

EAST BETHEL CITY COUNCIL MEETING

September 25, 2023

The East Bethel City Council met on September 25, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Kevin Lewis Brian Mundle Bob DeRoche
Tim Miller Jim Smith

ALSO PRESENT: Jack Davis, City Administrator
Eric Larson, City Attorney
Rodney Sanow, Fire Chief
Aaron Berg, Community Development Director

1.0 Call to Order

The September 25, 2023, City Council meeting was called to order by Mayor Lewis at 7:00 p.m.

2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

3.0 Adopt Agenda

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

Mayor Lewis noted Mr. Ray Jordan who is the owner of Blue-Ribbon Pines Disc Golf had a very successful event last weekend and all of the City's Noise Ordinances were abided by. He wished Mr. Jordan well for doing it the right way for a good cause.

4.0 Presentations and Public Hearings

4.0 A Public Hearing – Detached Accessory Structure Ordinance Amendment & Accessory Storage Considers and Ordinance Amendment Consideration

Berg stated Councilmember Tim Miller has proposed amendments to City Ordinance Appendix A – Zoning, Section 10-4, Accessory Storage Containers.

Berg noted the Planning Commission review the amendment proposal at its August 22, 2023 meeting. At the conclusion of its review, which included a lengthy discussion the Planning Commission made a recommendation, by a 4-3 vote of approval to the City Council of the proposed amendment with the inclusion, modification or addition of a 5-acre minimum lot size requirement, a minimum of a Class 5 base or pad for placement and to require that storage containers meet the zoning setback regulations contained in Section 14 - Detached Accessory Structures. It was noted that additions recommended by the Planning Commission do conflict with language in the original amendment proposal, which was also included in the approval. Additional modification to the Planning Commission recommendation would be necessary to clarify the conflict.

Berg indicated the recommendation was presented at the August 28, 2023 City Council meeting. After the public hearing and further discussion staff was directed to work with Councilmember Miller to modify the proposed amendment to incorporate some items proposed by the Planning Commission, staff recommendations and Council discussion.

Berg stated staff have completed a redline version of an amendment to Section 14 – Detached Accessory Structures that would simply identify storage containers as Detached Accessory Structures and account for most of the additional items (zoning setbacks, size, height, color, placement, etc.) suggested in the previous discussions.

Berg indicated a minor language change is need to Section 10-4 – Accessory Storage Containers to clarify city code. The change has been proposed in Ordinance 2023-18.

Berg requested the Council hold a public hearing, review the proposed Detached Accessory Structure amendment, and approve or deny the ordinance revision as presented. Additionally, the approval or denial of the Accessory Storage Container Ordinance is needed to accompany the change.

Lewis opened the public hearing at 7:04 p.m.

Suzanne Erkel, Okinawa Street, stated she supported not controlling people's property and telling them what they could have on their property.

Lewis closed the public hearing at 7:05 p.m.

DeRoche stated I'll make a motion to adopt Ordinance 2023-18, An Ordinance Amending Appendix A – Zoning, Section 1-4 and Section 14 of the East Bethel Code of Ordinances Regulating Detached Accessory Structures and Accessory Storage Containers in the City of East Bethel. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **DeRoche, Miller, Smith, Lewis.** Lewis asked any opposed? **Mundle.** That motion passes. **Motion passes 4-1.**

4.0 B Tobacco Violation Hearing – Hwy 65 Dollar General

Davis stated that an employee, Emma Bookwalter, at Dollar General #22023 on 1300 209th Avenue NE in East Bethel is reported to have sold tobacco products to a minor. As part of a compliance check by the Anoka County Sheriff's Department on August 2, 2023, Ms. Bookwalter was approached by an underage individual and sold the tobacco products to the underage buyer in violation of City Code, Chapter 18, Article IV, Section 18-176, Prohibited Sales. A copy of the Sheriff's Report is included as Attachment 1 to Council's packet.

Davis indicated the City has provided the license holder the opportunity to be heard. Notice was provided to the store manager on September 12, 2023 of the compliance violation hearing scheduled for the September 25, 2023 City Council meeting.

