

EAST BETHEL CITY COUNCIL MEETING

April 7, 2010

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

MEMBERS PRESENT: Bill Boyer Steven Channer Kathy Paavola
Steve Voss

MEMBERS ABSENT: Greg Hunter

ALSO PRESENT: Douglas Sell, City Administrator
Jerry Randall, City Attorney
Craig Jochum, City Engineer

Call to Order **The April 7, 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 7, 2010 City Council agenda. Paavola seconded; all in favor, motion carries.**

Public Forum Voss opened the Public Forum for any comments or concerns that were not listed on the agenda. There were no comments so the public forum was closed.

Senator Michael Jungbauer Sell explained that Senator Jungbauer had a conflict come up and he called and explained that he couldn't make it to the Council meeting tonight.

Consent Agenda **Boyer made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, March 17, 2010, Regular CC Meeting; C) Meeting Minutes, March 17, 2010, City Council Work Meeting; D) Resolution 2010-13 Administrative Subdivisions; E) Escrow Agreement Firebird Land LLC and Bethel Properties, Inc.; F) Accept Firefighter Resignation. Paavola seconded; all in favor, motion carries.**

Class V Project Bids for 2010 Sell explained that at the March 9th Road Commission meeting, they recommended approval of Zumbrota Street, Skylark Drive and Allen Street for Class V placement work in 2010. In addition, they recommended that Jewell Street be added if the cost for material was within the project budget of \$35,000.

As part of the 2009 Class V projects, staff investigated alternative resurfacing materials for unpaved roads, a lime rock mix. This material performs better where roads have drainage issues or where higher travel speeds are a factor. In 2009, Council authorized the lime rock mix on a portion of Xylite Street. The material has exceeded expectations including wear, drainage and maintenance. With the lime rock mix, there is a marked improvement in the durability of the surface (less shifting of materials during plow operations, rain events, etc.); ease of maintenance when grading these road surfaces; and, the improvement in dust control as there is less dust generated when using this material. For 2010, staff is recommending that Zumbrota Street be resurfaced with lime rock. With lower traffic counts and road alignment Skylark Drive, Allen and Jewell Street, budget permitting, can be adequately resurfaced with Class V.

It is estimated that the Class V material will cost approximately \$10/ton and the lime rock will be in the \$14-16 per ton. It is anticipated that the lime rock mix can be expected to have useful life of 5-8 year as opposed to a 1-3 years for Class V on the roads with the higher speeds and traffic volumes. Staff is proposing to solicit bids for these materials as outlined. City crews will grade and compact the material in place.

\$35,000 is provided for in the 2010 General Fund Street Maintenance Budget. The Road Commission recommends bidding lime rock material for resurfacing Zumbrota Street and Class V material for Skylark Drive and Allen Streets. Cost permitting, Jewell Street can be added to the list for 2010 as a Class V projects not to exceed \$35,000.

Boyer made a motion to put out for bid the Class V projects (Skylark and Allen Streets) and Lime Rock Material project (Zumbrota Street). Cost permitting, Jewell Street can be added to the list as a Class V project to be completed in 2010 not to exceed \$35,000. Paavola seconded. Boyer asked is this a savings from seal coating projects. Sell said no, these projects are paid for from the general fund street maintenance budget. **All in favor, motion carries.**

City Engineer
Contract
Addendum #5

Sell explained that with the adoption of Resolution 2010-12, the City Council has indicated acceptance of the \$594,000 Cooperative Agreement Grant from Mn/DOT for construction of the service road from 215th Avenue to 221st Avenue. As required by the Engineering Service Contract between the City and Hakanson Anderson, a Contract Addendum that identifies the cost for engineering services for this project is required. The amount quoted in the addendum is a not to exceed amount. Total engineering services will be \$199,115 for this project including project design, surveying and staking, plans and specifications, advertising and bidding, bid evaluation, construction supervision, contractor payment verification, project close out, preparation of State Aid documents, draw requests, obtaining quotes for sub-contractor services, as built drawings, coordination with the County, and facilitating right-of-way acquisition. The City will be responsible for other costs including soil borings and material testing and attorney fees for right-of-way acquisition estimated at \$20,500. The contract addendum is included as Attachment 2. These cost are available from the City's MSA Construction funds.

Staff is recommending approval of Addendum #5 to the Contract for City Engineering Services dated September 3, 2008.

Boyer made a motion to approve Addendum #5 to the Contract for City Engineering Services dated September 3, 2008 not to exceed \$199,115. Paavola seconded.

