

EAST BETHEL CITY COUNCIL MEETING

August 11, 2025

The East Bethel City Council met on August 11, 2025, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Ardie Anderson Suzanne Erkel Brian Mundle
 Tim Miller Jim Smith

ALSO PRESENT: Matt Look, City Administrator
 Jacob Saufley, City Attorney

1.0 Call to Order

The August 11, 2025, City Council meeting was called to order by Mayor Anderson 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. Erkel stated I'll second. Anderson asked any discussion? To the motion, all in favor say aye. **All in favor.** Anderson asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentations and Public Hearings

None.

5.0 Public Forum

None.

6.0 Consent Agenda

Item A: Approve Bill List

Item B: Approve the Tabled Meeting Minutes July 14, 2025 City Council Meeting

Item C: Approve Meeting Minutes, July 28, 2025 City Council Meeting

Item D: Approve the Hire of Seasonal Ice Arena Attendants and Advertisement

Item E: Approve Hire of New Fire Fighter

~~Item F: Approve Posting of Request for Proposal: Facility Needs Study~~

Erkel requested to pull Item F.

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

6.0 F Approve Posting of Request for Proposal: Facility Needs Study

Erkel asked for more information on what the City thinks the facility needs and why the staff cannot do this.

Look stated that the needs study would be a professional to come in and look at the age of the facility, the age of the roof, the age of the bathrooms, and determine where they might want to go for a Fire Station or Public Works site. Look noted that it helps the City identify possible future needs.

Erkel stated that she does not think it is feasible to pay someone to do this, and she believes they need a new fire station and a new maintenance facility, but they do not have the money right now, so they should be setting aside money for that now.

Look clarified that this is to go out for an RFP to see what a study might cost, and then the Council can decide whether they want to proceed with the study.

Erkel stated I'll make a motion to approve Item F of the Consent Agenda. Mundle stated I'll second. Anderson asked any discussion?

Anderson asked what facilities they were looking at. Look noted that they would be looking at a new Fire Station, Public Works site, City Hall, Community Center, and get an understanding of where they are currently and how much longer the buildings are going to last.

Miller asked if they were just getting quotes for this. Look stated they are just looking for an RFP to see how much it would cost.

Smith asked if they have anyone who is maintaining their buildings. Look stated that Ayshford oversees that, and their Public Works guys are skilled in some maintenance things.

To the motion, all in favor say aye. **All in favor.** Anderson 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 Approve BDM Lease Amendment

Mundle noted that he will be abstaining from this item.

Look stated that on July 28, 2025, they brought forward the BDM Lease Amendment, and they are bringing this item back today to vote on after it was sent to the principal.

Look outlined the terms of the Lease Amendment as follows:

- BDM will pay the City \$300 monthly for their share of electricity, internet, water, and

sewer and other expenses that would fall into the category of common area maintenance, as well as the placement of a business sign.

- That both parties consider the road improvement deficiency would be satisfied through the application of interest that was generated from the original \$1,700,000 million purchase price, in addition to installments made by the developer, and interest generated off the \$2000 installments per permit issued.
- The City agrees not to pursue past taxes that should have been paid on the portion of City property that was used for commercial purposes.
- The City agrees to the amount of \$6,000.00 SAC fee and \$500.00 WAC fee as defined by the contract.
- BDM will vacate the property in 3 years from the signing of this agreement or renegotiate a suitable agreement with the City.

Look stated that he received a **text message at 3:45 PM this afternoon** from Brian Mundle Sr. that changes are needed to the Lease and will be sent over to the City when those changes are made.

Smith asked if there was an agreement at the end of the meeting to move forward with the draft. Anderson stated that there was a verbal agreement. **Smith asked if you shook hands after the meeting and the subsequent agreement, Miller said he shook hands. Administrator Look was asked, and responded yes, that we shook hands on the agreement. Miller stated that he wants to put his behind us and move on.**

Smith clarified so now there is going to be more changes. In my opinion, what I am seeing from the whole thing, is that we are being played. That's my opinion: if you have an agreement and handshake. To me, years ago, means something. Obviously, it must not now; but it's like we are being played and stuff is being stretched out.

Smith recalled the April 28, 2025, City Council meeting when he asked Mundle if he was in the interest of the residents or the business. Smith stated that Mundle does not have the interests of the residents of East Bethel in mind.