Davis stated the City Council has several options with respect to administrative action. Any person, including an individual licensee, who sells any tobacco product to a person under the age of 21 years is subject to an administrative penalty. This is Dollar General #22023's first violation of the ordinance. For a first-time violation, the City may impose a civil fine of up to \$150. In addition, the City may also suspend the license for a period up to 20 days. The City may agree with the licensee to waive up to ten days of suspension at a rate of two days for every eight hours of community service performed by the licensee's employee.

Davis recommended the Council conduct the hearing and provide staff with direction on the penalties to be administered with adoption of Resolution 2023-66. He noted it did not appear there was a representative from Dollar General at the meeting.

Davis indicated Council had two options to either give them another two weeks and conduct the hearing at the next Council meeting or proceed with the hearing without them present. Davis noted staff had spoken with the store manager directly who claimed they had never received any notification. He stated staff had no objection to Council giving them another two weeks.

Mundle asked if there was a point of contact on the tobacco license for Dollar General that said who would be given notice. Davis responded he assumed the store manager would be the point of contact as they had the responsibility for the overall operation of the facility and the violation was issued to an employee.

Smith stated he wanted to give them the opportunity to come to the next Council meeting and if they don't show up at that meeting, then the Council could take action.

DeRoche stated I'll make a motion to table to the next Council meeting. Smith stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 C Anoka County Sheriff's Report

Lieutenant Derek Peters presented the August, 2023, Sheriff's Report, stating the Sheriff's Department responded to 411 calls for service including 1 burglary, 3 thefts, 1 criminal sexual conduct, 1 assault, 1 damage to property, 5 PI accidents, 10 PD accidents, 57 medical, 17 animal complaints, 15 alarms, 2 gross misdemeanor arrests, 5 misdemeanor arrests, 1 DUI arrest, 2 warrant arrests, 103 traffic stops, and 28 traffic arrests.

Lewis asked if they were to reduce the sworn deputy hours and replace them with community service officer hours, could someone prepare a spreadsheet showing what was the net financial impact. Lieutenant Peters responded he could have someone do that.

DeRoche asked what was the difference between a CSO and deputy with respect to responsibilities. Lieutenant Peters responded the CSO's were not sworn Deputies so they did not have the post certification that was required of every police officer in Minnesota. He stated CSO's were usually between the ages of 18 and 20. He stated CSO's also had no authority to make arrests, but they did have the ability to issue citations for minor level offenses such as dog issues, parking enforcement, etc. He noted if they cut those hours back to eight hours, there would be a gap in time where they would not be able to have custodial arrest with a contracted East Bethel deputy car. Lewis clarified that he was only talking about four hours and not eight hours.

Smith asked if citations were issued for all of the traffic stops. Lieutenant Peters responded not always and it depended on the situation.

Smith asked if Anoka County Sheriff received the citation money. Lieutenant Peters responded no and the State of Minnesota received some of it. He indicated the Sheriff's Office did not see any of the funds.

Informational; no action required.

4.0 D Fire Department Monthly Report

Fire Chief Sanow presented the August 2023 report and noted that they responded to 73 calls, of which 60 were medical, 5 crashes, 1 alarm, 3 burning/smoke, 3 other, and 1 mutual aid. He stated the week of October 8 through 14 was Fire Prevention Week and recommended residents take time to plan their escape route and have a safe meeting place set up with the people in their home. He indicated the Fire Department would be having an open house on October 9 from 5-7 p.m. at Station One. He reminded residents that leaf burning was not permitted in the City.

DeRoche inquired about the Heart Start Program. He noted he had spent eight year as an EMS and they had to keep up on their training. He asked if the Fire Department was going to follow up on training or retraining of people. Sanow responded he would bring that up with Troy who is the person that leads Heart Safe. He stated people needed to reach out to them to get trained.

DeRoche asked if this information could be put on the website. Davis stated staff could put it in the next newsletter and on the website.

DeRoche asked who was the best one to talk to regarding the coordination between Allina and the Fire Department. He noted Allina bills for their services and asked why the City didn't bill for their services. Davis responded that had been done in the past using a third-party vendor for the billing and collection of the services, but there was a lot of red tape to it with insurance and paperwork. He noted State Statutes said what the City was and was not allowed to do and there were some limitations as to what could be billed and the services that could be provided.

DeRoche asked who was liable when emergencies were responded to. Larson responded that the City and Fire Department had immunity so the liability was minimal to nil.

