

City of East Bethel
City Council Agenda
 Regular Council Meeting – 7:30 p.m.
 Date: September 18, 2013



Item

7:30 PM **1.0 Call to Order**

7:31 PM **2.0 Pledge of Allegiance**

7:32 PM **3.0 Adopt Agenda**

7:33 PM **4.0 Reports/Presentations**
 Page 3-10 A. Refinancing 2005A Safety Bonds
 Page 11 B. Sheriff's Report

8:03 PM **5.0 Public Forum**

8:15 PM **6.0 Consent Agenda**
Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration

- Page 14-17 A. Approve Bills
- Page 18-39 B. August 21, 2013 City Council Meeting Minutes
- Coming C. September 4 2013 City Council Meeting Minutes
- D. Approve Completion of Probation for Building Inspector
- E. Approve Hire of Receptionist
- Page 40-45 F. Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project
- Page 46 G. Res. 2013-58 Declaring Surplus Property

New Business

7.0 Commission, Association and Task Force Reports

- A. EDA Commission
- B. Planning Commission
- C. Park Commission
- D. Road Commission

8.0 Department Reports

- 8:20 PM A. Community Development
- Page 47-48 B. Engineer
 - 1. Lift Station #1 Reconstruction Bid Award
- 8:30 PM C. Attorney
- Page 49-56 D. Finance
 - 1. Post-Issuance Debt Compliance Policy
- 8:40 PM E. Public Works
- Page 57-60 F. Fire Department
 - 1. Fire Department Report
- 8:50 PM G. City Administrator
 - 1. Cell Tower Land Lease
- Page 61-88



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 4.0 A

Agenda Item:

2005A Public Safety Bond Refunding

Requested Action:

Consider approval providing for the sale of \$1,305,000 General Obligation Public Safety Refunding Bonds

Background Information:

The City of East Bethel currently holds a 2005A bond issue, which is callable on 2/1/14. These bonds were issued for the construction of Fire Station #1 on Viking Boulevard and weather warning sirens that were installed at 16 locations throughout the City.

The opportunity to refinance these bonds was discussed at the March 7th and 21st, 2012 meetings but due to net savings of approximately \$60,000 the matter was tabled. We can refinance these bonds at this time and receive a projected net savings of \$82,576. This savings would include the approximately \$15,000 that is owed to Moody’s for the bond rating fee for the attempt to refinance the 2010 A & B Bonds. Should Council approve the refunding, the rating fee would be “flipped” from the 2010A & B Refunding proposal to the 2005A proposal.

In order to eliminate the costs that have been incurred for a credit rating analysis that was done for the possible refinance of the 2010A/B bond issues and optimize savings due to an improved position of savings as compared to 2012, staff is recommending that Council consider the refunding of the 2005A Bonds

Attachments:

Presale Report and Resolution 2013-56

Fiscal Impact:

A projected net present value savings of \$82,575.55 would be realized if this sale were completed

Recommendation(s):

Staff recommends Council consider approving Resolution 2013-56, providing for the sale of \$1,305,000 General Obligation Public Safety Refunding Bonds

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



EHLERS
LEADERS IN PUBLIC FINANCE

September 18, 2013

Pre-Sale Report for

City of East Bethel, Minnesota

\$1,305,000 General Obligation Public Safety Refunding
Bonds, Series 2013A



Prepared by:

Stacie Kvilvang
Senior Financial Advisor

And

Todd Hagen
Senior Financial Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$1,305,000 General Obligation Public Safety Refunding Bonds, Series 2013A
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statute, Chapter:</p> <ul style="list-style-type: none"> • 475 <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p> <p>The Bonds count against the City’s General Obligation Debt Capacity Limit of 3% of market value.</p>
Purposes:	<p>The proposed issue includes financing to complete a current refunding of the City’s:</p> <ul style="list-style-type: none"> • General Obligation Public Safety Refunding Bonds, Series 2005A. Debt service will be paid from ad valorem property taxes. <p>Interest rates on the obligations proposed to be refunded are 3.70% to 4.30%. The refunding is expected to reduce interest expense by approximately \$111,217 over the next 12 years. The Net Present Value Benefit of the refunding is estimated to be approximately \$82,575, equal to 6.139% of the refunded principal.</p> <p>This refunding is considered to be a current refunding as the obligation being refunded is callable (pre-payable) within 90 days of the date of issue of the new Bonds.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 12 year term. Principal on the Bonds will be due on February 1 in the years 2015 through 2026. Interest is payable every six months beginning August 1, 2014.</p> <p>The Bonds maturing February 1, 2022 and thereafter will be subject to prepayment at the discretion of the City on February 1, 2021 or any date after call date.</p>
Bank Qualification:	<p>Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City’s most recent bond issues were rated “AA-” by Standard & Poor’s. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and</p>



	<p>regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 1% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p>
Possible Premium Bid:	<p>Because yields are very low at this time, a purchaser may choose to submit a bid for your competitive sale with higher interest rates than the yield on the bonds. Higher interest is valuable for institutional and retail investors who may either trade bonds in the future or may want a higher yield if you as the issuer choose not to call the bonds at the call date.</p> <p>For example, the interest rate may be 3% but the yield may only be 1.5%. To achieve the lower yield of 1.5%, the purchaser will pay you, the issuer, a “premium” at the time of closing.</p> <p>In other words, they will pay more than \$5,000 for a \$5,000 block of bonds in exchange for more tax-exempt interest at a later date. The amount of the premium varies, but can be as high as 10% of the bond issue. This means for a \$2,000,000 issue, you may end up with a bid that offers \$2,200,000 in proceeds.</p> <p>The amount of the bond will be reduced if a premium bid is received. The adjustment may slightly change the true interest cost of the original bid, either up or down.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the 2010A RZED Bonds and the 2010B BAB Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market for the possible refinancing of the 2010 bonds and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain “material events” to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>
Arbitrage Monitoring:	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond</p>



	<p>proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Signature, No-Litigation, Arbitrage Certificate and Purchase Price Receipt prepared by your Bond Attorney and provided at closing. We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>
<p>Risk Factors:</p>	<p>Current Refunding: The Bonds are being issued for the purpose of current refunding of prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until February 1, 2021. This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council:	September 18, 2013
Distribute Official Statement:	October 3, 2013
Conference with Rating Agency:	Week of October 7 th , 2013
City Council Meeting to Award Sale of the Bonds:	October 16, 2013
Estimated Closing Date:	November 13, 2013

Attachments

- Sources and Uses of Funds
- Proposed Debt Service Schedule
- Refunding Savings Analysis
- Resolution Authorizing Ehlers to Proceed With Bond Sale

Ehlers Contacts

Financial Advisors:	Stacie Kvilvang	(651) 697-8506
	Todd Hagen	(651) 697-8508
Disclosure Coordinator:	Wendy Lundberg	(651) 697-8540
Bond Sale Coordinator:	Alicia Baldwin	(651) 697-8523
Financial Analyst:	Alicia Gage	(651) 697-8551

The Official Statement for this financing will be mailed to the City Council at their home address or e-mailed for review prior to the sale date.



Resolution No. 2013-56

Council Member _____ introduced the following resolution and moved its adoption:

Resolution Providing for the Sale of \$1,305,000 General Obligation Public Safety Refunding Bonds, Series 2013A

- A. WHEREAS, the City Council of the City of East Bethel, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$1,305,000 General Obligation Public Safety Refunding Bonds, Series 2013A (the "Bonds"), to current refund the City's \$1,900,000 General Obligation Public Safety Bonds, Series 2005A for interest cost savings; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of East Bethel, Minnesota, as follows:

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:30 pm on October 16, 2013, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

The motion for the adoption of the foregoing resolution was duly seconded by City Council Member _____ and, after full discussion thereof and upon a vote being taken thereon, the following City Council Members voted in favor thereof:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Adopted this 3rd day of July, 2013 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 4.0 B

Agenda Item:

Monthly Sheriff's Report

Requested Action:

Information Only

Background Information:

Lt. Orlando will review the monthly statistics and report on activities for the month of August, 2013.

Fiscal Impact:

None

Recommendation(s):

Information Only

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: X



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 6.0 A-G

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Approve Bills

Item B

August 21, 2013 City Council Meeting Minutes

Meeting minutes from the August 21, 2013 City Council Meeting are attached for your review and approval.

Item C

September 4 2013 City Council Meeting Minutes

Meeting minutes from the September 4, 2013 City Council Meeting are attached for your review and approval.

Item D

Approve Completion of Probation for Building Inspector

Steve Lutmer began employment with the City on March 25, 2013 as the City Building Inspector. Since that time, he has performed in an exceptional and exemplary manner. Staff is recommending his appointment as a regular employee based on the satisfactory completion of the six month probationary period required of all new employees.

Item E

Approve Hire of Receptionist

The City received 176 applications for the Receptionist/Recycle Coordinator Position. The process required to review, adequately rate the applications and schedule interviews was not completed until Wednesday, September 11, 2013. Interviews have been scheduled for Monday, September 16, 2013 and information on the recommended candidate will be forwarded to you on this date. Jack Davis and Wendy Warren will be conducting the interviews with the candidates.

Item F

Res. 2013- 57 Ordering Public Hearing for Assessments for the Municipal Utilities Project

Staff recommends that Council consider adoption of Resolution 2013-57 to meet the requirements of Minnesota Statute, Chapter 429 to schedule the Assessment Hearing for the Municipal Utilities Project. Attached is the Scenario 1 Assessment Roll which can be subject to adjustment. ERU's were assigned on vacant properties under this example to reflect the high end consistency that was absent in previous attempts to establish an equitable amount of assignment. These (ERU's) can be lowered but should be done proportionately. We will submit other alternative assessment scenarios prior to the hearing for your review and consideration.

Item G

Res. 2013-58 Declaring Surplus Property

The 1995 General Fire Truck has come to the end of its useful service life as a reliable and dependable piece of equipment. The City has purchased a replacement fire truck.

Staff recommends Council adopts Resolution 2013-58 Declaring the 1995 General Fire Truck as Surplus Property.

Fiscal Impact:

As noted above.

Recommendation(s):

Staff recommends approval of the Consent Agenda as presented.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



Payments for Council Approval September 18, 2013

Bills to be Approved for Payment	\$191,793.35
Electronic Payments	\$25,441.61
Payroll City Staff - September 12, 2013	\$31,222.11
Payroll City Council - September 13, 2013	\$2,145.74
Payroll Fire Department - September 13, 2013	\$8,078.56
Total to be Approved for Payment	\$258,681.37

City of East Bethel

September 18, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
	Due From Other Entities	JPA2012-0597	Anoka County Hwy Dept	101		\$30,780.00
215-221st 65 Service Rd	Architect/Engineering Fees	31967	Hakanson Anderson Assoc. Inc.	402	43125	\$4,158.65
Arena Operations	Bldgs/Facilities Repair/Maint	082813	Wright-Hennepin Coop Electric	615	49851	\$21.32
Arena Operations	General Operating Supplies	33998	Menards Cambridge	615	49851	\$44.70
Arena Operations	General Operating Supplies	20185	Smith Bros. Decorating Co	615	49851	\$60.68
Arena Operations	Professional Services Fees	61	Gibson's Management Company	615	49851	\$6,630.71
Arena Operations	Repairs/Maint Machinery/Equip	52864-IN	R & R Specialities, Inc.	615	49851	\$1,269.85
Arena Operations	Telephone	090113	CenturyLink	615	49851	\$118.13
Building Inspection	Electrical Permits	090113	Brian Nelson Inspection Svcs	101		\$958.50
Building Inspection	Motor Fuels	2255496	Lubricant Technologies, Inc.	101	42410	\$505.23
Building Inspection	Refund Electrical Permit	268	Bluehawks Electric	101		\$35.00
Building Inspection	Refund Electrical Permit	272	Jeremy Wells	101		\$15.00
Central Services/Supplies	Information Systems	230401	Anoka County Treasury Dept	101	48150	\$225.00
Central Services/Supplies	Information Systems	217753	City of Roseville	101	48150	\$2,392.33
Central Services/Supplies	Information Systems	09 2013	Midcontinent Communications	101	48150	\$1,283.00
Central Services/Supplies	Office Equipment Rental	235708468	Loffler Companies, Inc.	101	48150	\$352.42
Central Services/Supplies	Postage/Delivery	5839-01	Do-Good.Biz	101	48150	\$1,080.55
Central Services/Supplies	Printing and Duplicating	82661	Catalyst Graphics, Inc.	101	48150	\$625.00
Central Services/Supplies	Small Tools and Minor Equip	261250	Frankensigns Incorporated	101	48150	\$32.06
Central Services/Supplies	Telephone	090113	CenturyLink	101	48150	\$243.82
Engineering	Architect/Engineering Fees	31973	Hakanson Anderson Assoc. Inc.	101	43110	\$641.72
Engineering	Architect/Engineering Fees	31973	Hakanson Anderson Assoc. Inc.	101	43110	\$1,002.50
Engineering	Architect/Engineering Fees	31973	Hakanson Anderson Assoc. Inc.	101	43110	\$230.86
Fire Department	Bldgs/Facilities Repair/Maint	082813	Wright-Hennepin Coop Electric	101	42210	\$5.32
Fire Department	Fire Pension Contribution-City	091213	East Bethel Fire Relief	231	42210	\$4,000.00
Fire Department	Motor Fuels	2255496	Lubricant Technologies, Inc.	101	42210	\$803.75
Fire Department	Motor Fuels	2255497	Lubricant Technologies, Inc.	101	42210	\$516.44
Fire Department	Professional Services Fees	090113	City of East Bethel	231	42210	\$1,666.67
Fire Department	Repairs/Maint Machinery/Equip	3289	Kirvida Fire, Inc.	101	42210	\$222.50
Fire Department	Repairs/Maint Machinery/Equip	3357	Kirvida Fire, Inc.	101	42210	\$936.56
Fire Department	Repairs/Maint Machinery/Equip	3389	Kirvida Fire, Inc.	101	42210	\$841.75
Fire Department	Repairs/Maint Machinery/Equip	P11049	MN Equipment Solutions	101	42210	\$472.46
Fire Department	Repairs/Maint Machinery/Equip	9371	Pro Hydro-Testing	101	42210	\$1,864.00
Fire Department	Repairs/Maint Machinery/Equip	259288	S & S Industrial Supply	101	42210	\$68.30
Fire Department	Safety Supplies	81185449	Bound Tree Medical, LLC	101	42210	\$787.38
Fire Department	Telephone	090113	CenturyLink	101	42210	\$120.49
Fire Department	Telephone	090113	CenturyLink	101	42210	\$62.49
Fire Department	Telephone	090113	CenturyLink	101	42210	\$178.98
Fire Department	Telephone	090113	CenturyLink	101	42210	\$58.12
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	261250	Frankensigns Incorporated	101	41940	\$48.10
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	33126	Menards Cambridge	101	41940	\$106.01
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	14972	GHP Enterprises, Inc.	101	41940	\$368.72
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	071913	Hass Septic Cleaning	101	41940	\$845.00
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-08-13	Premium Waters, Inc.	101	41940	\$36.14
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	122720	Robert B. Hill Company	101	41940	\$19.24

City of East Bethel

September 18, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Jackson MSA Street Project	Architect/Engineering Fees	31966	Hakanson Anderson Assoc. Inc.	402	40326	\$4,076.09
Jackson MSA Street Project	Professional Services Fees	P00002059	MN Dept of Transportation	402	40326	\$286.30
Legal	Legal Fees	08 2013	Eckberg, Lammers, Briggs,	101	41610	\$7,876.83
Legal	Legal Fees	130010	Eckberg, Lammers, Briggs,	101	41610	\$2,907.68
Mayor/City Council	Dues and Subscriptions	186883	League of MN Cities	101	41110	\$9,667.00
Mayor/City Council	Dues and Subscriptions	090113	MN Mayors Association	101	41110	\$30.00
Mayor/City Council	Travel Expenses	090513	Heidi Moegerle	101	41110	\$36.16
MSA Street Construction	Architect/Engineering Fees	31968	Hakanson Anderson Assoc. Inc.	402	40200	\$391.50
MSA Street Construction	Architect/Engineering Fees	31982	Hakanson Anderson Assoc. Inc.	402	40200	\$2,884.64
Park Maintenance	Bldg/Facility Repair Supplies	433398	Ham Lake Hardware	101	43201	\$29.87
Park Maintenance	Bldg/Facility Repair Supplies	65889351	John Deere Landscapes	101	43201	\$89.36
Park Maintenance	Bldg/Facility Repair Supplies	65892181	John Deere Landscapes	101	43201	\$14.48
Park Maintenance	Bldg/Facility Repair Supplies	2013228	Minnesota/Wisconsin Playground	101	43201	\$332.38
Park Maintenance	Bldgs/Facilities Repair/Maint	061013	Hass Septic Cleaning	101	43201	\$230.00
Park Maintenance	Clothing & Personal Equipment	1182685356	G&K Services - St. Paul	101	43201	\$19.46
Park Maintenance	Equipment Parts	1671289	Titan Machinery	101	43201	\$53.75
Park Maintenance	General Operating Supplies	32878	Menards Cambridge	101	43201	\$41.11
Park Maintenance	Motor Fuels	2255496	Lubricant Technologies, Inc.	101	43201	\$688.92
Park Maintenance	Motor Fuels	2255497	Lubricant Technologies, Inc.	101	43201	\$993.16
Park Maintenance	Sign/Striping Repair Materials	090913	Bruce Roles	101	43201	\$623.51
Planning and Zoning	Professional Services Fees	723	Flat Rock Geographics, LLC	101	41910	\$880.88
Police	Professional Services Fees	78343	Gopher State One-Call	101	42110	\$14.50
Police	Professional Services Fees	08 2013	Gratitude Farms	101	42110	\$467.03
Sewer Operations	Bldgs/Facilities Repair/Maint	082813	Wright-Hennepin Coop Electric	602	49451	\$24.53
Sewer Operations	Chemicals and Chem Products	3506663 RI	Hawkins, Inc	602	49451	\$75.00
Sewer Operations	Chemicals and Chem Products	3511279 RI	Hawkins, Inc	602	49451	\$347.65
Sewer Operations	Safety Supplies	81182821	Bound Tree Medical, LLC	602	49451	\$218.85
Sewer Utility Capital Projects	Architect/Engineering Fees	C12.100028	Bolton & Menk, Inc.	434	49455	\$18,085.94
Sewer Utility Capital Projects	Architect/Engineering Fees	31971	Hakanson Anderson Assoc. Inc.	434	49455	\$589.14
Sewer Utility Capital Projects	Architect/Engineering Fees	31972	Hakanson Anderson Assoc. Inc.	434	49455	\$15,874.89
Sewer Utility Capital Projects	Due From Other Governments	C12.100028	Bolton & Menk, Inc.	434		\$50,691.56
Street Capital Projects	Architect/Engineering Fees	31969	Hakanson Anderson Assoc. Inc.	406	40600	\$202.60
Street Capital Projects	Architect/Engineering Fees	31985	Hakanson Anderson Assoc. Inc.	406	40600	\$395.43
Street Capital Projects	Professional Services Fees	10495	City of Coon Rapids	406	40600	\$779.00
Street Maintenance	Bldgs/Facilities Repair/Maint	1182685356	G&K Services - St. Paul	101	43220	\$5.70
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-08-13	Premium Waters, Inc.	101	43220	\$36.14
Street Maintenance	Bldgs/Facilities Repair/Maint	082813	Wright-Hennepin Coop Electric	101	43220	\$21.29
Street Maintenance	Clothing & Personal Equipment	1182685356	G&K Services - St. Paul	101	43220	\$14.47
Street Maintenance	Motor Fuels	2255496	Lubricant Technologies, Inc.	101	43220	\$298.53
Street Maintenance	Motor Fuels	2255497	Lubricant Technologies, Inc.	101	43220	\$2,463.06
Street Maintenance	Motor Vehicle Services (Lic d)	25719	Truckaline	101	43220	\$363.08
Street Maintenance	Motor Vehicle Services (Lic d)	25741	Truckaline	101	43220	\$580.09
Street Maintenance	Motor Vehicles Parts	F-232470108	Allstate Peterbilt North	101	43220	\$171.61
Street Maintenance	Motor Vehicles Parts	C241153976:01	I State Truck Inc.	101	43220	\$113.90
Street Maintenance	Refuse Removal	13-4717	Green Lights Recycling, Inc.	101	43220	\$12.48

City of East Bethel

September 18, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Street Maintenance	Repairs/Maint Machinery/Equip	9960	Smith Iron Works	101	43220	\$60.00
Street Maintenance	Shop Supplies	4041036767	BlueTarp Financial, Inc.	101	43220	\$5.35
Street Maintenance	Telephone	090113	CenturyLink	101	43220	\$70.64
Water Utility Capital Projects	Architect/Engineering Fees	31971	Hakanson Anderson Assoc. Inc.	433	49405	\$589.15
Water Utility Operations	Bldgs/Facilities Repair/Maint	082813	Wright-Hennepin Coop Electric	601	49401	\$26.67
Water Utility Operations	Telephone	090113	CenturyLink	601	49401	\$306.54
						\$191,793.35
Electronic Payments						
Payroll	PERA					\$5,810.78
Payroll	Federal Withholding					\$5,649.72
Payroll	Medicare Withholding					\$1,726.76
Payroll	FICA Tax Withholding					\$7,383.33
Payroll	State Withholding					\$2,001.92
Payroll	State Wage Levy					\$0.00
Payroll	MSRS/HCSP					\$2,869.10
						\$25,441.61

EAST BETHEL CITY COUNCIL MEETING

August 21, 2013

The East Bethel City Council met on August 21, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Heidi Moegerle
 Tom Ronning

MEMBERS EXCUSED: Richard Lawrence

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney

Call to Order **The August 21, 2013 City Council meeting was called to order by Acting Mayor Moegerle at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the August 21, 2013 City Council agenda. Ronning seconded; all in favor, motion carries.**

Metro Cities Patricia Nauman, executive director of Metro Cities, "Thanks for having me tonight. Presentation Legally our association is called the Association of Metropolitan Municipalities (AMM) and that is still our legal name. But, a few years ago we did a little rebranding to shorten up our moniker for our uses at the capital and to better identify ourselves and so we do go by Metro Cities, but you may also hear us called AMM.

I was asked tonight to bring you some information on our organization and what we do. Metro Cities is a member based organization that represents cities in the seven county metropolitan region before both the state legislature and the Metropolitan Council. So we are a lobbying organization, an advocacy organization and we represent the city interest at both the legislature and the Metropolitan Council.

Our organization is about 40 years old and we originally started as a subsection of the League of Minnesota Cities. We still work very closely with the League, but at some point in the early 70's, the powers of the organization that were in place at the time decided to branch off into a separate but affiliated organization. Really the reason we were created at that time was to deal with the Metropolitan Council. The Metropolitan Council had just been created and the League was being inundated with all the things that had been brought into play. With the cities needing to be represented there, and so that was a prime reason for the creation of the organization at that time. And, we do continue to play a unique role in the local government community, in that we are the only region-wide organization that represents cities at the Metropolitan Council. What that means is we spend our time at the legislature and the Metropolitan Council. We attend every meeting of the Metropolitan Council. We are consulted by their staff. We are in constant communication with them. I kind of characterize it as we are both the city watchdog and liaison with the Metropolitan Council. We try to work collaboratively, but we also have to push back on many issues."

"We have 86 member cities, which is about 90% of the population of the Twin Cities. It is a strictly voluntary. Unlike the League, we don't have an insurance trust where we can compel members to join the organization. Our membership is very diverse. We have core cities, inner ring cities; we have developed cities, cities on the fringe of developing, small

cities, large cities, medium sized cities and the whole gamut.”

“We are governed by a 19 member board of directors. That board of directors is representative of the region as a whole. Our By-Laws call for population balance in terms of city representation on the board. Those are both elected officials and senior appointed level officials. We do work with the League and other organizations, but we really take a region wide view. So the issues we focus on are those issues that have regional significance. We work with aid and credits, fiscal disparities, transportation; those are just a few of the issues. We have over 60 legislative policies that we work on. Those cover a wide variety of issues from taxes and revenues to housing to economic development. And we have an entire section that deals with Metropolitan Council related activities and policies.”

“Our policies are developed by our cities. Cities come together each July, August and September for a series of meetings and they make recommendations on the policies. And, those policies are then forwarded to our board and then to our membership. Once they are approved they are what are used to guide our work at the Legislature and Met Council. As a member you would have the ability to influence what we put together in terms of our policy development.”

“Metro Cities provides an online newsletter. We keep you abreast of developments at the Capital and the Metropolitan Council. When the legislature is in session, that is sometimes a every week newsletter, and sometimes, more often than that. The task there it to keep cities informed. We might ask you to call your local legislature or Met Council representative and we do that on a very regular basis. We also work with the League to provide an area salary survey. We also provide a license and fee permits survey. We are a four person staff; we have a pretty low overhead.”

“Our organization has statutory appointing authority for the Metropolitan Council’s Transportation Advisory Board and their Technical Advisory Committee (TAC) to TAB. TAB is the group that makes decisions on the federal funds for transportation for the region. Those are very coveted spots. We have ten appointments to that board and eight to the TAC. We also have appointing authority for the Geographic Information Systems Board and then informally we make recommendations to a variety of other groups. Task forces on transportation, local government aid, Sewer Availability Charge (SAC). So when the Governor’s office, legislators, or the Metropolitan Council is looking to make metropolitan cities appointments to whatever group or task force it might be they contact us and we would make those recommendations.”

“The brochure I handed out shows information on how we serve as a forum for cities to come together and problem solve. Right now we are planning a panel on water, we have done legislative panels, and we have had forums to talk about specific legislation that has passed that cities need to know how to implement. We try to do at least a couple of those a year.”

“We work on a wide variety of issues at the legislature/Capital and the Metropolitan Council. They are listed on page 3 of the brochure I gave you. But when we look at those, we are advocating for city interests. The underpinning of our legislative work and Metropolitan Council work is really about maintaining local control and authority. And also making sure that cities have adequate tools and resources to do the jobs they are tasked with doing by the state. I think if you were to look through our policies you would find that is a thread of the whole thing. Our Met Council policies are balanced. They support a

regional form of government, but in terms as far that should go, there are some limits on it for the Metropolitan Council's authority and also for the legislator's authority as well."

"We would certainly welcome having the City of East Bethel as a member of our organization. I am often asked if we lobby for a specific bill on behalf of a certain city at the legislature that is very specific to the city. My answer is no, we are not at the legislature advocating for any specific issue for any city. What we do is advocate for issues for cities across the region. That said, if you did have individual legislation, or an individual issue, we have and do help cities navigate those processes. We put you in touch with the people you need to be in touch with. On a broader scale, when we are working on the collective interest of the cities, if we are meeting with your legislatures or Met Council Members, usually the first thing we get asked is my city a member? On a policy, working to advance something, on a collective issue, it makes our job harder to advocate on your behalf if you are not a member. The stronger our membership is, the easier it is to advocate on your behalf."