Boyer asked can you fill me in on how this works. He said you lost me when you got to the percentages. Boyer asked can we charge up to 25% for engineering services. Jochum said yes, you can be reimbursed up to 25%. Boyer asked do we take some for City staff time. Jochum said yes, we do typically take about 1% for City staff time. Sell said we like to leave as much as possible in there for construction costs.

Jochum said to date we have met with the Kurak's and Anoka County to discuss the project. He said the current plan shows the new access at 221st Avenue to align with Sandy Drive which is ¼ mile of TH 65. Jochum said the Kurak's would prefer to have the access closer to ½ mile off TH 65. He said the county is okay with the access anywhere between ¼ mile and ½ mile. Jochum said we are currently reviewing possible alignments. He said the next step is

to meet with the Sylvester's to get their input. Jochum said if the right-of-way acquisition goes as planned, preparation of construction plans would begin early this summer. He said the project has to be awarded by June 2011. **All in favor, motion carries.**

Resolution
2010-14
Ordering
Improvement
and
Preparation of
Plans for 2010
Improvement
Projects

Sell explained that the Parks and Trails Capital Improvement Program (CIP) and Street Capital Improvement Program (CIP) were approved at the October 7, 2009 City Council meeting. The CIP identified three projects that require the preparation of Plans and Specifications for bid. Resolution 2010-14 provides for ordering the improvements and directing plans and specifications be prepared. The three projects are Booster West Parking Lot Expansion, 5th Street Surface and Drainage Improvements, and Bataan Street Surface Maintenance. These are noted in attachments 1 through 3 of your agenda materials. Plans and Specifications will be returned to Council for review and approval.

The major components and estimated costs for each of the projects are Booster West Parking Lot Expansion with the construction of an additional 65 parking stalls, concrete curb and gutter and bituminous surface and, parking lot lighting. The estimated cost is \$95,000 with funding from the Parks Capital Fund. The 5th Street Surface and Drainage Improvements include 2 inch bituminous overlay, isolated patching, replace or repair drainage pipe and structures and match existing driveways and intersections. The estimated cost is \$255,000 with funding from the Street Capital Fund. The Bataan Street Surface Maintenance project includes isolated patching, joint repair and seal coating. The estimated cost is \$44,000 from the City's MSA Construction Account.

Plans and Specifications should be available for Council review and consideration at the May 19, 2010 City Council meeting. At that time staff will request approval of plans and specifications with direction to solicit bids for these projects.

Staff recommends approval of Resolution 2010-14 Ordering Improvements and Direction to Prepare Plans and Specifications for 2010 Improvement Projects.

Paavola made a motion to adopt Resolution 2010-14 Ordering Improvements and Direction to Prepare Plans and Specifications for 2010 Improvement Projects. Boyer seconded. Boyer asked why are we seal coating. He said he thought Bataan was up for reconstruction in 2011. Jochum said other than the joints that are separated it is a fairly decent road yet. Boyer said maybe he has lived here long enough, but he remembers when it was new, it was such a joy to drive on.

Voss said he has a question about the Booster West parking lot, why is lighting added. Jochum said his understanding from the Public Works Manager is he wanted to add three lights on the west side of the lot. Voss said but we don't light now. Jochum said he thought the Public Works Manager said there was one lighter there now. Boyer said there is one light on the shelter. Voss said the park is closed at 10:00 PM. He said there is a resident on that side of the park, and he doesn't think they would appreciate it.

Paavola said she thought putting lights there would be for security. Sell said we could have the lights put in the specs as an option for bid. Voss said since there is a resident that lives right there if they see a problem they will call the sheriff. He said he thought the cost of the parking lot was \$65,000 and now it is \$95,000. Jochum said the Public Works Manager developed the cost, and this is what was in the CIP that was approved. Voss asked was the dollar amount in there. Jochum said yes, that is correct.

Paavola said when she thinks about putting lights in the parking lot, maybe we should ask the resident that lives right next to the park what they think about the lights. Voss said to him the cost of the lights and the cost of electricity are prohibitive, maybe we can do this sometime down the road. He said right now he doesn't want the kids using the park after dark. Boyer said he would be happy if they would close the gates after dark. Sell said he will have the lights bid as an option. Boyer asked if the Public Works Manager can add the lights for this project on the next Park Commission agenda. He said he is suspicious that this came from a few years ago and it just rolled onto the five year plan. **All in favor, motion carries.**

City Engineer
Contract
Addendum #6

Sell explained that with the adoption of Resolution 2010-14, City Council has ordered three improvement projects to include a Parking Lot Expansion at Booster West, 5th Street Surface and Drainage Improvements and, Bataan Street Surface Maintenance. Plans and specifications are to be prepared. As required by the Engineering Service Contract between the City and Hakanson Anderson, a Contract Addendum that identifies the cost for engineering services for this project is required. The amount quoted in the addendum is a not to exceed amount. Total engineering services will be \$41,464 for these projects including project design, surveying and staking, plans and specifications, advertising and bidding, bid evaluation, construction supervision, contractor payment verification, project close out, preparation of State Aid documents, draw requests, obtaining quotes for sub-contractor services, as built drawings, coordination with the County, and facilitating right-of-way acquisition. The contract addendum is included as Attachment 1. These costs are available from the Park Capital Fund, Street Capital Fund and the City's MSA Construction Account.

