

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: November 20, 2013



Item

- 7:30 PM 1.0 Call to Order**
- 7:31 PM 2.0 Pledge of Allegiance**
- 7:32 PM 3.0 Adopt Agenda**
- 7:33 PM 4.0 Special Order of Business – 2010B Bond Refunding Presentation**
- 7:55 PM 5.0 Sheriff's Department Report**
- 8:05 PM 6.0 Public Forum**
- 8:20 PM 7.0 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 21-24 A. Approve Bills
- Page 25-53 B. October 16, 2013 City Council Regular Meeting Minutes
- C. November 6, 2013 City Council Regular Meeting Minutes
- D. Change January 2014 Meeting Dates
- E. Probation Completion for Public Works Employee
- Page 54-55 F. Final Payment, Coon Lake Beach Street Surface Improvement Project
- Page 56-59 G. LaTour Change Order No. 1, Lift Station No. 1
- Page 60-62 H. LaTour Change Order No. 2, Castle Towers/Whispering Aspens Force Main
- I. Approve Hire of Cable Technician

New Business

- 8.0 Commission, Association and Task Force Reports**
- A. Economic Development Authority
- B. Planning Commission
- C. Park Commission
- D. Road Commission

9.0 Department Reports

- A. Community Development
- B. Engineer
- C. Attorney
- D. Finance
- 8:25PM E. Public Works**
- Page 63-72 1. Fleet Policy
- 8:30 PM F. Fire Department**

Page 73-76
Page 77-78
8:50 PM
Page 79-80
Page 81-90

- 1. Fire Department Report
- 2. FEMA Assistance to Fire Fighters Grant (AFG)
- G. City Administrator
 - 1. Town Hall Meeting
 - 2. 2014 Budget Discussion

9:30 PM **10.0** **Other**
A. Staff Report
B. Council Reports
C. Other

9:40 PM **11.0** **Adjourn**



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 4.0

Agenda Item:

2010 B Bond Refunding Proposal

Requested Action:

Consider Authorizing a Proposal to Refinance the 2010 B BAB Bonds

Background Information:

The City has continued to explore opportunities to use our 2010 A & B surplus funds to pay down either or both the 2010 A & B bond to make them more attractive for a refunding opportunity. Ehlers, the City’s Financial Consultant, presented an option for refinancing the 2010 B bond at our HRA meeting on October 2, 2016 and this was tabled at that time due to our concerns regarding:

- The need to keep these funds in the short term to address any potential change order costs for the Castle Towers Project and the shared cost with MCES for the force main to 229th Avenue;
- The potential for the use of these funds for additional infrastructure projects that were discussed at the above mentioned meeting; and
- The need for additional time to evaluate the proposal. The 2010 B bond sale that was presented by Ehlers would have been part of the 2005 B refinancing to save issuance costs and we only had 2 days to decide if including the 2010 B in this sale would have been in our best interests.

The timing issue of this proposed refinancing, and the initial possibility of breakeven costs of savings of the 2010 B bond sale versus infrastructure benefits and the other reason listed above were our basis for informing Ehlers not to pursue this addition to 2005 B sale at that time and to continue seeking other opportunities to revisit with a more attractive proposal.

We have continued examining the potential to pay down the bond debt with our fund balance for refinancing purposes. We have had numerous conversations with Ehlers, Dorsey and Whitney and Eckberg Lammers as to our options and to the tax interpretations in this matter. The issue of a reconsideration of refinancing the 2010 A & B Bonds has been an uninterrupted effort by Ehlers and Staff since June and we now have another refinancing proposal for 2010 B Bonds (BAB’s) for consideration.

While we did not consider the proposed refunding on October 2, 2013 due to the considerations listed above, we now have additional information that may influence our reconsideration of the

latest bond run that will be presented by Ehlers at November 20th meeting. This information is as follows:

- 1.) While it is still possible that we could experience change orders to the Castle Towers/Whispering Aspens Project, that likelihood has been reduced (not eliminated) due to the stage of project completion and the fact that no change orders have been requested to date;
- 2.) If we use our fund balance for refunding purposes and should additional infrastructure projects present themselves, these projects could be financed with new debt at a potentially reduced rates;
- 3.) There is ample time to analyze this new proposal from Ehlers. We will review it on the November 20, 2013 meeting and provide direction as to the refunding; and
- 4.) The cost savings between the current refunding proposal for 2010 B debt service and the previous proposal on October 2, 2013 is an additional amount of approximately \$111,202. The majority of the savings would be received in reduced debt service in the years 2016 through 2020 to address the impact of the due dates of the 2010 C Bond (2016 and 2017) and the beginning of interest payments in 2018. Refunding this bond would eliminate the bond's exposure to federal tax credits and the potential for reductions in that credit in future years.

Should additional infrastructure projects be required, new debt could be issued to provide funding at interest rates that could be lower than the bond rates. The main issue with the issuance of new debt is selling the concept and justification of the project based on its true economic feasibility.

The 2010 A (RZED's), even with an analysis of a buy down of a portion of the debt, did not produce positive savings. However, these bonds could be refunded at a future date if market conditions improve to the point that interest rates decline to make this refunding more attractive. It is still a critical goal to achieve some type of positive savings refunding of this bond and remove ourselves from the threat and implications of federal tax credit manipulations and cuts that could be implemented annually as we proceed through the term of this bond.

Stacy Kvilvang with Ehlers will present a pre-sale report at our November 20, 2013 Council meeting.

Attachments:

- 2010 B Pre-Sale Report
- 2010 B Pre-Sale Munex

Fiscal Impact:

As noted in the attached 2010 B Pre-Sale Report

Recommendation(s):

Staff recommends Council consider the refunding of the 2010 B Bonds.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

November 20, 2013

Pre-Sale Report for

City of East Bethel, Minnesota

\$5,525,000 General Obligation Refunding Bonds,
Series 2014A



Prepared by:

Stacie Kvilvang
Senior Financial Advisor

And

Todd Hagen
Senior Financial Advisor

And

Jason Aarsvold
Financial Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$5,525,000 General Obligation Refunding Bonds, Series 2014A
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapters:</p> <ul style="list-style-type: none"> • 475 • 444 <p>Chapter 444 allows cities to issue debt without limitation as long as debt service is expected to be paid from water and sewer revenues.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Purposes:	<p>The proposed issue includes financing to complete a current refunding of the City's outstanding:</p> <ul style="list-style-type: none"> • \$6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds – Direct Pay). Debt service will be paid from utility connection fees. <p>Interest rates on the obligations proposed to be refunded are 3.1% to 7%. The refunding is expected to reduce interest expense by approximately \$1,305,000 over the next 26 years. The net present value benefit of the refunding is estimated to be \$427,607 (includes the reduction for the \$670,000 in cash the City is using to lower the borrowing costs), equal to 7.010% of the refunded principal.</p> <p>The City is applying \$670,000 in unspent bond proceeds to reduce the size of the Bonds. This refunding is considered to be a current refunding as the obligation being refunded is callable (pre-payable) at any time under the extraordinary call provisions provided due to reduction in payments from the Federal Government.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 26 year term. Principal on the Bonds will be due on February 1 in the years 2021 through 2040. Interest is payable every six months beginning August 1, 2014.</p> <p>The Bonds maturing February 1, 2024 and thereafter will be subject to prepayment at the discretion of the City on February 1, 2023 or any date after call date.</p>
Bank Qualification:	<p>Because the City is issuing less than \$10,000,000 in the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.</p>
Rating:	<p>The City's most recent bond issues were rated “AA” by Standard & Poor's. The City will request a new rating for the Bonds.</p>



	<p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City's bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Method of Sale/Placement:	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 0.7% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p>
Possible Premium Bid:	<p>Because yields are very low at this time, a purchaser may choose to submit a bid for your competitive sale with higher interest rates than the yield on the bonds. Higher interest is valuable for institutional and retail investors who may either trade bonds in the future or may want a higher yield if you as the issuer choose not to call the bonds at the call date.</p> <p>For example, the interest rate may be 3% but the yield may only be 1.5%. To achieve the lower yield of 1.5%, the purchaser will pay you, the issuer, a "premium" at the time of closing.</p> <p>In other words, they will pay more than \$5,000 for a \$5,000 block of bonds in exchange for more tax-exempt interest at a later date. The amount of the premium varies, but can be as high as 10% of the bond issue. This means for a \$2,000,000 issue, you may end up with a bid that offers \$2,200,000 in proceeds.</p> <p>The amount of the Bond will be reduced if a premium bid is received. The adjustment may slightly change the true interest cost of the original bid, either up or down.</p>
Review of Existing Debt:	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City's outstanding debt and will alert you to any future refunding opportunities.</p>
Continuing Disclosure:	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain "material events" to the Municipal Securities Rulemaking Board (the "MSRB"), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing</p>



	bonds, and has contracted with Ehlers to prepare and file the reports.
Arbitrage Monitoring:	Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Signature, No-Litigation, Arbitrage Certificate and Purchase Price Receipt prepared by your Bond Attorney and provided at closing. You have retained Ehlers to assist you with compliance with these rules.
Risk Factors:	<p>Utility Revenue: The City expects to pay the majority of the debt service with utility funds. If utility revenue is inadequate, the City may have to levy taxes on a temporary basis to pay debt service on the Bonds.</p> <p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. Those prior debt obligations are “callable” now and can therefore be paid off within 90 days or less. The new Bonds will not be pre-payable until February 1, 2023. This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	November 20, 2013
Distribute Official Statement:	December 5, 2013
Conference with Rating Agency:	Week of December 9, 2013
City Council Meeting to Award Sale of the Bonds:	December 18, 2013
Estimated Closing Date:	January 9, 2014

Attachments

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

Ehlers Contacts

Financial Advisors:	Stacie Kvilvang	(651) 697-8506
	Todd Hagen	(651) 697-8508
Disclosure Coordinator:	Wendy Lundberg	(651) 697-8540
Bond Sale Coordinator:	Connie Kuck	(651) 697-8527
Financial Analyst:	Alicia Gage	(651) 697-8551

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



Resolution No. _____

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

**Resolution Providing for the Sale of
\$5,525,000 General Obligation Refunding Bonds, Series 2014A**

- A. WHEREAS, the City Council of the City of East Bethel, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$5,525,000 General Obligation Refunding Bonds, Series 2014A (the "Bonds"), to current refund the City's outstanding \$6,100,000 Taxable General Obligation Utility Revenue Bonds, Series 2010B (Build America Bonds – Direct Pay) for interest cost savings; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 7:30 p.m. on December 18, 2013, for the purpose of considering proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 20th day of November, 2013.

City Administrator-Clerk-Treasurer

City of East Bethel, Minnesota

\$5,525,000 General Obligation Refunding Bonds, Series 2014A

Current Ref 2010B (BABs) - Cash Contribution

Assumes Current Market BQ AA Rates

Sources & Uses

Dated 01/09/2014 | Delivered 01/09/2014

Sources Of Funds

Par Amount of Bonds	\$5,525,000.00
Other contributions	670,000.00
Total Sources	\$6,195,000.00

Uses Of Funds

Total Underwriter's Discount (0.700%)	38,675.00
Costs of Issuance	53,975.00
Deposit to Current Refunding Fund	6,100,000.00
Rounding Amount	2,350.00
Total Uses	\$6,195,000.00



City of East Bethel, Minnesota

\$5,525,000 General Obligation Refunding Bonds, Series 2014A

Current Ref 2010B (BABs) - Cash Contribution

Assumes Current Market BQ AA Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/09/2014	-	-	-	-	-
08/01/2014	-	-	103,719.99	103,719.99	-
02/01/2015	-	-	92,423.75	92,423.75	196,143.74
08/01/2015	-	-	92,423.75	92,423.75	-
02/01/2016	-	-	92,423.75	92,423.75	184,847.50
08/01/2016	-	-	92,423.75	92,423.75	-
02/01/2017	-	-	92,423.75	92,423.75	184,847.50
08/01/2017	-	-	92,423.75	92,423.75	-
02/01/2018	-	-	92,423.75	92,423.75	184,847.50
08/01/2018	-	-	92,423.75	92,423.75	-
02/01/2019	-	-	92,423.75	92,423.75	184,847.50
08/01/2019	-	-	92,423.75	92,423.75	-
02/01/2020	-	-	92,423.75	92,423.75	184,847.50
08/01/2020	-	-	92,423.75	92,423.75	-
02/01/2021	205,000.00	2.050%	92,423.75	297,423.75	389,847.50
08/01/2021	-	-	90,322.50	90,322.50	-
02/01/2022	205,000.00	2.150%	90,322.50	295,322.50	385,645.00
08/01/2022	-	-	88,118.75	88,118.75	-
02/01/2023	220,000.00	2.300%	88,118.75	308,118.75	396,237.50
08/01/2023	-	-	85,588.75	85,588.75	-
02/01/2024	220,000.00	2.500%	85,588.75	305,588.75	391,177.50
08/01/2024	-	-	82,838.75	82,838.75	-
02/01/2025	230,000.00	2.650%	82,838.75	312,838.75	395,677.50
08/01/2025	-	-	79,791.25	79,791.25	-
02/01/2026	240,000.00	2.800%	79,791.25	319,791.25	399,582.50
08/01/2026	-	-	76,431.25	76,431.25	-
02/01/2027	245,000.00	3.000%	76,431.25	321,431.25	397,862.50
08/01/2027	-	-	72,756.25	72,756.25	-
02/01/2028	255,000.00	3.150%	72,756.25	327,756.25	400,512.50
08/01/2028	-	-	68,740.00	68,740.00	-
02/01/2029	265,000.00	3.300%	68,740.00	333,740.00	402,480.00
08/01/2029	-	-	64,367.50	64,367.50	-
02/01/2030	280,000.00	3.400%	64,367.50	344,367.50	408,735.00
08/01/2030	-	-	59,607.50	59,607.50	-
02/01/2031	290,000.00	3.500%	59,607.50	349,607.50	409,215.00
08/01/2031	-	-	54,532.50	54,532.50	-
02/01/2032	305,000.00	3.600%	54,532.50	359,532.50	414,065.00
08/01/2032	-	-	49,042.50	49,042.50	-
02/01/2033	320,000.00	3.650%	49,042.50	369,042.50	418,085.00
08/01/2033	-	-	43,202.50	43,202.50	-
02/01/2034	340,000.00	3.700%	43,202.50	383,202.50	426,405.00
08/01/2034	-	-	36,912.50	36,912.50	-
02/01/2035	350,000.00	3.750%	36,912.50	386,912.50	423,825.00
08/01/2035	-	-	30,350.00	30,350.00	-
02/01/2036	285,000.00	3.800%	30,350.00	315,350.00	345,700.00
08/01/2036	-	-	24,935.00	24,935.00	-
02/01/2037	295,000.00	3.850%	24,935.00	319,935.00	344,870.00
08/01/2037	-	-	19,256.25	19,256.25	-
02/01/2038	310,000.00	3.950%	19,256.25	329,256.25	348,512.50
08/01/2038	-	-	13,133.75	13,133.75	-
02/01/2039	325,000.00	3.950%	13,133.75	338,133.75	351,267.50
08/01/2039	-	-	6,715.00	6,715.00	-
02/01/2040	340,000.00	3.950%	6,715.00	346,715.00	353,430.00
Total	\$5,525,000.00	-	\$3,398,513.74	\$8,923,513.74	-

Yield Statistics

Bond Year Dollars	\$96,322.64
Average Life	17.434 Years
Average Coupon	3.5282606%
Net Interest Cost (NIC)	3.5684121%
True Interest Cost (TIC)	3.5442141%
Bond Yield for Arbitrage Purposes	3.4893026%
All Inclusive Cost (AIC)	3.6217097%