Moegerle, "I omitted mentioning this at the last Council Meeting, but we have information that the City of Minneapolis wants to put the wells in the south of Fridley. And, I understand there have been some meetings about tapping our aquifer. I got an update today that Metro Cities was involved with that. Was that one of your staff?" Nauman, "Our staff could have attended meetings. We have been trying to keep abreast the water issues that are happening across the region. That is not something that we would have a specific policy on. It would be something we would be keeping an eye on and I am guessing that one of our staff people were at that meeting." Moegerle, "I recently got an email from Pat Born and I asked him how much do our residents pay in to the Met Council per year. And the second question was what we get for that money. And the answer was \$96,600 per year and we review your comp plan when you have a change and you have access to all the amenities in the metro area. My question is, how the taxes are determined that go to Metropolitan Council. Is it per capita? It seems to me that is really rich for the benefit we get. We are not going to get transportation, you know our infrastructure issue. How does that work?" Nauman, "I believe they are on a per capita basis. The Council has a general levy and then they levy for various other programs. I can try to find out and help you. Some of them are dedicated and some are for operation purposes. But, that is an interesting question for the Metropolitan Council."

DeRoche, "I noticed some of the cities around here Ham Lake, Isanti, Cambridge they are not members, have they been approached?" Nauman, "Isanti and Cambridge are outside of the seven county region, so outside of our region. We have approached Ham Lake. They have chosen not to be a member. I think I was last out there a year ago, and I think I have approached every City within the metro area. That is one I believe I was out to last summer." Moegerle, "Certainly we have a presence of the Met Council in the City and there are some issues there that probably need to be resolved in the coming years. One point I thought was somewhat interesting that Mr. Born said was that our water reclamation plant is somewhat experimental, might have some currency when it comes to working things out in how we move forward. I hope that carries weight with your organization."

Nauman, "I did have a conversation with your City Administrator and yourself, Council Member Moegerle, a few weeks ago and as the City works with the Metropolitan Council to figure out the issues at hand, depending on what the issues they would be consulting with our organization because we do represent Cities in the region. So, they would be looking to determine what the impact would be to other cities depending on what the solution is. We

will be consulted whether you are a member of the organization or not. Having you as a member, rather than not a member, would allow you since we lobby for the collective interest of all the cities. So, whatever is happening here could potentially happen in another region. If you are not a member, it creates more of a barrier. Obviously, we would be able to work with you in a different way as a member than as not a member. The Metropolitan Council will be looking for our input regardless. And we will provide it. Our response will be to provide what is in the interest of member cities of this region.”

Moegerle, “So any hope for East Bethel to get a tidy little package is just not going to happen because it has to have global application for the rest of the metro.” Nauman, “It depends; it is hard to know at this point. I am really speculating, but it could be something that we could assist East Bethel at this point and time and then provide a policy that would allow Metropolitan Council to assist other cities down the line. I think they would probably approach it in that way. Our job is to help them figure out what works best for other cities in the region, not just the Metropolitan Council. Because if there are impacts on other cities, that is where we would definitely take an interest.”

Sheriff's
Report

Lt. Orlando gave the July 2013 report as follows:

DWI Arrests: There were four DWI arrests. There was one crash where an intoxicated driver rear-ended a stopped vehicle, which caused that vehicle to hit the vehicle stopped in front of him. The second arrest was of a personal watercraft operator, who was out on a lake, with a small child. The third arrest was for a traffic violation, where the driver had been drinking. The final arrest came at 2:43 p.m., when deputies were called to a vehicle in the ditch on Hwy 65. That driver tested at a .20 bac. The driver also had prior DWI's making this one a felony level.

Thefts: There were 16 thefts reported for the month. Two involved purses that were stolen from vehicles parked at a boat landing on Coon Lake. The purses had credit cards which were used and suspect information was obtained. The cases are under investigation. There was one report involving a mortgage refinance scam. The victim believed that this was a legitimate business which would help them refinance their home. After many phone calls, the victims agreed to have funds transferred from their accounts to cover the financing. Once the funds were taken, the phone number to the business was disconnected. The business involved was Evergreen Law Offices out of Seattle Washington. One theft report involved a 2 carat diamond ring that the homeowner noticed missing. The homeowner believed that two acquaintances that she had allowed to move into her home were responsible. After investigating, the ring was recovered and charges are pending. There was a report of a motorcycle which was taken from a local bar. That has not been recovered. There were two different theft reports involving prescription pills. One involved pills which were mailed to the victim and when the victim received the package, the pills were gone. The other involved an acquaintance who was at the residence, taking the victims pills. The victim did not realize it until another friend contacted her and advised her to check.

Burglaries: There were two burglaries reported. One burglary involved tools which were stolen from a garage. The owner did not recall for certain if she had closed the overhead garage door, but found it open in the morning and the tools missing. The second burglary report involved a home that is currently not occupied having its copper pipes taken after entry through a window.

Damage to Property: There were seven reports of damage to property. Two reports involved domestic related damages done to residences. Two reports involved damages to mailboxes. The mailbox damages occurred on different days in different areas. One report involved solar lights being damaged. One report involved siding that was damaged possibly by a BB or pellet gun. The last report involved a vehicle traveling east on Viking Boulevard where an occupant had thrown something out the window which struck a westbound car, causing the front headlight to break.

5th Degree Controlled Substance: Deputies were called on a suspicious occupied vehicle at 2:50 a.m. Upon arriving, the vehicle was occupied by four people. One of the males had a warrant for his arrest. Upon searching the male, a white powdery substance was located. A second male in the vehicle was displaying signs of drug use and upon searching him, a cellophane baggie with a white powdery substance was located. The baggie was placed upon the hood of a squad car. The male was handcuffed and being escorted by a deputy. When he got near the front of the squad he leaned over and grabbed the baggie with his mouth off the squad, in an attempt to swallow the evidence. The deputies were able to keep the male from swallowing the baggie and get him to spit it out. Both males were taken to jail and charged with 5th degree controlled substance possession.

Hit & Run Property Damage Accident: A deputy was called to Highway 65 and Sims Road on a hit and run property damage accident that had occurred. The caller advised she had been struck from behind by a vehicle. She pulled over on Sims Road to exchange information and the vehicle also had turned onto Sims but continued past her into a parking lot of a business. The caller confronted the male about hitting her and he said he “bumped her” because she did not go when the light turned green. The victim did sustain minor damage to her vehicle. The male did provide her with his name. The victim was able to get a license plate number as well. The deputy met with the male who stated the car in front of him did not move when the light turned green, so he honked his horn, but she still did not move. He then “lightly bumped her” to get her attention. The male was advised that it is not legal to hit someone because they are not moving when the light turns green. The male was issued a citation for hit and run.

Personal Injury Accident: Deputies were called to a personal injury accident on Highway 65 at 237th Avenue. A vehicle had reportedly turned to travel east on 237th in front of a vehicle traveling north. The driver of the turning vehicle was airlifted to HCMC. The driver of the northbound vehicle was taken to the hospital by ambulance as well, with less severe injuries. The driver who was airlifted is expected to survive. A second accident involved a juvenile male who had grabbed onto the rear bumper of a vehicle as it began traveling down the road, while he was on a skateboard. The male lost control and fell, striking his head on the pavement. The driver did not know that the male had grabbed onto her vehicle until she saw him in her mirror and began slowing down. That is when the male lost control and fell. The male was transported to the hospital.

Scams: The grandparent scam is still going on. A deputy received a report from an East Bethel resident that they had received a call allegedly from their grandson, stating he was in a hospital in South Africa and needed \$3,000 wired to him to pay for his hospital stay. The alert grandfather knew his grandson was in Italy, in the army and did not send any money.

DeRoche, “It looks like traffic arrests are up?” Lt. Orlando, “Yes and that depends on things like one of your regular deputies is on family medical leave so we have other deputies that come in and take his place. Some of them are more traffic pro-active than

maybe some others are. And, that is where you can see some bumps on this, depending on who is covering the shifts,” DeRoche, “The misdemeanor arrests were up by 10. Any idea of what they are for? Because we don’t know what they are for.” Lt. Orlando, “They are basically for misdemeanor crimes. Your damage to property, misdemeanor thefts. I can get you the breakdown if you would like me to.” DeRoche, “I don’t want the names; I just want what is going on.” Lt. Orlando, “Misdemeanor assaults are included in there.” DeRoche, “How are we doing on the assaults? It being hot and people drinking a little more?” Lt. Orlando, “It hasn’t been as hot until this week. But, it will probably pick up. There is also a full moon.”

DeRoche, “How often are the patrols out on the lake?” Lt. Orlando, “We have one full-time recreational deputy and one part-time recreational deputy and then we have extras shifts that get worked out on the lake that I think we targeted for weekend activities. But, we do cover all the lakes in Anoka County. Typically Coon Lake we are out on at least one of the two weekend days. And then with our full-time deputy he typically hits that several times during his shifts.” DeRoche, “I know when I called a couple weeks ago; there was a somewhat dangerous situation. There was a boat anchored several feet from my dock and they were revving and it got out of hand. Then we had someone tie up trying to get a tube around that and my dock. The guy was using swear words and telling us to call the police and whatnot. And, I think I talked to Jack, two East Bethel deputies were tied up on medicals and a Ham Lake deputy showed up and he was pretty good. He had a little chat with the guy over at the boat landing, but he denied it even though there were four of us standing there watching it. Is it just a matter of waiting for them to smash and end up dead?” Lt. Orlando, “The problem is we don’t always have a deputy to come out and put a boat in Coon Lake and stop the problem there.” DeRoche, “Normally when I call I ask to talk to an East Bethel Deputy just because they know the area. But, they aren’t always available.” Lt. Orlando, “Unfortunately with boats, there is some responsibility with the operator to take care, make safe decisions and not do these kind of things. The deputy wouldn’t be able to cite the driver for that type of activity without seeing it.” DeRoche, “Was that DWI while boating on Coon Lake?” Lt. Orlando, “Yes, it was.”

Moegerle, “The CSO Aids to Public, more than doubled from 2012 year-to-date, 312 versus 140. What accounts for that?” Lt. Orlando, “I think part of that is there are different CSOs that code Aid to Agencies or Aid to the Public differently. If you look at Aids to Agency, they are down. So when they are doing things for the City they might code that as doing Aid for the Public. We do have some new CSOs, so there is a learning curve.”

Ronning, “The example that Bob gave about the boater and the dock, if he took a video on his cell camera or something is that adequate to then cite that person?” Lt. Orlando, “He would then have to be willing to come to court to testify if it goes to that point. It still is an un-witnessed misdemeanor. You can let the deputy know that you want to see the person arrested for the conduct.”

Public Forum The public forum was opened for any comments not listed on the agenda.

Harley Hansen of 1960 221st Avenue NE, East Bethel, “As we know in the paper we had a startling thing that happened. It said double digits for East Bethel for our taxes. This is for the payment of the sewer and water only, is that correct?” Moegerle, “Correct.” Hansen, “Will there be an increase in 2015 also? And, on and on for the project that we so called decided on having?” Moegerle, “Yes.” Hansen, “I want to remind everyone when back in 2010 this wasn’t going to cost us a dime if we didn’t hook-up. There is a trust factor

involved here with me to be honest with you. How do we believe anybody? I was asked at Booster Day why we didn't do this or that; I responded that I didn't know if the City trusted us. We better start letting the City know the process. I watch this on television. The camera doesn't follow the person that is talking."

Hansen, "How did we arrive at the amount that we came up with? How many \$100,000 houses, \$200,000 houses, \$300,000 houses, \$400,000 houses and so forth like that?" Moegerle, "That kind of information would come from our assessor." Hansen, "How many rooftops?" Moegerle, "About 4,000." Ronning, "Are you asking how many houses in the different increments?" Hansen, "Yes, because it doesn't come up to this 1.1 million, it doesn't add up. Unless you think we all have \$300,000 houses." DeRoche, "Jack can you explain this to Harley." Davis, "The final numbers won't be done until we submit the final levy. What we have run into is we have a \$790,000 deficit on the payment due on the sewer and water bonds. In order to calculate that tax there is quite a complicated formula that goes into it. It includes residents and businesses. It involves property tax classification, which is called tax capacity, and it also involves things like fiscal disparities. So, right now we just provided what the approximate cost would be for a certain value of home up to \$300,000. Even that could be affected by how they are classified. Something that is classified as a recreational property in East Bethel will have a higher tax classification than one that is a homestead residential property. Seasonal recreational will have a different value. The county will actually assign those values and send it out in the property tax statements."

Ronning, "Is there a formula available to the public, say as you increase value?" Davis, "If you want to take it on very simplistic terms, opinion on the value of your house, then we can estimate what the approximate taxes would be. It isn't a final value because we don't know what your tax capacity would be. The county has all this that they work out and then they assign the tax value classifications."

Moegerle, "Before you leave, I have a handout you might be interested in. At the last Council meeting I indicated I had contacted the Department of Revenue to find out the status of the property tax refund. There is going to be a property tax refund, the program is going to be slightly different, so for low income individuals particularly it is available. But, also higher income individuals would be eligible for the property tax refund."

Hansen, "I think we all have to share in this, all of us. You mentioned something about an increase in funds for the City Council people too and we all got to share in this, 18% out of everybody. If we are going to suffer, we all have to be in this thing together. I have been up here trying to preach this thing for 6-7 years and we got to look beyond and see what our future is. I think we should have taken the \$5 million dollar bite, really." Moegerle, "Harley, just a point of matter. The amount was \$9 million." DeRoche, "It was speculative that it could be \$5 million, it could be \$7 million, now just to make clear, and the \$9 million was not ever established." Moegerle, "It was established to the point that the \$5 million ever was." DeRoche, "It was established to the point that the \$5 or \$7 million was." Hansen, "We didn't have a chance on a referendum on this. The prior City Attorney told me that the City Council makes the decision. Ten years ago we didn't have this staff and I don't think we have grown. If we have to have some volunteer work, then it does." Moegerle, "We have to set the budget and we can't go up any higher than what we set it in September. I hope we haven't given up working on it and by December when we set the final budget it is a lot lower."

Hansen, "That is what you got to do, you have to keep working. The other issues I have is this the road project down here now. People will be real upset with the budget like this if there are change orders coming in." Moegerle, "And that is being paid for with MSA funds, correct?" Davis, "Half with MSA funds and the balance is with Street Capital Funds." Hansen, "But these are funds that we are borrowing from the state too, right?" Davis, "The MSA funds are funds that City gets every year from the state. The Street Capital Funds are transfers that the City makes into to the capital fund. This is the only project on the service roads that is available now to do. There are no other areas in the City to do it. It is still part of the service road plan. Now is the time to do these projects because construction costs are still low and we can take advantage of the project while it exists."

Ronning, "Friendly advice. When you look at your taxes, break out the City, School District and County and look at that in what information comes up." Koller, "When we are working on the budget, there are a lot of open meeting that no one shows up to. We would be willing to have you show up and you're your input." DeRoche, "The funds are borrowed out to 2018 on our MSA funds." Davis, "Maybe 2017 or 2018." DeRoche, "Just a point of clarification."

There were no more comments so the Public Forum was closed.

Consent
Agenda

Moegerle made a motion to approve the consent agenda pulling item F) Resolution 2013-45 Acknowledging the Donation from Butler & Associates Insurance, Inc. The remaining items are included: **A) Approve Bills; B) July 10, 2013 City Council Special Meeting Minutes; C) July 17, 2013 City Council Work Meeting Minutes; D) July 17, 2013 City Council Regular Meeting Minutes; E) August 7, 2013 City Council Regular Meeting Minutes; F) Resolution 2013-45 Acknowledging the Donation from Butler & Associates Insurance, Inc.** Ronning seconded. DeRoche, "I want to pull Item A, Approve Bills. Moegerle, "Anything else?" All in favor, motion carries.

DeRoche, "Reason I am pulling A) Approve Bills is I am not real clear on some of the invoices. One is the LMC Policy Group. I am not sure if that was a City function. If I go and sit down with someone from the City of New Brighton that is on their HRA is that reimbursable? Or if I go anywhere and talk to another government agency, is that reimbursable? Because to my knowledge the LMC Policy Group is something that is set up and then sent before the legislature."

Moegerle, "Please understand and I made the point at the last legislative meeting that I had I have been a member of this group for a year. Last year I didn't attend, this year I did. Specifically for resolving issues within the City of East Bethel. That is why I became a member of it to try to get some statutes to help and on behalf of the City. That is why I attended and I think the rest of the question is up to Jack on the reimbursement." Davis, "If you want to establish a specific policy for reimbursement, that would make it much more clear for us. As it stands now, if something is done and it appears to be on behalf of the City it is considered to be an approved expenditure."

DeRoche, "So there was no directive from the EDA, no direction from the HRA, no direction from the Council. If a Council Member goes and has a discussion somewhere as it stands now, it is reimbursable." Moegerle, "This was a formal meeting of 35+ people. It wasn't like I went down to the LMC and knocked on Pat Born's door and said, "Hey can I chat with you for a little bit? I need some advise. This was a formal committee meeting. I think it was even recorded if you would like to take a look at it. "

DeRoche, "This has been brought up before. Especially meetings with Met Council or Pat Born. Do you represent as a Council person or the City of East Bethel?" Moegerle, "This was a meeting of 35 + city members of policy that affects us across the state. This was not a casual meeting. But I do think the clarification is needed and this a great time. I do believe when we send people to conferences there should be a report to taxpayers on how that money was spent. I welcome clarification, because I think that would be added transparency that is needed."

DeRoche, "The meetings with Pat Born, that has been brought up in the past." Moegerle, "That was a telephone conference, so there was no face-to-face." DeRoche, "If there are meetings with Pat Born, I think it should be done as discussed in a workshop. And then have Jack and Colleen having the meetings, rather than Jack and yourself having the meetings. And then it comes up at a Council Meeting and the other Council Members don't know anything about it other than the conversation you may have had with Pat Born." Moegerle, "It's my turn. That fact is, you probably have a telephone, and I know you had a telephone at one point. You have the right to dial the phone and call him. That is what I did. I sent him an e-mail, and he invited me to call to clarify what we had been talking about. That \$99,600. He invited me to do that and I didn't call him from home because I wouldn't want that to be misconstrued. I did the smart thing and had Jack present. And, it was made very clear to Pat that I was calling on behalf of myself. He was present so it was all clear and above board. I wanted valuable information. He gave me valuable information. He gave me some insights into what to consider as far as what the City might want to do as far as working out some of our circumstances here. Great. That is all for the good. And, you could have done exactly the same thing. And called any of those individuals, you can call the LMC. You can call Metro Cites. You can call the Department of Revenue. And that is what I do. I just call."

DeRoche, "I understand that Heidi and we had this conversation in the past where we asked the City Attorney if it was a good idea to have these meetings with people outside of the City Council and his advice was, "Well it is not recommended and City Staff should be doing that." Why do we hire and pay City staff to do things and then certain Council Members go out and go out. I have no idea what the conversations are. I am hoping that the conversation is represented as Heidi Moegerle, City Council Member. Not Heidi Moegerle, City Council. Because if that other part isn't on there (don't cut me off.)" Heidi Moegerle, "I can cut you off now, you are out of order."

Davis, "In this particular instance it was made very clear to Mr. Born by me, that Heidi was there representing not the City Council but to inquire for information for herself. I wanted to make sure that it was clear to Mr. Born that her views did not represent the City Council."

Ronning, "What is the name of this committee or commission?" Moegerle, "The League of Minnesota Cities Policy Committee." Ronning, "And how did you become engaged with that?" Moegerle, "They were looking for people to serve on the committee last year. There was a LMC Bulletin notice on it. I was interested because I think there are LMC issues related to the City that I think we should be kept apprised of. It is important to know what the League is proposing because we are a member of the League and they were seeking input of its member cities members." Ronning, "Was that your decision?" Moegerle, "Yeah." Ronning, "Did you discuss it with anybody on the Council?" Moegerle, "I didn't discuss with the Council. I discussed it with Jack." Ronning, "Why wouldn't you say

something to the other Council Members? And how do you determine which ones you are going to be on and which ones not?" Moegerle, "I may have mentioned it to the Mayor." Ronning, "How do you make the determination? I am going to go to this one and this one. I don't like this one. I am going to go over and call so and so." Moegerle, "I thought I might have something to contribute to that and having lived through the experience that Harley just explained that would have some interest to a legislative policy committee." Ronning, "From my perspective, and if anyone else has any input on this I wouldn't mind hearing it. I don't think any of us should just take it upon ourselves that we are going to become engaged with something like the LMC on our own. There should be some sort of endorsement in my opinion." Moegerle, "Without belaboring this, is that why we don't have the full Council attending the Local Government Official's Meeting put on by the Anoka County Government Officials? Is that why you haven't been chosen?" Ronning, "I appreciate the invitation and I have gone to the meetings. I have seen Ron at those meetings. I haven't been to a lot. Most of that doesn't seem to apply to us so I didn't go back, maybe Ron thinks different." Moegerle, "They are hit and miss, but the ones you miss might be the one you needed. When we are invited to be in a position where we can learn more where we can help our City, I think there is a duty by Council people to do that. And I think that is the nature of being elected and representing your City. You might not believe that, I don't ask you to share that." Ronning, "There are some constraints. We don't just have an open book to go do whatever we want. We are responsible to one another and to our citizens. I asked a question of Mark about involvement. And if I recall your response was, "We usually recommend against that, it is the function of the City staff."

Vierling, "In terms of representing the City as an official voice on anybody, that type of thing, there should be appointment from the Council on that type of matter. And, in dealing with developers or others that have business aspects, things going on in the City, we prefer to have that conducted through staff first. I think the conversation emanated from what is going to be a reimbursable expense and what is not going to be a reimbursable expense. I think certainly it is laudable for Council people to self educate and be involved in different things. I think you need to bring the issue back to which ones are you going to reimburse for and which ones you are not. And, I agree with Jack, the City should have a policy over that so that you don't have these issues. Because, obviously, you are managing a budget and you need to know what you have out there." Moegerle, "For example, one of the benefits that is to the City is the first time I met Pat, I met her at the LMC Policy meeting. When did I meet her the next time? The very next day at the Anoka County LGO meeting. Knowing these people, that networking helps the City. If you don't understand and appreciate the value of networking and working with people in other cities for the City." Ronning, "That is philosophy; I am not interested in philosophy." Moegerle, "We had all that philosophy at the ordinance meeting. It does benefit the City because I bring that information right back to Jack and tell him here is the information they are looking for in regards to legislation. I don't go there because it is fun. It is not, and it is extremely painful for me to drive there and back. It is not, "I think I will just go and be on a committee."

Ronning, "I am a little reluctant to say this, because I should have the minutes in front of me. But, it seems to me I recall a comment you made in January or February where you were asked about all these meetings you attend and you said, "I don't do that." If I am wrong, I apologize in advance. If I am not, then there is a misrepresentation." Moegerle, "I think the issue of the meetings were having all of these private meetings. And, I don't have private meetings." Ronning, "If you are the only one there, how is it a group meeting?" Moegerle, "Well the one was because I had questions on how we solve this problem. I couldn't call and find out on my own. I had to have a chaperone and I got a

chaperone. You might also have questions on how to solve the City's problems. And, I don't know if you call whoever. But, I am very careful. I don't want anyone to think I am representing the City of East Bethel. When I called the Department of Revenue, I said, "Hello, I am on the City Council of East Bethel and I have a question about Property Tax Rebates." That is how that conversation goes. But, because of the sensitivity issue with Met Council, I had Jack there. I think fact finding is a fundamental part of being a City Council person. This is a much bigger concern to you than it is to me. If this is a concern to you, then don't reimburse it. There are trips to the LGO meeting that you missed out on. There are conversations and contacts that are made that will help the City get forward. I don't benefit from any of this, trust me. Is there a motion here or is this conversation?" Vierling, "None has been made so far."

Moegerle made a motion to approve Consent Agenda Item A) Approve Bills. Ronning seconded. Ronning and Moegerle, aye: Koller and DeRoche, nay: motion fails.

Koller, "I have a question on another bill completely. Arena Operations, this Gibson Management Company. We aren't getting anything for our money." Davis, "We have a contract with them to manage the arena. There is little that goes on this time of year. Most of their work is performed between September and the end of February. This is something that is more cost effective to contract out than it is for the City to perform it. It is also something we did put out for RFPs and bids three years ago. If you have any particular issues, I would be glad to bring this up with Gibson." Koller, "You can't rent the Ice Arena if you don't advertise that it is for rent." Davis, "The problem with that is, in order to make this cash flow from an operational standpoint, we have to sell almost all of the ice time to St. Francis High School Boys and Girls Hockey. St. Francis Youth Hockey Association and North Branch. We have to sell this at \$185 an hour in order to meet the payments to keep this thing open. After that time is sold, there is little or no time that is available for anyone else. Unfortunately, I wish there were blocks that could be purchased by people, but the schools want the prime time and are able to pay the hourly rate for that."

Koller, "We are paying \$6,000 in the summer and the building is locked up tight." Davis, "We can double up their payments and just pay them for essentially when they are working." Koller, "What are we paying them the \$6,000 for this month?" Davis, "Well basically they are working on selling ice time, working on contracts." Ronning, "They are not selling anything. I have looked on the internet and pretty much I come up with blank pages. Even on the Rink Time the East Bethel Ice Arena is a blank page. You go on the East Bethel Ice Arena webpage, that was shut down. The Facebook page is blank. In the Yellow Pages all they have is the address and a phone number. We are not getting anything for our money."

Davis, "We are getting the management of the arena. On the surface it may appear as not such a good deal. But our choices are to outsource it or to run it as a City. To run it as a City is going to cost us more in resources, and time and manpower, and money than it would to outsource it." Koller, "We pay about \$84,000 a year." Davis, "That is correct. There is a lot of time involved for the five months that the ice is in. Cleaning it, running concessions, operate it, keep the ice in good shape, put ice in and take ice out. They probably have six to eight people in various areas of the facility. I think if you look at and conduct a study on it, that it is not in our best interests to run it. Outsourcing it is the way to go. Now if Gibson Management is not the solution, their contract runs out next year and we will put this out to bid for another firm." DeRoche, "So we are we are basically paying \$85,000 for five months. They should be drumming up business for the summer then. A lot

of arenas book things year round. And, they still don't make money." Davis, "We have an obstacle with the building because it is not air conditioned. It is also not the prime location. We used to have some activities in the spring. Lacrosse, soccer, baseball practice, which resulted in some dry floor sales in March and even into April. But school budgets have shrunk like everybody else's and we have had good weather, with the exception of last spring, so there has not been the demand for those services either. The only event we have been able to attract successfully is the Gun Show. We have the Pet Clinic there, the Lions have a Garage Sale, and we donate some time to the pageant."

