

EAST BETHEL CITY COUNCIL MEETING

May 22, 2023

The East Bethel City Council met on May 22, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Brian Mundle Kevin Lewis
 Tim Miller Jim Smith

MEMBERS ABSENT: Tim Harrington

ALSO PRESENT: Jack Davis, City Administrator
 Eric Larson, City Attorney
 Lieutenant Derek Peters, Sheriff Department
 District Chief Troy Lachinski, Fire Department

1.0 Call to Order

The May 22, 2023, City Council meeting was called to order by Acting Mayor Mundle at 7:00 p.m.

2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

3.0 Adopt Agenda

Lewis stated I'll make a motion to adopt tonight's agenda adding Item G, Payroll Supplemental Payment Summary for \$1,967 under the Consent Agenda and adding Item F under Presentations – Airport Presentation. Miller stated I'll second. Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentations and Public Hearings

4.0 A Dorsey Conduit Bond Presentation

Davis stated at the May 1, 2023 Work Meeting, City Council received a presentation from the City's bond counsel, Dorsey and financial advisor, Ehlers, regarding a request for the City's participation in conduit bond financing for the proposed purchase of the Cambia Hills facility by Nexus Family Healing.

Davis indicated the presentation by Dorsey and Ehlers reviewed the process and procedures for the issuance of conduit bonds. Both explained the legal considerations and assured that the City would have no liability exposure if it should decide to be the host city for the issuance.

Davis noted ISD 15 School Superintendent, Karsten Anderson, spoke in support of the need for the service to be provided by Nexus, but had concerns regarding charges for rent, state re-imbursement of the of ISD 15's cost for out of district students and staffing for district provided services. City Council Members questioned if there would be additional costs borne by the school district to support these services. Negotiations are underway to resolve these matters.

Davis stated at the May 8, 2023 Council Meeting, and after discussion of the proposed participation of the city in this matter, City Council approved Resolution 2023 – XX , to call a public hearing on the question of the conduit bond financing at the June 12, 2023 Council Meeting. That resolution did not authorize the financing or bond issuance for the project. The vote for final approval will be considered after the public hearing at the June 12, 2023 Council Meeting.

Davis indicated although the City of Ham Lake declined to participate as a co-partner in the conduit bond issuance, the Anoka County Finance Committee, composed of Commissioners Matt Look, Julie Braastad and Jeff Reinert, approved the Nexus request to be the second bond conduit partner behind East Bethel. The Committee showed a high level of support for their service and understood the value the conduit bond program could bring to the project. The Committee expects their recommendation to receive all County approvals.

Davis noted in addition to reviewing the conduit bond process, Dorsey will also present the tax scenarios that could be expected from full bonding participation for the project to no bonding with total use of Nexus funds for the property purchase. Should there be any question, Dorsey is the city's bond counsel and does not represent Nexus.

Davis stated the City may charge the borrower an issuance fee for its services in connection with bond financing. This fee is to be negotiated should the bonding be approved.

Davis noted if the City issues the proposed bonds, the borrower will be required to pay all direct and indirect expenses of the City and indemnify and hold the City harmless against any liability related to the issuance of the Bonds. As the City's bond counsel, Dorsey would prepare the bond documents and represent the City's interests in the financing, but the city's cost (as well as the fees of all other parties involved with the financing) would be paid by the Borrower.

Davis indicated the potential impact to ISD 15 and any costs related to this item are currently being discussed by Nexus and the school district.

Rhonda Skoby, Dorsey and Whitney, stated she was in attendance at the meeting in the role of bond counsel to the City. She indicated the proposal was for conduit bonds, which meant the obligation was completely on the conduit borrower, which in this case was Nexus Diversified Community Services. She stated the loan would be a two-step process with the first step being the loan from Bremmer Bank to the City of East Bethel and the second step was the loan from East Bethel to the conduit borrower. She noted there were no administrative steps to be taken once the bond documents were finalized and the payments would go directly from the borrower to the bank. She reiterated that there would be no financial obligation for the City and all of the costs associated with the financing would be paid by the borrower.

Ms. Skoby stated with respect to the tax scenarios, there were two different types of tax-exempt bonds that could be issued – general (regular tax-exempt bonds) and bank qualified bonds, which was a subset of the regular tax-exempt bonds. She stated those types of bonds provided a greater financial incentive to the lender because they were eligible to be loaned to a bank. She noted for bank qualified bonds, the amount needed to be \$10 million or less and that was the reason there would be two issuers involved in the bonds go forward in this way. And the reason the \$10 million would be borrowed through East Bethel with the remainder of the \$7 million borrowed through Anoka County. She noted breaking it up that way would give it a more desirable tax scenario and a lower cost of borrowing for the borrower because it opened up the type of investor to a bigger pool. She indicated there was a third tax scenario which was a no tax exemption – commercial lending. She stated this was the most expensive of the options for the borrower. She noted in none of these scenarios was East Bethel's tax levy implicated – it was completely paid by the borrower.