IRS Form 8038

Net Interest Cost	3.5282606%
Weighted Average Maturity	17.434 Years

Series 2013A GO Ref Bonds | CR Series 2010B BABs | 11/4/2013 | 3:15 PM

City of East Bethel, Minnesota

\$5,525,000 General Obligation Refunding Bonds, Series 2014A

Current Ref 2010B (BABs) - Cash Contribution

Assumes Current Makret BQ AA Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2014	-	-	-	-
02/01/2015	196,143.74	196,143.74	244,765.64	48,621.90
02/01/2016	184,847.50	184,847.50	334,765.64	149,918.14
02/01/2017	184,847.50	184,847.50	362,952.14	178,104.64
02/01/2018	184,847.50	184,847.50	450,222.14	265,374.64
02/01/2019	184,847.50	184,847.50	455,035.14	270,187.64
02/01/2020	184,847.50	184,847.50	448,957.64	264,110.14
02/01/2021	389,847.50	389,847.50	392,522.64	2,675.14
02/01/2022	385,645.00	385,645.00	392,329.14	6,684.14
02/01/2023	396,237.50	396,237.50	400,959.14	4,721.64
02/01/2024	391,177.50	391,177.50	399,043.14	7,865.64
02/01/2025	395,677.50	395,677.50	401,945.14	6,267.64
02/01/2026	399,582.50	399,582.50	404,483.14	4,900.64
02/01/2027	397,862.50	397,862.50	405,399.38	7,536.88
02/01/2028	400,512.50	400,512.50	405,893.14	5,380.64
02/01/2029	402,480.00	402,480.00	410,964.38	8,484.38
02/01/2030	408,735.00	408,735.00	415,401.88	6,666.88
02/01/2031	409,215.00	409,215.00	414,205.64	4,990.64
02/01/2032	414,065.00	414,065.00	422,140.00	8,075.00
02/01/2033	418,085.00	418,085.00	424,196.88	6,111.88
02/01/2034	426,405.00	426,405.00	430,595.64	4,190.64
02/01/2035	423,825.00	423,825.00	431,116.88	7,291.88
02/01/2036	345,700.00	345,700.00	350,980.00	5,280.00
02/01/2037	344,870.00	344,870.00	353,240.00	8,370.00
02/01/2038	348,512.50	348,512.50	354,817.50	6,305.00
02/01/2039	351,267.50	351,267.50	360,712.50	9,445.00
02/01/2040	353,430.00	353,430.00	360,697.50	7,267.50
Total	\$8,923,513.74	\$8,923,513.74	\$10,228,342.00	\$1,304,828.26

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	2,706,397.13
Effects of changes in Expenses.....	(1,611,140.04)
Net PV Cashflow Savings @ 3.489%(Bond Yield)....	1,095,257.09
Total Cash contribution.....	(670,000.00)
Contingency or Rounding Amount.....	2,350.00
Net Present Value Benefit	\$427,607.09
Net PV Benefit / \$8,231,397.13 PV Refunded Debt Service	5.195%
Net PV Benefit / \$6,100,000 Refunded Principal...	7.010%
Net PV Benefit / \$5,525,000 Refunding Principal..	7.739%

Refunding Bond Information

Refunding Dated Date	1/09/2014
Refunding Delivery Date	1/09/2014

City of East Bethel, Minnesota

\$5,525,000 General Obligation Refunding Bonds, Series 2014A

Current Ref 2010B (BABs) - Cash Contribution

Assumes Current Market BQ AA Rates

Current Refunding Escrow

Date	Principal	Rate	Receipts	Disbursements	Cash Balance
01/09/2014	-	-	-	-	-
02/01/2014	6,100,000.00	-	6,100,000.00	6,100,000.00	-
Total	\$6,100,000.00	-	\$6,100,000.00	\$6,100,000.00	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cost of Investments Purchased with Bond Proceeds	6,100,000.00
Total Cost of Investments	\$6,100,000.00
Target Cost of Investments at bond yield	\$6,087,118.44
Actual positive or (negative) arbitrage	(12,881.56)
Yield to Receipt	-2.61E-12
Yield for Arbitrage Purposes	3.4893026%

City of East Bethel, MN

\$6,100,000 Taxable G.O. Water Utility Revenue Bonds, Series 2010B
Build America Bonds

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2014	-	-	-	-	-
08/01/2014	-	-	188,281.25	188,281.25	-
02/01/2015	-	-	188,281.25	188,281.25	376,562.50
08/01/2015	-	-	188,281.25	188,281.25	-
02/01/2016	90,000.00	3.100%	188,281.25	278,281.25	466,562.50
08/01/2016	-	-	186,886.25	186,886.25	-
02/01/2017	120,000.00	3.500%	186,886.25	306,886.25	493,772.50
08/01/2017	-	-	184,786.25	184,786.25	-
02/01/2018	210,000.00	3.800%	184,786.25	394,786.25	579,572.50
08/01/2018	-	-	180,796.25	180,796.25	-
02/01/2019	220,000.00	4.250%	180,796.25	400,796.25	581,592.50
08/01/2019	-	-	176,121.25	176,121.25	-
02/01/2020	220,000.00	4.500%	176,121.25	396,121.25	572,242.50
08/01/2020	-	-	171,171.25	171,171.25	-
02/01/2021	170,000.00	4.700%	171,171.25	341,171.25	512,342.50
08/01/2021	-	-	167,176.25	167,176.25	-
02/01/2022	175,000.00	5.600%	167,176.25	342,176.25	509,352.50
08/01/2022	-	-	162,276.25	162,276.25	-
02/01/2023	190,000.00	5.600%	162,276.25	352,276.25	514,552.50
08/01/2023	-	-	156,956.25	156,956.25	-
02/01/2024	195,000.00	5.600%	156,956.25	351,956.25	508,912.50
08/01/2024	-	-	151,496.25	151,496.25	-
02/01/2025	205,000.00	5.600%	151,496.25	356,496.25	507,992.50
08/01/2025	-	-	145,756.25	145,756.25	-
02/01/2026	215,000.00	6.500%	145,756.25	360,756.25	506,512.50
08/01/2026	-	-	138,768.75	138,768.75	-
02/01/2027	225,000.00	6.500%	138,768.75	363,768.75	502,537.50
08/01/2027	-	-	131,456.25	131,456.25	-
02/01/2028	235,000.00	6.500%	131,456.25	366,456.25	497,912.50
08/01/2028	-	-	123,818.75	123,818.75	-
02/01/2029	250,000.00	6.500%	123,818.75	373,818.75	497,637.50
08/01/2029	-	-	115,693.75	115,693.75	-
02/01/2030	265,000.00	6.500%	115,693.75	380,693.75	496,387.50
08/01/2030	-	-	107,081.25	107,081.25	-
02/01/2031	275,000.00	6.750%	107,081.25	382,081.25	489,162.50
08/01/2031	-	-	97,800.00	97,800.00	-
02/01/2032	295,000.00	6.750%	97,800.00	392,800.00	490,600.00
08/01/2032	-	-	87,843.75	87,843.75	-
02/01/2033	310,000.00	6.750%	87,843.75	397,843.75	485,687.50
08/01/2033	-	-	77,381.25	77,381.25	-
02/01/2034	330,000.00	6.750%	77,381.25	407,381.25	484,762.50
08/01/2034	-	-	66,243.75	66,243.75	-
02/01/2035	345,000.00	6.750%	66,243.75	411,243.75	477,487.50
08/01/2035	-	-	54,600.00	54,600.00	-
02/01/2036	280,000.00	7.000%	54,600.00	334,600.00	389,200.00
08/01/2036	-	-	44,800.00	44,800.00	-
02/01/2037	295,000.00	7.000%	44,800.00	339,800.00	384,600.00
08/01/2037	-	-	34,475.00	34,475.00	-
02/01/2038	310,000.00	7.000%	34,475.00	344,475.00	378,950.00
08/01/2038	-	-	23,625.00	23,625.00	-
02/01/2039	330,000.00	7.000%	23,625.00	353,625.00	377,250.00
08/01/2039	-	-	12,075.00	12,075.00	-
02/01/2040	345,000.00	7.000%	12,075.00	357,075.00	369,150.00
Total	\$6,100,000.00	-	\$6,351,295.00	\$12,451,295.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	1/09/2014
Average Life	15.867 Years
Average Coupon	6.5620837%
Weighted Average Maturity (Par Basis)	15.867 Years

Refunding Bond Information

Refunding Dated Date	1/09/2014
Refunding Delivery Date	1/09/2014

Ser 2010B \$6.1M BABs 35% | SINGLE PURPOSE | 11/4/2013 | 3:15 PM

City of East Bethel, MN

\$6,100,000 Taxable G.O. Water Utility Revenue Bonds, Series 2010B

Build America Bonds

Debt Service To Maturity And To Call

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S
01/09/2014	-	-	-	-	-	-
02/01/2014	6,100,000.00	6,100,000.00	-	-	-	-
08/01/2014	-	-	-	-	188,281.25	188,281.25
02/01/2015	-	-	-	-	188,281.25	188,281.25
08/01/2015	-	-	-	-	188,281.25	188,281.25
02/01/2016	-	-	90,000.00	3.100%	188,281.25	278,281.25
08/01/2016	-	-	-	-	186,886.25	186,886.25
02/01/2017	-	-	120,000.00	3.500%	186,886.25	306,886.25
08/01/2017	-	-	-	-	184,786.25	184,786.25
02/01/2018	-	-	210,000.00	3.800%	184,786.25	394,786.25
08/01/2018	-	-	-	-	180,796.25	180,796.25
02/01/2019	-	-	220,000.00	4.250%	180,796.25	400,796.25
08/01/2019	-	-	-	-	176,121.25	176,121.25
02/01/2020	-	-	220,000.00	4.500%	176,121.25	396,121.25
08/01/2020	-	-	-	-	171,171.25	171,171.25
02/01/2021	-	-	170,000.00	4.700%	171,171.25	341,171.25
08/01/2021	-	-	-	-	167,176.25	167,176.25
02/01/2022	-	-	175,000.00	5.600%	167,176.25	342,176.25
08/01/2022	-	-	-	-	162,276.25	162,276.25
02/01/2023	-	-	190,000.00	5.600%	162,276.25	352,276.25
08/01/2023	-	-	-	-	156,956.25	156,956.25
02/01/2024	-	-	195,000.00	5.600%	156,956.25	351,956.25
08/01/2024	-	-	-	-	151,496.25	151,496.25
02/01/2025	-	-	205,000.00	5.600%	151,496.25	356,496.25
08/01/2025	-	-	-	-	145,756.25	145,756.25
02/01/2026	-	-	215,000.00	6.500%	145,756.25	360,756.25
08/01/2026	-	-	-	-	138,768.75	138,768.75
02/01/2027	-	-	225,000.00	6.500%	138,768.75	363,768.75
08/01/2027	-	-	-	-	131,456.25	131,456.25
02/01/2028	-	-	235,000.00	6.500%	131,456.25	366,456.25
08/01/2028	-	-	-	-	123,818.75	123,818.75
02/01/2029	-	-	250,000.00	6.500%	123,818.75	373,818.75
08/01/2029	-	-	-	-	115,693.75	115,693.75
02/01/2030	-	-	265,000.00	6.500%	115,693.75	380,693.75
08/01/2030	-	-	-	-	107,081.25	107,081.25
02/01/2031	-	-	275,000.00	6.750%	107,081.25	382,081.25
08/01/2031	-	-	-	-	97,800.00	97,800.00
02/01/2032	-	-	295,000.00	6.750%	97,800.00	392,800.00
08/01/2032	-	-	-	-	87,843.75	87,843.75
02/01/2033	-	-	310,000.00	6.750%	87,843.75	397,843.75
08/01/2033	-	-	-	-	77,381.25	77,381.25
02/01/2034	-	-	330,000.00	6.750%	77,381.25	407,381.25
08/01/2034	-	-	-	-	66,243.75	66,243.75
02/01/2035	-	-	345,000.00	6.750%	66,243.75	411,243.75
08/01/2035	-	-	-	-	54,600.00	54,600.00
02/01/2036	-	-	280,000.00	7.000%	54,600.00	334,600.00
08/01/2036	-	-	-	-	44,800.00	44,800.00
02/01/2037	-	-	295,000.00	7.000%	44,800.00	339,800.00
08/01/2037	-	-	-	-	34,475.00	34,475.00
02/01/2038	-	-	310,000.00	7.000%	34,475.00	344,475.00
08/01/2038	-	-	-	-	23,625.00	23,625.00
02/01/2039	-	-	330,000.00	7.000%	23,625.00	353,625.00
08/01/2039	-	-	-	-	12,075.00	12,075.00
02/01/2040	-	-	345,000.00	7.000%	12,075.00	357,075.00
Total	\$6,100,000.00	\$6,100,000.00	\$6,100,000.00	-	\$6,351,295.00	\$12,451,295.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	1/09/2014
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Refunding Dated Date	1/09/2014
Refunding Delivery Date	1/09/2014

Ser 2010B \$6.1M BABs 35% | SINGLE PURPOSE | 11/ 4/2013 | 3:15 PM



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 7.0 A-I

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Approve Bills

Item B

October 16, 2013 City Council Regular Meeting Minutes

Meeting minutes from the October 16, 2013 Regular City Council Meeting are attached for your review.

Item C

November 6, 2013 City Council Regular Meeting Minutes

Meeting minutes from the November 6, 2013 Regular City Council Meeting will be forwarded to you for your review and approval prior to the meeting.

Item D

Change January 2014 Meeting Dates

City Council meetings are scheduled for the first and third Wednesday's of the month. The first Wednesday in January 2014 is January 1st, New Years Day. Staff recommends changing the Council meeting dates for January 2014 to the second and fourth Wednesday's, January 8 and 22, 2014. The regular Council schedule of meetings on the first and third Wednesday's would resume in February 2014.

Item E

Approve Completion of Probation for Public Works Employee

Chad Citrowski began employment with the City on May 20, 2013 as a Public Works Maintenance Technician. Since that time, he has performed in an exceptional and exemplary manner. Staff is recommending his appointment as a regular employee based on the satisfactory completion of the six month probationary period required of all new employees.

Item F

Final Payment, Coon Lake Beach Street Surface Improvement Project

North Valley, Inc. has completed the Coon Lake Beach and Miscellaneous Overlay Projects and has submitted all the required documentation to consider this project for final payment. The original contract amount for this project was \$736,889.72. The final contract amount is \$729,917.68. Staff recommends final payment of \$34,500. Payment for this project will be financed from the City's Street Capital Fund. Funds, as noted, are available and appropriate for this project. A copy of the final payment form is attached.

Total Contract Amount	\$ 736,889.72
Final Contract Amount	\$ 729,917.68
Less Previous Payments	<u>\$ 695,417.68</u>
Total Payment	\$ 34,500.00

Item G

LaTour Change Order No. 1, Lift Station No. 1

As discussed at the November 6, 2013 City Council meeting staff reviewed this project with the Contractor to evaluate changes that could lower the cost of this project. It was determined that using the bottom portion of the existing wet well in lieu of constructing a completely new one will save an additional \$ 46,500.40. In addition elimination of the optional bid item for the construction of a fiber line connection from the lift station to the well house would reduce the cost of this project an additional \$24,232.54. Attached Change Order No.1 summarizes the revisions to the original bid for the Lift Station No. 1 Reconstruction Project. The revised contract amount is \$370,578.15.

Item H

LaTour Change Order No. 2, Castle Towers/Whispering Aspens Force Main

As discussed at the November 6, 2013 City Council meeting certain bid items will be deleted from the Castle Towers/Whispering Aspen Forcemain Project with the award of the Lift Station No. 1 Reconstruction Project. Attached Change Order No. 2 documents the bid items that are deleted from the project. The reduction as outlined on the change order is \$67,694.80.

Item I

Approve Hire of Cable Technician

Our cable technician, McCrae Olson, was on a leave of absence so he could appear on the television show Big Brother. The show has since ended and McCrae took 4th place. McCrae tendered his resignation after the show was completed so he could pursue other career opportunities.

The position was advertised and staff will be interviewing three candidates on Monday, November 18th for the position. The pay range for this position is \$10 to \$14 with no benefits and it is anticipated that the annual cost of this employee will be \$3,000 in 2014. This cost would be covered in the proposed City Council and Planning Budgets in 2014.

Contracting this service saves approximately \$4,800 when compared to utilizing staff at overtime costs to perform this duty. Staff will forward more information to Council on Tuesday regarding a recommendation on hiring and wage rate.