Moegerle, "I understand that this is now finally breaking even? Except for the depreciation." Davis, "At the end of the year, we should be in the black on this as far as operations. That does not include the depreciation for the building. We have come from over \$340,000 in the red to a position that we will be in the black for operations at the end of this year." Ronning, "Do we owe money on that?" Davis, "No." Ronning, "Do municipalities ever declare impaired assets and deal with them like that?" Davis, "When you operate a facility of this nature, an Ice Arena, Swimming Pool, anything of this nature, they are not money makers. You hope to show a profit. But, things can happen. One of the things we are going to have to do in the next couple years is replacing the Zamboni there. Those run about \$60,000. The building is kind of a single purpose building. Its secondary purpose is kind of limited. There was discussion a couple years ago with a youth group, but when it came time to discuss finances, those discussions broke down. Whether they wanted us to essentially donate it to them, I don't know. But, I don't think there is a real market for the Ice Arena. There are probably certain expectations that the facility be operated at least at some level, so, here again that is a Council decision on what we would do with that situation." Moegerle, "But it doesn't become ripe until what month next year?" Davis, "Their contract comes due probably in April or May."

Koller, "There has been discussion that we need to expand our maintenance garage, which might be a good use." Davis, "That might be a fairly expensive way to do that. That whole building is divided up into offices, locker rooms. Some areas that have lower areas of the roof that might not be suited for a maintenance type garage. It is something you would have to take a look at and evaluate." Koller, "I think it would make a nice maintenance garage. It would be a lot less money than building a maintenance garage." Davis, "Davis, "I don't think the question is if we need more space. But, I think the most cost effective way to address this, might be to enlarge the building we have. We haven't done any studies to see what the costs are of one versus the other." Moegerle, "Do you want to make a motion to direct staff to look into alternatives?"

Koller made a motion to direct staff to look into alternatives for the Ice Arena.

Ronning seconded with an amendment to do some kind of polling of the residents to see what they want kind of interest they have. If there is enough interest, then we have to give consideration to what they are interested in as well. DeRoche, "We could do that at the October 10th meeting." Moegerle, "For clarification how are we going to do this polling. Through the newsletter? How are we going to get reliable data that is statistically significant?" Ronning, "I don't know." Davis, "If we don't vote to pay the bills and we postpone them for two weeks, we are probably subject to paying some interest on the ones that are due currently. As a matter of information." **Koller accepted the amendment. All in favor, motion carries.**

Moegerle made a motion to approve Consent Agenda Item A) Approve Bills. Vierling, "That motion has been made and failed, so it is out of order. It can be made for

reconsideration by those that prevailed on the motion. Or they can make another motion to pay most of the bills, but not all of them if they want to table some of the bills.”

DeRoche made a motion to approve Consent Agenda Item A) Approve Bills except the LMC Policy Group for Heidi Moegerle. Have staff go through and review this because the numbers don't add up. Moegerle, “Why don't we just not do any reimbursement for me because it is starting to get towards the time to adjourn.” DeRoche, “We are trying to figure it out so all we are pulling is the LMC Policy Group and then we can reimburse you for the rest.” Moegerle, “I am not worried about it, really, I am not.” **Moegerle seconded, all in favor, motion carries.**

Moegerle, “I pulled the resolution acknowledging the donation from Butler and Associates Insurance, Inc. They are donating \$250 towards the fireworks at Booster Day. Dan does a lot on his own initiative and for that I am very grateful.”

Moegerle made a motion to approve Item F) Resolution 2013-45 Acknowledging the Donation from Butler & Associates Insurance, Inc. Koller seconded; all in favor, motion carries.

Fire Dept.
Report

Davis explained that the Fire Chief has provided reports of Fire Department emergency calls, fire inspections, and emergency medical calls from the previous month.

Chief DuCharme, “The fire fighters are appreciative of the two new fire pumpers that came in the end of last week and this week. They are very proud of our equipment. They are appreciative of the support from the Council. He named the members of the committee that worked on this project and thanked them for all their hard work.” DeRoche, “Thanks Guys.” Chief DuCharme, “By the week of September 9th we will have the transition done from the old trucks to the new trucks. At the September 18th meeting I will come back and discuss our options with you regarding what to do with the old trucks and come up with some options.”

“I also want to thank Ron Stanley for doing an emergency repair to one of our trucks. It was a Sunday and he just happened to have the part and he was able to put that together for us.”

“I did have an opportunity to talk to the DNR and the Regional Fire Manager about response to grass fires and wild land fires. The fire response by the DNR is not going to change. It is true they are going to demolish the building where they keep the trucks, because if they don't tear it down, it will fall down. The DNR has decided that they are going to move the forestry desk across the road where the wildlife people are. As far as where they are going to keep the trucks, we currently get response not only from Carlos Avery, but also from Cambridge. On high fire days they will put the trucks on patrols. And they will stage them, and it will probably be more evident than ever and you will see them at individual fire stations. Where they keep them at night may change.” DeRoche, “Any fire bans on now?” Chief DuCharme, “No there is not. But, I will not be surprised if it will come soon. We do have to be careful what we are burning.” Ronning, “Do they do mutual aid if required?” Chief DuCharme, “Yes. If we are going to a wild land fire or grass fire, there is no problem making sure the DNR has been dispatched.”

“Our Fire Prevention Open House is scheduled for Saturday, October 12th. The time has changed. It will be 10:00 a.m. to 2:00 p.m. We will be in the elementary schools the week

before.” Moegerle, “Is that preliminary for children?” Chief DuCharme, “No, it is for everybody. We have a chili cook-off, so if anybody has a really good recipe bring it.”

“On to our Fire Report. As of the end of July we had 342 call for the year. If you were to compare that to last year, we are up by about 35 calls. That is 8% higher. It appears most calls are medicals. In July we ran on 49 calls. And 30 were medical. We had a couple accidents. One was critical that was flown out in a helicopter and the other was transported by ambulance, both will survive. And, we had one other at 181st that wasn't on our sheriff's report because it was in Ham Lake, but we were the first responders. There was one fatal, one was critical and one serious. In July we went out on mutual aid calls, so that continues to happen. I think they are up a little this year. That shows our neighbors have confidence in what we are doing here.”

DeRoche, “I had a couple compliments on Tammy Gimpl and the Fire Explorers.” Chief DuCharme, “That is a great program, the Explorers. Kids from 14 to 21 can be part of that program. It is designed to teach them what it is like to be a fire fighter. They get Fire Fighter I training. They come in and our fire fighters will teach them and train them on what it is like to be a fire fighter. It is a tremendous program. We have a couple explorers that are now in college and come back in the summer and participate with our fire department.”

Website Policy

Davis explained that the existing City Website Policy was adopted in 2007 and needs to be updated to provide the guidance and direction that is required as a result of the changes and improvements on the new City Website which went on-line in February 2013. The proposed policy addresses the following items which are not included in the original policy:

- updates the provisions for external links
- provides for consistency of punctuation, capitalization, numbers, symbols and abbreviations
- Explain the criteria for promotions of community events, fundraisers and services
- display of news and announcements
- posting of archived information
- posting of current information, and
- removal of information.

The adoption of this policy will provide Staff with more consistent and detailed guidelines for inclusion of material to populate the website with convenient, consistent and accurate information about East Bethel's departments, services, amenities, and general information.

The City Attorney has reviewed the proposal and his comments have been incorporated in the proposed policy.

Staff recommends adoption of the Website Policy as presented in the Attachment

Moegerle made a motion to table the Website Policy.

Moegerle, “In the meeting minutes that we just approved on Page 14 there are some issues that were brought up that were not addressed by this, the changes. For that reason I would move that we table this until the next meeting so those changes can be included or otherwise explained why they are not included.” Ronning, “For clarification and you say which page 14?” Moegerle, “Page 14 of the August 7, 2013 meeting minutes. One of the

questions was looking at Section 2, criteria for links. My comment was, under #2 organizations with some relationship to the City. Well some relationship to the City could be Weidema and so forth. We could have the engineer and the attorney and Ehlers and those kinds of things. But because it says including, but not limited to and that list in my mind looks like general community organizations which is listed as #3. So, if we have a relationship with a contractor, I am not sure I want as a citizen their promotional information on there. I would like to see it be limited to what projects they are working on in relation to East Bethel. As opposed to their general information. And, I don't see that it is limited to this."

DeRoche, "Does that need to be in there Mark?" Vierling, "It certainly can be in there. Keep in mind, the header is: What items **may** be allowed to be placed on the City website as it will be governed by your staff. Basically our concern from a legal prospective is giving your staff enough opportunity to say no when they need to say no. You are not establishing a ground rule that everybody that falls within the parameter had a right to be put in. You just need to give guidance because you are not going to be able to anticipate all uses or desired uses for your website." Moegerle, "Certainly, but I also think there should be a way to give guidance to say that we can limit it to the existing formal contractual relationship is what that entity can put on there."

DeRoche, "Jack what is your thought on that? Do you think you have enough guidance?" Davis, "The example that Heidi said, may be extreme for a point. We have the basic concepts of knowing what can go on there and what can't. From my own personal standpoint, I think it is adequate. If you want to redefine it and limit it more, that is fine too. But, we have kicked this policy around now for three meetings." Moegerle, "And, let me give you a better example. Promotion of Community Events/Fundraisers. It talks about: Community based services to East Bethel residents and/or businesses provided by non-profits or charitable entities may be promoted on the website provided that any associated fees are directly related to the community based service provided. The City will not post information related to fundraisers. Isn't that what charities and non-profits are going to want to put on the website? We could take that sentence out. Our put in private fundraisers." DeRoche, "Take that out then. We have kicked this around for three meetings. There has been ample time for this and are we ever going to get every single scenario that is out there covered in this, probably not. And, if something becomes an issue, then we will deal with it." Davis, "Either one works, but I would rather see it as private fundraisers. Because we all know that even though a community event is advertised as a pancake breakfast or a carwash, it is a community based event, it does benefit the community. Here again, we might have to be careful how we define private."

Koller, "There are other things I have seen too. I was on a trip and I saw an Amber Alert on a Reader Board. I didn't see anything here about that." Davis, "That would be under our Reader Board policy and an Amber Alert is pertinent information." Moegerle, "But would we put an Amber Alert on our Website?" Davis, "I don't see why not." Moegerle, "And that would fall under Government and Quasi Government Entities?" Davis, "Generally an Amber Alert would be generated by the Sheriff's department. It would just be posted on there." Ronning, "That elimination that the City will not post information on fundraisers. If there is any conflict, just remove it. Because if someone comes in, just use discretion. As long as you have a consistent policy, I don't have a problem."

Moegerle, "I also have a question about what is web quality. For photos?" Davis, "Those

photos that can be displayed on the website in an acceptable graphic presentation.” Moegerle, “My other questions is this line in the policy that says: No addresses should be visible in photos unless the address is City-owned property, for example City Hall or a City park. Wendy and I discussed this at one point and I didn’t see a policy about identifying people in photographs.” Davis, “That is an unwritten policy that we don’t release or publish any photographs without a release from those people that are pictured in there. A photograph captures an instantaneous moment.” Moegerle, “Should that be included in our policy so people that want to put photos on our website know that in advance?” Davis, “I have no problem putting that in there.” Ronning, “Mark, is that a legal requirement?” Vierling, “As a matter of course, you are not going to allow individual photos. We do have a section in there under External Links which lists Individual or personal websites. We added **videos or pictures** will not go on there, that is pretty standard.” Moegerle, “We are trying to get photos for the home page and it should be standard to put them on notice.” DeRoche, “I think we are making a lot of this.” **Koller seconded. Moegerle and Koller, aye; DeRoche and Ronning, nay; motion fails.**

DeRoche made a motion to approve the Website Policy with the change to Promotion of Community Events, Services, & Fundraisers to private fundraisers. Koller seconded. Ronning, “You can’t cover every, everything.” Moegerle, “Is it that much to ask that we have a city release for phonographs? Can we make that an amendment to the motion?” Ronning, “Every photo should have a release.” DeRoche, “If you are doing a shot of the parade, are you going to get a release from everyone in the photo? If I saw my picture on there and I don’t like it I am going to call and ask to have it take off.” **Moegerle, nay; DeRoche and Koller, aye; Ronning, abstained; motion carries.**

2014 Budget Discussion

Davis explained that as a result of budget discussions conducted at Council work sessions in July and August, City Council has agreed in principle that the preliminary property tax levy for 2014 be set such that funds are available to accomplish the goals and objectives they have identified.

The proposed 2014 General Fund budget is \$77,502 more than the 2013 budget or an increase of 1.6% which is matched by a projected increase in revenues for the General Fund for 2014 in the same amount.

A General Fund levy of \$4,114,317 is necessary for 2014, which is a \$9,000 less than the 2013 General Fund Levy or a 0.2% decrease from 2013 to 2014.

To service existing debt, a market based debt levy of \$146,425 is required to meet the debt service requirements for the 2005A Public Safety Bonds issued for the fire station and the weather warning sirens and a tax capacity based debt levy of \$180,000 is required to meet the debt service requirements for the 2008A Sewer Revenue Bonds.

Due to the debt service requirements for the 2010A and 2010B bonds for the Municipal Utilities Project, debt service levies of \$490,000 and \$300,000 have been incorporated for 2014 for repayment of interest on these bonds. Without this obligation, the total levy for the City would have been \$4,440,742 or a 0.3% decrease from 2013.

However, due to the 2010 A & B bond payments due in 2014, the total property tax levy amount proposed becomes \$5,230,742 or an increase of 17.5% over last year’s levy.

There are still opportunities to reduce the impact of the bond deficit for 2014 and these

include and are not limited to the following:

- 1.) The potential to refinance the 2010 A & B Bond issuances;
- 2.) Confirmation of connections to the system for 2014; and/or
- 3.) Transfer of General Fund balances at an amount to be determined to subsidize the deficit.

Staff and Council will be considering all of the above alternatives prior to the adoption of the final budget in December 2014. For purposes of setting the preliminary budget, staff recommends that Council consider the worst case scenario option for the 2010 A & B Bond deficit with that being the assumption that there will be no connections to the system in 2014, there will be no bond refinancing and that there will be no transfer of General Funds to decrease the levy.

The preliminary budget must be submitted to Anoka County by September 15, 2013. This can be reduced but not increased prior to the adoption of the final budget in December of 2013. Even though the preliminary tax statements that will be issued to City residents in November will indicate the maximum tax increase proposed, Staff and Council will have additional time to seek alternatives to minimize this increase and the impact of rates created by the bond deficits for Municipal Utilities Project.

A Special Meeting on October 10, 2013 and the Town Hall Meeting on November 21, 2013 will be dedicated to explaining and discussing the final budget.

Staff requests any final adjustments to the preliminary budget be discussed and approved at this meeting. Staff recommends adoption of this levy and budget at this or the September 4th, 2013 Council meeting with submission to the County by Resolution on or before September 15, 2013.

DeRoche, "I got quite a bit of feedback over the weekend. And it was expected and it was welcome. It was pretty obvious with the commitment that was made, that there was at some point going to be an increase in taxes to pay for the project. I advised people that they need to thank the people that passed this originally and they need to realize that this Council was left holding the bag and we are trying to figure out how we were going to do this. Between Staff and Council it was no easy task and there are no easy answers. The fact that for two years there was no increase that separated out the sewer and water project that you were told you wouldn't have to hook-up to. Now it is getting to the point that this is the levy, this is the sewer and water project that we have to start paying for. A lot of people scratched their head and said, "I guess you are right." It is not a matter of being right, it has to be paid for."

Moegerle, "Can we focus on what we have here on the budget. I have some questions that I would like to see. I am very concerned about sending out a preliminary levy of a 17.5% increase. Even though we have some examples of things we can work on reducing be the final. I have some things I would like to see worked up. I would like to see an across the board decrease by 3% on all budgets except salaries, except police, engineering and possibly legal if there is a contractual agreement. The other transfers to building, streets and parks, reduce those by 5%. I would like to know the cost to the City for staff preparing for and working on Booster Day with an the thought of giving that as a donation in kind to Booster Day and moving the \$2,500 into the Trails Capital Fund because that has not been funded for a while. Funding trails is also supported by, 1) We are having discussions with Anoka County about the Master Trails and Parks Plan so we can get funding for Parks and

Trails through Met Council and those funds are generally required to be matched; 2) Chanhassen was just voted number 4 in size category largely based on parks and trails. I would like to see what happens if we do that. I am not sure what that would do with the total 17.5%. I would also like to see a 7% across the board and Capital Funds decreased at 10%. Just as an alternative to see what we can do. I have heard the feedback too and people are shell-shocked. I certainly understand with regard to tax capacity that we are not as high as others in the metro area. But, I just have a hard time.”

Ronning, “Food for thought, if the levy would have been 4.14 million, if you took just a straight 3% off of that it amounts to \$123,429. It doesn’t get you off home base; it is a bigger pill to swallow than that.” Moegerle, “It is \$25 per household. I think it is worthwhile to look at.” Ronning, “Sure, but if we have to take the poison pill, sometime we have to get it over with.” DeRoche, “I think people realize, it passed. And right now we are three staff people down from when we came on. I always ask people, what do you want to cut. Do you want to cut the police, the fire department, public works? Our the building inspector? But, what are you going to do when something comes up? We can’t even consider ourselves a comparison to Chanhassen. That is a different animal in itself. Trails is not the answer to get us out of this situation.” Moegerle, “It is a part of the community. What do we hear so much in the news? We have issues with childhood obesity. Our part is to have parks. Only \$2,500 so eventually we can get a trail. We have these capital investment funds because we are investing in the future. When do we invest in that future? And part of it is the quality of life that is here. I think that we are going to be asked to do that. Yes, people are going to understand that this 17.5% increase is the result of decisions made December 2010 and before. However, we have a responsibility to reduce the impact of that as much as we can.”

DeRoche, “It has been a rosy picture painted. We have bills to pay; we can’t keep spending for time down the road. That is one of the reasons why I voted against the frontage road. To borrow to 2018, that money could have been better spent down the road. Because there may be a project and then it will be, “Let’s borrow out to 2021. We are what I consider a credit card society. At some point you have to tighten your belt.” Moegerle, “And Bob, that is what I just said. I wanted to see 3% and 5% and only transfer the one fund to a different area.” Ronning, “But, it also sounds like we are trying to save pet projects. And, everything gets consideration.” Moegerle, “And trails hasn’t been considered for years.” Ronning, “If you are broke it won’t matter if don’t do anything about it for a few years.” Moegerle, “If we cut those capital funds that we are not going to need for years. We have to show that we are doing our jobs.”

DeRoche, “That is all we hear, we are not doing our jobs, we are not transparent enough. People are tired of hearing this. That is why people didn’t run because they didn’t want to deal with this. But, they understand the situation. There are only so many things you can do. If the family takes a vacation every year and everything is going great. Then all of a sudden, Mom and/or Dad loses their job the vacation stops. And, they have to pay for the bare necessities. And, if things pick up I would love to see trails. But, I would rather see us put up a Public Works building that is needed right now. We have so much money in equipment and they need to someplace to store it to protect it.” Moegerle, “I am talking about making these cuts and you are only worried about the \$2,500. When are we going to start looking at the hard things?” DeRoche, “When we start paying out the money, we are not stable yet, I don’t think we have hit bottom. And, I hope we never do completely hit bottom. But, we are speculating on maybe we will be able to refinance. There are some ERUs that were speculative, and now we have to make up for that. I would like to get Ron’s

input on this.”

Koller, “I agree with Bob. Parks and trails are nice when you have money for them, but right now we have to cut everything.” Moegerle, “So let’s cut the \$2,500 and the 5% and see where we go. I would rather initiate those cuts now, because all the future cuts we are talking about are speculative. Let’s make those cuts now, before we have that room filled with people. I was talking to a resident and I said, “Guess what, we are looking at 17.5% raises. And he said, that is pitchforks and torches time.” We don’t need the public standing here watching us asking why didn’t you cut this. Why can’t we do that now? Let’s take that extra step and work every little bit out of the budget. Because in 2015 it is going to hit us again.” DeRoche, “And in 2016. Think about it Heidi, last year we agreed we wanted to put 5% in a fund to start thinking about how we were going to pay for the bonds. But, it was an election year and some people on the Council didn’t want us to do it. At some point you have to pay it. If people come in with pitchforks and torches and I will say, what do you want me to cut? How much more can we cu?”

Davis, ‘You can cut as much as you want to. The other question is how far can you cut that you won’t do damage for what you are providing in services. Let’s take Transfer to Streets Capital Services. That is a fund you don’t cut unless you absolutely have to. Because once you get behind in street repair work, it is really difficult to catch up. Are there other things we can look at? Can we present these other scenarios? Not a problem. But then it will be how far are you going to cut and how pain full will it be.” Moegerle, “I think we have to have that information out in the public and we discuss it, so they know we have looked at those alternatives.” DeRoche, “I thought we had already done this work.” Ronning asked Jack, “Are we at the point that if we cut much more we will have to make a decision on things that we will not do.” Davis, “If we do move forward with a 3% or 5% reduction, there will be have to be consideration about reduction in services and reduction in work force. So, you will need to weigh reduction in services against increase in taxes. To cut any further, with the exception of a few things, but cutting across the board would have an effect on some strategic things.”

DeRoche, “I would rather have people mad at me because we had to do what we had to do to pay the bills. Instead of cutting some services. At some point you have to have the basics. To me trails and stuff would be great, but we have trails and parks. If kids are overweight because we don’t have adequate facilities to play in the parks, I drove through the parks and they were out there playing. It is up to the parents to get the kids out there playing in the parks.” Ronning, “One of the cuts was that Booster Day workers donate their time.” Moegerle, “Not at all. I asked for the accounting of time for the Booster Day workers. Because what we have \$2,500 that we give to the fireworks. We have a new Chamber, we have gambling organizations. I think we have to ask the questions. Is there an alternative to get Booster Day the support for they need for their fireworks and then we can cut the \$2,500?” Ronning, “What about the comment on the workers and the in kind.” Davis, “I think what Heidi was inferring was that what the staff does for Booster Day be considered an in-kind contribution to Booster Day. I would not approach it from that direction.”

DeRoche, “Even from an EDA standpoint we are trying to promote the City. This is our City Day. EDA says they want to draw people up here. The fireworks and whatever staff does, that is the cost of doing business.” Moegerle, “That 3% goes against the EDA too.” DeRoche, “Every meeting we come to, we tell staff to cut more. The last meeting was the last Council meeting.” Ronning, “From my military experience, I learned prepare for the

worst and hope for the best.” Moegerle, ‘Are you telling me there are not a dollar we can cut out of this budget? And, of this 17.5% there will be no other cuts you are going to be willing to make when that audience is full? That is one of my questions because I think it is the same dollars now as when they are sitting there.’ DeRoche, “Heidi, you are spinning it. This is a proposed budget. We have to put something out by September. You are the one doing the politics, because all night long if you don’t like it you are shutting it down. We have from September to December to see if there are other cuts we can make. Well, if we do it before September and then something comes up and it doesn’t quite work, then what are you going to do?” Moegerle, “You don’t cut it that much.”

Moegerle, “From an Economic Development standpoint, here is the headline, “East Bethel 17.5% increase”. What does that do for economic development? Then after that is out there, then we can find a 3% decrease. Why couldn’t we do that before that ugly headline was out there, because you know that is going to get regional news? Let’s cut everything we can before we have that headline.” Davis, “It is my understanding we did. Are you saying staff hasn’t done anything?” Moegerle, “I give them kudos. Jack was just saying there are probably places we can cut more. I am asking for that.” Davis, “We can cut the budget down to whatever is statutorily required. We have to remember for additional cuts, there will be other implications for this. We have to weigh the balance of additional cuts to what we are doing to minimize the proposed tax increase.”

Ronning, “Can I ask you opinion Jack? The money we are preparing for, are we misrepresenting anything with what we are saying in this document?” Davis, “No.” Ronning, “If we change it much are we misrepresenting that point?” Davis, “Here is the thing. Could there be additional cuts? The city has funds it transfers. These are the big numbers and if you want to have an impact. Transfer from general fund to Street Capital \$425,000 a year. \$50,000 to Building Fund (we should look at increasing this at some time so we don’t have to bond for this if needed), \$75,000 to Parks Capital Fund. We did a transfer to Trails Fund of \$5,000 but that was cut out. We do a transfer to the Equipment Replacement Fund. Those are the big numbers and where you could really affect the budget. My word of caution is if you cut the street maintenance you will fall behind and it will be difficult to catch up. We do have a balance in the Trails Capital Fund of 145,000 we could transfer. It is a matter of assigning priorities. Could you cut some in department budgets, yes you could. But then we will be looking at cutting services and maybe even some staff.”

DeRoche, “We were just looking at adding a staff member in the budget discussion, but that was nixed because we don’t have the money.” Davis, “Since this Council has been seated, particularly the 2011 Council and Tom and Ron you are both very fiscally responsible also. For the three years you have been here, the general fund levy has been cut every year. We have been doing the same if not more work with three less people. You get to a point where you can’t do more with less. Are we there, we are close. Are we right at that point? Sometimes the only time you can tell that is when you have gone beyond that point.”

Ronning, “A parallel in business, my experience is mostly in Ford and they had some record profit years. But they cut research in design, cut engineering, so their future is gone. But the guy that was in the top chair is not gone.” Davis, “Some cities used general fund monies or other fund balances to balance budget.” Moegerle, “I am just saying let’s ask the question and inform ourselves so we can inform the public that we have looked at this. And this is the consequence and decided not to engage in that consequence.” DeRoche, “We are already doing that and setting it as a worst case scenario. And if somewhere between September and December we find a place a little dough.” Moegerle, “I am saying I would

like to see that.” Ronning, “If we put ourselves in a situation where we can’t pay our bond payments, where does that do to our credit rating. We are cutting to make it look better.” Davis, “We have resources to pay for a couple years and then we have that thing called the taxing capacity. We can use the equipment capital funds, street capital funds, etc. to make the payments. As painful as it may be, if you wanted to try to go the bankruptcy route you wouldn’t even make it to the batter’s box.” DeRoche, “So you go through and deplete all our funds, we still have this commitment and it is not going to go down, it is going to go up.” Davis, “That is my point. You have to strike a balance. You have to have a budget to run the City and still pay the bond issue. That is why we propose to set the preliminary budget on the worst case scenario. Now if there are things you want to tweak and adjust before adoption and submission to the County on September 15th, which is something that can still be considered. My only caution is we analyze the impacts. And, what people expect us to do for them.”

Moegerle made a motion to table the 2014 preliminary budget until the next council meeting. Koller seconded; all in favor, motion carries.

Staff Reports

Davis, “I just wanted to give you an update on the and hill Crane Natural History Area clear cut issue. I met with representatives from Anoka County, Anoka Conservation District, and our state representatives, Tom Hackbarth and Michelle Benson. Hackbarth assured us that the DNR sale would not happen in September and the clear cut would not happen. There is another meeting scheduled for September 5th. Some of the options on the table are to sign a lease agreement. The County would sign a lease and the DNR would charge them about \$5,000 a year. That may be an option, if we don’t work out anything else, then we are paying the DNR \$15,000 over the next three years to appreciate their property. Legacy Funds may be available from another source that may be utilized to purchase the school trust lands. Moegerle, “Talked to Julie at 3M and she said there was some discussion about whether East Bethel would be contributing to the \$5,000.” Davis, ‘I did leave it open to them that it would be a Council consideration. Our portion is very small.’”

Council Member Report – DeRoche

DeRoche, “Jack did you hear anymore on the trees along Lake Drive? Davis, “Nate was going to talk to him.” DeRoche, “I talked to Dale Voltin. He said he talked to the guy and he told his crew to go out and mark the trees but not until Dale is with him. I said the stuff we looked at had remove on it. If the take all the trees that were marked it will look really bad.” Ronning, “What is the tree issue?” DeRoche, “Along Lake Drive, they went through and put red ribbons on the trees. Maples and Willows and were going to destroy all the trees. I got a couple visitors about 10:00 pm last night about it. It is Coon Lake Community Center’s property.”

Council Member Report – Koller

Koller, “I was at the fire department at the beginning of month. Both watersheds did not have meetings. Not much going on.”

Council Member Report – Ronning

Ronning, “At the last Planning Commission I was at the a meetings in Michigan.”

Council
Member
Report –
Moegerle

Moegerle, “Trees on lakeshore, I got an e-mail from Brian a forester from Connexus. He copied me on an e-mail he sent to Kathy Paavola he sent to her on July 18th about the possibility of removing Willows and others along Lakeshore Drive because they interfere with high-voltage lines and are a safety concern. As of 2:53 pm I got another copy of an e-mail that he sent a resident indicating that the red ribbon doesn’t necessarily mean the tree will be coming down, but large section should be removed. He says he is working with the Community Center and will work out a compromise that will work for everyone.”

“I attended the Park Commission meeting. The equipment for Whispering Aspen was purchased. I attended the Local Government Officials (LGO) meeting in July and there has been a proposal by the City of Minneapolis for 30 wells which would tap into our aquifer. This could reduce our aquifer here by 40 inches by 2030. They will have more information in October at the LGO meeting, which will be here. When I attended the LMC Conference in June I got information about a ticket education program where we would get income from the tickets that are filed. And, the ticketed person attended a program over the internet, they can reduce their ticket by 10% and then we get the additional fee. I ran it by Mark a little. I talked to Kurt Glaser and this is going to be a legislative issue. His has been approved by the State Auditor. It can be up and running in 24 hours.

DeRoche, “The State of Minnesota legislature is looking at a way to get money for the tickets and they are pushing for that.” Moegerle, “I have the info about the Minnesota Property Tax programs.” Ronning, “20 inches?” Moegerle, “They said up to 40 inches.” Ronning, “We are injecting the water back? Are we doing that?” Davis, “It percolates back into the ground.”

Adjourn

Moegerle made a motion to adjourn at 10:24 p.m. DeRoche seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

**CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2013-57

RESOLUTION FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, by a resolution passed by the council on September 4, 2013 the city clerk and consulting city engineer were directed to prepare a proposed assessment of the cost of the lateral benefit improvements for the Municipal Utility Project; and

WHEREAS the making of such improvement is estimated to be in the amount of \$1,135,591; and

WHEREAS, the portion of the cost of such improvement to be paid by the City is hereby estimated to up \$31,561 and the portion of the cost to be assessed against benefited property owners is declared to be up to \$1,104,030 less any adjustments; and

WHEREAS, assessments shall be paid in equal annual installments extending over a period of 20 years, the first of the installments to be payable on or before the first Monday in January, 2014 and shall bear interest at the rate of 5.5 percent per annum from the date of adoption of the assessment resolution.

WHEREAS, the city clerk has notified the council that such proposed assessment has been completed and filed in his office for public inspection by virtue of this ordinance; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA.

1. A hearing shall be held on the 16th day of October 2013, in the City Hall at 6:30 p.m. to pass upon such proposed assessment and at such time and place all persons owning property benefited by such improvement will be given an opportunity to be heard with reference to such assessment.
2. The city clerk is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and shall state in the notice the total cost of the improvement. The clerk shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearings.
3. The owner of any property so assessed may, at any time prior to certifications of the assessment to the county auditor, pay to the city clerk the whole of the assessment on such property, with interest accrued to the date of payment. No interest shall be charged if the entire assessment is paid within 30 days from the date of the adoption of the assessment. The owner may at any time thereafter, pay to the city clerk the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

Adopted this 18th day of September by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

**PROJECTED FINAL PROJECT COST
FOR
PHASE I PROJECT 1
CITY OF EAST BETHEL, MINNESOTA
Feasibility Study to Final Comparison**

	Feasibility Study	Projected Final	%
			Difference
Sanitary Sewer Pipe Project Cost	\$4,505,012.00	\$4,710,908.96	(Incl. \$2.2M Interceptor Contribution)
Watermain Pipe Project Cost	<u>\$3,702,371.00</u>	<u>\$3,225,168.77</u>	
Total Pipe Project Cost	\$8,207,383.00	\$7,936,077.73	-3.42%
Lateral Sewer Assessment / ERU	\$4,000.00	\$6,177.66	
Lateral Water Assessment / ERU	<u>\$4,000.00</u>	<u>\$1,526.67</u>	
Total Lateral Assessment Cost / ERU	\$8,000.00	\$7,704.34	-3.84%
Lateral Sewer Assessment Revenue	\$588,000.00	\$885,258.68	
Lateral Water Assessment Revenue	<u>\$596,000.00</u>	<u>\$218,771.81</u>	
Total Lateral Assessment Revenue	\$1,184,000.00	\$1,104,030.49	
Final Projected Street Restoraton Cost		\$476,740.13	
% of Total Project Cost		6.01%	
Total LF of Street Restored		4,215	
Total Estimated FF of Street		8,430	
Estimated Cost / FF		\$56.55	
Street Restoration Costs included in Sewer and Water Costs			

**PROJECTED FINAL ASSESSMENT ROLL
FOR
PHASE I PROJECT 1 - UTILITY INFRASTRUCTURE IMPROVEMENTS
CITY OF EAST BETHEL, MINNESOTA
8/26/2013**

PROP. NO.	OWNER	OWNER ADDRESS	PROPERTY ADDRESS	PROPERTY DESCRIPTION	P.I.N.	ERU	LATERAL BENEFIT ASSESMENT						
							WATERMAIN ASSESSMENT		SAN. SEWER ASSESSMENT		TOTAL LATERAL BENEFIT ASSESSMENT	**ANNUAL ASSESSMENT PAYMENT	
							ERUs	\$	ERUs	\$			
4	CITY OF EAST BETHEL	2241 221ST AVE NE EAST BETHEL, MN 55011	19458 Taylor St NE	WTF Site	29332323005	1	1	\$1,527	40	\$247,106	\$248,633	\$20,805	
10	VILLAGE BANK	9298 CENTRAL AVE NE BLAINE, MN 55434	18765 NE ULYSSES ST	Bank	323323210011.00	4	4	\$6,107	4	\$24,711	\$30,817	\$2,579	
11	RIVER COUNTRY COOPERATIVE	425 CLINTON AVE SOUTH SAINT PAUL, MN 55075	1341 187TH LN NE	Gas Station/Car Wash	323323210006	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
12	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Parking Lot	323323210005	0	0	\$0	0	\$0	\$0	\$0	
13	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358	18635 ULYSSES ST NE	Theater	323323240017	17	17	\$25,953	17	\$105,020	\$130,974	\$10,960	
14	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240014	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
15	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240015	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
16	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240016	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
18	EBERTOWSKI DAVID	18530 ULYSSES ST NE EAST BETHEL, MN 55011	18530 ULYSSES ST NE	Tour Bus Commercial	323323240007	5	5	\$7,633	5	\$30,888	\$38,522	\$3,223	
19	CLASSIC HOLDINGS LLC	2221 FAWN LAKE DR NE BETHEL, MN 55005	18542 ULYSSES ST NE	Contractor Shop	323323240008	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
20	LANDWEHR MARK & DEBBIE	72 170TH AVE NW ANDOVER, MN 55304	18600 ULYSSES ST NE	Office/Warehouse	323323240009	1	1	\$1,527	1	\$6,178	\$7,704	\$645	
21	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240010	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
22	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240011	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
23	LANDWEHR DEBBIE	72 170TH AVE NW ANDOVER, MN 55304		Vacant Commercial	323323210004	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
24	CD PROPERTIES NORTH LLC	9298 CENTRAL AVE NE #108 BLAINE, MN 55434		Vacant Commercial	323323210009	45	45	\$68,700	45	\$277,995	\$346,695	\$29,011	
25	RICKEY PROPERTIES LLC	18689 NE BUCHANAN STREET EAST BETHEL, MN 55011	18689 BUCHANAN ST NE	Vehicle Body/Service	323323210003	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
26	MERRIMAC CONSTRUCTION CO INC	18651 BUCHANAN ST NE EAST BETHEL, MN 55011	18651 BUCHANAN ST NE	Contractor Shop	323323240003	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
27	NORTH BOUND WOODWORKS LLC	22491 LINNET ST NW BETHEL, MN 55005	18627 BUCHANAN ST NE	Wood Working Shop	323323240004	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
28	TRUCK BODY SPECIALISTS LLC	18581 BUCHANAN ST EAST BETHEL, MN 55011	18581 BUCHANAN ST NE	Vehicle Body/Service	323323240005	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
29	JP INVESTMENTS LLC	18533 BUCHANAN ST NE EAST BETHEL, MN 55011	18533 BUCHANAN ST NE	Contractor Shop	323323240006	1	1	\$1,527	1	\$6,178	\$7,704	\$645	
30	METROPOLITAN COUNCIL	390 N ROBERT ST ST PAUL, MN 55101	PENDING	WWRF Site	323323320003	2	2	\$3,053	0	\$0	\$3,053	\$256	
31	HOPPE GORDON & VICKIE L	604 189TH AVE NE EAST BETHEL, MN 55011	18530 BUCHANAN ST NE	Contractor Shop	323323230010	2	2	\$3,053	2	\$12,355	\$15,409	\$1,289	
Water Total								\$155,721	Sewer Total		\$858,695		
Total Water ERU								102	Total Sewer ERU		139	** Interest rate of 5.5% at 20 years	
TOTAL LATERAL BENEFIT ASSESSMENT													
REVENUES:								\$1,014,416					

	Water Assessment	Sewer Assessment
Assessment	\$2,230 / ERU	\$6,533 / ERU

Total Projected Sewer Lateral Project Cost	\$908,116.07
Total Sewer Lateral ERU	139
Projected Lateral Sewer Assessment / ERU	\$6,533.21
Total Projected Sewer Lateral Benefit Assessment	\$858,694.79
Total Projected Water Lateral Project Cost	\$227,474.54
Total Water Lateral ERU	102
Projected Lateral Water Assessment / ERU	\$2,230.14
Total Projected Water Lateral Benefit Assessment	\$155,720.83

Scenario 1

PROP. NO.	OWNER	OWNER ADDRESS	PROPERTY ADDRESS	PROPERTY DESCRIPTION	P.I.N.	MCES COMMENTS	Acres	ERU
4	CITY OF EAST BETHEL	2241 221ST AVE NE EAST BETHEL, MN 55011	19458 Taylor St NE	WTF Site	29332323005	1 per info from City		1
10a	CD PROPERTIES NORTH LLC	18542 Ulysses St Ne		Vacant Commercial	323323210012	No SAC for vacant land, 18542 Ulysses we have Classic Construction charged 2 per plan	4.42	13
10b	VILLAGE BANK	9298 CENTRAL AVE NE BLAINE, MN 55434	18765 NE ULYSSES ST	Bank	323323210011	We have 18770 for bank with 4 SAC		4
11	RIVER COUNTRY COOPERATIVE	425 CLINTON AVE SOUTH SAINT PAUL, MN 55075	1341 187TH LN NE	Gas Station/Car Wash	323323210006	Car wash equipment MUST be removed, or additional SAC is due; 2 charged per info from City		2
12	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Parking Lot	323323210005	No SAC for parking lot		0
13	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358	18635 ULYSSES ST NE	Theater	323323240017	17 per revised determination		17
14	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240014	No SAC for vacant land, no address provided	2.17	7
15	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240015	No SAC for vacant land, no address provided	2.17	7
16	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240016	No SAC for vacant land, no address provided	2.19	7
18	EBERTOWSKI DAVID	18530 ULYSSES ST NE EAST BETHEL, MN 55011	18530 ULYSSES ST NE	Tour Bus Commercial	323323240007	5 per info from City		5
19	CLASSIC HOLDINGS LLC	2221 FAWN LAKE DR NE BETHEL, MN 55005	18542 ULYSSES ST NE	Contractor Shop	323323240008	2 per revised determination		2
20	LANDWEHR MARK & DEBBIE	72 170TH AVE NW ANDOVER, MN 55304	18600 ULYSSES ST NE	Office/Warehouse	323323240009	1 per info from City		1
21	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240010	No SAC for vacant land, no address provided	2.03	6
22	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240011	No SAC for vacant land, no address provided	2.02	6
23	LANDWEHR DEBBIE	72 170TH AVE NW ANDOVER, MN 55304		Vacant Commercial	323323210004	No SAC for vacant land, no address provided	2.12	6
24a	AHI Investments LLC	PO Box 187 Cedar, MN 55011	18800 Ulysses ST NE	Manufacturing	323323210013	16 paid October 2012		16
24b	CD PROPERTIES NORTH LLC	18542 Ulysses St NE		Vacant Commercial	323323210014	No SAC for vacant land, 18542 Ulysses we have Classic Construction charged 2 per plan	8.98	27
25	RICKEY PROPERTIES LLC	18689 NE BUCHANAN STREET EAST BETHEL, MN 55011	18689 BUCHANAN ST NE	Vehicle Body/Service	323323210003	2 per info from City		2
26	MERRIMAC CONSTRUCTION CO INC	18651 BUCHANAN ST NE EAST BETHEL, MN 55011	18651 BUCHANAN ST NE	Contractor Shop	323323240003	2 per info from City		2
27	NORTH BOUND WOODWORKS LLC	22491 LINNET ST NW BETHEL, MN 55005	18627 BUCHANAN ST NE	Wood Working Shop	323323240004	4 per info from City		4
28	TRUCK BODY SPECIALISTS LLC	18581 BUCHANAN ST EAST BETHEL, MN 55011	18581 BUCHANAN ST NE	Vehicle Body/Service	323323240005	2 per info from City		2
29	JP INVESTMENTS LLC	18533 BUCHANAN ST NE EAST BETHEL, MN 55011	18533 BUCHANAN ST NE	Contractor Shop	323323240006	2 per revised determination		2
30	METROPOLITAN COUNCIL	390 N ROBERT ST ST PAUL, MN 55101	PENDING	WWRF Site	32332320003	No info and no address provided		2
31	Shaw Trucking	604 189TH AVE NE EAST BETHEL, MN 55011	18530 BUCHANAN ST NE	Truck Shop	323323230010	3 paid June 2013		3

LATERAL BENEFIT ASSESSMENT					
WATERMAIN ASSESSMENT		SAN. SEWER ASSESSMENT		TOTAL LATERAL BENEFIT ASSESSMENT	**ANNUAL ASSESSMENT PAYMENT
ERUs	\$	ERUs	\$		
1	\$1,527	1	\$6,178	\$7,704	\$645
13	\$20,244	13	\$81,916	\$102,159	\$8,549
4	\$6,107	4	\$24,711	\$30,817	\$2,579
2	\$3,053	2	\$12,355	\$15,409	\$1,289
0	\$0	0	\$0	\$0	\$0
17	\$25,953	17	\$105,020	\$130,974	\$10,960
7	\$9,939	7	\$40,217	\$50,155	\$4,197
7	\$9,939	7	\$40,217	\$50,155	\$4,197
7	\$10,030	7	\$40,587	\$50,617	\$4,236
5	\$7,633	5	\$30,888	\$38,522	\$3,223
2	\$3,053	2	\$12,355	\$15,409	\$1,289
1	\$1,527	1	\$6,178	\$7,704	\$645
6	\$9,297	6	\$37,622	\$46,919	\$3,926
6	\$9,252	6	\$37,437	\$46,688	\$3,907
6	\$9,710	6	\$39,290	\$49,000	\$4,100
16	\$24,427	16	\$98,843	\$123,269	\$10,315
27	\$41,128	27	\$166,426	\$207,555	\$17,368
2	\$3,053	2	\$12,355	\$15,409	\$1,289
2	\$3,053	2	\$12,355	\$15,409	\$1,289
4	\$6,107	4	\$24,711	\$30,817	\$2,579
2	\$3,053	2	\$12,355	\$15,409	\$1,289
2	\$3,053	2	\$12,355	\$15,409	\$1,289
2	\$3,053	2	\$12,355	\$15,409	\$1,289
3	\$4,580	3	\$18,533	\$23,113	\$1,934
Water Total	\$218,772	Sewer Total	\$885,259		
Total Water ERU	143	Total Sewer ERU	143	** Interest rate of 5.5% at 20 years	
TOTAL LATERAL BENEFIT ASSESSMENT REVENUES:				\$1,104,030	

(A/P)20YR 0.083679

	Water Assessment	Sewer Assessment
Assessment	\$1,527 / ERU	\$6,178 / ERU

Total Projected Sewer Lateral Project Cost	\$908,116.07
Total Sewer Lateral ERU	143
Projected Lateral Sewer Assessment / ERU	\$6,177.66
Total Projected Sewer Lateral Benefit Assessment	\$885,258.68
Total Projected Water Lateral Project Cost	\$227,474.54
Total Water Lateral ERU	143
Projected Lateral Sewer Assessment / ERU	\$1,526.67
Total Projected Water Lateral Benefit Assessment	\$218,771.81
Scenario 1: 3 ERUs / Acre on Vacant Lots	3

Scenario 2

PROP. NO.	OWNER	OWNER ADDRESS	PROPERTY ADDRESS	PROPERTY DESCRIPTION	P.I.N.	MCES COMMENTS	Acres	ERU	LATERAL BENEFIT ASSESSMENT					
									WATERMAIN ASSESSMENT		SAN. SEWER ASSESSMENT		TOTAL LATERAL BENEFIT ASSESSMENT	**ANNUAL ASSESSMENT PAYMENT
									ERUs	\$	ERUs	\$		
4	CITY OF EAST BETHEL	2241 221ST AVE NE EAST BETHEL, MN 55011	19458 Taylor St NE	WTF Site	29332323005	1 per infofrom City		1	1	\$1,527	1	\$6,178	\$7,704	\$645
10a	CD PROPERTIES NORTH LLC	18542 Ulysses St Ne		Vacant Commercial	323323210012	No SAC for vacant land, 18542 Ulysses we have Classic Construction charged 2 per plan	4.42	4	4	\$6,748	4	\$27,305		
10b	VILLAGE BANK	9298 CENTRAL AVE NE BLAINE, MN 55434	18765 NE ULYSSES ST	Bank	323323210011	We have 18770 for bank with 4 SAC		4	4	\$6,107	4	\$24,711	\$30,817	\$2,579
11	RIVER COUNTRY COOPERATIVE	425 CLINTON AVE SOUTH SAINT PAUL, MN 55075	1341 187TH LN NE	Gas Station/Car Wash	323323210006	Car wash equipment MUST be removed, or additional SAC is due; 2 charged per info from City		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
12	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Parking Lot	323323210005	No SAC for parking lot		0	0	\$0	0	\$0	\$0	\$0
13	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358	18635 ULYSSES ST NE	Theater	323323240017	17 per revised determination		17	17	\$25,953	17	\$105,020	\$130,974	\$10,960
14	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240014	No SAC for vacant land, no address provided	2.17	2	2	\$3,313	2	\$13,406	\$16,718	\$1,399
15	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240015	No SAC for vacant land, no address provided	2.17	2	2	\$3,313	2	\$13,406	\$16,718	\$1,399
16	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240016	No SAC for vacant land, no address provided	2.19	2	2	\$3,343	2	\$13,529	\$16,872	\$1,412
18	EBERTOWSKI DAVID	18530 ULYSSES ST NE EAST BETHEL, MN 55011	18530 ULYSSES ST NE	Tour Bus Commercial	323323240007	5 per info from City		5	5	\$7,633	5	\$30,888	\$38,522	\$3,223
19	CLASSIC HOLDINGS LLC	2221 FAWN LAKE DR NE BETHEL, MN 55005	18542 ULYSSES ST NE	Contractor Shop	323323240008	2 per revised determination		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
20	LANDWEHR MARK & DEBBIE	72 170TH AVE NW ANDOVER, MN 55304	18600 ULYSSES ST NE	Office/Warehouse	323323240009	1 per infofrom City		1	1	\$1,527	1	\$6,178	\$7,704	\$645
21	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240010	No SAC for vacant land, no address provided	2.03	2	2	\$3,099	2	\$12,541	\$15,640	\$1,309
22	MULLER PROP OF E BETHEL LLC	4940 54TH ST NW MAPLE LAKE, MN 55358		Vacant Commercial	323323240011	No SAC for vacant land, no address provided	2.02	2	2	\$3,084	2	\$12,479	\$15,563	\$1,302
23	LANDWEHR DEBBIE	72 170TH AVE NW ANDOVER, MN 55304		Vacant Commercial	323323210004	No SAC for vacant land, no address provided	2.12	2	2	\$3,237	2	\$13,097	\$16,333	\$1,367
24a	AHI Investments LLC	PO Box 187 Cedar, MN 55011	18800 Ulyssess ST NE	Manufacturing	323323210013	16 paid October 2012		16	16	\$24,427	16	\$98,843		
24b	CD PROPERTIES NORTH LLC	18542 Ulyssess St NE		Vacant Commercial	323323210014	No SAC for vacant land, 18542 Ulysses we have Classic Construction charged 2 per plan	8.98	9	9	\$13,709	9	\$55,475	\$69,185	\$5,789
25	RICKEY PROPERTIES LLC	18689 NE BUCHANAN STREET EAST BETHEL, MN 55011	18689 BUCHANAN ST NE	Vehicle Body/Service	323323210003	2 per info from City		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
26	MERRIMAC CONSTRUCTION CO INC	18651 BUCHANAN ST NE EAST BETHEL, MN 55011	18651 BUCHANAN ST NE	Contractor Shop	323323240003	2 per info from City		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
27	NORTH BOUND WOODWORKS LLC	22491 LINNET ST NW BETHEL, MN 55005	18627 BUCHANAN ST NE	Wood Working Shop	323323240004	4 per info from City		4	4	\$6,107	4	\$24,711	\$30,817	\$2,579
28	TRUCK BODY SPECIALISTS LLC	18581 BUCHANAN ST EAST BETHEL, MN 55011	18581 BUCHANAN ST NE	Vehicle Body/Service	323323240005	2 per info from City		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
29	JP INVESTMENTS LLC	18533 BUCHANAN ST NE EAST BETHEL, MN 55011	18533 BUCHANAN ST NE	Contractor Shop	323323240006	2 per revised determination		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
30	METROPOLITAN COUNCIL	390 N ROBERT ST ST PAUL, MN 55101	PENDING	WWRF Site	323323320003	No info and no address provided		2	2	\$3,053	2	\$12,355	\$15,409	\$1,289
31	Shaw Trucking	604 189TH AVE NE EAST BETHEL, MN 55011	18530 BUCHANAN ST NE	Truck Shop	323323230010	3 paid June 2013		3	3	\$4,580	3	\$18,533	\$23,113	\$1,934
									Water Total	\$139,080	Sewer Total	\$562,785		
									Total Water ERU	91	Total Sewer ERU	91	** Interest rate of 5.5% at 20 years	
									TOTAL LATERAL BENEFIT ASSESSMENT					
									REVENUES:		\$701,864			

	Water Assessment	Sewer Assessment
Assessment	\$1,527 / ERU	\$6,178 / ERU

Total Projected Sewer Lateral Project Cost	\$908,116.07
Total Sewer Lateral ERU	91
Projected Lateral Sewer Assessment / ERU	\$6,177.66
Total Projected Sewer Lateral Benefit Assessment	\$562,784.83
Total Projected Water Lateral Project Cost	\$227,474.54
Total Water Lateral ERU	91
Projected Lateral Sewer Assessment / ERU	\$1,526.67
Total Projected Water Lateral Benefit Assessment	\$139,079.64

**CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2013-58

RESOLUTION DESIGNATING SURPLUS PROPERTY

WHEREAS, the City of East Bethel owns and operates a fleet of Fire Trucks and equipment for the purposes of emergency response; and

WHEREAS, the City of East Bethel has adopted a plan for the replacement of Fire Trucks and equipment; and

WHEREAS, the 1995 General Fire Truck has come to the end of its useful service life as a reliable and dependable piece of equipment; and

WHEREAS, the City Council of East Bethel has approved the purchase of a replacement piece of equipment; and

WHEREAS, the City of East Bethel will sell the 1995 General Fire Truck;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the 1995 General Fire Truck is hereby declared as surplus property and approved for sale.

Adopted this 18th day of September, 2013 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

Lift Station No. 1 Bids

Requested Action:

For information purposes only.

Background Information:

As requested staff has received and opened bids for Lift Station No. 1 which services the Castle Tower Mobile Home Park. This project consists of the complete reconstruction of the lift station.

Two bids were received and are summarized as follows:

LaTour Construction, Inc.	\$441,311.09
Gieslinger & Sons, Inc.	\$541,606.00

Several optional bid items were added to this project which included a fiber connection from the lift station to the well house, an on-site maintenance crane, and the programming and controls required to link this lift station to the City monitoring system. The total optional bid items were \$38,787.

If this bid was awarded other work items which are currently accounted for in the Castle Tower/Whispering Aspen forcemain bid would be deleted. These items total \$54,427.

This project also included the addition of an overlay on Pierce Path. The overlay cost is \$14,482.

As you may recall this project was bid as an alternate for the Castle Tower/Whispering Aspen forcemain project. LaTour Construction's bid for this Lift Station for the alternate bid was \$351,107.29. To compare the current bid to the previous bid the items discussed above, which total \$107,696, need to be subtracted from the current bid. The total bid for comparison would be \$333,615.09.

Staff is not recommending award at this time. Staff would like the opportunity to discuss this project further with the Contractor to evaluate potential value engineering items that could further lower the cost of this project. Final recommendation for this project would be presented at the October 2, 2103 Council meeting.

Fiscal Impact:

None at this time.

Recommendation(s):

None at this time.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

Post Issuance Debt Compliance Policy

Requested Action:

Consider approval of a Post-Issuance Debt Compliance Policy

Background Information:

In order for the City of East Bethel to comply with IRS regulations a Post-Issuance Debt Compliance Policy should be in place. The IRS encourages issuers and beneficiaries of these obligations and bond issuances to adopt and implement a post-issuance debt compliance policy as a safeguard to assist in post-issuance compliance, aid, as a checklist, the documentation of materials that may be required as a result of an IRS audit and comply with the a changed IRS reporting form that is filed on behalf of issuers after a tax-exempt bond issue closes.

The IRS is recommending that there be written procedures in place to monitor arbitrage compliance prior to the issuance of tax-exempt bonds. While the City is not technically required to have written procedures on these matters, our bond attorneys and financial consultants strongly recommend that we adopt such a policy. The procedures outlined in the policy provide the IRS with documentation that the City has a strategy for compliance with the arbitrage rules.

Attachments:

Post-Issuance Debt Compliance Policy

Fiscal Impact:

None at this time

Recommendation(s):

Staff recommends approval of the Post-Issuance Debt Compliance Policy

City Council Action

Motion by: _____

Second by: _____

Vote Yes:_____

Vote No:_____

No Action Required:_____

City of East Bethel, Minnesota

Post-Issuance Debt Compliance Procedures and Policy

The City Council (the “Council”) of the City of East Bethel, Minnesota (the “City”) has adopted the attached Post-Issuance Debt Compliance Policy dated [REDACTED]. The Post-Issuance Debt Compliance Policy applies to qualifying debt obligations issued by the City. As directed by the adoption of the Post-Issuance Debt Compliance Policy, the Finance Director of the City will perform the following Post-Issuance Debt Compliance Procedures for all of the City’s outstanding debt.

1. General Post-Issuance Compliance

- a. Ensure written procedures and/or guidelines have been put in place for individuals to follow when more than one person is responsible for ensuring compliance with Post-Issuance Debt Compliance Procedures.
- b. Ensure training and/or educational resources for post-issuance compliance have been approved and obtained.
- c. The Finance Director understands that there are options for voluntarily correcting failures to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Treasury Regulations and the ability to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2008-31(the “VCAP Program”).

2. General Recordkeeping

- a. Retain records and documents for the obligation and all obligations issued to refund the obligation for a period of at least seven years following the final payment of the obligation (or if such obligation is refunded, the final payment of the refunding bond) unless otherwise directed by the City’s bond counsel.
- b. Retain both paper and electronic versions of records and documents for the obligation.
- c. General records and documentation to be assembled and retained
 - i. Description of the purpose of the obligation (referred to as the project) and the state statute authorizing the project.
 - ii. Record of tax-exempt status or revocation of tax-exempt status, if applicable.
 - iii. Any correspondence between the City and the IRS.
 - iv. Audited financial statements.
 - v. Bond transcripts, official statements and other offering documents of the obligation.
 - vi. Minutes and resolutions authorizing the issuance of the obligation.
 - vii. Certifications of the issue price of the obligation.

- viii. Any formal elections for the obligation (i.e. election to employ an accounting methodology other than the specific tracing method).
- ix. Appraisals, demand surveys, or feasibility studies for property financed by the obligation.
- x. Documents related to governmental grants, associated with construction, renovation or purchase of property financed with the obligation.
- xi. Reports of any prior IRS examinations of the City or the City's obligation.

3. Arbitrage Yield Restriction and Rebate Recordkeeping

- a. Investment and arbitrage documentation to be assembled and retained
 - i. An accounting of all deposits, expenditures, interest income and asset balances associated with each fund established in connection with the obligation. This includes an accounting of all monies deposited to the Debt Service Account to make debt service payments on the obligation, regardless of the source derived. Accounting for expenditures and assets is described in further detail in Section 4.
 - ii. Statements prepared by Trustee or Investment Provider.
 - iii. Documentation of at least quarterly allocations of investments and investment earnings to each obligation (i.e. uncommingling analysis).
 - iv. Documentation for investments made with obligation proceeds such as:
 - 1. Investment contracts (i.e. guaranteed investment contracts).
 - 2. Credit enhancement transactions (i.e. bond insurance contracts).
 - 3. Financial derivatives (swaps, caps, etc).
 - 4. Bidding of financial products.
 - Investments acquired with obligation proceeds are purchased at fair market value (i.e. three bids for open market securities needed in advance refunding escrows).
- b. Computations of the arbitrage yield.
- c. Computations of yield restriction and rebate amounts including but not limited to:
 - i. Compliance in meeting the "Temporary Period from Yield Restriction Exception" and limiting the investment of funds after the temporary period expires.
 - ii. Compliance in meeting the "Rebate Exception".
 - 1. Qualifying for the "Small Issuer Exception"
 - 2. Qualifying for a "Spending Exception"
 - 6 Month Spending Exception
 - 18 Month Spending Exception
 - 24 Month Spending Exception
 - 3. Qualifying for the "Bona Fide Debt Service Fund Exception"

4. Quantifying arbitrage on all funds established in connection with the obligation in lieu of satisfying arbitrage exceptions (including Reserve Funds and Debt Service Funds)
 - d. Computations of yield restriction and rebate payments.
 - e. Timely Tax Form 8038-T filing, if applicable.
 - i. Remit any arbitrage liability associated with the obligation to the IRS at each five year anniversary date of the obligation, and the date in which the obligation is no longer outstanding (redemption or maturity date), whichever comes sooner, within 60 days of said date.
 - f. Timely Tax Form 8038-R filing, if applicable.
 - g. Procedures or guidelines for monitoring instances where compliance with applicable yield restriction requirements depends on subsequent reinvestment of obligation proceeds in lower yielding investments (for example: reinvestment in zero coupon SLGS).
4. Expenditure and Asset Documentation to be Assembled and Retained
- a. Documentation of allocations of obligation proceeds to expenditures (i.e. allocation of proceeds to expenditures for the construction, renovation or purchase of facilities owned and used in the performance of exempt purposes).
 - i. Such allocation will be done not later than the earlier of:
 - eighteen (18) months after the later of the date the expenditure is paid, or the date the project, if any, that is financed by the tax-exempt bond issue is placed in service; or
 - the date sixty (60) days after the earlier of the fifth anniversary of the issue date of the tax-exempt bond issue, or the date sixty (60) days after the retirement of the tax-exempt bond issue.
 - b. Documentation of allocations of obligation proceeds to issuance costs.
 - c. Copies of requisitions, draw schedules, draw requests, invoices, bills and cancelled checks related to obligation proceed expenditures during the construction period.
 - d. Copies of all contracts entered into for the construction, renovation or purchase of facilities financed with obligation proceeds.
 - e. Records of expenditure reimbursements incurred prior to issuing bonds for facilities financed with obligation proceeds (Declaration of Official Intent/Reimbursement Resolutions including all modifications).
 - f. List of all facilities and equipment financed with obligation proceeds.
 - g. Depreciation schedules for depreciable property financed with obligation proceeds.
 - h. Documentation that tracks the purchase and sale of assets financed with obligation proceeds.
 - i. Documentation of timely payment of principal and interest payments on the obligation.

- j. Tracking of all issue proceeds and the transfer of proceeds into the debt service fund as appropriate.
- k. Documentation that excess earnings from a Reserve Fund is transferred to the Debt Service Fund on an annual basis. Excess earnings are balances in a Reserve Fund that exceed the Reserve Fund requirement.

5. Miscellaneous Documentation to be Assembled and Retained

- a. Ensure that the project, while the obligation is outstanding, will avoid IRS private activity concerns.
 - i. The Finance Director shall monitor the use of all obligation-financed facilities in order to:
determine whether private business uses of obligation-financed facilities have exceeded the *de minimus* limits set forth in Section 141(b) of the Code as a result of sale of the facilities (including sale of capacity rights, leases and subleases of facilities (including easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers), leasehold improvement contracts, licenses, management contracts (in which the City authorizes a third party to operate a facility, e.g. cafeteria), research contracts, preference arrangements (in which the City permits a third party preference, such as parking in a public parking lot), joint ventures, limited liability companies or partnership arrangements, output contracts or other contracts for use of utility facilities (including contracts with large utility users), development agreements which provide for guaranteed payments or property values from a developer, grants or loans made to private entities (including special assessment agreements), naming rights agreements, or other arrangements that provide special legal entitlements to nongovernmental persons; and

determine whether private security or payments that exceed the *de minimus* limits set forth in Section 141(b) of the Code have been provided by nongovernmental persons with respect to such obligation-financed facilities.
 - ii. The Finance Director shall provide training and educational resources to any City staff that have the primary responsibility for the operation, maintenance, or inspection of obligation-financed facilities with regard to the limitations on the private business use of obligation-financed facilities and as to the limitations on the private security or payments with respect to obligation-financed facilities.
- b. The Finance Director shall undertake the following with respect to the obligations:
 - i. an annual review of the books and records maintained by the City with respect to such obligations; and

- ii. an annual physical inspection of the facilities financed with the proceeds of such obligations, conducted by the Finance Director with the assistance of any City staff who have the primary responsibility for the operation, maintenance, or inspection of such obligation-financed facilities.
 - c. Changes in the project that impact the terms or commitments of the obligation are properly documented and necessary certificates or opinions are on file.
6. Additional Undertakings and Activities that Support Sections 1 through 5 above:
- a. The Finance Director will notify the City's bond counsel, financial advisor and arbitrage provider of any survey or inquiry by the IRS immediately upon receipt (Usually responses to IRS inquiries are due within 21 days of receipt. Such IRS responses require the review of the above mentioned data and must be in writing. As much time as possible is helpful in preparing the response).
 - b. The Finance Director will consult with the City's bond counsel, financial advisor and arbitrage provider before engaging in post-issuance credit enhancement transactions (i.e. bond insurance, letter of credit, or hedging transactions (i.e. interest rate swap, cap).
 - c. The Finance Director will monitor all "qualified tax-exempt debt obligations" within the first calendar year to determine if the limit is exceeded, and if exceeded, will address accordingly. For tax-exempt debt obligations issued during years 2009 and 2010, the limit is \$30,000,000 (The limit was \$10,000,000 prior to 2009. In 2011 and thereafter it will remain at \$10,000,000 unless changed by Congress). During this period, the limit also applies to pooled financings of the governing body and provides a separate \$30,000,000 for each 501 (c)(3) conduit borrower.
 - d. Comply with Continuing Disclosure Requirements.
 - i. If applicable, the timely filing of annual information agreed to in the Continuing Disclosure Certificate.
 - ii. Give notice of any Material Event.
 - e. Identify any post-issuance change to terms of bonds which could be treated as a current refunding of "old" bonds by "new" bonds, often referred to as a "reissuance".
 - f. The Finance Director will consult with the City's bond counsel prior to any sale, transfer, change in use or change in users of obligation-financed property which may require "remedial action" under applicable Treasury Regulations or resolution pursuant to the VCAP Program.

A remedial action has the effect of curing a deliberate action taken by the City which results in satisfaction of the private business test or private loan test. Remedial actions under Section 1.141-12(d)(e) and (f) include the

redemption of non-qualified bonds and alternative uses of proceeds or the facility (i.e. use for a qualified purpose instead).

- g. The Finance Director will ensure that the appropriate tax form for federal subsidy payments is prepared and filed in a timely fashion for applicable obligations (i.e. Build America Bonds).

7. Compliance with Future Requirements

- a. Take measures to comply with any future requirements issued beyond the date of these Post-Issuance Debt Compliance Procedures which are essential to ensuring compliance with the applicable state and federal regulations.



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 F.1

Agenda Item:

Fire Department Report

Requested Action:

Informational only

Background Information:

The Fire Chief has provided reports of Fire Department emergency calls, fire inspections, and emergency medical calls from the previous month. Staff is also recommending that the 1995 General Fire Truck be declared surplus and sold. Attached is a resolution for Council to consider.

Fiscal Impact:

None

Recommendation(s):

Informational only.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**East Bethel Fire Department
August 2013 Response Calls**

Incident Number	Incident Date	Alarm Time	Location	Incident Type
358	08/31/2013	18:44	912 207 th AVE	Smoke Detector activation
357	08/29/2013	13:04	Polk ST NE	Motor vehicle accident with injuries
356	08/29/2013	10:53	18164 Highway 65	Dispatched and cancelled en route
355	08/28/2013	00:19	18164 Highway 65	EMS call
354	08/27/2013	22:37	21328 Eveleth ST	EMS call
353	08/27/2013	12:12	24355 Highway 65	EMS call
352	08/27/2013	11:52	20520 Polk ST NE	Dispatched and cancelled en route
351	08/25/2013	21:52	4525 Fawn Lake DR NE	EMS call
350	08/25/2013	18:15	23416 Baltimore ST	Dispatched and cancelled en route
349	08/25/2013	17:48	18358 Jenkins ST NE	EMS call
348	08/25/2013	17:36	19937 Madison ST NE	EMS call
347	08/24/2013	15:49	18859 Vickers ST NE	Dispatched and cancelled en route
346	08/24/2013	11:54	22282 Xylite ST	EMS call
345	08/23/2013	19:18	811 221 AVE NE	EMS call
344	08/22/2013	08:50	23030 Bittersweet ST	Mutual Aid; Building fire
343	08/21/2013	19:30	1829 209th AVE	Unauthorized burning
342	08/21/2013	11:07	24355 Highway 65 NE	EMS call
341	08/18/2013	16:02	19031 University AVE	EMS call
340	08/17/2013	15:53	19455 Highway 65	Dispatched and cancelled en route
339	08/15/2013	19:15	Viking Blvd NE	Motor vehicle accident with injuries
338	08/15/2013	13:09	2523 225TH AVE NE	EMS call
337	08/13/2013	08:51	21145 Davenport ST	Gas leak (natural gas or LPG)
336	08/12/2013	23:25	19973 Stutz NE	EMS call
335	08/12/2013	10:51	22300 Xylite ST NE	EMS call
334	08/11/2013	16:22	3841 Edmar LN NE	EMS call
333	08/11/2013	14:41	18164 Highway 65	EMS call
332	08/10/2013	19:59	23705 Highway 65	EMS call
331	08/10/2013	12:12	18748 Breezy Point DR	Dispatched and cancelled en route
330	08/09/2013	20:01	Sims AVE NE	Arcing, shorted electrical equipment
329	08/09/2013	14:20	4007 Heather ST	Mutual Aid; Building fire
328	08/09/2013	05:48	18347 NE Jackson	EMS call
327	08/08/2013	10:39	3600 250th AVE	Mutual Aid; Building fire
326	08/08/2013	08:20	22435 Palisade ST NE	EMS call
325	08/05/2013	22:03	20024 Jefferson ST NE	EMS call
324	08/05/2013	15:47	2951 183rd AVE	EMS call
323	08/05/2013	14:38	23611 Davenport ST	EMS call
322	08/05/2013	14:14	21108 Polk ST	Dispatched and cancelled
321	08/04/2013	19:50	20302 Austin ST NE	EMS call
320	08/04/2013	14:49	1150 216th AVE NE	EMS call
319	08/03/2013	21:42	1836 209th CT	EMS call
318	08/02/2013	13:54	4910 S Tri Oak CIR	EMS call
Total				41

**East Bethel Fire Department
Type of Medical Calls**

August, 2013

Number of Medical Calls 28

Type	Number	Transport by Ambulance
Medical Complications	5	5
Short of Breath	3	3
Cardiac	5	5
Bleeding	0	0
Illness	4	4
Trauma	1	1
Assist	1	1
Other	6	3
Cancelled Medical Call	<u>3</u>	<u>3</u>
Totals	28	25

Notes:

4 serious reactions to bee stings.

City of East Bethel

Subject: Fire Inspector Report

August 1 – 31, 2013

City of East Bethel Fire Inspection List		
Name	Address	Comments
Landmark Concrete Inc.	18600 Ulysses St	2 nd Inspection: No Violations
Classic Construction	18542 Ulysses St	2 nd Inspection: No Violations
Saarela Insurance	1535 Viking Blvd	2 nd Inspection: No Violations
5K Auto Sales	18355 Hwy 65	2 nd Inspection: No Violations
Cedar Creek Natural Preserve	2660 Fawn Lake	Maps and new codes in lock box
Waste Water Facility	Buchanan St.	Initial walk through Fire extinguisher placement, Alarm monitoring, and Lock box and keys. Outside indicator valve is in question and waiting on answer from sprinkler company (2.5 hrs.)
NOTE: First Inspections Unless Noted		

00 Businesses Inspected

Reported by: Mark Duchene, Fire Inspector



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 G.1

Agenda Item:

Renewal of Land Lease for Cell Tower at the Ice Arena

Requested Action:

Consider renewal options for Land Lease of Communications Tower

Background Information:

The City of East Bethel entered into a contract with Nextel Corporation on November 24, 1998 for a lease of approximately 0.11 acres at the rear of the East Bethel Ice Arena which allowed the construction and use of a communications tower on the premises. The original agreement was for the lessee to pay the City \$1,000 per month subject to the greater of a 3% or the CPI increase annually. The current lease expires December 31st, 2018 and is currently held by American Tower. The 2013 monthly income is \$2,771.89 lease and \$400 for carrier rent or \$38,062.68 for the current year. American Tower proposes to extend the lease in ten- five year increments with American Tower having the option of cancelling the lease at the end of any of the installment periods. Under this agreement, total rent from 2013 to 2068 would be 5.1 million dollars.

The term of the proposed lease and the City’s rights of cancellation are issues that need to considered regarding this proposal. The City Attorney has reviewed the contract and recommended the following;

- 1.) The duration of the lease not be longer than five (5) five (5) year terms of option;
- 2.) Paragraph 2 of the proposed lease which denies the Landlord’s termination rights be deleted or altered to a mutually agreeable condition;
- 3.) Paragraph 4, the Right of First Refusal be stricken from the proposal

As an incentive to renew the lease at this earlier date, American Tower has offered the City a one-time renewal bonus of \$50,000 in addition to the current rental agreement fee. Fees collected from this lease have been utilized to reduce the operational debt of the Ice Arena and by the end of 2014 the operational deficit of this enterprise fund is projected to be positive.

Staff has discussed proposals with two additional solicitors for the lease renewal, Tri-Star and Unison. The proposals are summarized as follows:

Option 1: Renew with American Tower

One time payment: \$50,000

Monthly Lease Revenue: \$2,771.89 with an annual increase of 3% or the CPI, whichever is greater

Monthly Carrier Revenue: \$400.00

Option 2: Unison

One time payment: \$450,000

Monthly Lease Revenue: \$0

Monthly Carrier Revenue: \$0

Option 3: Tri-Star

2014-2018

One time payment: \$0

Monthly Lease Revenue: \$2,000 (from Tri-Star)

Monthly Lease Revenue: \$2,771.89 subject to the greater of an annual 3% or CPI increase (from American Tower)

Monthly Carrier Revenue: \$400

From 2019-2023

Onetime payment: \$0

Monthly Lease Revenue: \$3,333

Option 4: Do not renew the current lease at this time and wait until 2017 to evaluate the market for renewal opportunities. We would still continue to receive our monthly rental fee from American Tower through 2017 (\$163,000) if this option is exercised.

Attachments:

Attachment 1-Proposed Lease

Attachment 2-Current Lease

Attachment 3-City Attorney's Letter of Opinion

Fiscal Impact:

Projected Total Revenues 2014-2023 for Communications Tower Land Lease Proposal

American Tower 541,602.26

Tri Star 525,893.97

Unison 450,000.00

Recommendation(s):

Staff is requesting approval to continue to negotiate the lease with American Tower with the revisions as recommended by the City Attorney.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

Communications Tower Land Lease Proposal - R 615-38067

***Projected paid 2014-2023**

American Tower	541,602.26
Tri Star	525,893.97
Unison	450,000.00

LEASE AMENDMENT

This **LEASE AMENDMENT** ("**Amendment**") is made effective as of the latter signature date hereof ("**Effective Date**") by and between CITY OF EAST BETHEL MN ("**Landlord**") and American Tower Asset Sub, LLC ("**Tenant**").

RECITALS

WHEREAS, Landlord, or its predecessor in interest, and Tenant, or its predecessor in interest, entered into that certain ground lease (as amended, the "**Lease**"), whereby Tenant leases a portion of the real property owned by Landlord (the "**Parent Parcel**") such portion being defined and/or described in the Lease and including access and utilities easements and if applicable, guy wire/guy anchor easements (collectively the "**Leased Premises**").

WHEREAS, Landlord and Tenant desire to amend the terms of the Lease to extend the term thereof and as otherwise provided herein.

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **One-time Payment:** Tenant shall pay to Landlord a one-time payment in the amount of \$50,000.00, payable within ten (10) business days of the last to occur of the following; a) Tenant's receipt of this Amendment, Memorandum of Lease (a copy of which is attached hereto) by Landlord and any applicable forms needed to record the Memorandum of Lease (such forms to be supplied by Tenant) executed by Landlord by April 30th 2013, (b) Tenant's confirmation that Landlord is the sole owner of the Parent Parcel, that the entire Leased Premises is located on the Parent Parcel and that Landlord has the sole authority to execute this Amendment; and (c) Tenant's receipt of any other documents required by Tenant to confirm ownership and/or sole authority of Landlord to execute this Amendment and to facilitate the payment under this paragraph.
2. **Lease Term Extended:** Tenant shall have the option to extend the Lease for each of ten (10) additional five (5) year renewal terms (each a "**New Renewal Term**" and collectively the "**New Renewal Terms**"). The first New Renewal Term shall commence simultaneously with the expiration of the Lease taking into account all existing renewal term(s) (each an "**Existing Renewal Term**" and collectively the "**Existing Renewal Terms**") available under the Lease. Notwithstanding anything to the contrary in the Lease, all Existing Renewal Terms and New Renewal Terms shall automatically renew unless Tenant notifies Landlord that Tenant elects not to renew the Lease no less than sixty (60) days prior to the expiration of the then current term. Landlord's termination rights in the Lease are hereby deleted and no longer in effect except that Landlord shall have the right to terminate the Lease in the event of an uncured material default of the Lease by Tenant if such cure is not accomplished within (60) days of notice thereof unless Tenant has diligently commenced cure during such 60 day period and requires additional reasonable time thereafter to complete the cure. The rent and all scheduled increases thereto shall continue and remain in effect through each New Renewal Term.
3. **Landlord and Tenant Acknowledgments.** Except as modified herein, the Lease and all provisions therein, including all amendments thereto, remain in full force and effect and are ratified and affirmed. The parties agree that no defaults exist under the Lease. To the extent Tenant needed consent from Landlord for any of Tenant's activities at the Parent Parcel prior to this Amendment, Landlord's execution of this Amendment shall be considered consent for all such activities. Tenant shall not need consent from Landlord for any future activities at the Leased Premises, which shall include without limitation; subleasing to additional customers, installing, modifying, repairing, or replacing improvements within the Leased Premises, or assigning Tenant's interest in this Lease. Landlord agrees to sign building permit applications and other forms required for Tenant's use of the Leased Premises. This Amendment may be executed in multiple counterparts and an electronically reproduced fully executed copy of this Amendment shall be considered an original. Tenant shall have the right to replace the descriptions of the Leased Premises with descriptions obtained from an as-built survey conducted by Tenant.
4. **Right of First Refusal.** If Landlord receives an offer or desires to offer to; (i) sell or convey any interest (including but not limited to leaseholds or easements) in any real property of which the Leased Premises is a part or (ii) assign Landlord's interest in the Lease or any portion thereof Tenant shall have the right of first refusal to purchase the real property or interest being offered by Landlord on the same terms and conditions.

5. **Landlord Statements.** Landlord hereby represents and acknowledges that: (i) Landlord (and/or the persons signing this Amendment on behalf of Landlord) has the authority to enter into this Amendment; (ii) Landlord is the sole owner of the Parent Parcel; (iii) there are no other agreements, liens or encumbrances on the Parent Parcel that may conflict with or prohibit Landlord from entering into this Amendment; and (iv) the square footage of the Leased Premises is the greater of Tenant's existing improvements on the Parent Parcel or the land area conveyed to Tenant under the Lease (and if the existing tower is a guyed tower, then the Leased Premises also consists of 10 feet on both sides of each guy wire and extends 20 feet beyond each guy anchor). The statements of Landlord made in this section shall survive the execution of this Amendment and Landlord hereby agrees to indemnify Tenant for any damages, costs or charges of any kind incurred by Tenant as a result of the breach of the representations made herein or if any of the representations made herein prove to be untrue.

6. **Confidentiality.** Landlord agrees that all terms of this Amendment and any information furnished to Landlord by Tenant in connection with this Amendment shall be and remain confidential. Except for Landlord's attorney, accountant or broker, if any, or if otherwise required by law, or in connection with the fee simple sale of the Parent Parcel, Landlord shall not disclose any such terms or information without the prior written consent of Tenant.

7. **Notices.** All notices must be in writing and shall be valid upon receipt when delivered by hand, by nationally recognized courier service, or by First Class United States Mail, certified, return receipt requested to the addresses set forth herein. To Landlord at: CITY OF EAST BETHEL MN, CITY CLERK, 2241 221ST ST, , EAST BETHEL, MN, 55011, to Tenant at: American Tower, Attn: Land Management, 10 Presidential Way, Woburn, MA. 01801 with copy to 116 Huntington Avenue, Boston MA 02116.

LANDLORD 1:
CITY OF EAST BETHEL MN

TENANT

Signature: _____
 Print Name: _____
 Title: _____
 Date: _____

Signature: _____
 Print Name: _____
 Title: _____
 Date: _____

LANDLORD 2 (If Applicable)

Signature: _____
 Print Name: _____
 Title: _____
 Date: _____

Prepared by and Return to:

American Tower
10 Presidential Way
Woburn, MA 01801
Attn: Land Management
ATC Site: 305783

Prior Recorded Lease Reference:

Book _____, Page _____
Document No: _____
State of _____
County of _____

Assessor Parcel No(s): _____

MEMORANDUM OF LEASE

This **MEMORANDUM OF LEASE** (this "**Memorandum**") is entered into as of the latter signature date hereof by and between CITY OF EAST BETHEL MN ("**Landlord**") having an address of CITY CLERK, 2241 221ST ST, , EAST BETHEL, MN, 55011 and American Tower Asset Sub, LLC ("**Tenant**") having an address of 116 Huntington Avenue, Boston, MA 02116 with copies of notices to 10 Presidential Way, Woburn, MA. 01801 Attn: Land Management.

NOTICE is hereby given of the following described Lease as amended, for the purpose of recording and giving notice of the existence of said Lease. To the extent that notice of such Lease has previously been recorded, then this Memorandum shall constitute an amendment of any such prior recorded notice(s).

1. **Parent Parcel and Lease.** Landlord is the owner of certain real property being described in **Exhibit A** hereto (the "**Parent Parcel**"). Landlord (or its predecessor in interest) and Tenant (or its predecessor in interest) entered into that certain ground lease (as amended from time to time, the "**Lease**"), whereby the Tenant leases a portion of the Parent Parcel, together with certain easements for access and public utilities and, if applicable, easements for guy wires and guy anchors (collectively, the "**Leased Premises**" and also being described on Exhibit A hereto).
2. **Lease Term Extended.** Tenant shall have the option to extend the Lease for each of ten (10) additional five (5) year renewal terms (each a "**New Renewal Term**" and collectively the "**New Renewal Terms**"). The first New Renewal Term shall commence on the next day following _____, which date represents the last day of the last remaining existing renewal term in the Lease..
3. **Leased Premises.** The Leased Premises is set forth in **Exhibit A** which may be replaced by an as-built survey at Tenant's option, depicting and/or describing the Parent Parcel, Leased Premises and all applicable easements.
4. **Right of First Refusal.** There is a right of first refusal in the Lease.
5. **Effect/Miscellaneous.** This Memorandum is not a complete summary of the terms in the Lease.. In the event of a conflict between this Memorandum and the Lease, the Lease will control. Landlord hereby grants the right to Tenant to fill out and execute on behalf of Landlord any government or transfer tax forms necessary for recording this Memorandum. This right shall terminate upon recording of this Memorandum.

[SIGNATURE PAGES FOLLOWS]

IN WITNESS WHEREOF, Landlord and Tenant have each executed this Memorandum as of the day written below.

LANDLORD 1
CITY OF EAST BETHEL MN

WITNESS

Signature: _____
Print Name: _____
Title: _____
Date: _____

Signature: _____
Print Name: _____

Signature: _____
Date: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201____, before me, the undersigned Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

LANDLORD 2

WITNESS

Signature: _____
Print Name: _____
Title: _____
Date: _____

Signature: _____
Print Name: _____
Signature: _____
Date: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201____, before me, the undersigned Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

TENANT:

American Tower Asset Sub, LLC

WITNESSES:

Signature: _____

Print Name: _____

Title: _____

Date: _____

Signature: _____

Print Name: _____

Signature: _____

Date: _____

ACKNOWLEDGEMENT

Commonwealth of Massachusetts

County of Middlesex

On _____, 201____, before me, _____ (here insert name), a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires: _____

EXHIBIT A

This Exhibit May be Replaced by Tenant at Tenant's Option as delineated below

PARENT PARCEL

Tenant shall have the right to replace this below description with a description obtained from Landlord's deed (or deeds) that include the land area encompassed by the Lease and Tenant's improvements thereon.

The Parent Parcel consists of the entire legal taxable lot owned by Landlord as described in a deed (or deeds) to Landlord of which the Leased Premises is a part thereof .

LEASED PREMISES

Tenant shall have the right to replace this below description with a description obtained from the Lease or from a description obtained from an as-built survey conducted by Tenant.

The Leased Premises consists of that portion of the Parent Parcel as defined in the Lease which shall include access and utilities easements as well as easements for guy wires and anchors if there are guy wires and anchors existing at the time of this Amendment, (which such guy wire and anchor easements shall be 10 feet on either side of existing guy wires and running 20 feet behind each guy anchor and shall be used by Tenant to access, repair, upgrade, maintain and replace such guy wires, anchors and fencing by Tenant). The square footage of the Leased Premises shall be the greater of the area conveyed to Tenant in the Lease or Tenant's existing improvements on the Parent Parcel.



August 26, 2013

City of Bethel - East Bethel Ice Arena
Jack Davis, City Administrator
2241 221st Ave. NE
East Bethel, MN 55011

Site #: 235846

The offer is subject to due diligence and is based on the assumptions listed below:

- American Tower
- AT&T Wireless, Zayo, T-Mobile, Verizon Wireless and Sprint PCS as tenants
- \$2,771.89 current monthly rent
- \$2,771.89 purchased monthly rent
- 3.0% annual (American Tower) escalation

Dear Jack:

Thank you for your interest in our cell site lease conversion program. After analyzing the information you provided, Unison is prepared to offer you a lump sum of **\$450,000** if the offer is accepted by September 15, 2013.

Our offer is to purchase a sixty six year easement for the cell site. Easement area will include an additional 250 square feet adjacent to the existing ground space ("Additional Space"). Unison will receive the currently scheduled rent stream (including escalators) for the term of the easement, and agrees that for all rent over and above this amount received on the cell site, Site Owner will collect 34% and Unison will collect 66%. The final amount of our offer is subject to due diligence and confirmation of your monthly rent escalators and site tenants.

The appeal of the Unison deal:

- **Convert your lease into cash:** Unison Site Management, LLC is rapidly building a nationwide portfolio of cell site leases. Our program allows you to convert your lease into hard cash. The telecom industry is changing rapidly and we encourage you to understand and consider your options now.
- **Secure your asset:** With our lump sum cash offer, the value of your lease asset will no longer be dependent on future rent payments. This lump sum is yours regardless of what happens to your site in the future—even if you sell the property. You can invest your capital payment in real estate, stocks, bonds, or your own business.

A reminder why you must act quickly and reduce your risk

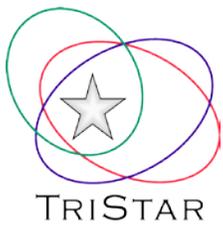
There is language in your lease stating that it can be terminated with as little as one month’s notice. Our lump sum in cash will help you secure your asset from the following:

- **Debt:** To provide service in literally hundreds of markets, each wireless service provider has built out a separate network. Today, there are approximately 300,000 cell sites and antennae, but this build up has been costly: providers have borrowed \$100 billion to finance its construction. That is a lot of debt for companies getting 4 cents per minute.
- **Rent reduction and tower decommissioning:** Providers are looking for ways to cut costs and one way to do this is to reduce your rent or decommission your tower. There is a good chance that your current monthly rent income will reduce significantly or disappear altogether, leaving you with a depreciating asset or no asset at all.
- **Consolidation:** A recent and remarkable merger saw AT&T and its 135-year legacy disappear overnight when it merged with SBC. Since February 24th, 2004 there have been five major mergers in the telecom industry for a total deal value of over \$125 billion. As a result of this ongoing telecom merger epidemic, a substantial number of sites have already become redundant.
- **Technology gains:** Satellite telephone and DAS (Distributed Antenna System) technology has created provider networks that can reach farther and are more efficient. This increase in coverage will continue to translate to a reduced need for cell towers.

If you have any questions, please contact me directly at (612) 327-4254. I look forward to discussing our offer with you at your earliest convenience.

Sincerely,

Marc Carlson
Unison Site Management, LLC



TriStar Investors, Inc.
Whitehall Towers Office Building
470 Streets Run Road, Suite 300
Pittsburgh, Pennsylvania 15236

Tel: 877.558.6789
Fax: 412.882.4632

www.tristarinvestors.com

August 6, 2013

Jack Davis
The City of East Bethel
2241 221st Ave NE
East Bethel, MN 55011

Site ID: 54729
Site Address: 20675 N E Hwy 65
East Bethel, MN 55011

Tower lease information:

Year of Final Lease Expiration: 2019
Total Current Monthly Rent: \$2,353.00 (Approximate)

Based on the information stated above and our knowledge of the tower site on your property, TriStar is pleased to present to you the following in exchange for an easement to the tower site:

- Annual Payments of **\$24,000.00** until the current lease expires
- You continue to collect all rents from the tower company and carriers until lease expiration
- Revenue share of **50%** of net rental revenues after lease expiration*

**Based on the current tower tenants and market lease rates, your 50% revenue share is projected to be approximately \$40,000.00 in 2020.*

Upon your approval of the payment terms, TriStar will prepare the legal documents for our transaction. To aid in the preparation of the documents, we request that you provide copies of the current lease(s) and amendment(s), verification of rent, and any other correspondence or documents with the tower company.

This letter is intended to express our interest in your site and is not a legally binding offer. Further, the payment options may change without notice. Our agreement will be binding and the payment option fixed only upon signature of legal documents. If you have interest, I urge you to call within 10 days.

Please contact me at my number below or Spencer Davis, our Regional Director, at 412-609-1603 to discuss the option above. We look forward to speaking with you in the near future.

Best regards,

Dominic Nardone, CPA
Senior Acquisitions Analyst
TriStar Investors, Inc.
412-368-4612

Communication Tower Annual Lease Comparisions

Communications Tower Leases - R 615-38067

	2013	
Centerville	\$ 17,402	1 Site
Ham Lake	\$ 90,000	4 Sites
Forest Lake	\$ 50,000	2 Sites
East Bethel	\$ 38,063	1 Site

MARKET: Minneapolis
SITE NAME: Rum River
SITE NUMBER: MN0115

COMMUNICATIONS SITE LEASE AGREEMENT (GROUND)

This Standard Communications Site Lease Agreement ("Agreement") is entered into this 24th day of November, 1998, between **Nextel West Corp.**, a Delaware corporation ("Lessee"), and the **City of East Bethel**, a Minnesota municipal corporation ("Lessor").

For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Premises.** Lessor is the owner of a parcel of land (the "Land") located in the City of East Bethel, County of Anoka, State of Minnesota, commonly known as 20675 NE Hwy. 65, East Bethel, MN 55011. The Land is more particularly described in Exhibit A annexed hereto. Lessor hereby leases to Lessee and Lessee leases from Lessor, approximately thirty six hundred (3600) square feet of the Land and all access and utility easements, if any, (the "Premises") as described in Exhibit B annexed hereto.

2. **Use.** The Premises may be used by Lessee for any activity in connection with the provision of communications services. Lessor agrees to cooperate with Lessee, at Lessee's expense, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for Lessee's intended use of the Premises.

3. **Tests and Construction.** Lessee shall have the right at any time following the full execution of this Agreement to enter upon the Land for the purpose of: making appropriate engineering and boundary surveys, inspections, soil test borings, other reasonably necessary tests and constructing the Lessee Facilities (as defined in Paragraph 6(a) below).

4. **Term.** The term of this Agreement shall be five (5) years commencing on January 1, 1999 or the date construction of the Lessee Facilities begins, whichever first occurs ("Commencement Date") and terminating on the fifth anniversary of the Commencement Date (the "Term") unless otherwise terminated as provided in Paragraph 10. Lessee shall have the right to extend the Term for three (3) successive five (5) year periods (the "Renewal Terms") on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless Lessee notifies Lessor of its intention not to renew at least 60 days prior to commencement of the succeeding Renewal Term. Lessor may elect not to renew this Agreement by giving Lessee written notification at least one hundred eighty (180) days prior to the end of the 2nd Renewal Term or subsequent Renewal Term.

5. **Rent.**

(a) Within 15 days of the Commencement Date and on the first day of each month thereafter, Lessee shall pay to Lessor as rent One Thousand and 00/100 DOLLARS (\$1000.00) per month ("Rent"). Rent for any fractional month at the beginning or at the end of the Term or Renewal Term shall be prorated. Rent shall be payable to Lessor at 2241 - 221st Avenue, East Bethel, MN 55011; Attention: City Clerk.

(b) Lessee will pay Lessor additional rent in the amount of One hundred and 00/100 DOLLARS (\$100.00) per month ("Additional Rent") for each communications user requiring space upon the Premises and the Lessee Facilities for more than two antennas.

(c) Rent shall be adjusted annually on each anniversary of the Commencement Date by the greater of: (i) three percent (3%) of the previous year's annualized rent, or (ii) by an amount equal to the increase in the Consumer Price Index ("CPI"). The CPI shall mean the "Consumer Price Index - for all Urban Consumers, All Cities, All Items (1967=100)" as published by the United States Department of Labor Statistics, or if such index shall be discontinued, the successor index, or if there shall be no successor index, such comparable index as mutually agreed upon by the parties. To determine the annual rental increase to be paid by Lessee under a CPI adjuster, the annualized rent for the previous year shall be multiplied by a percentage figure, computed from a fraction, the numerator of which shall be the CPI for the third quarter of the preceding year and the denominator of which shall be the CPI for the corresponding quarter of one year earlier. Such fraction shall be converted to a percentage equivalent. The resulting percentage figure shall be multiplied by the previous year's rent (annualized for the first year).

6. **Facilities; Utilities; Access.**

(a) Lessee has the right to erect, maintain and operate on the Premises radio communications facilities, including without limitation an antenna tower or pole and foundation, utility lines, transmission lines, air conditioned equipment shelter(s), electronic equipment, radio transmitting and receiving antennas, supporting equipment and structures thereto ("Lessee Facilities"). In connection therewith, Lessee has the right to do all work necessary to prepare, maintain and alter the Premises for Lessee's business operations and to install transmission lines connecting the antennas to the transmitters and receivers. All of Lessee's construction and installation work shall be performed at Lessee's sole cost and expense and in a good and workmanlike manner. Title to the Lessee Facilities shall be held by Lessee. All of Lessee Facilities shall remain Lessee's personal property and are not fixtures. Lessee has the right to remove all Lessee Facilities at its sole expense on or before the expiration or earlier termination of the Agreement; provided, Lessee repairs any damage to the Premises caused by such removal. Upon termination of this Agreement, Lessee shall not be required to remove any foundation more than one (1) foot below grade level.

(b) Lessee shall pay for the electricity it consumes in its operations at the rate charged by the servicing utility company. Lessee shall have the right to draw electricity and other utilities from the existing utilities on the Land or obtain separate utility service from any utility company that will provide service to the Land (including a standby power generator for Lessee's exclusive use). Lessor agrees to sign such documents or easements as may be required by said utility companies to provide such service to the Premises, including the grant to Lessee or to the servicing utility company at no cost to the Lessee, of an easement in, over across or through the Land as required by such servicing utility company to provide utility services as provided herein. Any easement necessary for such power or other utilities will be at a location acceptable to Lessor and the servicing utility company.

(c) Lessee, Lessee's employees, agents, subcontractors, lenders and invitees shall have access to the Premises without notice to Lessor twenty-four (24) hours a day, seven (7) days a week, at no charge. Lessor grants to Lessee, and its agents, employees, contractors, guests and invitees, a non-exclusive right and easement for pedestrian and vehicular ingress and egress across that portion of the Land described in Exhibit B.

(d) Lessor shall maintain all access roadways from the nearest public roadway to the Premises in a manner sufficient to allow pedestrian and vehicular access at all times under normal weather conditions. Lessor shall be responsible for maintaining and repairing such roadway, at its sole expense, except for any damage caused by Lessee's use of such roadways.

7. Interference.

(a) Lessee shall operate the Lessee Facilities in a manner that will not cause interference to Lessor and other lessees or licensees of the Land, provided that their installations predate that of the Lessee Facilities. All operations by Lessee shall be in compliance with all Federal Communications Commission ("FCC") requirements.

(b) Subsequent to the installation of the Lessee Facilities, Lessor shall not permit itself, its lessees or licensees to install new equipment on the Land or property contiguous thereto owned or controlled by Lessor, if such equipment is likely to cause interference with Lessee's operations. Such interference shall be deemed a material breach by Lessor. In the event interference occurs, Lessor agrees to take all reasonable steps necessary to eliminate such interference, in a reasonable time period.

8. Taxes. If personal property taxes are assessed, Lessee shall pay any portion of such taxes directly attributable to the Lessee Facilities. Lessor shall pay all real property taxes, assessments and deferred taxes on the Land. Lessee shall reimburse Lessor for any increases in real property taxes which are assessed as a direct result of Lessee's improvements to the Land. As a condition of Lessee's obligation to pay such tax increases, Lessor shall provide to Lessee documentation from the taxing authority, reasonably acceptable to Lessee, which substantiates the increase is directly attributable to Lessee's improvements.

9. Waiver of Lessor's Lien.

(a) Lessor waives any lien rights it may have concerning the Lessee Facilities which are deemed Lessee's personal property and not fixtures, and Lessee has the right to remove the same at any time without Lessor's consent.

(b) Lessor acknowledges that Lessee has entered into a financing arrangement including promissory notes and financial and security agreements for the financing of the Lessee Facilities (the "Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Lessor (i) consents to the installation of the Collateral; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

10. Termination. This Agreement may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default, provided that the grace period for any monetary default is ten (10) days from receipt of notice; or (ii) by Lessee for any reason or for no reason, provided Lessee delivers written notice of early termination to Lessor no later than thirty (30) days prior to the Commencement Date; or (iii) by Lessee if it does not obtain or maintain any license, permit or other approval necessary for the construction and operation of Lessee Facilities; or (iv) by Lessee if Lessee is unable to occupy and utilize the Premises due to an action of the FCC, including without limitation, a take back of channels or change in frequencies; or (v) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, without limitation, signal interference.

11. Destruction or Condemnation. If the Premises or Lessee Facilities are damaged, destroyed, condemned or transferred in lieu of condemnation, Lessee may elect to terminate this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to Lessor no more than forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation. If Lessee chooses not to terminate this Agreement, Rent shall be reduced or abated in proportion to the actual reduction or abatement of use of the Premises.

12. Insurance.

(a) Lessee, at Lessee's sole cost and expense, shall procure and maintain on the Premises and on the Lessee Facilities, bodily injury and property damage insurance with a combined single limit of at least Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against all liability of Lessee, its employees and agents arising out of or in connection with Lessee's use of the Premises, all as provided for herein. Lessor shall be named as an additional insured on Lessee's policy. Lessee shall provide to Lessor a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date.

(b) Lessee must keep in force for the duration of this Agreement a policy covering damages to its property at the Premises. The amount of coverage shall be sufficient to replace the damaged property, loss of use and comply with any ordinance or law requirements.

~~(c) The coverage limits set forth herein shall be increased at the time of any Renewal Term by the greater of the Consumer Price Index or 15% whichever is greater.~~

(d) Lessee must maintain Worker's Compensation insurance in compliance with all applicable statutes. The policy shall also provide Employer's Liability coverage with limits of not less than the \$500,000 Bodily Injury each occurrence, \$500,000 Bodily Injury by disease, policy limit, and \$500,000 Bodily Injury by disease, each employee.

13. Waiver of Subrogation. Lessor and Lessee release each other and their respective principals, employees, representatives and agents, from any claims for damage to any person or to the Premises or to the Lessee Facilities thereon caused by, or that result from, risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. Lessor and Lessee shall cause each insurance policy obtained by them to provide that the insurance company waives all right of recovery by way of subrogation against the other in connection with any damage covered by any policy. Neither Lessor nor Lessee shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by Paragraph 12.

14. Assignment and Subletting. Lessee may not assign, or otherwise transfer all or any part of its interest in this Agreement or in the Premises without the prior written consent of Lessor; provided, however, that Lessee may assign its interest to its parent company, any subsidiary or affiliate or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets, subject to any financing entity's interest, if any, in this Agreement as set forth in Paragraph 9 above. Lessor may assign this Agreement upon written notice to Lessee, subject to the assignee assuming all of Lessor's obligations herein, including but not limited to, those set forth in Paragraph 9 above, and Lessee may sublet or license all or any portion of the Premises to one or more entities for communications uses only, without Lessor's consent. Notwithstanding anything to the contrary contained in this Agreement, Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Agreement to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

15. Warranty of Title and Quiet Enjoyment. Lessor warrants that: (i) Lessor owns the Land in fee simple and has rights of access thereto and the Land is free and clear of all liens, encumbrances and restrictions; (ii) Lessor has full right to make and perform this Agreement; and (iii) Lessor covenants and agrees with Lessee that upon Lessee paying the Rent and observing and performing all the terms, covenants and conditions on Lessee's part to be observed and performed, Lessee may peacefully and quietly enjoy the Premises. Lessor agrees to indemnify and hold harmless Lessee from any and all claims on Lessee's leasehold interest.

16. Repairs. Lessee shall not be required to make any repairs to the Premises, other than the Lessee Facilities, or Land unless such repairs shall be necessitated by reason of the default or neglect of Lessee. Except as set forth in Paragraph 6(a) above, upon expiration or termination hereof, Lessee shall restore the Premises to the condition in which it existed upon execution hereof, reasonable wear and tear and loss by casualty or other causes beyond Lessee's control excepted.

17. Hazardous Substances. Lessee agrees that it will not use, generate, store or dispose of any Hazardous Material on, under, about or within the Land in violation of any law or regulation. Lessor represents, warrants and agrees (1) that neither Lessor nor, to Lessor's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material (defined below) on, under, about or within the Land in violation of any law or regulation, and (2) that Lessor will not, and will not permit any third party to use, generate, store or dispose of any Hazardous Material on, under, about or within the Land in violation of any law or regulation. Lessor and Lessee each agree to defend, indemnify and hold harmless the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorney's fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph. As used in this paragraph, "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance known by the state in which the Land is located to cause cancer and/or reproductive toxicity, and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. This paragraph shall survive the termination of this Agreement.

18. Liability and Indemnity. Lessee shall indemnify and hold Lessor harmless from all claims (including attorneys' fees, costs and expenses of defending against such claims) arising from the negligence or willful misconduct of Lessee or Lessee's agents or employees occurring in or about the Property. Lessor shall indemnify and hold Lessee harmless from all claims (including attorneys' fees, costs and expenses of defending against such claims) arising from the negligence or willful misconduct of Lessor or Lessor's agents or employees occurring in or about the Property. The duties described in Paragraph 18 survive termination of this Agreement.

19. Miscellaneous.

(a) This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

(b) If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(c) This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

(d) Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

If to Lessee: Nextel West Corp.
9401 James Avenue South, Suite 180
Bloomington, MN 55431
Attn: Property Manager

If to Lessor: City of East Bethel
2241 221st Avenue NE
East Bethel, MN 55011
Attn: City Clerk

With a copy to: Nextel Communications Inc.
1505 Farm Credit Drive
McLean, VA 22102
Attn: Legal Department., Contracts Manager

With a copy to:

Attn:

Lessor or Lessee may from time to time designate any other address for this purpose by written notice to the other party. All notices hereunder shall be deemed received upon actual receipt.

(e) This Agreement shall be governed by the laws of the State of Minnesota.

(f) Lessor acknowledges that a Memorandum of Agreement in the form annexed hereto as Exhibit C will be recorded by Lessee in the official records of the County where the Land is located. In the event the Land is encumbered by a mortgage or deed of trust, Lessor agrees to obtain and furnish to Lessee a non-disturbance and attornment instrument for each such mortgage or deed of trust.

(g) Lessee may obtain title insurance on its interest in the Land. Lessor shall cooperate by executing documentation required by the title insurance company.

(h) In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

(i) All Riders and Exhibits annexed hereto form material parts of this Agreement.

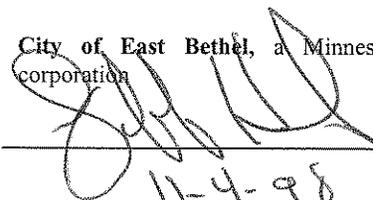
(j) This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

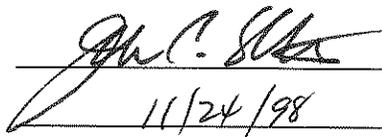
(k) In the event that either party to this Agreement shall bring a claim to enforce any rights hereunder, the prevailing party shall be entitled to recover costs and reasonable attorney's fees incurred as a result of such claim.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LESSOR: City of East Bethel, a Minnesota municipal corporation

LESSEE: Nextel West Corp., a Delaware corporation

By: 

By: 

Date: 11-4-98

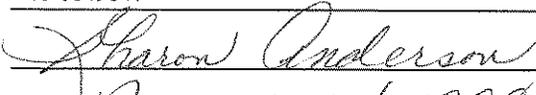
Date: 11/24/98

Title: Jeff Hintz, Mayor

Title: John C. Shelton, Vice President

Tax ID #: 41-0849847

Tax ID #: 84-1116272

By: 

Date: November 4, 1998

Title: Sharon Anderson, City Clerk/Treasurer

Tax ID #: 41-0849847

EXHIBIT A

DESCRIPTION OF LAND

to the Agreement dated November 24, 1998, by and between the **City of East Bethel**, a Minnesota municipal corporation, as Lessor, and **Nextel West Corp.**, a Delaware corporation as Lessee.

The Land is described and/or depicted as follows:

The North 467.00 feet of that part of the Southwest Quarter of the Southeast Quarter of Section 17, Township 33, Range 23, Anoka County, Minnesota which lies West of the East 644.34 feet of said Southwest Quarter of the Southeast Quarter. Subject to Minnesota State Trunk Highway No. 65 and other easements of record, and including the right of access to Trunk Highway No. 65 on the Northerly 30 feet of said tract,

and,

The East 200 feet of the North 467.00 feet of that part of the Southwest Quarter of Southeast Quarter of Section 17, Township 33, Range 23, which lies West of the East 444.34 feet of said Southwest Quarter of the Southeast Quarter.

Subject of Minnesota State Trunk Highway No. 65 and other easements of record.

EXHIBIT B

DESCRIPTION OF PREMISES

to the Agreement dated November 24, 1998, by and between the **City of East Bethel**, a Minnesota municipal corporation, as Lessor, and **Nextel West Corp.**, a Delaware corporation as Lessee.

The Premises are described and/or depicted as follows:

Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions may vary from what is shown above.

EXHIBIT C

FOR EXHIBIT PURPOSES ONLY EXECUTABLE MEMORANDUM FOLLOWS THIS EXHIBIT

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into on this 24th day of November, 1998, by and between the **City of East Bethel**, a Minnesota municipal corporation, with an office at 2241 - 221st Avenue NE, East Bethel, MN 55011, (hereinafter referred to as "Lessor") and **Nextel West Corp.**, a Delaware corporation with an office at 9401 James Avenue South, Suite 180, Bloomington, MN 55431 (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ("Agreement") on the ___ day of _____ 1998, for the purpose of installing, operating and maintaining a radio communications facility and other improvements. All of the foregoing are set forth in the Agreement.

2. The term of the Agreement is for five (5) years commencing on January 1, 1999, or the date construction of the Lessee Facilities begins, whichever first occurs ("Commencement Date"), and terminating on the fifth anniversary of the Commencement Date with three (3) successive five (5) year options to renew.

3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto. The portion of the Land being leased to Lessee (the "Premises") is described in Exhibit B annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR: **City of East Bethel**, a Minnesota municipal corporation

LESSEE: **Nextel West Corp.**, a Delaware corporation

By: NOT FOR EXECUTION

By: NOT FOR EXECUTION

Date: _____

Date: _____

Title: Jeff Hintz, Mayor

Title: John C. Shelton, Vice President

Tax ID #: 41-0849847

Tax ID #: 84-1116272

By: NOT FOR EXECUTION

Date: _____

Title: Sharon Anderson, City Clerk/Treasurer

Tax ID #: 41-0849847

ALL SIGNATURES MUST BE ACKNOWLEDGED

ACKNOWLEDGEMENTS

STATE OF : MINNESOTA

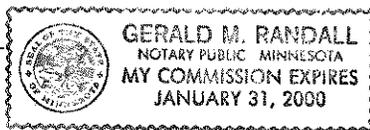
COUNTY OF: ANOKA

On November 4, 1998 before me, Gerald M. Randall, Notary Public, personally appeared Jeff Hintz, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Gerald M. Randall (SEAL)
Notary Public

My commission expires: _____



STATE OF : MINNESOTA

COUNTY OF: ANOKA

On November 4, 1998 before me, Gerald M. Randall, Notary Public, personally appeared Sharon Anderson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Gerald M. Randall (SEAL)
Notary Public

My commission expires: _____



STATE OF : Illinois

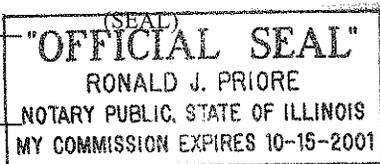
COUNTY OF: DuPage

On Nov. 24, 1998, before me, Ronald J. Priore, Notary Public, personally appeared John C. Shelton, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Ronald J. Priore (SEAL)
Notary Public

My commission expires: _____



MEMORANDUM OF AGREEMENT

CLERK: Please return this document to: Nextel West Corp.
Attn.: Mallery Loftus
9401 James Avenue South, Suite 180
Bloomington, MN 55431

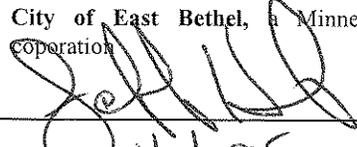
This Memorandum of Agreement is entered into on this 24th day of November, 1998, by and between the **City of East Bethel**, a Minnesota municipal corporation, with an office at 2241 - 221st Avenue NE, East Bethel, MN 55011, (hereinafter referred to as "Lessor") and **Nextel West Corp.**, a Delaware corporation with an office at 9401 James Avenue South, Suite 180, Bloomington, MN 55431 (hereinafter referred to as "Lessee").

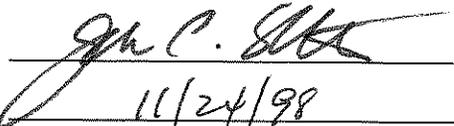
1. Lessor and Lessee entered into a Communications Site Lease Agreement ("Agreement") on the 24th day of November, 1998, for the purpose of installing, operating and maintaining a radio communications facility and other improvements. All of the foregoing are set forth in the Agreement.

2. The term of the Agreement is for five (5) years commencing on January 1, 1999, or the date construction of the Lessee Facilities begins, whichever first occurs ("Commencement Date"), and terminating on the fifth anniversary of the Commencement Date with three (3) successive five (5) year options to renew.

3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto. The portion of the Land being leased to Lessee (the "Premises") is described in Exhibit B annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR: City of East Bethel, a Minnesota municipal
corporation
By: 
Date: 11-4-98
Title: Jeff Hintz, Mayor
Tax ID #: 41-0849847
By: 
Date: November 4, 1998
Title: Sharon Anderson, City Clerk/Treasurer
Tax ID #: 41-084984

LESSEE: Nextel West Corp., a Delaware corporation
By: 
Date: 11/24/98
Title: John C. Shelton, Vice President
Tax ID #: 84-1116272

ALL SIGNATURES MUST BE ACKNOWLEDGED

1st AMENDMENT TO THE COMMUNICATIONS SITE LEASE AGREEMENT

This 1st Amendment to the Communications Site Lease Agreement is made and entered into this 4th day of April, 2001 by and between the City of East Bethel, a Minnesota municipal corporation ("Lessor") and Tower Asset Sub, Inc., a Delaware Corporation, a subsidiary of SpectraSite Communications, Inc. ("Lessee").

Whereas, Lessor and Nextel West Corp. entered into a Communications Site Lease Agreement ("Agreement") on November 24, 1998 that was assigned to Lessee on July 30, 1999 by that certain Assignment of Leases by and between Nextel West Corp., Tower Parent Corp. and Lessee;

Whereas, Lessor and Lessee now desire to amend this Agreement to increase the size of the Premises for the placement of additional telecommunications equipment by future third party co-location users;

Now, Therefore, by mutual agreement of the parties and in consideration of the rights and obligations hereinafter set forth, the Agreement is hereby amended as follows:

1. Paragraph 1 is hereby amended by deleting "thirty six hundred (3600) square feet" and replacing it with "four thousand eight hundred ninety-eight (4898) square feet". Lessor agrees to lease Lessee an additional one thousand two hundred ninety-eight square feet of Land adjacent to the existing leased Premises. This additional ground space shall be subject to all the terms and conditions of the Agreement.
2. Exhibit B is hereby amended with the Exhibit B-1 attached hereto this 1st Amendment describing the increased Premises. The access and utility easements shall remain in the same location. Lessor and Lessee agree to execute a revised Memorandum of Agreement that will reflect the increased leased Premises.
3. Paragraph 5 (a) is deleted in its entirety and replaced with the following language:

"(a) Lessee shall pay to Lessor as rent One Thousand Six Hundred Fifty and 00/100 Dollars (\$1,650.00) per month ("Rent"). Rent for any fractional month at the beginning or at the end of the Term or Renewal Term shall be prorated. Rent shall be payable to Lessor at 2241 – 221st Avenue, East Bethel, MN 55011; Attention: City Clerk."

This 1st Amendment shall not become effective until Lessee obtains approval from the local zoning and/or building department or division that will permit Lessee's sublessee(s) or licensee(s) to install ground based equipment, including but not limited to, shelters or cabinets. If, for any reason, Lessee cannot obtain such approval, Lessee shall have the right to rescind this First Amendment by notifying Lessor in writing.

All other provisions of the Communications Site Lease Agreement are hereby ratified and shall continue in full force and effect. If there are any inconsistencies between this Amendment and the Agreement, this Amendment shall be the controlling document. This Amendment constitutes the entire understanding and agreement between the parties on the terms and conditions of this Amendment and shall supercede all offers and negotiations on the terms contained herein.

In Witness Whereof, Lessor and Lessee have executed this Amendment as of the date first written above.

LESSOR:

City of East Bethel, a Minnesota municipal corporation

BY: 
Its: Mayor
Date: April 4, 2001

LESSEE:

**Tower Asset Sub, Inc., a Delaware corporation,
a SpectraSite Communications subsidiary**

Jason B. Barlow, Director of Operations

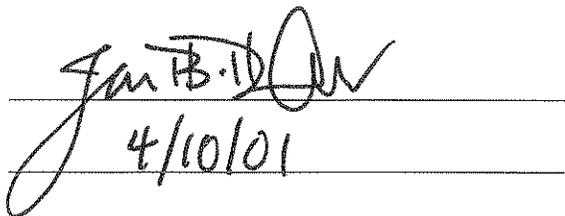
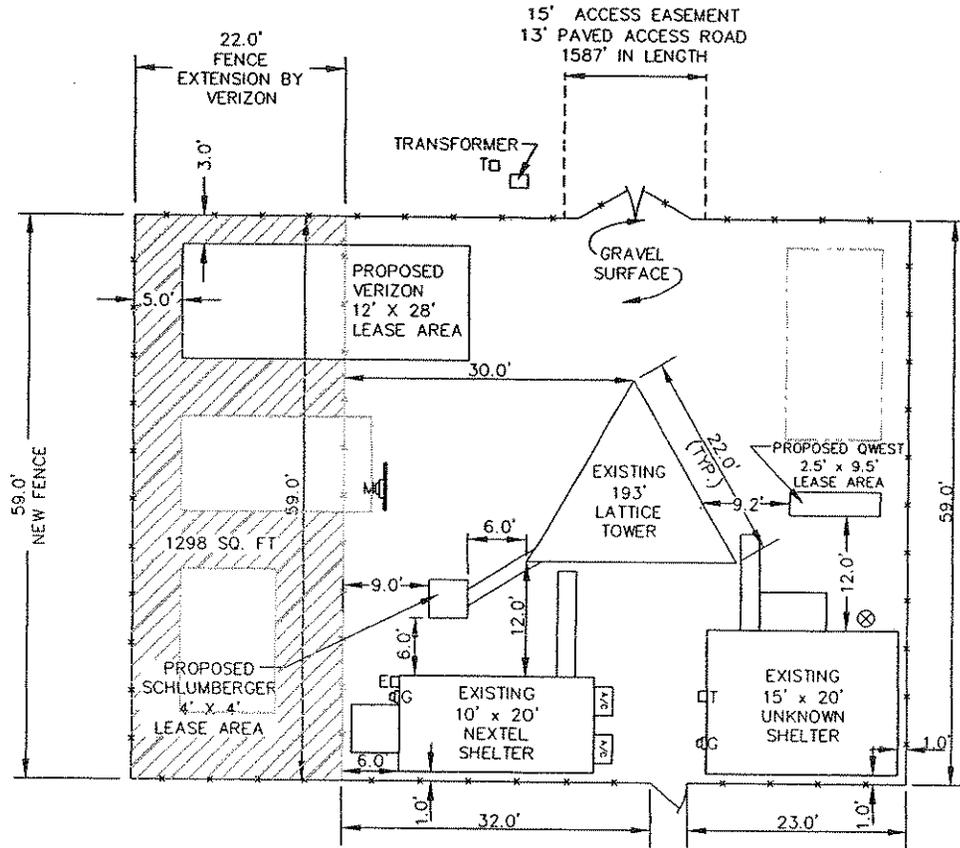
BY: 
Date: 4/10/01

EXHIBIT "B-1"
AMENDED DESCRIPTION OF THE PREMISES

SEE ATTACHED SITE SKETCH
THIS SITE SKETCH WILL BE REPLACED BY A LAND SURVEY WITH THE LAND SURVEY
BEING THE TRUE DESCRIPTION OF THE PREMISES



PLAN VIEW

LEGEND:

- ⊗ GROUNDING TEST WELLS
- T TELEPHONE HOOK-UP
- G GENERATOR RECEPTACLE
- E ELECTRICAL SERVICE DISCONNECT
- M METER
- TD TELCO DEMARK

GRAPHIC SCALE



(IN FEET)

1 Inch = 10 Feet

No.	011815004		
E:	12/19/00		
	0	4 SPB CREATE MASTER PLAN 1/18/01	
		3 CML VERIZON COLLO. EXPANDED LEASE AREA 9/2/01	



RUM RIVER

SITE LAYOUT PLAN
SHEET 1 OF 2

Writer's Direct Dial:
(651) 351-2118

Writer's E-mail:
mvierling@eckbergglammers.com

Stillwater Office:
1809 Northwestern Avenue
Stillwater, Minnesota 55082
(651) 439-2878
Fax (651) 439-2923

September 10, 2013

Jack Davis, City Administrator
City of East Bethel
2241 - 221st Avenue NE
East Bethel, MN 55011

Mike Jeziorski, Finance Director
City of East Bethel
2241 - 221st Avenue NE
East Bethel, MN 55011

Hudson Office:
430 Second Street
Hudson, Wisconsin 54016
(715) 386-3733
Fax (715) 386-6456

www.eckbergglammers.com

Re: *City of East Bethel*
South Tower Lease - American Tower – Tower Lease Renewal
Our File No.: 23746-21016

Dear Jack and Mike:

I have taken a look at the existing Lease originally dated November 24, 1998. I have reviewed this in context with the proposed amendments suggested by the Tenant, American Tower, on this matter.

As you will recall, American Tower proposed a Lease extension term which had several provisions that were of concern. Those provisions were as follows:

- A. Paragraph 2. Amended Lease Term. American Tower was proposing a Lease term extension of an option to extend the lease for each of ten (10) additional five (5) year terms, up to a total of fifty (50) years.

This is well beyond what we are seeing in the marketplace and I would suggest as to the term issue that certainly is of concern from members of the Council that this term be negotiated for no more than five (5) five (5) year terms of option.

- B. Paragraph 2 has a provision that provides as follows:

“Landlord’s termination rights in the Lease are hereby deleted are hereby deleted and no longer in effect except that Landlord shall have the right to terminate the Lease in the event of an uncured material default of the Lease by Tenant if such cure is not accomplished within (60) days of notice thereof unless Tenant has diligently commenced cure during such 60 day period and requires additional reasonable time thereafter to complete the cure.”

The language is unacceptable.

Existing paragraph 10 within the 1998 Lease, provides as follows:

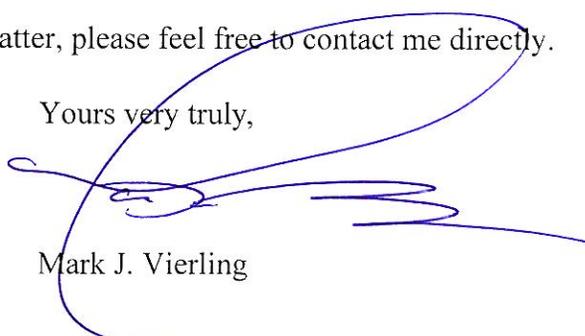
“Termination. This Agreement may be terminated without further liability on thirty (30) days prior written notes as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default, provided that the grace period for any monetary default is ten (10) days from receipt of notice; or (ii) by Lessee for any reason or for no reason, provided Lessee delivers written notice of early termination of Lessor no later than thirty (30) days prior to the Commencement Date; or (iii) by Lessee if it does not obtain or maintain any license, permit or other approval necessary for the construction and operation of Lessee Facilities; or (iv) by Lessee if Lessee is unable to occupy and utilize the Premises due to an action of the FCC, including without limitation, a take back of channels or change in frequencies; or (v) by Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, without limitation, signal interference.”

In our view, paragraph 10 of the original Lease should be modified only to delete provisions referenced as (ii) and (v). Both of those provisions are no longer applicable given the long term existence of this Lease and the occupants in use of the premises by the Lessee over the term that has already occurred. We would support these amendments as we suggested to paragraph 10, but we will not support the language in paragraph 2 of the proposed amended Lease with regard to change relative to conditions of default.

- C. Paragraph 4. The Right of First Refusal. This paragraph of their proposed amendment is unacceptable, as this is a municipal property and the City has no intention of selling it. Even if it did, the City would not want to have a right of first refusal as it would have a chilling effect on the prospective price of the property, therefore, I would require that the Right of First Refusal language be stricken.

If you have any further questions in the matter, please feel free to contact me directly.

Yours very truly,


Mark J. Vierling

MJV/ndf



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

Sheriff's Contract for 2014

Requested Action:

Consider the approval of the 2014 Anoka County Sheriff's Law Enforcement Contract

Background Information:

The Sheriff Jim Stuart has submitted a proposal for law enforcement services contract for 2014. The proposed contract provides for 36 hours of patrol service per day with 20 hours of Community Service Officer support per week.

This proposal represents the continuation of the same coverage, 36 hour coverage with the CSO, that Council approved on August 17, 2011 at a cost of \$951,272. The proposed cost for continuing the service for 2014 is \$981,312. Funding for this level of service is provided for in the preliminary 2014 Budget.

Should the City decide to approve the proposed 2014 Contract the cost would be \$981,312 and the following are the options for the proposed Contract:

- Option 1: 36 hours a day coverage including 20 hours a week CSO coverage is \$981,312 ;
- Option 2: A 32 hour a week contract with the CSO coverage would be \$874,752 ;
- Option 3: Eliminate the CSO coverage for a deduction of \$44,579 for either Option 1 or 2.

The Sheriff's Department recommends 50% pro-active time for patrol services. The 36 hour a day contract provides 52% proactive time and the 32 hour per day coverage provides for 45% pro-active time. Pro-active time is the time available for patrol activities.

Should the City desire to cancel the Contract, it has 90 days (until October 2, 2014) prior to the expiration of the current Contract (December 31, 2013) to notify the Sheriff's Department in writing of the notice for non-renewal. In the event that the City fails to notify the Sheriff's Department that it does not intend to renew the Contract, the Contract shall automatically renew for another one year period under the terms of the 2013 Contract and be subject to any increases in costs as proposed in the 2014 Contract. If the City waits until after October 2, 2014, but still desires to cancel the Contract, we would then need to provide a 6 month notice to terminate the Contract.

Should Council desire to further consider this matter beyond the September 18, 2013 Council meeting, we would to call a Special Meeting for approval of an Option prior to October 2, 2014.

Attachments

Proposed 2014 Law Enforcement Contract

Fiscal Impact:

As described above

Recommendation(s):

Staff is seeking direction as to Council’s preference for the proposed Law Enforcement Contract with the Anoka County Sheriff’s Department.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

LAW ENFORCEMENT CONTRACT

THIS CONTRACT is made and entered into this _____ day of _____, 2013, by and between the County of Anoka, a political subdivision of the State of Minnesota, and the Anoka County Sheriff, hereinafter referred to as the "County," and the City of East Bethel, Minnesota, 2241 221st Avenue Northeast, East Bethel, Minnesota 55011, hereinafter referred to as the "Municipality", for the period of January 1, 2014, through December 31, 2014, hereinafter referred to as the "Contract Term".

WITNESSETH:

WHEREAS, the Municipality is desirous of entering into a contract with the County, through the Office of the Anoka County Sheriff (hereinafter Sheriff), for the performance of the law enforcement functions hereinafter described within the corporate limits of said Municipality; and

WHEREAS, the County is agreeable to rendering such services and law enforcement functions on the terms and conditions hereinafter set forth; and

WHEREAS, such contracts are authorized and provided for by Minn. Stat. §§ 471.59 and 436.05.

NOW, THEREFORE, pursuant to the terms of the aforesaid statutes, and in consideration of the mutual covenants expressed herein, it is agreed as follows:

I. PURPOSE

The County, through its Sheriff, agrees to provide police protection within the corporate limits of the Municipality to the extent and in the manner as hereinafter set forth.

II. SERVICES TO BE PROVIDED BY THE COUNTY

A. Except as otherwise hereinafter specifically set forth, such services shall encompass the duties and functions of the type normally coming within the jurisdiction of the Sheriff pursuant to Minnesota Law, and, in addition, the Sheriff and his duly assigned deputies shall, within the Municipality's corporate limits, exercise all the police powers and duties of city police officers as provided by Minn. Stat. § 436.05.

B. The rendition of services, the standard of performance, the discipline of the deputies, and other matters incident to the performance of such services and the control of personnel so employed, shall remain in and under the sole control of the Sheriff.

C. Such services shall include the enforcement of Minnesota State Statutes and the municipal ordinances of the Municipality.

D. The County shall furnish and supply all necessary labor, supervision, equipment, and communication facilities for dispatching, jail detention (including the cost of such detention), and daily patrol service as specified in Paragraph II.E. and Attachment A of this Contract, and shall be responsible for the direct payment of any salaries, wages, or other compensation to any County personnel performing services pursuant to this Contract. All County property and equipment used in rendering services under this agreement is, and shall remain, County property.

E. The County agrees to provide law enforcement protection as follows: During the Contract Term, the Sheriff will provide 36 hours per day of daily patrol service. The costs associated with the patrol service are set forth in Attachment A. Patrol service shall be exercised through the employment of assigned patrol cars supplied, equipped, and maintained by the County, and staffed by the Sheriff's deputies. The Sheriff shall determine the time of day and how patrol service shall be provided, and may periodically change the patrol schedule in order to maximize the effectiveness of the coverage. The County will also provide 20 hours per day of Community Service Officer coverage. Daily patrol service will provide and fulfill those services and duties ordinarily provided and fulfilled by city police officers as provided by state law and municipal ordinances. Notwithstanding the number of hours of patrol services listed in this agreement, the County agrees to provide additional law enforcement services and emergency assistance, as the demand arises and resources allow, at no additional cost to the municipality.

F. The County patrol cars used for providing the services pursuant to this Contract shall be stored on premises owned by the Municipality. In the event that a suitable and secure storage location is not provided, in the determination of the Sheriff, the patrol cars will be returned to the Sheriff's Office at the end of each shift.

G. The patrol duties shall be conducted out of office space to be located at a suitable location in the Municipality which is sufficient to provide for the clerical needs of the assigned deputies. In the event that a suitable location is not provided, the deputies shall work out of the Sheriff's Office.

III. DUTIES OF MUNICIPALITY

A. It is agreed that the Sheriff shall have all reasonable and necessary cooperation and assistance from the Municipality, its officers, agents, and employees, so as to facilitate the performance of this Contract.

B. This Contract shall not alter the responsibility for prosecution of offenses occurring within the Municipality as is currently provided by law. Likewise, collection and distribution of fine monies and any proceeds from forfeited property resulting from violations occurring in the municipality shall be controlled in the manner provided by law.

IV. COMPENSATION/TERM

The Municipality hereby agrees to pay to the County the sum of One Million Twenty Six Thousand One Hundred Fifty Two and 00/100 Dollars (\$1,026,152.00) for the contract term for law enforcement protection consisting of 36 hours per day of daily patrol service, and twenty-four (24) hour call and general services from the Sheriff during the term of this Contract. In addition, the County will provide 20 hours per day of Community Service Officer coverage in an assigned patrol car. Said contract sum is payable in four (4) equal quarterly installments due on March 31, June 30, September 30, and December 31 of the Contract Term.

The County agrees that the Municipality will receive a credit against its contract price obligation as a result of anticipated Police State Aide. The amount of the credit will be determined by the amount of money received per sworn officer from the State of Minnesota times the number of sworn officers charged for to service this Contract.

V. RENEWAL/AUTOMATIC RENEWAL

This Contract may be renewed for a successive period of one (1) year. Said renewal shall be accomplished in the following manner:

A. Not later than one hundred fifty (150) days prior to the expiration of the current Contract, the County, through its Sheriff, shall notify the Municipality in writing of its intention to renew. Said notification shall include notice of any increase in total contract cost.

B. Not later than ninety (90) days prior to the expiration of the current Contract, the Municipality shall notify the Sheriff in writing if the Municipality does not wish to

renew a Contract for a successive one year term. If the Municipality fails to notify the County in writing that it does not intend to renew the Contract, the Contract shall automatically renew for another one-year period under the terms of this Contract and any increase in costs provided to the Municipality under the notice requirement of section V.A. of this Contract.

VI. COLLABORATION

The County, through its Sheriff or his designee(s), agrees to meet as needed with the governing council of the Municipality. The purpose of said meetings shall be for the Municipality to provide feedback to the County and for the parties to confer and discuss potential improvements in the implementation of services under this Contract. The Sheriff shall make reasonable efforts to consider the Municipality's concerns or requests. The time and place of these meetings shall be determined by the Municipality with reasonable notice to the Sheriff.

VII. DISBURSEMENT OF FUNDS

All funds disbursed by the County or the Municipality pursuant to this Contract shall be disbursed by each entity pursuant to the method provided by law.

VIII. STRICT ACCOUNTABILITY

A strict accounting shall be made of all funds, and reports of all receipts and disbursements shall be made upon request by either party.

IX. AFFIRMATIVE ACTION

In accordance with Anoka County's Affirmative Action Policy and the County Commissioners' policies against discrimination, no person shall illegally be excluded from full-time employment rights in, be denied the benefits of, or be otherwise subjected to discrimination in the program which is the subject of this Contract on the basis of race, creed, color, sex, sexual orientation, marital status, public assistance status, age, disability, or national origin.

X. INDEMNIFICATION

The Municipality and the County mutually agree to indemnify and hold harmless each other from any claims, losses, costs, expenses, or damages, injuries or sickness resulting from the acts or omissions of the respective offices, agents, or employees, relating to the activities conducted by either party under this Contract.

XI. TERMINATION

This Contract may be terminated in the following manner:

- 1) By the mutual agreement of the parties.
- 2) Under the terms set forth in Section IV.
- 3) By either party at any time with or without cause upon not less than one hundred eighty (180) days written notice delivered by mail or in person to the other party. Notices delivered by mail shall be deemed to be received two (2) days after mailing. Such termination shall not be effective with respect to services rendered prior to such notice of termination.

XII. NOTICE

For purposes of delivering any notices hereunder, notice shall be effective if delivered to the Anoka County Sheriff, 13301 Hanson Blvd NW, Andover, Minnesota 55304, on behalf of the County; and the City Administrator of the City of East Bethel, 2241 221st Avenue Northeast, East Bethel, Minnesota 55011, on behalf of the Municipality.

XIII. ENTIRE AGREEMENT/REQUIREMENT OF A WRITING

It is understood and agreed that the entire agreement of the parties is contained herein and that this Contract supersedes all oral and written agreements and negotiations between the parties relating to the subject matter hereof, as well as any previous contract presently in effect between the parties relating to the subject matter thereof. Any alterations, variations, or modifications of the provisions of this Contract shall be valid only when they have been reduced to writing and duly signed by the parties herein.

IN WITNESS WHEREOF, the Municipality, by resolution duly adopted by its governing body, has caused this Contract to be signed by its Mayor and attested by its Clerk, and the County, by resolution of the County Board of Commissioners, has caused this Contract to be signed by the Chairman of the County Board of Commissioners, attested by the County Administrator, and signed by the County Sheriff, all on the day and year first above written.

COUNTY OF ANOKA

CITY OF EAST BETHEL

By: _____
Rhonda Sivarajah, Chair
County Board of Commissioners

By: _____
Its: _____

Dated: _____

Dated: _____

ATTEST

By: _____
Jerry Soma
County Administrator

By: _____
Its: _____

Dated: _____

Dated: _____

By:  _____
James Stuart
Sheriff

Dated: 08/23/13

APPROVED AS TO FORM

By: _____
Bryan Frantz
Assistant County Attorney

Dated: _____

I. PERSONNEL

A. Sworn Deputy Sheriff		
1.)	7.6 Deputies at \$5,531 /month	504,433
2.)	7 Overtime (Average hours/month per Deputy)	30,557
B. Non-Sworn C.S.O.		16,432
C. Benefits for Sworn and Non-Sworn Personnel		
	P.E.R.A. (Sworn)	81,854
	P.E.R.A. (Non-Sworn)	1,191
	FICA	1,257
	Medicare	7,757
	Severance Allowance	13,620
	Unemployment Compensation	827
	Life Insurance	319
	Health Insurance	112,100
	Dental Insurance	3,625
	Long Term Disability Insurance	1,177
	Worker's Compensation	8,326
	Uniforms	7,808
	<i>Total Benefits</i>	239,862

TOTAL PERSONNEL COSTS

\$791,284

II. VEHICLE

A. Police Equipped Vehicles	1.5 Squads	42,750
B. C.S.O. Vehicle	1 Vehicle	7,200
C. Maintenance Costs		
1.)	Vehicle	82,344
2.)	Emergency & Communications Equipment & replc/maint fees	9,091
3.)	Emergency Vehicle Equipment replc. Fee	1,500
3.)	Insurance	8,400
4.)	Cellular Telephone	2,040
	<i>Total Maintenance Costs</i>	103,375

TOTAL VEHICLE COSTS

\$153,325

III. Administrative Costs

Administrative, Clerical,+ substation computer line charge, Etc.

\$81,543

IV. TOTAL COST TO CONTRACTING MUNICIPALITY

\$1,026,152

*Less Amount Received From State for Police State Aid

44,840

NET COST TO CONTRACTING MUNICIPALITY

\$981,312

*This figure is determined by the State and is subject to fluctuation.

The latest estimate is \$5,900 per Deputy. Revenue received is for previous year Deputy hours hired prior to August 1



City of East Bethel
City Council
Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 G.3

Agenda Item:

Policy

Requested Action:

Background Information:

The procedure and policy for approval of mileage reimbursement and paper packets for Council, are two matters that have recently been issues at Council meetings. As it currently stands, there is no definitive policy on either of these issues. In the absence of a policy on these matters, staff must use accepted standards in the application of approving Council requests for these items. This places an undue responsibility on staff to interpret the value and benefit to the City for these types of submittals for approval.

The City currently has a travel reimbursement guideline which is included in the City Personnel Policy. The City Personnel Policy is a description of operating rules, benefit information and delineation of rights primarily related to employees. However, elected officials, except as specifically noted, are not subject to many of the provisions in the Policy.