Davis asked if Ms. Skoby had any information on how this would impact the School District with the conduit bond financing as opposed to the non-conduit bond financing. Ms. Skoby responded that the cost of the project would be affected. She noted she could not speak for the School District, but if the School District met its budget by levying, it would have more to levy for if the costs of the project

were higher. She stated that was a roundabout way of saying that the higher the cost of the project, the more impact it would have on the School District.

Lewis asked if that would be through the leasing of the classrooms. Ms. Skoby responded yes, but she was not a party to any of the negotiations between the School District and the borrower. She pointed out that Michelle Murray, the CEO, and Scott McGuire, the CFO, of Nexus were in attendance at the meeting and they would be able to speak about the status of those discussions along with some of the specific numbers.

Lewis asked what was the hold harmless clause. Ms. Skoby responded bank qualified bonds could be issued by any particular municipality up to \$10 million, so if the City this year wanted to issue its own bonds for something, the City would not be eligible to do it on a bank qualifying basis because that \$10 million would already be spoken for through this issuance. She noted there was a differential between regular tax-exempt bonds and bank qualified tax-exempt bonds, so the borrower in its loan documents would agree to make up that cost differential if they City were not able to issue bonds on a bond qualified basis because of doing this deal. She noted if the difference between doing a regular tax-exempt deal and doing this deal were calculated out to be a certain amount, that amount would be passed along to the borrower.

Smith noted if the City was supposed to put up a \$10 million bond and the County puts up \$7 million, the County in his mind would get a lot more money than the City did. He asked why was the City putting up a larger bond. Mr. Skoby responded she did not think those numbers were set in stone and she did not think the County would be opposed to it. She noted the County was very supportive.

Davis stated the City's financial advisor, Stacy Kvilvang from Ehlers, was also in attendance at the meeting.

Stacy Kvilvang, Ehlers, stated with respect to the last question, it didn't matter if the City was \$10 million and the County was \$7 million or if it is flip flopped because the City was not liable for the bonds and did not have to repay them.

Smith stated he understood that, but if the City was putting up \$10 million and if the City needed \$3 million for another situation, they would have that option, so would the City still put up the \$10 million. He indicated the City didn't have that for the rest of 2023. Ms. Kvilvang responded the City did not have that option and that was what she just spoke about in her last comments – that is the hold harmless clause. She gave an example of the City issuing \$10 million and then the City needed \$2 million for a road project they were not planning, essentially they could still issue those bonds, but they wouldn't be bank qualified. She indicated what happens is they calculate the difference in the interest paid and then the borrower rebates that to the City, which is hold harmless.

Davis indicated Scott McGuire and Michelle Murray with Nexus are also in attendance if the Council had any questions for them.

Scott McGuire, CFO Nexus, stated if the difference between doing fully taxable and tax exempt for them was \$3.5 million over the life of the balance which was 27 years on the debt. He indicated \$3.5 million was very real money. He stated everything was more expensive as their program that they run is a zero-margin program with national Medicaid. He noted this was not a business that they can make a margin and they have to get reimbursement for all of their costs. He indicated they were trying to keep the costs as low as they could, including the rent charged to the School District, which originally with Cambia was going to be \$450,000 per year. He indicated they were able to work on a rental system that maxes out at \$130,000 if the School District only used six classrooms, which was what they would probably use with the number of clients they would have. He indicated it was then

based on ramp up, so only every classroom has \$22,000, and as additional classrooms are added, then they charge another \$22,000. He stated it is charging the school for the classrooms that they use. He indicated they had disclosed this to Karsten from the School District and they were very happy to hear that was what they were thinking. He stated the last time they were here, the School District didn't know how much it was going to cost them and they had in their head that it was going to be \$450,000, so this proposal was received well by the School District.

Mundle requested an update on the negotiations with the School District. Michelle Murray, CEO Nexus, responded that the negotiations were going well with the School District. She indicated they had been discussing with the School District the pressures they were feeling in terms of educating more children, but they wanted to educate the children that need services also. She believed there was some concern about how this would impact their costs of educating these children. She noted there was still a lot of unanswered questions. She stated they have had several meetings where they had brought in consultants from other Districts in Minnesota to help the School District. She indicated Superintendent Anderson was trying to get in contact with the State MSD person to answer some questions that they still had around the billing.