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 November 20, 2013

Bills to be Approved for Payment	\$69,383.58
Electronic Payments	\$27,984.54
Payroll City Staff - November 7, 2013	\$32,426.28
Payroll City Council - November 15, 2013	\$2,145.74
Payroll Fire Department - November 15, 2013	\$13,812.86
Total to be Approved for Payment	\$145,753.00

City of East Bethel

November 20, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Bldg/Facility Repair Supplies	53243-IN	R & R Specialities, Inc.	615	49851	\$50.73
Arena Operations	Bldg/Facility Repair Supplies	53344-IN	R & R Specialities, Inc.	615	49851	\$28.30
Arena Operations	Bldgs/Facilities Repair/Maint	2991	Steve's Heating & Service Inc.	615	49851	\$1,000.30
Arena Operations	Bldgs/Facilities Repair/Maint	102913	Wright-Hennepin Coop Electric	615	49851	\$21.32
Arena Operations	General Operating Supplies	130828	Class C Components	615	49851	\$338.36
Arena Operations	Motor Fuels	10786171405	Ferrellgas	615	49851	\$279.26
Arena Operations	Professional Services Fees	63	Gibson's Management Company	615	49851	\$6,762.23
Arena Operations	Telephone	102813	CenturyLink	615	49851	\$118.14
Building Inspection	Septic System Plan Review	2013-10	City of Wyoming	101		\$189.75
Building Inspection	Small Tools and Minor Equip	20035006	Surplus Services	101	42410	\$90.00
Central Services/Supplies	Information Systems	232181	Anoka County Treasury Dept	101	48150	\$225.00
Central Services/Supplies	Information Systems	217138	City of Roseville	101	48150	\$252.17
Central Services/Supplies	Information Systems	217936	City of Roseville	101	48150	\$2,392.33
Central Services/Supplies	Office Equipment Rental	239744105	Loffler Companies, Inc.	101	48150	\$362.79
Central Services/Supplies	Office Supplies	679863306001	Office Depot	101	48150	\$12.77
Central Services/Supplies	Office Supplies	679863307001	Office Depot	101	48150	\$44.94
Central Services/Supplies	Office Supplies	6798863244001	Office Depot	101	48150	\$15.06
Central Services/Supplies	Repairs/Maint Machinery/Equip	604644-IN	CompView, Inc.	101	48150	\$1,260.74
Central Services/Supplies	Telephone	102813	CenturyLink	101	48150	\$243.84
Fire Department	Bldgs/Facilities Repair/Maint	102913	Wright-Hennepin Coop Electric	101	42210	\$5.32
Fire Department	Equipment Parts	1921-134212	O'Reilly Auto Stores Inc.	101	42210	\$149.44
Fire Department	Personnel Advertising	141385	Aspen Mills, Inc.	231	42210	\$253.55
Fire Department	Personnel Advertising	141839	Aspen Mills, Inc.	231	42210	\$104.50
Fire Department	Personnel Advertising	64068	Fire Safety USA, Inc.	231	42210	\$427.00
Fire Department	Personnel Advertising	53398	The Courier	231	42210	\$162.50
Fire Department	Telephone	102813	CenturyLink	101	42210	\$178.95
Fire Department	Telephone	102813	CenturyLink	101	42210	\$58.10
Fire Department	Telephone	102813	CenturyLink	101	42210	\$120.48
Fire Department	Telephone	102813	CenturyLink	101	42210	\$62.48
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	14988	GHP Enterprises, Inc.	101	41940	\$368.72
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-10-13	Premium Waters, Inc.	101	41940	\$26.14
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	123071	Robert B. Hill Company	101	41940	\$19.24
Legal	Legal Fees	10 2013	Eckberg, Lammers, Briggs,	101	41610	\$8,436.97
Legal	Legal Fees	131385	Eckberg, Lammers, Briggs,	101	41610	\$3,204.00
Legal	Legal Fees	131794	Eckberg, Lammers, Briggs,	101	41610	\$3,304.00
Mayor/City Council	Other Advertising	53398	The Courier	101	41110	\$35.00
Park Maintenance	Bldg/Facility Repair Supplies	442988	Ham Lake Hardware	101	43201	\$17.08
Park Maintenance	Clothing & Personal Equipment	1182786751	G&K Services - St. Paul	101	43201	\$19.46
Park Maintenance	Lubricants and Additives	P13202	MN Equipment Solutions	101	43201	\$10.63
Park Maintenance	Other Equipment Rentals	70675	Jimmy's Johnnys, Inc.	101	43201	\$80.08
Park Maintenance	Repairs/Maint Machinery/Equip	110613	Von Vett Construction	101	43201	\$40.00
Park Maintenance	Tires	P15423	MN Equipment Solutions	101	43201	\$10.66
Park Maintenance	Tires	219379	PTL Tire & Automotive Ctr	101	43201	\$21.42
Payroll	Insurance Premiums	33205229	Medica Health Plans	101		\$9,585.02
Payroll	Insurance Premiums	33205229	Medica Health Plans	101		\$783.73

City of East Bethel

November 20, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Planning and Zoning	Escrow Reimbursement	110713	Dan Kuehn	101		\$110.25
Planning and Zoning	Escrow Reimbursement	111313	Heather Hime	949		\$300.00
Planning and Zoning	Escrow Reimbursement	111313	James R. Crews	951		\$1,000.00
Police	Professional Services Fees	82260	Gopher State One-Call	101	42110	\$39.15
Police	Professional Services Fees	10 2013	Gratitude Farms	101	42110	\$911.09
Recycling Operations	Other Equipment Rentals	70675	Jimmy's Johnnys, Inc.	226	43235	\$52.87
Recycling Operations	Professional Services Fees	11 2013	Cedar East Bethel Lions	226	43235	\$1,000.00
Sewer Operations	Bldgs/Facilities Repair/Maint	102913	Wright-Hennepin Coop Electric	602	49451	\$24.53
Sewer Operations	Chemicals and Chem Products	3528491 RI	Hawkins, Inc	602	49451	\$2,786.23
Sewer Operations	Chemicals and Chem Products	3528508 RI	Hawkins, Inc	602	49451	\$747.75
Sewer Operations	Chemicals and Chem Products	3528900 RI	Hawkins, Inc	602	49451	\$50.00
Sewer Operations	Professional Services Fees	84739	Utility Consultants, Inc.	602	49451	\$673.75
Street Maintenance	Bldg/Facility Repair Supplies	442600	Ham Lake Hardware	101	43220	\$13.88
Street Maintenance	Bldg/Facility Repair Supplies	37732	Menards Cambridge	101	43220	\$34.60
Street Maintenance	Bldg/Facility Repair Supplies	37747	Menards Cambridge	101	43220	\$29.90
Street Maintenance	Bldgs/Facilities Repair/Maint	34268	Aker Doors, Inc.	101	43220	\$139.00
Street Maintenance	Bldgs/Facilities Repair/Maint	1182786751	G&K Services - St. Paul	101	43220	\$5.70
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-10-13	Premium Waters, Inc.	101	43220	\$26.14
Street Maintenance	Bldgs/Facilities Repair/Maint	102913	Wright-Hennepin Coop Electric	101	43220	\$21.29
Street Maintenance	Clothing & Personal Equipment	1182786751	G&K Services - St. Paul	101	43220	\$18.92
Street Maintenance	Equipment Parts	261044	S & S Industrial Supply	101	43220	\$5.23
Street Maintenance	Lubricants and Additives	783346	Gillund Enterprises	101	43220	\$104.91
Street Maintenance	Lubricants and Additives	1539-251815	O'Reilly Auto Stores Inc.	101	43220	\$22.40
Street Maintenance	Motor Vehicles Parts	1539-251418	O'Reilly Auto Stores Inc.	101	43220	\$215.25
Street Maintenance	Motor Vehicles Parts	1539-251805	O'Reilly Auto Stores Inc.	101	43220	\$320.59
Street Maintenance	Safety Supplies	42699	Menards - Forest Lake	101	43220	\$111.00
Street Maintenance	Shop Supplies	261087	S & S Industrial Supply	101	43220	\$30.07
Street Maintenance	Sign/Striping Repair Materials	91832	Gopher Sign Company	101	43220	\$356.54
Street Maintenance	Sign/Striping Repair Materials	TI-0268144	Newman Signs	101	43220	\$415.71
Street Maintenance	Street Maint Materials	50866	Plaisted Companies, Inc.	101	43220	\$415.61
Street Maintenance	Telephone	102813	CenturyLink	101	43220	\$70.52
Water Utility Capital Projects	Architect/Engineering Fees	161374	Bolton & Menk, Inc.	433	49405	\$14,339.00
Water Utility Capital Projects	Due From Other Governments	161374	Bolton & Menk, Inc.	433		\$3,486.00
Water Utility Operations	Bldgs/Facilities Repair/Maint	102913	Wright-Hennepin Coop Electric	601	49401	\$26.67
Water Utility Operations	Telephone	102813	CenturyLink	601	49401	\$113.25
Water Utility Operations	Telephone	102813	CenturyLink	651	49401	\$65.99
Water Utility Operations	Telephone	102813	CenturyLink	651	49401	\$127.29
						\$69,383.58

City of East Bethel

November 20, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Electronic Payments						
Payroll	PERA					\$5,769.37
Payroll	Federal Withholding					\$5,719.66
Payroll	Medicare Withholding					\$1,911.86
Payroll	FICA Tax Withholding					\$8,174.80
Payroll	State Withholding					\$2,350.75
Payroll	MSRS/HCSP					\$4,058.10
						\$27,984.54

EAST BETHEL CITY COUNCIL MEETING

October 16, 2013

The East Bethel City Council met on October 16, 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 October 16, 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 October 16, 2013 City Council agenda. Koller seconded; all in favor, motion carries.**

Kermit Kirkevold – Service on Park Commission Davis explained that we would like to recognize Kermit Kirkevold who served the City of East Bethel as a Park Commission member from February 2013 to September 2013. He resigned because he is no longer a resident of the City. We have invited Mr. Kirkevold to attend the meeting and will be presenting him with a plaque in honor of his service to the City. Mr. Kirkevold was presented with a plaque and his name tag and thanked for his service.

Refinancing 2005A Safety Bonds Davis explained that at the September 18th, 2013 City Council meeting, Council authorized Ehlers and Associates to solicit proposals for the sale of refunding bonds 2013A with a par amount of \$1,305,000. These bonds will be used to refund the 2005A GO Public Safety Bonds.

Ms. Stacie Kvilvang from Ehlers, Inc. is here to compile the bid results for this bond issue and to provide the tabulations.

Stacie Kvilvang, "I am not only here to talk about the bond sale, but also to talk about a rating upgrade that you did receive. As you know for each bond sale, you go through the rating agencies. You were rated through Standard and Poor's. When you were rated for your last bond sale, Build America Bond and Recovery Zone Bonds, you were rated by Moody's at that time as an AA1. When we went originally to do the refinancing for the Build American Bonds, we had you rated through Standard and Poor's which has a little more transparent process that they go through for a rating. At that time you were upgraded to AA-. Since that time, Standard and Poor's have gone through a recalibration of their rating scale and new criteria which was providing more transparency and different weighting scales with regard to how they are rating communities and cities. Last week, Mr. Jeziorski, Mr. Davis and our office participated in a rating call with Standard and Poor's. After going through all of that and getting the report, you were upgraded again to an AA. So, that is two upgrades in a year. Essentially, there is one rating between you and an AAA. This is great news for the city, because a better bond rating means better interest rates for the city."

"I just want to highlight a couple things used for the rating criteria where you ranked very strongly. You ranked very strong in your fiscal balances you have and your management

controls that you have in place. I have a plaque to present to you and I just want to read a few statements from the plaque. Essentially, we present to you an old fashioned bond. It says, "This bond is hereby given to the City of East Bethel in recognition of Standard and Poor's upgrade assignment of an AA stable credit rating for the outlook of the City's General Obligation Bonds. The stable outlook reflects S & P's expectation that East Bethel maintains consistent economic and financial performance which is supported by strong management. S & P recognizes the cities very strong budgetary flexibility, very strong liquidity, provides very strong cash levels and adequate budgetary performance in these conditions." Again, what they are looking at is your ability to have flexibility if there is ever a crisis with your fund balance or liquidity of cash. They look at your management of fund balances and how often you look at budget expenditures to actual ledger budgets. And, the controls you have in place for issuing debt and financing other issues you have in the City."

Kvilvang presented the plaque to Acting Mayor Moegerle.

Kvilvang, "We had the bond sale today in our office at 11:00 a.m. The bid results are in the tabulation before you. We did receive two bids. The thing to note out of the two bidders, the one bidder is a combined of about 17 folks. So, there is a lot of interest out there. The winning bidder would be **Barrett** out of Milwaukee, Wisconsin with a true interest cost of 2.5%. Thing to note would be that we were able to reduce the bond size. Originally it was going to be \$1,305,000 and now it is \$1,250,000. That is due to an unused underwriter's discount, cost of issuance and receiving a premium on this. The savings during the term is approximately \$100,000. That means you will be saving about \$18,000 annually. Approval of the resolution tonight would award the bond sale to the lowest responsible bidder, which is **Barrett** in Milwaukee, Wisconsin."

Moegerle, "We started going Round Robin the last time I was Acting Mayor, so I think we will start with Ron." Koller, "I read through this and it sounds really good. Everything helps." Moegerle, "I have no questions." Ronning, "Thank you." DeRoche, "We have been through this quite a bit. I am not going to add anything to it."

Moegerle made a motion to adopt Resolution 2013-61, A Resolution Authorizing and Directing the Sale and Issuance of G.O. Refunding Bonds 2013, Series A in the amount of \$1,250,000. Koller seconded; all in favor, motion carries.

Sheriff's Report

Sergeant Pilz gave the September 2013 report as follows:

DWI Arrests: There was one DWI arrest in September. The driver had lost control of her vehicle and ended up in the ditch. The driver tested and had a .22 BAC.

Thefts: There were 21 theft reports. Three reports involved vehicle thefts where keys were left inside the vehicle. These thefts occurred on different nights in different parts of East Bethel. One report involved a vehicle being taken from a local establishment. Within a few hours, deputies received a call of a possible intoxicated driver and located the stolen vehicle unoccupied in a ditch. A K9 was called for a track that lead to a known theft suspect's residence. The suspect was taken into custody. The other two vehicle thefts were recovered, unoccupied, one in St. Paul and one in Dayton. Please make sure to take your keys and valuables out of your vehicles. There were four theft reports involving wallets and purses being taken out of vehicles. One neighborhood in the 1500 block of 229th Lane NE had three vehicles entered. One victim lost her purse and incurred fraudulent charges on credit cards. A second victim had his wallet stolen. His credit cards were also used. There

is a photograph of the suspect from the ATM where he withdrew funds. In the photograph the suspect is holding a slip of paper, which the victim believes to be his PIN number for the credit cards. You should not keep your PIN number in your wallet and/or purse. The case is under investigation.

There were two different theft reports involving construction equipment. One involved a black steel bucket and forks being stolen. The second case occurred the same night and involved a black frame and glass door being taken from a Bobcat. There was one case of a license plate being stolen. The stolen plate was later used in a gas no-pay in another city. There was one report of three bags containing men's clothing being taken from a residence. The bags had been left outside. There were three no-pay gas thefts reported. Finally, there were two reports of financial transaction card fraud. One report was from the wallet theft reported above. The second report involved a male who had reported lending his credit card to a friend several years ago and never having the card returned. Upon investigating, the victim suffers from dementia and had not suffered any loss of his credit card.

Burglaries: There was one reported burglary. The homeowner found his garage had been entered while no one was at the residence. Taken from the garage was a set of golf clubs, two bicycles and an air compressor. Entry was made through a garage service door.

Damage to Property: There were nine reports of damage to property. Two reports involved two brothers who had their tires slashed. The suspect is a male that one of the brothers owes money to. The case is under investigation. One incident involved deputies responding to a burglar alarm. Upon arriving, they found pry marks on the garage service door and entry into the garage had been made. The door in between the garage and the house was still secured. A short time later, a suspicious male was located in the area, with a tool sitting behind the driver's seat which matched the pry marks on the service door. The male was arrested for damage to property and trespassing. Another report involved a vehicle at a county park, where a window had been shattered. A county park employee saw a vehicle leaving the park at a high rate of speed but did not see any actual damage done to the window. The county park employee did follow the vehicle, giving dispatch information. Deputies did stop the vehicle and arrested the driver for possessing drug paraphernalia and driving after cancellation. They were not able to link the suspect to the broken window. The other reports involved isolated damage to property incidents, such as a vehicle driving over a lawn, a lock being cut on a storage container, and a mailbox being damaged.

Arrest Breakdowns for September:

Misdemeanors:

- 2 – Drug paraphernalia possession
- 1 – Small amount of marijuana in motor vehicle
- 2 – Property damage
- 1 – Trespass
- 3 - Disorderly conduct

Gross Misdemeanor:

- 1 - Attempt to Escape Tax – Motor Vehicle Registration
- 1 – Interfere with Emergency Call
- 1 – Obstruct Justice with Force
- 1 - 4th Degree Assault

Felony:
 2- 5th Degree Controlled Substance
 1- Vehicle Theft
 1- Unauthorized Use of Motor Vehicle

Moegerle, "I had made a quick note that year-to-date we have nine categories in our report that are down and six that are up. So, we are trending pretty well. Criminal Sexual Conduct, Assault, Felony Arrests, Gross Misdemeanors, Warrant and Traffic Arrests are up over last year. Is there any particular reason that traffic arrests are up over last year? Is that any particular push for speeding?" Sergeant Pilz, "I can't specifically say what that would be other than typically when radio calls go down; the deputies have more time on their hands to enforce traffic. So, if the calls are down and the traffic arrests are up, I think that would be an indication of why." Moegerle, "Because Shelly indicated that Towards Zero Deaths issue is a real big push. And, I didn't know if that may have had something to do with it." Sergeant Pilz, "I am the coordinator of the Towards Zero Deaths (TZD) Grant program. We do have extra enforcement along Highway 65, where the other agencies from around the counties pitch in. So, we do have added patrols usually twice a quarter that cover Highway 65, basically from Bunker all the way to the East Bethel border. So, there are usually 8 to 10 extra patrols on for that program." Moegerle, "Why does it stop at our border?" Sergeant Pilz, "It doesn't. It stops at the Isanti County border."