Mundle interjected that he is abstaining.

Smith stated that Mundle always chirps in when it is convenient for him, **and Mundle still opens his mouth and still cuts into the conversation even after he has abstained.**

Smith stated this, in my opinion... we are being misled bigtime. It has costed the residents of East Bethel hundreds of thousands of dollars – the way this has been handled – so I don't agree with none of this. So, what I am going to do is **make a motion to evict BDM construction – Firebird Land, LLC – out of our city-owned building and be done with this.**

Anderson stated that there is a motion, and asked for a second.

Miller stated before I second something like this, I'd like to say something. We went in to negotiate something in good faith – I don't know how many times – but this last time was 2 ½ hours. We went in to try and get this city's tax dollars and to protect the city's residents from covering these bills. Was it the amount we wanted? No, it was negotiated to the point that we agreed that this would cover the basics of what was needed so that we were not in violation of any statutes for using taxpayers' dollars. I am extremely disappointed right now that this is being done to the city. I thought we had turned the corner with this, and I agree with Jim (Smith) right now. This seems to be a game that keeps getting played out at our expense. It's unacceptable for the city to do business like this and keep being put in a position where we have no control over our own building for god's sakes.

This is our city's building, this is our city's tax dollars. No matter how you look at it, when the bills come for that building, a portion of that being used is being used by a private business. We thought we had an end to this. Two weeks ago, we were told nobody saw the paperwork... even though it was posted on a Friday. It's been out there for two more weeks and a couple hours before tonight's meeting we don't have an agreement? I would say if they don't sign this thing, we have no choice. And I will agree we have no choice, if they don't sign as it was, because this is the way it was... this was the deal. So **I am going to second Jim's (Smith) motion** based on the actions of what happened today. Because we cannot be held as city like this any longer. We tried to do the right thing, we tried to make it fair. Three hundred dollars to cover the expenses of any developmental company, is so fair, it is not even funny. And to just keep dinking around with us and say we have to change this or change that... We need to stay in charge. We need to become in charge, and we need to take charge of our taxpayer's dollars, and we can't do this anymore. So, I am going to second that motion.

Anderson asked any discussion?

Anderson noted I'd like to bring up the point that the letter of intent that we sent to Mr. Mundle, which went out to him via email on the 29th, right in that letter it states 20 days. 20 days from the 29th, that's a week from today that he has the right to respond. This is our legal letter that was sent to him.

Smith stated that he didn't know that.

Anderson said yes, it says right here. It says right in the deal: 20 days.

Miller asked why do we not have a copy of this legal letter? How do you have a copy of it, and the rest of the council doesn't? We have no knowledge of it.

Anderson stated that this letter is right in your deal on page 37. It's the second-to-the-last paragraph on page 38, actually. He has to the 18th legally, or binding, I should say. It was documented on the 25th, but we brought it up that evening on the 28th. He claimed he hadn't received it yet, so Mr. Look and staff sent it out on the 29th... the next day, right, Matt?

Look stated that he did, and Mr. Mayor and Council, I think part of the confusion was the July 25th via email communication that is on there, evidently wires got crossed, it did not go out on the 25th, we did send it on the 29th and the 20 days is correct, however given the message I got this morning, I'm sorry – this afternoon – at 3:25 PM, this won't even be accurate anymore given whatever changes are proposed.

Anderson stated, No, I agree; I'm just saying...

Look stated that even after 20 days given whatever changes they have, they can't agree to this because they don't agree based on some change they want to make.

Anderson contended yeah but a nonbinding agreement is an agreement between both parties, and once it is drafted, both parties need to sign it too. I'm just trying to keep us legal here.

Look stated Mr. Mayor and Council if this was agreeable to Mr. Mundle sr, 20 days he can sign anywhere in-between there and this council meeting today would have been appropriate for that, that is why we had it on the agenda. We do not have another council meeting within that 20-day window, so we would have approved it past the 20 days from a calendar standpoint, but regardless, it sounds like based on their position, it will be a forced expiration and then a reissue which will mean more legal more cost involved in redrafting, I am assuming he is working with his attorney, and then whatever they come back to us with, we will have our attorney review to make sure it is within our

best interests and it may go back and forth 3 or 4 iterations before we land on what we ultimately hand-shook on that day.