Ms. Murray noted it appeared they could bill back the home District for the children that are in regular education, which would actually be revenue to the school and would then offset any special education concerns. She believed this might get itself worked out.

Ms. Murray stated the other piece the Council brought up was the cost of the first-year lease, which would be about \$22,000 for one or two classrooms. Then, as classrooms would be added, it would go up. She indicated what they are trying to look into is would that have an impact on levies. She indicated the one thing they cleared up today with him and his finance person was that this is really not going to generate an additional levy. She noted there was a basic levy that they did every single year in every city to pay for educational costs and the basic levy would happen like it did every single year. She stated that levy paid for whatever cost the School District had for those things and the only thing that might result in a carve out is for the lease that Mr. McGuire was talking about. She stated it would be very, very nominal and the School District was going to determine the numbers. At that time, they would look at the numbers together. She indicated they were probably talking in the \$10 range per household, because the lease was so low. She stated none of this would actually impact a new levy or a different kind of levy than the regular any expense that the school would be part of in their basic levy.

Ms. Murphy noted this would carve out the lease and they were still looking into all of that. She stated the School District had several options that they could do for the schooling. She indicated they could either educate the children themselves or hire more teachers.

Ms. Murphy stated the other thing that was unknown was the special education rate that they still had to work out the formula again with the State. She noted the other options are, there are two different intermediate programs basically co-ops that they could speak to and they had a meeting with one of those co-ops that the School District had been invited to as well. She indicated at the end of last month they had met with another co-op that essentially would come in and do the school at no expense, except for the lease of the classroom would still need to be paid for. She stated there were several options they were still working on with Superintendent Anderson and their finance person. She indicated they were scheduled to have some more meetings and would continue to work together.

Smith inquired about Ms. Murray's comment about the School District needing to hire more teachers. He had indicated Karsten Anderson said they couldn't even staff their own people, so how would they

get these additional teachers. Ms. Murray responded they had that concern also. She noted every industry across the board had that concern right now. She believed it was a matter of doing the right kind of campaigning. She noted the “sticky” situation was that the kids were going to come regardless of the education. She stated the building already had the permit for them to proceed, so the school situation with educating the kids had nothing to do with whether or not they were going to provide the service in the City. She stated either way they were going to do it at a \$3.5 million more cost or were they going to do it at a \$3.5 million reduction in cost. Either way, she noted the service would open, the kids had to be educated, and East Bethel would have to educate them.

Ms. Murray stated they were trying to figure out a way where Superintendent Anderson would prefer that they went ahead and did use an intermediate program or co-op because then he would not feel the pressure of hiring staff. She thought the co-ops might have a better funnel to get special education teachers.

Mundle stated it was his understanding Nexus had other facilities besides this one. He asked if they have had any problems with educating or hiring teachers or staff at those facilities. Ms. Murphy explained the different programs and setups they had for education.

Miller stated they had an Ordinance that was changed in, he believed 2020, that had a lot of different things about licensed residential care. He asked if they are going to have to change that back or modify it. Davis responded they would need to amend the Conditional Use Permit that was issued to Cambia Hills by taking off Cambia Hills. Ms. Murphy stated they are prepared to meet all the same requirements the City had for Cambia Hills and there would be no issues.

Lewis requested a copy of the CUP be given to Council for review.

Davis thanked everyone for attending the meeting and noted he had talked to Mr. McGuire and Ms. Murray about the amendment to the CUP and they were on board with it. He hoped everything with the School District would get resolved and there could be a decision made on June 12.

Lewis asked if the School District had indicated a drop-dead date when they were going to have all of the information they needed pulled together and shared with Nexus. Ms. Murray responded the School District was pretty reliant on the State getting back to them, so they did not have a lot of control. She indicated Karsten had told her that he was hoping that he could get a meeting with the State by the end of this week and he would like Nexus to be there as well so they could discuss their billing formula and understand how it worked with the way St. Francis did their billing.

Mundle asked Davis to describe what the pilot program was. Davis responded it meant payment in lieu of taxes. He indicated Nexus is a nonprofit so they don't pay any property taxes. He noted with Cambia they worked out an agreement where there was an amount to be paid, but it was based essentially on real estate values of the private use of the property versus the added value they had to the property. He stated in this case, he did not think that was going to be able to be used, so what they are doing now was seeing what the costs for services were to provide fire, police, and public work services. He noted that would be the starting point to negotiating this so there would be a fair participation by Nexus in those provisions and payment of those services.