Informational; no action required.

5.0 Public Forum

Suzanne Erkel, Okinawa Street, stated she could not hear the Councilmembers when they were speaking and suggested they sit closer to their microphones or the volume be turned up. She noted if she could not hear them, then the people at home probably also could not hear them either.

Ms. Erkel stated last week the City held a Feed the City event and very few people showed up. She did not believe the word got out about this event and stated the City needed to figure out a way to get the word out for events where there were fundraisers for good causes. She recommended the events be put on the City's reader board and/or the newsletter.

Ms. Erkel noted every fourth Thursday was game day from 1-4 p.m. and she asked if it could be published in the newsletter and put on the reader board the week before. She noted that while this game day was sponsored by the Seniors, anyone could attend. She indicated every Tuesday, there were also crafts. She noted there was also a senior dance the first Friday of the month. She stated the numbers have been dwindling and she wanted to get the word out about these types of events.

Ms. Erkel stated she was on the Airports Commission. She gave briefings to Davis and wanted to be put on the calendar to present those briefings at a Council meeting and the briefings also be put on the City's website, if possible. She recommended the second week in October.

Davis stated if Ms. Erkel knew of any Senior events they wanted to advertise, send them to staff and they would ensure they were communicated.

Lewis stated communication with residents and vice versa has been an issue. He noted the newsletter needed to be improved. He indicated there was a lot of room for improvement in communication. He stated he had wanted to do six newsletters a year instead of the four they were currently doing as a step in the right direction, but he did not think that had been a high priority.

Ms. Erkel noted the Seniors had a monthly newsletter. She asked if that was sent to staff could that be put on the City's website, or a link be put on the City's website. Davis responded that could be put on the website.

6.0 Consent Agenda

~~Item A: Approve Bills~~

Item B: Approve Meeting Minutes September 11, 2023 City Council Work Meeting

~~Item C: Resolution 2023-67, Counting Write-in Votes for Local Elective Officers~~

Item D: Accept Resignation of Finance Coordinator

~~Item E: Appointment of Emily Jabs to the Finance Coordinator Position~~

~~Item F: Advertisement for Administrative Assistant~~

~~Item G: Approve 2024 Anoka County Law Enforcement Contract~~

~~Item H: Approve Probationary on Call Firefighters to Fire Fighter 1 Classification~~

~~Item I: Approve 2024 Anoka County Residential Recycling Contract~~

Mundle requested to pull Item H. DeRoche requested to pull Item F. Smith requested to pull Item A. Lewis requested to pull Items C, E, I, and G.

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

6.0 A Approve Bills

Smith asked under the ice arena, what was RR Specialties in the amount of \$1,455 for. Davis responded that was for the paint supplies to take the stencils for the annual painting.

Smith stated he understood they had gotten rid of Sloth Inspection but there was a bill for \$4,709.60. Davis responded there were outstanding permits they would be just about finishing those up for Kwik Trip and Holiday. The other outstanding permits were issued under Mr. Sloth's contract.

Miller asked on the Park Capital project, where was the playground going. Davis responded it was for Whispering Oaks.

DeRoche noted for Ekberg Lammers there were two bills for the same amount with one having an item number and the other one did not. Davis responded one of the invoices was for the Elevage legal fees paid from the elevated escrow account and the other one was for work done for the cannabis ordinance and the research on that.

Mundle asked under street maintenance safety supplies, what was the New Pig Corporation. Davis responded that was where the City bought a lot of erosion, sediment control, and absorbent blankets for oil spill items.

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

6.0 C Resolution 2023-67, Counting Write-in Votes for Local Elective Officers

Lewis asked where this came from. Davis responded that this aligned with State Statutes. He indicated it was Council's option whether they wanted to adopt it or not. Lewis asked who were the City's election staff. Davis responded the election staff was the election coordinator which is Carrie Frost and the election judges. Lewis asked how burdensome is this. Davis responded the average write in vote over the last seven elections was 144 with a low of 56 and a high of 386.

Lewis stated he did not see that as too burdensome to keep track of. Davis noted the votes were counted, but they were not recorded and broken out individually unless they reached a certain threshold and then it was broken out.

Lewis stated he wanted to either table or vote against this.

Lewis stated I'll make a motion to table or deny.

