance Agreement.
2. City Engineer comments must be satisfactorily met prior to the continuation of hauling.
3. City Attorney will draft and Mr. Landborg must execute an amendment to the current the Mining Performance Agreement to incorporate staff comments.
4. Amended Mining Performance Agreement must be executed prior to the continuation of hauling.
5. No more than 10 loads per day are to be exported from the site.
6. More than 10 loads per day shall require Anoka County permits and must meet Anoka County traffic control requirements.
7. The export of materials shall expire on May 1, 2012.
8. No more than once per year, Mr. Landborg will be allowed export 10,000 yards of materials from the site over a specific two week period. The export of materials of this quantity must have prior approval from the City Engineer to ensure traffic control measures are in place.
9. All outstanding invoices with the City must be paid in full prior to execution of any extension to the Mining Performance Agreement.

**Boyer made a motion to approve the request of Tim Landborg for the export of materials off the site of County Road 22 and State Trunk Highway 65 for the duration of two years per the Mining Performance Agreement executed on September 9, 2008 with the following conditions: 1) Mr. Landborg is required to comply with all**

**requirements of the Mining Performance Agreement; 2) City Engineer comments must be satisfactorily met prior to the continuation of hauling; 3) City Attorney will draft and Mr. Landborg must execute an amendment to the current the Mining Performance Agreement to incorporate staff comments; 4) Amended Mining Performance Agreement must be executed prior to the continuation of hauling; 5) No more than 10 loads per day are to be exported from the site; 6) More than 10 loads per day shall require Anoka County permits and must meet Anoka County traffic control requirements; 7) The export of materials shall expire on May 1, 2012; 8) No more than once per year, Mr. Landborg will be allowed export 10,000 yards of materials from the site over a specific two week period. The export of materials of this quantity must have prior approval from the City Engineer to ensure traffic control measures are in place; 9) All outstanding invoices with the City must be paid in full prior to execution of any extension to the Mining Performance Agreement. Channer seconded.**

Voss asked over the time of this permit has staff has staff received any comments, concerns or complaints. Randall said he had asked that question of the city planner and she said no. Voss said that is good, that means they are a good permit holder. **All in favor, motion carries.**

Fire  
Department  
Reports

Sell explained that Fire Department meeting notes and reports for March and April are provided fro your review and information.

Bolton and  
Menk –  
Project  
Update

Sell explained that Mr. Kreg Schmidt from Bolton and Menk will be present to provide the City Council with an update on the status of the municipal utility project.

Schmidt said it is good to be here tonight. He said if he was to summarize things in a one word he would say we are gaining. Schmidt said relative to the feasibility study the report is underway, we have been working with Met Council. He said we are down to a few issues. Schmidt said if all goes well he would like to be in front of Council the first meeting in June with a feasibility study. He said Council gave them approval to move forward with this in May of 2009. Schmidt said Met Council has submitted a facility plan and EAW to the MPCA. He said we have talked to the MPCA and they will do a concurrent review of our EAW. Schmidt said we are in a good place. He said the MPCA staff will sit in our biweekly coordination meetings. Schmidt said the bottom line is as we are going through this process is we won't get a permit until Met Council gets theirs.

Schmidt said a desire we have would be to put the sanitary sewer in the ground in the winter time. He said and we are very excited about the Recovery Zone Bonding.

Schmidt said he knows that in the last eleven (11) months it seems there hasn't been a lot of movement, but Met Council has been doing a lot. He said there have been a lot of issues to overcome. Voss asked will you be there tomorrow night at the Town Hall Meeting. Schmidt said yes. Voss asked will you have new drawings and maps. Schmidt said yes and we will be able to talk very intelligently. Boyer asked does the MPCA need to hold public hearings. Schmidt said no, they take public comment on the EAW. Schmidt said we will hold a public hearing on the feasibility study probably in July.

Boyer said he is not seeing any particular impediments to process at this point. Schmidt said no, Met Council has covered a lot of ground of how they are going about this process. He said our EAW we have to have approved is for the sanitary sewer extension, not that hard, but the Met Councils is for a brand new sanitary surface discharge point and a new kind, so

it will be different for them. Schmidt said we are monitoring this, we are treating this like a black box. Boyer said he thinks we are nearing the 20<sup>th</sup> hour. Sell said the Met Council by design, not happenstance has sat on this. Schmidt said they will be going to the legislature asking for changes to their funding structure, etc. Council thanked Schmidt for coming and giving them the update.

On-Sale  
Liquor  
License

Sell explained that staff has been approached by a business with a written request for an on-sale liquor license for a new restaurant venture.

