

EAST BETHEL CITY COUNCIL WORK MEETING

July 1, 2019

The East Bethel City Council met on July 1, 2019, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Tim Harrington Suzanne Erkel
 Randy Plaisance Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator
 Mike Jeziorski, Finance Director

1.0 – Call to Order

The July 1, 2019, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

2.0 – Adopt Agenda

Harrington stated I'll make a motion to adopt tonight's agenda. Ronning stated I'll second.

Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

3.0 – 2020 Budget Overview

Davis presented the staff report indicating the City Finance Committee met with City Staff on March 26th and June 11th to review and discuss the 2020 budget inputs and assumptions. The Finance Committee also discussed the City general fund balance, the actual City financial performance for the past two years and the City's overall debt service requirements. After the initial Finance Committee Meeting, the base budget was submitted to Department Heads for preparation of their individual department budgets.

Based on inputs from both the Finance Committee and Department Heads, the overall 2020 draft general fund expenditure budget is projected to increase by 6% or \$346,000. This expenditure increase would then result in a corresponding levy increase (general tax levy and debt service levy) of 4.5% or \$256,500 in order to balance the 2020 budget.

The 2020 budget model currently reflects the following inputs, which are also the primary drivers for the overall projected increase in the levy:

Staff – Salaries and Benefits - 2.75% COLA increase (annual aggregate increase of \$37,000) for 10 Union and 10 Non-Union Employees; \$100 increase (annual aggregate increase of \$24,000) to the monthly employee cafeteria contribution; 12.5% Hourly Pay increase (annual aggregate increase of \$12,000) adjustment for 35 Paid on Call Firefighters; 1 Added FTE for the Fire Department at \$100,000 (salary and benefits); and an annual increase in overall Workers Compensation premiums of \$50,000.

Contracted Services - 3% or \$38,000 increase to the Police Contract; 5% or \$3,000 increase to the City Assessor Contract; 4% or \$5,000 increase to City Attorney Contract; and \$11,000 increase to Elections.

Internal Transfers to Capital Funds - 6% or \$25,000 increase to the Street Capital Fund; and 6% or \$5,000 increase to the Park Capital Fund.

Debt Service - 3% or \$15,000 increase to the 2015A Bond Issue Levy.

The Finance Committee identified the following three scenarios as key to the 2020 budget discussion. If all the inputs from the above remain the same, the percent general/debt service levy increase

would be as follows: Fully Funding the Fire Department position with a start date of 1/1/20 = 4.5% 2020 Levy increase; Fully Funding the Fire Department position with a start date of 7/1/20 = 3.7% 2020 Levy increase; and delay the Funding of the position until 2021 = 2.8% 2020 Levy increase.

Davis requested Council provide staff further direction in regard to the 2020 budget inputs. The remaining schedule for the discussion and consideration of the 2020 Budget is tentatively set as: August 5 Council Work Session: Evaluate and discuss the 2020 Budget by Department - Department Heads will be available to address any department specific questions; and September 9 Council Meeting: Consideration of the Preliminary 2020 Budget and Levy - December 9 Council Meeting: Consideration of the Final 2020 Budget and Levy.

Harrington asked if the workmen's comp was one year, or would it be multiple years. Davis noted it would be multiple years.

Erkel inquired about the total fire department budget. Davis responded the projected budget with the new position included was \$871,000 for 2018. Erkel stated the fire department had a large budget, yet it appeared every month there were things coming out of the general budget for. She asked what came out of the fire department's budget. Davis replied all of the fire department expenses were coded to the fire department on the bill list.

Erkel asked why the City Assessor and City Attorney were at 5 and 4 percent which was double what was authorized. Davis responded those were contracted services. He noted the assessor service was based on cost per parcel and because of development and population growth, the number of parcels was increasing and that was a projection of what he would need to review this year, but the rate per parcel was not changing. He noted for the City Attorney's contract, that contract was essentially the same since 2011 with another 5 percent being added in anticipation of additional legal fees. He indicated there was a set fee for prosecution charges for the civil cases, but the municipal portion was based on an hourly rate.

Erkel asked if the election increase was due to the 2020 election. Davis responded that was correct and the following year it would drop.

Erkel asked if the increase in the street capital fund was necessary. Davis responded he believed we were behind on this fund and were catching up after six years with no increase. He indicated they were less than the surrounding cities and we were trying to catch up on an incremental basis. He noted road costs were more expensive and the unmet needs needed to be addressed.