Staff is recommending approval of Addendum #6 to the Contract for City Engineering Services dated September 3, 2008.

Boyer made a motion to approve the Addendum #6 to the Contract for City Engineering Services dated September 3, 2008 in an amount not to exceed \$41,464. Channer seconded; all in favor, motion carries.

Recovery
Zone –
Economic
Development
Bonds

Sell explained that in the provisions of the American Recovery and Reinvestment Act (ARRA), the U.S. Treasury has allocated \$132 million to the State of Minnesota for Recovery Zone Economic Development bonding authority. In turn, the State has reallocated some of this authority to certain Minnesota cities and counties. \$11.4 million has been allocated to Anoka County.

Recovery Zone Economic Development Bonds allow local governments to borrow funds for eligible projects with lower overall borrowing costs as the Treasury Department will pay the issuing entity a direct payment subsidy equal to 45 percent of the coupon interest on the bonds over the life of the bonds. The maximum life of the bonds under this program is 20 years. The bonds are designed to provide financing for projects that promote job creation and economic development. The Treasury has identified several qualifying criteria that include promotion of economic development by the creation of construction and permanent jobs as well as promotion of economic development through the construction of public infrastructure. Bonds must be issued by December 31, 2010.

Anoka County has indicated that it will accept requests for City projects that would utilize

this bonding authority until April 14, 2010. The Anoka County Finance and Capital Improvements committee will meet on April 20, 2010 to discuss whether the County will use some or all of the bonding authority and/or consider municipal projects. If the County does not use the \$11.4 million of bonding authority by sub-allocating to other County jurisdictions (cities), the bonding authority must be returned to the State.

Should the Anoka County use all of the bonding authority or return all of the bonding authority to the State of Minnesota, the City would be eligible to make application for an allocation of this bonding authority. The unused bonding authority from all counties and cities that goes unused must be returned to the State of Minnesota by June 1, 2010.

The application deadline to the State is June 1, 2010 for requesting a portion of any bonding authority from the state wide pool for eligible projects.

Based on the criteria made available by Anoka County, the City should be eligible for this bonding authority. The city's utility Engineers have estimated the cost of the Project 1 Phase I water system to be \$10.9 million this includes construction and land acquisition costs for water towers, wells, a water treatment plant and the trunk distribution system. Attachment #1 is a summary of these estimated costs. Springsted, Inc., the City's Fiscal Advisor, calculated an interest savings of \$838,672 by using Recovery Zone Bonds based on \$9 million bond over 20 years. Savings would be slightly higher for a bond issue of \$10.9 million.

This resolution does not authorize the issuance of any debt. Debt issuance can only be considered following completion of a feasibility report, a public hearing and Council direction to order the improvements. This is merely a request to reserve a portion of this bonding authority for this project

Staff recommends approval of Resolution 2010-15 Recovery Zone Economic Development Bonds requesting bonding authority from the County or State, as appropriate, for the estimated water system costs for Project 1, Phase I.

Sell wants to make it clear this in no way authorizes debt issuance, this would reserve bonding authority. The only criteria we have to meet is debt has to be issued by December 31, 2010.

Boyer made motion to approve Resolution 2010-15 Supporting Recovery Zone Economic Development Bonding Authority Allocation for Phase 1, Project 1, Utility Infrastructure Project Water System. Paavola seconded.

Voss said he assumes we have had some discussion with the county. Sell said the county's highest priority is access to health care. He said we don't know if this fits into this or not. Sell said four other cities have requested this from the county, so the chances of us getting this from the county are slim. He said one of those cities is Ramsey and they are proposing a VA center which fits in with the access to health care. Sell said Springsted has indicated if the county provides Ramsey with everything they need and leaves nothing for us, they are reasonably sure we would be able to capture something from the state.