Pursuant to City Code, Chapter 6 Intoxicating Liquors, Section 6-52, License Requirements, the City Council adopted an ordinance 1978 setting the number of on-sale liquor licenses. However, Minnesota Statutes 340A.413, Subd. 1, provides that "Cities of the third class are permitted up to 12 on-sale liquor licenses."

Staff is seeking direction to draft an ordinance modifying Section 6-52 of the City Code to allow more than the current six on-sale liquor licenses.

Boyer said he is not too interested in expanding the number of liquor licenses at this time when we will hopefully have proposals for restaurants in our city centers, etc. that will be asking for liquor licenses at that time. Voss asked what is the criteria for status for cities class. Sell said population, 2<sup>nd</sup> class would need to be 75,000. Voss said he understands Boyer's standpoint, but he also understands we have a business that is bustling, growing, doing great and they are requesting a liquor license. He said he is inclined to suggest an increase to seven (7). Channer and Paavola agreed.

Resolution  
Supporting the  
Recovery  
Zone  
Economic  
Development  
Bonds

Sell explained that earlier this evening we provided you with two resolutions required for the recovery zone bonds. The first resolution identifies the section if the Internal Revenue Code that is applicable, the amount of bonding authorization, the project itself as an economic development project and agreement that debt would be issued prior to years end.

The second resolution is a standard resolution that is necessary to ensure the City is reimbursed costs that are incurred prior to the debt issuance. Without this, the Internal Revenue Code would disallow any costs incurred prior to the debt being issued.

Staff is recommending adoption of Resolution 2010-18 and Resolution 2010-19 relating to the Recovery Zone Economic Development Bonds.

Sell said if you take a look at these resolutions, most of the whereas are boiler plate that we plagiarized from the county, the full board will consider this next Tuesday and if the board approves this we will have approval to bond this up to \$11,000,000. Voss said this is good news, not only to the aspect of helping to maintain the process of this project, but also the cost saving of this process, this is \$1.5 million in savings. He said that is a good thing, as we talked last time this is a big step. Voss said in terms of the resolutions these are not approving the bonds, not issuing the bonds, they are just keeping the process going forward. He asked has Randall reviewed the resolutions. Randall said he would defer this to bond counsel, but as the city administrator referred to earlier some of this is standard wording by the IRS. Sell said this is not issuing any debt. Boyer said he appreciates that this is technically true, but will these be issued as general obligation bonds. Sell said yes, these will be issued as general obligation bonds for utility infrastructure. Boyer said so every resident in East Bethel will be on the hook for this. Sell said just like all general revenue bonds. Voss said again this is good, saving that much money on process.

**Boyer made a motion to approve Resolution 2010-18 Designating Recovery Zone Economic Development Bond Volume Cap for a Water Treatment Facility, Wells, Water Tower and Trunk Distribution System for Phase 1, Project 1 of the Utility Infrastructure Project. Paavola seconded.** Boyer said he will point out that this does not mean he is going to vote in favor of issuing general obligation bonds. **All in favor, motion carries.**

**Boyer made a motion to approve Resolution 2010-19 Relating to Financing of the Construction of the Water Utility Infrastructure Project to be Undertaken by the City Establishing Compliance with Reimbursement Bond Regulations under the Internal Revenue Code. Paavola seconded; all in favor, motion carries.**

Town Hall Meeting Voss wanted to remind everyone that the Town Hall meeting is tomorrow night at the Community Center and City Hall, starting at 6:00 p.m.

Anonymous Donation Voss said also, even though the donation was acknowledged on the consent agenda, he wants to make it known that the City of East Bethel received \$1,800 donation from an East Bethel resident that wants to remain anonymous and wanted it to go to the Fire Department for the purchase of a defibulator.

Closed Session Sell explained that the City Council will close the regular session pursuant to Minnesota Statutes 13D.05, Subd. 3 to discuss land acquisition regarding four parcels west of Highway 65 and north and south of Viking Blvd.

**Boyer made a motion to recess to closed session to discuss land acquisition. Paavola seconded; all in favor, motion carries.**

Voss explained that Council is returning to open session from their closed session where they discussed potential property acquisition regarding four parcels west of Highway 65 and north and south of Viking Blvd. Present at the closed session were Council Members Voss, Channer, Paavola and Boyer, Staff Members, Doug Sell, Tammy Schutta and Wend Warren and Consultants, Engineer Kreg Schmidt and Attorney Gerald Randall.

Adjourn **Boyer made a motion to adjourn at 9:52 PM. Paavola seconded; all in favor, motion carries.**

Attest:

Wendy Warren  
Deputy City Clerk