Section 11.2 of the Policy, Mileage, does not specify whether it applies solely to employees or all persons that could be subject to the policy. The only place in the reimbursement section of the Policy that mentions City Officials is Section 11.3 and this deals with pre-approval of travel for those trips that involve overnight accommodations, meals and/or other forms of transportation.

These guidelines are not specific in relation to whom is subject to their application and, as written, are interpreted as exempting elected officials from the Policy of approval of mileage reimbursement. There needs to be an amendment to this Policy that specifies the basic guidelines for reimbursing Councilpersons for mileage expenses and a defined process of approval for these requests.

On January 9, 2013 Council approved Ordinance 41 Second Series, which authorized the purchase of computer hardware and/or software for the purpose of transmitting and receiving Council material, including packets, in an electronic form. The Ordinance only addressed the authorization for and terms of purchase of the equipment. It did not outline a policy that was directed toward the curtailment of or the circumstances for providing additional paper documents or Council packets.

It was the intent of the process of providing equipment for access to electronic materials for Council packets to eliminate as much paper and the time to assemble the paper packets as possible. However, the Ordinance only addresses the authorization and the terms by which the equipment to access the electronic material can be purchased. In addition, the minutes of the meeting (January 9, 2013), in which the Ordinance was approved, only acknowledge that at least one paper copy of the minutes will be produced. Neither the Ordinance nor the January 9, 2013 Minutes specify or mention the process for request of paper copies, prints of larger maps or copies of other agenda packet material. In the absence of any guidelines on this matter, Staff is requesting Council direction on this concern to develop a policy to cover requests for packet and supporting information

In all of these policy matters, value and benefit to the City will be a prime consideration as to developing guidelines for their application.

Fiscal Impact:

To be determined

Recommendation(s):

Staff is requesting direction from City Council as to the development of policy to address Council mileage reimbursement and requests for printed packet information and supporting material as it relates to City Council members.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 G.4

Agenda Item:

2014 Budget Discussion and Strategic Planning

Requested Action:

Consider Setting a Work Meeting Date for 2014 Budget Discussion and Strategic Planning

Background Information:

The City of East Bethel integrates the annual budgeting process with a modified strategic planning process. The City currently includes public projects, utilities, roads, parks and equipment and building replacement needs as part of the budget process to identify those activities that address our five year goals for these purposes.

As we move forward and confront our financial challenges, we will need to factor in other considerations as we prepare future budgets. The most critical item is the development of a strategy and a consensus or policy as to the management of future debt due to our obligations for the repayment of the bonds for the water and sewer system. The development of a plan to address this matter will enable Council and Staff to consistently plan for and provide future resources to be identified and ultimately allocated to deal with this problem.

Attachments

2014 Preliminary Budget Attachments 1 & 2

Fiscal Impact:

As noted above

Recommendation(s):

Staff requests that Council schedule a work meeting for Wednesday, September 25, 2013 at 7:00 PM to continue the review for further potential budget reductions for the 2014 Levy and initiate discussions for strategic planning initiatives to address financial and growth issues within the City.

City Council Action

Motion by:_____

Second by:_____

Vote Yes: _____

Vote No: _____

No Action Required: _____

Overall Levy to balance 2014 Budget

	<i>2013</i>	<i>2014</i>	<i>% Change</i>
<i>General Levy</i>	<i>\$4,123,317</i>	<i>\$4,114,317</i>	<i>-.2%</i>
<i>Debt Service Levy</i>	<i>\$329,638</i>	<i>\$1,116,425</i>	<i>238.7%</i>
<i>Total Levy</i>	<i>\$4,452,955</i>	<i>\$5,230,742</i>	<i>17.5%</i>

City of East Bethel
2014 Preliminary General Fund Budget (Summary)

back	Account Description	2011 Actual	2012 Actual	Actual - 7/31/13	FY 2013 Budget	FY 2014 Budget	% Change
General Fund							
Revenues							
	Property Tax	4,428,762.00	4,225,662.00	2,158,497.40	4,123,317.00	4,114,317.00	0%
	Franchise Taxes	37,875.00	40,227.00	22,809.29	37,000.00	41,000.00	11%
	Licenses and Fees	39,103.00	38,325.00	28,960.00	37,250.00	35,900.00	-4%
	Building Inspection Permits	107,181.00	152,980.00	149,643.48	155,700.00	216,000.00	39%
	State Aid	223,929.00	222,965.00	186,825.50	216,506.00	250,488.00	16%
	Fines and Forfeits	49,292.00	52,470.00	31,230.48	50,000.00	55,000.00	10%
	Intergovernmental Charges	37,548.00	97,809.00	81,664.54	93,000.00	73,000.00	-22%
	Other Fees	7,529.00	11,419.00	2,264.48	6,360.00	6,430.00	1%
	Cemetery Revenue	8,775.00	6,200.00	4,750.00	5,000.00	6,000.00	20%
	Other / Gambling Proceeds	40,707.00	49,384.00	22,851.72	38,000.00	41,500.00	9%
	Interest Earnings	1,715.00	2,100.00	3,922.41	2,000.00	2,000.00	0%
Total Revenues - General Fund		4,982,416.00	4,899,541.00	2,693,419.30	4,764,133.00	4,841,635.00	1.6%
Expenditures							
General Government							
	Council	76,911.00	76,008.00	45,395.02	87,059.00	84,517.00	-3%
	City Administration	242,927.00	206,887.00	111,493.85	210,061.00	218,701.00	4%
	Elections	-	8,709.00	-	2,170.00	13,355.00	515%
	City Clerk	102,205.00	102,918.00	53,659.06	103,331.00	102,182.00	-1%
	Finance	224,841.00	225,500.00	152,647.60	226,086.00	228,213.00	1%
	Assessing	45,456.00	45,804.00	25,640.76	51,700.00	51,700.00	0%
	Legal	154,469.00	157,727.00	81,080.37	150,500.00	150,500.00	0%
	Human Resources	26,166.00	-	3,164.00	2,975.00	3,250.00	9%
	Government Buildings	34,063.00	47,106.00	17,815.36	44,750.00	43,750.00	-2%
	Risk Management	97,629.00	96,210.00	103,123.00	99,800.00	105,150.00	5%
	Central Services	79,330.00	77,758.00	44,931.48	99,405.00	97,864.00	-2%
Total General Government		1,083,997.00	1,044,627.00	638,950.50	1,077,837.00	1,099,182.00	2%
Community Development							
	Planning and Zoning	201,518.00	169,260.00	101,219.94	208,391.00	176,771.00	-15%
	Building Inspection	232,508.00	139,412.00	84,404.37	186,940.00	238,685.00	28%
Total Community Development		434,026.00	308,672.00	185,624.31	395,331.00	415,456.00	13%
Public Safety							
	Police Protection	1,036,087.00	959,924.00	502,798.15	961,144.00	989,512.00	3%
	Fire Protection	513,332.00	511,145.00	309,983.54	537,783.00	555,101.00	3%
Total Public Safety		1,549,419.00	1,471,069.00	812,781.69	1,498,927.00	1,544,613.00	3%
Engineering							
	Engineering	35,406.00	29,196.00	7,952.66	46,000.00	40,000.00	-13%
Total Engineering		35,406.00	29,196.00	7,952.66	46,000.00	40,000.00	-13%
Public Works							
	Public Works - Parks Maintenance	372,692.00	376,067.00	198,129.66	397,567.00	398,079.00	0%
	Public Works - Streets	679,882.00	719,920.00	449,806.29	755,971.00	791,805.00	5%
Total Public Works		1,052,574.00	1,095,987.00	647,935.95	1,153,538.00	1,189,884.00	3%
Civic Events							
	Civic Events	4,737.00	2,501.00	2,500.00	2,500.00	2,500.00	0%
Total Culture and Recreation		4,737.00	2,501.00	2,500.00	2,500.00	2,500.00	0%
Other							
	Transfer to Building Capital	-	50,000.00	50,000.00	50,000.00	50,000.00	0%
	Transfer to Street Capital	400,000.00	425,000.00	425,000.00	425,000.00	425,000.00	0%
	Transfer to Parks Capital	94,120.00	100,000.00	75,000.00	75,000.00	75,000.00	0%
	Transfer to Trail Capital	58,484.00	5,000.00	-	-	-	N/A
	Contingency	-	-	-	40,000.00	-	-100%
Total Other		552,604.00	580,000.00	550,000.00	590,000.00	550,000.00	-7%
Total Expenditures - General Fund		4,712,763.00	4,532,052.00	2,845,745.11	4,764,133.00	4,841,635.00	1.6%
Excess of Revenues over Expenditures - General Fund		269,653.00	367,489.00	(152,325.81)	-	-	
Tax Levies - City							
	General Fund Tax Levy	4,681,345.00	4,191,470.00	-	4,123,317.00	4,114,317.00	0%
	2005 A	144,756.00	147,328.00	-	149,638.00	146,425.00	-2%
	2008 A	109,500.00	158,000.00	-	180,000.00	180,000.00	0%
	2010 A	-	-	-	-	490,000.00	N/A
	2010 B	-	-	-	-	300,000.00	N/A
	2010 C	-	-	-	-	-	N/A
Total Levy - City		4,935,601.00	4,496,798.00	-	4,452,955.00	5,230,742.00	17.5%
Tax Levies - Special Levies							
	City HRA	126,058.00	-	-	-	-	
	County HRA	187,920.00	-	-	-	-	
	City EDA	-	163,428.00	-	144,670.00	133,022.00	
Total Levy - Special		313,978.00	163,428.00	-	144,670.00	133,022.00	-8.1%

City of East Bethel
Preliminary 2014 Debt Service Budget (Summary)

Debt Service

Fund Description Fund Number	2005 A 301	2005 B 303	2008 A 308	2010 309	2010A 310	2010B 311	2010 C 312	Total
Revenue								
Levy	146,425		180,000		490,000	300,000	-	1,116,425
Special Assessments		28,125	17,500					45,625
Hook Up Fees								-
Reimbursement from Federal Government					315,152	120,312		435,463
Transfer from General				5,000				5,000
Total Revenue	146,425	28,125	197,500	5,000	805,152	420,312	-	1,602,513
Expenditures								
Debt Service - Principal	85,000	55,000	150,000	3,000				293,000
Interest	55,983	5,305	46,560	596	767,073	376,563	41,733	1,293,812
Fiscal Agent Fees	500	500	500		500	500	500	3,000
Total Expenditures	141,483	60,805	197,060	3,596	767,573	377,063	42,233	1,589,812
Revenue over Expenditures	4,942	(32,680)	440	1,404	37,579	43,249	(42,233)	12,702

City of East Bethel
Preliminary 2014 Special Revenue Fund Budget (Summary)

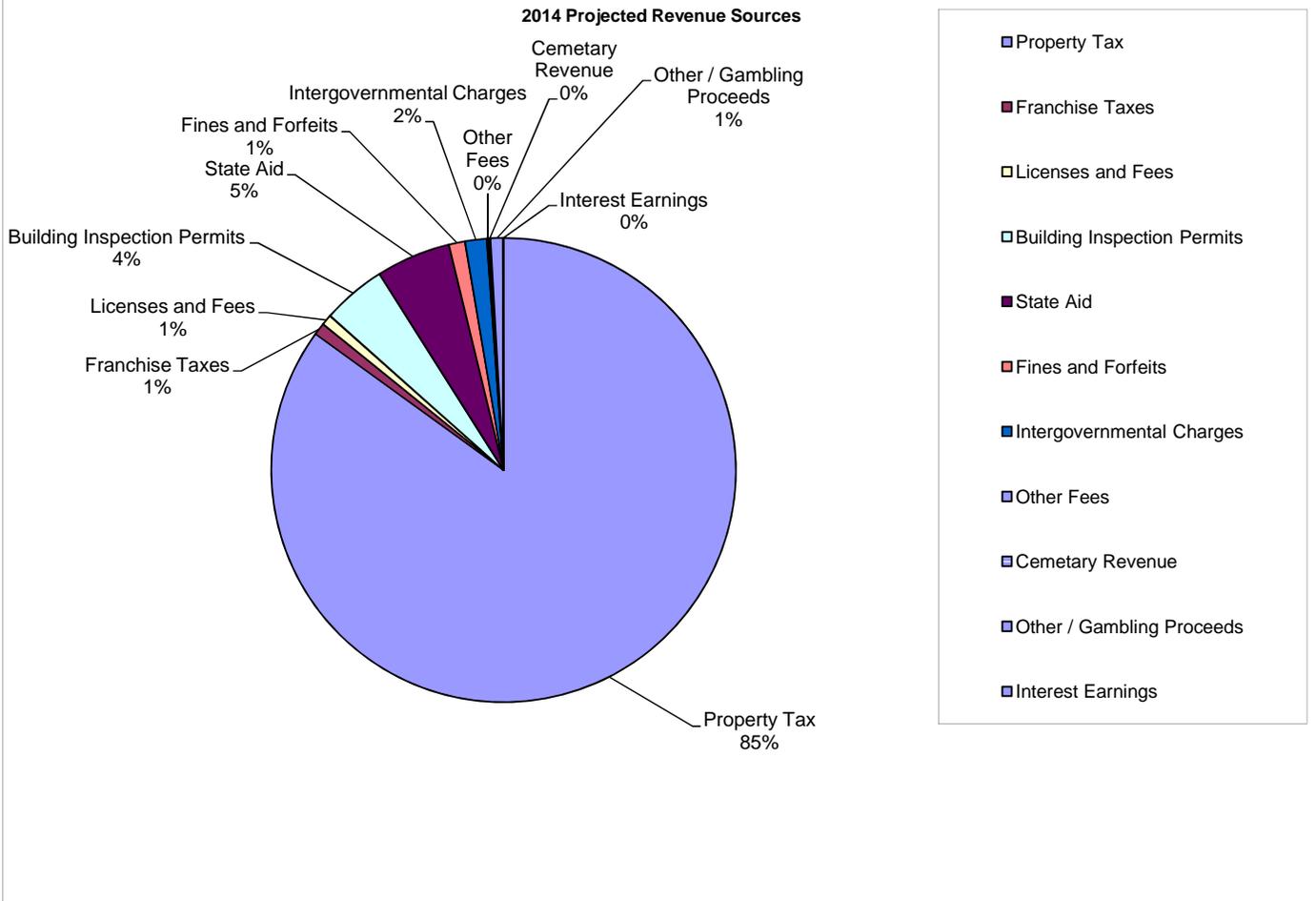
Special Revenue Funds

Fund Description Fund Number	EDA	HRA	Recycling	Total
Revenue				
Levy	133,022			133,022
County Grants			30,660	30,660
Fees			2,500	2,500
Total Revenue	133,022	-	33,160	166,182
Expenditures				
Salaries and Wages		-	510	510
Supplies	200	100	550	850
Fees for Service	48,914	7,800	32,100	88,814
Contingency	27,908			27,908
Transfer to General	56,000	15,000		71,000
Total Expenditures	133,022	22,900	33,160	189,082
Revenue over Expenditures	-	(22,900)	-	(22,900)

2014 General Fund Revenue Sources

Property Tax	4,114,317
Franchise Taxes	41,000
Licenses and Fees	35,900
Building Inspection Permits	216,000
State Aid	250,488
Fines and Forfeits	55,000
Intergovernmental Charges	73,000
Other Fees	6,430
Cemetary Revenue	6,000
Other / Gambling Proceeds	41,500
Interest Earnings	2,000

Total Revenue 4,841,635

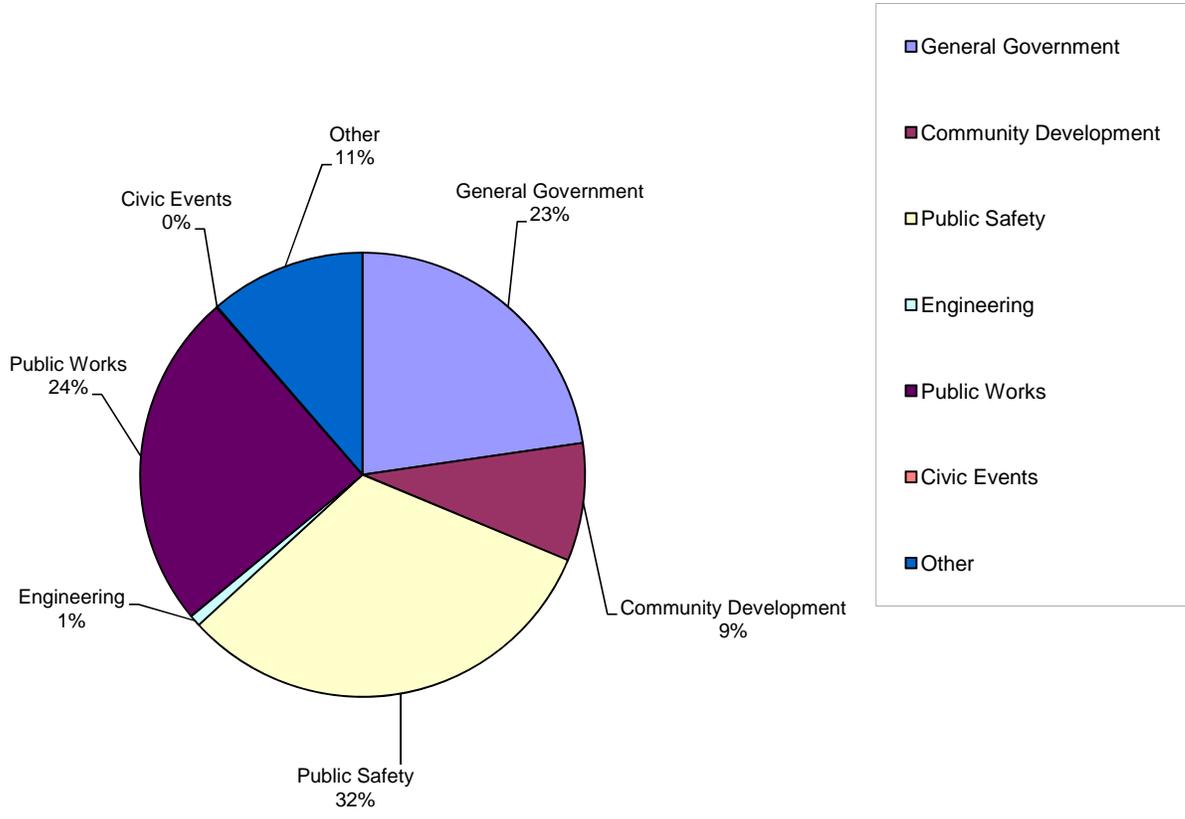


2014 General Fund Expenditures

General Government	1,099,182
Community Development	415,456
Public Safety	1,544,613
Engineering	40,000
Public Works	1,189,884
Civic Events	2,500
Other	550,000

Total Expenditures	4,841,635.00
---------------------------	---------------------

2014 Projected Expenditures



Tax Capacity

	Payable 2011	Payable 2012	Payable 2013	*Payable 2014
		-11.1%	-8.4%	-2.5%
Tax Capacity	9,486,806	8,433,841	7,725,613	7,531,689
TIF Captured Value		-	-	-
AW Contribution	(459,634)	(402,060)	(395,562)	(356,230)
Net Tax Capacity	9,027,172	8,031,781	7,330,051	7,175,459

Levies

Certified General Levy	4,681,345	4,191,470	4,123,317	4,114,317
Certified Bond Levy	109,500	158,000	180,000	970,000
Area-Wide Contribution	(827,280)	(831,039)	(768,555)	(768,555)
Local Levy	3,963,565	3,518,431	3,534,762	4,315,762

2005A Referendum Levy	144,756	147,328	149,638	146,425
Total Referendum Levy	144,756	147,328	149,638	146,425
Taxable Market Value	873,234,900	839,805,900	780,015,900	714,502,336

Tax Rates

City Tax Rate	43.91%	43.81%	48.22%	60.15%
2005 A Referendum Rate	0.01658%	0.01754%	0.01918%	0.02049%

Total Tax Rate

	43.92%	43.82%	48.24%	60.17%
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Sample Taxes

300,000 Home	1,317.71	1,314.72	1,447.26	1,805.00
200,000 Home	878.47	876.48	964.84	1,203.33
150,000 Home	658.85	657.36	723.63	902.50
100,000 Home	439.24	438.24	482.42	601.67

* Tax Capacity is calculated by multiplying market values by each classifications class rate

*Tax Capacity and Fiscal Disparity calculations are preliminary at this stage

*AW Contribution is fiscal disparities related as a certain percentage of commercial properties valued are shared within the metro area

Attachment #2
Budget Categories for Reduction Consideration

There are still opportunities to reduce the impact of the bond deficit for the 2014 levy and these include but are not limited to the following:

- 1.) The potential to refinance the 2010 A & B Bond and other bond issuances;
- 2.) Confirmation of connections to the system for 2014;
- 3.) Transfer of General Fund balances at an amount to be determined to subsidize the deficit;
- 4.) Assignment of special assessments for properties in the sewer to the debt service; and/or
- 5.) Assignment of other rents and royalties to the debt service and/or
- 6.) Additional reductions to the City Budget which could include the following:

Level 1 Budget Reductions for Consideration

Conferences - Mayor and Council	\$ 2,000
Equipment Replacement- Mayor & Council	\$ 800
Conferences-City Administrator	\$ 500
Equipment Replacement-Planning	\$ 500
Fire Department Outreach Programs	\$ 1,500
Portable Toilets for Parks	<u>\$ 2,000</u>
	\$7,300

Level 2 Budget Reductions

Seasonal Employees for Parks and Roads	\$11,766
City Administrator- Travel	\$ 600
Seasonal Employees for Parks and Roads	\$11,766
Professional Service Fees-Planning	<u>\$ 3,000</u>
	\$25,366

Level 3 Budget Reductions

Relief Association Pension Contribution	\$17,500
CSO position for Sheriff's Contract	\$44,579
Public Works Overtime	\$ 6,000
Booster Day Fireworks	\$ 2,500
Parks Capital Transfer	\$25,000
City newsletter reduction to 2x per year	<u>\$ 4,500</u>
	\$100,079

Total Level 1, 2 and 3 Budget Reductions \$132,745

Other One-Time Reductions

General Fund Transfer (excess over 50% balance)	\$200,000 *
Trail Capital Fund	<u>\$144,000**</u>
	\$344,000

*This could be spread over a three year period @\$70,000, \$65,000 and \$65,000

**This could be spread over a three year period @ \$48,000 per year

Total potential budget cuts = \$0 to \$459,245.

Proposed Levy increase with a \$163,900 reduction would be 13.8%

Proposed Levy increase with a \$309,666 reduction would be 10.5%

Proposed Levy increase with a \$459,245 reduction would be 7.2%

Other Funds for potential transfers and their respective cash balances at 8/25/13 (These funds are not recommended for consideration of application to the bond debt at this time)

Street Capital Fund	\$ 886,417
Equipment Replacement Fund	\$1,398,583
Parks Capital Fund	\$ 111,940
Parks Acquisition and Development Fund	\$ 26,057
Building Capital Fund	\$ 132,096

There may also be a fund balance in the 2005B Bond Fund Account (209th St. Service Road) due to the difference in the bond interest rates and the interest rates assessed on the properties for this project. We've identified a potential of \$144,673 in this account that could be transferred for other obligations. We are still checking to see if this balance has any additional encumbrances or restrictions as to use.

The following Departments were evaluated but could not be recommended for reductions due to contractual agreements or other factors that would not affect the budget.

Elections
City Clerk
Finance
Assessing
Legal
Human Resources
General Government Buildings
Building Inspection
Engineering
Risk Management
HRA

The extent of potential savings, additional sources of revenue, special assessments and impacts of further budget reductions have not been established at this time due to ongoing negotiations, finalization of hearing requirements and assessment of consequences. The final affect for these potential budget reductions will not be known until November 20, 2013.

Other Important Considerations

Keep in mind that once a reduction is made it is difficult to restore both from a perception and a fiscal perspective. If the reduction, in fact, needs to be reinstated, it then becomes another tax increase. Another important consideration concerning further budget reductions are the levy limits imposed upon the City by the State Legislature. Any budget cuts that may need to be restored, may not be able to be returned to their original amount due to the restrictions on the amounts budgets can be increased as a result of the levy limits. Drastic budget reductions can lead to additional problems and unintended consequences of these actions.

We also have to weigh the expectations from our residents regarding the value they receive for their taxes. Finding the balance point between further budget cuts, that may have wide range impacts on services, and the lowest levy possible, is the challenge that has no precise formula for determination. We can make certain assumptions but may not recognize the total effect of the impact until these decisions are actually implemented. There is a minimum cost to running the City and meeting the basic requirements that property owners expect for their taxes.

There is also the impact that drastic budget reductions may have on the City's economic development efforts. There is a certain amount of activity that must be sustained to provide a minimum level of stimulus and investment in the future of the City if we are to address our financial challenges. Reverting to a budgetary survival mode could possibly be detrimental to all the efforts to proactively engage our problem with the water and sewer debt.

The preliminary budget, that must be submitted to Anoka County by September 15, 2013, can be reduced but not increased prior to the adoption of the final budget in December of 2013. Even though the preliminary tax statements that will be issued to City residents in November will indicate the maximum tax increase proposed, Staff and Council will have additional time to seek alternatives to minimize this increase and impact of rates created by the bond deficits for Municipal Utilities Project.

A Special Meeting on October 10, 2013 and the Town Hall Meeting on November 21, 2013 will be dedicated to explaining and discussing the 2014 budget and levy.



City of East Bethel City Council Agenda Information

Date:

September 18, 2013

Agenda Item Number:

Item 8.0 D.5

Agenda Item:

Special City Council/Work Meeting

Requested Action:

Consider scheduling a Special Meeting to consider a change in the City Code

Background Information:

At the September 4, 2013 City Council meeting, it was brought to Council's attention that Section 14 of the City Zoning Code, part of which prohibits exterior stairs and second floor doors for detached accessory structures, may be a condition to consider for removal from the Code. The matter has been referred to the Planning Commission and a Public Hearing concerning this matter has been advertised and scheduled for September 23, 2013 at 6:30 PM at City Hall. At this meeting the Planning Commission will consider removing this language from the code or altering the code to permit the use of exterior stairs and second floor door and other regulations relating to the restrictions on detached accessory structures and make a recommendation to City Council as to their position.

Council will receive the identical agenda packet that will be presented to the Planning Commission for this item.

Fiscal Impact:

Recommendation(s):

1.) Staff is requesting that Council schedule a Special Meeting at 6:30 PM, Wednesday, September 25, 2013 to consider the Planning Commission's recommendation relating to amending or eliminating Section 14. 2. K of the City Zoning Ordinance and/or other proposed changes that may relate to detached accessory structures and:

2.) Staff is proposing that City Council schedule a Work Meeting at City Hall for Monday, September 23, 2013 to begin at the conclusion of the Planning Commission meeting. This proposed Work Meeting would be a joint session with the EDA and Planning Commission to discuss the MIDS proposal and the Highway 65 Corridor Plan.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____