Voss said what you are saying if we do this and the county overlooks us we can make a request to the state. Boyer said it strikes him that it might be more opportune for our

Economic Development Authority (EDA) to make this request. Sell said that is not possible, it has to come from the City. He said that is one of the requirements. Voss said he assumes we have set this dollar amount in the resolution, because it is in line with what the county has been allocated. Sell said yes. Voss said so what if we can't swim in that pool. Sell said we can take our \$18 million request and swim in the state pool. Boyer asked would we make the request from the EDA to the state. Sell said he believes it is strictly municipalities. He said one thing Springsted cautioned is if the county offered so much and state offered so much, you would have two separate cost of issuance and unless you get all of it or a significant share, you might just want to go to the state for all of it. Sell said we would have to demonstrate to the state that we have the ability to repay the debt. He said one thing the Council needs to remember is you are not authorizing staff to issue debt by adopting the resolution that is a whole other process. **All in favor, motion carries.**

SNEA
Overlay
District

Sell explained that at the work session on March 3rd, Council directed that a goal statement and objectives be identified for the SNEA Overlay Districts in the City. Section 59 of the City's Zoning Ordinance provides for purpose and intent of a SNEA overlay district but lacks some of the specifics to effectively implement the provisions of this section of City Code. For example, there is no calculation process for determining how many lots will be permitted in certain areas identified as a SNEA. This is an item that Council must discuss to determine how it will apply density calculations such that this aspect of development is applied uniformly for across all developer requests.

The framework for this ordinance was adopted in the City Comprehensive Plan that was adopted in August, 2007. From this framework, the current SNEA ordinance was drafted. Again, the basic ordinance is in place. There are four specific areas that need refining within the structure of the current ordinance that make it effective.

First, dimensional standards, separation distances, maximum densities, and means of calculation of allowed units need to be established. Second, open space requirements and landscape design standards need to be established. Third, low impact design (LID) standards need to be established and should be incorporated into all proposed developments. And, fourth, storm water management design techniques should be established to implement LID standards. Details and suggestions for these four areas were provided in your agenda materials.

We have included a copy of Section 59 of the City's Zoning ordinance for your review and information. Suggestions noted in your agenda materials are predicated, in part, on the City of Hanover's Conservation Design ordinance that was adopted in January, 2010.

We are asking that Council review the suggestions and provide feedback such that amendment(s) to the current ordinance can be developed and presented for Council consideration. Following adoption of the amendment(s) to the current SNEA Ordinance, several other documents/plans will require updating or change. These include the Water Management Plan; the addition of a Storm Water Management Ordinance and the Planned Unit Development (PUD) section of the zoning ordinance. As noted, these are separate actions by the City Council following the adoption of SNEA Ordinance amendments.

The proposed ordinance amendments would not change those areas on the City's Official Zoning Map that have been identified as SNEA's including those that may contain natural resource corridors. Should Council wish to make changes to the Zoning Map by adding

additional natural resource corridors or SNEA parcels, this is a separate process and are not included as part of Section 59 of the Zoning Ordinance. Any Zoning Map amendments would require identification of the areas to be included as SNEA's, a public hearing before the Planning Commission and presentation to City Council for adoption. Any such change to the Zoning Map will require 2/3rds majority vote by the City Council.

Staff requests City Council review the suggestions and provide feedback such that the amendment(s) to the current SNEA Overlay District can be developed and presented to Council for consideration.

Boyer said he suggests we schedule a work meeting to discuss this. Voss said how about the 1st Council meeting in June at 6:30 pm. Boyer said he will not be here the 1st meeting in May; he will be missing a meeting for the first time in many years. After much discussion, Council consensus was to schedule a work meeting to discuss SNEA Overlay District ordinance amendments can be discussed on June 2, 2010 at 6:30 pm.

Trane – Ice
Arena
Maintenance
Agreement

Sell explained that the new refrigeration systems have been installed and operational for one and one-half seasons. Trane, Inc., the manufacturer of the equipment, has approached the City with a proposed maintenance agreement for this equipment. This maintenance agreement will provide priority response for all service requirements. This means a factory trained technician will respond within six hours of a service call, 24/7. Trane, Inc. will provide only factory trained service technicians to service and/or repair the refrigeration and related equipment. And, Trane, Inc. will provide scheduled maintenance for all refrigeration equipment to include checking of all refrigeration components (compressors, pumps, switches, etc.); testing of coolant levels; testing of refrigerant levels/viscosity; cleaning of all exposed equipment (compressors, air exchangers, etc.); changing of all oil/lubricants; and a review of all issues from the ice arena management staff.

This service includes removal and disposal of all contaminated oils, coolants and fluids in an EPA/MPCA approved manner. They prepare all required state and federal reports regarding coolant leaks and/or disposal.