Smith stated that the way I look at it, you got your text message at 3:25pm today basically saying this is not what he is agreeing to the changes or whatever, this has been drafted with the agreement between you guys's meeting and him, but now he is not agreeing. So the 20 days is never going to change, he's already saying no to what you have.

Anderson stated that it could still be an agreement. It's just in some of the verbiage of what we have written back to him.

Smith disagreed, stating but he says there is going to be some changes, so he's not in agreement with what is written here.

Miller asked Mr. Attorney, how do we adjust this so that we are not just going back and forth 100 times and this fades away like it always does? This needs to come to a conclusion, and if we are waiting until the last hour to get notes like this, there needs to be some seriousness now. We mean business as a city, and I understand he wants a contract which he wants control of in writing again. Ok, when you agree to something, how are we finding ourselves behind an 8 ball constantly, when we shouldn't be, when we have a verbal agreement and a handshake, how do we make motion that says listen, this has got to end, this going back and forth. When we agree on something we agree on something, then let's do it. I mean I'm tired of sitting up here and talking about this. I'm tired of bothering you and the residents have got to be getting sick of this. But this keeps coming up year after year after year and we never have a resolution to it. Now we finally have a resolution, it is not the greatest, but it is something that covers the taxpayers, it means the taxpayers are not paying anymore for this, and now here another month goes by. Alright, what can we say? This has got to be done or else. We don't want to play this game anymore... I don't want to play this, I don't think the city wants to play it, and I certainly don't want to use anybody's money anymore... so how do we come to this conclusion? How do we end this?

Saufley stated that at this point, the LOI is part of the negotiation process, it is clear we are still in that process, it may be breaking down. As we have discussed, there is still more time for BDM to respond with whatever their changes are, it doesn't get to the point of your question. Ultimately, we are stuck maneuvering with the agreement that currently exists, that everyone is agrees is poorly drafted and is ambiguous about some terms, no one is really quite sure about where either party stands, if the chips were to fall on the floor. That said, I think the city is taking the right steps to negotiate a solution here. As you've discussed as the mayor articulated, we don't really know what the objections are at this point from BDM. They could be superficial, terms of phrase or language, or the changes could be material too, we don't know. I think that I have heard your message loud and clear, and anyone listening has heard it loud and clear, that you don't want to be playing games anymore – seeking finality – and in any negotiations, at some point the negotiation stops. That's maybe the best answer I can give you on where does this go, what can we do about it. Because right now there is an operative agreement, and we are all working under it the best that we know and can, and we are seeking to revise and resolve it.

Look asked would it be advantageous in the motion that is currently on the table to have a friendly amendment that says if this is not resolved by the 19th that it goes into effect, the eviction? I believe the 18th is the 20 days.

Anderson stated yes, the 19th is the 20th day. I want to get this resolved as well as anyone else does. It doesn't benefit the city at all until we get this resolved. So, I just want to make sure we're doing this by just cause and not hung out here.

Saufley stated Mr. Look, to your question, the city can take the eviction action if that's what it wants to do. We put deadlines in agreements for a couple of reasons; 1. Is to pressure towards an agreement 2. is to make sure that agreements end, so that if they are forgotten about or just drop off the table, they just go away and we don't have to worry about them being effective. So there is kind of a double purpose there. Enforcing the termination language and bringing an eviction action on the tail end of that is a clear signal to the other party what we are intending to do and the steps we are going to take.

Smith asked so, can I add to my motion then that the deadline is August 18th, 2025? That this needs to be signed or we are going forward with the eviction?

Saufley stated you certainly can make that amendment. Practically speaking what if they come back with a change that is different, what will that do to your ultimatum. We would have to come back and discuss at the next meeting as to what to do with it. You can always call a special meeting.

Smith stated we need to get this done. I agree with what Tim (Miller) says, too; this keeps stretching on and stretching on.

Look addressed the council and stated I would make it the 19th, since it goes through the 18th, so there is no question as to "I had the 18th or whatever to still decide".

Miller stated yeah, we need resolution. We had a deal, now we don't have a deal; I'm okay with that. I didn't see that in there, either; thank you Mayor. We need to do this properly for the city. We need to give everyone enough time, obviously, but I am disappointed this is coming through at the last minute – just before a meeting – when there was more than enough time ahead of time take this off the agenda.