DeRoche requested for the public's benefit that Davis explain what the Council was talking about. Davis explained the options that were approved by the State Legislature.

Lewis stated the Council had three options with the first option being was no motion, so it would fail for lack of a motion and a second. He stated the second option was to revisit it or table it, and the third option was to deny.

Mundle asked if the City could deny this. Larson responded they could and it was at the City's discretion whether they wanted to pass the Resolution or not.

Motion died for lack of a second.

6.0 E Appointment of Emily Jabs to the Finance Coordinator Position

Lewis stated he had no objection to Ms. Jabs being the Finance Coordinator but asked if Deseret had been offered the position and turned it down. Davis responded that was correct.

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

6.0 F Advertisement for Administrative Assistant

DeRoche asked who came up with the grading scale and how was it determined what the grade would be when they were advertising for a position. Davis responded the best staff could determine was this came about sometime in 2004. He indicated jobs were assigned a number of points and a grade depending on the responsibilities. He noted this was a way to evaluate those things essentially for pay equity and to also establish a guide so they can show what different positions pay different steps.

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

6.0 G Approve 2024 Anoka County Law Enforcement Contract

Lewis stated I'll make a motion to table Item G to the next Council Meeting. Smith stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 H Approve Probationary on Call Firefighters to Fire Fighter 1 Classification

Mundle thanked and congratulated the new Firefighters. He invited any resident that had an interest in being involved with the community to get ahold of the Fire Department or come to the Fire Department's Open House on October 9 from 5-7 pm at Station One.

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

6.0 I Approve 2024 Anoka County Residential Recycling Contract

Lewis asked Larson if he had reviewed the contract. Larson responded he did not recall reviewing the contract, which was not unusual as a lot of times he would not review a contract until after it had been approved.

Lewis asked who was involved in the development of the Master Plan 2018. Davis responded it would have been the Recycling Coordinator at that time.

Lewis asked for an estimate as to how much staff time it took for compliance with everything. He stated he was wondering what the net benefit was to the City and if the City broke even, or if it cost

the City money. Davis responded it did not cost the City anything and it was what they used to run the recycling program and keep a recycling facility open. He indicated this all came from a grant used to make incremental improvements to the building facility. He noted the recycling center was heavily used by the citizens. He stated the County set the tonnage requirements for each City and prior to 2018 the City came close, but never met the goal. He indicated when they started implementing the drop off Saturday, they met the tonnage goals every year since 2018.

Lewis noted the contract was 62 pages and why would it be approved before the City Attorney reviewed it. Larson it was his understanding was that the Administrator and Project Managers would look at the contract and if nothing had changed, they would wait until there was an approval. But if it was a new contract or if there was something unique in the contract, that would then merit his review beforehand because there might be some legal issues that might come up. He indicated he was trying to manage legal services in the most efficient way possible for the City.

Miller asked in the future if the Council could get some kind of a cheat sheet and a synopsis of what the "meat and potatoes" were of this. Lewis stated they could have a presentation by someone in the County who works with this every day.

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

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

No reports given.

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 Pay Equity Reporting Update

Davis stated the Local Government Pay Equity Act, M.S. 471.991-471.999 and Minnesota Rules, Chapter 3920 requires local jurisdictions to submit a pay equity report to the State of Minnesota every three years. The Minnesota Department of Management has provided the City notification that our next report is due January 31, 2024 and that additional information will be provided in November 2023 in order to file.

Davis indicated a pay equity report is a document that provides an analysis of the compensation structure within an organization to ensure that employees are being paid fairly and equitably for their

work, regardless of gender, race, or other protected characteristics. Pay equity reports are required to demonstrate a commitment to fair and non-discriminatory pay practices and to comply with legal requirements related to equal pay for equal work.

Davis noted the appropriate data on employee pay, which is based on salary information in place for 2023 and approved by the City Council during the 2023 budget cycle, will be entered into the reporting software provided by the State of Minnesota once available. Also, entered into the software is each position classification along with the gender that holds each position. Once the entry is completed a report will be generated that will be provided to Council for consideration for approval at a future council meeting. The City will not be notified until the spring of 2024 as to compliance.

Informational; no action required.