Erkel asked if the park capital fund needed an increase of \$5,000. Davis replied the parks capital fund received transfers of \$100,000 per year up until 2012. That transfer was reduced to \$50,000 in 2012. He noted that we were trying to get this fund back up to \$100,000 per year and this year with the \$5,000, it would bring them up to \$85,000. He indicated since 2014, they have been adding increases to this fund.

Erkel asked on the debt service, why was there a three percent increase. Davis responded the bond issue payments went up every year, but they would see a reduction in one of the bonds this year for Castle Towers, and another reduction of payments next year. He noted it was way the bond payment was structured with the last refinancing.

Voss noted on the fire department position the net effect was a 2.8 percent levy increase. He believed the consensus was this was a right decision for the city, so the determination is when to start the position.

Ronning asked if this position would generate inspection fees and other fees. Davis responded they projected it to be around \$9,000 per year dependent upon plans for sprinkler systems and fire code inspections.

Voss asked if the \$9,000 was considered as revenue for next year. Davis responded it had not been put in the budget.

Voss noted if the \$9,000 would be put in, it would be a \$91,000 position, and not a \$100,000 position. He recommended this be put to Council as to whether they want to start this position at the beginning of the year, or in the middle.

Ronning stated to him he wanted it to start in the middle of the year.

Erkel stated she would like to wait until 2021 for this, unless they could make some cuts somewhere.

Harrington noted the bonds would be reduced next year also. Davis responded that was correct.

Voss indicated there would be around \$100,000 reduction in bond payments next year and this position was \$100,000. He indicated if they did this mid-year and were paying for ½ the position for 2020 and then in 2021 it would be a full position, but they would have a \$100,000 savings in the bond reduction, so next year they would be ahead by \$50,000 and they would have the benefit of the position starting mid-year next year. Davis believed most of the neighboring cities were going to be at 4 percent or above on their levies.

Voss stated they had three options set out by the finance committee. He asked if there was any interest in delaying the position until 2021.

Erkel responded a little, but she wanted to know if there was anything else that could be cut. Davis noted they needed to decide on this position now before they published the levy amounts.

Erkel responded she was in favor of fully funding the position.

Harrington asked if there was anyone qualified on the fire department currently. Davis responded there are qualified people, but to maintain transparency, would recommend the City advertise the position.

Voss indicated they might want to have this start in March.

Plaisance stated he was concerned about doing the position even in the year of 2020. He realized they were not talking a large amount of money, but to him the different between the 2.8 percent increase and the 3.7 percent increase was still a considerable number. He noted his other concern was that both of the school districts had new levy increases this year as well, but he did not know those numbers yet. He believed once that happened, if they didn't try to keep this as low as possible, they might hear about it from the residents. He indicated he was not arguing about the position itself because he believed the fire department staff did an excellent job of explaining why they need the position, but even though they were doing a good job of watching expenses this year, there was the levy increase of the school districts.

Harrington noted there was also the County and School District increase to be considered.

Plaisance stated he was a definite no at the beginning of the year; he would approve the July start date, but his preference would be to delay this to 2021 when they had a decrease in the bonds.

Jeziorski stated if they fully fund the position, it would be a \$60.00-year increase on a \$250,000 home. If the position was not funded, it was roughly \$50.00-year increase on a \$250,000 home.

Voss stated if they go fully funded on this position, they needed to redo the numbers with a start date of March and not January, which would bring the levy down.

Ronning noted if they were close to the inflation rate and still fulfilling everything, he did not think that was bad.

Voss suggested they set the funding of the position at March 1 and as they continued on their budget discussions, they decide on whether they back it down further. Council agreed to this approach.

Davis stated they would have the full budget to Council either on July 29 or the first meeting in August.

Voss noted for the August Council meetings; they always had the budget on those agendas.

Voss stated the fire department position would start March 1 and they would plan on having a Work Meeting on Monday, July 29.

Harrington requested a chart be made of homes priced at higher than \$250,000 for the Work Meeting.

4.0 – Gopher Bounty

Davis presented the staff report indicating a state law dating back to the first decade of the 20th century allows counties, towns and townships to offer bounties for gopher control. The gopher bounty was originally intended to encourage people to trap gophers to assist in the minimization of nuisance and damage to agricultural activities.

Until 2003, Anoka County reimbursed Cities for this expense but discontinued the practice at that time.

Over the last 5 years, the City has paid out the following amounts for the bounty: 2014 - \$39.75; 2015 - \$30.75; 2016 - \$145.50; 2017 - \$186.00; 2018 - \$66.00; and for the current year \$5.25 has been paid to date.

Bounties of \$0.75/pair are paid when trappers bring gopher front feet to City Hall. We require the person requesting the reimbursement to be a resident of East Bethel. The pairs are counted, and a reimbursement request is submitted. The request is presented to City Council for approval and upon that approval, a check is issued for the payment. The City of Oak Grove is the only other City in Anoka County that still pays gopher bounties.

The gopher bounty is not included in our City Code of Ordinances and is not a part of our adopted fee schedule. Absent extensive research, we are unclear when this custom was put into use.

Issues with this outdated tradition are: Receiving, handling and disposal of potential unsanitary animal remains; Gophers, like other rodents, can carry diseases such as hantavirus, leptospirosis, monkeypox, and plague; on average, only 2 -3 persons per year collect the bounty; and gopher trapping at this scale has a negligible effect on the control of the gopher population.

Staff is recommending discontinuing the practice of payment for gopher bounties in the City of East Bethel.

Plaisance stated since this was not a part of the City Ordinances, did staff need a motion, or could the policy just be discontinued. Davis responded on this they would want to have a vote on the propose discontinuance.

Erkel noted they should also advertise it. Voss stated the City could let the two or three residents who participated in this know also. Davis stated he would recommend they stop the practice in 2020.

It was Council's consensus to stop the Gopher Bounty policy and to bring this to Council at a future meeting.

5.0 – City Council Agenda Format

Davis indicated the City Council requested a review of the Council Agenda format, but no direction was given as to the specifics of the request.

Erkel stated her issue with the agenda was the statements on each of the line items, where staff recommends or not recommends approval. She wanted the entire sentence eliminated. She believed it was up to the Council to do their own critical thinking, and they should only have the facts of the matters. She believed it created a pre-determined bias. She stated she also had issues with the Minutes, but they could go into that at another time. She believed the minutes were too abbreviated and needed more detail.

Ronning stated he did not mind the staff recommendations.

Harrington stated staff did their homework and they would not say they were for or against something without doing their homework, so he was fine with having it in the report. He agreed the Council had the final decision, but it was good to have staff's recommendation also.

Voss stated ultimately, the Council asked staff's opinion.

Plaisance stated on many of the items brought up, staff looked into whether that item was in line with the City's Code enforcement and whether there was any concerns with an item, so many times when it says staff recommends that Council approve something, or when they had concerns about something, it was usually from a position of investigative work as to whether or not that item was in line with the rules and laws of the City. He stated he did not have a problem with it as he did his own due diligence, but he understood Erkel's concerns. However, he preferred to know whether City staff was looking for concerns, or if there was any reason for Council to not approve something. He asked if Erkel wanted to get rid of it entirely or change the wording.

Erkel stated she wanted to strike it all together, but if it said something to the effect that this was in accordance with all of the Ordinances, By-Laws, or Regulations that would be more appropriate. She stated she was concerned there might be some staff bias on approval or disapproval.

Voss stated the reason they want staff recommendations was because they had the expertise. Council made the decisions, but staff had the expertise. He stated if they had a legal matter come up, they would ask the attorney for an opinion on the legal matters, and if they followed the same chain of thought, the Council should do their own investigation on legal matters. He noted the reason they asked for staff's recommendations was because they are experts in their departments and the Council does not have that expertise. He noted Council had not followed staff on everything recommended over the years, but it was difficult for Council to have expertise in all areas and that was why Council wanted recommendations by the experts.

Ronning noted without the recommendations, it would be difficult for Council to make decisions because Council was not experts in all City matters. He believed there was a reason for it.

Erkel stated staff was supposed to do the research and give the facts, but not their opinion as to whether it was a good or bad choice. That was supposed to be Council's job. She believed staff was doing Council's job. She noted staff might recommend approval, but her recommendation would be disapproval.

Voss indicated it was only the opinion of the Council that mattered in the end.

Erkel stated it was Council's job to put their opinions out there, but not staff's job. Voss noted it was not the role of the Council to understand law in the legal matters, and this was no different.

Erkel stated the City did not want to break any laws and the City Attorney gave his opinion as to whether a matter was legal or not. Voss indicated the only one who decided whether something was legal or not was the Court, so Council relied on the opinion of the City Attorney.

Plaisance stated there had also been times in the agenda packet where an item would come up and staff would go through and describe what was going on with that particular item and staff made a recommendation to not approve a particular piece because of the evidence of non-conformance to the Ordinance(s). He stated if during discussions Council decides that something should or should not be approved, that is where the Council's homework had to come into play and look at the research that staff was giving them. He noted as Councilmembers, they were part-time, and they could not spend significant amount of time investigating something. He believed part of the recommendation was for staff to give Council their opinions.

Erkel stated she still had issues with this. She stated Council could always ask staff their recommendation(s). Voss stated the documents were in the packets for Council's information, but Council has always asked for staff's recommendation on a matter and to take this off would be counterproductive.

Ronning noted on numerous times, Council has sent back an agenda item to staff for additional information. He indicated they were talking about a what/if situation here. He indicated absence some reasonable suggestion that this was being compromised somehow, he did not see any reason to discuss this further.

Voss stated it was Council's consensus to not change this. Erkel stated she did not mind the consensus, but she felt she needed to bring this up. Voss indicated if there was any information not in a staff report, any Councilmember could ask staff for further information or clarification.

Plaisance stated under the Consent Agenda, it had all of the different items listed under the Consent Agenda with the pages where the things were located, but he would like a page describing what was in the Consent Agenda with a synopsis. Davis stated they could also put the synopsis under each item in the packet.

Plaisance stated he did not mind where the synopsis page was, but he wanted the page denoted, so he knew the right page to go to, to see the items. Voss noted staff needed to add a page number after the Consent Agenda title.

6.0 – Engine Braking Ordinance

Davis presented the staff report indicating residents along County Road 26 between 237th Ave and East Bethel Blvd. have requested that Council discuss the need for an Engine Braking ("Jake Brake") Ordinance to address noise issues. Numerous municipalities in the State have enacted or amended their ordinances to address this issue.

Davis reviewed the neighboring City's ordinances.

Davis noted the City of Isanti stated there have been no issues with enforcement over the past four years but at the same time, they have issued no citations during this period.

David indicated they are awaiting responses from The City of Cambridge and the City of St. Francis as to their experience with this section of their City Codes.

Prior to any action on this consideration, more background may be required regarding: Safety consequences of the enactment of this request; Practicality and difficulties of enforcement; and other means of addressing this issue such as lower speed limits to minimize braking needs.

Plaisance asked staff mentioned other Cities had ordinances and there had been no citations issues, but was the question asked if they had any complaints. Davis responded the complaint issue was not discussed.

Plaisance stated on the particular road they were having concerns about, was there any additional signage added to this roadway. Davis stated there needed to be signs up to make it enforceable.

Plaisance asked if video evidence would need to be official police video in order to make it enforceable. Davis stated he believed the police would need to observe it in order for it to be enforceable, but if there was an ordinance in effect, signage was put up, and a resident would take a video with the date and time on it, and record the vehicle, that might be a way to do this also.

Erkel asked what the frequency of complaints was received, how often did it happen, and how many residents were affected by it. Davis responded they have had several complaints from the residents listed. He indicated the majority of the complaints came from along the curves in the road, as well as the traffic light at Coopers Corner.

Erkel asked if jake braking was safer for the truck than regular brakes. Davis indicated that was something he mentioned, but he could not say whether it was or not. Voss stated it saved on the brakes, but the truck could still safely brake. Ronning noted on a downhill grade it would make a huge difference.

Erkel asked what the cost of signage would be. Davis responded probably \$30 to \$40 per sign which would need to be posted along every state and county road that entered the City as well as the area where the complaints generated from. Voss noted they might need 2 dozen signs at the most. Ronning believes signage was the remedy.

Harrington stated he would like the Roads Commission opinion on this. Davis noted most of the complaints were on the Cemstone trucks. Voss noted staff should contact Cemstone about this.

It was the consensus of Council to bring this to a future Council meeting. Davis recommended they take the Isanti/Cambridge approach and outlaw this.

7.0 – Adjourn

Plaisance stated I'll make a motion to adjourn. Harrington stated I'll second. Voss asked any discussion? To the motion, all in favor say aye. **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:21 PM.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.