DeRoche, "County Road 22, how are we doing out there as far as speed. Are we issuing a lot of tickets? Has it slowed down?" Sergeant Pilz, "As far as speeding, there was one on Highway 65 and Viking Boulevard (County Road 22). There have been a lot of stoplight violations on 221st and Highway 65 and Viking Boulevard and Highway 65. The information I have doesn't show times on it. But, I can tell you that it happens quite often between 4:30 a.m. and 7:00 a.m." DeRoche, "Is that the east/west traffic that is trying to get through that light? Because I have tried to get through both of those lights and they last a long time." Sergeant Pilz, "It is mostly the north/south traffic, mostly the southbound traffic. I work until 6:00 a.m. and from 4:00 a.m. on, it becomes very busy. And, it doesn't take long to sit at one of those intersections and see someone go through a red light. That is mostly the southbound traffic."

Public
 Hearing for
 Proposed
 Assessment
 for Municipal
 Utility Project

Davis, "I would like to make one point before we start the public hearing. No one can formally object to, or appeal the amount of an assessment, unless the property owner signs a written objection and files it with the City Clerk prior to the assessment hearing or presents it to the presiding officer at the hearing. So, if someone wishes to file a written appeal, there are some writing materials up here that you may use, but you do need to file a written appeal."

Vierling, "That is correct. The process we will be going through this evening is the Acting Mayor will formally open the public hearing on the 2010 Municipal Utility Project. As the notices were provided, the area served by these improvements is bounded on the south side by 181st Avenue NE and Viking Boulevard on the north and $\frac{3}{4}$ miles on either side of Highway 65 in the City of East Bethel. Once the public hearing is opened, the public will be invited to come to the podium and at that time if you have a written objection you can give it to Mr. Davis or Ms. Moegerle and then make your comments at the podium. The Council would prefer that we hear people sequentially, so Council will not directly engage with each individual immediately, but wait until all individuals have had an opportunity to speak. And, then we will go back and have Council discussion and any questions they have. Once the public hearing is formally closed, no written objections can be received by the Council after that point and time."

Moegerle opened the public hearing for the 2010 Municipal Utility Project.

Don Kveaton of Village Bank, "The biggest thing I have a problem with, is the parking lot next to us at the theater has a "0" assessment on it. And, we have four acres but two acres is under water, so we feel our assessment is a little overbearing. Also, when you put the trunk line in there, you never gave us access to the water. It went to the next lot." Mr. Kveaton provided a letter of objection/appeal.

Curt Strandlund of Classic Construction and owner of vacant parcels in the assessed area. "It seems to be inconsistent how the assessments are being handled. I feel it will be hard to bring new businesses in, which we need to help support the project. We built the new building that is over there and we had a hard time getting it to appraise and that was before we knew some of these large numbers that were coming down the line. With all the vacant property we have, I have been working with trying to move that and made some headway with getting the assessments numbers down. But with both of the parcels, they only have a pipe running to one corner of the property. I am being assessed as though it is a shovel ready lot. That it has a stub right there ready to go. And, as Don mentioned, there is no stub for the bank. When this was put in, they assumed that the water would go in on the north side because the well is there. But, everything is stubbed out on the south side. A few other things we have run into is the whole project is served by 4 inch water mains, which is larger than you need for domestic water. But, yet, if you need to do a fire suppression system, it isn't enough to supply adequate fire suppression. So, I feel the design wasn't very well thought through to supply the businesses." Mr. Strandlund provided a letter of objection/appeal.

Roger Rickey of Rogers Rods and Customs, "I object to the amount of the assessment that is being placed on our property. I would like to have the City reassess this, because it is a significant hardship on our business." Moegerle, "Can you say what particular aspect, why it is a hardship?" Rickey, "I think it is ridiculous for something I don't want or need and never did from the beginning. I don't need it." Moegerle, "Could you address water usage? That may be helpful to us. How much water usage?" Rickey, "We don't need any water, I have my own well. And, it is not like I need much water where we are at now anyways. Our business does not require a lot of water." Mr. Rickey provided a letter of objection/appeal.

Jeff Gardas of Northbound Woodworks, "My SAC is four and I don't understand why it is at four. I think it should be at a two like everyone else. I have an eight inch well that runs my sprinklers and everything else that I paid over \$100,000. I just figured out that I finally got it paid off and now I am going to have another monthly bill. City sewer and water, that is my huge concern." Moegerle, "Do you have a written objection?" Gardas, "No, but I will."

Paul Johnson of Aggressive Hydraulics, "I wasn't real familiar with the format tonight so I am a little unprepared. Part of my rationale for being here was the best interest of the City. Looking at what we are going to be doing moving forward. Understand a little about the tax levy part of it and now tonight about the assessments. And certainly about the level of concern for the City, my neighbors and what we are going to be doing going forward. Our assessment amount certainly was a little bit of a shocker. I understood that we have a little tidal wave here that we are dealing with and I appreciate your effort to come to a resolution to keep things moving forward. Certainly, there is that balance of providing a vision and an opportunity for the City to grow and flourish. It is also important to retain the people that

we have, our existing businesses. If we can't retain the businesses we have, then we don't have a chance. And, I think we all understand that."

"When we decided to move here, we certainly wanted to be part of the solution. The assessment albeit a surprise. We paid about \$15,000 for an appraisal that said we had a real challenge ahead of us. As you all know, we were tasked with taking costs out and other things. The interesting part of it is the land component of the appraisal said once developed, the land, once developed, 6.06 acres is valued at \$2.20 a foot. As we know, those appraisals are based on comparables. One of the challenges of our building, and the project as a whole, was looking for comparables that were comparable. Land is probably one of the easiest things to look at comparables. And again, that was \$2.20 a foot after developed knowing we would have sewer and water. I am not here to cry on your shoulders. Big picture stuff, I know there is some rationale and I thought it was important to make a comment. And, I also want to present a letter as well." Mr. Johnson provided a letter of objection/appeal.

Dale Heider of Muller Family Theatres, "Just here to put our objection in on the assessments. We knew the assessments would be high, but they are a little higher than we thought. Our biggest is on the vacant lots. My understanding is they were assessed based on the potential of subdividing into three residential units. They really are commercial lots. But, also with only one four inch stub going into each lot. The second part is the theater being assessed with a high number based on usage, instead of equal use and access to the system." Mr. Heider provided a letter of objection/appeal.

Moegerle made a motion to close the public hearing for the 2010 Municipal Utility Project. Koller seconded; all in favor, motion carries.

Davis, "Anyone can come and make an oral appeal or objection, but if there is dissatisfaction with any final adoption of the assessment roll, this cannot be appealed to the district court unless you filed a written objection or appeal." Vierling, "And we will certainly acknowledge those that have been received. For the record we have received a written objection from the Met Council on behalf of their lot. And, Jack, were there any other objections filed?" Davis, "Yes, there were. We received a written objection from River Country Coop, Tom Boland. His basic objection was the cost of the assessment." Vierling, "So, the record will note those that were received during the public hearing and those two additions that were supplied before. Council can proceed to the discussion to review each one of these. Certainly ask any questions of staff, engineering, legal or administration. You don't have to take action on this tonight. There is an opportunity if Council wishes to have staff review either the methodology of charges or some other aspects of the proposed roll. We certainly can do that and come back to you at a different time. We would note however, both for Council and the public, the assessment roll that has been provided is the maximum. We can't go any higher. Certainly there can be adjustments down and if there are adjustments, then the assessment roll will be re-noticed to the property owners here tonight."

Moegerle, "Before we begin, and we will begin with Ron, I have a question on the vacant lot. When that ERU is assessed on the vacant lot, we don't know the ultimate use is. So if we assess at two or three ERUs but the ultimate use is ten ERUs, when is that difference paid?" Davis, "That would be paid for in SAC and WAC charges. As far as an ERU, that wouldn't affect it. The ERU, in this case, is simply a value to obtain an assessment. It has nothing to do with the SAC and WAC fees. And, this is the process that has been used throughout the entire project. We did look at some things regarding frontage assessments,

but, the bottom numbers stayed the same. There were some changes in the costs to different owners, but the bottom line didn't change at all. An ERU is equivalent to \$7,704 per assessment. If you had two ERUs based on your SAC charges then that is what was used as the equivalent. One of the other things we did in order to equalize this, in the feasibility study prepared by the consulting engineer there were two different assignments for vacant property. One had three ERUs per acre and the other had one ERU per acre. And, in order to level this, we went ahead and assigned the maximum. As Mark indicated, this is the maximum assessment that can be done and it is subject to modification."

Moegerle, "With the first one we got regarding Village Bank. The issue was the theater has only one ERU and it is a parking lot and they have two and part of it is wetland."

Koller, "I am interested to know about the stubs that apparently didn't go to Village Bank? Why not? I thought that was all worked out before this started?" Jochum, "What I know of it is there was a stub put on the north side of the property that lines up with their well if you go straight east. What wasn't known, was when the municipal water came in, the contractor had already stubbed water to the south side of the building. So, the one to the north was really not of use to him." Koller, "There are two acres of his lot under water." Jochum, "It is a mitigated wetland that can be filled." Koller, "So how do we charge ERUs for a swamp?" Jochum, "I don't know. Were the wetlands taken out?" Davis, "Again, ERU is used to establish a value. The value here is what benefit do these properties receive from these improvements. These are things that need some further investigation, as I have discussed with several of you prior to the meeting tonight. Whether it was four acres and he had only a 1/2 acre of dry, the benefit would still be the same. There are some properties down there too that have almost essentially equal uses or sizes and have been given different SAC determinations by the Met Council. However, their benefits are essentially the same. There are some things that when this is concluded I am going to recommend that we take another look at to try to equalize these and work through the inconsistencies."

Koller, "If the water is stubbed on the south end and their water is presently on the north end, that is a lot of pipe that is going to have to be laid and that is going to be expensive." Davis, "That is correct. I also want to point out that Mr. Jochum was not the engineer on the project. We did contact the design and consulting engineer and we were told that they contacted property owners to see where they wanted their stubs. And, they said there was no response. That is the indication we got from the engineers. And, I understand there is some difference of opinion in that too. We did contact them and that is the explanation we received." Moegerle, "Certainly the water does serve a purpose, but it has nothing for a business value. So, I have a concern there." Ronning, "I am curious how we determine who is at fault there and who gets the liability on something like that. That he said/she said doesn't carry a whole lot of weight with me."

Vierling, "We will follow up with the consulting engineer on the project and see if they have any documentation on how they designed the system. And see what they have for a record. And we would be happy to share that with the property owner as well." Ronning, "Who is the engineering firm?" Davis, "Bolton and Menk." Moegerle, "Can we have them attend the next Council meeting that this item will be discussed? Or, would you rather discuss this in private Mr. Kveaton?" Kveaton, "I would rather have a private meeting with them." Moegerle, "And then we can have a public meeting if that doesn't work out well." Ronning, "There are 24 lots identified, it works out to \$46,001 per line. How many property owners are there affected here, because some of them own more than one lot." Davis, "The theater actually owns six, seven lots there. There is the theater lot and then the rest are vacant. Mr. Strandland I think owns two lots and I think the rest are individually

owned.”

DeRoche, “I would agree with Mr. Johnson from Aggressive Hydraulics. You can’t drive the businesses out of the City.” Moegerle, “Remember the issue is with Village Bank. Please tie it up.” DeRoche, “And, you touch on he said/she said, I can’t believe all of the land owners were contacted and did not get back to the engineer. It doesn’t make sense to me and I think that is something we need to pursue.” Davis, “Let me make one correction. The bank is the only one in question that we have knowledge that has an issue with the contact with the engineer.” DeRoche, “Well, then the bank. To say he has it on the north and they put in on the south. It was my understanding that all of these businesses who were going to be liable to pay for this thing would have sewer and water access. Not after the fact, we have it in the wrong spot, now you have to run another line. I think we have a lot of work to do here and I don’t feel comfortable myself making any kind of a determination. I have been reading these things through and I would have to go with all of the businesses that showed up. What a shock. And yes, the sewer and water project is going to be a pain, but we cannot expect to recoup everything off of these businesses that are in that district. And, I think everyone outside of them, should have been aware of that before this project went ahead.”

Moegerle, “Let’s move on to the Classic Construction issue. The vacant parcels, inconsistent assessment and difficulty with assessment.” Koller, “The vacant lots, we are charging them an awful lot of ERUs for an empty lot. I don’t think we should be charging them until the lot is actually built on. As long as our Fire Chief is here, this if the first I have heard that the 4 inch watermain isn’t big enough for fire sprinklers. Do you know anything about that?” Davis, “Actually what I think Curt was referring to was the stubs and not the mains themselves. Is that correct Curt?” Strandlund, “Yes.” Koller, “Is a 4 inch big enough?” Chief DuCharme, “It would depend on the occupancy and the size. Normally it is a 6 or 8 inch. I never had any conversations with the engineer when this was going on, with the exception of the design of the fire hydrants. It is my understanding that fire suppression, the stub is not there, it would be tapped off the mains that are in the street. And that is not real unusual to have a separate connection for fire suppression and for domestic.” Koller, “So if someone builds on a vacant lot they would have to run another line if they need sprinklers.” Chief DuCharme, “Yes, they would.”

Moegerle, “I am seeing some confusion out there. I certainly think we should have a representative from Bolton and Menk attend. We haven’t accepted the project and I don’t know if that is something that can be changed at this point but if that is not a standard for a commercial district we certainly do not want to accept it. It sounds like we are going to have a lot of questions for Bolton and Menk. Communication is critical and it doesn’t look like it has been done well. So it seems to me that staff should take some time with Kreg Schmidt to get answers to these questions and I am sure there is going to be some more.”

Ronning, “The 4 inch lines, what size lines are on the buildings? Aggressive Hydraulics, you must have three or four?” Strandlund, “When Aggressive Hydraulics was being built that as not a lot of record. So there was only a main line running north. So we tapped the main line at the cul-de-sac and brought in a 6 inch line to provide the fire suppression system. And, we also have a domestic line for drinking water.” Ronning, “For my understanding, all this stuff about the size of the lines, I don’t have the knowledge to understand what it all is. It would be helpful when we speak of some of these things in the future, to have some of these things identified. Such as 4 inch lines are so much pressure.” Jochum, “I have seen the lines anywhere from 4 to 8, typical is 6 and up. But, it doesn’t necessarily mean they are undersized. Again it will depend on the size of the building, the

occupancy. A bigger building like Aggressive Hydraulics, a 4 inch would not have been big enough. But, it doesn't necessarily mean it won't be for the next building." Davis, "It will depend on size and fire protection needs of that building. Like Craig said, in the case of Aggressive Hydraulics I think they needed a flow of 2,000 gallons a minute and a certain pressure and a certain line size to satisfy that. This is something we can certainly have Bolton and Menk address."

DeRoche, "Again, I am not going to be the one that says, "I am going to direct staff to do anything, I think that is a Council thing." But, that being said, I think Bolton and Menk has to answer a lot of questions. This was set up as a sewer and water district for commercial businesses, not residential. And, to not go with adequate hook-ups is wrong and I think someone has to be held accountable for it. It is an awful lot of money that was put into this thing and Craig Jochum at that time wasn't the engineer, Kreg Schmidt was the engineer. I remember a lot of meetings here where a lot of numbers were being put out and everything was going to be just wonderful. And, now we are finding out maybe the pipes aren't big enough? That is a commercial area we are talking about, maybe light industrial. We aren't talking about putting in houses. And, it is just another thing to pass off on businesses. And, it is a shame that residents are going to be tasked with a tax increase, but it will be even more of an increase if we lose a lot of businesses. So, there has to be some real balancing done, because I can't see tasking these businesses with all the costs, I just don't see it." Ronning, "We should be curious on the engineering specs on some of these things. What did we pay for and what did we get. Are they the same thing, or is there any difference. Did we pay for ten and get four? That is an extreme example." Moegerle, "Sounds like we need an exit interview with Bolton and Menk." DeRoche, "Maybe we need to direct Jack to have our engineer look into some things and bill Bolton and Menk for it. Because apparently there is more than a problem here." Ronning, "The specs have to be the place to begin."