8.0 G.2 Reserve Capacity Loan Update

Davis stated that the City of East Bethel entered into the Wastewater Service Rates and Sewer Service Charges Agreement with the Metropolitan Council in 2010. This agreement established an annual quota requirement and set a contract schedule for the Sewer Availability Connections/Charge (SAC). This quota increases at 17% per year to amortize the cost of the Met Council Wastewater Treatment Plant and effluent disposal system that serves the City of East Bethel. Davis noted the agreement created a Reserve Capacity Loan (RCL) that accumulates the unmet goals of the annual SAC quota over the 20-year term of the agreement.

Davis stated in 2013 and 2015, the City and Metropolitan Council (METC) executed amendments to the original agreement. The 2013 amendment allowed for a modification of SAC charges if the City could work out an agreement to connect Village Green to the City sewer system. The 2015 amendment placed a not to exceed cap of \$2 million on the Reserve Capacity Loan. This amendment limits the City's liability to a maximum exposure for the loan repayment to the \$2 million amount. Prior to this amendment the City could have faced a worst-case scenario of up to a \$19 million debt obligation to the METC in 2032.

Davis indicated the City of East Bethel did not meet the SAC quotas for fiscal years 2012 through 2018 and 2020 through 2022. Only in 2019, were equivalent connections made to the system which exceeded the SAC contract requirement for that year. The SAC contract requirement for 2023 is 208. As of September 19, 2023 the City has secured 17 SAC units so the City is anticipating reaching the \$2 million cap at year end, which would initiate the repayment of this loan starting in 2024. The Reserve Capacity Loan balance is projected to increase to \$2,130,693 at the end of December 31, 2023.

Davis stated there is a loan amortization agreement in place with MCES that allows the City to select a term between 10 - 20 years for a payback period at a fixed interest rate of 2.73% to satisfy the debt. City Staff has provided an amortization schedule that would pay the loan off in ten years and proposes an annual payment of \$231,241.76 (principal and interest). The City has earmarked the Sewer Fund as the source of money to pay this loan and that payment was included in the approved 2024 Preliminary Budget.

Davis noted going forward through the ten-year amortization period, the development of the Elevage and Capstone projects will generate \$1,433,250 in residential connection charges, which will cover this payment over the next 6 years, assuming 75-unit charges are received per year. The proposed Osborne Project could generate an additional \$875,875 in residential charges which could pay the balance of the debt between years 7 -10 of the loan. This scenario would utilize the SAC

revenue stream for these developments to pay back the loan, leaving the current balance of the City Sewer Fund untouched and available for system maintenance, operation, and improvement costs.

Davis stated staff requests the Council approve the loan repayment schedule as exhibited as 8.0 G.2, Attachment 3, in the Council's packet.

Lewis noted there was a rule of thumb in finance which was to never pay off the cheapest loan first. He indicated 2.73 percent interest with the money they saved, they could be earning 5.3 percent right now. He indicated just the interest would almost pay for the next one anyway or the next payment. He asked why was a ten-year amortization proposed and if it was flexible or was it fixed. He noted they could amortize it at 20 years and prepay it. He also asked if this was capped at \$2 million, why was it going to be at \$2,130,000. Davis responded if they go over the cap, they have to pay the loan back, but they only have to pay a million dollars.

Lewis requested information on the Osborne project including zoning, density, and acreage. Davis responded the zoning was R-2 with density of 4 to 6 units per acre and the acreage was about 80 acres in the whole site. He noted here were questions as to some of them on the northern portion that would have to be done by wetland delineation.

Lewis stated it was his understanding that the wastewater treatment plant was the property of the Met Council. He asked if that was the case, why would the money they were saving be spent toward maintenance operation and improvement costs. Davis responded the fund would be used for the City's portion of the system they own and it would not be used for the plant.

Lewis stated he had an issue with the amortization schedule and he wanted to spread out the amortization schedule and prepay on the principal. Davis suggested letting staff run some scenarios on this and indicated this could be tabled.

Lewis stated I'll make a motion to table. DeRoche stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.

Motion passes unanimously.

8.0 G.2 Sunrise River JPA Amendments

Davis stated the four members of the Sunrises River Water Management Organization (SRWMO) have been dealing with an issue over the funding formula for the organization since 2018. The City of Ham Lake has contested the equal split of the operating costs of the SRWMO and have proposed that these expenses be proportionally allocated based on land area of each member's acreage within the SRWMO boundaries. The other three members have held the position that these are fixed costs and their expenses should be the same for each member.