(Everyone agreed.)

Smith stated so, I guess **I will add to my motion, there is a deadline of August 19th, 2025; that this needs to be signed by both parties or we start the eviction process.** Is that alright to do it that way, Jacob?

Saufley addressed the Mayor and Council, stating I am not here to advise on policy and what direction you decide to take with how you choose to act, but that would be a power that you have. You certainly can make that motion, then you could second it and you could adopt it, and we will carry it forward.

Miller stated we certainly don't want to put the city in any more legal issues that it already has, but we need to be smart at it also, so under your advice, if this is something we can do, I think we should. If it goes back and forth, it will be another month and then another month after that. One change can come back, that's two weeks. If we don't like the change, it's another two weeks, there's another \$300, there's another \$300. This stuff adds up, you take 21 years it adds up. This a long time to be doing this. We are not going to run away from this one. We are fighting for the City and we are fighting for what's right for the City tax dollars here, so we have to have some sort of deadline for what we are going on, especially when we have deals that have been agreed upon. And I don't see any language in this that has changed from the original deal that we discussed, and that's the problem that I am having right now. I'm disappointed with this. I think it's a phenomenal deal, not one for the City, but it covers what needed to be covered from violating any statutes with our City's

tax dollars, and like Jim said, I feel like I'm being played, I feel stupid right now, okay because I thought this was done, I was happy it was done, do don't have to deal with it in the future with an end date to this contract and we had the bills covered up there, but now we are back to square one, but this time its going to have a certain number of days on it, right? So how does this motion look then?

Look stated so he (Councilmember Smith) made a motion to amend, and you need to amend your second.

Miller stated I will amend my second.

Anderson stated we have a motion to amend, and a second. Anderson asked any discussion? To the motion, all in favor say aye. **Aye – Miller, Smith, Erkel.** Anderson asked any opposed? **Nay – Anderson. Abstain – Mundle.**

Anderson stated I will oppose it because I feel we should still be sitting down, but motion passes. **Amended motion passes.**

9.0 – Other Items

9.0 A Staff Report

Look stated that they decided to bring an intern on board to digitize the files, but the intern had an emergency out of the country and would not be able to complete this internship. Look stated that staff will work on figuring out a way to get this started.

Look updated that the City lost the deal on the 1347 Sims Road property. Look stated that the appraisal company said it would take 4 weeks to complete the appraisal. The seller stated they were pulling out and did not want to sell to the City anymore.

Look stated that they had an administrator meeting put on by the County, and the topic got to the issue of the levy. Look noted that the County is coming in at a 9.9% levy increase, and East Bethel was by far the lowest of all the cities there.

Look stated that they got a letter from the League of Minnesota Cities saying that Senator Cal Barr has been selected as a League of Minnesota Cities Legislature of Distinction for 2025 due to his accessibility and consistent availability.

Miller asked if they are paying twice for minutes that are being tabled and reincluded in the next packets.

9.0 B Council Reports

Smith asked if CivicPlus would help with meeting minutes. Look stated that one of the modules seems to include a word-for-word option for minutes.

Look stated that the Council has not chosen to pay for verbatim minutes, but CivicPlus may be able to help with that in the future.

Erkel stated that she attended the Local Government Officials meeting, and they went over recycling programs, and East Bethel was recognized for doing a good job. Erkel noted that the City could consider doing organic recycling, which is what they are missing right now.

Erkel asked about the election control that was voted on in Anoka County. Look stated that it was regarding the storage of the iPads used for checking people in, and he noted that he would look into anything regarding election control being taken away.

Erkel stated that they are struggling with yellow water at the Senior Center.

Erkel stated that they have a Craft and Vendor Sale on October 25, 2025, and they will have flyers and posters coming out soon.

Miller stated that they have a big Parks and Recreation meeting tomorrow to discuss the budget for this year and next year.

Mundle thanked the residents who hosted the night out parties.

Mundle stated that they have a Booster Day meeting on Wednesday, August 13, 2025, at 6:30 p.m.

Anderson stated that he was able to make it out to some of the parties, and he had a good time.

10.0 Adjourn

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

Meeting adjourned at 7:49 p.m.

Submitted by:

Lilian Rokosz

TimeSaver Off Site Secretarial, Inc.