Moegerle, "Mr. Rickey, his objection was the significant cost and he has his own well." Koller, "How many ERUs is he being charged?" Rickey, "Two." Koller, "It seems like the same problem everyone else has." Moegerle, "I know that Met Council uses their book to determine how much water is used. It is hard for me to fathom how a Hot Rod shop uses so much water. But, one thing I did notice is that the interest rate listed is 5.25% and I have the current mortgage interest rates and as of today for a 15 year fixed it is 3.49% and for a 30 year fixed it is 4.42%. So, I do think at least the interest rate should be modified on all of these. I am sure we will hear more about this. It is not a good solution, but we are sensitive to this as well."

Ronning, "Speaking for myself, this assessment, is this Met Council or City?" Davis, "This is City." Ronning, "How did we arrive at an ERU charge for a lateral advantage?" Davis, "The ERU charge is based on the ERU or SAC that each business was given. This is an acceptable means of assessment. It is in our assessment policy as a means of assigning value. We discussed it with the City Attorney. It was vetted as an acceptable practice. And, we used this because it was what was in the feasibility study and it was presented at the preliminary hearing for the preliminary assessment on our notice of assessment in October 6, 2010. So, in order to not confuse or changing of the horses in the middle of the stream, we remained with this standard."

Ronning, "I agree with Bob. I don't see how we can put the whole penalty on them. This is like a penalty." Davis, "I agree. And, I will acknowledge that. One of the things that was done in preparing the initial assessment roll, one of the goals was to see what the maximum was. And in the letter that was sent it said, "This is up to and subject to modification." So,

we recognized all the issues that everyone would have. We also recognized that this is a very sensitive issue to Council and to staff. But, we wanted to start out and say this is the maximum. Not it is up to us to find the best balance between the City's interest and the property owner's interest to come up with the assessment." Ronning, "It has to be something that works for everybody. Us, them, the community, the prospective future businesses that will or won't accept this kind of cost." Davis, "It definitely was not the goal of staff (and I have related this to the people I have spoke with) to balance this project on the backs of these twelve businesses that are directly affected." (DeRoche said, "I think Colleen said there are thirteen businesses.")

DeRoche, "I have been to Roger's shop and he is going to have to do a lot of work to come up with these assessments. Every time I talk about this, I get really irritated because of the way it was put together. And, I know what these people were told and that is really an irritant. And, Jack, I know that you and staff did not sit down and come up with these numbers just to throw it out there. But, it was put out there for us and I think it is going to take a work meeting to sit down and say, "What is really going to work here?" It is a bad situation no matter how you look at it. But, we can't put it all on those thirteen businesses. Those businesses, it is not like they are corporate giants down there. That is what East Bethel is, or was, small Mom and Pop businesses. Curt does his construction, Aggressive does blue collar and to say, "We appreciate what you did, but, we have this bill and you guys are going to pay for it. And, I think it will really detract from bringing anyone else in."

Davis, "It is going to affect the marketability of vacant property, the resale of current businesses. Hopefully, it will affect the profitability and help someone stay in business. Here again, we are all for finding the best balance that we can."

Moegerle, "The next one is Northbound Woodworks." Ronning, "I am not done yet." Moegerle, "You are out of order." Ronning, "I am?" Moegerle, "We are doing the Round Robin." Ronning, "I have to vote on that." Moegerle, "You are out of order. So, you will be out of order." Ronning, "The easy thing would be to sit up here and say what people want to hear and I don't believe in doing that kind of stuff. It is a huge, huge problem we have and we have to figure out a way to get through it. Regarding these assessments, when would they be up for change?" Davis, "These assessments, if approved would go for 20 years. They could be financed for 20 years. Or any other term that Council so desires, but 20 years is the life of the bonds and generally the life of the assessments for this type of improvements."

Moegerle, "Ron, the next one is Northbound Woodworks." Koller, "This is the same as the rest of them. The businesses are being charged by acreage. It doesn't matter how big the business is, how small it is, they are being charged by acreage. And that makes no sense to me. We used to have a carwash there that used thousands of gallons of water a day, versus a business that uses a couple of hundreds of gallons a day. Why are we charging them both the same? And, empty lots paying for water and sewer by the acre when they don't even have an outhouse there. It shouldn't be charged until there is something built there." Davis, "That is why we sent those other different proposals for consideration to show there are other options. We are following the standard that was initialized with the projected. There are going to have to be modifications considered, I believe. It isn't a charge by the acreage. All this is, we are trying to establish benefit. There is a certain amount of benefit associated with these benefits. We need to figure out what that assessment is." Koller, "I agree with Bob, we need to have a work meeting and go through this one lot at a time and make it a little more fair and reasonable. Because we would like to bring more businesses in and keep the businesses that are here. And if we tax them right out of existence, it is not going

to work.” Davis, “I agree. I think that is what needs to be done and I think that is what some previous discussion was hinting at. We need some more time to evaluate this and then come up with an assessment roll.”

Ronning, “These are a one-time charge?” Davis, “These are a one-time charge. They would not pay any more assessments on these improvements.” Moegerle, “What is the purpose of a lateral benefit assessment? Is this associated with the fact that a vacant lot has a stub for water on it is more marketable than land that doesn’t have a stub on it? What is the purpose of that. And, where does the income from this lateral benefit assessment go? Does it go to defray the cost of the project? And, if the businesses in this district do not bear this cost, if it is a hard cost, then it gets passed on to the residents, who get no benefit from this. That is the hard place that we are in.” Davis, “The lateral benefit assessment is essentially what is paid for from the benefits derived from the improvements of the project. The access to the water, sewer and street improvements. That is the easy part. The hard part is determining what that benefit is. Especially in this case. We have a case where the notice of proposed assessment was sent out almost three years ago, October 6, 2010. There has been a lot that has happened on the project since then. The project is essentially complete. So now we are going and following the assessment process and notices were sent out as a follow up to that. What we have to determine is what a fair assessment is, in relation to everything that is going on. As far as to your question as where the money goes, this money goes to the City and it would be used to defray the cost of the project to pay down the bond issue.”

Moegerle, “I know we have the budget issue later on the agenda. Where is the income that comes from this included in our budget? I know it is on the revenue side, but has that number been plugged in or is this one of those open items?” Davis, “It hasn’t been plugged in because the assessment is not final. It is one of the things we listed as working on that we can apply as a reduction for the 2014 budget or subsequent budget years.” Vierling, “And, once assessed, the funds received, by statute the funds would be dedicated to payment of the bonds. It may not be deferred or diverted for any other use by the City.” Moegerle, “For an existing business to have access to water when they already have a well doesn’t look like a benefit. It is only a benefit when that property is redeveloped. So, those buildings there are pretty new, so redevelopment is not in the immediate future. The value is very difficult to assess. It does look like more time is going to be needed on this.”

DeRoche, “I know people don’t like to hear it, but I haven’t been for this project since day one. I voted against it and I caught a lot of flak for it. I was not able to see how this thing would ever sustain itself. I have listened to a lot of people over the last three years that initially thought this was a great idea, and it was going to help them out and increase their property values. Now that it is coming, and it is time to pay, people are changing their tune. I guess it is unfortunate that everybody else gets caught up in that. I am not sure what the answer is, but running people out by taxing the heck out of them is not the answer. Again, if the businesses leave, the residents are going to pay more.”

Moegerle, “But, clarify that. This is an assessment to say, “Your property value has increased because you have this public utility. It does go to defray the cost of the overall project. It is not like a hard cost of paying for a pipe. What the access and the value of that access do for the marketability of that property, is that more or less what we are talking about here?” Vierling, “That is the cap of the assessment. That is the top limit under law by which you can assess a property. If that is challenged, a City must show benefit to the property by increase of fair market value directly resulting proportional to the improvement.” Moegerle, “So this is spreading the cost of the project over the benefitting properties.” Vierling, “This is the City recapturing that element of the cost of the project

that we can attribute to increase in value. Obviously the City is going to be paying for this total project. The assessments are probably a relative part of it. Obviously, the sewer and availability charges and water are going to be another part of it when people connect. There will be utilities that will be expanded. Those rates will be there and to the extent that there is a shortfall, which we are projecting there will be, they will be paying again by virtue of the taxes that will be levied generally throughout the community. So, from that perspective, you are looking at four different sources of revenue that will be pledged to paying down these obligations.

DeRoche, "So, in other words we are telling these people, we realize you didn't want the sewer and water. But, it is a benefit to you. You just don't realize it yet. Down the road this is going to benefit every single business out there. Is that the case? Not in my world. If every single one would have come up and said, "We really want you to do this because it is going to benefit us a lot. It is going to help us move out of here, bring in a building, develop, do whatever." But, I don't think I have heard anybody say that."

Moegerle, "Moving on to Aggressive Hydraulics, kind of the same as everyone else. Ron anything special?" Koller, "Same as everyone else. I think we need to go back and go lot by lot and reassess all of them. This is ridiculous to drive the businesses right out. We have people out there that spent a lot of money on new wells and now we are telling them to cap them off and hook-up to City water and sewer." Moegerle, "Are we in fact telling them to cap those off?" Davis, "The wells can be used for irrigation purposes. They cannot be used for domestic purposes. Nor can they be cross connected." Moegerle, "Effective when?" Davis, "When they make their physical connection to the system. And that has to be made by August 2014." DeRoche, "I can understand Aggressive Hydraulics, look what they went through to bring the business up here. And, I am sure that they hadn't anticipated this cost. Did you Paul?"

Davis, "One thing about Aggressive Hydraulics, keep this in mind too. They were not an existing business when these original 429 assessment notices were sent out in 2010. Even though the property was a part of that, they weren't. There was an indication of this in the dealings with them, but, there was a lower number based on their preliminary plans. Their information has been all over the board until their project was finalized. They have kind of played a guessing game with this."

Ronning, "What kind of interest rates are the potential here?" Moegerle, "It was 5.25% in the packet. However, I am looking at the fixed 4.42% for 15 year and 3.49% for 20 year and that is the mortgage rate on bankrate.com. Other options are to look at the rates for CDs which is not applicable, loans, home equity and credit cards. If you want me to look at those numbers, I can do that."

Vierling, "Almost universally assessment interest rates are tied to the interest rates that you are occurring on the bonds that are subsidizing or financing this project. It is typical that a City will set their interest rate on an assessment at either a point or a point and a half over what they are paying on the bond issue from which they are financing the project."

Ronning, "And if it was 5%, the cost would effectively double in about five years. So, \$580,000 looks closer to \$1,200,000. That is too high."

Moegerle, "Colleen, do you have any tools to help work through this, other than what Bolton and Menk offered years ago?" Davis, "No we don't have anything other than options. We did provide another scenario which addressed the vacant commercial properties. And, in discussions if we are to address the vacant commercial properties, we

need to address the developed commercial properties too. I think the whole situation needs to be examined and evaluated before an assessment roll is recommended for consideration.”

Ronning, “Food for thought, I don’t know how much we can answer. Some of it would be helpful to have a work meeting, like has been suggested.”

Moegerle, “We have Mueller Theater and Met Council and we have River Country Coop (the gas station). What was Met Council’s point? What was their objection and did they suggest a solution?” Davis, “Met Council’s objection is they claim an exception from the sewer assessment based on State Statute 473.545. They do acknowledge that they may be liable for the water assessment. Craig is working on a proposal for that so we can include that proposal on their bill.” Moegerle, “Is that something that you can’t tax other governmental entities?” Vierling, “You can assess, you can’t tax. You can assess other governmental entities and non-profits. It is a different process under the statute. But we still have to go through this process to get to there. But because they don’t get a tax statement like the rest of us do, it is a different methodology in terms of what they actually end up getting billed for and how it gets paid. It doesn’t matter if it is a church or a school, or another community that may own land in your community something like that. It is just a different process of how we bill them out.” Moegerle, “But they did get the notice?” Vierling, “Absolutely, they all got notice.”

Davis, “River Country Coop’s objection was the cost of the assessment. In their case they claim that they would receive little or no benefit from this and their objection is the cost.” Moegerle, “Have they taken out their car wash equipment? Is that vacant now?” Davis, “Their car wash was removed a couple years ago. They were originally given a determination of four SAC units by Met Council. But, they requested a new determination and the Met Council did a review and came back with a new determination of two SAC units. Their car wash has been gone for approximately two years or longer.”

Moegerle, “Do we want to deal with Mueller Theater?” Koller, “It is the same as everything else. We need to sit down and go through each lot and put some realistic numbers down.” Moegerle, “One of the things I am looking at is there was one business that was pro this project (and I am thinking October 6, 2010) and unfortunately we have to distribute this across all of you. And, because there is a benefit and it is kind of ephemeral to figure out (I am sure a real estate agent could advise us on that). Could we look at this issue by square footage, frontage feet? What other factors do we want Jack to bring back to us to look at this? The other number is what do we want to recoup from these businesses for this project?”

Davis, “That is the question you really need to answer, because that is really the way costs are going to be decided. Whether it is front footage, square footage, ERUs, whatever standards you want to use, the bottom line is what is going to be derived from it.”

Moegerle, “I think the ERU number is too crude because it is between 1 and 27 and you can’t finesse based upon things like square footage. But, what other measures do we want to use?” Davis, “I don’t know that you want to use square footage because you have such a disparity there. You have 2,000 to 60,000. And most of them are going to be in the 10,000 range and the ones in the 60,000 range skew it and puts them at a disadvantage.” Moegerle, “But, for example with regard to the bank, part of their land is under water and so it would be square footage of developable or redevelopable land. I don’t know how to figure out the basis for spreading the costs that we ultimately determine.”

Ronning, “As Jack said, you almost have to look at the end of the story and work backwards

and see how you can make it go.” Davis, “It is almost like reverse engineering. The methodology you use, you could use either one. That is the other thing that needs to be determined, the fairest way to do it. And I don’t think we can work that out tonight. The one that gives the most balance and equity of assigning these. No matter what we do everyone has to be treated the same. It has to be equal across the board. So that will affect several of the ones out there now.” Moegerle, “Does the rate have to be the same for developed and undeveloped land? Or can they be at different rates, Mark?” Vierling, “You are required by law to use a uniform methodology in assessment. And usually appraisers when determining value for these types of benefits, they do not factor in the existing use of the property.” Moegerle, “Could Ken Tolzmann give us a little bit of information on this?” Vierling, “He might be able to give you some input from that perspective.”

Moegerle made a motion to table the assessment roll for the 2010 Municipal Utility Project until the next regularly scheduled City Council Meeting or work meeting of which this will be the subject. Davis, “There is one other thing I would like to point out. This needs to be submitted to Anoka County by November 15th if it goes on the pay 2014 taxes. So, if we are going to have a work meeting, we have to have it as soon as possible.” Moegerle, “How about Monday. No, we have an EDA meeting.” Davis, “It will take a few days to work out some of these options and alternatives for you. I think Wednesday will give us ample time to do that.” **Moegerle amended her motion to table until Wednesday, October 23, 2013. Koller seconded.** Ronning, “A friendly amendment. Rather than table which is permanent, can we recess or suspend?” Vierling, “You can recess or suspend the meeting, but this is an item within the meeting.” **All in favor, motion carries.**

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

Dan Butler of 23002 Austin Street, “I am on the Economic Development Authority and the board of East Bethel Chamber of Commerce. I urge all of you to do your best job. I know you will in attracting businesses to the city. I am glad I am on this side of the dais. I know you have a hard job ahead of you. I admire how you stick to it. Anything you can do for the consideration of businesses, we really appreciate that.”

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

Consent
Agenda

Moegerle made a motion to amend the Consent Agenda to included: A) Approve Bills; B) September 4, 2013 City Council Meeting Minutes; C) October 2, 2013 City Council Meeting Minutes; D) Accept Resignation of Cable Technician; E) Resolution 2013-62 Accepting Donation; F) Coon Lake CDBG Grant. Koller seconded; all in favor, motion carries.

DeRoche, “I want to pull items B) September 4, 2013 City Council Meeting Minutes and E) Resolution 2013-62 Accepting Donation.” Moegerle, “I want to pull item C) October 2, 2013 City Council Meeting Minutes.” Ronning, “I want to discuss F) Coon Lake CDBG Grant.”

Moegerle made a motion to approving the Consent Agenda including: A) Approve Bills; B) September 4, 2013 City Council Meeting Minutes; C) October 2, 2013 City Council Meeting Minutes; D) Accept Resignation of Cable Technician; E) Resolution 2013-62 Accepting Donation; F) Coon Lake CDBG Grant. Koller seconded; all in favor, motion carries.

DeRoche, "I pulled item B) September 4, 2013 City Council Meeting Minutes because on page 5 (I am not going to go into grammar and punctuation) but, in the last paragraph there is a statement made that says, "In reevaluating this, we found we could save \$4.4 million on downsizing the water treatment plant." That was actually 3.8 million. If I recall, Jack?" Davis, "I would have to look that up." Moegerle, "I definitely said \$4.4 million." DeRoche, "I know what you said, but that is not factual." Moegerle, "Well okay, Mark can you tell us on changes, factual versus what was said. What are we approving here?" Vierling, "Council can amend minutes if the individual or the maker of the statement recognizes that there is an error and wishes to correct it. If that is what you intended to say, then obviously that is what you intended to say." Moegerle, "That is what I intended to say. However, we can go on with this as well, where I am misquoted. I pulled this one as well. Apparently it is in the next one."

Moegerle made a motion to adopt the September 4, 2013 City Council Meeting Minutes. Motion fails lack of a second.

DeRoche, "That was my main concern, that number was inflated." **Moegerle made a motion to adopt the September 4, 2013 City Council Meeting Minutes. Ronning seconded. Koller and Ronning, aye; DeRoche and Moegerle, nay; motion fails.** Moegerle, "Can we have those brought back to us if \$4.4 million is not correct?" Davis, "Yes."

Moegerle, "I pulled the October 2, 2013 City Council Meeting Minutes. On page 9 of 16, immediately above the bold face, we have DeRoche, aye, Koller, aye and there was a start of a vote, and I think that is confusing. However, on the same basis for Bob's attention. On that same page we talk about the raise and "to go from ¾% to 0% to ¾% to 1.5%". And, I think it was most recently 1.5%, 0%, 1.5% and 0% and it averaged out to ¾% so, for the basis I don't think that is a correct statement, I pulled it. And there are a couple places where it says I said something and it is not even a direct quote and it is not even two minutes later and for the same reason I have pulled these to ask for these corrections." Ronning, "What if the fix?" Moegerle, "Basically, you guys go ahead and vote for them and I vote against them. The resolve on page 9 is to remove DeRoche, aye; Koller, aye. If Mr. DeRoche wants to correct that other paragraph ¾%, etc, that is his prerogative, on the same basis of my statement." DeRoche, "I am not going to correct it, because I am fairly sure that is what went on." Davis, "I think the sequence was 0%, 1.5%, 0%, 1.5% that we had over the last four years. And it equated to ¾%." DeRoche, "Without seeing it, I am saying what it is."

Moegerle made a motion to approve the October 2, 2013 City Council Meeting Minutes. DeRoche seconded. DeRoche, Koller and Ronning, aye; Moegerle, nay; motion carries.

DeRoche, "I pulled Item E) Resolution 2013-62- Approving Donation. The reason I pulled this was it was Heidi who initiated buying the computers. But, that being said, she did purchase it, she was reimbursed and now she wants to donate it back to the City. You never really can completely erase a hard drive, so there still might be information of the City's on the hard drive." Moegerle, "I want to correct that, it was completely scrubbed." DeRoche, "And now that the City has already spent the money and reimbursed her for it, I don't want someone coming back in a year and saying, "I don't have a computer, I donated it back to the City. There is an ulterior motive here in my opinion. However, once it is out there, it is out there." Moegerle, "Well frankly I don't live in the world of ulterior motives and there are people that do. Frankly, I saw in the budget that there was an \$800 assessment for a

laptop. This laptop is the one I have been working on. I tried to transfer to the other one and was not very successful. And so when I saw there was a need and that computer was being underutilized, it makes perfect sense. This is not an ulterior motive. It makes good common sense. As I said when we talked about the GRE thing, if I can magically have one of those poles in my backyard, it is my civic duty to do this. I don't care about the reimbursement. As I have told Jack, you can tell me the assessed value of it is \$1, I still want you to have the computer. That is not the issue."

Ronning, "Who is in possession of the laptop?" Davis, "I have possession of the computer at this time." Ronning, "Is this a request to donate the computer to a school or something?" Davis, "No. I have a written statement from Heidi that she wants to donate this to the City. This is the process to donate to the City. In order for us to accept it, we have to accept it by resolution and then we can do with it as we see fit." DeRoche, "My problem with that is, Heidi used a good example, I saw a deficit, so I brought my computer back. I don't want that being the premise for anything. If she wants to donate it to a charity, Meals on Wheels, it's fine. To do it this way, I think is inappropriate." Ronning, "Does the City have a need for it?" Davis, "The City always has a need for computers. Roseville will have to take a look at it to make sure it is clean. Desktops are set-up different, versus a City computer and this one is. We would have to buy a Microsoft License for it. So there will be some things to do to it to make it ready for use for City purposes." Moegerle, "However there is the \$800 that is under the Council budget, equipment replacement, all of us were told this is a computer." Ronning, "I am not trying to be argumentative. As soon as you buy it, it is almost obsolete. So, if you paid \$800 the likelihood of you getting \$799 is tough." Moegerle, "And I told Jack if you send me an acceptance back of an evaluation of \$1 that is fine. I have no expectations." Ronning, "Do you have any way to evaluate the computer?" Davis, "It would be very difficult to know what a used computer would go for." Moegerle, "I use this computer and that one is Windows 7."

Moegerle made a motion to adopt Resolution 2013-62 Accepting the Donation from Heidi Moegerle. Koller seconded. DeRoche, nay, Koller, aye, Moegerle, aye, Ronning, aye, motion carries.

Ronning, "I pulled Item F) Coon Lake CDBG Grant because I am unfamiliar with it." Davis, "This is the item that we discussed at the HRA meeting and the HRA gave direction to pursue this. In order to apply for a grant we need Council authorization. All we are asking for is authorization to prepare the grant application. We would still need authorization to submit the grant to the County on January 14, 2014." Ronning, "For whatever it is worth, I have seen my name on Facebook pages saying I am opposed to helping Coon Lake residents with their septic conditions. Which I am not. I do have a question, once the grant is prepared it comes back to the Council." Davis, "That is correct. Once it is prepared, it comes back to Council. And, if it is approved, it will be submitted."

Ronning made a motion to direct staff to prepare the Coon Lake CBDG Grant Application. Moegerle seconded; 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, "The fire department has been very active with Fire Prevention Week. This last Saturday was the open house. I want to thank the firefighters for their hard work. Adam Arneson one of our lieutenants was in charge of it and he did a great job. The East Bethel Royalty was there also, and they participated in a food drive with about 450 pounds

of food for the food shelf. And the Lions Club, they participated in the food that was served and the Chili Cook-off.” Moegerle, “Who won the Chili Cook-off?” Chief DuCharme, “Marilyn from the Lions Club, and 2nd Place went to Ruth from the Lions and 3rd Place was a firefighter, Jeremy Shierts. On the fire prevention side also, we had our firefighters out in the elementary schools and they met with all the kindergartners and all the third graders. A big thank you to Dan Berry and the firefighters for that. Dan heads up that group. Oak Grove’s Fire Department was also there with us since some of their kids also go to our schools and we appreciate their assistance. They also provided the Fire Safety House. We are 95% done. We just have some preschools left to do.”

“The other thing that happened is we sold old Engine 21 to a fire department in Alabama for \$50,000. River Falls Fire Department bought it. The broker fee was \$5,000. The boys from Alabama flew up and drove the truck back. They are delighted with the truck.” Moegerle, “And that will go back into the equipment replacement fund?” Chief DuCharme, “Yes, it will. For September we had 46 calls which is about average. For the year-to-date we have 404 calls. This month there were 32 medicals. And, I want to remind everyone that the flu season is beginning. Important for our firefighters and the public out there to remember.”

Moegerle, “I think what you guys do with the EMS calls is great. What happens with regard to the Ambulance service coming to our area? What happens to the training of our firefighters, will you continue to be the first responders? Tim Hoffman who is on Parks, his brother is the Park Rapids Fire Chief and he has talked to me a little bit about how their fire service changed when Ambulance Service came to their area. I know that is a little away, but how are you going to work on that and do you see that in the near term?”

Chief DuCharme, “The ambulance service areas are controlled by the State of Minnesota. And they are controlled by what we call the EMSRB, Emergency Medical Service Regulatory Board. That state board is the authority or jurisdiction that assigns areas. Our area is assigned to Allina. When Allina comes out in their trucks, they have a minimum of one paramedic and one EMT. They come out from either Cambridge or kind of local. Part of the reason the Fire Department was involved in medicals was the time line for getting there. That is not to say that Allina doesn’t meet their timeline, which they do. There are some protocols which they have to meet. We train either two first responders or emergency medical technicians; we give our firefighters a choice. Just about half of our firefighters are EMT level trained. The other half is first responders and if they want to make the jump, we help them do that. Getting back to your question, is the ambulance service ever going to come to us as a provider? I certainly see that the fire service is a great partner in EMS, but with the service that already exists, I don’t know that there is a need. However, we do train to the EMT level because sometimes there is a need for a higher level of care.” Moegerle, “Again, what Tim was saying is that the fire department gets paid for these runs and I don’t think we get paid for these runs. And, the question is, Allina gets paid for these runs, so how do we get involved with that, and I know we have had some discussions on that.” Chief DuCharme, “And that discussion goes on and on. We as a Fire Chief group have presented that to the Ambulance Association and are in constant negotiation there. Will there be some time that we will be paid by Allina? That is a possibility. There are some fire departments and rescue squads in outstate Minnesota that are paid a minimal amount. I don’t know if it is feasible to charge the resident or insurance company. That is difficult because we are not able to discriminate between someone that has insurance and someone that doesn’t.” Moegerle, “Are you able to get that information from the Ambulance Service, or is there no sharing of that information?” Chief DuCharme, “There could be, but I don’t know that we want to be in a situation where someone with a chronic illness doesn’t

want to call 911 because they can't afford it." Moegerle, "But that exists anyway. Because they would already have to pay the ambulance company." Chief DuCharme, "If the ambulance transports. If you look at our sheets, a lot of the ambulance calls are transports. It is not like the system is being abused. I will make the agreement with the Council that we will continue to have discussions with the Ambulance service on how we can recover these costs." Moegerle, "I appreciate the philosophical debate. Because I have it with myself on how we can recover these costs. Thank you for the information."

Koller, "On selling the fire truck. Were we clear on liability on the framework?" Chief DuCharme, "Yes, everything was disclosed to them." Koller, "So they know it needs some frame repair?" Chief DuCharme, "Absolutely. When we contacted the broker that was the first thing we discussed."

Chief DuCharme, "One other item I would like to discuss with the Council. It won't affect the 2014 budget, but it could affect either the 2015 or 2016 budget. This is the Public Safety Data System that the Fire Chiefs and Police Chiefs have been working on for about 2½ years as far as designing a public records system. We are at a point now where vendors have been selected, the County went through the RFP process and the county is going through contract selections. Tomorrow it is likely the committee is going to meet and approve the proposal we are putting aboard. This is a \$7.6 million project. It is a complete redo of the records management system used by all of Anoka County. Anoka County is going to bond for \$7.6 million dollars. Starting in 2015 or 2016 there will be maintenance costs for the fire department and sheriff's department. For the fire department it will be about \$3,300 a year. I don't know on the sheriff's side what the cost is going to be."

Moegerle, "Did you inspect the old Our Saviour's Church. What is that building being used for and how is the renovation going?" Chief DuCharme, "We did inspect it. It doesn't mean they are close to using it. I was dealing with the fire alarm vendor. I have not had contact with the owners. There has been some work done inside. It looks like someone took a spray gun and painted things and some roof repair has been done and mold abatement."

Ronning, "I was at Our Saviour's this morning and a fire truck was there. Was there an emergency there?" Chief DuCharme, "We were there for the preschool. That was part of the fire prevention."

Chief DuCharme, "For the 2014 budget, the Relief Association had originally requested a City contribution of \$500 per firefighter, or \$17,500. And when Troy Lachinski the president of the Relief Association was here talking about increasing benefits, he did make the statement that he would gladly lower that \$3,500 to \$14,000. I had a chance to talk to Troy and he is in agreement on that. He thinks that is a very doable thing. Their request is the \$14,000. I know you are going into budget talks when I am done." Ronning, "When I hear that one person approved something I am going to ask. Does that have to go back to the membership for approval? Or does he have the authority to do that?" Chief DuCharme, "Troy has brought that to the Executive Committee and he does have the authority."

Oak Grove
Building
Inspection
Services
Contract

Davis explained that on November 21, 2012 the East Bethel City Council approved a contract to provide Building Official and Inspection Services to the City of Oak Grove. The contract fee schedule was structured so that Oak Grove would be charged 95% of their building inspections fees and 100% of the plan review fees for our services. Their previous contractor, Inspectron, Inc. billed for 65% of their fees for inspections and 100% of fees for plan reviews.

When we negotiated the contract with Oak Grove we told them we were not comfortable with the 65% charge for inspections and needed 95% of this fee until we confirmed that our revenue projections were accurate. Our cost for providing these services to Oak Grove through August 2013 has been \$34,111. Thirty per cent (30%) of our total time by building department employees has been spent on Oak Grove Building Official and Inspection Services to date in 2013. Based on our expenses through August, our costs for providing this service for the year of 2013 are projected to be \$51,141.

Total amounts billed for the Oak Grove Building Official and Inspections Services through the end of August have been \$135,633. Total fees for this service for 2013 from Oak Grove were projected to be \$60,000. The fees we charge Oak Grove are based on a percentage of inspection and plan review fees that are conducted.

The percentage charged for the inspection fee was adjusted to 85% effective June 30, 2013 and as part of the original negotiations on the contract, the fee charged for inspections was negotiable based upon our cost/revenue experience. Even though we want to maximize our potential for revenue from the provision of this service, we don't want the City of East Bethel to be perceived as exhibiting an unreasonable position in terms of fairness and equity in the contract. Although Oak Grove currently prefers to contract with the City of East Bethel for this service, we must maintain the value on our part as to the charges for fees should we wish to maintain Oak Grove's interest in the continuation of the contract.

We have seen that our current billing arrangement more than covers our expenses and generates additional revenues for the General Fund. It has been requested by Oak Grove, and I would feel confident in recommending, lowering our percentage of the inspection fees to 80%. A reduction in our fee would accomplish the following:

- Serve as a good faith act on our part to insure equal values in the contract:
- Provide the revenues necessary to cover our costs and generate additional income needed to fund our Building Department from fees as opposed to levied General Funds; and,
- Serve to strengthen our relationship with Oak Grove as we move forward with joint ventures in the future.

We estimate that an 80% percent charge for inspection fees and the 100% charge for plan reviews will produce approximately \$175,000 in total billings based on the volume of permits issued in 2013, or a total reduction of 5.9% of the inspection fee. Even with this proposed fee reduction, there should still be a net positive cash flow in excess of \$100,000. We project our costs to be approximately \$52,000 for 2014 for these services. As previously stated, 30% of our time in the Building Department is required to administer this service and it does not interfere with any services to East Bethel residents.

Staff recommends that the fee billed to the City of Oak Grove for Building Official and Inspections Services be reduced from 85% of their inspection fees to 80% effective January 1, 2014 and the contract for this service be approved for 2014.

Ronning, "What would an effective date be and what is the reason for the request?"

DeRoche, "Do we need to make a motion and second to discuss this?" Vierling, "It would be preferred."

Moegerle made a motion to amend the contract with the City of Oak Grove for Building Official and Inspection Services to be reduced from 85% of their inspection

fees to 80% effective January 1, 2014 and the contract for this service be approved for 2014. Koller seconded.

Ronning, "What is the reasoning for it and if there is a contract it affect, is there a hard ship for it?" Davis, "There is a contract in effect. The fee was 95% and the City Council approved a reduction to it for 85% in June. The reason for it is the fee we charge more than covers it. And, it is an act of good faith to keep both parties in the contract receiving some equal value. Oak grove is interested in exploring other joint shared services such as with the City of East Bethel, street sweeping and maybe based on City Council approval some Finance Director services. They currently contract out for these services. When we contracted with them for these services we indicated to them that we wanted to get some historical data before we entertained an 85% fee. I think we have shown that this more than covers our costs. And 80% definitely covers our costs and generates a substantial amount of revenue to cover the costs of our building department so we don't have to use general funds and levy for it."

Ronning, "I remember when we reduced our costs. And, my question then was, "Did the City imply that we would consider doing such a thing, reduce it from 95% to 85%. And, the answer was yes. My opinion at that time was I didn't want to complicate things by giving them an answer different from what the intermediate, the go between had already given them. Have we done a similar thing with this?" Davis, "Yes. When we first sat down we wanted to make sure we didn't get into something that was going to be a cost to us. Even though both parties can cancel the contract with 30 day notice, we only bill them for the time over there. So if we are only over there for 30 hours, we only bill them for 30 hours. But, we did tell them when we started this that we would negotiate these fees at the end of this year. We would take a look at them to make sure our revenues were in line with our cost. And to make sure they were getting a fair deal also. I think at 80% is more than fair, we get additional revenues and they get a needed service from us." Ronning, "Is there any likelihood that this would go in the red? Davis, "This is based on hours over there, so we wouldn't work in the red. If a trend came up that it looked like it was going to go in the red we would either renegotiate the fees, or give our 30 days notice on the contract." Ronning, "They have been pretty active with their building permits this year. How many have they had?" Colleen Winter, "They have had 45 new homes." Moegerle, "Further discussion, Bob?"

DeRoche, "This is kind of funny, the round robin thing, every time it starts, it starts down there. Pretty much by the time I get to it, the things have been answered. The concern I have is November it was 95%, June it went down to 85% and now they want to go down to 80%. I understand negotiating a contract and going down. What I also see by reading articles in the newspaper is Oak Grove is pretty proud of the fact that they keep lowering their costs. And, I don't want to see us getting to the point, this isn't even a guarantee. So, we can't even put it in the budget. Especially with next year coming and it being an election year and the newly elected people might have a different perspective on what they want to do. So, I don't think we can bank on that money. But, it started at 95% now we are down to 80% and they were paying Inspectron 65% but I think they are getting a heck of a lot better product. Because I wouldn't want to see it keep going down here." Davis, "We have indicated that 80% is the lowest we can go and still do this contract."

DeRoche, "Seeing how we have already renegotiated twice, will they come back and say either negotiate or we will go somewhere else?" Davis, "Well 80% is our bottom and going in we worked with them to find a rate that was best for both cities. And, I wouldn't recommend going lower than this." Moegerle, "This contract will take effect January 1,

2013 and go through December 31, 2014 and if there is an election and there is change, the election won't affect it?" Davis, "That is right, unless they gave us 30 days notice to end the contract."

Ronning, "If we lose this what is the impact to the City? We put on an additional person. To my knowledge, it was quite a bit to be able to do this. If we lost this or decided to get rid of it, what would be the impact as far as our employment status?" Davis, "The building inspector was not hired as a result of this. That position was budgeted in here prior to entering this contract. Our building permit fees are increasing. I think we took in \$137,000 so far this year. There is a need for two people in our department. If we only had one, we could have to contract out to get the work done. We did some checking on how we compare on turning a building permit around compared to other cities and we are right in there with the other cities. As far as affecting our service for our own residents, this has no effect. Our building official spends about 10% of his time in Oak Grove, building inspector about 40% and our administrative assistant spends about 15% of her time scheduling inspections for Oak Grove. It has been beneficial for East Bethel, but we have enough work in that department to keep everyone at full employment."

All in favor, motion carries.

Local
Government
Officials
Meeting

Davis explained that the Anoka County Local Government Officials (LGO) meeting is scheduled for October 30, 2013 at the Cedar Creek Ecosystem and Scientific Area office at 2660 Fawn Lake Dr. NE in East Bethel. Attached is the agenda for the meeting.

Should Council wish to add an item to the proposed agenda, this request needs to be submitted by county by October 18, 2013.

Staff is seeking direction as to any additions that Council may request for inclusion for the October 30, 2013 LGO Agenda.

Moegerle, "At these meetings, it is not uncommon for the host City to give an update. Certainly the bond sale we completed today is something of note. I don't know if we have any other announcements on advancing our sewer and water infrastructure we could make at that point. I know we talked about the Shaw Trucking development." Davis, "I don't have the agenda in front of me, is the Sand Hill Area issue on there?" Moegerle read the agenda. Davis, "We will contact Jerry Soma and that can be part of the introduction for whoever delivers that address." Moegerle, "At this point we talked about this in August and September, that attending this is part of the job, I will be attending. I don't know if we have to get this out that this may be another meeting. Who else will be attending?" Ronning, "I will be interested but I don't care about the meal." Koller, "I will probably go." DeRoche, "I am not sure." Davis, "We will post it." Ronning, "The thing of interest is the aquifers and ground water management." Moegerle, "I attended that geological atlas survey class and saw a lot of people from Anoka County there. We are getting praise for having that water reclamation plant and water back into the aquifer locally as opposed to sending it downstream. So we should be in good company there." Ronning, "These rapid infiltration systems, these aquifers take 20,000 to 30,000 years for stuff to get down through there."

2014 Budget
Discussion

Davis explained that in addition to attempting to mitigate the impact of the proposed 17.5% preliminary tax levy increase, of equal importance is the development of a 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 manage the severity and impact of future tax increases that will be an

issue in 2016, 2017 and 2018 due to 2010 C Bond payment and the commencement of principal payments on the 2010 A and B Bonds in 2018.

Staff requests that Council consider the line items as listed in the attachment as candidates for additional reduction for the 2014 Budget 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 budget years.

Davis, "What I presented today was an update for the line items to be considered. We have gone over some things, and others had some recommendations. In order to start this off I listed some minimum reductions that I thought we should consider."

Moegerle, "This looks like minimum and maximum reductions, because you have eliminated some of them all together." Davis, "The only thing eliminated was there was two line items for the seasonal maintenance employee. I did add some reductions that were suggested." Moegerle, "Some are 100% so I don't know that they are minimum reductions. That is my question." Davis, "These are things that you need to take into consideration."

Moegerle, "Ron, you want to take first strike?" Koller, "Well, looking at the items listed here, I don't have a problem until we get down to the Fire Department Outreach Programs and portable toilets. You know what happens when you cut the portable toilets." Davis, "What I was looking at there was the ones that we would cut out were the parks that have very little usage." Koller, "Has anyone looked at the City owning the portable toilets?" Davis, "No, because then you have the problem of cleaning and disposal." DeRoche, "Hazardous waste." Davis, "In my opinion this is probably something that is better off being outsourced." Koller, "On level 2 there is Professional Service Fees-Planning. What is that?" Davis, "In the Planning budget there is \$15,000 available for professional service fees. \$12,000 is for GIS Service fees maintenance and recording secretary fees. It was \$25,000 and we cut it to \$15,000 it was to do some planning for the comprehensive plan for the corridor." Koller, "And then down in level 3 there is a Parks Capital Transfer \$25,000." Davis, "In the preliminary budget that was done, there was \$100,000 for the Parks Capital transfer. That was reduced to \$75,000 and I am proposing we reduce it another \$25,000 to \$50,000." Koller, "The CSO position?" Davis, "That is off the table. That was approved with 2014 contract." Koller, "Booster Day fireworks, we have cut them down to almost nothing." Davis, "That is up for Council consideration." Koller, "I would like to keep that on. They run a really tight budget as it is and they bring in a lot of people." Moegerle, "If there was a way to keep that and not have the City pay for it, would that be okay?" Koller, "Well, you will find they get some donations as it is and it is still pretty tight. It is almost a City function. It brings a lot of people to East Bethel." Moegerle, "If it could be covered by another entity such as the Chamber of Commerce, would that be okay with you?" Koller, "Possibly."

Moegerle, "Tom you want to go next?" Ronning, "The city newsletter reduction to two times a year, I am opposed to that. You had indicated only so many people have cable, so many don't. Much of the community is not computer connected. I don't know how else you get information to people." Davis, "This is the only communicative item that we get to all the residents. There is a value in this, that everyone receives it." Koller, "We have the reader board now." Ronning, "I think there is a lot of opportunity in there, more so than this, but it is a good start."

Moegerle, "Bob." DeRoche, "What do we pay for the person for taking minutes at Parks, Planning and Roads." Davis, "We budget \$600 each for Roads, Parks, Planning and EDA

for minutes.” DeRoche, “In looking through this thing, unless you put everything together, I have no idea what the individual things are.” Davis, “If you look at the narrative description it tells you what each one is for.” DeRoche, “Ron kind of hit on it. Portable toilets for parks, I noticed last week that the satellites weren’t out, so where are people going?” Davis, “Where was that?” DeRoche, “At Booster Park. And the fireworks, could the money come from somewhere else? Maybe they will pick it up, but has anyone approached them? Before we start cutting these things, we need to know. I would be willing to cut the EDA.” Koller, “For Pioneer Days in St. Francis, the City kicks in \$35,000.” Davis, “They are going to be decreasing that every year, on a sliding scale. But, that is still a substantial contribution.” Koller, “And we put in \$2,500.”

Moegerle, “This came up before the EDA, and there is a short history of this. Not all cities contributes to this. EDA did look at this. I did ask, I talked to Darry. She said give me more information, what would the Chamber get, what would a business get. And, I said I am sure they would get their name up emblazoned over Booster Day as a sponsor. It was my idea and I owe her an e-mail to find out what she thinks. Between now and the time that we have to complete the budget, I don’t expect an answer. And the misnomer of Booster Day Fireworks, these are really the Relief Association Fireworks. They occur at the dance and in any case so there is that. I did have a question with regard to the availability for grants for fire outreach programs?” DeRoche, “I take it I am done? You jumped right in and starting talking.” Moegerle, “Well you asked a question.” DeRoche, “The budget for the EDA is \$133,000. What is anticipated for the EDA?” Davis, “There is \$56,000 is transferred for staff salaries and do EDA functions. Another \$57,000 is unobligated funds, so they can be used as things come up during the year that we would be required to do economic expenditures on. That is where the \$10,000 could be cut from. Then \$34,000 is Professional Service Fees, they pay to host the website \$4,500 and the rest is unobligated. We can cut this, but if the need arises, then a transfer would need to be made from the general fund.” Ronning, “Once a budget is finalized, what is the approval process for those unallocated funds?” Davis, “Anything the EDA proposes to do has to be approved by the City Council. DeRoche, “But, that like everything else, sometimes things just get pushed ahead without the complete EDA’s approval. In fact the last couple meetings, since I was accused of stopping the waterpark project, but it was stopped at the EDA meeting. There was talk about a feasibility study. Once a camel gets his nose under the tent, it doesn’t take much to get the rest under there. I think if some of this stuff was handled at a work meeting first, instead of a City Council meeting and some of this gets hashed out, I think it would be much better. And that just hasn’t happened. Public Works overtime, I think that can’t even be a consideration. You know the first time it snows and we say, sorry, we can’t plow, we cut out the overtime for Public Works. I think the fall out for that is going to be pretty bad. And, I think it could be a safety problem.” Davis, “I totally agree. A lot of these were put in there to show that if there are cuts, there will be deep consequences. There will be issues if you cut the budget so far, other things come into play. If you cut the Public Works overtime, that means they would go out, plow for eight hours and go home and come back tomorrow. The reason we are discussing these, is because we are getting into the categories where these cuts need to be looked at very closely, look at what the consequences are and see if there is value in making those reductions.”

DeRoche, ‘Fire Department Outreach Programs, isn’t that what that shindig was last weekend was?’ Davis, ‘Yes, that is part of it. Probably the biggest part is what do in the schools for fire prevention. And also what they do for recruitment, such as the explorer program, for the future.’ DeRoche, “I will go into more in my Council report. But, it is like the meeting with businesses. We have the assessment and all the money we owe. I can’t blame staff, because you were tasked to come up with a way to pay the money we

owe. But, to stick it with these businesses is kind of like you 13 are on the hook here. People know the project went through. Without it, we wouldn't be sitting here trying to figure out how we are going to come up with 17.5% max on a levy."

Moegerle, "With the Fire Department Outreach Programs, I am looking at Fire.org and their grants and funding. Unlike nails and the solution to every problem is not a hammer, I know we have worked through the SAFER Grant and I am not suggesting that Mark has not looked for grants, but, I would certainly hope that is being done. Because it looks like there are grants and safety programs, particularly for children. I am probably being confused by a contract from December 15, 2010, but in regard to the travel that you are suggesting to be cut, isn't that a part of your contract?" Davis, "No, that is just mileage I turn in for trips that are taken." Moegerle, "I am really concerned about cutting the Professional Service Fees for \$3,000 as well as the EDA for because comp plan amendments, those expenses we don't know about. In addition, I think we need to add into this a membership to Metro Cities. I think that the article in the Star Tribune talked about the need for East Bethel to come to the Met Council and ask for help and I think it was made very clear that Metro Cities can in fact, be an aid to what we choose to do. My suggestion was we cut all budgets by 2% to 3%, and as the public we haven't heard the results of that. And we were each schooled on that privately. I still haven't changed my position on that with regard to certain departments, particularly under our circumstances. But that is a concern to me. I think I made myself clear to the fireworks issue. I did talk to the president of the Chamber and she is interested in finding out what benefits accrue to whoever takes over that \$2,500. At the Parks Commission meetings what we heard from the public is there are no park benches or tables, so here you go. That would be a place where those monies could go, a benefit to the some parks, not all parks. A question I have about the general fund balance transfer, do we have a projection as to what we will have in the general fund balance at the end of the year? Is it \$200,000 or do we have a real number?" Davis, "We are projecting \$200,000 it could be + or -10% but it will be somewhere around there." Moegerle, "Okay, one of the things we discussed at Parks was with regard to Trails is they are usually matching grants. It was discussed with us about Anoka County coming in and doing a Master Parks and Trails Plan. It is matching grant funds and the same way with Met Council through Anoka County. I don't want to see that savaged. I can see reducing it some. I am also concerned about reducing the Parks Transfer another \$25,000. We need to find a happy medium with regard to that. I would rather see you split the \$25,000 between the both of them than reduce the Parks Capital Transfer by 50% it really savages that budget. I think that is a little tough when the Trails Capital Fund hasn't changed." Davis, "The Trails Capital Fund wasn't funded last year and the year before it was a \$5,000 transfer. For two years previous to that it was funded at \$62,500. One thing to consider in Parks also, is we do have a concept plan for residential development that will be paying a parks dedication fee that will go into the parks development fund. That could potentially be a couple hundred thousand dollars. So, there will be some means to replenish this fund through development."

Ronning, "I have been breaking this down by category and then sections within the category and then treat it as how many percent within that category. The biggest item, 34.14% is the pay we get. There is commissions and boards, that is 22% of it, professional service fees is \$12,000, dues and subscriptions \$16,380, that is 19%. I have been looking for the low hanging fruit if there is any." Davis, "In that budget category, the only thing that can be considered is the equipment replacement and the conferences. The salaries are set, the professional's services fees are basically what we pay to the League of Minnesota Cities for membership, the boards and commissions, Sunrise and Upper Rum River Watershed and statutorily we have to pay for those." Ronning, "Dues and subscriptions, \$16,080." Davis, "The League, Alexandria House, and a few others. And professional service fees is what we

pay for Municode.”

Moegerle, “Is there a way we could get this updated through November? What we have is through May. We have expenses through May of 2013 actual. Not as a paper copy, but it would be interesting to see. The other thing is we haven’t talked about opportunity cost. Last year we talked about going paperless. Some of the people on Parks and Planning are very willing to go paperless. It is the opportunity cost. We got a lot of grief last Wednesday that the 2012 Budget wasn’t on there. Are we using our time appropriately. It is the same way with minutes. I spoke with Wendy about the minutes. How long did it take you to get the minutes done? I think the verbatim minutes are extremely costly. I don’t want to micromanage, but are the residents getting what they pay for when the minutes are typed? Or are there other areas that the staff could be working on? And it is a philosophical discussion.”

Ronning, “I spoke with Jack at the last meeting about ongoing utility usage and I think you said that there is a way to, some kind of an energy audit. These LEDs are supposed to run for like 20 years or more. They are expensive, but I am starting to put them in our house, because the cost of running them is way less expensive. Our electric and gas utilities, that is where the biggest savings is at home.” Davis, “And just like at home, energy is a big part of what we pay. We pay it at this building, the public works building, fire stations buildings, the sewer plant, water plant. We did have an energy audit done I think in 2009. It might be time to have one done again.” Ronning, “Do you have timed thermostats? If it is unoccupied then it doesn’t need to be 70 degrees.” Davis, “We do have timed thermostats here at City Hall.” Moegerle, “You have timed thermostats, but everybody has their own fans and own heaters. We can send a man to the moon but we can’t keep an office at 72 degrees. So, the question is are you saving anything by doing that? In general, yes, but when each one has their own heater or fan?” Ronning, “I was thinking about when it was unoccupied.” Davis, “When you come in here on Monday morning, it is usually pretty chilly.” Ronning, “I am looking at some unidentified savings.” Davis, “It has been quite a while sense it has been done. Connexus did the last one, and I don’t think there is a fee for it. We can contact them and see.” Ronning, “Windows and doors would probably be a big one.”