Davis indicated there have been six meetings to discuss this concern over the past year. A funding formula recommendation was supported by the members from Columbus, East Bethel, and Linwood at the September 14, 2023 SRWMO meeting. The City of Ham Lake had no elected representatives at the meeting but a follow up call by Janet Hegland, City of Columbus Councilperson and Chairperson of the SRWMO, was conducted on September 15, 2023, with Ham Lake Mayor Brian Kirkham. Ms. Hegland reported that the call was productive and there may be a compromise solution to this matter.

Davis noted the proposed compromise would be to adopt the Scenario 1 percentages, as shown in the table below, and dispose of the old formula which was based on market value and land area for each city/township. In reviewing the percent contribution derived from Scenario 1 and the

previously recommended Scenario 4, the differences between the two formulas only varied by approximately 1%-3%, depending on the municipality. Since the discussions have considered so many options, the current SRWMO formula percentages in the table below are presented as a consideration that seems to have support of all the parties:

Scenario 1 – Current SRWMO formula

Community	Non-Operating		Operating		Total
	%	Average SRWMO budget (last 5 yrs.)	%	Average SRWMO budget (last 5 Yrs.)	
Columbus	18.91%	\$5,915.72	25%	\$3,112.04	\$9,027.76
East Bethel	30.06%	\$9,402.81	25%	\$3,112.04	\$12,514.85
Ham Lake	4.13%	\$1,290.64	25%	\$3,112.04	\$4,402.68
Linwood	46.91%	\$14,673.13	25%	\$3,112.04	\$17,785.17

Davis noted the proposed plan is to utilize the percentages above, rounded up to the nearest whole number. These percentages would be utilized every year, without recalculating the Non-Operating portion for shifts in market value. The Operating portion of the budget would be split equally between the four communities (25% each). If there were significant boundary shifts in the future that substantially reduced or increased the area of a community, the SRWMO can re-open the discussion of adjusting the funding formula.

Davis stated to summarize, here are the major issues and proposed solutions over the last year that will be presented in a revised JPA:

Issue	Proposed Solution
Communications concerns when a community does not have a city council or town board member on the WMO.	Each community will be required to have one city council or town board member on the WMO board.
Unanimous ratification of budgets	If a budget is ratified by only three of four communities, it cannot increase more than 10% from the annual amount in the approved watershed plan for that year.
Timeline of budget ratifications	Responses to proposed budget are required within 60 days. If concerns are voiced that prompt the WMO board to change the budget, communities have an additional 30 day to respond to the revised budget.
Funding Formula	Use the most recent percentages from the 30+ year old funding formula. Dispose of the formula itself.

Davis stated the City Council is requested to endorse the compromise proposal for the SRWMO as to the funding formula, membership requirements and budget ratifications amendments to the JPA and submit a notice of support for these items to the SRWMO Board.

Mundle stated I'll make a motion to endorse the compromise proposal for the Sunrise River Upper Management Organization (SRWMO) as to the funding formula, membership requirements, and budget ratifications amendment to the JPA and submit a notice of support for these items to the SRWMO Board. Miller stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

9.0 – Other Items

9.0 A Staff Report

Davis recommended cancelling the October 2 Work Meeting as there was nothing on the agenda.

Mundle stated one item Council needed to discuss at a meeting was advertising for a new City Administrator. Lewis stated that could be discussed at the next Council meeting.

Mundle recommended staff prepare an advertisement for discussion at the next Council meeting. Lewis stated he was working on something and would be prepared to discuss it at the next meeting.

9.0 B Council Reports

DeRoche requested an update on the Trailer Park CUP. Berg presented an update on the trailer park noting the City's Ordinance did not permit the expansion of legal non-conformities and under the City Code it only permits manufactured homes to be allowed in the B-3 Commercial District and not in the R-2 Residential District of the City. He indicated allowing an expansion was in violation of the City's Ordinance. He stated there might be avenues or legal ways to allow the expansion to happen though. He stated staff was unable to locate a CUP with any language of any kind for either of the manufactured home parks in any of the City records dating back to 1953.