Mundle noted essentially Nexus were not paying taxes and they were voluntarily choosing to enter into this pilot program, but they would be paying a certain amount to the City in the same form as taxes. Davis responded that was basically correct and he had held a discussion with Mr. McGuire and he will be getting together with Mr. McGuire to discuss this to see what they could come up with.

4.0 B Public Hearing – Zoning Map Amendment – 23620 Baltimore St NE

Davis stated that on July 9, 2021, River West Homes Inc. purchased (PIN: 32-34-23-12-0022) 23620 Baltimore Street NE from St. Andrews Lutheran Church. Although this was originally platted in September of 2001 as Lot 7 of Block 1 of the Birch Meadows 2nd Addition, this parcel was subsequently zoned (P) Public as a result of the church being the previous owner.

Davis noted the City received a request for the rezoning from the owner, River West Homes Inc. River West had constructed a single-family residence on the parcel and needed the zoning change to enable a closing on the sale of the property. The Birch Meadows subdivision was Zoned Single Family (R-1) and the rezoning would be consistent with surrounding properties.

Davis indicated the rezoning request aligned with the approved 2040 Comprehensive Plan. The single-family residential (R-1) district was intended and designed to provide for certain low-density residential areas now developed with single-family dwellings and areas where similar residential development was likely to occur. No more than one single-family dwelling was permitted per lot. There are no Comprehensive Plan changes required for this rezoning.

Davis stated the Planning Commission held a public hearing at their May 8, 2023 Special Meeting and there was no one that spoke against the rezoning. The Planning Commission recommended that City Council approve Resolution 2023-38.

Mundle opened the public hearing at 7:31 p.m.

There were no comments made.

Mundle closed the public hearing at 7:31 p.m.

Smith stated I'll make a motion to approve PIN No. 32-30-32-0312-0022, 2360 Baltimore Street, Resolution 2023-38. Miller stated I'll second. Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 C Anoka County Sheriff's Report

Lieutenant Derek Peters presented the April 2023, Sheriff's Report, stating the Sheriff's Department was significantly busier than in March with approximately 457 calls for service which he believed was due to the warmer weather and the clear roads. He summarized the highlights of activity for April.

Miller asked if the burglaries were considered random. Lieutenant Peters responded there were eight thefts, which were different than burglaries. He stated he was not seeing any trends with respect to the thefts, but with the warmer weather thefts did have a tendency to rise.

Informational; no action required.

4.0 D Fire Department Monthly Report

District Chief Troy Lachinski stated April was the busiest month to date. He indicated they responded to 86 total calls of which 63 were medicals, 6 car accidents, 6 alarms to burning or smoke related calls, and 2 mutual aid calls. He noted they are seeing an increase across the board, but mostly in medical calls.

Lewis asked if the Fire Department had made any progress with hiring. District Chief Lachinski responded staffing was always an issue and they were still in the process of looking to hire people for the Fire Department.

Mundle asked what was the optimum number of people they were looking for. District Chief Lachinski responded they would like to have closer to 35 members (5 to 8 members). He noted they

would be having several retirements coming up in the next couple of years also, so it was critical they hire more people as soon as possible.

District Chief Lachinski reminded the residents that burning permits were still being required

Informational; no action required.

4.0 E Fire Department PERA Presentation

Davis presented the staff report noting that this was the Fire Department Public Employment Retirement Association presentation. He indicated the special Firefighters Relief Association members would like to investigate moving their retirement plan to the statewide volunteer firefighter plan. He stated the statewide volunteer firefighter plan was a defined benefit plan administered by the Public Employee Retirement Association. He indicated retirement benefit were based on the credit years of service with vesting status and the benefit level for their Fire Department at the time they separate from service.

Davis indicated this move had been previously discussed but there were reasons not to join, including the multi-year benefit freeze restricted program opt out clause and limiting vesting options. He stated these items had since been resolved and the program appeared to be a better option as compared to the current plan. He noted the State volunteer plan would not longer be required to pay for an outside audit, saving approximately \$10,000 annually from their fund, invest the assets of the fund through a fund manager as professional portfolio managers with the State Board of Investment assume this responsibility, saving approximately \$11,000 per year. He noted they would no longer have to continue the responsibilities of the fund and bylaw management. He indicated payroll management of the fund essentially eliminated the time requirement for members of the Relief Association to oversee the fund, plan benefits reportable, and investing schedules were lessened.

Davis stated in 2023, there would be a financial incentive to join the State fund. He noted attachment one to Council's packet required a signature by the City to initiate the cost analysis for comparison of this fund. If the analysis was positive, the East Bethel Fire Relief could request Council approval to move the retirement fund to the State plan.

Davis indicated Deputy Chief Lachinski could answer any questions the Council might have. He stated Council was requested to approve the signing of a request for a cost analysis to join the statewide volunteer firefighter plan.