They provide start up and shut down assistance to ensure that all components are operating efficiently. We have attached a copy of the proposed service agreement. The agreement is for a three year period beginning in July, 2010. The annual cost is \$3,500 per year. The agreement may be canceled with 90 days notice or if Council fails to appropriate monies for the agreement as part of the ice arena operating budget. Funds are available in the operating budget for this service.

Benefits from this service agreement include a prompt response for any issues relating to mechanical refrigeration systems minimizing any down time; reduced cost for repair services and parts; professional start-up and shut down for the systems; and, all scheduled maintenance in accordance with factory requirements. These services will minimize the potential for down time and critical mechanical malfunctions.

Staff recommends approval of the Service Agreement with Trane, inc. for a three year period effective July 1, 2010 in an amount not to exceed \$3,500 per year.

Boyer made a motion to approve the Service Agreement with Trane, Inc. for a three year period effective July 1, 2010 in an amount not to exceed \$3,500 per year. Paavola seconded. Voss asked how does this compare to what we have been doing. Sell said we

haven't been doing anything and that is what caused the problem. Voss said so basically our current manager has been taking care of the equipment. Sell said yes and they are not mechanics. Voss said and what was our investment in our equipment. Sell said \$180,000. Voss said he is just making a point. **All in favor, motion carries.**

- Fire Dept. Update Channer said we had a Fire Department meeting on Monday. He said the men and women at Station Two provided a meal for all the fire fighters. Channer said it was Ardie Anderson's birthday. He said they made a cake, but he wouldn't allow singing. Channer said and they wouldn't allow candles. He said they have agility training coming up. Channer said the officers have already taken it.
- Fires Paavola said she is glad we haven't had anymore fires. She said with the wind the way it is, I am glad we haven't had any fires at the beach.
- Veterans Project Boyer said we are making headway with the Veterans Service Organization (VSO) at the state on the Veteran's Project. Sell said we are meeting with the county VSO on Friday. Boyer said maybe by our next meeting we will have some skeleton framework.
- Wild Rice Drive Project Voss said the road closure signs are up for Wild Rice Drive to close on Tuesday. He said he is already getting calls from residents. Sell said we have information on the web site and we have sent out an e-mail notification to the people that are signed up for it. He said we will keep up-to-date information on the web site. Paavola said and road restrictions are going off soon. Jochum said on Monday.
- Met Council Update/Waste Water Treatment Plant Voss asked is there any status update in terms of the Met Council and the waste water treatment plant. Sell said we had a meeting with Met Council on the facility. He said they have submitted the facility plan and the Environmental Assessment Worksheet (EAW) to the MPCA and they already have feedback from the MPCA that the EAW needs to be modified. Sell said they will get that done and it will go back Friday along with the Waste Water Treatment Facility (WWTF) Permit application. He said it takes time for the MPCA to review. Sell said Met Council met with the Health Department and the DNR. He said the DNR is supportive. Sell said the Health Department dug their heels in, they said no way, no how they don't want injection wells. He said Met Council has its work cut out for them with the Health Department.
- Sell said with that information our engineers will make a request of Gene Erickson at the MPCA to begin review of our facility plan and EAW. At issue is that the MPCA will not issue a permit to transport waste water until there is a permit for a facility to accept waste water. He said at our request we are going to be meeting every other week now. Sell said the plans and specs for the water reclamation plant are preceding and at the Town Hall meeting Met Council will have updates. He said Met Council will have an RFP on the streets by the end of April for equipment. Sell said they will be soliciting quotes from vendors for material to get preliminary cost information. He said Bolton and Menk are looking for well information from the DNR and the Department of Health. Sell said we will be meeting again on April 22nd at 10:30 in the morning. He said he will put the meeting dates in the update.
- Closed Session Pursuant to Sell asked the City attorney if it would be appropriate to close the meeting at this time to discuss land acquisition.

April 7, 2010
MN Statute
13D.05,
Subd.3 Land
Acquisition
Discussion

Boyer made a motion to move to closed session pursuant to MN Statute 13D.05, Subd. 3, to discuss land acquisition on the west side of Trunk Highway 65 in Phase 1 of the proposed sewer district. Paavola seconded; all in favor, motion carries.

Boyer made a motion to return to the regular April 7, 2010 City Council meeting. Paavola seconded; all in favor, motion carries. The City Attorney explained that land acquisition was discussed in very general terms regarding property on the west side of Trunk Highway 65 in Phase 1 of the proposed sewer district.

Adjourn

Boyer made a motion to adjourn at 8:30 PM. Channer seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk