

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: October 2, 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**

7:34 PM **4.0 Public Forum**

7:50 PM **5.0 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 6-9 A. Approve Bills
- Page 10-28 B. September 4, 2013 City Council Regular Meeting Minutes
- Page 29-49 C. September 18, 2013 City Council Regular Meeting Minutes
- Page 50 D. Payment of MCES Construction Project City Portion of Forcemain
- Page 51 E. Payment for Fence at Water Treatment Plant
- Page 52-53 F. Resolution 2013-60 Setting Public Hearing Date – Delinquent Accounts
- Page 54-57 G. Pay Estimate #1 for Castle Towers/Whispering Aspen 2013 Forcemain Project

New Business

6.0 Commission, Association and Task Force Reports

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

7.0 Department Reports

- 7:55 PM A. Community Development
- Page 58 B. Engineer
 - 1. Lift Station Report
 - 2. Coon Lake Storm Water Retrofit Grant Letter of Support
- Page 59-62 C. Attorney
- D. Finance
- E. Public Works
- F. Fire Department
- 8:10 PM G. City Administrator
 - 1. Cell Tower Land Lease
 - Page 91-136 2. 2014-2016 MPEA Union Contract
 - Page 137-148 3. 2014 Budget Discussion

8.0 Other

- 8:30 PM A. Staff Reports
- 8:35 PM B. Council Reports

8:40 PM C. Other

8:45 PM **9.0 Adjourn**



City of East Bethel City Council Agenda Information

Date:

October 2, 2013

Agenda Item Number:

Item 5.0 A-G

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Approve Bills

Item B

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 C

September 18, 2013 City Council Meeting Minutes

Meeting minutes from the September 18, 2013 City Council Meeting are attached for your review and approval.

Item D

Payment of City Portion of MCES Forcemain

The project to construct the shared City/MCES portion of the forcemain has started and project completion is projected to be July 2014. In an effort to spend the 2010A/B bond proceeds down to the extent possible by 12/31/13(as required by the terms of the bonds) and to avoid any type of compliance issues associated with holding these funds, Staff is recommending Council consider full payment of \$2,234,271.84 of the MCES invoice attached for the City share of the Forcemain Project.

The contract requires both parties to review the costs at the end of the project to ensure that each party paid the appropriate amount per the agreement. City approval will be required for any change order that involves the City portion of the project.

MCES currently owes the City \$2,101,601.71 from the balance of Weidema contract for that portion of the Municipal Utilities Project. This amount has been invoiced to MCES and payment is expected by no later than October 9, 2013. No prepayment of the shared forcemain project costs, if approved, would be made to MCES until the City's receipt of the \$2,101,601.71. The prepayment is recommended to completely separate the two project accounts (Weidema and

S.M Hentges), clean out the balance owed the City by MCES for the Weidema portion of the project and pay down the 2010 A & B Bond Fund Balance for compliance and to potentially enhance the attractability of a refinancing.

Should Council prefer to go to a payment schedule based upon work completed, that is not a problem, but from an accounting standpoint, the prepayment is a much more efficient means to separate and manage these two projects.

Item E

Final Payment for Water Treatment Plant Fence

Century Fence Company has completed the fence installation around Water Treatment Plant No. 1 and Water Tower No. 1 and has submitted all the required documentation to consider this project for final payment. The original contract amount for this project was \$30,413.91. The final contract amount is \$30,033.97. Staff recommends final payment of \$30,033.97. A copy of the final payment form is attached.

Item F

Resolution 2013-XX Setting Public Hearing Date – Delinquent Accounts

Collection of unpaid bills through the property tax system is provided for in the East Bethel Code of Ordinances, Chapter 74, Sec. 74-126 (b) for unpaid utility bills, Chapter 30, Sec. 30-15 for unpaid emergency services and Chapter 26, Sec. 26-41 and 26-91 (c) for unpaid property clean up and nuisance abatement charges. The ordinance also provides an opportunity to delinquent customers for a public hearing before the final certification of delinquent amounts owed to their property taxes. Council must establish a certification cutoff date each year that will determine the appropriate certification amounts.

Resolution 2013-xx provides the delinquent accounts and amounts owed assuming a certification cutoff date of September 25, 2013. Notices of the public hearing will be sent indicating a public hearing date of November 6, 2013. Amounts remaining unpaid by November 15, 2013 will be certified to the auditor in the Recipients County for collection on property taxes. Affected property owners have until October 25, 2013 to request to be heard before Council at the Public Hearing. Certification is frequently the only collection method available to the City to collect these unpaid amounts.

Item G

Pay Estimate #1 for Castle Towers/Whispering Aspen 2013 Forcemain Project

This item includes Pay Estimate #1 to LaTour Construction, Inc. for the Castle Towers/Whispering Aspen 2013 Forcemain Project. This pay estimate includes payment for sediment control items, clearing and grubbing and forcemain construction. Staff recommends partial payment of \$160,298.01. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 168,734.75
Retainage	<u>\$ 8,436.74</u>
Total payment	\$ 160,298.01

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate #1 is attached.

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 October 2, 2013

Bills to be Approved for Payment	\$181,842.07
Electronic Payments	\$23,617.28
Payroll City Staff - September 26, 2013	\$30,584.61
Total to be Approved for Payment	\$236,043.96

City of East Bethel

October 2, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Gas Utilities	383980889	Xcel Energy	615	49851	\$73.49
Assessing	Professional Services Fees	3rd Qtr 2014	Kenneth A. Tolzmann	101	41550	\$12,820.38
Building Inspection	General Operating Supplies	53605266	Uline	101	42410	\$181.87
Building Inspection	Telephone	332373310-142	Nextel Communications	101	42410	\$21.67
Central Services/Supplies	Office Equipment Rental	5896486-SP13	Pitney Bowes	101	48150	\$137.10
Central Services/Supplies	Postage/Delivery	091313	Reserve Account	101	48150	\$1,000.00
Central Services/Supplies	Telephone	11294241	Integra Telecom	101	48150	\$225.60
City Administration	Telephone	332373310-142	Nextel Communications	101	41320	\$9.11
City Administration	Travel Expenses	092513	Jack Davis	101	41320	\$139.56
Contributions and Donations	Donation Reimbursement	091613	East Bethel Seniors	227		\$457.68
Contributions and Donations	Donation Reimbursement	091613	Ham Lake Chamber of Commerce	227		\$915.36
Fire Department	Clothing & Personal Equipment	139081	Aspen Mills, Inc.	101	42210	\$48.95
Fire Department	Gas Utilities	383980889	Xcel Energy	101	42210	\$86.38
Fire Department	Motor Vehicles Parts	63382	Fire Safety USA, Inc.	101	42210	\$650.90
Fire Department	Professional Services Fees	100113	City of East Bethel	231	42210	\$1,666.67
Fire Department	Refuse Removal	509351	Walters Recycling, Inc.	101	42210	\$42.94
Fire Department	Repairs/Maint Machinery/Equip	3387	Kirvida Fire, Inc.	101	42210	\$899.00
Fire Department	Repairs/Maint Machinery/Equip	3585	Kirvida Fire, Inc.	101	42210	\$358.66
Fire Department	Repairs/Maint Machinery/Equip	3586	Kirvida Fire, Inc.	101	42210	\$358.66
Fire Department	Repairs/Maint Machinery/Equip	3587	Kirvida Fire, Inc.	101	42210	\$358.66
Fire Department	Telephone	11294241	Integra Telecom	101	42210	\$141.00
Fire Department	Telephone	332373310-142	Nextel Communications	101	42210	\$42.55
Fire Department	Tires	217695	PTL Tire & Automotive Ctr	101	42210	\$720.17
General Govt Buildings/Plant	Gas Utilities	383980889	Xcel Energy	101	41940	\$78.76
General Govt Buildings/Plant	Refuse Removal	509351	Walters Recycling, Inc.	101	41940	\$32.13
Park Maintenance	Bldg/Facility Repair Supplies	66040420	John Deere Landscapes	101	43201	\$21.70
Park Maintenance	Bldgs/Facilities Repair/Maint	2237	Lockstar Locksmith Service	101	43201	\$667.50
Park Maintenance	Clothing & Personal Equipment	429073	Chet's Shoes, Inc.	101	43201	\$150.00
Park Maintenance	Clothing & Personal Equipment	1182696523	G&K Services - St. Paul	101	43201	\$19.46
Park Maintenance	Clothing & Personal Equipment	1182707833	G&K Services - St. Paul	101	43201	\$19.46
Park Maintenance	Clothing & Personal Equipment	1182719104	G&K Services - St. Paul	101	43201	\$19.46
Park Maintenance	Equipment Parts	435020	Ham Lake Hardware	101	43201	\$45.93
Park Maintenance	Equipment Parts	P15779	MN Equipment Solutions	101	43201	\$64.93
Park Maintenance	Lubricants and Additives	P11317	MN Equipment Solutions	101	43201	\$28.52
Park Maintenance	Other Equipment Rentals	68466	Jimmy's Johnnys, Inc.	101	43201	\$812.56
Park Maintenance	Telephone	11294241	Integra Telecom	101	43201	\$51.70
Park Maintenance	Telephone	332373310-142	Nextel Communications	101	43201	\$70.73
Payroll	Insurance Premiums	5250412	Delta Dental	101		\$911.05
Payroll	Insurance Premiums	5250412	Delta Dental	101		\$41.55
Payroll	Insurance Premiums	5250412	Delta Dental	101		\$41.55
Payroll	Insurance Premiums	32539134	Medica Health Plans	101		\$783.73
Payroll	Insurance Premiums	32539134	Medica Health Plans	101		\$10,366.55
Payroll	Insurance Premiums		NCPERS Minnesota	101		\$128.00
Payroll	Union Dues		MN Public Employees Assn	101		\$448.00
Planning and Zoning	Escrow Reimbursement	091813	Jeff Kirkeby	942		\$300.00

City of East Bethel

October 2, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Planning and Zoning	Escrow Reimbursement	091813	Paul Trembl	944		\$300.00
Planning and Zoning	Escrow Reimbursement	091813	Zoli Robashkin	101		\$11,268.00
Planning and Zoning	Printing and Duplicating	23948	ECM Publishers, Inc.	101	41910	\$51.25
Planning and Zoning	To Void Check	121109	Mike Thomas	101		(\$1,051.25)
Planning and Zoning	Unclaimed Property	2013-9029507	MN Department of Commerce	101		\$1,051.25
Recycling Operations	Gas Utilities	383980889	Xcel Energy	226	43235	\$26.72
Recycling Operations	Other Equipment Rentals	68466	Jimmy's Johnnys, Inc.	226	43235	\$55.58
Recycling Operations	Professional Services Fees	10 2013	Cedar East Bethel Lions	226	43235	\$1,000.00
Recycling Operations	Refuse Removal	509351	Walters Recycling, Inc.	226	43235	\$269.50
Sewer Operations	Bldg/Facility Repair Supplies	34080	Menards Cambridge	602	49451	\$329.96
Street Capital Projects	Street Maint Services	16902	Bjorklund Companies, LLC	406	40600	\$6,200.84
Street Maintenance	Bldgs/Facilities Repair/Maint	1182696523	G&K Services - St. Paul	101	43220	\$5.70
Street Maintenance	Bldgs/Facilities Repair/Maint	1182707833	G&K Services - St. Paul	101	43220	\$5.70
Street Maintenance	Bldgs/Facilities Repair/Maint	1182719104	G&K Services - St. Paul	101	43220	\$9.81
Street Maintenance	Cleaning Supplies	208813	Unlimited Supplies, Inc.	101	43220	\$342.00
Street Maintenance	Clothing & Personal Equipment	1182696523	G&K Services - St. Paul	101	43220	\$14.47
Street Maintenance	Clothing & Personal Equipment	1182707833	G&K Services - St. Paul	101	43220	\$18.08
Street Maintenance	Clothing & Personal Equipment	1182719104	G&K Services - St. Paul	101	43220	\$19.47
Street Maintenance	Equipment Parts	434837	Ham Lake Hardware	101	43220	\$2.55
Street Maintenance	Gas Utilities	383980889	Xcel Energy	101	43220	\$21.38
Street Maintenance	General Operating Supplies	433908	Ham Lake Hardware	101	43220	\$19.23
Street Maintenance	General Operating Supplies	258811	S & S Industrial Supply	101	43220	\$214.47
Street Maintenance	Heavy Machinery	113137565	Deere & Company	701	43220	\$67,611.71
Street Maintenance	Heavy Machinery	80618-IN	Diamond Mowers	701	43220	\$17,013.44
Street Maintenance	Refuse Removal	405	A Family Tree & Brush Service	101	43220	\$803.44
Street Maintenance	Refuse Removal	509351	Walters Recycling, Inc.	101	43220	\$251.87
Street Maintenance	Sign/Striping Repair Materials	101622	AAA Striping Service Co.	101	43220	\$1,659.80
Street Maintenance	Small Tools and Minor Equip	33615	Menards Cambridge	101	43220	\$105.20
Street Maintenance	Small Tools and Minor Equip	332373310-142	Nextel Communications	101	43220	\$25.64
Street Maintenance	Street Maint Materials	16960	Bjorklund Companies, LLC	101	43220	\$454.01
Street Maintenance	Street Maint Materials	16969	Bjorklund Companies, LLC	101	43220	\$368.40
Street Maintenance	Street Maint Materials	128890	City of St. Paul	101	43220	\$270.35
Street Maintenance	Street Maint Services	16902	Bjorklund Companies, LLC	101	43220	\$35,000.00
Street Maintenance	Telephone	11294241	Integra Telecom	101	43220	\$51.70
Street Maintenance	Telephone	332373310-142	Nextel Communications	101	43220	\$177.37
Street Maintenance	Tires	1-35945	Steve's Tire Inc.	101	43220	\$32.63
Water Utility Operations	Bldg/Facility Repair Supplies	9241923029	Grainger	601	49401	\$626.82
Water Utility Operations	Bldg/Facility Repair Supplies	9242163690	Grainger	601	49401	\$722.67
Water Utility Operations	Gas Utilities	091613	CenterPoint Energy	601	49401	\$12.82
Water Utility Operations	Gas Utilities	091613	CenterPoint Energy	651	49401	\$19.86
						\$181,842.07

City of East Bethel

October 2, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Electronic Payments						
Payroll	PERA					\$5,805.57
Payroll	Federal Withholding					\$5,507.50
Payroll	Medicare Withholding					\$1,411.36
Payroll	FICA Tax Withholding					\$6,034.64
Payroll	State Withholding					\$2,213.84
Payroll	MSRS/HCSP					\$2,644.37
						\$23,617.28

EAST BETHEL CITY COUNCIL MEETING

September 4, 2013

The East Bethel City Council met on September 4, 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
 Craig Jochum, City Engineer

Call to Order **The September 4, 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 September 4, 2013 City Council agenda with the addition of 9.0 C per Minnesota Statute 13D.05 subd. 3.c to consider the offer for the purchase of real property. Koller seconded; all in favor, motion carries.**

Resolutions
Recognizing
2013-2014
East Bethel
Royalty Moegerle, "Richard could not be with us tonight. He is having heart surgery at 5:00 a.m. in the morning. With his guidance, he asked me to take over. He did ask that everyone give me a little bit of slack because this is one of the few times I have been Acting Mayor. In addition, he hopes to return in two weeks, but it may be up to 12 weeks. And, he has given me a serious charge. He has asked me to make sure that order and respect are the hallmarks of this City Council during his absence and beyond. And if we can move forward, one of the things we will be doing is we will be dealing with issues on a rotating basis. Each Council person will have an opportunity to speak and we will just go round robin. So, let's proceed with the meeting."

Davis explained that the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant where individuals compete to represent the City of East Bethel as an Ambassador for a twelve month period. At this time we would like to recognize those four people who are in the audience.

Moegerle, "We have Resolution 2013-46 Recognizing the 2013-2014 East Bethel Royalty. Which states: Whereas, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and Whereas, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and Whereas, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City. Now therefore, be it resolved by the City Council of East Bethel, Minnesota that: Ms. Heidi Holthus is hereby recognized as Miss East Bethel and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses it thanks and appreciation for the time and effort Ms. Heidi Holthus will devote to representing the City for the next twelve months. Adopted this day by the City Council of the City of East Bethel.

Moegerle, "We also would like to proceed with Resolution 2013-47 A Resolution Recognizing East Bethel Royalty for 2013-2014. Now therefore, be it resolved by the City Council of East Bethel, Minnesota that: Ms. Erika McDonough is hereby recognized as Princess and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Erika McDonough will devote to representing the City for the next twelve months."

Moegerle, "Resolution 2013-48 is a Resolution Recognizing Junior Princess Rachel Wiederhold is hereby recognized as Junior Princess and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Rachel Wiederhold will devote to representing the City for the next twelve months."

Moegerle, "Resolution 2013-49 A Resolution Recognizing Ms. Krisdi Knutson as Little Miss and an Ambassador for the City for the next year. Be it further resolved by the City Council of the City of East Bethel that: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Krisdi Knutson will devote to representing the City for the next twelve months."

Koller made a motion to adopt Resolution 2013-46 A Resolution Recognizing East Bethel Royalty for 2013-2014 Miss East Bethel Heidi Holthus, Resolution 2013-47 A Resolution Recognizing East Bethel Royalty for 2013-2014 Princess Erika McDonough, Resolution 2013-48 A Resolution Recognizing East Bethel Royalty for 2013-2014 Junior Princess Rachel Wiederhold and Resolution 2013-49 A Resolution Recognizing East Bethel Royalty for 2013-2014 Little Miss Krisdi Knutson. DeRoche seconded; all in favor, motion carries.

Preliminary
Levy and
Budget

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.

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 but 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;
- 3.) Transfer of General Fund balances at an amount to be determined to subsidize the deficit;
- 4.) Additional reductions to the City Budget;
- 5.) Assignment of special assessments for properties in the sewer to the debt service; and/or
- 6.) Assignment of other rents and royalties to the debt service.

Staff and Council will be considering all of the above alternatives prior to the adoption of the final budget in December 2014. These alternatives have not been finalized at this time due to negotiations with vendors and developers, completion of hearings and/or final analysis of contractual and fiscal impacts on the General Fund.

For purposes of setting the preliminary budget, staff recommends that Council consider the worst case 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, 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 examine alternatives to minimize this increase and impact of rates created by the bond deficits for the 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 recommends adoption of the preliminary levy and budget and submission as such to the County by Resolution on or before September 15, 2013 and approval of the following resolutions: Resolution 2013-50 Set Final Levy & Budget Date, Resolution 2013-51 Set the Preliminary Levy & Budget 2014, Resolution 2013-52 Set the Preliminary EDA Levy & Budget 2014 and Resolution 2013-53 Consenting to the HRA No Tax Levy for 2014.

Moegerle made a motion to adopt Resolution 2013-50 Setting the Final Levy & Budget Date for December 4, 2013 at 7:30 p.m. Ronning seconded. DeRoche, "This is not for the EDA Levy, correct?" Davis, "That is correct, that will be a separate resolution." DeRoche, "For the sake of this one, the sewer and water project went forward." Moegerle, "We are setting a date." DeRoche, "I have the floor, I am allowed to discuss, correct?" Moegerle, "We are talking about a date, not the history." DeRoche, "We are talking about setting a date for the budget. And whatever history is behind that, I think needs to be on the record." Moegerle, "There is plenty on the record. In fact, staff has been directed and will be preparing a one page history of this. It will also be on the city's website. Again, we are here to do the city's business which is to set a date."

DeRoche, "Exactly, and I am going to make the residents aware of how many meetings have

gone on and have much opportunity there is for the public to be involved in the budget discussions. And, it is not my intention, even after tonight to gut the city just to make these payments. Just because certain people passed the sewer and water project, in 2010 and also in February of 2011 is when it was actually put back on the record. A lot of people on staff have gone through and tried to figure out how these payments are going to be made and how we can cut more. And, I think residents need to be made aware that if we start cutting any more, the services are going to go down and people are going to suffer. The general levy itself did go down. It is the sewer and water bonds that are making this tax increase. And I invite anyone to show up at the September meeting and the October 10th meeting at 6:30 p.m. where there will be a little bit more in depth report on this. I think this budget is very important. A lot has gone into it. I have been at every budget meeting and I think we are at a point now where the City is going to just have to face the music. It was the decisions made in 2010 and reaffirmed in 2011 that put us in this spot.”

Moegerle, “Ron, what comments do you have. The issue is about setting the date for the levies.” Ronning, “I am addressing these as individual. Are you saying they are not individual and lumping them all into one?” Moegerle, “No.” Ronning, “Then why are you limiting discussion?” Moegerle, “I am limiting discussion to 2013-50. Setting the Final Levy and Budget Date. On page 18.” Ronning, “This is probably one of the worst things you have to face when you do this kind of job.” **All in favor, motion carries.**

Moegerle made a motion to adopt Resolution 2013-51 Set the Preliminary Levy & Budget 2014. DeRoche seconded. Koller, “We have been discussing this for months. I think we are stuck on this point. It is on this paper in white. It is on the website. We are going to have to raise taxes. We just don’t have a choice. The water and sewer project which happened before any of us were in here, should never have been done.”

Moegerle, “While I think this has been a herculean task by staff, I think more could be done. Undoubtedly the taxes are going to have to go up. I don’t think it has to be 16.5%. But, I do realize it will be in double digits. Yes, this is something we all wanted to avoid. I think all five of us are committed to making it as minimally onerous as possible. We don’t want to gut the budget, but we are going to have to make some tough decisions. One of my biggest concerns is that there is a 2% across the board raise. And I don’t think we as a City we can afford a 2% across the board raise.”

Ronning, “As mentioned this is a very difficult thing to work with. We have gone through the budget and three scenarios of it and as far as I am aware if we cut anymore, we will lose services. If that means plowing snow, those are the types of things we may end up losing. As far as the 2%, we have to cut this between 18 and 20% before we get anywhere, and it is just not possible.” DeRoche, “If I am not mistaken, the 2% was for the public works employees and office staff. And they haven’t gotten a raise for how long Jack?” Moegerle, “They got 1.5% last year didn’t they?” Davis, “They got 1.5%, 0%, 1.5% and 0% the last four years.” DeRoche, “Most of our guys have been here quite a while and we all know what it would take to or cost to replace someone. We are kind of at a bare minimum. I think our guys do a good job. And, if you look at it, 2% is not even a cup of coffee. We can’t cut out the people that have been here a long time, they know the City, and we can’t cut out what we have to have to do the work. And, if it means that we cut the overtime for public works, what happens if at 3:00 p.m. it snows? What if we have all these potholes in the roads and we quit taking care of the parks. Another consideration was dipping into the capital funds for parks and roads. So, then we can pay the levy with these funds. But, then

the next year, we can't by law raise the levy enough to recoup that money."

"So now we not only have a problem with coming up with the money for those payments, we also have parks that turn to crap, our roads go down the hill, our buildings fall apart, we don't have staff and I am not willing to sit up here and let this City go down the tubes. Because this sewer project came through, and for the record there are two people on the current Council that voted the sewer and water back in. And, at the time I caught flack. And it is not up to staff to cut the budget. That is the City Council's job. Staff can bring us what they think it will take to run their departments. Now we are operating with three less people than when the three of us came on board. How many people do you want me to cut out of it? And, I ask people to come to the meetings and I ask them what do you want me to cut, the building inspection, roads, fire department, the police, what do you want me to cut. Because at some point something is going to suffer. And, when you come in to do something at the City and there is no one to do it, then what happens? I am the last person to ever want to raise taxes, but we have no choice. I have been to every single budget meeting, I am on the Finance Committee, and we have gone over and over and over. I see you laughing Heidi, but this is real serious business here. Anybody that has come on board lately, came into a situation that they are still trying to figure out. For two years we haven't raised taxes and I think people became complacent and thought the sewer and water project wasn't going to make that much of a difference. But, now the payments are coming due and we have to do something. And, I can't see gutting the City to do that. It has taken too much to build it up."

Koller, "Bob pretty much said it all. We are stuck with the sewer and water project. Going over these budgets we have been working on stopping these park expansions. But we can't stop the maintenance. Snowplowing is expensive, but I like to get out of the driveway in the morning. And, I am sure everyone else does too. East Bethel runs on a pretty tight budget so there is not really much we can cut. So basically, we have to raise taxes."

Moegerle, "I intended to be brief, however, there are certain things that need to be responded to. Bob, Richard and I were elected in November of 2010. Each of us were vehemently opposed to this project. We sent a message to the Council and said we were elected on the strength of the opposition to your plan to start this infrastructure. Please hold in abeyance until we get in there and take a look at it and we will give it a fir look. The information on the feasibility studies they had given to us were done by an engineer instead of an economist. It was very clear that you could make the numbers work if you wanted to and they were motivated to do so. The whole scenario changed on November 15, 2010. When we took office the first week in January we put a halt to this so we could evaluate this and we took that step and we took it responsibly. We then had an independent person come in and evaluate this, what was the cost of this and most importantly what was the cost of stopping this all together."

"On February 19, 2011, this room was packed, that hallway was packed, and everyone wanted to know what was going to happen. At the same time the Council was being told the clock is ticking, all of these people are going to charge you money because you stopped this project from going forward. In reevaluating this, we found we could save \$4.4 million on downsizing the water treatment plant. We saved that to good effect, because now we can put that money towards extending this up to Whispering Aspen/Castle Towers where that plant which would have needed millions of dollars of upgrades over the next 10-20 years. So, that money was put to good use."

“But, on February 19th, the issues provided to the five of us Councilmen were this: If you stop this it is going to cost between \$5 and \$9 million. And, in order to cancel this, we had to buy back those bonds. And those bond holders were not going to be real happy about that. And, the question was, were they going to get the benefit of the bargain and the interest of those bond rates? So, the number was \$5 million to \$9 million and I heard \$9 million more than \$5 million and that money would be due instantly from every single taxpayer in the City. And, for that, we would get out of this contract, but have zero benefit. I calculate with a round number of 4,000 households and for every taxpayer the cost would have been \$1,250 for nothing. That is the decision we had to make and for almost twice that if the numbers came back at \$9 million. We had to make a decision, did we want to take that risk knowing that many of our residents couldn’t afford \$300 or \$400, much less three or four times that. So, that was the decision. Four out of the five of us said we cannot do that to our taxpayers. We are going to try to go forward with this in a measured approach, in a way that we can hopefully fill this area with businesses and it will not damage our residents to the tune of \$1,200 to \$2,500. And, that is what we decided to do, four to five votes. There are certain people, Bob just mentioned he voted against it. That is true, on February 19th he voted against going forward with this and that was his way of keeping a promise he feels he made to stop this. But, the fact of it is, all five of us, in that Council and this Council, have ratified payments to the businesses that were putting in that sewer and water project. So, whether your vote was for it or not on February 19th, to some extent each and every one of us is responsible for this, because we made sure Weidema got paid and all the other contractors. So, keep that in mind when you look at this. There are several dates that are important to you, October 6, 2010 is one. It is my understanding we anticipate an additional \$50,000 in contract from Oak Grove. My concern is that across the board 2% raise versus 1.5%. We wouldn’t lose all our employees, yes, they would tighten their belts just like all our residents are. I still think 1.5% for employees would have been doable. I think every dollar counts and not every Council Member believes that. I think in broad numbers, \$100,000 does count, and I think we should move forward with a preliminary levy that is not at this rate.”

Ronning, “I was at that meeting in February, Ron Braastad and I were sitting side by side out in the hallway by the billboard.. No matter how you slice it, the conditions haven’t changed anyway since October or December 2010, except that it advanced. And the fact is that there was a vote taken to un-suspend it and move forward and that is part of why we are here. It was “advertised or sold” as an \$18.8 million bond issue and no one would have to hook-up or pay. At one of the meetings I asked, “What is the most we will have to pay if we don’t hook-up?” The answer was, “I don’t understand the question.” So I asked, “What is the most we can pay?” If it was \$5 million, or \$9 million or even \$18 million it would have been worth it. Because this \$18 million after the rebates is closer to \$52 million. And, if the rebates get harmed, or damaged or shot, it is going to go sky high. I hope I didn’t ruin everybody’s day. I can’t say I apologize, I have been asking that some of this information be shared since day one. Actually, I was voted down on that and people have a right to know. Part of getting through it is for people to be aware. World War II came around everyone knew and they all pitched in and helped. We will do the best we can to cut where we can, save where we can. Thank you.”

DeRoche, “Points of clarification. I have no regrets of voting against the sewer and water project. In my mind and my way of doing math, there is no way of paying for this thing. If development comes in, it sure will help. Heidi said, “He did that, he is out to hurt the residents.” When I told the residents I was going to vote against the sewer and water project it was not a political decision, because I am not real political as you may know if you watch

these meetings . In my mind, I could not see, if you don't hook-up you won't pay. And, we are going to bring all these new businesses in and they are going to pay for it. In my world, that was not a reality. And, it still isn't a reality. Once it was passed you have to pay the bills. I have never seen the actual number, but I would rather commit the City to \$5 million than to \$52 million. Maybe I am wrong. If someone can come up to me and show me, I would be more than happy to invite any past Council Member to show up at the meeting in October to explain to everybody, how they planned on paying for this thing. There must have been a reason that they passed it. And if there is, or if anyone on any commission has any ideas how they think it can be fixed, don't wait until elections Com up now and explain. I have no regrets."

Koller "Anyone can go on Bolton and Menk's website and look at feasibility study. It was obvious that there was no way that it was never going to work, but they pushed it through anyways. So, all we have to do is pay for it." Moegerle, "This is not easy for anyone. There are different ways of looking at it and no way around it, the residents of East Bethel were going to pay and they were the ones that weren't hooked up. However, that does not mean that you cannot take a positive approach to this, to have the City be as attractive as possible, to work towards bringing businesses in to our community and welcoming them, because we really need them. And, as much smack as we can talk about the 2010 Council (And boy, can I talk smack), that doesn't do us any good. We need to look forward with our heads held forward and we are going to get through this. It will be tough this year, we owe \$700,000 this year. And, guess what, we will have another payment like this coming up in a few years. But we are going to manage that too. What we are going to do, is we are going to all work together. If you have a lead or an idea where we might get businesses to hook-up, I know five people that will welcome that. And, staff will be ecstatic. We want to work with everyone, we have a great staff here and we are all tightening our belts and going forward. Yes, it is tough, we will survive and do well." **Moegerle, nay; DeRoche, Koller, Ronning, aye; motion carries.**

For the purposes of beginning the discussion Moegerle made a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014. Ronning, "When you say for the purposes of discussion, does that mean there is no action? Just discussion?" Moegerle, "We have to make the motion don't we?" Vierling, "The motion has to be made so there can be discussion." Ronning, "And if you qualify it for discussion purposes only, can that be done?" Moegerle, "I withdraw my "for discussion purposes only." There was no second so the motion fails.

DeRoche, "When do we have to have this?" Davis, "September 15, 2013." Moegerle, "The economic development money goes towards getting new economic development in the City. And that what we need to attract businesses to the corridor. It pays for Colleen's budget, site plans." DeRoche, "How much of Colleen's salary comes out of the City budget versus the EDA budget?" Davis, "In the EDA Budget there is \$56,000 that is transferred out to cover salaries. This covers my work, Colleen's work, Mike's work, Wendy's work and administrative assistance." Ronning, "When we looked at cutting, this is \$133,000, how hard did we look at this?" Davis, "It is listed as a proposed \$10,000 reduction in the budget."

DeRoche for the sake of discussion, I will make a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014. We don't have to vote it in, but if we are going to discuss it, we should have a motion. **Ronning, seconded.** Ronning, "We talk about saving money. Talk about cutting 1/2% off of someone's paycheck. I don't mind

paying for what I get as long as I get what I am paying for.” Davis, “If you don’t approve this tonight, we are going to have to go back and make reductions on different departments budgets. If you approve it, we can go back and make reductions where you want them and it will gibe with the other budgets.

Moegerle, “At the last meeting I discussed cutting 3% off across the board. Do I think 3% can be taken from this, absolutely. What is the purpose of EDA? To bring businesses into the City. The EDA can do all the work in the world, but if the Council says no way, then it doesn’t mean the EDA hasn’t done any work, it means the Council needs to give the EDA more direction. We have a meeting scheduled for September 23rd with the EDA and Planning and Council has been invited. I think there needs to be economic development activities. Do I think we can cut a little there? Absolutely, because we are asking everyone to cut elsewhere.”

DeRoche, “As long as you brought up the 3% to 5%, Jack can you explain to everyone out there why some departments we just can’t because of contractual.” Davis, “There are some areas you can’t cut anymore because of contractual obligations. Or, because there just isn’t anything left to cut, you would have to eliminate like the building department. You have to have a building official. We did a line item examination instead of an across the board proposed cut and we can discuss that later on tonight on the agenda.” DeRoche, “Wasn’t there a suggestion into cutting the police coverage?” Moegerle, “Not my idea. Do you want to proceed with that?” DeRoche, “I don’t want to cut fire, police or public works. If we don’t have those we are in trouble. I read an article in the paper where that was suggested.”

Koller, “Police, Fire, city staff, I won’t vote for cutting any of that. But, there is \$133,000 and \$58,000 goes for salaries. . I would like to know what the rest of the money is used for in detail. Not a general slush fund.” Davis, “Part of this money is set in reserve to react to an economic development item that might come up. One example is this week there was someone that sent on inquiry on Greater MSP out for a 50,000 square foot building or a building site to employ up to 200 people. We feel that we qualify for this. For submission of this, we might have to spend a little money. That is what some of this money that is budgeted is for. But, anything is open for cuts. If it is not used or spent, it can roll over into the next year. There is a contingency in here that is \$27,000.” Moegerle, “If we have to do incentives or legal fees, that is where those fees come from.” Ronning, “This was moved for discussion purposes by Bob, I seconded, so I call the question.” Moegerle, “My understanding is you have for a vote on calling the question?” Vierling, “The City adopted Roberts Rules of Order for 2007. Thanks for your e-mail this afternoon Heidi. I tried to locate the 2007 version on the web and it is not available. I am assuming from the one that I looked at, that it does require a second and a vote on that. The question is still up to the Council what rules you are going to abide by.” Moegerle, “The one in the ordinance says Roberts Rules newly revised.” Vierling, “They all say “newly revised”. **Moegerle seconded.** Davis, “One thing I want to point out that Mike brought to my attention. If you don’t approve this budget, it will revert back to last year’s budget which was \$11,000 higher than this year’s budget. This is something we might want to approve and then work on. All this is doing is setting the preliminary levy. **All in favor, motion carries. Moegerle, aye, DeRoche, nay; Koller, nay, Ronning, nay; motion fails.**

DeRoche made a motion to adopt Resolution 2013-52 Set the Preliminary EDA Levy & Budget for 2014 with the commitment that we will seriously look at reducing this budget. Moegerle seconded; all in favor, motion carries.

DeRoche, "We really need to make an effort to reduce this budget. Will it require a separate meeting to get everyone together? Or do we send you our suggestions? Can we get a detail breakdown on the budget items? I think the problem is that we don't get an EDA report." Davis, "You were given one in July and you will get another on in your next update. You will get these every two months. If you want a breakdown of the projects and professional fees, we will provide what we think these will be used for. Just as we were discussing these other cuts, we take these seriously. We would love to have your suggestions, but just as the other one we will be setting a special meeting to discuss these potential reductions." DeRoche, "I was going to bring this up later, but there is no money budgeted for HRA, but that's fine."

Moegerle made a motion to adopt Resolution 2013-53 Consenting to the HRA No Tax Levy for 2014. Koller seconded. DeRoche, "The money that we have is still short of what we transferred to the EDA, right?" Davis, "There are funds of \$798,000 in the HRA. But, there was a transfer approved up to \$281,000 to the EDA if needed for the purpose of loans for SAC and WAC fees. To date, no one has applied for that money. It has a sunset clause on it, December 31, 2013. We do anticipate that some may apply for it. Again, that money will have to be paid back within a five year period." DeRoche, "Again, there are some things in the process for the HRA, but with the money that is in there even with the loan out, we should be able to go forward with some projects." Davis, "Even with that approved transfer to the EDA if all of it was utilized, there will still be \$500,000 left in that account. We have an HRA meeting coming up on October 2nd and we will have a plan laid out for you for some projects for those funds." Koller, "I am fine with this. Zero is good." Moegerle, "The EDA will be paying back what is borrowed at one time or another according to the plan." Ronning, "I recall the meeting that the transfer was approved. But, I thought I did it as an amendment that every transfer would be approved by the Council and I guess that is reiterated again for more than just me." Roll call vote taken. **Ronning, DeRoche, Koller and Moegerle, aye; motion carries.**

Public Forum Moegerle opened the Public Forum for any comments or concerns that were not listed on the agenda.

Cheryl Helstrom of 2459 224th Avenue NE, "We have been residents since 1973. We are currently constructing an unattached garaged of 30 x 32. It has a second floor which is 19 x 30. It will consist of my husband's woodworking and storage. When we applied for a permit, we were told it would be no problem and when it was time for outside footings inspection for stairs to the second floor by the Building Official just give him a call or come to City Hall and it would be no problem. My husband called a little over a week ago and the Building Official flatly refused. He said, "It is not allowed. You can't have a door on the outside second floor and you can't have a stairway." My husband has large woodworking equipment, it is very heavy. We need access in and access out if there should be a fire. Now the Building Official tells us there is an ordinance against second floor entrances. When we discussed it with him, and I was present, inside our building, he said, "You can have an inside stair". We told him we have Bobcats, a collector car, the big truck, we have a lot of equipment we need on the bottom floor of that garage. That is why it is designed the way it is, why we spent the money and now we are told we don't can't have a door or a stairway to the second floor. We would like the Council to look at this, because we feel it is unreasonable. There are structures in our neighborhood. We have talked to Bob, Ron and Tom and Ron and Tom have both been over to see the structure. We need to resolve this, the weather is going to get away from us. If the Building Official would have looked on his final inspection, the windows and the door was framed in the second story, but he didn't

climb up there and look. When my husband asked him if he was going to go up the ladder the rest of the way he said, "I can see what I need to see from here." Well he would have seen the rest of the door framed and at that point and time wouldn't have said we couldn't have an outside exit?"

Ronning, "You made the comment that the Building Official made one statement, were you both present when he made that?" Helstrom, "Yes, we were." Moegerle, "The ordinance is pretty clear that there are not outdoor stairways or doors. You are not disputing that, correct? You compliant is you didn't get the information until after you had taken some steps, right?" Helstrom, "That is one complaint. The other is why are there other structures right in our own neighborhood that have an outside entrance and stairs to the second floor." Moegerle, "Are they recent buildings?" Helstrom, "Yes, within five years. One right on Palisade." Moegerle, "This is the time during the meeting where you give us your information. I don't know what the solution is, but, I definitely will work on this. And, I will be here tomorrow morning to see what we can work out. I haven't visited, but I just online to check and see if I could get an aerial. It is a concern and we will have to think creatively to take care of this. When would you be available at the property?" Helstrom, "We live there. And, we are both retired."

Ronning, "Jack and I looked at this yesterday, and we looked at the history of the ordinance and it was in place what year?" Davis, "In 2008 or 2009 the newly revised zoning code was adopted. If this was in the previous code or it if was added, I don't know, I don't have access to the previous code. We do have a section in the code that says all doors in garages should be at ground level and stairs should be in the interior. Whether this is something that is needed or not, that is what the question is." Moegerle, "Could you enclose the exterior stairs and does that solve the issue here?" Davis, "You could. But, I don't know if this will cause an issue for them." Helstrom, "Yes, how do I get my equipment up there?" Koller, "I have been to the property and looked at the garage and it is very well built. I have talked to people and I haven't found one reason why you can't put an outside stairway to the garage." Davis, "If I could speculate, it might have been that if this was permitted then it would allow people to rent out the upstairs portion of their garage." Koller, "I believe the Council has the authority to change the codes." Davis, "With this one, since it is a land use in the zoning code, it would first have to the Planning Commission and then to the Council." Moegerle, "And the next Planning Commission is two or three weeks. Let's make the direction to staff to see what we can work out. Obviously we have to obey our ordinances. But, definitely we are going to work with you. That is no promise, but we will aim at that goal."

Koller, "Why does this have to go before the Planning Commission?" Vierling, "Statutorily land use issues have to go to Planning Council for a public hearing process." Helstrom, "We have spoke with Eldon Holmes on the Planning Commission and he knows the structure." DeRoche, "Is there any way they can do something in the interim?" Davis, "It would probably be at their own risk and I will let Counsel speak to that." Moegerle, "I do think we should act with all speed." Davis, "We have to have the public hearing." Ronning, "Clarification, what does the Planning Commission do with it and what is their final authority." Vierling, "I presume the action that might be looked at is a text amendment to the code. If that is the action that is taken, they would hold the public hearing, they would review that and make a recommendation to the City Council . The Council has the final authority on whether it would be adopted." Ronning, "Do they have the authority to stop it?" Vierling, "No."

Davis, "To streamline this, you need to give us direction to proceed. To call a Special Planning Meeting. Then in order to expedite it we would probably have to have a Special City Council meeting." Ronning, "In concern, I suspect there are others that have an issue with this. But, I don't want to give the appearance that "They have an issue with this so they will roll over and do this." But, I can know one of my neighbors had an issue out there. There are more than one out there. It is not a unique issue." Davis, "I agree with you, this is not just a reaction to this issue." Moegerle, "At this point I am going to ask that we give direction to Jack to proceed with this, a hearing date and then the special Council Meeting." Winter, "The soonest this could be done is September 23rd with publication." Direction was to move forward on September 23.

Dan Kuehn of 2323 225th Ave. NE, "Our problem started, we moved in December of 1999. Our septic was inspected. We got a letter July of 2011 saying the septic had failed. The report was stamped 2011 and at that time Manny was the inspector and he said they didn't have stamps in 1999. It said I had 10 months to get the septic fixed. If they would have sent me a letter 10 months after it failed, I could have gone after the previous homeowner. I talked to Minnesota Pollution Control and he told me that the report was null and void because it doesn't tell me how many inches of good soil I do have. Larry told me no problem, don't worry about it."

"I wanted to put an addition on my kitchen. When I talked to your current Building Official and told him what Minnesota Pollution Control said, he told me that he wasn't going to have someone in St. Paul that sits behind a desk tell him what to do in his City." Moegerle, "Do you have a document from the PCA on what you are saying?" Kuehn, "They just talked to me over the phone. But, then I talked to Jack and he told me if I have a soil specialist come out and inspect it, and it passes it is no skin off their nose. Or that is what Nick said. Nick called and gave me one guys name, but then he said he couldn't do that because it was showing preference. So we got a list from the University, licensed soil scientist. I called another name on the list, he is a soil scientist, septic designer and the we had him come out and the letter I got from him said there was no problem, everything passed just fine. He e-mailed the report to Nick and I contacted Nick and he said, "I am checking into his credentials, I don't like his credentials. You have to have someone else come out and inspect it, an inspector. I said, so I paid \$483 to this guy and now I have to pay again? And Nick said, "Who said you have to pay for it. Well if I don't who does? So, the soil scientist and designer that came out gave me a name of someone that was also an inspector and he couldn't check the same spot. So, he checked four feet away and quite a few spots and now I only have 42" instead of 48". You can have ten guys check it and have ten different results. I have my plans in for the septic and it is going to be another week. What I am wondering why the letter I got said designer or inspector. I got a designer and Nick wanted an inspector. I paid the first guy and it is not an imminent health danger." Moegerle, "If the septic is functional, do you require the change in your septic when you add onto your house?" Kuehn, "No, all I am doing is adding five feet onto my kitchen. But, because of that report in says I don't have two feet in mottled soil. I have talked to Ham Lake, Athens Township and they both said as long as there is not threat of imminent danger, you should be able to get a building permit. Jack is going to look at that report tomorrow that says a designer or inspector. I started doing this in May and it is frustrating and Nick keeps kind of running me around. He said we can sue you to make you put a septic in. And, I said I can sue the City for not sending me the first report in time." Moegerle, "I would follow the PCA route a little more, because that makes it moot. Try to get that documentation, that might help." Moegerle, "We will direct staff to work with you and keep us advised."

DeRoche, "Do you know anything about this Colleen?" Winter, "It was a two foot mottled soil and the regulations changed." DeRoche, "Isn't it usually if you are adding a bedroom?" Davis, "Anytime you are doing an alteration in plumbing, your septic has to be up to code." Koller, "I think the report from 1999 should be thrown away."

There were no comments so the Public Forum was closed.

Consent
Agenda

Moegerle made a motion to approve A) Approve Bills; B) Consider Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project; C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project. Koller pulled C and Ronning pulled B. **Koller seconded; all in favor, motion carries.**

Item B)
Consider
Resolution
2013-54

B) Consider Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project - Ronning, "When did this start?" Jochum, "I believe it was put in the Capital Improvement Projects last year. Is that correct Jack?" Davis, "Yes."

Moegerle made a motion to adopt Item C) Resolution 2013-54 Accepting Bid for the Whispering Aspen Street Surface Improvement Project. Koller seconded; all in favor, motion carries.

Item C)
Consider
Resolution
2013-55

C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project. - Koller, "I would like some clarification on this. According to the resolution, they will be assessing $\frac{3}{4}$ of a mile on either side of Highway 65." Davis, "That is in the sewer district." Koller, "It doesn't say that. There are a lot of residential houses on each side." Davis, "This is only for the sewer district."

Koller made a motion to adopt Item C) Resolution 2013-55 Directing the Preparation of the Proposed Assessment Costs for the project. Moegerle seconded; all in favor, motion carries.

IUP/Home
Occupation
for Stacie
Arneson at
929-197th
Ave. NE

Davis explained that the applicant, Stacie Arneson, is requesting an IUP to operate a home-based hair salon business. Stacie Arneson is a licensed cosmetologist and would be working by appointment only.

Business is conducted by appointment only so parking needs generated from the home occupation are small and shall be provided on-site, in the designated driveway.

Planning Commission recommend approval to City Council for an IUP for a home occupation for a hair salon, located at 929 197th Avenue NE, Kable Country Estates, Lot 13 Blk 1, PIN 19-33-23-44-0017, with the following conditions:

1. Home Occupation shall meet the specific home occupation standards set forth in the City Code Appendix A Section 10-18:
 - a. No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation.
 - b. No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence.
 - c. Any sign associated with the home occupation shall be in compliance with the East Bethel City Code, Chapter 54. Signs. Home occupation signage must be no larger than two (2) square feet (City Code Chapter 54-4.3).

- d. The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved.
 - e. A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for off-site disposal of the waste is approved.
 - f. The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance.
 - g. There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation.
 - h. Parking needs generated by the home occupation shall be provided on-site.
 - i. The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space.
 - j. No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation.
 - k. There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home occupation.
2. Violation of conditions and City Codes shall result in the revocation of the IUP.
 3. All conditions must be met no later than September 30, 2013. An IUP Agreement shall be signed and executed no later than September 30, 2013. Failure to execute the IUP Agreement will result in the null and void of the IUP.

DeRoche made a motion to approve the request of Stacie Arneson for an Interim Use Permit for a home occupation for a hair salon, located at 929 197th Avenue NE, Kable Country Estates, Lot 13 Blk 1, (PIN 19-33-23-44-0017), with the following conditions:

- 1) Home Occupation shall meet the specific home occupation standards set forth in the City Code Appendix A Section 10-18; a) No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation; b) No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence; c) Any sign associated with the home occupation shall be in compliance with the East Bethel City Code, Chapter 54. Signs. Home occupation signage must be no larger than two (2) square feet (City Code Chapter 54-4.3); d) The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved; e) A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for off-site disposal of the waste is approved; f) The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance; g) There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation; h) Parking needs generated by the home occupation shall be provided on-site; i) The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space; j) No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation; k) There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home**

occupation; 2) Violation of conditions and City Codes shall result in the revocation of the IUP; 3) All conditions must be met no later than September 30, 2013. An IUP Agreement shall be signed and executed no later than September 30, 2013. Failure to execute the IUP Agreement will result in the null and void of the IUP. Ronning seconded; all in favor, motion carries.

Cell Tower
Land Lease

Davis explained that 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 lease and the City's rights of cancellation are issues we need to discuss regarding this 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

Onetime 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

Onetime payment: \$450,000

Monthly Lease Revenue: \$0

Monthly Carrier Revenue: \$0

Option 3: Tri-Star

2014-2018

Onetime 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.

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

Staff is seeking direction from Council regarding these options.

Moegerle, "Suppose we take Option 4, what does that do for cell phone coverage in East Bethel? Because I know out at the beach cell phone coverage is spotty at the best." Davis, "This has nothing to do with cell phone coverage on anything outside the 65 corridor."

DeRoche, "Can we get a legal opinion?" Vierling, "Well basically it is a series of 10 year options at 5 years a piece. So theoretically you are binding the City for 50 years. That is usually not what you see. Usually what you see is 5 options at 5, so 25 years. The second thing that caught my attention is they are basically modifying the lease to take away any landlord opportunity to declare default except for nonpayment. So, if under your existing lease you have any conditions for the tenant that were imposed and you could amend them as adopted, you are basically amending your prime lease so that the only condition that you can declare them for default is for non-payment. Not for any other issues." Moegerle, "What other issues should we be thinking of?" Vierling, "That is where we had to go back and take a look at the other lease." Ronning, "Could that be equipment modification? Or is that their equipment?" Vierling, "Compliance with your local ordinance. Compliance with security issues & homeland security issues. The other thing is you have to be comfortable with the term because you are talking about tying the property up for 50 years." Davis, "We did talk to them about the cancellation terms and they said that was a non-starter for them." Moegerle, "Do they have rights for cancellation that we don't in this current contract so they could say after 10 years, "Oh we are done?" Vierling, "They could certainly choose not to renew. The option is purely on their side of the fence. We have no opportunity to force them to renew after five years."

DeRoche made a motion to table the Cell Tower Lease. Ronning seconded. DeRoche, Koller and Ronning, aye; Moegerle, nay; motion carries. Davis, "We are doing quite well with what we are getting for our lease site." DeRoche, "I don't want to tie it up for 50 years. And the default thing concerns me also." Davis, "That is why we have the fourth option. They are all pushing to get something done. You have all these cell phone re-lease companies and they try to buy these up and resell them. We can ask the City Attorney to come up with his major concerns and we will bring those to these people." Moegerle, "And when will you have this back to us?" Davis, "We will try to get it back to you by the next meeting." DeRoche, "I would like Mark to take a look at it."

2014 Budget
 Discussion

Davis explained that we can start discussing tonight, or we can set another meeting. I put this in here to see what your pleasure was and what level of detail you wanted to get into. The cuts that we put in here are the ones that we had before you for consideration.

DeRoche, "I read through it and I am holding my ground here. The ramification of some of these cuts." Davis, "Some of these cuts as far as transferring some of the general fund surplus, knowing what funds we may have for connections, the refinancing options, other

incomes from other leases and royalties, these are things that are a work in progress and we may not know a final number until November. We have approved the preliminary budget and there is no huge rush on this. But if anyone has any suggestions we would love to hear them. What we are working on is getting these final numbers together so that before we set the final levy we will have accurate numbers that you can use for reductions if you so decide to do so." DeRoche, "The only numbers that I see that are going to make any difference are the capital funds. And, I think that is dangerous territory." Davis, "You are correct. Anything we do will have certain ramifications and we need to consider those carefully, so we don't create another problem while we are solving one." Ronning, "With all these conversations we have had on this, people need to know that most of these funds are once and then they are done, correct?" Davis, "Yes, once and done and they we are back to the same situation next year." Ronning, "Only you are short what you had last year. Damned if you do and damned if you don't. I still say, prepare for the worst and hope for better."

Moegerle made a motion to table the 2014 Budget Discussion to the next City Council meeting. Moegerle, "We already had a lot of discussion on this previously tonight and so maybe we should discuss it at our next meeting." Davis, "I do have one question. Do you want to discuss this at your next meeting or do you want to have a work meeting to discuss the 2014 budget?" DeRoche, "A work meeting is fine if all the members show up." Davis, "That is why I proposed September 25th, we may very well have all the Council Members present by that time." Moegerle, "Absolutely, it is very important to have all the Council Members here." DeRoche, "That is not a good date." Moegerle, "We could do it before the October 2nd meeting." Davis, "I would like to do it at least before the October 10th meeting." DeRoche, "This has to be a meeting with only this on the agenda." Koller, "I agree." Ronning, "So do I." Moegerle, "So when are you available?" DeRoche, "Can we all just e-mail Jack our dates?" Davis, "That will work, and we can have two members call the meeting." **Koller seconded; all in favor, motion carries.**

Staff Update Davis, "There will be a meeting tomorrow with Staff, Anoka County Park Staff, hopefully Anoka County Commissioner Julie Braastad, Representative Hackbarth, Senator Bensen and representatives from the DNR to continue discussions to find a resolution on the issue of the Sand Hill Crane clear cutting issues. It is at 1:00 p.m. at Bunker Hills Park." DeRoche, "Can we just come?" Davis, "Yes, but if more than two Council Members are going to attend, we should have it posted." DeRoche, "I will plan on attending." Ronning, "I might also attend." Moegerle, "Will you be offering transportation?" Davis, "Yes. Also, the East Bethel Theatre has applied to Met Council for a reduction in their ERU assignment. As a basis for obtaining that reduction they are proposing to eliminate 700 seats. Met Council reviewed that application and they reduced their ERUs from 28 to 17. That reduction resulted in a \$61,500 loss to the City in revenue on SAC and WAC fees. We have approximately \$200,000 surplus in the general fund, and that will need to come out of there. We have made up three of those ERUs with new construction in Whispering Aspen, but that is a significant impact to our budget."

DeRoche, "Mr. Vierling, Met Council and Bolton Mink set up a matrix this is the ERUs for the project. How are we ever going to catch up when Met Council keeps reducing things. This is all based on their SAC Book, which the feasibility study was based on, and the problem is we are watching them dwindle away. Where do we stand? Granted they are projections. Projections make me laugh, because I could project a lot of things. What is their basis for this? On October 6th, when the gentleman from the theatre stood up and said they didn't have a problem with 39 ERUs at the time because it was counting the theater and the other property and now they come back get it lowered. How on earth are we ever going

to make that up? They could continue doing this and we could continue losing more ERUs.” Vierling, “I think it is a meritorious question. There is no question that the actions taken by them has impaired the city’s ability to gather revenue in which the obligation to them can be paid. We have a contract with them, which raises a topic that should be a discussion between the City and Met Council .”

Moegerle, ‘Based on getting this information, I had asked that Jack provide an update to the administrator, Pat Born at the Met Council, Edward Reynoso, as well as to Metro Cities. Yes it is a difficult situation, but to get into a self-fulfilling prophecy and that we are never going to fill it, I don’t that is the right approach, negativity does not breed success. While it is unfortunate, I do think there is room for negotiation. We are paying \$96,600 a year to Met Council and what are we getting. There is a point to begin negotiation. And, the conversations that Jack and I have had with Mr. Born and he is appreciative of the dilemma. I would ask that you pursue that issue, and the possibility of what we can work out on this.” Ronning, “Is the agreement silent on Met Council made the projections, they made the arrangements, the negotiations, and the whole deal based on projections. If they forgive units, is there a way to approach it that you gave it up, that is yours.” Vierling, “It is a discussion that needs to be held. From a process standpoint, I think the city has every right to be offended. When the City wasn’t fully engaged with the property owner for reductions.” Moegerle, “Just a point of information, the date that Bob is referring to is Oct. 6, 2010. Watch that DVD or read the minutes for more information.”

Davis, “One other point of information, the City was engaged in this to some extent. It was mentioned to Mr. Dale Haider at an EDA meeting when we were looking at ways to reduce the impact to the project and still maintain the financial integrity of the City. In conclusion we came up with there was no way that the City could reduce any ERUs. At that time Mr. Haider said his only option would be to remove seats because ERUs were based in the Met Council SAC manual on the number of seats. In order to expedite the hook-up and clear-up the easement matter, he petitioned the Met Council on the reduction in seats. Met Council wanted some assurance that we would monitor the situation. What we did is we said he would have to get a permit to un-install seats. And we would stop by periodically to make sure he did not re-install seats. If he re-install the seats, then his ERUs will increase.”

DeRoche, “He approached us in 2011 asking us to drop it down to 12 or 13 because of an e-mail he had. It is not negativity Heidi, it is realism. Nobody has given up. The grandstanding doesn’t help.” Moegerle, “I didn’t say anyone was. And, I am not grandstanding. I am concerned about this too. I am not being a Pollyanna about it. It is what it is and we have to work that much harder. Eventually we will burn out, staff and Council. We have a possibility speaking with Metro Cities and Met Council.” Davis, “Mr. Reynoso was invited to the meeting tonight. The invitation did not go out until yesterday and I don’t know what his schedule was.”

Council
Member
Report –
DeRoche

DeRoche, “There isn’t too much going on. I don’t look at being honest with people as being negative. I think taxes didn’t go up, people were forgetting this project was in place and taxes were going to go up. I think being very open with people and letting them know is more important than looking at life through rose colored glasses. Because the rose colored glasses are broken. If someone is to watch the Council meetings, there are more digs than anything else going on. It is almost as if there is campaigning going on and I don’t think this is the place for it. I think it is inappropriate. The thing with the ERUs, unfortunate. I had a nice talk with Stacie from the HRA. Federal program, the County is the possessor of the money. It is to help people that are financially strapped with their septic systems. It sounds

like a good program. I would like to see the appliance place close their gate during the daytime. When it is closed you don't see much, but when it is open it looks like a junk yard. Is there a burning ban yet?" Koller, "Not yet?" DeRoche, "Are recreational fires ever banned?" Koller, "Only in extreme draught conditions." Davis, "Yes, generally like Ron said, it would have to be extreme draught conditions." DeRoche, "I have had a lot of people compliment the sign. Maybe change the colors more frequently. But, it is a learning curve."

Council
Member
Report –
Koller

Koller, "I didn't have an watersheds meetings. The Fire department is up on medical calls. They are up by 40 over last year. The two new fire trucks are in and Saturday in the morning they are going to start fitting them. Taking all the old equipment off the old trucks and putting on the new trucks. And, they will be in service next week."

Council
Member
Report –
Ronning

Ronning, "Planning Commission met and discussed IUP from tonight. They looked like they are very well prepared. We spent a lot of time on verbatim minutes again. Once the Council takes a vote, why does it come up in a commission? This is a rhetorical question. It is not going to change. I always thought once it is done, it is done. This MIDS, EDA, Planning Commission and Council, I was surprised to see that on the agenda? Did we refer it to anyone? I was surprised to see it as a point of discussion." Davis, "The EDA and Planning would like to have a joint meeting on September 23rd with Council to discuss the MIDS issue." Winter, "Just as a point of issue, MIDS or no MIDS there are a couple things that have happened at the state level that will impact us. We are an MS4 community so there are storm sewer requirements that we have. Those have changed this year for the state. And the other things that has changed is what they are calling Atlas 14 which is really the floodplain regulations. So with those two things combined, they are similar to the Minimum Impact Design Standards. It is not going away. Regarding the meeting, if you want to talk about MIDS, great, if not fine. But we wanted to get the three commissions together to talk about the corridor."

Moegerle, "Wasn't there also issues about zoning as well?" Winter, "I don't know if that was something we were going to discuss at this meeting, but if you want to, we can." Moegerle, "There are issues with the zoning on County Road 22 (Viking Boulevard) but also wanted to talk about the Comprehensive Plan." Winter, "With the Comprehensive Plan, we would need to get all three entities together. One of the issues is where the landfill property is, we have been requested we have to rezone that. And there are a couple other areas that it makes sense to rezone. So for me the important part of the meeting wasn't MIDS, it was the rezoning and Comprehensive Plan." DeRoche, "I have a question on Planning, that Eldon brought up about mandatory home inspections, Truth-in-Housing. I personally would not like to see us get into this. If you have to pay someone to inspect it first, that should be an owner's choice." Winter, "That was something that Eldon brought up. There was no consensus on the Planning Commission on that. That is the point why we want to get together, whether MIDS is here, or what they want to call it. I think that is the critical piece of why we want to get together as a group, is look at comp plan. Other jurisdictions have a time period that they can comment on it." DeRoche, "Who brought up the Landfill rezoning?" Davis, "The PCA came to us and asked us to rezone the property. At the time we told them we were going through some comp plan reviews and we would include that when we did that." DeRoche, "What are the looking to get it zoned?" Davis, "I think something that will give them some protection on that property." Ronning, "What does it do to the rest of the world? If they are protected? There is give or take." Davis, "It is a change from the current to protected area. They own the facility and operate it. The zone would prevent anyone from operating on it. They are entirely liable for it."

Council
Member
Report –
Moegerle

Moegerle, “I had a conversation today with a representative from the Department of Minnesota Revenue in regard to property tax refunds and rebates availability to ask if he had any statistical information about how East Bethel is in complying in filling those documents out. And, whether we would need to encourage residents to do that. He had no statistics on that. He is going to do a little more digging on that and I am expecting an e-mail from him. I also spoke with Julie Braastad with regard to the anticipation to the county tax levy and she said they are looking at decrease. I was unable to attend the LMC Policy meeting. I did attend the Website meeting and that was very successful. I spent a lot of time speaking with Richard and he empowered me to say we need to look at leadership, we need to be proactive. I dug out my folder on the newly elected leader’s packet and it talks about leadership. And I think it is important to remember we have other issues that we need to be engaged in and we all need to be working on a common goal of getting the corridor filled with businesses. And finally, Richard wanted me to remind everyone that on January 9th this year, it was agreed that we would be going to a paperless packet. We each got an \$800 stipend to get paperless and that is what we need to do. It is a savings of time and money for staff and that is what the money was for.”

Closed
Meeting –

Vierling “For the members of the public and the record, Council is about to go into a closed session to discuss the offers or purchase of real or personal property per MN Statute 13D.05, subd. 3. We need to identify the property which is the Village Green Treatment Plant and some of its components. The meeting will be tape recorded and the tape will be preserved for eight years and will be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. Any purchase or sale price is public data.”

DeRoche made a motion to close the meeting to discuss the offers/purchase of real or personal property per MN Statute 13D.05 subd. 3c to discuss the Village Green Treatment Plant and some of its components. Moegerle seconded; all in favor, motion carries.

Vierling, “The City Council met in closed session to discuss consideration of any purchase of real or personal property Village Green Treatment Plant and some of its components. Attending were all four City Council Members. Also attending were Craig Jochum, city engineer, Jack Davis, city administrator, and myself. Council reviewed an offer that had been conveyed to the City and with regard to their sewage treatment plant and although the Council took no motion, did as a matter of consensus that the City has no interest in accepting that offer or in moving forward with it.”

Adjourn

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

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL MEETING

September 18, 2013

The East Bethel City Council met on September 18, 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
 Craig Jochum, City Engineer

Call to Order **The September 18, 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 September 18, 2013 City Council agenda. Koller seconded; all in favor, motion carries.**

Refinancing Davis explained that the City of East Bethel currently holds a 2005A bond issue, which is
2005A Safety callable on February 1, 2014. These bonds were issued for the construction of Fire Station
Bonds #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 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.

At this time Stacie Kvilvang from the City’s financial advisors, Ehlers and Associates will present additional information and answer any questions.

Stacie Kvilvang, Ehlers and Associates, “Good evening Acting Mayor and Council Members. First I want to address an issue that the Acting Mayor brought up an answer the question about an announcement that was made that the feds are not looking to decline their investments in federal treasuries. So, the reaction in the market to that is we are seeing a decline in rates. The 10 and 20 year treasuries are down about 15 bases points, which is good. The 30 year is stable. As you all recall, we were looking at doing the refinancing of your Build America Bonds and your America Rezone Bonds and when we went to do the sale is when the feds actually made the announcement that they were going to quit investing and the rates went up. So now with this new announcement that they are not going to quit investing we will have to wait and see what happens with the market and see how things go. What we are seeing in some of the other markets is a slight decline in rates, so we will see what happens over the next few weeks or months in regard to that.”

“As Jack has stated, we are discussion the refinancing of the \$1,305,000 Public Safety Refunding Bonds Series which is to refinance your 2005A bonds. What you are essentially

looking at for a savings the approximately \$82,000 in present value. That is about \$17,000 a year. When you do the calculations of the present savings it is at 6% and generally the GFOA standards are at 3% or above. Your last bonds were rated at AA- even though they didn't go to market. These bonds will now have to be rated as well. Standard and Poor's, your rating agency has a new standard global economies that they are looking at in rating standards. So, there will be a few new additional things that they will be looking at in regards to the rating. We will be working with Jack and your finance director to make sure your rating will be upheld at that AA-. The sale is set for October 16th with a closing in mid-November."

DeRoche, "The Moody's rating that we paid for, that is good until when?" Kvilvang, "That would be good until the 18th, which is actually today. So what they have said they will do is they are not charging you the higher amount for the rating that we had on those previous bonds we were looking at. So, they will just charge you a fee for these bonds, which will be a little lower moving forward." Moegerle, "And what you are asking us to go forward with is the negotiation on this? Or to actually close the deal?" Kvilvang, "This is to authorize us to move forward with the competitive bid for the refinancing of these bonds."

DeRoche made a motion to Resolution 2013-56, Providing for the sale of the 2005A \$1,305,000 General Obligation Public Safety Refunding Bonds. Koller seconded.

Koller, "We have been through this a few times already. If we can get some saving out of it, I don't see a problem with it." Moegerle, "I think it is something we need to investigate. We need to investigate a lot of things." Ronning, "We need all the help we can get, \$60,000 to \$80,000 is a lot to us." **All in favor, motion carries.**

Sheriff's
Report

Lt. Orlando gave the August 2013 report as follows:

DWI Arrests: There were three DWI arrests in August. Two of the arrests were the result of driving conduct. The third arrest was the result of damage to a cornfield call that came in. Upon the deputy's arrival, there was a truck in the cornfield with the male driver sleeping. The male driver appeared to be intoxicated and failed field sobriety tests. The suspect was found to have a BAC of .10. This call came in at 9:45 a.m.

Thefts: There were a total of 15 theft reports in August. Two theft reports were involving stereo equipment taken from vehicles. These both occurred on the same night, one in the 3400 block of Viking Boulevard and one in the 19400 block of Jamestown Street. The same night near those reports was the theft of change and a GPS cord from a vehicle in the driveway. Possible suspects in the string of thefts were described as juvenile males, driving a light colored passenger car, four doors, possibly a Buick. There were four gas no-pays reported. One report involved chickens being stolen from a chicken coop. The owner does not believe the chickens were taken by an animal as the coop door is kept shut. One report involved the theft of a tractor garden sprinkler, taken from a yard. One theft involved an air conditioning condenser unit that was taken from the roof of a building. Another report was of a wood utility trailer that was parked for sale on a street corner that was taken.

Burglaries: There was one burglary reported, which involved a garage that was entered and a bicycle taken. There are no suspects.

Damage to Property: There were 11 reports of damage to property. One involved a juvenile male who was arrested for damaging property in his parents' home. There was one report of a lawn hose being cut. One report of damage to a corn field (which was reported

above with the DWI). A vehicle that had been parked for sale on some land was found to have the passenger window cracked and when the owner opened the door, the window shattered. There were six reports of damage to mailboxes. Deputies were called to the area and found three juvenile males who ended up being responsible for the damaged mailboxes. The three juvenile males are facing charges.

Felony Fleeing Incident: On August 4th at approximately 12:40 a.m. a deputy initiated a traffic stop on a vehicle for speeding on Viking Boulevard. The vehicle began to slow as it turned onto Coon Lake Drive, however, it did not stop and increased its speed as it approached Stutz Street. The driver lost control and ended up crashing into some trees in a yard on Stutz Street. The driver then fled the vehicle on foot. A helicopter and K9 were used in attempts to locate the driver, but were not successful. The case has been referred to the County Attorney's office for charging purposes.

Hit & Run Property Damage Accident: Deputies were called to a hit and run property damage accident at Highway 65 and 237 Avenue. The suspect vehicle had left its license plate at the scene. The victim was turning to travel west on 237th with a green arrow. The suspect vehicle was traveling southbound on Highway 65 and traveled through a red light, striking the victim in the passenger door. The victim was not injured and refused medical attention. The suspect was located at a residence a short time later and claimed to have fallen asleep while driving, waking up when his vehicle struck another. The suspect stated he did not know what to do and went home to speak with his father. The male was charged with hit and run and failure to obey a semaphore.

Last Council Meeting you had asked for how arrests breakdown. They are as follows:

For August Misdemeanor Arrests Breakdown:

- 20- damage to property
- 1- possess marijuana in motor vehicle
- 1- possess drug paraphernalia
- 1- hit and run property damage accident
- 3- sale of tobacco to a minor
- 1- fireworks discharge
- 1 - theft
- 1 - possess small amount of marijuana
- 3 - juvenile curfew violations

Gross Misdemeanor Arrests:

- 1 - false name to officer

For July Misdemeanor Arrests:

- 2 - violations of domestic abuse no contact orders
- 1 - disorderly conduct
- 1 - possess drug paraphernalia
- 1 - juvenile curfew
- 1 - possess small amount of drugs
- 2 - fireworks violations
- 1 - damage to property
- 3 - juvenile alcohol offenders
- 3 - 5th degree assault

Gross Misdemeanor Arrests:

- 1 – obstruct legal process
- 1 – interfere with 911 call
- 1 – violate order for protection

Felony Arrest:

- 1 – domestic assault strangulation

DeRoche, “So there were three cigarette sales failures?” Lt. Orlando, “Yes.” Koller, “All in same store?” Lt. Orlando, “No, in different stores.” Koller, “We have a chicken thief?” Moegerle, “It is called a fox. Or do we know it isn’t a fox?” Lt. Orlando, “The owner doesn’t believe it is an animal because they would have to open and shut the door.”

Public Forum Dave Johnson, Andover Hockey, “We are looking for approval to sell pull tabs at Route 65 Pub n’ Grub.” Moegerle, “Yes, we had the write-up on that. Are there any questions at this time?” DeRoche, “I don’t see a problem with it.” There were no additional comments so the Public Forum was closed.

Consent Agenda **Moegerle made a motion to approve the Consent Agenda including: A) Approve Bills; B) August 21, 2013 City Council Meeting Minutes; C) September 4 2013 City Council Meeting Minutes; D) Approve Completion of Probation for Building Inspector; E) Approve Hire of Receptionist; F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project; G) Res. 2013-58 Declaring Surplus Property with the addition to Item E) the name Karen White and Item H) Res. 2013-59 Recommending the Gambling Permit for the Andover Huskies Youth Hockey Association at Route 65 Pub n’ Grub.** DeRoche, “I would like to pull Item A) Approve Bills. Ronning, “I would like to pull Item D) Approve Completion of Building Inspector and F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project. **DeRoche seconded; all in favor, motion carries**

Item A) Approve Bills DeRoche, “I pulled Item A) Approve Bills because I have a question on the reimbursement listed on the bills. Is this the one that came before us at the last meeting?” Davis, “Yes.” Moegerle, “Do we want to table this until we discuss the free packets that have been given out 8.0 G.3?” DeRoche, “I don’t think it has anything to do with the packets myself.” Moegerle, “It is money from the City. And, free packets to Council that have a laptop. It is a big deal. The issue is where City money goes.” DeRoche, “That is a good question, “I think a lot of it is going to reimbursements.” Moegerle, “And I think a lot of it is going to packets and wages and time for that when somebody has an \$800 laptop.” DeRoche, “What do the packets cost Jack, about 96 cents apiece?” Vierling, “Since that matter is on the agenda later on, why don’t you either have a motion to discuss that matter at this time or move it to another place.”

Moegerle made a motion to put Item A) Approve Bills under Item 8.0 G.3 where we will be discussing reimbursements and free packets. Motion fails for a lack of a second.

Moegerle, “I have a question on the bills. I noticed some refunds of electrical permits that were done. What are the circumstances that those are refunded?” Davis, “They decided not to do the work so the permit fee was refunded.” Moegerle, “I saw we have another payment to Bolton and Menk. Are we almost done paying them? Davis, “Yes, we are almost done. There was one more invoice submitted for about \$10,000 we received today. Of that it is about a 50/50 split between the City and Met Council. There will still be one smaller invoice for the finalizing of the project and preparing the assessment roll.”

DeRoche made a motion to approve Item A) Approve Bills other than that reimbursement for mileage for Council Member Moegerle. Koller seconded.

Moegerle, "I brought the packet here from that meeting that I attended. That meeting was solely for the benefit of the City. Because of open meeting requirements, I reported to Jack and the Mayor. When I had the next meeting in August, I reported that I attended that and what was done. In addition, back when the whole idea of this committee came up, the issue was brought up with Jack and the Mayor. The issue was would this be a benefit to the City? The answer was yes, it would. It is a two year term and the reason I didn't attend last year is I had back surgery. It was not possible; I was in a lot of pain, so I didn't. They called and asked, "It is a two year term, are you going to be there?" I gave in. I asked is this going to be a benefit to the City because it causes me an awful lot of pain to drive to the city and sit there if it is not going to benefit the City. And again the answer from both the Mayor and the City Administrator was, yes, it would benefit the City. Jack has signed off on this that is his opinion.

"I think it benefits the City, through the networking for example. I met Pat Nauman who is with Metro Cities and if we are going to work with Met Council on any kind of adjustment of the issues we are facing, that is valuable. Through that networking and looking at issues not from an anecdotal basis by going to Columbia Heights or Forest Lake or any of the other number of cities that have been listed for an anecdotal experience, this is more of an aerial view on these issues. And from people who are experienced. And, I believe it is a value. Under the IRS laws, if a mileage reimbursement is reasonably related to the business (and I am sure the city attorney can provide that to you) then it is a reimbursable expense. I didn't go for my personal pleasure; it caused me a great deal of pain. I think I was in bed for most of the next day because I sat there for four hours. And, I sat there for the City. If that is not a reimbursable expense, then we really need to look at this packet issue much more closely. What is good for the goose is good for the gander."

DeRoche, "You brought up Jack and Richard, you didn't bring it up to the Council, "Hey the LMC Policy Group is meeting, is that something you think we could use as a City?"

Moegerle, "Because I didn't attend last year, it didn't come up. And, again, this year it wasn't a deception or secret like free packets have been. This was just one of those things. I go to lots of meetings solely for the benefit of the City. It was just one of others."

DeRoche, "You go to meetings and then at Council Meetings you say you don't have any meetings outside of the Council with other people. Now you say you do. You pull out certain information that from my perception you are looking for more and more titles."

Moegerle, "I don't care. Come here and be Acting Mayor because that is what you really want Bob. It is right here, I don't need this. I can go sit over there."

DeRoche, "Have a seat. Number two, the packets haven't been any big secret to anybody."

Moegerle, "Yes it has, it has been a huge secret." DeRoche, "That issue will be dealt with later on. And, with the reimbursement. I feel that if the whole Council doesn't direct the meeting to happen, then it is a dangerous thing for you to be going out freelancing and talking with people whether you make promises or not. You come back here, you submit some information and no one knows anything about it except for maybe you and Jack."

Moegerle, "Bob, do you understand that there is an open meeting law? You don't even call or e-mail me anymore so that door of communication is closed by choice. And, I don't miss it one bit. But, the thing of it is, I have to abide by the open meeting law and I can only tell Jack and one other person. I tell Jack and I have communication with the Mayor. I encourage Jack to tell you all what I learned. I turn in reports, when I attended the LMC annual conference, (I didn't see you there, I know you were registered, I saw Ron on

Friday) you guys went to those meetings and you didn't tell us anything about what you learned there. But, I turned it in. If you want to see it, I can print it off; it is there for you to learn. But, if Jack doesn't forward it, and he is a busy man, that is his choice. For you to get the information, I have to tell you, I have no secrets. How is that information to be conveyed to you?" DeRoche, "How about at a Council meeting?" Moegerle, "And, I do that." DeRoche, "How about at a Council Workshop." Moegerle, "That's fine. So, do we want to have a workshop after every meeting like the Local Government Official's meeting? I think there is one on October 30th? And we are the host city for it, so should we have a workshop before for all of us to prepare for it in presenting the City of East Bethel?" DeRoche, "Well I think it is better to have a workshop then to air some of this out at a regular Council meeting." Moegerle, "Oh no, I think it is good. Transparency demands we do this." **DeRoche called the question. Ronning seconded; all in favor, motion carries. For the motion to approve Item A) Approve Bills as amended. All in favor, motion carries.**

D) Approve Completion of Building Inspector Probation

Ronning, "I pulled Item D) Approve Completion of Building Inspector Probation because we have had a lot of questions about the Building Inspector and hiring of the second person. I am not challenging it or the right or wrongness of it. I was just wondering do we have any kind of log book that identifies their time and activities and locations." Davis, "They do keep track of their inspections, reports and hours. If you like I can provide that to you." Ronning, "Is that readily available?" Davis, "It should be fairly readily available. It may be just a little compilation of their information that shouldn't take long." Ronning, "Is anyone else curious? I would appreciate this if you could." DeRoche, "I think it would be informative."

Ronning made a motion to approve Item D) Approve Completion of Building Inspector Probation. DeRoche seconded; all in favor, motion carries.

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

Moegerle, "Item E, I think I pulled this and just wanted to make a comment that we are hiring a local, Karen White to fill the position of Receptionist and so we are eagerly looking forward to that new member of our staff."

Ronning, "Item F, I withdraw my questions."

Ronning made a motion to approve Item F) Res. 2013-57 Ordering Public Hearing for Assessments for the Municipal Utilities Project. DeRoche seconded; all in favor, motion carries.

Lift Station #1 Reconstruction Bid Award

Jochum explained 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. The bids were from LaTour Construction, Inc. in the amount of \$441,311.09 and Gieslinger & Sons, Inc. in the amount of \$541,606.00.

Several optional bid items were added to this project. 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.

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.

DeRoche, "It says on here the final ERUs for the theatre is 17; I thought they got bumped down to 18?" Davis, "I think it is 17, but I will double check. It was 28 but they adjusted by 11." Ronning, "Does the adjusting party eat the difference?" Davis, "Unfortunately not." Ronning, "Why. I know it is not your job to answer the question. But, I would like someone to ask, "If the Met Council makes an adjustment, they forgave it, we didn't and there is something wrong with this picture. If they have 11, 12 or 1, they forgave it, not us." Davis, "In this case they are not forgiving. The theatre is going to remove 640 seats from their building and per the Met Council SAC Manual it is based on the number of seats. So, now instead of having 17XX seats, they only have 1,xxx seats. I think the requirement is 1 ERU for 64seats." Ronning, "The ERUs were some of the basis of the project and the cost of it." Moegerle, "Can we have a motion so we can discuss this?" DeRoche, "There is nothing on the floor to pass." Vierling, "There is no recommendation." Moegerle, "Then I think we should make a motion to table this." Vierling, "There is nothing to table." Moegerle, "But to discuss this, don't we have to have a motion?" Vierling, "It is a point of question from a Council Member to enable him to make a motion that is certainly permissible."

Ronning, "I would like to see communication go to Met Council on what is their methodology of making these changes. Granted things change, but, the conditions they are charging for are the same ones they worked on for this project." Davis, "I think your point is valid. I don't think they are worried about our costs. In their opinion the proper ERUs is the proper use. It is probably their opinion that it is up to us to obtain the number of ERUs to make this cash flow. We could certainly approach this and discuss this with them. And, I think one of the things that I would like to do, and we will talk about it when we talk about calling a budget meeting for next Wednesday, is planning on how we are going to manage long term debt. This is one of the things we have to look at, not only basic infrastructure, and capital improvements, but also political, legal and other economic development issues and how to move forward."

DeRoche, "The Met Council numbers were all a part of the original package being put together and the commitment we were going to have. Now if they are pulling back, that changes all the numbers. The numbers were Met Council's projections anyways. Maybe they needed to make a few less or not make any. The City has to pay this money back and if they continually keep taking ERUs away, we need to keep making that up." Davis, "In some situations, they can add ERUs. In the case of Aggressive Hydraulics there were six ERUs added to that. Again, the ERUs were initial projections by the engineer of the project based on Met Council standards. Again, I think this is all part of the process of addressing legal and political things as far as managing our debt forward and that is something that will be very important to add into other factors as we work on budgeting." Ronning, "You are

caught in the middle of this, almost the same as we are.” Moegerle, “It was Ron’s turn to speak.” Koller, “On this theater thing, do they have a time frame to remove these seats? Because that is about a third of their seating capacity.” Davis, “It is. They have to pull a building permit and if they don’t pull the seats, they don’t get the ERU reduction.” Koller, “You are talking about 200 seats per theatre. “ Davis, “If they don’t remove the seats by the end of the year, we will bill them for the total ERUs.” Ronning, “The conditions have changed outside of us. We didn’t agree to anything, they made a separate agreement with a separate party. Then they know we won’t have what they expect us to have, and they expect us to go find them now. There is something wrong with that picture.”

Ronning, “I would make a motion to have a work meeting to figure out what to ask these people or ask them to attend a working meeting to get some answers to these questions” Moegerle, “Who do you want to have this meeting with, the theatre or the Met Council. And, who at the Met Council do you want to come? Clarify the motion.” Ronning, “This has turned into a moving target and I am not joking.” Davis, “I am recommending and this is an agenda item further down on the agenda, that the Council set a work meeting on September 25th and this would be something that we would be discussing. This way we can refine how we want to approach this and what questions we want to ask and layout some kind of a plan to get some additional information.” Ronning, “Sounds reasonable to me.”

Post Issuance
Debt
Compliance
Policy

Davis explained that 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.

Staff recommends Council consider approval of the Post-Issuance Debt Compliance Policy

DeRoche (for the sake of discussion) made a motion to adopt the Post Issuance Debt Compliance Policy. Moegerle seconded. DeRoche, ‘Is there any particular reason we haven’t done this before? Was the risk always there and someone just didn’t tell the City?’ Kvilvang, “Essentially, a lot of the procedures in there are things the City was already doing and following in regards to compliance. It has just been the last few years that the IRS has become more aggressive in auditing issues. So, as Jack said, this is one of the items that they like to check off their list. If you have your written procedures in place, you are less likely to be selected for an audit. That is why we are recommending you do this at this time.” Vierling, “On that point, our office pointed out that the City was absent this policy a few months back.” Davis, “In essence these are basic standard accounting practices that have been followed. But, this just puts it in a policy form and it probably improves our chances of not being audited and if we are we have something to show immediately to them.” Koller, “I read through it a few times, it seems to be standard IRS.” **All in favor, motion carries.**

Fire
Department
Report

Davis stated the Fire Chief is here to report on statistics for the prior month.

Chief DuCharme, "For the month of August the department responded to 41 calls and about 2/3rds of the calls are medical related. We have seen an increase in serious bee stings. We did offer mutual aid to three different cities on building fires. The National Fire Academy, in Emmitsburg, Maryland, is coming here to East Bethel in April 2014 and putting on some classes for the entire state. They usually come to the State of Minnesota once or twice a year, we didn't apply for it, and they selected us. One thing about the fire truck you declared surplus. Our belief is that truck is probably better suited for a broker to sell it. They have a larger scope and outreach than we have. Traditionally what we have done here is offered our surplus trucks on the online bidding and surplus. Typically fire trucks are not a popular item, and that affects the sale price. We will have to disclose the deficiencies of the truck. Next time I am back I would like to present the cost to Council of using a broker. We are still about 40 calls ahead of last year. We have run more calls. We are moving into grass fire season. Of course the rain the last couple days has helped, but the DNR is going to stop issuing permits soon and we will be in a burning ban."

DeRoche, "What about the other truck?" DuCharme, "We are looking at the other truck. We have two possibilities. Either declaring it surplus or how ISO would look at using it as a backup truck. It is less maintenance. We are still working through that and what that truck would be worth." DeRoche, "Is that the one that was at Coon Lake Beach?" Chief DuCharme, "Yes." DeRoche, "Is there any particular reason that light on the building at Coon Lake Beach Fires Station goes out, the red one keeps going out?" Chief DuCharme, "We have had a few issues with lights over there. We will get that looked at again." Ronning, "Some time ago we were working on an Emergency Response/Reaction? Are we going to do something with that?" Chief DuCharme, "When the Council is ready for that, we are ready to move forward."

Cell Tower
Land Lease

Davis explained that 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 be 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 had 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.

We received a reply from American Tower yesterday concerning Mark's concerns/comments. They were agreeable to changing the language of the lease, however, the renewal bonus would be decreased to \$25,000. At this time we are requesting that Council permit us to continue negotiations with American Tower to get a final proposal with the language Mark has recommended.

Moegerle made a motion to direct staff to continue negotiations with American Tower. Koller seconded.

Ronning, "Fees collected from this have been used to reduce the debt for the Ice Arena and by the end of 2014 this enterprise fund is projected to be positive. On the other side of the coin, without that it would not be positive?" Davis, "Without that we would not be in the black. The fees we receive for the cell tower has been subsidizing the cell tower for as far back as I can recall." Ronning, "And do you have an opinion on whether the Ice Arena would break even on its own?" Davis, "In my opinion it probably wouldn't. It is like any City of our size with a facility like this. There has to be some subsidy provided to help with the cost and depreciation and even additional costs along the way. One other thing we hope to have is a report on some options for the Ice Arena. We have talked with Gibson Management and told them that we are going to be looking at several different options and one will be looking at management options but we will go out for RFPs. We are looking at other ways of addressing the issues of the building." **All in favor, motion carries.**

Sheriff
Contract 2014

Davis explained that 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, which 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, 2013) 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 2014 Contract and be subject to any increases in costs as proposed in the 2014 Contract. If the City waits until after October 2, 2013, 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, 2013.

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

Moegerle made a motion to approve the 2014 contract with the Anoka County Sheriff's Office in the amount of \$981,312, with no changes. Koller seconded; all in favor, motion carries.

Mileage and Paper Packet Policy

Davis explained that 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.

In relation to Council Packets, 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.

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.

Moegerle made a motion to direct staff to develop a policy on all issues of Council conduct and that a committee of Council Members be formed to give input and that the policy be submitted to Council no later than November 1st of this year. Koller seconded.

Moegerle, "I first learned that Council Members were getting paper packets the morning of the last Council meeting and I was shocked and surprised. I, who is accused of being a micromanager had no idea about this. Because I took these words which are in the packet on January 9th to heart, "The implementation of this item will permit the City Council packets to be distributed and utilized by City Council electronically and this will result of a savings of up to \$6,600 within a four year period and that \$4,000 had been budgeted in our budget for this purpose. When I got my laptop I discontinued getting a paper packet. And, I know the Mayor did the same. I know when you assume there is a problem. But, I assumed everybody had the same view of saving staff time, money and additional time constraints by having to complete this. If any one of you residents wanted to get the same materials from staff you would pay 25 cents a page. I don't understand when we have this ordinance, with this write-up that says we are saving tax dollars that people continue to take paper packets, request staff to provide them. I happen to know that Mr. Bob DeRoche has access to paper and ink because he delivered this over to the Coon Lake Market. It is not like they don't have printers, or they don't have ink. That is part of what was involved with this. I think it has been abusive and I urge it to stop as soon as possible"

Ronning, "I certainly speak against this. And rather than make an accusation, I find it a strange coincidence that I have been sitting here with these minutes and you couldn't see them all those months. The other part I will call a coincidence is that most of these debates came up after the four to one in favor of verbatim minutes. And for some reason the Planning Commission and the other commission have been encourage to dispute these things. Another reason to reject this is the addition in the motion of Council conduct coming under the jurisdiction of staff. That isn't going to happen. It can't happen, this needs to go down big, like a rock."

DeRoche, "Initially when electronic packets came out, I spent \$500 on the computer and \$300 on programs and \$100 out of my own pocket so I could communicate with the City's computers. One of the problems we had was Council Member Moegerle was going in and editing things in the packet and we knew that because on the side it had her name right in it. There have also been issues with the internet not working. Anyone wants to call Midcontinent and find out how many times I have called them about the internet not working, please do. I think it sets a bad precedent for someone who states they don't want to bind other Council's to create a policy and say we are not going to have any paper, it doesn't matter if the maps don't print, it doesn't matter about anything. And, I have directed no one. In fact, I have heard it through the community that I pocketed the money for the computer. And, certain people know who they are that put the word out there. I had to show receipts to get reimbursed, if I am not mistaken. As far as staff determining what conduct an elected official is going to do, that is not going to happen. If someone on staff

wants to sit up here and get elected by the people, then they are welcome to do that. Otherwise, staff works for the City Council. And, from earlier discussions tonight where Heidi has made comments that her Richard and Jack have gone to meetings, where the other Council Members weren't there I think that is an issue. I have directed no CSO's to bring me a packet and if I have to, I will come here to pick mine up. Because I take both electronic and paper notes. Unlike some people who buzz the internet and during the meetings, I try to follow it. I am not quite as computer adept as some people yet, but when someone else was in that packet and I didn't know what else was changed in that copy. So, I wanted a hard copy to know just what was going on."

Koller, "I like having a printed packet, but I have been printing out my own. But it doesn't matter to me, if you need a printed packet, get them. Sure we said we don't need them and it would save money, but if it helps, I don't really see a problem."

Moegerle, "Actually, I did not know. All this printed paper that is called my own dollar. Because that is called service to the community. And that is what this whole thing was about on January 9th, was saving the community money when we are in a budget crunch. The other things is, the motion was for them to collect conduct polices and for there to be a committee, which the Council would have on conduct things like reimbursement. Because this seems to be a real problem for you. What I am hearing up here is we don't want to put it down in writing what is required. So, we have certain standards but we don't want to put them down in writing so they can be used consistently. The other thing is verbatim minutes, I am opposed to them and the Mayor tells me he is opposed to them." Ronning, "Are you speaking for him?" Moegerle, "I am not speaking for him that is what he tells me." Ronning, "Then I would withdraw your remark, because you are speaking on behalf of the Mayor." Moegerle, "I am not speaking on behalf of the Mayor, I am telling you what he has told me. It is hearsay to you. With regard to verbatim minutes, I can count, that is the way you have chosen to spend taxpayers' dollars. It is three to two, four to one, whatever. I am not behind any issue of verbatim minutes. If your sense is that there is a campaign out there, I am not a part of it. There is a question about editing, we get our electronic packet in Dropbox. I didn't understand how this works. I now get my packet from the website, because what I learned from hearsay is that the Dropbox is community property. Instead of dropping it into my Dropbox where I can make edits and questions I want to do, it actually is global. Again, the whole point of my motion is that staff collects a set of Council policies, with the issue of reimbursement, policy with regard to computers and paper packets and whether those will be free or Council will pay the amount that the public will pay. But, I certainly was completely surprised about this. The reason I was completely surprised is I expect everyone to take the highroad and use their own resources, printer, ink and paper. And, that is because I do it. And, so I assumed everyone else was doing it. So it wasn't until the last meeting in August when I looked over and Tom was using a Smartphone and he didn't have his laptop. And, then I recognized it was the kind of paper we got before we had the laptops and then I realized it was a secret that other members of the Council didn't even know about. The idea of it is offensive to me and I think it will be offensive to a lot of other people. I understand that it is a 2 cent piece of paper, but that is until someone out there requests a packet and then it is a 25 cent piece of paper."

Ronning, "The money you are quoting, the expenses that have been turned in would pay for every packet that has been printed for us." Moegerle, "At what rate? Because the last packet was 62 pages, and there were apparently two of them so that a 1/3 of what Bob pays in taxes." Ronning, "You are out of order. I don't remember what the first date was that you said, but then it seemed to change when you said something about me and my cell phone. I do remember watching you and Richard at an EDA meeting making big jokes

about the packet and the minutes and how we are going to get rid of that. Council conduct is not a clear and unambiguous term. So, for that reason alone I **call the question and suggest this is voted down. DeRoche seconded; all in favor, motion carries.**

Vote on the motion: Moegerle, aye; DeRoche, Koller, Ronning, nay; motion fails.

DeRoche made a motion that staffs does decide that as far as mileage reimbursement goes, that if it is going to reimbursed, it is either a meeting that is sanctioned by the whole Council so everyone knows who is going there and for what purpose. Not just because someone wants to go to a meeting and get some information and then saying, "I want the mileage." I believe I remember someone going up to Duluth to the League of Minnesota Cities Conference with her husband." Moegerle, "That is absolutely untrue and you are out of order." DeRoche, "The Councilwoman says she is all for the people and all of this. But, these issues have never come up as far as I know. I know there have been a lot of people who have sat behind this desk and they were never reimbursed for mileage. So, for me to get a packet a month, I didn't think that was that much. If I was in it for the money, that would not be worth it. So, for someone to sit here and blow their horn and I am for the people and to save money, and you people sit here and spend money, and blah, blah, blah. You know what, that is hypocritical. Heidi, you can preach all you want. But, the fact of the matter is, at the end of the day the City Council answers to the people, not to staff. To me that is almost micromanaging."

Davis, "I would like to clarify one thing. The only meeting I have ever attended with Heidi and the Mayor were the GRE negotiations. So, there must be some misunderstanding about what is happening there." DeRoche, "Well there is Jack because she just listed off about four of them." Vierling, "There is a motion on the table." Moegerle, "Will you repeat it?" **DeRoche, "The motion is that Jack is made aware of the meeting and then it is brought to the Council to decide if it is going to benefit the City or is it just going to benefit the certain person, and then Council will decide if that will be a reimbursable expense."** Vierling, "Preapproval is what you are suggesting." DeRoche, "Yes, preapproval." Moegerle, "Of mileage and paper packets? That is a request for an amendment." Ronning, "It hasn't been seconded yet, you are out of order again." **Ronning seconded.**

Moegerle, "My husband did not go with me to Duluth. I went there for the LMC and I learned a lot of information and brought it back. As far as when I attend meetings, if I go to a meeting, I let Jack and the Mayor know. Again, I am limited in who I can tell, because of the open meeting law. I let Jack know so he can let the Council know. If he doesn't do that, I bring it up at a Council meeting. This is a chilling effect on letting people get out and get more information for the City. You can approve it that is fine, but we need to make sure we do not have a double standard when it comes to a policy on how tax dollars are spent on these packets." Ronning, "You are saying it is a single issue thing?" Moegerle, "No, I think we need to have a policy on how tax dollars are spent by Council Members. I think it would be great. I don't go to meetings with Richard, sometimes he asks me if I will go. Sometimes I ask if he is going to attend and if not then I ask if I should attend. Some things come up and I send it to staff and ask if staff and Council should go. Anything we can learn that brings a different view of this is an impossible situation is all to the good. I am baffled by secrecy."

Ronning, "I have been to a meeting like that, it was a social affair. I didn't get one single scrap of value out of it." **Ronning called the question. There was no second so the motion fails.** DeRoche, "This conversation has come up way too many times. The City

Attorney was asked about Council Members going to meeting. And, he recommended if a Council Member is going to go to a meeting, they go with staff. This is the third time this has come up. These issues haven't been a problem until this Council. I haven't even thought about doing a reimbursement. I don't expect it. If I need paper documentation, I will come here and pay for it if I have to. Fact is, you are the pot calling the kettle black, you say one thing and do something different."

Koller, "I have been to a few meetings and I didn't find them beneficial to the City. It was just talking to other Council Members and I can do that at their Council meetings. I didn't put in for mileage because I think that is part of the job. The meetings I have been to were not productive enough."

Moegerle, "First of all, the question is the benefit to the City. Each one of us, gets the packet electronically. We know that Bob or one of his friends has a printer. So how do at least two paper packets benefit the City? The ink, the paper, the time, the delivery, how does that benefit the City. I don't know and that hasn't been answered yet. The meetings you are currently complaining about, the LMC Policy Group, was the place the penny dropped for me about Metro Cities negotiating for us. Which Tom has just said we should do again about the 17 ERUs that the theatre now wants to pay by removing 640 seats from the theatre. So, before that time, I didn't realize that if this City approached Met Council with an idea such as let's restructure the payments, that it would have to be gone through by Metro Cities. As a result of that, Pat Naumann came and explained that to us and we will not waste time that we would otherwise have wasted. That advances the City. AT the last LGO meeting, we learned that the cities plan to drill wells at the southern border of the city and tap into our aquifer. Mr. DeRoche just said the lake is down by two feet. Well, that is affected by our aquifer. And, I think that matters to a lot of people. I wouldn't' have heard about it if I hadn't attended the LGO meeting. For example, the County Attorney has prepared a DVD on preventing elder abuse. I have a copy of that DVD and I turned it over to Jack and asked if we can get it on our public access channel. So there are benefits. But, if staying home and keeping our heads in the sand is where this Council wants to go, I am glad to go unnoticed."

Ronning, "When I listen to how this goes on and on and on, and the good guy/bad guy stuff I can't help but think, "What is the value to the City on this? What is the value to the City on what we have been doing for however long, you be the judge. We have SAC Rate forecast obligation of \$22,240,550. We have bond debt that if we keep getting reimbursed will be around \$51 to \$52 million dollars. We are really approaching \$100 million dollars fast. This packet means crap to me and so does this computer. If you want it, take it back. But, we have much more serious things to talk about than what we have been doing..

DeRoche called the question. Ronning seconded. All in favor, motion carries.

For the Motion: All in favor, motion carries.

2014 Budget
Discussion &
Strategic
Planning
Work
Meeting

Davis explained that 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 for 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.

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.

DeRoche made a motion to table scheduling a work meeting to review the 2014 Levy until Mayor Lawrence returns. Ronning seconded. DeRoche, "I think it would be good to wait to schedule this when the Mayor can attend. I think it is crucial that he attend some of these so that he can be part of the discussion. We are talking about the levy and the budget and I think all Council Members should be there. And there can be no excuses or reasons why someone wasn't around when a certain vote happened. As far as Strategic planning and the direction the City needs to go, I can go with that one." Davis, "I did speak with the Mayor yesterday. He is recovering from his surgery. It may be from three to eight weeks before he will return. The only reason I mention the budget is we do have a special meeting scheduled for October 10th, where we will discuss the budget with the general public. I thought it would be very beneficial to have one session where we discuss these other options we have prior to that meeting so we at least have a consensus on how we want to address these issues prior to the October 10th meeting."

Moegerle, "Could the motion be restated?" DeRoche, "I can amend my motion, but I don't think it is going to pay much to come in here and argue like has been done this evening. I understand what the budget is and the levy and my view hasn't changed in the last probably four months. I understand that nobody wants to raise taxes, but if it is going to start cutting into the services, and for a one year shot, it is not worth doing that. People understand that because of the sewer and water project, this is what has to happen."

DeRoche amended his motion that we have a work meeting for strategy and to discuss how we are going to develop the sewer and water district as a means to pay for this. So, come in and do strategic planning and a means to pay for this. As far as the budget goes, I don't think it will go anywhere. Koller, "I was in here talking with Jack on the budget and I found a few things, all the maintaining we are doing needs to stay there, but some of the future improvements to park and recreation that could be put off." DeRoche, "Can you explain what happens if we do that Jack?" Davis, "As Ron and I discussed there is a Five Year Parks Capital Improvement Plan. Our conversation centered around due to the situation we currently face we look at postponing the projects for 2014. These are new projects and there is a transfer that occurs for these projects. These are the types of things I wanted to talk about for the budget. Also on the budget, I wanted to talk about strategic planning and how we are going to handle debt management as we move forward in the future. There may be some political or legal avenues that are worth exploring. This debt is not only for 2014, it is going to be an ongoing issue for many years to come." Moegerle "I think a work meeting on all issues is fine. I would like each member to bring one issue that is expendable instead of addressing the entire budget. There are concerns and they can be addressed in a more strategic manner if we have those budget issues in front of us. For that reason I am not in favor of this motion. Also, it was mentioned in the motion that it was wanted to have all Council present for a vote and votes can't be taken at a work meeting."

Ronning, "I carry my proposed budget every place. It is a very critical thing. Is this an

informational meeting?” DeRoche, “Informational meeting. And yes, I know you can’t vote at a work meeting. But it can be discussed and you can get a feel of what is going on prior to a Council meeting.” Koller, “The first two years are going to be the critical ones. And then we will find out where we sit. We are starting from scratch.” Moegerle, “We have a strategy, make cuts and add it back when we have monies.” **Moegerle, nay; DeRoche, Koller and Ronning, aye; motion carries.**

Special Meeting Date for City Code Change & Joint EDA/ Planning Comm. Mtg.

Davis explained that 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.

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.

DeRoche made a motion to address the two issues separately. Koller seconded; all in favor, motion carries.

Moegerle made a motion to 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 structure. Ronning seconded.

Ronning, “We discussed this two meetings ago and then it surfaced at the Planning Commission and I don’t know how. Did we refer this to the Planning Commission?” Davis, “This has to be referred to the Planning Commission because it is a zoning issue. All zoning issues have to go to the Planning Commission for a recommendation to City Council.” DeRoche, “The first one is the Planning Commission or the Council?” Davis, “The first one is to hold a special meeting on September 25th to consider the recommendations of the Planning Commission.” DeRoche, “So the Planning Commission meets on the 23rd and we are going to discuss this on the 25th.” Davis, “That is correct. This will be prior to the work meeting.” **All in favor, motion carries.**

Moegerle made a motion to schedule a City Council 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. DeRoche seconded (for discussion purposes).

Ronning, "I am not sure what the purpose of this is. The five of us and fourteen of them. Looking at putting almost twenty people in a room and getting good discussion out of this?" Davis, "Sometimes that is difficult. But, the Planning Commission did extend this proposal." Ronning, "What are the items they want to discuss?" Davis, "I think they are going to have a final presentation on the MIDS. There will be a speaker (not the previous speaker) and try to come up with a consensus on how we want to proceed with this. And, the other thing is they want to talk and get Council's input on how we want to proceed with development in the corridor. We have talked about Comprehensive changes, zoning changes, they want some consensus on how we are changing." Ronning, "Was there a conversation on having contractors inform us on this?" Davis, "That is correct. We are trying to contact two now to have at the meeting."

Ronning, "I requested at the Planning Commission before I am interested I would like to look at cost. There should be a way to identify the architectural/engineering cost. And, that should be something we consider as well rather than have someone say, "Why did you do this to me?" Davis, "In order to make this a recommendation to Council I made that a condition that we have someone on the development side to speak to this. So we can see how it relates to them, impacted them." Ronning, "Every new building that goes up with have a separate new architectural/engineering fee. I don't know that it is a deal breaker, but, it is something that I want to look further into first." DeRoche, "I thought this MIDS thing was pretty much put to sleep. I realize someone wants to keep bringing it up. I have been to three meetings on MIDS. I thought there wasn't going to be any more meetings until we got contractors, developers and some kind of study how it would affect East Bethel, not Woodbury or Cottage Grove. We need some local people that have dealt with this. I don't think this is enough information and we have enough strikes against us." If the EDA and the Planning Commission want to get together and brainstorm that is fine. But, I keep pushing we need to do something with the sewer district. We have a mile and a half of pipes that are already in and we can do something with. We can hook people up. If we start developing up the line, I cannot believe a developer is going to do it without wanting something. And, we are not in a position to be offering much in TIF, or Tax Abatement, or anything else." Moegerle, "Can you connect this up to the motion about the meeting for MIDS? Because the issue was about the joint meeting for MIDS." DeRoche, "That is what I am talking about. I know it is hard to decipher me sometimes, but you can do it." Moegerle, "I don't think so."

Koller, "I agree with Bob. We need to get the local contractors in a meeting with the EDA and Planning Commission. I have talked to the contractors and they don't like East Bethel because we are hard to deal with. And, we have to get over that." Moegerle, "This issue is a joint meeting with the EDA and Planning Commission. The MIDS Proposal, it is my understanding that is going to become law, so it is not irrelevant. Even if MIDS doesn't become law, we have something that is going to become law, is that correct Craig?" Jochum, "It is similar requirements." Moegerle, "The 65 corridor plan includes the sewer district. My understanding is it is an educational meeting and strategically planning and I think it is a great idea."

Ronning, "I have been in about six hours or more of the MIDS presentations and I asked if someone could show me one place that is affected by this. And no one could. If it is something you have to do, it is something you have to do. You play with the cards you are dealt. As far as the law, there were some things that we were discussing at Planning Commission, the thing that causes us problems is we are part of the Metropolitan

something. We aren't committed to MIDS. I am still very concerned about costs." DeRoche, "Seeing how Met Council is dictating what we can and can't do, whatever we do in a comp plan they have to give it their blessing, correct?" Davis, "That is correct." DeRoche, "Then why aren't they involved in our strategic planning and offer up what we may be able to do. If we spend a lot of time on a plan and then they say, well." Davis, "We would work with our representative on this. To get guidance on how to approach it." DeRoche, "And, brainstorming is fine, but there has to be some facts presented. Like projected costs, and the County dropping 1.3% off their levy. We have a mile and a half in the ground and anything we put up here the developer has to put in a lift station. Why don't we call it strategic planning of the sewer and water area." Davis, "That will be the major emphasis of it. But, once the forcemain is completed we will have potential for large developers. When I think of strategic planning, I want to look at the inconsistencies that we have in the corridor." Ronning, "As I have gone through my exposure to this thing, I have my perception, the train has left the station and is not up to speed on the MIDS." Davis, "That is entirely up to the City Council." Moegerle, "Clarify, because I understood that the MPCA is going to enforce these and put them into place anyways." Jochum, "As of August 1 of this year, any development that disturbs more than one acre of impervious area, must infiltrate one inch of runoff off their land to get a construction permit from the MPCA. East Bethel is also an MS4 community. They need a permit to discharge water into the waters of the state. There is also MIDS types of things coming for that. Permits are out and even if you discontinue that program, you will be in a similar situation as is the entire state. It may be a reason to forego MIDS, you may already have the controls." Davis, "MIDS is an ordinance program that impacts design controls. It is optional. Yes, you see the conductor on the back of the train."

Moegerle call the question. Ronning seconded; all in favor, motion carries.

Moegerle, aye; DeRoche and Koller, nay; Ronning, abstained, motion fails.

Staff Reports
– City
Administrator

Davis, "Richard is recovering and he hopes to be back as soon as possible. He wishes to be back as soon as possible. There is no specific time, it will be based on his recovery."

Council
Member
Report –
DeRoche

DeRoche, "Jack had a meeting with the Sand Hill Crane folks. I sat in and listened. Senator Michelle Benson was there via telephone conference, Representative Tom Hackbarth was there, Commissioner Julie Braastad was there, John VonDeLinde, Kathy Tinglestad, Steve Lee and Jean Hanson from the MPCA and they decided they are not going to clear cut this September. There are some things in the works for taking and combining some school lands and exchanging for some other lands that they have. They did a study by helicopter and mapped it out by foot. Internal land exchange within the DNR would take about two years and has to go through the Governor, the Attorney General and the State Auditor. But, right now the land clearing as far as we know, on hold permanently."

Council
Member
Report –
Koller

Koller, "The fire trucks are up and running. I attended two different watershed meetings. Basically, all we did was just paid the bills. They are talking about putting more carp traps in Coon Lake."

Council
Member
Report –

Ronning, "I made a comment about value adding about comments and discussions we have had. And, I would be at fault if I didn't say I was part of it as well. If there is anyone innocent, as much as can be, it would be Ron. I get some questions, I am not sure we can

Ronning

ask it of Met Council. What were their preliminary cost estimates, estimate versus actual. Do they have a basis for how they arrive at that? And, are ERUs the same as a SAC?" Davis, "An ERU and SAC charge for the most part are essentially the same. An ERU is how they measure what a peak flow would be and then puts that to what a charge could be back for use on a system. A SAC Charge is a sewer access charge so the fee you pay to connect to the system. In general terms and in most cases they can be used interchangeable. The only difference is the City could have a different policy in terms of what the assignments are to the Met Council. All that would relate to what your financial picture is."

Ronning, "On the SAC Charges, \$5,554, compared to 6,500 ERUs?" Davis, "I would have to look at those to see if they are consistent." Ronning, "What are we going to run into in the future, ERUs, use charges, lateral line, how many of these exist?" Davis, "One thing you will hear is the lateral benefit charge. The lateral benefit charge is what the property owner pays to have the line come to his property. The SAC fee is essentially what you are charged to have the capacity of the system." Ronning, "The Lateral Benefit Charge did they give a number for that?" Davis, "It can be computed in a number of ways. It will be part of the public hearing. In this case we ask that vacant properties be proposed to be assessed proportionally. We put the worst case scenario in there which is 3 ERUs per acre." Ronning, "So somebody with wetland, compared to someone with high ground, is that the same lateral benefit amount?" Davis, "If it went by an abutting property, the lateral benefit amount is based on ERUs. In all probability, the property with wetlands could be assessed less. You could even do this on a front footage basis. There are a number of ways to do this. But, for this purpose it has been done on an ERU basis."

Ronning, "In July we had Nancy Kruger a Blaine resident before us. That ended up at Planning Commission. I thought it seemed we had some sympathy for her cause." Davis, "We are trying to determine how many properties will be affected by that and I think we are almost at the point to present that to Council."

Council
Member
Report –
Moegerle

Moegerle, "We have had some vigorous discussions and I think that is good, all to the benefit of transparency. I think it is invigorating. I hope we all have made our own decisions on the outcome. Met Council has released its population projections for 2040. With regard to East Bethel and its population projections for 2040 we were expected to have an additional 25,000 people move into the City. We knew those figures were manipulated to achieve an end. The current projections only project an increase of 5,000. That is good in one respect. But for retail businesses that need to have a market within a certain distance to make a commitment to East Bethel that market is going to be much larger in East Bethel than it would be in another place like Blaine. That is going to be another situation where we need to attract developers. Lake Elmo has already raised an outcry about this, so we are in good company in that regard and hopefully Met Council and Metro Cities will be able to help all of us sort that out."

The Park Commission did not meet in September. There is a vacancy on the commission. Watch the website and reader board for more information on how to apply for that vacancy. At Coon Lake Beach Connexus will be trimming the trees on Lakeview Drive in October. That is just trimming. The Coon Lake Community Center is having an open house from 2:00 p.m. to 6:00 p.m. to show the public the recent remodeling that was completed with a Community Block Development Grant. The Council has been invited so for that reason, we will probably do a poll and see who will be attending and then we have to have that posted as a meeting. A resident has asked to have Lincoln and Dogwood posted as a four way stop. The reason is for every road that goes from Lincoln to Lakeshore in Coon Lake Beach that has an existing three way stop, there is four way stop on Lakeshore except on

Dogwood. If you want to have your trees trimmed by Connexus because they are impairing the power lines, just call their direct number and ask to call their forester. I was asked to attend the Anoka County Atlas Geological Workshop due to my interest in the wells in southern Anoka County that are going to tap our aquifer. I may attend, it is on my way to something else. On September 3rd, there is a LMC Policy Group meeting, I will ask those questions and keep those answers to myself.”

“There is a meeting on October 1st there is a meeting with Sheriff Jim Stuart to discuss the ticket implementation program, Kurt Glaser has been asked to attend, Bob has been asked to attend. Staff is attending webinar on October 10th by the LMC in Booster West, Common Mistakes in Land Use Ordinances.” Ronning, “The City I used to live in, they would come out and trim the power line, they wouldn’t touch the trees otherwise. Word to the wise, check into it before making any real plans.” Moegerle, “Most of the lines in the beach are in the ground. Give them a call and they will come out and tell you.” DeRoche, “I did some checking about the driver diversion classes and Minnesota doesn’t have one that is approved. And, I was told that it is under constitutional challenge. The city would have to pay someone to be a neutral. We can’t try the case here. And, generally that would cover like speeding tickets and white line stop. But, the driver line diversion, the County would get the money and for them to enforce it, they are going to have to hire someone to enforce it.” Moegerle, “I found out about this at the LMC Conference. Kurt Glaser that applied to be our attorney, he did this course. He has talked to the individual that is going to propose two statutes. He is fairly confident that something would happen by July 1st. His has not been under attack by the state auditors. It is an exploratory issue and you have to do exploring to find gold.” Ronning, “Is that something that is outside of current normal police services?” Moegerle, “Cities that have their own police department, they have this. The purpose of the meeting with Sheriff Jim Stewart is to find out the impact of this. Still in the learning process, even if it is a dead-end.”

Adjourn

Moegerle made a motion to adjourn at 9:55 p.m. Koller seconded; all in favor, motion carries unanimously.

Attest:

Wendy Warren
Deputy City Clerk

INVOICE

Please Remit To:
 Metropolitan Council
 Environmental Services
 PO Box 856513
 Minneapolis MN 55485-6513

Page: 1
Invoice No: 0001024828
Invoice Date: 09/05/2013
Customer Number: 5047
Payment Terms: Due 30 dys
Due Date: 10/05/2013

Bill To:
 CITY OF EAST BETHEL
 JACK DAVIS
 2241 221st Ave NE
 East Bethel MN 55011

AMOUNT DUE: 2,234,271.84

\$ _____
 Amount Remitted



Please detach top portion of invoice and remit with payment. Please include invoice number on check.

For billing questions, please call 651-602-1018
 Or email: Hope.Falkenstein@metc.state.mn.us

Line	Adj	Identifier	Description	Quantity	UOM	Unit Amt	Net Amount
1		MSC	Proj 801623	1.00	EA	2,234,271.84	2,234,271.84

Invoice for East Bethel portion of MCES Construction Project 801623 per CCA 10I027
 The 9% contingency will be tracked and may be adjusted up or down at the end of the project to reflect actual costs.

 \$1,514,208.85 - Construction Costs, City Forcemain
 \$327,764.24 - Construction Costs, 16.2% Shared items (1, 7-25, 96-133, 135, 137, 139-147)
 \$165,777.58 - 9% Contingency for Change Orders and Engineering
 \$58,881.17 - Land Acquisition Costs, 16.7% of Total
 \$167,640.00 - Design Costs

For questions about this bill, please contact Jason Willett at jason.willett@metc.state.mn.us or 651-602-1196

For questions about payment procedures or account balance:
hope.falkenstein@metc.state.mn.us or 651-602-1018
 PAYMENTS ACCEPTED VIA CHECK & EFT.

 ANY UNPAID BALANCE OVER 30 DAYS FROM DATE OF INVOICE WILL BE SUBJECT TO A FINANCE CHARGE AT THE RATE OF 1.5% PER MONTH (18% PER YEAR)

SUBTOTAL: 2,234,271.84

TOTAL AMOUNT DUE : **\$2,234,271.84**



Business Unit:MC-ES

Invoice: 0001024828

Original

**FINAL PAYMENT
CITY OF EAST BETHEL
Fence Construction at Water Treatment Plant No. 1 and Water Tower No. 1**

September 3, 2013

Honorable Mayor & City Council
City of East Bethel
2241 221st Avenue NE
East Bethel, MN 55011

RE: Fence construction at Water Treatment Plant No. 1 and Water Tower No. 1

Contractor: Century Fence Company

Dear Honorable Mayor and Council Members:

The following work has been completed on the above-referenced project by Century Fence Company:

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	8 Foot Chain Link Fence	1,433	LF	\$ 17.27	1,411	\$ 24,367.97
2	10 Foot Gate	1	EACH	\$ 796.00	1	\$ 796.00
3	12 Foot Gate	4	EACH	\$ 555.00	4	\$ 2,220.00
4	24 Foot Slide Gate	1	EACH	\$ 2,650.00	1	\$ 2,650.00

Total Work Completed to Date \$ 30,033.97

WE RECOMMEND FINAL PAYMENT OF: \$ 30,033.97

Please verify the amount of previous payments and the receipt of the following items prior to making payment.

1. Certificate of claims payment (lien waiver).
2. Affidavit of payment of state taxes (MN State Tax Form IC 134).

APPROVALS:

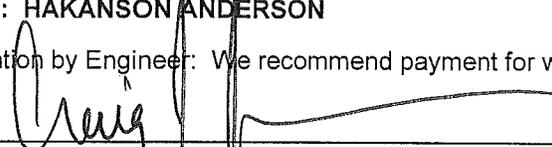
CONTRACTOR: CENTURY FENCE COMPANY

Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: 
 Title: Estimator Date 9-5-13

ENGINEER: HAKANSON ANDERSON

Certification by Engineer: We recommend payment for work and quantities as shown.

Signed: 
 Title: City Engineer Date 9/3/13

OWNER: CITY OF EAST BETHEL

Signed: _____
 Title: _____ Date _____

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

RESOLUTION NO. 2013-60

**PRELIMINARY CERTIFICATION OF DELINQUENT ACCOUNTS TO THE COUNTY
AUDITOR FOR COLLECTION WITH 2014 PROPERTY TAXES**

WHEREAS, East Bethel Code of Ordinances, Chapter 74, Sec. 74-126 (b) provides for the collection of unpaid utility bills through the property tax system; and

WHEREAS, East Bethel Code of Ordinances, Chapter 30, Sec. 30-105 provides for the collection of unpaid emergency services through the property tax system in the county which the recipient of the services owns property; and

WHEREAS, City Council must establish a certification cutoff date each year that will determine the appropriate certification amounts for delinquent accounts; and

WHEREAS, the attached list reflects the delinquent accounts and the amounts owed with the certification cutoff date of September 25, 2013.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT THE COUNCIL: That the following dates are set for delinquent accounts for 2010:

1. September 25, 2013 Certification cutoff date
2. November 6, 2013 Public Hearing date
3. November 6, 2013 Final Certification date

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL: That the attached list of delinquent accounts and amounts is hereby adopted and made part of this resolution to be certified to the County for collection with property taxes for 2014.

Adopted this 2nd day of October, 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
 Past Due Amounts, Period Ending September 25, 2013

Utility Billing Accounts

Address	PIN	Name	Utility Due	Certification Charge	Interest 18% from 1/1/14 12/31/14	Total Certified
1142 243rd Ln	29-34-23-22-0124	Bender	2,179.83	70.00	392.37	2,642.20
1153 Pierce Path	29-34-23-22-0133	Demarais	970.73	70.00	174.73	1,215.46
24150 Whispering Cir	29-34-23-23-0185	Bergstrom	959.83	70.00	172.77	1,202.60
24235 Fillmore Cir	29-34-23-23-0170	Schuneman	127.79	70.00	23.00	220.79
			4,238.18	280.00	762.87	5,281.05

Emergency Services

19342 Rochester St	28-33-23-13-0005	Dilorenzo	\$300	70.00	54.00	\$424
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PAY ESTIMATE #1
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project

September 26, 2013

City of East Bethel
 2241 - 221st Avenue N.E.
 East Bethel, MN 55011-9631

RE: Castle Towers/Whispering Aspen 2013 Forcemain Project
 Contractor: LaTour Construction, Inc.
 Award Date: July 11, 2013
 Completion Date: December 15, 2013

The following work has been completed on the above-referenced project by LaTour Construction, Inc.

Base Bid Schedule "A" - Removals

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	Clearing	0.80	ACRE	\$4,200.00	0.2	\$ 840.00
2	Grubbing	0.80	ACRE	\$4,200.00	0.2	\$ 840.00
3	Clearing	32	TREE	\$105.00	2	\$ 210.00
4	Grubbing	32	TREE	\$105.00	2	\$ 210.00
5	Remove Sidewalk	51	SQ YD	\$6.25		\$ -
6	Remove Watermain and Forcemain	60	LIN FT	\$5.00		\$ -
7	Remove Concrete Curb and Gutter	85	LIN FT	\$5.05		\$ -
8	Remove Bituminous Pavement and Bituminous Curb	749	SQ YD	\$4.00		\$ -
9	Cap Existing Forcemain Pipe	1	LUMP SUM	\$630.00		\$ -
10	Sawing Bituminous Pavement (Full Depth)	312	LIN FT	\$3.25		\$ -
11	Mill Bituminous Surface	81	SQ YD	\$10.45		\$ -
12	Salvage Metal Flared End Section and Grate	1	EACH	\$130.00		\$ -
13	Salvage Storm Sewer	20	LIN FT	\$7.50		\$ -
14	Salvage Signs	20	EACH	\$90.00	1	\$ 90.00
15	Salvage Chain link Fence	141	LIN FT	\$6.25		\$ -
16	Salvage Gate	3	EACH	\$128.00		\$ -
17	Salvage Valve Box	2	EACH	\$90.00		\$ -
Total Bid Schedule "A"						\$ 2,190.00

Base Bid Schedule "B" Forcemain and Gravity Sewer

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
18	Stabilizing Aggregate (LV)	100	CU YD	\$36.00		\$ -
19	Granular Borrow (CV)	400	CU YD	\$16.50		\$ -
20	Aggregate Backfill (CV)	550	CU YD	\$36.50		\$ -
21	Geotextile Filter Type IV	2,200	SQ YD	\$2.45		\$ -
22	Ductile Iron Fittings	3,330	POUND	\$5.60		\$ -
23	8" PVC Sanitary Sewer - SDR 35	38	LIN FT	\$78.50		\$ -
24	10" PVC Sanitary Sewer - SDR 26	20	LIN FT	\$98.00		\$ -
25	12" PVC Sanitary Sewer - SDR 26	92	LIN FT	\$114.00		\$ -
26	12" DIP Sanitary Sewer - Class 52	20	LIN FT	\$173.00		\$ -
27	10" PVC Plug	1	EACH	\$185.00		\$ -
28	12" PVC Plug	1	EACH	\$190.00		\$ -
29	4" PVC Sewer Forcemain (DR 18)	22	LIN FT	\$24.00		\$ -
30	6" PVC Sewer Forcemain (DR 18)	1,590	LIN FT	\$19.00		\$ -
31	8" PVC Sewer Forcemain (DR 18)	6,997	LIN FT	\$20.50		\$ -
32	10" PVC Sewer Forcemain (DR 18)	9,133	LIN FT	\$24.25	1,343	\$ 32,567.75
33	Steel Casing Pipe - Jacked - 8" Carrier Pipe	120	LIN FT	\$264.00		\$ -
34	Steel Casing Pipe - Jacked - 10" Carrier Pipe	120	LIN FT	\$282.00		\$ -
35	6" PVC Sewer (DR 18) - Directional Drill	70	LIN FT	\$51.75		\$ -
36	8" PVC Sewer (DR 18) - Directional Drill	1,869	LIN FT	\$45.75		\$ -

PAY ESTIMATE #1
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project

Base Bid Schedule "B" Forcemain and Gravity Sewer - Continued

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
37	10" PVC Sewer (DR 18) - Directional Drill	400	LIN FT	\$57.30	490	\$ 28,077.00
38	Meter Manhole -4" Meter	1	EACH	\$12,150.00		\$ -
39	Meter Manhole -8" Meter	1	EACH	\$19,400.00		\$ -
40	Forcemain Cleanout Type 1 - 8" Forcemain	2	EACH	\$8,755.00		\$ -
41	Forcemain Cleanout Type 1 - 10" Forcemain	3	EACH	\$9,775.00		\$ -
42	Forcemain Cleanout Type 2 - 8" Forcemain	1	EACH	\$8,345.00		\$ -
43	Forcemain Cleanout Type 2 - 10" Forcemain	1	EACH	\$10,500.00	1	\$ 10,500.00
44	Air/Vacuum Release Valve Manhole - 8" Forcemain	6	EACH	\$11,100.00		\$ -
45	Air/Vacuum Release Valve Manhole - 10" Forcemain	3	EACH	\$12,125.00		\$ -
46	8" Gate Valve and Box	7	EACH	\$1,610.00		\$ -
47	10" Gate Valve and Box	8	EACH	\$2,285.00	2	\$ 4,570.00
48	Tracer Wire	21,959	LIN FT	\$0.35	1,400	\$ 490.00
49	Access Boxes For Tracer Wire	22	EACH	\$91.00		\$ -
50	Passive Electronic Markers	122	EACH	\$26.50		\$ -
51	Marker Posts for Access Boxes and Structures	22	EACH	\$130.00		\$ -
52	4" Polystyrene Insulation	504	SQ FT	\$6.00		\$ -
53	Connect to Existing Manhole	1	EACH	\$2,000.00		\$ -
54	Connect to Existing Pipe	8	EACH	\$1,500.00		\$ -
55	Clean and Video Tape Pipe Sewer	112	LIN FT	\$5.25		\$ -
56	Construct Sanitary Structure Design 48-4007	6	LIN FT	\$450.00		\$ -
57	Construct Sanitary Structure Design 48-4007 - Drop Manhole	28.5	LIN FT	\$465.00		\$ -
58	Castling Assembly - Sanitary Sewer	2	EACH	\$860.00		\$ -
59	Dewatering	1	LUMP SUM	\$176,000.00	0.3	\$ 52,800.00
Total Bid Schedule "C"						\$ 129,004.75

Total Base Bid Schedule "C" - Lift Station No. 2 Construction

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
60	Fiber Optic Cable With Schedule 40 Conduit	1,650	LIN FT	\$18.00		\$ -
61	Tracer Wire for Buried Fiber Optic Cable	1,680	LIN FT	\$0.01		\$ -
62	Access Boxes For Tracer Wire	4	EACH	\$0.01		\$ -
63	Marker Posts for Access Boxes and Structures	3	EACH	\$129.00		\$ -
64	84" Diameter Valve Manhole Structure and Appurtenances	1	EACH	\$21,000.00		\$ -
65	96" Diameter Sanitary Sewer Lift Station Structure and Appurtenances	1	EACH	\$62,300.00		\$ -
66	Portable Davit Crane With Power Winch	1	EACH	\$3,350.00		\$ -
67	Trash Basket With Ladder	1	EACH	\$3,850.00		\$ -
68	Submersible Lift Station Pump and Discharge Elbow	2	EACH	\$12,250.00		\$ -
69	Pump Rails, Chains, Guide Brackets and Appurtenances	1	LUMP SUM	\$3,075.00		\$ -
70	Control Panel, Level Floats and Transducer	1	LUMP SUM	\$38,600.00		\$ -
71	Generator	1	LUMP SUM	\$29,000.00		\$ -
72	Electrical and Startup	1	LUMP SUM	\$16,000.00		\$ -
73	Dewatering	1	LUMP SUM	\$50,000.00		\$ -
Total Bid Schedule "C"						\$ -

PAY ESTIMATE #1
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project

Base Bid Schedule "D" - Site Work and Storm Sewer

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
74	12" RC Pipe Sewer Design 3006 CL V	91	LIN FT	\$44.30		\$ -
75	15" RC Pipe Sewer Design 3006 CL V	41	LIN FT	\$53.00		\$ -
76	15" RC Pipe Apron	1	EACH	\$640.00		\$ -
77	Construct Drainage Structure Design H (27")	1	EACH	\$1,400.00		\$ -
78	Construct Drainage Structure Design 48-4020	1	EACH	\$1,900.00		\$ -
79	Aggregate Base Class 5	490	TON	\$26.00		\$ -
80	Bituminous Material for Tack Coat	77	GALLON	\$4.15		\$ -
81	Type SP 9.5 Wearing Course Mixture (2.B)	179	TON	\$100.00		\$ -
82	Type SP 12.5 Non Wearing Course Mixture (2.B)	148	TON	\$97.00		\$ -
83	Concrete Curb & Gutter Design Surmountable	71	LIN FT	\$18.25		\$ -
84	Concrete Curb & Gutter Design B618	205	LIN FT	\$18.75		\$ -
85	4" Concrete Walk	459	SQ FT	\$5.25		\$ -
86	6" Concrete Pavement	846	SQ FT	\$5.75		\$ -
87	Bollard	12	EACH	\$562.00		\$ -
88	Coniferous Tree, 6' HT B&B	20	EACH	\$236.00		\$ -
89	Deciduous Tree 2.5" CAL B&B	20	EACH	\$300.00		\$ -
90	Random Riprap Class II	3	CU YD	\$190.00		\$ -
91	Floataion Silt Curtain Type Moving Water	200	LIN FT	\$16.25	50	\$ 812.50
92	Silt Fence Type Machine Sliced	5,000	LIN FT	\$1.60	1,450	\$ 2,320.00
93	Temporary Rock Construction Entrances	10	EACH	\$810.00		\$ -
94	Topsoil Borrow (LV)	2,000	CU YD	\$13.35		\$ -
95	Turf Establishment	27	ACRE	\$3,050.00		\$ -
96	Erosion Control	1	LUMP SUM	\$3,600.00		\$ -
Total Bid Schedule "D"						\$ 3,132.50

Bid Schedule "E" - Watermain

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
97	Ductile Iron Pipe Fittings	376	POUND	\$4.65		\$ -
98	6" Watermain Ductile Iron Class 52	60	LIN FT	\$37.25		\$ -
99	6" Gate Valve and Box	1	EACH	\$1,370.00		\$ -
100	Connect to Existing Watermain	2	EACH	\$945.00		\$ -
101	Polystyrene Insulation	32	SQ FT	\$4.00		\$ -
102	Hydrant	1	EACH	\$4,105.00		\$ -
Total Bid Schedule "E"						\$ -

Base Bid Schedule "F" - Mobilization, Traffic Control and Allowances

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
103	Mobilization	1	LUMP SUM	\$61,400.00	0.5	\$ 30,700.00
104	General Construction Allowance	1	LUMP SUM	\$40,000.00		\$ -
105	Private Utility Allowance	1	LUMP SUM	\$50,000.00		\$ -
106	System Integrator Allowance	1	LUMP SUM	\$50,000.00		\$ -
107	Traffic Control	1	LUMP SUM	\$9,300.00	0.5	\$ 4,650.00
Total Bid Schedule "F"						\$ 35,350.00

Alternate Bid No. 1

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	Connect to Existing Lift Station	1	EACH	\$4,500.00		\$ -
2	8" PVC Sanitary Sewer - SDR 35	547	LIN FT	\$72.00		\$ -
3	8" PVC Sanitary Sewer - SDR 26	965	LIN FT	\$73.00		\$ -
4	10" PVC Sanitary Sewer - SDR 26	125	LIN FT	\$77.50		\$ -
5	Clean and Video Tape Pipe Sewer	1,637	LIN FT	\$1.30		\$ -
6	Construct Sanitary Structure Design 48-4007	142.9	LIN FT	\$211.00		\$ -
7	Construct Sanitary Structure Design 48-4007 - Drop Manhole	25.9	LIN FT	\$314.00		\$ -
8	Casting Assembly - Sanitary Sewer	8	EACH	\$860.00		\$ -
9	Dewatering	1	LUMP SUM	\$46,100.00		\$ -
Total Alternate Bid No. 1						\$ -

**PAY ESTIMATE #1
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project**

Alternate Bid No. 2

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	10" PVC Sewer Forcemain (DR 18)	6,997	LIN FT	\$24.00		\$ -
2	Steel Casing Pipe - Jacked - 10" Carrier Pipe	120	LIN FT	\$182.00		\$ -
3	10" PVC Sewer (DR 18) - Directional Drill	1,869	LIN FT	\$56.75		\$ -
5	10" Gate Valve and Box	7	EACH	\$2,300.00		\$ -
4	Meter Manhole -8" Meter	1	EACH	\$20,100.00		\$ -
5	Forcemain Cleanout Type 1 - 10" Forcemain	2	EACH	\$9,835.00		\$ -
6	Forcemain Cleanout Type 2 - 10" Forcemain	1	EACH	\$10,445.00		\$ -
7	Air/Vacuum Release Valve Manhole - 10" Forcemain	6	EACH	\$12,000.00		\$ -
Total Alternate Bid No. 2						\$ -

Bid Schedule "A"	\$ 2,190.00
Bid Schedule "B"	\$ 129,004.75
Bid Schedule "C"	\$ -
Bid Schedule "D"	\$ -
Bid Schedule "E"	\$ 35,350.00
Bid Schedule "F"	\$ 2,190.00
Alternate Bid No. 1	\$ -
Alternate Bid No. 2	\$ -
TOTAL	\$ 168,734.75
Total Work Completed to Date	\$ 168,734.75
LESS 5% RETAINAGE:	\$ 8,436.74
WE RECOMMEND PAYMENT OF:	\$ 160,298.01

APPROVALS:

CONTRACTOR: LATOUR CONSTRUCTION, INC.

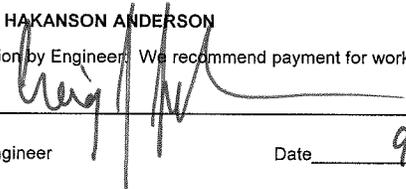
Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: _____

Title: _____ Date _____

ENGINEER: HAKANSON ANDERSON

Certification by Engineer: We recommend payment for work and quantities as shown.

Signed:  _____

Title: City Engineer Date 9/26/13

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____



City of East Bethel City Council Agenda Information

Date:

October 2, 2013

Agenda Item Number:

Item 7.0 B.1

Agenda Item:

Lift Station Report

Requested Action:

Information Item

Background Information:

The City Engineer will present an update on negotiations for the Castle Towers Lift Station.

Fiscal Impact:

To be determined

Recommendation(s):

To be reviewed by the City Engineer

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

October 2, 2013

Agenda Item Number:

Item 7.0 B.2

Agenda Item:

Letter of Support for Coon Lake Storm Water Retrofit Grant Application

Requested Action:

Consider approving a letter of support for the Coon Lake Storm Water Retrofit Grant Application

Background Information:

This project proposes to install new storm water treatment practices in neighborhoods directly draining to Coon Lake, the largest lake in Anoka County. The objective is to remove phosphorus, which fuels algae growth, before storm water is discharged into the lake. 17 potential project sites have been identified and ranked by the amount of phosphorus they will capture per dollar spent. Five to seven of these projects will be chosen based on maximizing pollutant reduction with dollars available. The project types include residential curb-cut rain gardens (11 candidate sites), swales (4), basin outlet modification (1) and stabilizing a storm water discharge point (1). The candidate areas have little or no storm water treatment today and sites are strategically located to treat the maximum sub drainage areas.

Projects will be installed with the consent of private landowners or in public areas. In the case of private land installations, the owner will be expected to perform maintenance. A signed, notarized maintenance agreement is required. This approach has proven successful in 28 residential rain gardens previously installed by the Anoka Conservation District in the last three years. The maintenance burden is lessened by installation of pre-treatment sediment boxes at each site. City staff will be requested to advise on this project and have attended past meetings involved in the planning of this project.

The Anoka Conservation District is applying for a State Clean Water Fund grant to fund this project. This grant requires a minimum 25% local match. Match and support is provided by the Coon Lake Improvement District (\$2,000), Coon Lake Improvement Association (\$2,500), Coon Lake Beach Community Center (\$500), and the Sunrise River WMO (\$25,000).

Improving Coon Lake water quality is a priority because it is approaching the state water quality standard of 40 ug/L of phosphorus (summertime average). Over the last 10 years it has exceeded that standard in one year and averaged 34 ug/L during this period. Coon Lake is also the site of the Coon Lake County Park and two DNR boat landings and residential areas in East Bethel, Ham Lake and Columbus.

Attachments:

Sample Support Letter- Attachment#1

Location Map-Attachment #2

Fiscal Impact:

To be determined pending the number of sites that would require City maintenance activities.

Recommendation(s):

Consider approval of the submission of a letter of support for the Coon Lake Storm Water Retrofit Grant.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

From: Jamie Schurbon [jamie.schurbon@anokaswcd.org]
Sent: Friday, September 20, 2013 9:29 AM
To: Jack Davis
Cc: Heidi Moegerle
Subject: stormwater retrofit support letter

Jack,
Councilmember Moegerle suggested that the City should provide a letter of support for our Coon Lake Stormwater Retrofits grant application. A sample letter is provided below if the city wishes. The application is due Oct. 4, so action will be needed at the next council meeting.
I can provide any summary information you may request.

Jamie Schurbon
Water Resource Specialist
Anoka Conservation District
1318 McKay Drive NE, suite 300
Ham Lake, MN 55304
763-434-2030 ext. 12

SAMPLE SUPPORT LETTER

Date

BWSR Grant Reviewers,

The East Bethel City Council has considered, and voted to support, the Coon Lake Area Stormwater Retrofits grant application submitted by the Anoka Conservation District (ACD). The majority of Coon Lake, including most of the developed neighborhoods that produce stormwater runoff to the lake, are in our city. Because we recognize the need for improved stormwater treatment before discharge into the lake, we welcome this project.

The City is contributing to this project in two ways. First, we are financially contributing through the Sunrise River Watershed Management Organization. One-third of that organization's project budget is from the City of East Bethel. The City approves the watershed organization's budget. Secondly, our staff have advised the planning of this project and will continue to do so. Many of the project components will be improvements to City stormwater infrastructure or located within our road right-of-ways. As such, we have gladly directed our staff to play an active role.

We hope that the local dollars contributed to this project are a sign of community support. Please consider it as a priority for state funds as well. Coon Lake is a regional asset used by many people from outside our city.

Sincerely,

Title

Coon Lake Stormwater Retrofits -- Candidate Sites

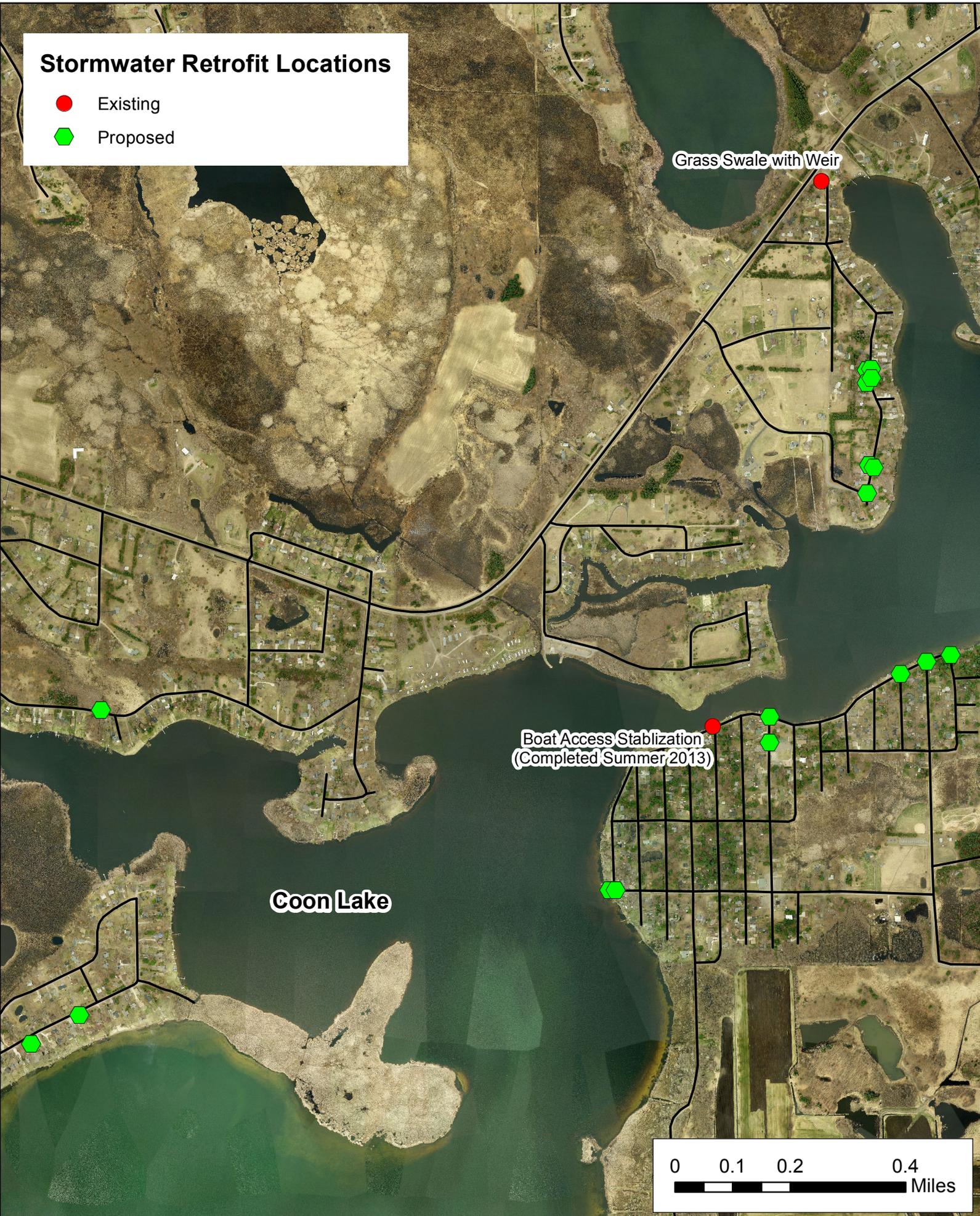
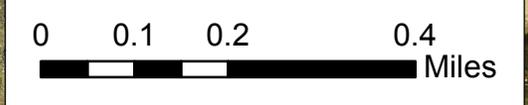
Stormwater Retrofit Locations

- Existing
- ◆ Proposed

Grass Swale with Weir

Boat Access Stabilization
(Completed Summer 2013)

Coon Lake





City of East Bethel City Council Agenda Information

Date:

October 2, 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. Other quotes, offering essentially only a lump sum payment for the lease, were obtained and discussed with City Council but none were comparable. The payments offered by American Tower are the most attractive proposal at this time.

Per Council direction and review by the City Attorney, Staff is negotiating an amended renewal proposal with American Tower that would include the following changes:

- Extend the lease in five- five year increments with American Tower.
- A one-time renewal bonus of \$30,000
- Removing the right of first refusal language
- Removing the termination language that is no longer applicable as requested.

The other option at this point is to consider postponing the renewal of the lease in anticipation that the offer may be more favorable to the City at a future date. As previously reported, the lease does not expire until 2018. We have no indications or information as to the future value of this lease or how changes in technology or cellular transmission facilities may affect our position over the term of the lease.

An amended contract was submitted to American Tower at 9:20 AM on Friday, September 27, 2013. We haven't received their response as of the time of the finalization of this agenda packet. We will forward their response under separate cover as soon as it is received.

Attachments:

- Comparison of Lease Offers-Attachment #1
- Current Lease Agreement-Attachment #2
- City Attorney's Recommendations-Attachment #3

Fiscal Impact:

The City would receive \$30,000 as a signing bonus to renew the lease. This amount is over and above the lease revenues that would be collected for the term of the lease.

Recommendation(s):

Staff recommends consideration of an acceptable renewal proposal of the cell tower lease with American Tower. This recommendation is pending on the receipt of a proposal that addresses the concerns as identified in Attachment #3.

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:

- 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.
- 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.
- 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.
- 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

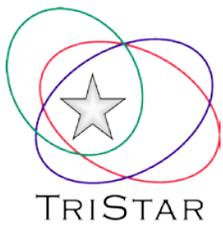
There is language in your lease stating that it can be terminated with as little as one month’s notice. Our lump sum in cash will help you secure your asset from the following:

- **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.

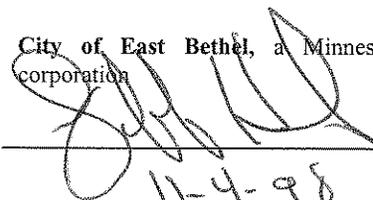
(j) This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

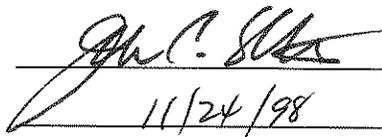
(k) In the event that either party to this Agreement shall bring a claim to enforce any rights hereunder, the prevailing party shall be entitled to recover costs and reasonable attorney's fees incurred as a result of such claim.

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

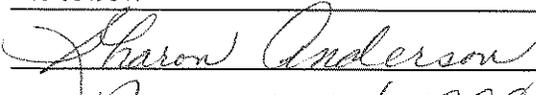
Date: 11/24/98

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

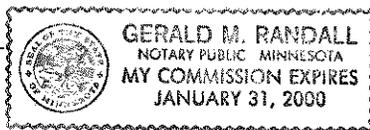
COUNTY OF: ANOKA

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

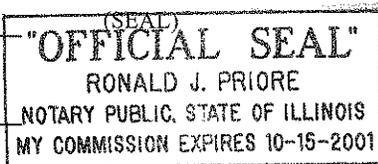
COUNTY OF: DuPage

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: [Signature]
Date: 11-4-98
Title: Jeff Hintz, Mayor
Tax ID #: 41-0849847
By: [Signature]
Date: November 4, 1998
Title: Sharon Anderson, City Clerk/Treasurer
Tax ID #: 41-084984

LESSEE: Nextel West Corp., a Delaware corporation
By: [Signature]
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

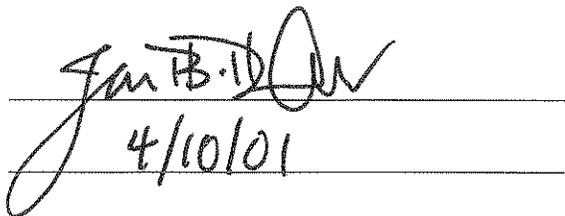
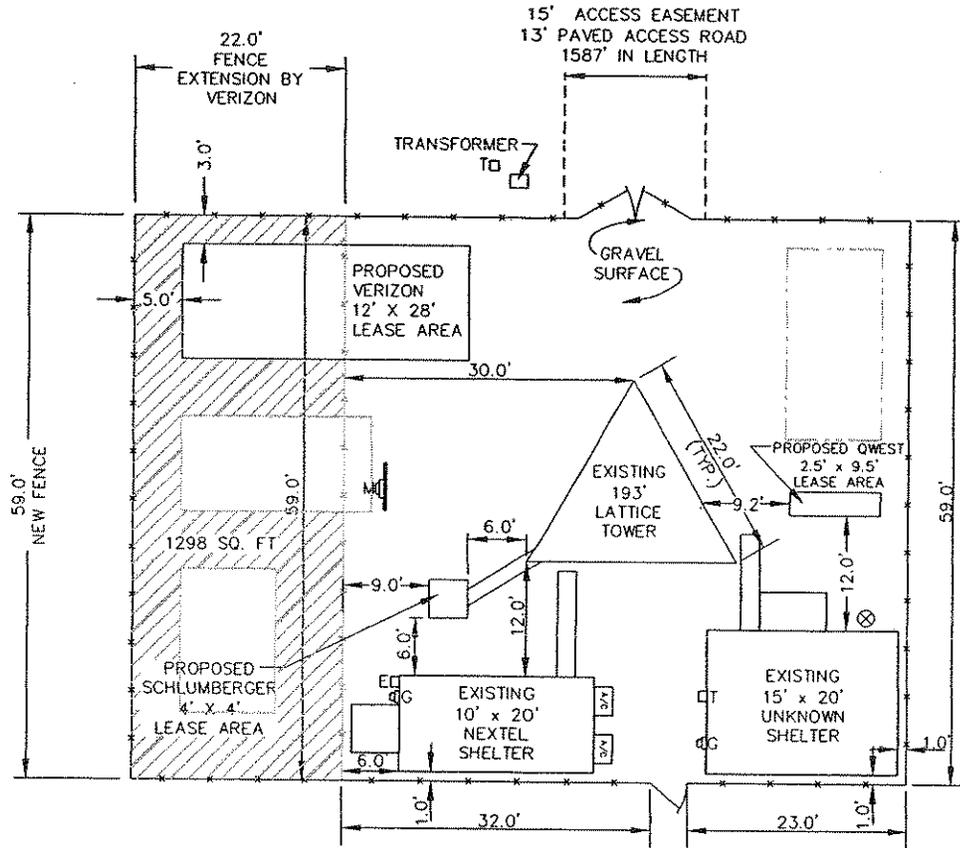
BY: 
Date: 4/10/01

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	CNL VERIZON COLLO. EXPANDED LEASE AREA 9/2/01



RUM RIVER

SITE LAYOUT PLAN
SHEET 1 OF 2

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, a Minnesota municipal corporation, ("**Landlord**") and American Tower Asset Sub, LLC, a Delaware limited liability company, ("**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 (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:

- One-time Payment:** Tenant shall pay to Landlord a one-time payment in the amount of \$30,000.00, 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 October 28, 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.
- Lease Term Extended:** Tenant shall have the option to extend the Lease for each of five (5) 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. The Landlord and Tenant hereby acknowledge and agree that section (ii) under paragraph 10 of the Lease is hereby deleted.**
- 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.
- 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.

#2
out

5. **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.

#3
out

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, Attn: 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.

No ← #1 — we previously objected — subsequent modification
New Antennas, New Tenants, New equipment will all need city approval.
#2 City is not indemnifying anyone
#3 — Prohibited under Minn Govt Data Practices Law.



City of East Bethel City Council Agenda Information

Date:

October 2, 2013

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

Labor Agreement- Minnesota Public Employees Association (MNPEA)

Requested Action:

Consider the approval of the attached Labor Agreement between the City of East Bethel and MNPEA

Background Information:

As per Council direction, we have negotiated and offered a three year contract to MNPEA. MNPEA has accepted our offer of the labor agreement for the term beginning January 1,2014 through December 31, 2016. The final document is attached for your review.

The two important features of the agreement are the provision of a 2% wage increase for each year of the contract and a medical re-opener clause in effect to negotiate this benefit for 2015 and 2016. The other language changes are provided in Attachment #1.

The City Attorney has reviewed the contract and incorporated changes which are presented in Attachment #2. MNPEA has agreed to these changes.

Attachment(s):

- Existing Labor Agreement with redline modifications- Attachment #1
- City Attorney's Revisions-Attachment #2
- Proposed Labor Agreement- Attachment #3

Fiscal Impact:

Previous increases for Union and non-Union employees have been 3% over the last 4 years or an average of ¾% per year. The proposed agreement is consistent with wage increases of surrounding Cities and will add approximately \$30,000 annually in wage and benefit costs over the next three years.

Recommendation(s):

Staff is recommending the approval of the Labor Agreement between the City of East Bethel and MNPEA as presented in the attached document.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**Labor Agreement between
CITY OF EAST BETHEL**

and

**~~MINNESOTA TEAMSTERS PUBLIC
AND LAW ENFORCEMENT
EMPLOYEES' UNION,
LOCAL #320~~Minnesota Public Employees
Association**

Representing General Employees

JANUARY 1, 2010³⁴ - DECEMBER 31, 201²⁵⁶

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ARTICLE I. PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of East Bethel, hereinafter the "EMPLOYER," and ~~Minnesota Teamsters Public and Law Enforcement Employees' Union, Local #320~~ Minnesota Public Employees Association, hereinafter the "UNION." The intent and purpose of this Agreement is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.
- 1.5 The Employer and the Union, through this Agreement, continue their dedication to the highest quality of public service. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE II. RECOGNITION

The Employer recognizes the Union as the exclusive representative for:

"All general employees employed by the City of East Bethel, Minnesota, who are public employees within the meaning of Minn. Stat. §179A.03, Subd.14, excluding seasonal, supervisory, confidential and all other employees."

ARTICLE III. UNION SECURITY

In recognition of the Union as the exclusive representative the Employer shall:

- 3.1 Deduct each payroll period an amount sufficient to provide the payment of dues established by the Union from the wages of all employees authorizing in writing such deduction, and
- 3.2 Remit such deduction to the appropriate designated officer of the Union.
- 3.3 The Union may designate one (1) employee from the bargaining unit to act as steward and shall inform the Employer in writing of such choice.
- 3.4 The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE IV. EMPLOYER AUTHORITY

- 4.1 The Employer retains the full and unrestricted right to operate and manage all

manpower, facilities and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

- 4.2 Any term and condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the Employer to modify, establish, or eliminate.

ARTICLE V. EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

5.1 DEFINITION OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

5.2 UNION REPRESENTATIVES

The Employer will recognize representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union representatives and of their successors when so designated.

5.3 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and the Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided the employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

5.4 PROCEDURE

Grievances, as defined by Section 5.1, shall be resolved in conformance with the following procedure:

STEP 1. An employee claiming a violation concerning the interpretation or application of this Agreement, shall within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered

waived.

STEP 2. If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 2 representative. The Employer-designated representative shall give the Union the Employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within ten (10) calendar days shall be considered waived.

STEP 3. A grievance unresolved in Step 2 and appealed in Step 3 shall be submitted to arbitration. The Employer and the Union representative shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If the parties cannot agree on an arbitrator, the selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" established by the Bureau of Mediation Services.

5.5 **ARBITRATOR'S AUTHORITY**

A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union, and shall have no authority to make a decision on any other issue not so submitted.

B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

5.6 **WAIVER**

If a grievance is not presented with the time limits set forth above, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the

grievance as denied at that step and immediately appeal the grievance to the next step. The time limit in each step may be extended by mutual agreement of the Employer and the Union.

ARTICLE VI. DEFINITIONS

- 6.1 **UNION:** MN Teamsters Public and Law Enforcement Employees' Union, Local #320.
- 6.2 **EMPLOYER:** The City of East Bethel.
- 6.3 **UNION MEMBER:** A member of the Minnesota Teamsters Public and Law Enforcement Employees' Union, Local #320.
- 6.4 **EMPLOYEE:** A member of the exclusively recognized bargaining unit.
- 6.5 **BASE PAY RATE:** The employee's hourly pay rate exclusive of longevity or any other special allowance.
- 6.6 **SENIORITY:** Length of ~~continuous~~ service with the Employer.
- 6.7 **OVERTIME:** Work performed at the express authorization of the Employer in excess of forty (40) hours within a seven (7) day period.
- 6.8 **CALL BACK:** Return of an employee to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.
- 6.9 **ON-CALL:** An employee on-call shall receive one (1) hour at regular rate for being on-call per day for each day of the week ~~end~~ and will receive time and one and one-half (1½) for any time worked while on-call for a minimum of one (1) hour per day for each day of the weekend ~~and holidays, as defined in 19.1 & 19.2-~~ An employee on-call must respond to a call-out either by phone or personal appearance within 10 (ten) minutes of receipt of the call . No response within 10 (ten) minutes will result in no on-call pay for that day and may result in disciplinary action. A week of on-call shall begin on each Tuesday at the normally scheduled work time.
- 6.10 **ADJUSTED HIRE DATE:** Original hire date in current position, adjusted by any unpaid leave. Step increases and vacation accrual will be based upon adjusted hire date. Any time missed as a result of an approved Workman's Compensation Claim will not be used to adjust or alter the original hire date of an employee.

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ARTICLE VII. SAVINGS CLAUSE

In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of the Agreement shall continue in full force and effect. The voided provision may be renegotiated at the request of either party.

ARTICLE VIII. WORK SCHEDULES

- 8.1 The sole authority for work schedules is the Employer.
- 8.2 The Employer will give fourteen (14) days advance notice to the ~~full-time~~ employees affected by the establishment of scheduled shifts different from the employees' normal scheduled shift.
- 8.3 In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.
- 8.4 The normal work week shall be forty (40) hours Monday through Friday.
- 8.5 ~~Beginning in December 1, 2009, and on December 1 of each subsequent year,~~ Employees will be allowed to accumulate compensatory time until the compensatory time leave bank reaches ~~the following maximums for the periods shown:~~
~~December 1, 2009 through November 30, 2010 — 60 hours~~
~~December 1, 2010 through November 30, 2011 — 50 hours~~
~~December 1, 2011 through November 30, 2012~~ 40-50 hours for the duration of this contract.

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When the maximum number of hours are accumulated, no additional compensatory shall be accrued during the twelve (12) month period. Any overtime hours worked beyond the compensatory bank limits noted above will be paid in accordance with ARTICLE IX. Use of compensatory time off shall be subject to the written prior approval of the EMPLOYER. ~~Compensatory time shall be taken in two (2) hour increments.~~

~~Beginning in December, 2010, and every December thereafter, A~~any compensatory time earned but not used by November 30th of each year will be paid as overtime to the employee on the second pay period in December.

- 8.6 Regular and part-time employees who work a minimum of 1,040 hours per year on an ongoing basis will be entitled to pro-rated benefits as a percentage of time worked at fifty percent (50%) of the full-time employee level.
- 8.7 Seasonal employees ~~will can~~ work ~~from Memorial Day to Labor Day and from Thanksgiving Day to March 1st.~~ a maximum of 1,039 hours during a calendar year, to conduct seasonal work.

ARTICLE IX. OVERTIME PAY

- 9.1 Hours worked in excess of forty (40) hours within a seven (7) day period will be compensated for at one and one-half (1½) times the employee's regular base pay. Holidays will count as worked hours for overtime purposes. Comp, sick and vacation

will not count towards overtime, excluding minimum compensation in 9.3-

- 9.2 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.
- 9.3 Hours worked taking minutes or attending meetings when required in the evening will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE X. CALL BACK

An employee called in for work at a time other than the employee's normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE XI. RIGHT OF SUBCONTRACT

Nothing in this Agreement shall prohibit or restrict the right of the Employer from subcontracting work performed by employees covered by this Agreement.

ARTICLE XII. DISCIPLINE

- 12.1 The Employer will discipline, suspend or dismiss employees for just cause only. Discipline will be in one (1) or more of the following forms:
- A. Oral reprimand and warning;
 - B. Written reprimand;
 - C. Suspension;
 - D. Demotion; or
 - E. Discharge.
- 12.2 Suspension, demotions and discharges will be in written form.
- 12.3 Written reprimands, notices of suspension, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices.
- 12.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.
- 12.5 Grievances relating to this Article shall be initiated by the Union in Step 3 of the Grievance Procedure under Article 6.

ARTICLE XIII. WAGES and INSURANCE

_____ MUST BE REWRITTEN ONCE NEGOTIATED.

- 13.1 For January 1 through December 31, 2010 Wage increases shall be as follows:**

- 13.2 ~~2014~~.....2%
- 13.3 ~~2015~~.....2%
- 13.1 ~~2016~~.....2%

~~The City will review the LMC Wage and Benefit Survey issued by the League of Minnesota Cities and calculate the average Cafeteria Plan contribution for Group VI Cities. The City will compare this contribution rate to the current base contribution rate. An adjustment to this base contribution rate will be made if the average Cafeteria Plan contribution rate from Group VI Cities is greater than the current contribution rate. The adjustment for 2010 shall be the entire increase. If there is no change to the average Cafeteria Plan contribution or if the average Cafeteria Plan contribution decreases, the base contribution rate shall not change.~~

~~To the base contribution rate calculated above, the City will add the entire increase of the calculated increase to the medical insurance premium and the entire increase of the calculated increase to the dental insurance premium for an average employee premium. This will become the contribution rate for 2010.~~

~~For 2010, the increase to the base contribution rate is \$8.90 per month and the increase to the average employee premium is \$38.00 per month, total \$46.90. The total Cafeteria Contribution for 2010 shall be \$906.25 per month per employee~~

~~13.2 Effective January 1, 2014~~

~~13.2 Effective January 1, 2014~~

~~The City will continue the annual cafeteria contribution in the amount of \$843.15 per month per employee and cover 50% of medical insurance premium increases over the amount paid in 2013. The base contribution rate to which any adjustment for 2011 shall be the base contribution rate for 2010, \$906.25, less the increased contribution rate applicable to 2010 only, \$23.35, or \$882.90 per employee per month.~~

~~The City will review the LMC Wage and Benefit Survey issued by the League of Minnesota Cities and calculate the average Cafeteria Plan contribution for Group VI Cities. The City will compare this contribution rate to the current base contribution rate. An adjustment to this base contribution rate will be made if the average Cafeteria Plan contribution rate from Group VI Cities is greater than the current contribution rate. The adjustment shall be one-half (1/2) of the increase. If there is no change to the average Cafeteria Plan contribution or if the average Cafeteria Plan contribution decreases, the base contribution rate shall not change.~~

~~To the base contribution rate calculated above, the City will add one-half (1/2) of the calculated increase to the medical insurance premium and one-half (1/2) of the calculated increase to the dental insurance premium for an average employee premium. This will become the new base contribution rate for the current year.~~

~~13.3 Effective January/September 1, 2014~~

~~Medical coverage, plans, options and City Cafeteria Contributions will be subject to negotiations for the years 2015 and 2016. These negotiations can be opened by either party by providing written notice by April 1, 2015 or April 1 2,016 of the intent to reopen medical benefit and contribution negotiations for 2015 and/or 2016. Under this provision the City or the Union may negotiate changes in the current structure and~~

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~~practice of the City's past practice for providing medical benefits as a result of requirements of the Patient Preferred Affordable Care Act (PPACA) . The City will review the LMC Wage and Benefit Survey issued by the League of Minnesota Cities and calculate the average Cafeteria Plan contribution for Group VI Cities. The City will compare this contribution rate to the current base contribution rate. An adjustment to this base contribution rate will be made if the average Cafeteria Plan contribution rate from Group VI Cities is greater than the current contribution rate. The adjustment shall be one-half (½) of the increase. If there is no change to the average Cafeteria Plan contribution or if the average Cafeteria Plan contribution decreases, the base contribution rate shall not change.~~

- 13.4 In addition to the cafeteria contributions outlined above, and as part of the Cafeteria Benefit Program, the City will provide a disability insurance policy which includes both short-term and lone-term disability insurance and a basic life insurance policy with a face value of \$50,000.00. Participation in the life insurance and disability policies is mandatory for all full-time employees. ~~The City will add the cost of the premium for these required policies to the base Cafeteria amount for medical and dental insurance.~~

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ARTICLE XIV. PROBATIONARY PERIODS

- 14.1 All newly hired or rehired employees will serve a six (6) months probationary period.
- 14.2 All employees will service a six (6) months' probationary period in any job classification in which the employee has not served a probationary period.
- 14.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the Employer.
- 14.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the Employer.

ARTICLE XV. SAFETY and EQUIPMENT

- 15.1 The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.
- 15.2 The Employer will provide ~~to the employees all necessary safety items~~ standard personal protective equipment, required uniforms, rain gear and cold weather gear and seasonal equipment and required OSHA safety items at no cost to the employee. Issuance of and requirements for usage of these items shall be at the discretion of the Employer as per written policy on file. Safety ~~shoe shoe Allowance allowance~~ shall be up to one hundred fifty dollars (\$150.00) per calendar year. Any unused shoe allowance shall carryover to subsequent years.

ARTICLE XVI. JOB POSTING

- 16.1 The Employer and the Union agree that permanent job vacancies within the

designated bargaining unit shall be filled based on the concept of promotion from within provided that internal applicants:

- A. Have the necessary qualifications to meet the standards of the job vacancy; and,
- B. Have the ability to perform the duties and responsibilities of the job vacancy.

- 16.2 Employees filling a higher job class based on the provisions of this Article shall be subject to the conditions of Article XIV. PROBATIONARY PERIOD.
- 16.3 The Employer has the right of final decision in the selection from all applicants (internal and external) to fill jobs based on qualifications, abilities and experience.
- 16.4 Job vacancies within the designated bargaining unit will be posted for five (5) working days so that members of the bargaining unit can be considered for such vacancies.

ARTICLE XVII. SENIORITY

- 17.1 Seniority will be a determining criterion for layoffs only when all job-relevant qualification factors are equal.
- 17.2 Seniority will be the determining criterion for recall when the job-relevant qualification factors are equal. Recall rights under this provision will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification or recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.
- 17.3 The Employer shall prepare and post a seniority list each year by January 20th. The Union shall receive a copy of this list.

ARTICLE XVIII. DEFERRED COMPENSATION PROGRAM

- 18.1 The Employer will match up to three percent (3%) of the employee's base salary to the Minnesota Deferred Compensation Program, on behalf of the employee(s). Employer contributions shall be limited to \$2,000 annually on a pay period by pay period basis.
- 18.2 Employee(s) contributions shall be in accordance with the rules stipulated in the plan as governed by the State of Minnesota and statutory limitations on the Employer's maximum contribution per year.

ARTICLE XIX. HOLIDAYS

- 19.1 Full-time employees shall be entitled to the following holidays with pay: employees or those working twenty (20) hours or more per week shall be entitled to the following holidays with pay pro-rated on the basis of hours worked:

New Year's Day	January 1
Martin Luther King's Birthday	3 rd Monday in January
President's Day	3 rd Monday in February

Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1 st Monday in September
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Friday after Thanksgiving	4 th Friday in November
Christmas Eve Day	December 24 th
Christmas Day	December 25 th

- 19.2 If any of the above dates fall on a Sunday, the following day shall be the holiday, if the holiday date falls on a Saturday, the preceding day shall be the holiday.
- 19.3 Temporary and seasonal employees shall not be entitled to holiday pay.
- 19.4 Employee's required to work on holidays shall be paid one and one-half (1½) times the employee's base pay rate for hours worked in addition to the employee's base pay.
- 19.5 Employees shall be required to work their last regularly scheduled work day prior to the holiday and their next regularly scheduled work day after the holiday to qualify for holiday pay, unless the employee is absent due to illness, accident, on vacation or approved compensatory time.

ARTICLE XX. VACATIONS

- 20.1 Full-time employees shall be entitled to receive vacations in accordance with the following provisions. Vacations may be taken in less than eight (8) hour periods if desired, ~~but not in less than four (4) hour periods.~~ Employees may not accumulate more than two hundred and forty (240) hours vacation. Vacation pay is to be paid at the employees current hourly rate. Earned accumulated vacation shall be payable upon severance up to a maximum of two hundred and forty (240) hours. Employees must have their vacation balance reduced to 240 hours, or less, by the last pay period in December of each calendar year.
- ~~20.2 Forty (40) hours after satisfactory completion of probation period consisting of six (6) months of continuous service; additional forty (40) hours prorated to completion of first year service. Up to 80 hours of vacation for the first year of employment~~
- 20.23 Eighty (80) hours for each ~~year~~ ~~after year~~ two one (21) through five (5) years of service.
- 20.34 One hundred and twenty (120) hours for each of six (6) through ten (10) years of service.
- 20.45 One hundred and sixty (160) hours for the eleventh (11) and each succeeding year of service.
- 20.56 Part-time employees shall earn vacation hours pro-rated on the basis of hours worked. Part-time employee working under twenty (20) hours per week are not eligible for any employee benefits.

| 20.67 Employee must submit vacation requests to their supervisor [for approval](#).

ARTICLE XXI. SICK LEAVE

- 21.1 Sick leave shall accumulate at the rate of eight (8) hours per month for full-time employees to a maximum of six hundred and forty (640) hours.
- 21.2 Part-time employees regularly scheduled for twenty (20) hours or more per week shall earn sick leave on a pro-rata basis; employee working less than twenty (20) hours per week are not eligible for any employee benefits.
- | 21.3 Temporary [and seasonal](#) employees shall not be entitled to sick leave benefits.
- 21.4 An employee shall be granted sick leave with pay to the extent of his/her accumulation for absences necessitated by reason of illness or disability; by necessity of medical, chiropractic or dental care; or by exposure to contagious disease so that his/her attendance on duty may endanger the health of fellow employees or the public. Sick leave shall also be granted with pay to the extent of employees or the public. Sick leave shall also be granted with pay to the extent of an employee's accumulation for absence necessitated by illness of the following persons: his/her spouse, dependent children, stepchildren, foster children, parents or stepparents for periods as his/her attendance may be necessary. It shall also be granted for the illness of a minor child, whether or not the child lives in the household, for such periods, as his/her attendance may be necessary. Sick leave to arrange for necessary nursing care for members of the family or birth or adoption of a child shall be limited to not more than fifteen (15) days. Upon the request of the employee, a birth mother shall be allowed to use six (6) weeks or more, if certified as necessary by a medical provider, of accumulated sick leave for the birth of a child.
- 21.5 One-half (½) of unused sick days accumulated up to six hundred and forty (640) hours maximum is payable upon severance. (Maximum number of sick hours payable upon severance would be three hundred and twenty (320) hours.)

ARTICLE XXII. FUNERAL LEAVE

In the event of death in the family of the employee, (spouse, parents, child, brother, sister, stepchildren, son-in-law, daughter-in-law, brother-in-law, sister-in-law, the employee shall be granted up to three (3) days leave with paid time to make the necessary funeral arrangements and attend the funeral. Grandparents and grandparents-in-law, the employee shall be granted up to two (2) days of leave with paid time to make necessary funeral arrangements and to attend the funeral. Additional time may be granted due to unusual circumstances such as, but not limited to, excessive distance of travel, etc. This additional time will come out of the employee's vacation accruals, sick time, or comp time as determined by the Employer.

ARTICLE XXIII. TUITION REFUND

23.1 Employees will be reimbursed for the full tuition only for courses taken at the post-high

school level.

23.2 In order to qualify for reimbursement, the following criteria must be met:

- A. Course work must be related.
- B. Prior approval from the supervisor must be obtained before course is taken.
- C. Course must be successfully completed; on graded courses, a grade of "C" must be attained.

23.3 Reimbursement for tuition shall be made only to the extent that the employee for any other tuition program has not received reimbursement.

23.4 Reimbursement for schooling under this program shall be limited to a maximum of \$250 per employee per calendar year.

ARTICLE XXIV. WAIVER

24.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this Agreement, are hereby superseded.

24.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

ARTICLE XXV. DURATION

This Agreement shall be effective as of January 1, 201~~30~~⁴ and shall remain in full force and effect until the 31st day of December, 201~~52~~⁶. The provisions of this Agreement shall continue in effect unless mutually amended by a subsequent negotiated agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this ____ day of _____, 201~~20~~³.

CITY OF EAST BETHEL

MINNESOTA TEAMSTERS LOCAL #320

Mayor

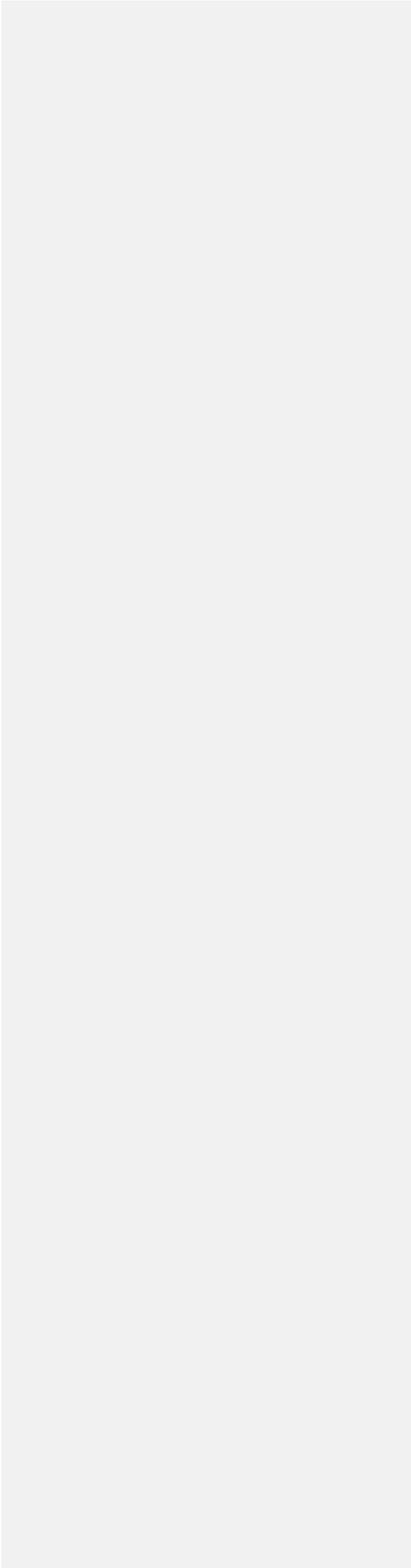
Business Agent

City Administrator

Union Steward

Date _____

Date _____



~~APPENDIX A~~

~~EAST BETHEL GENERAL UNIT 20130 - 20152 WAGE SCHEDULE~~

~~TO BE DETERMINED ONCE NEGOTIATED~~

~~January 1, 2010~~

~~The Pay Table and pay rates will not be adjusted with a COLA increase for 2010 nor will steps be granted. Employees and their respective wages, as covered by this agreement, shall remain the same as those paid in 2009 for 2010.~~

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~~Wage Reopener Clause~~

~~Wages for 2011 and 2012 shall be subject to negotiations during 2010 and/or 2011 by either party by providing written notice by April 1, 2010 or April 1, 2011 of its intent to reopen wage negotiations for 2011 and/or 2012. Under this provision, the City and the Union may negotiate a pay rate increase and apply that rate increase to the Pay Tables in effect at the time of negotiation. The rate increase shall be calculated on any increase in the U.S. Department of Labor, Bureau of Labor Statistics, Series CUUR0000SA0, U.S. City Average Consumer Price Index—All Urban Consumers table for the twelve (12) month period beginning July 1 and ending June 30 each year of the Agreement. Any COLA increase negotiated for 2011 or 2012 shall be subject to a cap of 3.00%.~~

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Labor Agreement between
CITY OF EAST BETHEL
and
Minnesota Public Employees Association

Representing General Employees
JANUARY 1, 2014 - DECEMBER 31, 2016

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ARTICLE I. PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of East Bethel, hereinafter the "EMPLOYER," and Minnesota Public Employees Association, hereinafter the "UNION." The intent and purpose of this Agreement is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.
- 1.5 The Employer and the Union, through this Agreement, continue their dedication to the highest quality of public service. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE II. RECOGNITION

The Employer recognizes the Union as the exclusive representative for:

"All general employees employed by the City of East Bethel, Minnesota, who are public employees within the meaning of Minn. Stat. §179A.03, Subd.14, excluding seasonal, supervisory, confidential and all other employees."

ARTICLE III. UNION SECURITY

In recognition of the Union as the exclusive representative the Employer shall:

- 3.1 Deduct each payroll period an amount sufficient to provide the payment of dues established by the Union from the wages of all employees authorizing in writing such deduction, and
- 3.2 Remit such deduction to the appropriate designated officer of the Union.
- 3.3 The Union may designate one (1) employee from the bargaining unit to act as steward and shall inform the Employer in writing of such choice.
- 3.4 The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE IV. EMPLOYER AUTHORITY

- 4.1 The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and

amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

- 4.2 Any term and condition of employment not specifically established or modified by this Agreement shall remain solely within the discretion of the Employer to modify, establish, or eliminate.

ARTICLE V. EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

5.1 DEFINITION OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

5.2 UNION REPRESENTATIVES

The Employer will recognize representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union representatives and of their successors when so designated.

5.3 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and the Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided the employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

5.4 PROCEDURE

Grievances, as defined by Section 5.1, shall be resolved in conformance with the following procedure:

STEP 1. An employee claiming a violation concerning the interpretation or application of this Agreement, shall within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered waived.

STEP 2. If appealed, the written grievance shall be presented by the Union and discussed with the Employer-designated Step 2 representative. The Employer-designated representative shall give the Union the Employer's Step 2 answer in writing within ten (10) calendar days after receipt of such Step 2 grievance. A grievance not resolved in Step 2 may be appealed to Step 3 within ten (10) calendar days following the Employer-designated representative's final Step 2 answer. Any grievance not appealed in writing to Step 3 by the Union within ten (10) calendar days shall be considered waived.

STEP 3. A grievance unresolved in Step 2 and appealed in Step 3 shall be submitted to arbitration. The Employer and the Union representative shall endeavor to select a mutually acceptable arbitrator to hear and decide the grievance. If the parties cannot agree on an arbitrator, the selection of an arbitrator shall be made in accordance with the "Rules Governing the Arbitration of Grievances" established by the Bureau of Mediation Services.

5.5 **ARBITRATOR'S AUTHORITY**

A. The arbitrator shall have no right to amend, modify, nullify, ignore, add to, or subtract from the terms and conditions of this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted in writing by the Employer and the Union, and shall have no authority to make a decision on any other issue not so submitted.

B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

5.6 **WAIVER**

If a grievance is not presented with the time limits set forth above, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next

step. The time limit in each step may be extended by mutual agreement of the Employer and the Union.

ARTICLE VI. DEFINITIONS

- 6.1 **UNION:** Minnesota Public Employees Association.
- 6.2 **EMPLOYER:** The City of East Bethel.
- 6.3 **UNION MEMBER:** A member of the Minnesota Public Employees Association.
- 6.4 **EMPLOYEE:** A member of the exclusively recognized bargaining unit.
- 6.5 **BASE PAY RATE:** The employee's hourly pay rate exclusive of longevity or any other special allowance.
- 6.6 **SENIORITY:** Length of service with the Employer
- 6.7 **OVERTIME:** Work performed at the express authorization of the Employer in excess of forty (40) hours within a seven (7) day period.
- 6.8 **CALL BACK:** Return of an employee to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.
- 6.9 **ON-CALL:** An employee on-call shall receive one (1) hour at regular rate for being on-call per day for each day of the week and will receive time and one and one-half (1½) for any time worked while on-call for a minimum of one (1) hour per day for each day of the weekend and holidays, as defined in 19.1 & 19.2 An employee on-call must respond to a call-out either by phone or personal appearance within 10 (ten) minutes of receipt of the call . No response within 10 (ten) minutes will result in no on-call pay for that day and may result in disciplinary action. A week of on-call shall begin on each Tuesday at the normally scheduled work time.
- 6.10 **ADJUSTED HIRE DATE:** Original hire date in current position will be adjusted by any unpaid leave other than absence from a Workman's Compensation Claim. Step increases and vacation accrual will be based upon adjusted hire date. Any time missed as a result of an approved Workman's Compensation Claim will not be used to adjust or alter the original hire date of an employee.
- 6.11 **JUST CAUSE:** Legal cause for discipline, suspension or discharge that reasonably relates to the manner in which the employee performs his or her work duties and is demonstrated by the Employer with substantial evidence showing the existence and reasons for discipline, suspension, or dismissal.

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ARTICLE VII. SAVINGS CLAUSE

In the event any provision of this Agreement shall be held to be contrary to law by a court of

competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of the Agreement shall continue in full force and effect. The voided provision maybe renegotiated at the request of either party.

ARTICLE VIII. WORK SCHEDULES

- 8.1 The sole authority for work schedules is the Employer.
- 8.2 The Employer will give fourteen (14) days advance notice to the employees affected by the establishment of scheduled shifts different from the employees' normal scheduled shift.
- 8.3 In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.
- 8.4 The normal work week shall be forty (40) hours Monday through Friday.
- 8.5 Employees will be allowed to accumulate compensatory time until the compensatory ~~time-~~ time leave bank reaches 50 hours for the duration of this contract.

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When the maximum number of hours are accumulated, no additional compensatory shall be accrued during the twelve (12) month period. Any overtime hours worked beyond the compensatory bank limits noted above will be paid in accordance with ARTICLE IX. Use of compensatory time off shall be subject to the written prior approval of the EMPLOYER.

Any compensatory time earned but not used by November 30th of each year will be paid as overtime to the employee on the second pay period in December.

- 8.6 Regular and part-time employees who work a minimum of 1,040 hours per year on an ongoing basis will be entitled to pro-rated benefits as a percentage of time worked of the full-time employee level.
- 8.7 Seasonal employees can work a maximum of 1,039 hours during a calendar year

ARTICLE IX. OVERTIME PAY

- 9.1 Hours worked in excess of forty (40) hours within a seven (7) day period will be compensated for at one and one-half (1½) times the employee's regular base pay. Holidays will count as worked hours for overtime purposes. Comp, sick and vacation will not count towards overtime, excluding minimum compensation in 9.3
- 9.2 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.

9.3 Hours worked taking minutes or attending meetings when required in the evening will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE X. CALL BACK

An employee called in for work at a time other than the employee's normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE XI. RIGHT OF SUBCONTRACT

Nothing in this Agreement shall prohibit or restrict the right of the Employer from subcontracting work performed by employees covered by this Agreement.

ARTICLE XII. DISCIPLINE

12.1 The Employer will discipline, suspend or dismiss employees for just cause only. Discipline will be in one (1) or more of the following forms, without regard to any specific order:

- A. Oral reprimand and warning;
- B. Written reprimand;
- C. Suspension;
- D. Demotion; or
- E. Discharge.

12.2 Suspension, demotions and discharges will be in written form.

12.3 Written reprimands, notices of suspension, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices.

12.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.

12.5 Grievances relating to this Article shall be initiated by the Union in Step 3 of the Grievance Procedure under Article 6.

ARTICLE XIII. WAGES and INSURANCE

13.1 **Wage increases shall be as follows:**

13.2	2014	2%
13.3	2015	2%
13.4	2016	2%
13.5	Effective January 1, 2014	

The City will continue the annual cafeteria contribution in the amount of \$843.15 per month per employee and cover 50% of medical insurance premium increases over the amount paid in 2013. Medical coverage, plans, options and City Cafeteria Contributions will be subject to negotiations for the years 2015 and 2016. These negotiations can be opened by either party by providing written notice by April 1, 2015 or April 1 2016 of the intent to reopen medical benefit and contribution negotiations for 2015 and/or 2016. Under this provision the City or the Union may negotiate changes in the current structure and practice of the City's past practice for providing medical benefits as a result of requirements of the Patient Preferred Affordable Care Act (PPACA).

- 13.6 In addition to the cafeteria contributions outlined above, and as part of the Cafeteria Benefit Program, the City will provide a disability insurance policy which includes both short-term and long-term disability insurance and a basic life insurance policy with a face value of \$50,000.00. Participation in the life insurance and disability policies is mandatory for all full-time employees.

ARTICLE XIV. PROBATIONARY PERIODS

- 14.1 All newly hired or rehired employees will serve a six (6) months probationary period.
- 14.2 All employees will serve a six (6) months' probationary period in any job classification in which the employee has not served a probationary period.
- 14.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the Employer.
- 14.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the Employer.

ARTICLE XV. SAFETY and EQUIPMENT

- 15.1 The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.
- 15.2 The Employer will provide employees -standard personal protective equipment, uniforms, gear and required OSHA safety items at no cost to the employee. Issuance of and requirements for usage of these items shall be at the discretion of the Employer as per written policy on file. Safety shoe allowance shall be up to one hundred fifty dollars (\$150.00) per calendar year. Any unused shoe allowance shall carryover to subsequent years.

ARTICLE XVI. JOB POSTING

- 16.1 The Employer and the Union agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that internal applicants:

- A. Have the necessary qualifications to meet the standards of the job vacancy; and,
- B. Have the ability to perform the duties and responsibilities of the job vacancy.

16.2 Employees filling a higher job class based on the provisions of this Article shall be subject to the conditions of Article XIV. PROBATIONARY PERIOD.

16.3 The Employer has the right of final decision in the selection from all applicants (internal and external) to fill jobs based on qualifications, abilities and experience.

16.4 Job vacancies within the designated bargaining unit will be posted for five (5) working days so that members of the bargaining unit can be considered for such vacancies.

ARTICLE XVII. SENIORITY

17.1 Seniority will be a determining criterion for layoffs only when all job-relevant qualification factors are equal.

17.2 Seniority will be the determining criterion for recall when the job-relevant qualification factors are equal. Recall rights under this provision will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification or recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

17.3 The Employer shall prepare and post a seniority list each year by January 20th. The Union shall receive a copy of this list.

ARTICLE XVIII. DEFERRED COMPENSATION PROGRAM

18.1 The Employer will match up to three percent (3%) of the employee's base salary to the Minnesota Deferred Compensation Program, on behalf of the employee(s). Employer contributions shall be limited to \$2,000 annually on a pay period by pay period basis.

18.2 Employee(s) contributions shall be in accordance with the rules stipulated in the plan as governed by the State of Minnesota and statutory limitations on the Employer's maximum contribution per year.

ARTICLE XIX. HOLIDAYS

19.1 Full-time employees shall be entitled to the following holidays with pay: employees or those working twenty (20) hours or more per week shall be entitled to the following holidays with pay pro-rated on the basis of hours worked:

New Year's Day	January 1
Martin Luther King's Birthday	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	1 st Monday in September

Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Friday after Thanksgiving	4 th Friday in November
Christmas Eve Day	December 24 th
Christmas Day	December 25 th

- 19.2 If any of the above dates fall on a Sunday, the following day shall be the holiday, if the holiday date falls on a Saturday, the preceding day shall be the holiday.
- 19.3 Temporary and seasonal employees shall not be entitled to holiday pay.
- 19.4 Employee's required to work on holidays shall be paid one and one-half (1½) times the employee's base pay rate for hours worked in addition to the employee's base pay.
- 19.5 Employees shall be required to work their last regularly scheduled work day prior to the holiday and their next regularly scheduled work day after the holiday to qualify for holiday pay, unless the employee is absent due to illness, accident, on vacation or approved compensatory time.

ARTICLE XX. VACATIONS

- 20.1 Full-time employees shall be entitled to receive vacations in accordance with the following provisions. Vacations may be taken in less than eight (8) hour periods if desired. Employees may not accumulate more than two hundred and forty (240) hours vacation. Vacation pay is to be paid at the employee's current hourly rate. Earned accumulated vacation shall be payable upon severance up to a maximum of two hundred and forty (240) hours. Employees must have their vacation balance reduced to 240 hours, or less, by the last pay period in December of each calendar year. Vacations will be provided as follows:
- 20.2 Up to 80 hours of vacation for the first year of employment.
- 20.32 Eighty (80) hours for each year after year one (1) through five (5) years of service.
- 20.43 One hundred and twenty (120) hours for each of six (6) through ten (10) years of service.
- 20.54 One hundred and sixty (160) hours for the eleventh (11) and each succeeding year of service.
- 20.65 Part-time employees shall earn vacation hours pro-rated on the basis of hours worked. Part-time employee working under twenty (20) hours per week are not eligible for any employee benefits.
- 20.76 Employee must submit vacation requests to their supervisor for approval.

ARTICLE XXI. SICK LEAVE

- 21.1 Sick leave shall accumulate at the rate of eight (8) hours per month for full-time

employees to a maximum of six hundred and forty (640) hours.

- 21.2 Part-time employees regularly scheduled for twenty (20) hours or more per week shall earn sick leave on a pro-rata basis; employee working less than twenty (20) hours per week are not eligible for any employee benefits.
- 21.3 Temporary and seasonal employees shall not be entitled to sick leave benefits.
- 21.4 An employee shall be granted sick leave with pay to the extent of his/her accumulation for absences necessitated by reason of illness or disability; by necessity of medical, chiropractic or dental care; or by exposure to contagious disease so that his/her attendance on duty may endanger the health of fellow employees or the public. Sick leave shall also be granted with pay to the extent of employees or the public. Sick leave shall also be granted with pay to the extent of an employee's accumulation for absence necessitated by illness of the following persons: his/her spouse, dependent children, stepchildren, foster children, parents or stepparents for periods as his/her attendance may be necessary. It shall also be granted for the illness of a minor child, whether or not the child lives in the household, for such periods, as his/her attendance may be necessary. Sick leave to arrange for necessary nursing care for members of the family or birth or adoption of a child shall be limited to not more than fifteen (15) days. Upon the request of the employee, a birth mother shall be allowed to use six (6) weeks or more, if certified as necessary by a medical provider, of accumulated sick leave for the birth of a child.
- 21.5 One-half (½) of unused sick days accumulated up to six hundred and forty (640) hours maximum is payable upon severance. (Maximum number of sick hours payable upon severance would be three hundred and twenty (320) hours.)

ARTICLE XXII. FUNERAL LEAVE

In the event of death in the family of the employee, (spouse, parents, child, brother, sister, stepchildren, son-in-law, daughter-in-law, brother-in-law, sister-in-law, the employee shall be granted up to three (3) days leave with paid time to make the necessary funeral arrangements and attend the funeral. Grandparents and grandparents-in-law, the employee shall be granted up to two (2) days of leave with paid time to make necessary funeral arrangements and to attend the funeral. Additional time may be granted due to unusual circumstances such as, but not limited to, excessive distance of travel, etc. This additional time will come out of the employee's vacation accruals, sick time, or comp time as determined by the Employer.

ARTICLE XXIII. TUITION REFUND

- 23.1 Employees will be reimbursed for the full tuition only for courses taken at the post-high school level.
- 23.2 In order to qualify for reimbursement, the following criteria must be met:
- A. Course work must be related.
 - B. Prior approval from the supervisor must be obtained before course is taken.

C. Course must be successfully completed; on graded courses, a grade of "C" must be attained.

23.3 Reimbursement for tuition shall be made only to the extent that the employee for any other tuition program has not received reimbursement.

23.4 Reimbursement for schooling under this program shall be limited to a maximum of \$250 per employee per calendar year.

ARTICLE XXIV. WAIVER

24.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this Agreement, are hereby superseded.

24.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

ARTICLE XXV. DURATION

This Agreement shall be effective as of January 1, 2014 and shall remain in full force and effect until the 31st day of December, 2016. The provisions of this Agreement shall continue in effect unless mutually amended by a subsequent negotiated agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this ____ day of _____, 2013.

CITY OF EAST BETHEL

MN PUBLIC EMPLOYEES ASSOCIATION

Mayor

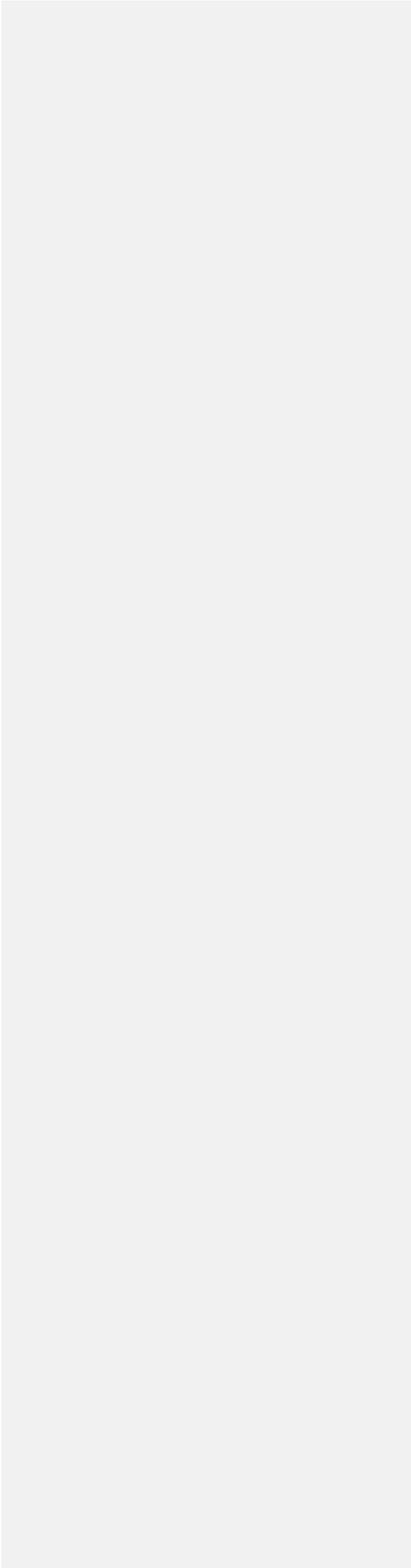
Business Agent

City Administrator

Union Steward

Date _____

Date _____



**Labor Agreement between
CITY OF EAST BETHEL**

and

Minnesota Public Employees Association

**Representing General Employees
JANUARY 1, 2014 - DECEMBER 31, 2016**

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ARTICLE I. PURPOSE OF AGREEMENT

This AGREEMENT is entered into between the City of East Bethel, hereinafter the "EMPLOYER," and Minnesota Public Employees Association, hereinafter the "UNION." The intent and purpose of this Agreement is to:

- 1.1 Establish certain hours, wages and other conditions of employment;
- 1.2 Establish procedures for the resolution of disputes concerning this Agreement's interpretation and/or application;
- 1.3 Specify the full and complete understanding of the parties; and
- 1.4 Place in written form the parties' agreement upon terms and conditions of employment for the duration of this Agreement.
- 1.5 The Employer and the Union, through this Agreement, continue their dedication to the highest quality of public service. Both parties recognize this Agreement as a pledge of this dedication.

ARTICLE II. RECOGNITION

The Employer recognizes the Union as the exclusive representative for:

"All general employees employed by the City of East Bethel, Minnesota, who are public employees within the meaning of Minn. Stat. §179A.03, Subd.14, excluding seasonal, supervisory, confidential and all other employees."

ARTICLE III. UNION SECURITY

In recognition of the Union as the exclusive representative the Employer shall:

- 3.1 Deduct each payroll period an amount sufficient to provide the payment of dues established by the Union from the wages of all employees authorizing in writing such deduction, and
- 3.2 Remit such deduction to the appropriate designated officer of the Union.
- 3.3 The Union may designate one (1) employee from the bargaining unit to act as steward and shall inform the Employer in writing of such choice.
- 3.4 The Union agrees to indemnify and hold the Employer harmless against any and all claims, suits, orders, or judgments brought or issued against the City as a result of any action taken or not taken by the City under the provisions of this Article.

ARTICLE IV. EMPLOYER AUTHORITY

- 4.1 The Employer retains the full and unrestricted right to operate and manage all manpower, facilities and equipment; to establish functions and programs; to set and

amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct and determine the number of personnel; to establish work schedules, and to perform any inherent managerial function not specifically limited by this Agreement.

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ARTICLE V. EMPLOYEE RIGHTS - GRIEVANCE PROCEDURE

5.1 DEFINITION OF A GRIEVANCE

A grievance is defined as a dispute or disagreement as to the interpretation or application of the specific terms and conditions of this Agreement.

5.2 UNION REPRESENTATIVES

The Employer will recognize representatives designated by the Union as the grievance representatives of the bargaining unit having the duties and responsibilities established by this Article. The Union shall notify the Employer in writing of the names of such Union representatives and of their successors when so designated.

5.3 PROCESSING OF A GRIEVANCE

It is recognized and accepted by the Union and the Employer that the processing of grievances as hereinafter provided is limited by the job duties and responsibilities of the employees and shall therefore be accomplished during normal working hours only when consistent with such employee duties and responsibilities. The aggrieved employee and the Union representative shall be allowed a reasonable amount of time without loss in pay when a grievance is investigated and presented to the Employer during normal working hours provided the employee and the Union representative have notified and received the approval of the designated supervisor who has determined that such absence is reasonable and would not be detrimental to the work programs of the Employer.

5.4 PROCEDURE

Grievances, as defined by Section 5.1, shall be resolved in conformance with the following procedure:

STEP 1. An employee claiming a violation concerning the interpretation or application of this Agreement, shall within twenty-one (21) calendar days after such alleged violation has occurred, present such grievance to the employee's supervisor as designated by the Employer. The Employer-designated representative will discuss and give an answer to such Step 1 grievance within ten (10) calendar days after receipt. A grievance not resolved in Step 1 and appealed to Step 2 shall be placed in writing setting forth the nature of the grievance, the facts on which it is based, the provision or provisions of the Agreement allegedly violated, and the remedy requested and shall be appealed to Step 2 within ten (10) calendar days after the Employer-designated representative's final answer in Step 1. Any grievance not appealed in writing to Step 2 by the Union within ten (10) calendar days shall be considered waived.

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B. The arbitrator shall be without power to make decisions contrary to, or inconsistent with, or modifying or varying in any way the application of laws, rules, or regulations having the force and effect of law. The arbitrator's decision shall be submitted in writing within thirty (30) days following the close of the hearing or the submission of briefs by the parties, whichever be later, unless the parties agree to an extension. The decision shall be binding on both the Employer and the Union and shall be based solely on the arbitrator's interpretation or application of the express terms of this Agreement and to the facts of the grievance presented.

C. The fees and expenses for the arbitrator's services and proceedings shall be borne equally by the Employer and the Union provided that each party shall be responsible for compensating its own representatives and witnesses. If either party desires a verbatim record of the proceedings, it may cause such a record to be made, providing it pays for the record. If both parties desire a verbatim record of the proceedings the cost shall be shared equally.

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If a grievance is not presented with the time limits set forth above, it shall be considered "waived." If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof, it shall be considered settled on the basis of the Employer's last answer. If the Employer does not answer a grievance or an appeal thereof within the specified time limits, the Union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next

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- 6.6 **SENIORITY:** Length of service with the Employer
- 6.7 **OVERTIME:** Work performed at the express authorization of the Employer in excess of forty (40) hours within a seven (7) day period.
- 6.8 **CALL BACK:** Return of an employee to a specified work site to perform assigned duties at the express authorization of the Employer at a time other than an assigned shift. An extension of or early report to an assigned shift is not a call back.
- 6.9 **ON-CALL:** An employee on-call shall receive one (1) hour at regular rate for being on-call per day for each day of the week and will receive time and one and one-half (1½) for any time worked while on-call for a minimum of one (1) hour per day for each day of the weekend and holidays, as defined in 19.1 & 19.2. An employee on-call must respond to a call-out either by phone or personal appearance within 10 (ten) minutes of receipt of the call. No response within 10 (ten) minutes will result in no on-call pay for that day and may result in disciplinary action. A week of on-call shall begin on each Tuesday at the normally scheduled work time.
- 6.10 **ADJUSTED HIRE DATE:** Original hire date in current position will be adjusted by any unpaid leave other than absence from a Workman's Compensation Claim. Step increases and vacation accrual will be based upon adjusted hire date. Any time missed as a result of an approved Workman's Compensation Claim will not be used to adjust or alter the original hire date of an employee.
- 6.11 **JUST CAUSE:** Legal cause for discipline, suspension or discharge that reasonably relates to the manner in which the employee performs his or her work duties and is demonstrated by the Employer with substantial evidence showing the existence and reasons for discipline, suspension, or dismissal. **ARTICLE VII. SAVINGS CLAUSE**

In the event any provision of this Agreement shall be held to be contrary to law by a court of competent jurisdiction from whose final judgment or decree no appeal has been taken within the time provided, such provision shall be voided. All other provisions of the Agreement shall continue in full force and effect. The voided provision maybe renegotiated at the request of

either party.

ARTICLE VIII. WORK SCHEDULES

- 8.1 The sole authority for work schedules is the Employer.
- 8.2 The Employer will give fourteen (14) days advance notice to the employees affected by the establishment of scheduled shifts different from the employees' normal scheduled shift.
- 8.3 In the event that work is required because of unusual circumstances such as (but not limited to) fire, flood, snow, sleet, or breakdown of municipal equipment or facilities, no advance notice need be given.
- 8.4 The normal work week shall be forty (40) hours Monday through Friday.
- 8.5 Employees will be allowed to accumulate compensatory time until the compensatory time leave bank reaches 50 hours for the duration of this contract.

When the maximum number of hours are accumulated, no additional compensatory shall be accrued during the twelve (12) month period. Any overtime hours worked beyond the compensatory bank limits noted above will be paid in accordance with ARTICLE IX. Use of compensatory time off shall be subject to the written prior approval of the EMPLOYER.

Any compensatory time earned but not used by November 30th of each year will be paid as overtime to the employee on the second pay period in December.

- 8.6 Regular and part-time employees who work a minimum of 1,040 hours per year on an ongoing basis will be entitled to pro-rated benefits as a percentage of time worked of the full-time employee level.
- 8.7 Seasonal employees can work a maximum of 1,039 hours during a calendar year

ARTICLE IX. OVERTIME PAY

- 9.1 Hours worked in excess of forty (40) hours within a seven (7) day period will be compensated for at one and one-half (1½) times the employee's regular base pay. Holidays will count as worked hours for overtime purposes. Comp, sick and vacation will not count towards overtime, excluding minimum compensation in 9.3
- 9.2 For the purpose of computing overtime compensation, overtime hours worked shall not be pyramided, compounded, or paid twice for the same hours worked.
- 9.3 Hours worked taking minutes or attending meetings when required in the evening will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE X. CALL BACK

An employee called in for work at a time other than the employee's normal scheduled shift will be compensated for a minimum of two (2) hours' pay at one and one-half (1½) times the employee's base rate of pay.

ARTICLE XI. RIGHT OF SUBCONTRACT

Nothing in this Agreement shall prohibit or restrict the right of the Employer from subcontracting work performed by employees covered by this Agreement.

ARTICLE XII. DISCIPLINE

12.1 The Employer will discipline, suspend or dismiss employees for just cause only. Discipline will be in one (1) or more of the following forms, without regard to any specific order:

- A. Oral reprimand and warning;
- B. Written reprimand;
- C. Suspension;
- D. Demotion; or
- E. Discharge.

12.2 Suspension, demotions and discharges will be in written form.

12.3 Written reprimands, notices of suspension, and notices of discharge which are to become part of an employee's personnel file shall be read and acknowledged by signature of the employee. Employees and the Union will receive a copy of such reprimands and/or notices.

12.4 Employees may examine their own individual personnel files at reasonable times under the direct supervision of the Employer.

12.5 Grievances relating to this Article shall be initiated by the Union in Step 3 of the Grievance Procedure under Article 6.

ARTICLE XIII. WAGES and INSURANCE

13.1 **Wage increases shall be as follows:**

- 13.2 **2014.....2%**
- 13.3 **2015.....2%**
- 13.4 **2016.....2%**

13.5 Effective January 1, 2014

The City will continue the annual cafeteria contribution in the amount of \$843.15 per month per employee and cover 50% of medical insurance premium increases over the amount paid in 2013. Medical coverage, plans, options and City Cafeteria

Contributions will be subject to negotiations for the years 2015 and 2016. These negotiations can be opened by either party by providing written notice by April 1, 2015 or April 1 2016 of the intent to reopen medical benefit and contribution negotiations for 2015 and/or 2016. Under this provision the City or the Union may negotiate changes in the current structure and practice of the City's past practice for providing medical benefits as a result of requirements of the Patient Preferred Affordable Care Act (PPACA).

- 13.6 In addition to the cafeteria contributions outlined above, and as part of the Cafeteria Benefit Program, the City will provide a disability insurance policy which includes both short-term and long-term disability insurance and a basic life insurance policy with a face value of \$50,000.00. Participation in the life insurance and disability policies is mandatory for all full-time employees.

ARTICLE XIV. PROBATIONARY PERIODS

- 14.1 All newly hired or rehired employees will serve a six (6) months probationary period.
- 14.2 All employees will serve a six (6) months' probationary period in any job classification in which the employee has not served a probationary period.
- 14.3 At any time during the probationary period a newly hired or rehired employee may be terminated at the sole discretion of the Employer.
- 14.4 At any time during the probationary period a promoted or reassigned employee may be demoted or reassigned to the employee's previous position at the sole discretion of the Employer.

ARTICLE XV. SAFETY and EQUIPMENT

- 15.1 The Employer and the Union agree to jointly promote safe and healthful working conditions, to cooperate in safety matters and to encourage employees to work in a safe manner.
- 15.2 The Employer will provide employees standard personal protective equipment, uniforms, gear and required OSHA safety items at no cost to the employee. Issuance of and requirements for usage of these items shall be at the discretion of the Employer as per written policy on file. Safety shoe allowance shall be up to one hundred fifty dollars (\$150.00) per calendar year. Any unused shoe allowance shall carryover to subsequent years.

ARTICLE XVI. JOB POSTING

- 16.1 The Employer and the Union agree that permanent job vacancies within the designated bargaining unit shall be filled based on the concept of promotion from within provided that internal applicants:
- A. Have the necessary qualifications to meet the standards of the job vacancy;
and,

B. Have the ability to perform the duties and responsibilities of the job vacancy.

16.2 Employees filling a higher job class based on the provisions of this Article shall be subject to the conditions of Article XIV. PROBATIONARY PERIOD.

16.3 The Employer has the right of final decision in the selection from all applicants (internal and external) to fill jobs based on qualifications, abilities and experience.

16.4 Job vacancies within the designated bargaining unit will be posted for five (5) working days so that members of the bargaining unit can be considered for such vacancies.

ARTICLE XVII. SENIORITY

17.1 Seniority will be a determining criterion for layoffs only when all job-relevant qualification factors are equal.

17.2 Seniority will be the determining criterion for recall when the job-relevant qualification factors are equal. Recall rights under this provision will continue for twelve (12) months after layoff. Recalled employees shall have ten (10) working days after notification or recall by registered mail at the employee's last known address to report to work or forfeit all recall rights.

17.3 The Employer shall prepare and post a seniority list each year by January 20th. The Union shall receive a copy of this list.

ARTICLE XVIII. DEFERRED COMPENSATION PROGRAM

18.1 The Employer will match up to three percent (3%) of the employee's base salary to the Minnesota Deferred Compensation Program, on behalf of the employee(s). Employer contributions shall be limited to \$2,000 annually on a pay period by pay period basis.

18.2 Employee(s) contributions shall be in accordance with the rules stipulated in the plan as governed by the State of Minnesota and statutory limitations on the Employer's maximum contribution per year.

ARTICLE XIX. HOLIDAYS

19.1 Full-time employees shall be entitled to the following holidays with pay: employees or those working twenty (20) hours or more per week shall be entitled to the following holidays with pay pro-rated on the basis of hours worked:

New Year's Day	January 1
Martin Luther King's Birthday	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1 st Monday in September
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November

Friday after Thanksgiving
Christmas Eve Day
Christmas Day

4th Friday in November
December 24th
December 25th

- 19.2 If any of the above dates fall on a Sunday, the following day shall be the holiday, if the holiday date falls on a Saturday, the preceding day shall be the holiday.
- 19.3 Temporary and seasonal employees shall not be entitled to holiday pay.
- 19.4 Employee's required to work on holidays shall be paid one and one-half (1½) times the employee's base pay rate for hours worked in addition to the employee's base pay.
- 19.5 Employees shall be required to work their last regularly scheduled work day prior to the holiday and their next regularly scheduled work day after the holiday to qualify for holiday pay, unless the employee is absent due to illness, accident, on vacation or approved compensatory time.

ARTICLE XX. VACATIONS

- 20.1 Full-time employees shall be entitled to receive vacations in accordance with the following provisions. Vacations may be taken in less than eight (8) hour periods if desired. Employees may not accumulate more than two hundred and forty (240) hours vacation. Vacation pay is to be paid at the employee's current hourly rate. Earned accumulated vacation shall be payable upon severance up to a maximum of two hundred and forty (240) hours. Employees must have their vacation balance reduced to 240 hours, or less, by the last pay period in December of each calendar year. Vacations will be provided as follows:
 - 20.2 Up to 80 hours of vacation for the first year of employment.
 - 20.3 Eighty (80) hours for each year after year one (1) through five (5) years of service.
 - 20.4 One hundred and twenty (120) hours for each of six (6) through ten (10) years of service.
 - 20.5 One hundred and sixty (160) hours for the eleventh (11) and each succeeding year of service.
 - 20.6 Part-time employees shall earn vacation hours pro-rated on the basis of hours worked. Part-time employee working under twenty (20) hours per week are not eligible for any employee benefits.
 - 20.7 Employee must submit vacation requests to their supervisor for approval.

ARTICLE XXI. SICK LEAVE

- 21.1 Sick leave shall accumulate at the rate of eight (8) hours per month for full-time employees to a maximum of six hundred and forty (640) hours.

- 21.2 Part-time employees regularly scheduled for twenty (20) hours or more per week shall earn sick leave on a pro-rata basis; employee working less than twenty (20) hours per week are not eligible for any employee benefits.
- 21.3 Temporary and seasonal employees shall not be entitled to sick leave benefits.
- 21.4 An employee shall be granted sick leave with pay to the extent of his/her accumulation for absences necessitated by reason of illness or disability; by necessity of medical, chiropractic or dental care; or by exposure to contagious disease so that his/her attendance on duty may endanger the health of fellow employees or the public. Sick leave shall also be granted with pay to the extent of employees or the public. Sick leave shall also be granted with pay to the extent of an employee's accumulation for absence necessitated by illness of the following persons: his/her spouse, dependent children, stepchildren, foster children, parents or stepparents for periods as his/her attendance may be necessary. It shall also be granted for the illness of a minor child, whether or not the child lives in the household, for such periods, as his/her attendance may be necessary. Sick leave to arrange for necessary nursing care for members of the family or birth or adoption of a child shall be limited to not more than fifteen (15) days. Upon the request of the employee, a birth mother shall be allowed to use six (6) weeks or more, if certified as necessary by a medical provider, of accumulated sick leave for the birth of a child.
- 21.5 One-half (½) of unused sick days accumulated up to six hundred and forty (640) hours maximum is payable upon severance. (Maximum number of sick hours payable upon severance would be three hundred and twenty (320) hours.)

ARTICLE XXII. FUNERAL LEAVE

In the event of death in the family of the employee, (spouse, parents, child, brother, sister, stepchildren, son-in-law, daughter-in-law, brother-in-law, sister-in-law), the employee shall be granted up to three (3) days leave with paid time to make the necessary funeral arrangements and attend the funeral. Grandparents and grandparents-in-law, the employee shall be granted up to two (2) days of leave with paid time to make necessary funeral arrangements and to attend the funeral. Additional time may be granted due to unusual circumstances such as, but not limited to, excessive distance of travel, etc. This additional time will come out of the employee's vacation accruals, sick time, or comp time as determined by the Employer.

ARTICLE XXIII. TUITION REFUND

- 23.1 Employees will be reimbursed for the full tuition only for courses taken at the post-high school level.
- 23.2 In order to qualify for reimbursement, the following criteria must be met:
- A. Course work must be related.
 - B. Prior approval from the supervisor must be obtained before course is taken.
 - C. Course must be successfully completed; on graded courses, a grade of "C" must be attained.

23.3 Reimbursement for tuition shall be made only to the extent that the employee for any other tuition program has not received reimbursement.

23.4 Reimbursement for schooling under this program shall be limited to a maximum of \$250 per employee per calendar year.

ARTICLE XXIV. WAIVER

24.1 Any and all prior agreements, resolutions, practices, policies, rules and regulations regarding terms and conditions of employment, to the extent inconsistent with the provisions of this Agreement, are hereby superseded.

24.2 The parties mutually acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any terms or conditions of employment not removed by law from bargaining. All agreements and understandings arrived at by the parties are set forth in writing in this Agreement for the stipulated duration of this Agreement. The Employer and the Union each voluntarily and unqualifiedly waives the right to meet and negotiate regarding any and all terms and conditions of employment referred to or covered in this Agreement or with respect to any term or condition of employment not specifically referred to or covered by this Agreement, even though such terms or conditions may not have been within the knowledge or contemplation of either or both parties at the time this contract was negotiated or executed.

ARTICLE XXV. DURATION

This Agreement shall be effective as of January 1, 2014 and shall remain in full force and effect until the 31st day of December, 2016. The provisions of this Agreement shall continue in effect unless mutually amended by a subsequent negotiated agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this ____ day of _____, 2013.

CITY OF EAST BETHEL

MN PUBLIC EMPLOYEES ASSOCIATION

Mayor

Business Agent

City Administrator

Union Steward

Date _____

Date _____



City of East Bethel City Council Agenda Information

Date:

October 2, 2013

Agenda Item Number:

Item 8.0 G.3

Agenda Item:

2014 Budget Discussion

Requested Action:

Continue 2014 Budget Discussions

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 Line Item Budget Recommendations

2014 Preliminary Budget Attachments 1 & 2

Fiscal Impact:

As noted in the attachments

Recommendation(s):

Staff requests that Council consider the line items as listed in the attachment as candidates for additional reduction and continue the discussion as to the fund balances as noted in the attachments and their application for further budget reductions in either 2014 or subsequent years.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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;
- 5.) Assignment of other rents and royalties to the debt service;
- 6.) Potential defeasance of the 2010 ! & B Bond Fund balance; and/or
- 7.) 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>
EDA	<u>\$10,000</u>
	\$65,550

Total Level 1, 2 and 3 Budget Reductions \$98,168

Other One-Time Reductions

2005B Bond Fund Balance	\$120,000*
General Fund Transfer (excess over 50% balance)	\$200,000
Trail Capital Fund	<u>\$144,000</u>
	\$562,166

Note: the above funds could be applied on the 2014 debt, over a period of years or reserved to address the additional increase that will occur in 2016 due to the 2010 C Bond

*Lower limit of the fund balance

Total potential budget cuts = \$0 to \$660,334.

Proposed Levy increase with a \$ 98,168 reduction would be 15.3% over the 2013 Levy

Proposed Levy increase with a \$163,900 reduction would be 13.8% over the 2013 Levy
Proposed Levy increase with a \$309,666 reduction would be 10.5% over the 2013 Levy
Proposed Levy increase with a \$459,245 reduction would be 7.2% over the 2013 Levy
Proposed Levy Increase with a \$660,334 reduction would be 2.5% over the 2013 Levy

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

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.

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)

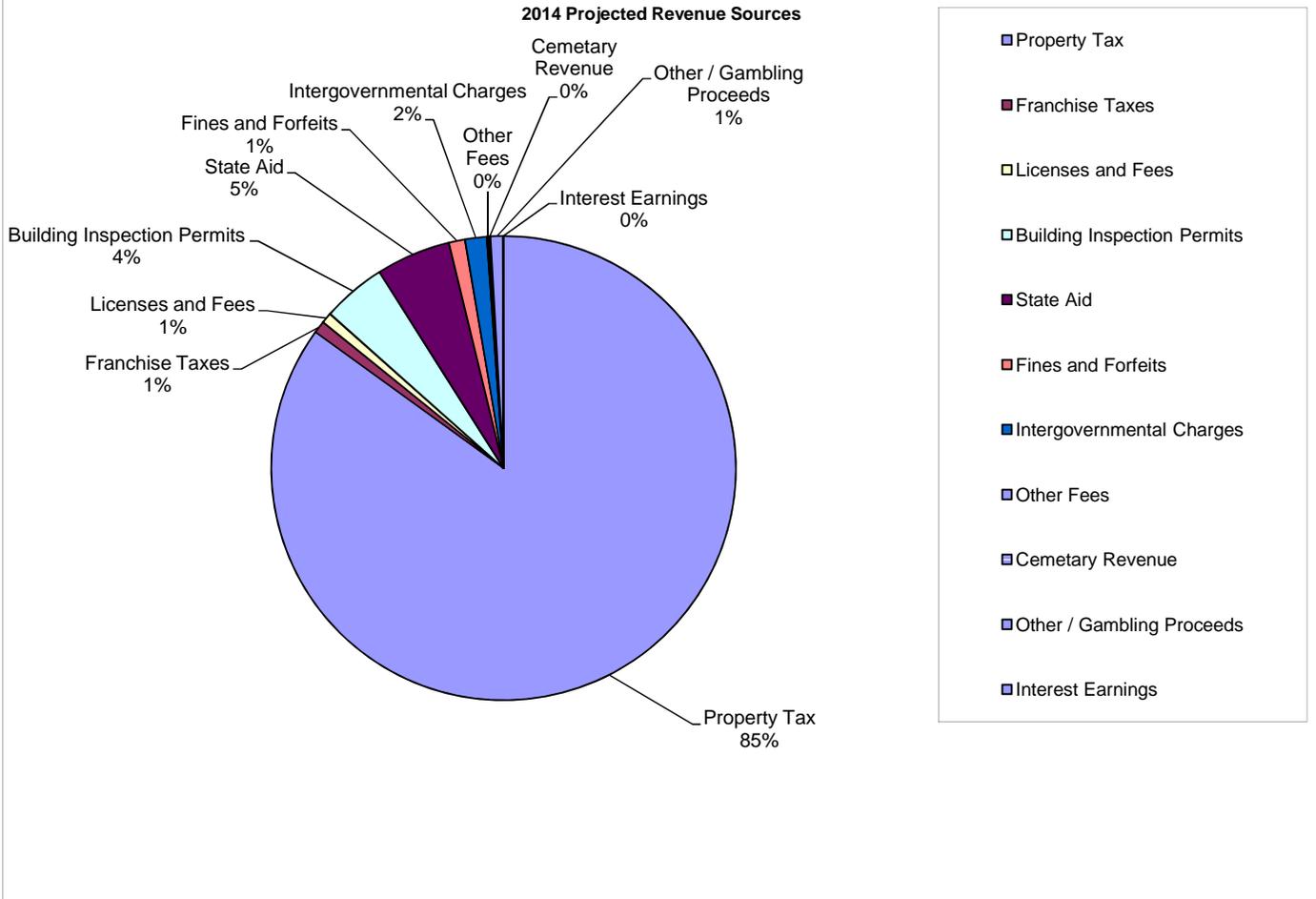
Special Revenue Funds

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

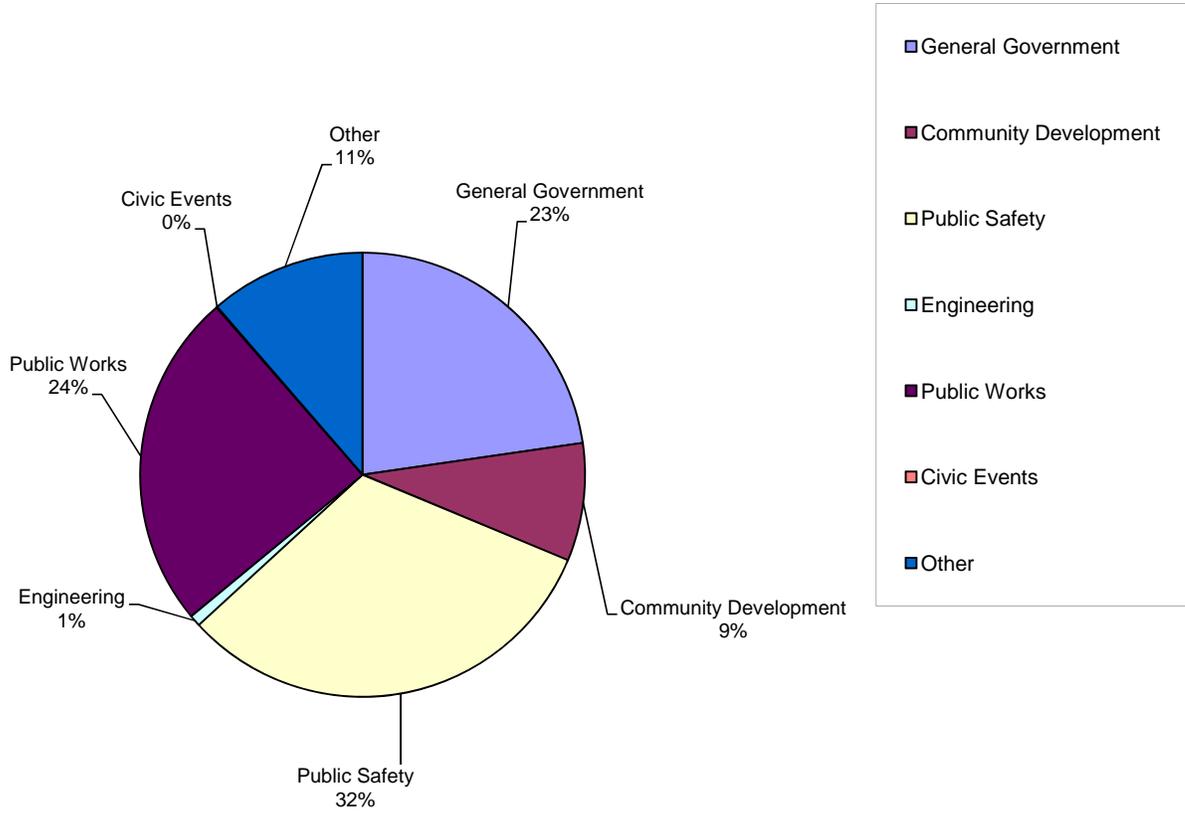


2014 General Fund Expenditures

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
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2014 Projected Expenditures



Tax Capacity

	Payable 2011	Payable 2012	Payable 2013	*Payable 2014
Tax Capacity	9,486,806	8,433,841	7,725,613	7,531,689
TIF Captured Value		-11.1%	-8.4%	-2.5%
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