Deputy Chief Lachinski indicated the Relief Association was a nonprofit (501(c)(4)), which was a separate entity from the City. He stated the sole purpose of the Association was to provide a retirement benefit to the members, which was a recruitment and retention tool to make sure they had qualified firefighters for the City. He noted the reason they needed Council approval was because if they fell below the fund balance, the City was liable to make up the difference of whatever shortcomings they had. He noted as far as he knew in the history of the Relief Association, there had been only two years where any kind of City Council mandatory contribution was required which was in 2009 and 2010. He stated due to the stock market crash of 2008, everything that would happen would be in a one-year delay so their goal was always to be 100 percent funded. He noted the statewide volunteer plan was started in 2009 and one of the reasons he believed it was started that year was because almost every Relief Association was basically volunteer ran.

Deputy Chief Lachinski stated they don't get paid for this and last year to update the Bylaws it took around 7 hours of volunteer time. He noted it took a lot of time and it was difficult to get volunteers

to do anything, so to ask people to do things like this on their own time was difficult as well as complicated and nobody really understood Relief Associations.

Deputy Chief Lachinski indicated as people retired, no one wanted to step in and take over their role and that was one of the big reasons to do this as well as a bunch of small communities pooling their money together would give them more power. He stated one of his big issues was once they put their money into the State plan there was no way to take it out if they didn't like it or didn't agree with it. He stated they would like to get this signed soon because they would like to get it submitted to the State before July 15, which was the cut off to join in December.

Lewis asked if they moved to the Statewide volunteer fund, was the City obligated to make up any shortfall. Deputy Chief Lachinski responded from the City's perspective, there is no change and everything would remain the same. He noted even if they decide to go for a benefit increase later, they will still have to come to the City to request that. He stated if they do fall below the recommended level, there would be a mandatory contribution instead of the voluntary contribution that the City makes every year. He indicated the big change for them was that they do not have to go through these audits, which are very expensive and time consuming. He stated this would also free up Mike Jeziorski time also as he helped them through the audit process.

Lewis asked how Jeziorski would stay aware of what was happening so they could look out for the residents. Deputy Chief Lachinski responded Jeziorski would still have access to everything he currently has access to today. He noted Jeziorski would be preparing a monthly report for them also.

Lewis asked if Jeziorski would be on the calls with the people who are actually managing the money. District Chief Lachinski responded Jeziorski currently had access to all of the funds and he did a monthly report too. He indicated Mayor Harrington and Chief Sanow were three municipal members of the trustees for the Relief Association along with six firefighters members. He stated all they were asking for now was a signature so they could investigate that plan.

Lewis stated I'll make a motion to approve a cost analysis for the change of East Bethel Firefighters Retirement Association to the State and Statewide volunteer fund. Smith stated I'll second.

Mundle asked any discussion?

Miller stated it sounded like they were very positive in this and it sounded like it is coming of age and that is a good thing. He asked if this was a request for a cost analysis to join this and would that tell them anything new or different that they don't know already. District Chief Lachinski responded he had been very opposed to joining this plan for many years, but now it actually made sense. He indicated he didn't have an apples-to-apples comparison, so until they see the cost analysis he will not know what the numbers were. However, he noted it was at least \$20,000 that would go right back into their pocket to spend among the members, so that told him this was probably a better deal.

Lewis asked if District Chief Lachinski had any idea how their average returns compared to what the current returns. District Chief Lachinski replied their money was invested in the stock market and theirs was invested slightly different so they had to use different indexes, but year to year their investment return was very similar. He noted the biggest difference was the current plan had international investments that took a hit over the last year and the other plan did not have international investments. He stated he was 100 percent on board with the need to invest in this and he would be surprised if they don't see the proof that they need to move in this direction.

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

4.0 F Airport Presentation

Suzanne Erkel, Co-Chair Blaine Anoka County Airport Advisory Commission, stated she had attended the May 10 meeting and wanted to highlight their meeting for the Council. She stated on June 3, there was a Blaine Burger Bash from 10 a.m. – 2 p.m. She indicated this even was basically business oriented. She stated on September 27 from 4-6 p.m. there would be a public aircraft viewing area. She noted anyone could take a tour of the airport at any time by contacting Brian Orr at 763-780-2802. She stated the website was: macnoms.com. On this website there was a flight tracker for people who were curious about aircraft flying low. She indicated this was also the website if someone wanted to make a complaint for some reason.

Informational; no action required.

5.0 Public Forum

Jeff Swanson stated he was speaking in favor of the trail connection going to John Anderson Park. He noted John Anderson Park was a great asset for the City and there was no easy way for kids who don't drive to get to it. He indicated there was heavy kid traffic in the area. He understood for the neighbors who border the park they might not want the trail, but for the rest of the residents, he believed it was a nice Park with a lot of great assets.

Pat and Sean Brown also expressed support for the trail to John Anderson Park. She read from a prepared statement stating the reasons for her support and noted a trail would be a much safer access for the children in the neighborhood. She requested the City think about safety. She indicated everyone had the right to use public areas. She stated she did understand concerns for privacy. She hoped the City would see this through to completion. She believed it made for a much stronger and growing community.

Elizabeth Vrchota stated she has been a resident for 26 years and one of the reasons she moved there was because there was a creek that goes to the back of the property before the forest. She indicated their neighborhood was a community and she wanted to get a path so she could go through the woods and be able to enjoy the area back there. She stated she has enjoyed the path that she put in 26 years ago and she picked up the garbage that people had left there. She indicated the trash was left by people who did not live in the neighborhood as those people did not have a sense of ownership of that area. She expressed concern that the trail would make the neighborhood a less desirable place to live because they were going to have people that don't love and respect the land. She believed people would feel entitled and throw garbage on the trail. She expressed concern it would also draw more wildlife through there and it was going to change the neighborhood in a way that was not good. She expressed concern there would be kids experimenting with smoking and drugs also and because it was closed off and there was virgin forest there, it would be a place that mischief was going to be inviting trouble. She stated people would not respect it, they don't care about it, and they don't care what happens to it. She expressed concern that if people met a bear, fox, coyotes, etc. on the trail, they would demand that wildlife go away. She stated their neighborhood would be changed in a way they would never get back and she did not want to see that happen.

Mundle requested Davis give an update on the trail system. Davis stated he would be giving an update later in the meeting.

6.0 Consent Agenda

~~Item A: Approve Bills~~

~~Item B: Approve Meeting Minutes May 1, 2023 City Council Work Meeting~~

Item C: Approve Meeting Minutes, May 8, 2023 City Council Meeting

~~Item D: John Anderson Park Trail Bids~~

Item E: University Ave Bids

Item F: Application to Conduct Excluded Bingo for St. Francis Athletic Booster Club

Item G: Payroll Supplemental Payment Summary for \$1,967

Smith stated I'll make a motion to approve the Consent Agenda. Miller stated I'll second. Mundle asked any discussion? Lewis requested to pull Items A, B, and D. Smith stated he also had questions on Item A. To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 A Approve Bills

Lewis asked under the Planning Department what was WSB Software for \$5,400 for. Davis responded that was the annual cost for the GIS system.

Lewis asked for information on Street Auto Nation for \$6,251. Davis responded that was for the repair of the turbo chargers on one of the 450 diesel trucks,

Smith asked under building inspections there are two charges for Aaron Berg for general operating supplies. He asked what that was for. Davis responded that was for the jet ink printer they bought. He noted this was put on a personal credit card and was a reimbursement.

Smith asked for an explanation under the billing inspection refund permit for \$190 for Three Way Electric. Davis responded they paid for the permit and the job was cancelled.

Smith asked for the information for the Fire Department conferences and meeting for \$1,200 and \$1,725. Davis responded the \$1,200 was for training programs and the second one was for training programs for Firefighter One and for the people who passed the course, the reimbursement was \$575 per person.

Smith inquired about the Fire Department safety supplies. Davis responded that those are not really safety supplies and those should be coded to educational programs.

Smith inquired about the City Council dues, subscriptions, mediation, and restorative services \$1,324. Davis responded that was a service that was provided by a nonprofit organization that 13 of 21 Anoka County cities belonged to. He indicated it was for trying to resolve conflicts for issues with landlords and tenants. He stated this was something the City contributed to for several years. He indicated this was an annual cost.

Smith inquired about the escrow release for Josh Swinski for \$4,150. Davis responded that was for a wetland escrow review, so all the money he had put in there to have that wetland delineated was not used so that went back to him.

Smith stated there was also a refund overpayment for \$39 for Mundle Construction. Davis responded they overpaid and it was a refund for a water account closeout.

Lewis stated I'll make a motion to approve Item A of the Consent Agenda. Smith stated I'll second. Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 B City Council Meeting Minutes April 24, 2023

Lewis stated he went onto the City website and checked the Minutes of April 24. He indicated that was the subsequent meeting when they were reviewing the minutes and he mentioned there was a

misunderstanding by TimeSavers when he said he had a problem with “you talking to him and that’s not what I was saying at all. It was that when you guys talked to outside parties on behalf of the City, you have to inform us as quickly as possible.” He noted the Minutes on the website had not been changed to reflect what he said. He requested they be corrected.

Lewis stated I’ll make a motion to approve Item B of the Consent Agenda. Miller stated I’ll second. Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 D John Anderson Park Trail Bids

Lewis asked where did they stand on this. He asked if they were going to move forward and had they have done all they can. Davis responded they had a meeting on site with Karina and after that Tim was present and Joe Ryder was present. He noted they had some discussion about the impact it would have and the cost. He noted there was still some oaks that would need to be cut and they don’t cut any oaks between April and October. He stated even if this was considered it could probably not be done this year. He suggested they go ahead with the proposal to pave this internal trail within the park and then the connector trail would be left for a future discussion.

Lewis stated he wanted to make sure they were listening to the resident’s concerns (Karina’s concerns), which he believed were valid concerns. He also thought it was valid that it was public property when they purchased the property too.

An audience member asked if the trail marked in red would be done this year. Davis responded it would not be done this year and it would need to be reevaluated next year. He noted it would be up to the Council as to what they wanted to do once the cost was figured out.

Lewis stated I’ll make a motion to approve Item D of the Consent Agenda. Miller stated I’ll second. Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion passes unanimously.**

7.0 New Business. Commission, Association, and Task Force Reports

7.0 A Planning Commission

None.

7.0 B Economic Development Authority

None.

7.0 C Park Commission

None.

8.0 Department Reports

8.0 A Community Development

None.

8.0 B Engineer Report

None.

8.0 C City Attorney

None.

8.0 D Finance

None.

8.0 E Public Works

None.

8.0 F Fire Department

None.

8.0 G City Administrator Report**8.0 G.1 June Work Meeting Agenda**

Davis stated the Council's monthly Work Meeting was scheduled for Monday, June 5, 2023 at 7:00 p.m. The following items are recommended for discussion:

1. Electrical Permits – Change to State Permit Issuance and Inspection;
2. Discussion of a Conduit Bond Issuance Proposal for the Cambia Hills property purchase;
3. Community Development Director Position Discussion;
4. Ordinance Reviews; and
5. Communications Survey Results Report

Staff recommends that City Council set the agenda items as presented or other items as desired for the June 5, 2023 Work Meeting.

Lewis requested updates on Gayle Murphy's property and other problem properties in the City.

Lewis stated I'll make a motion to approve the June Work Meeting Agenda as amended. Miller stated I'll second. Mundle asked any discussion? To the motion, all in favor say aye. All in favor. Mundle asked any opposed? That motion passes. Motion passes unanimously.

9.0 – Other Items**9.0 A Staff Report**

Davis updated the Council on the pothole patching progress. He noted last year they had spent \$7,500 patching potholes (materials only) and this year they have spent \$25,500 and are only 2/3rds the way through. He indicated the remaining potholes would go quicker as they were not as serious as the other ones, but he expected it to be over \$30,000 on material purchased, which was four times what they did last year.

Miller noted the City had not gone through their whole winter salt budget. He asked if some of that money could be used for the pothole patching. Davis responded the City had spent almost all of the salt budget due to the amount of snow and snow plowing this past winter.

9.0 B Council Reports

Smith stated he had no report.

Miller stated he wanted to discuss the pole barn material Ordinance that had been floating around for almost two months. He noted recently the EDA requested it and he thought it was a great idea. He stated getting more people looking at it, the more information they get. He indicated the EDA came up with some valid points and had some good ideas to make some changes to improve it and make it better.

Miller stated he was not sure about the sarcastic comments they have to take during those meetings though and he did not think it was the kind of message they wanted to send and it did not benefit anyone who resided in the City. He indicated it took a long time to put this Ordinance together and they had talked with five different businesses, all of which said it was going to help and it was going to open doors, which he believed they were trying to do.

Miller stated he expected when they send an Ordinance to be amended and once it passed one of Council's Work Meetings, and it gets sent to a committee, it gets fine-tuned. He indicated this was where you discuss it and you get to ask the questions and that was why they were presenting some of these Ordinances.

Miller indicated the fact that you see it and are currently holding one of the amendments that we try and send forward is a good indication of where it is already in Council, and the direction that they are trying to go. He stated you have to ask yourself if we can make it better or is it good to go. He noted that was the kind of advice and the kind of comments they want to see – if you like it, you like it; if you don't, you stay professional with it and basically make your point. He indicated we'll take everything into consideration and that is where that stuff is supposed to be done. He stated if you don't like it, it not your job to cut it down or make fun of it.

Miller stated let's talk about it or make comments that are consistent with it, but if we don't approve this, what's next. There's not what's next. We're trying to do this for the City, the residents, the businesses. We're trying to get the wording right on these changes and do they benefit the residents. Do they benefit the businesses, the community, or the seniors. He indicated they are trying to make these Ordinances the best they can. He stated that in his mind and it was his opinion that was why they have the committees and that was exactly what he was looking for when they sent something there.

Miller stated getting the wording correct should be a common goal, along with the thought process of how we are benefitting from this as a City, as residents, and as businesses.

Miller indicated for the most part, they got some good ideas from the last EDA meeting, but he believed they needed to do better. He thought they have a lot of people who might like change, but they don't like change but it's happening. He asked them to keep in mind they are trying to do this for the benefit of the residents; to give them some relief; to give them some more freedom. He stated he would like to see more people get a little bit more excited behind stuff like this. He did not understand why someone would not get behind trying to help the residents; trying to help the businesses; and trying to help new businesses.

Miller stated he thought what the EDA came up with was excellent and he believed there was a place for it, and a place not for it, and that is one of the changes he looked forward to trying to work on and he hoped Planning sees that too.

Miller indicated they can create opportunities while protecting what they have. That is what he wanted to hear from the committees and he appreciated that. However, if she doesn't like it, at least help them get the wording correct on it. You don't have to be negative and make negative comments. That would not happen in any business and it should not happen in City businesses.

Miller wanted people to know that there's a lot of time and effort put into this stuff and anybody (resident, business) can bring ideas to him and he'd be happy to write it up and try to get it to the Council if it meets the criteria of what was good for the City, the residents, and the businesses. He hoped people could see the visions they are trying to bring.

Miller stated he had people thinking that they were going to build pole barns and then spray paint a sign on the side of it, but that is not what they're looking for. He indicated they are looking for buildings that have character in the City, like the building they are in. He indicated the City has ultimate control over how these look. He stated it could be as simple as better clarity that they can figure out and hone in on to give a better basic package to the committees. In his mind, this was a simple process and he had something that has been bogged down for two months, which he did not

understand as it was a benefit. He indicated it's not me against you, or you against me or anybody else. The vision and the goal are the same and it should be the same to benefit the people in the City.

Lewis stated to follow up on Miller's comments he indicated they don't need snide comments. People who are members of an advisory committee are supposed to be helping the Council and we represent the residents as the ones who are elected by the residents. He noted there is a sarcastic individual and he's going to be honest and requested this be on the public record.

Lewis stated we are going to take (and they advised Davis of this) that they were going to take a pretty strong action here tonight to remove a person that we think exemplifies the snide behavior, but we decided no, we don't want to get ahead of ourselves and they just decided today that we don't want to overact. We want to give this person a chance to either go with the program, or do the honorable thing. And that is, say, I don't believe in more freedom for the residents and for businesses, I think they should be kept under our thumb of the City, and therefore, I don't agree with your agenda and resign. He stated that was what an honorable person would do – resign. But we thought as Miller said, we didn't want to seek people on advisory committees that we thought would be working every single moment of every single day against everything we're trying to do. Only an idiot would want to seek people who are going to be constantly be battling you when they're supposed to be advising you.

Lewis indicated the basic goal we're trying to get to is not to change Ordinances for the sake of doing so; it's about trying to bring a greater freedom for the residents and how they enjoy it. It's called quiet enjoyment, and having a certain amount of freedom, and what you do with it.

Lewis stated it was the same with businesses by not putting onerous requirements on them to build a Taj Mahal, or we don't want you in the City. And especially that a city government should be vested with power.

Lewis indicated he never anticipated we would get an anonymous letter from residents because they're afraid of being found out as complaining about something with the City that there will be retribution – being afraid of retribution from your own government that you're paying for. They are trying to increase the freedom and improve the quiet enjoyment for the residents and also make the City an attractive place for businesses to develop and expand without putting onerous requirement on them that do nothing more than just exert power over somebody for the thrill of doing it.

Lewis stated it's like what Thomas Jefferson said, "The government that governs best, which governs least," and he is a big believer in that. When they see problems in the Ordinances, where it's ridiculous requirements that accomplish nothing significant, they want to eliminate them and they do want feedback from the advisory groups and they don't need conflict. He indicated he seems to have a reputation where he likes conflict, but he doesn't like conflict; it's unproductive and inefficient as well as annoying. He asked everyone who was on any advisory role to examine their heart and see if they want to be a part of this, or if they just want to "pack your lunch and sit on the bench" because we're about up to here with unfounded opposition.

Mundle stated he had no report.

9.0 C Other
None

10.0 Adjourn

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

Meeting adjourned at 8:45 PM.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.