DeRoche believed at some point the City had something in mind. He indicated he believed he had found the Minutes from 2012, but he could not find the rest of the Minutes. He requested the other part of the Minutes. Davis responded as to the agreement with Met Council there was never anything resolved in that the only thing that came out of that meeting was that the trailer park would be required to hook up and pay SAC charges for each individual trailer lot which would cost them over a million dollars, or there was a proposal that if what was in Village Green would give the City the property and the facility of wastewater treatment plants. He indicated it would be donated to the City and then it would be a City facility. He noted the City did not want to accept that because the City would have to have it for at least 30 days and there was concern about what might happen in the 30 days. He noted the bigger issue was the City did not want the responsibility of their collection system, which at the time was 45 to 50 years old, which could have a lot of inflow infiltration issues and this would mean higher treatment costs. He stated even worse was that if it exceeded a certain level, the Met Council could come in and make them repair or replace the system to correct it.

DeRoche noted the amendment made in 2012 was approved with only three Councilmembers and his point was that part of the amendment dealt with Village Green. He requested staff locate the Minutes. Berg noted the sewer connection system was a completely separate issue of the illegal or the legal nonconformity of the zoning code of the trailer park or the manufactured homes. He indicated those were two completely separate legal issues.

DeRoche stated he understood that, but where was the paperwork when it was originally put together. He noted who was to say when they first put in the trailers that it wasn't their intention down the road to fill the whole thing up and they just had not done it yet. He noted if that was the case, why would they not be allowed to expand. He asked where was the original designs of what they had in mind. Berg stated he would send DeRoche the 300-page historical document he put

together and shared with the City Attorney and if he wanted him to pull any of those items out of there, they could explore each one of those. He stated in terms of content, he had pulled meeting Minutes from both the Planning Commission and the City Council on this topic based on the date in the document.

DeRoche asked if Berg had found the document where it laid out the trailer park. Berg responded the State had permitted the use of trailers for different periods of time until it actually became an acceptable location to have a portion of a community. He summarized what he had found out about this property for Council.

DeRoche stated what troubled him was where was the documentation. Berg responded it was his assumption that there were some handshake agreements and allowables where there was no Code for it at the time, and as the Code became more evolved and these things existed, now they were non-conformities.

DeRoche stated he would need to do more research on this, but they had that part of the amendment that was made when that part of Village Green was going to hook up. Berg responded that was a separate item from the zoning.

DeRoche asked if they were allowed to hook up, would they still be non-conforming. Berg responded yes because the Zoning Code said they were not allowed to be there. However, they were there before the Zoning Code changed so they could continue to be there, but they cannot expand.

DeRoche stated their only option was to forget this or to come in for a variance. Berg responded in conversations with the City Attorney there were potential legal avenues for them.

DeRoche asked how much effort was being put into this and was this something staff was pursuing with them. Berg responded staff could encourage and cannot discourage an applicant from applying for something. He stated he has had numerous conversations with Mr. McCray on this and now it was up to the applicant to ask the City to move to the next level.

Davis stated most of the conversations have been by telephone with the last one being approximately two weeks ago.

Berg stated the question was whether staff could continue to research and find a CUP for them. He stated he had spent over 14 hours going through Minutes of Council meetings looking for any mention of trailer park manufacturers as well as preparing a 300-page document in the event they got to the point where they would need to make a legal decision.

Lewis noted there was also another illegal park with the same scenario. Berg stated they also did not have a CUP and they were in the same scenario. He noted he had not explored their sewer issue though.

Miller recognized the Park Commission for having a meeting with the residents on Coon Lake Beach where the Commission received a lot of great ideas from the residents. He thanked the residents for turning out for the meeting.

Miller stated he had attended the groundbreaking and trail dedication at the Cedar Creek Ecosystem Science Reserve. He indicated this was run by the University of Minnesota and visited by scientists and college students from all over the world. He indicated the area was amazing. He indicated there were a lot of public trails and activities there. He recommended the City promote this area. Davis responded the City had a good partnership and relationship with the Cedar Creek Ecosystem Science Reserve and the City had worked with them on certain projects.

Lewis acknowledged Miller's initiative on his own time in locating a grant source from the State to supplement what they were putting out as a City for playground equipment and playground development.

9.0 C Other

None.

10.0 Adjourn

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

Meeting adjourned at 9:00 PM.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.