DeRoche, “Trails Capital Fund, there was a comment made about matching grants being available. Well there probably is. But, there is matching grants for a lot of things. So they say you put in a \$100,000 and we will put in \$100,000. We are at the point and we had talked about this with parks, were there are some parks that people just don’t use. It came up at the Roads Commission that there is a major park within three blocks of that place so why would we want to put another park in? Why not take some of that money, does it have to go into land?” Davis, “We don’t want any more land right now, we want to stick by cash for the foreseeable future. I thought we didn’t want trails right now. It is like saying it is free money, but no, it is not. If we are looking at cutting things, such as our part-time seasonal people, who is going to maintain this stuff? As far as opportunity stuff, that makes me chuckle a little bit. I see the verbatim minutes came up again, that should be a dead issue, and it should remain that way for a while. How much staff time was spent on the waterpark? And, then we were told it only cost a postage stamp. But, we had the opportunity to save money. Tom had mentioned something about the newsletter. Hey, some people don’t have it. Look at Harriet Olson, she moved across the street and now she doesn’t have cable, and all she has is the newsletter. We have to keep people in tune with things going on. I got a problem with cutting that out.” Ronning, “Some of these areas the overtime is insurance, you might not want to have it. It is like life insurance, you don’t want to use it, but, it is worth it.” Davis, “Snowplowing is a priority, it is a public safety issue.

The reason it was listed is to show the deep consequences and secondary effects.”

Ronning, “I would really hate to see them go. If you don’t use them, they end up in general fund.” DeRoche, “Wasn’t part of why our rating was up was the way our money was managed.” Davis, “It has to do with the way it is managed. It has to do with our fund balance is over what the state auditor recommends and our overall fiscal policies. Which Council manages and staff manages.”

Davis, “I would like to go over a couple things on this handout, pertaining not only 2014, but also down the road. There is a table labeled levy options for 2014 and currently the preliminary levy was submitted to the County and it indicated a 17.5% increase. That has been decreased to 17.2% and that is reflective of the decrease in personnel costs in Community Development and the replacement of the Receptionist with another person. If we choose to select those line item budget items that I recommended as minimum reductions, that would be a \$44,600 which would be a decrease down to 16.1%. If we took all of those it would reduce \$88,000 and it would take it down to 15.2%. If we took those reductions and combined them with the onetime reduction, which is the 2005B bond fund balance what we anticipate to have is a general fund surplus of over 50% and trails capital fund that would decrease the levy to a 4.8% increase. The one drawback to that is \$464,000 of that is they are one and done. If we use them this year, we take care of a problem, but we will be in the same situation the next year. I would caution us to consider how we use the surplus funds and capital funds, I would recommend that we use them to address issues in 2016, 2017 and 2018. Do what we can to affect as much reduction in this years, and if we can get it down to 15% that is optimistic.”

Moegerle, “This is how I am challenged when I hear that. Okay if you raise the taxes now and you don’t raise them next year, as opposed to ½ each year, I don’t think we really heard about how people feel about it. I don’t know if that is an election based view. I am really torn, as usual I see things both ways. I am hoping in our survey we sent out and that was on the website we get more information.” Davis, “On that survey, we only got 19 responses. So there is no sample size to even go by there. And, I think most people that were hear on Thursday were concentrating on 2014. That is the one that looms. It would be good if we could make those jumps smaller, but if we do, we are going to have to use those resources and we are going to owe 1.3 million dollars over and above these bond payments in 2016 and 2017. If we can keep these funds until that time we would have the resources with SAC and WAC to tackle the issue.”

Moegerle, “Let’s talk about this lateral benefit issue and that is not the way to balance this budget. But how does staff look at that revenue, that has not been summarized on the impact on the budgets?” Davis, “If we adopted the maximum assessment, we would recover about \$90,000 a year over the 20 year term. It is about 20% of what we need this year. If we modify it, it is not going to make or break this thing. It is not a critical component. I did present an outline recommendation for the 2014 budget to consider at a minimum the \$44,600 in reductions for the 2014 budget. And again, Tom has brought up some areas we can look at for reductions, Heidi has brought up some, Ron has brought up some, Bob has brought up some and we need to consolidate these and see what is acceptable. I think we also should postpone any Park Capital Improvement projects for 2014. That doesn’t mean we need to take that money, but from a perception point, it would be better if we don’t do any projects in 2014. Also, look at escrowing 2005B bond fund balance in excess of 50% and Trails Capital Fund to address the 2016 payment. I think we need to escrow all the City SAC and WAC in 2014 and 2015 to address the 2016 payment. Continue to address the 2010 A & B Bonds. Continue working on the political and administrative issues with MCES that could address our obligations and enhance our

economic development. These are just a very general outline of things that we kind of need to concentrate on. If anyone else has a list or any suggestions, we certainly need to put them on there.” Ronning, “How many more meetings are we forecasting for this?” Davis, “We can do it in one, or we can have a couple more. We have set the date to send it to the county on December 4th.”

Staff Reports Nothing.

– City
Administrator
Council
Member
Report –
DeRoche

DeRoche, “I have a few things I want to address. I have a little handout, Heidi you were giving them away. East Bethel City Council Property Tax Payment for Their Homes. And then at the end how they voted on the preliminary budget, 17.5% tax increase. I guess what I am missing on here is if you were looking for this information, “Bob has that tax, why does he have that tax?” Did you happen to look on the Anoka County website and see that in 2008 the governor signed a bill that was basically a property tax exclusion for disabled veterans? That I filed for and what was excluded was the \$300 for the Coon Lake Improvement District. I am not ashamed that I am a disabled vet, I am proud that I went and served as young as I was. And this is one of the very few things that was offered to vets. Especially of that time era. And I find it a slap in the face to say, “He doesn’t have a problem raising taxes, because he doesn’t pay property taxes.” I would go back anytime and take my service disability and just pay taxes. If you have never been in the service, Tom has, I have discussed this with Tom, and I have discussed this with a lot of people. My biggest thing was, I have had people say, “Gee Bob if you don’t have a dog in the fight why are you trying to save the residents money? Why are you the one that voted against the sewer and water? Which by the way if two other parties would have done that, we wouldn’t be discussing this 17.5% levy we are trying to cover. And between the slander and the Facebook comments, I think this is unbecoming of a Council person. If you want to personally attack me that is fine. But, to do it in a public forum and on social media, I think it does stuff out, you need to get your facts straight. At least give people the opportunity to find out what it really means. I have no problem explaining it to people. In fact, I got three calls before I came here. Apparently there was more than a letter sent out. I said here it is, I have nothing to hide.

On a lighter note, the fire department open house was a great time. Eric floated in the tank in his Gumby suit for quite a while. There was a Chili contest. Jack was in there when I got there. Ron came. I got roosted into being a judge. It was good. Good turnout, the kids had a great time. The weather was cloudy, but it was a good deal. It is unfortunate that we can’t call the 2010 Council and say, “You guys put us here, you figure out the budget. I don’t want to pass it on to someone else. I think people are figuring it out. We have to come up with something, but it has to be a balance. We can’t just stick the businesses with it, we can’t just stick the residents with it. At some point, next Wednesday is that what we decided we are going to do? I would prefer a work meeting, over a special meeting, to maybe come to a consensus, so that when we show up to a Council meeting and we know where we are going.”

Council
Member
Report –
Koller

Koller, “I went to the Fire Department on Monday and they are training on all the new trucks. Went to the Open House. I think we have a Booster Day meeting tomorrow.”

Council
Member

Ronning, “I have had some questions about this service road. There were some issues regarding easements. Has there been any cost changes?” Jochum, “As of right now we are

waiting on MnDOT to finalize our plans and grant. The easements are all done and in place..” Ronning, “Are we on target for easement cost?” Jochum, “The initial estimate was \$300,000 when we applied for the grant. I think we spent about \$190,000.” Ronning, “And I have heard the cost is up about \$100,000 for our share?” Jochum, “We won’t know that until we bid it.” Ronning, “What would happen to the easement fees if it didn’t go through?” Jochum, “We have already signed them, so you would own them. You can’t get the project signed unless you get the easements. You have to move forward at some point and decide to do it or not.” Ronning, “I tried to not do it earlier.”

Ronning, “I was surprised to see this. The only purpose I can see is to make a comparison of the five Council Members. What did you have in mind when you put this together?” Moegerle, “Answering Harley’s question? He asked do all of you pay property taxes. And last week I gave him a copy. Some other people asked. There was no ulterior motive. There are folks that look for them. But I think it is an interesting fact.” Ronning, “It is pretty suspect.” Moegerle, “Why?” Ronning, “If someone wants to know what I pay for property taxes I don’t mind telling them.” Moegerle, “And I don’t think any of us do. But, he didn’t have the access to it.” Ronning, “Harley would have asked me if I paid property taxes. He has never been too proud to ask me anything.” Moegerle, “And you know, I didn’t know what the exact number was so I wrote it down and said you can hang on to this if you like. For whatever it is worth.” DeRoche, “Did he ask for the preliminary tax?” Moegerle, “It was in context to the taxes. So, that was what his statement was at the public forum. He asked for it, I got it.”

Ronning, “Why didn’t you give us copies?” Moegerle, “Because he asked for it. You can have one.” Ronning, “You did it about us, why didn’t you give us a copy? There are other people that have copies.” Moegerle, “Because I am sure you know what it was.” Ronning, “No, I didn’t know what it was.” Moegerle, “If you weren’t interested, why would you ask for it?” Ronning, “If I did something about all of us, I would make sure and give all of us a copy of it. Probably before I made it public. I hope you are uncomfortable about this.” Moegerle, “Not at all.” Ronning, “This is one of those election deals, look at me. It is more than peculiar that you put this together to pass around and don’t let us know. Don’t give us a copy of it.” Moegerle, “Harley asked all of us a question while we were sitting here. And, I respond to peoples requests just like you guys all went over to see about the outdoor stairway, I wasn’t invited. I didn’t know, I didn’t go over there. It happens, it is life guys, give it a break. Somebody asked, I put the information together, its objective, its factual, there are no comments, nothing is said one way or the other, and it answered Harley’s questions.” Ronning, “It is pretty well left up for interpretation. I still don’t understand why we weren’t included in the concept.” Moegerle, “I wasn’t included in the outdoor stairway.” Ronning, “The outdoor stairway came before the City. It was a conscious decision not to bring it up.” Moegerle, “You spend a lot more time thinking about me then I do about you. It didn’t even occur to me.” Ronning, “Who else got copies?” Moegerle, “I don’t know, I will try to remember and put together a list for you.” Ronning, “Thank you for showing that I pay more property tax than anyone else.” Moegerle, “It is public information.”

Moegerle, “What is the status of the noise ordinance? That Ms. Kinsley wanted us to follow up on?” Davis, “We are working on it.” Moegerle, “I was thinking Coon Lake Beach where I live, when there are fireworks if they could be done by 10pm that would be good. What is the status of the emergency response situation for Council. We had Mark here and if all of us die a resident takes over.” Davis, “We thought we would get though the budget process first.” Moegerle, “What is the status of Cell Tower Lease.” Davis, “That will be on the next Council agenda. American Tower has agreed to all the terms that the City

Attorney has recommended. And, they have agreed to put that in the contract.” DeRoche, “And did that include the deletion part?” Vierling, “Yes.” DeRoche, “Alright Mark.”

Moegerle, “The Star Tribune article, Met Council suggested that East Bethel meet with them and ask for what they want?” Vierling, “I am not aware that this is litigation.” Moegerle, “When can we start meeting on that or are we going to wait until the first of the year like it said in the Star Tribune article?” Davis, “We can initiate the contact with them at any time. The pressing issue is this budget. I am sure we are going to have to schedule this out a month in advance.” Moegerle, “I am not sure it would not be bad for them to know about the issues we are having with our budget. At the last meeting, when people came about the tax increase, we had some comments about the website. Could we have this also on the work meeting. Fact that we have agenda and meetings, but not packets. Thinking those kinds of things, are they a functional issue. What can we do.” Davis, “The 2012 Budget is on there. We can post anything that is not available contact City staff.” Moegerle, “At the Park Commission, they are all so quiet. And it brought up the issue they mentioned it was so much more helpful and free flowing if we worked in Booster West. Is there a possibility that we will get videotaping in that room?” Davis, “If we want to spend about \$20,000 doing it.” Moegerle, “What about our franchise fees?” Davis, “As those are replenished, we can look at this.” Moegerle, “At our last LGO meeting, the County Attorney passed out a DVD on Elder Abuse. Do we need to pass a resolution to get that on the cable channel?” Davis, “No I will get that on there.” Moegerle, “I met the manager of Walgreens at Highway 65 and 242. And we got talking about East Bethel and he said his was the last one before Cambridge. He said he was looking at East Bethel and I said we were working on developing on Highway 65 and Viking. So, that is good. Tomorrow is the CLIA meeting. Frankly I don’t have ulterior motives.”

Moegerle, “How about we set the work meeting for 6:30 p.m. on Wednesday, October 23rd.” Ronning, “Sure that will work.”

Ronning, “I have something else. You said that Harley asked about this and the purpose of this was to respond on what our taxes were? Did he ask on how we voted on the taxes?” Moegerle, “He asked do you all pay property taxes.” Ronning, “He knows we do. If he was asking about us paying taxes why would you put the voting record.” Moegerle, “What are you worried about, this is just facts.” Ronning, “Everyone draw your own conclusions, this is just facts. I would respectfully ask that next time you are doing this, let us know you are doing it.” Moegerle, “Call me up and ask.” Ronning, “I am not going to call, I just expect that you will let us know you are doing something like this.” Moegerle, “Absolutely not.” Ronning, “So you are doing it behind our backs.” Moegerle, “I do not report to you.” Ronning, “No you don’t. But, unless I ask you about something I don’t know about, you won’t tell me.”

Adjourn

Ronning made a motion to adjourn at 11:07 p.m. DeRoche seconded; all in favor, motion carries unanimously.

Attest:

Wendy Warren
Deputy City Clerk

**FINAL PAY ESTIMATE
CITY OF EAST BETHEL
Coon Lake Beach and Miscellaneous Overlay Projects**

ENGINEER

September 19, 2013

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

RE: Coon Lake Beach and Miscellaneous Overlay Projects
Contractor: North Valley, Inc.
Contract Amount: \$736,889.72
Award Date: July 31, 2012

Dear Honorable Mayor and Council Members:

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

Base Bid - Coon Lake Beach

ITEM NO.	SPEC.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	2021.501	MOBILIZATION	1	LUMP SUM	\$21,111.23	1.00	\$ 21,111.23
2	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	545	LIN FT	\$4.17	639	\$ 2,664.63
3	2104.601	HAUL SALVAGED MATERIAL (EV)	200	CU YD	\$24.73	200	\$ 4,946.00
4	2105.525	TOPSOIL BORROW (LV)	500	CU YD	\$32.48	616	\$ 20,007.68
5	2105.607	HAUL & DISPOSE EXCESS MATERIAL (EV)	130	CU YD	\$24.73	330	\$ 8,160.90
6	2112.603	SUBGRADE PREPARATION	5,630	LIN FT	\$3.56	5,460	\$ 19,437.60
7	2211.501	AGGREGATE BASE CLASS 5	100	TON	\$26.84	55	\$ 1,476.20
8	2232.501	MILL BITUMINOUS SURFACE (2")	1,401	SQ YD	\$6.57	1,200	\$ 7,884.00
9	2331.604	BITUMINOUS PAVEMENT RECLAMATION	12,511	SQ YD	\$1.29	12,135	\$ 15,654.15
10	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	3,022	GALLON	\$3.09	3,065	\$ 9,470.85
11	2360.501	TYPE SP 4.75 WEARING COURSE MIXTURE (2,B)	73	TON	\$86.93		\$ -
12	2360.501	TYPE SP 9.5 WEARING COURSE MIXTURE (2,B)	253	TON	\$78.92	188	\$ 14,836.96
13	2360.501	TYPE SP 9.5 WEARING COURSE MIXTURE (2,B) - DRIVEWAYS	211	TON	\$213.60	314.3	\$ 67,134.48
14	2360.501	TYPE SP 12.5 WEARING COURSE MIXTURE (2,B)	6,789	TON	\$60.83	6,782	\$ 412,549.06
15	2360.502	TYPE SP 12.5 NON WEARING COURSE MIXTURE (2,B)	380	TON	\$68.58	219	\$ 15,019.02
16	2411.507	CONCRETE FLUME	2	EACH	\$1,055.56	2	\$ 2,111.12
17	2501.511	15" CS PIPE CULVERT	40	LIN FT	\$33.56	80	\$ 2,684.80
18	2501.515	15" GS PIPE APRON	2	EACH	\$341.03	3	\$ 1,023.09
19	2506.522	ADJUST FRAME & RING CASTING	1	EACH	\$866.10	1	\$ 866.10
20	2511.501	RANDOM RIPRAP CLASS II	4	CU YD	\$303.14	4	\$ 1,212.56
21	2531.501	CONCRETE CURB & GUTTER DESIGN D412	20	LIN FT	\$37.89	18	\$ 682.02
22	2531.507	4" CONCRETE DRIVEWAY PAVEMENT	532	SQ YD	\$51.42	289	\$ 14,860.38
23	2535.501	BITUMINOUS CURB	1,035	LIN FT	\$6.33	1,151	\$ 7,285.83
24	2563.601	TRAFFIC CONTROL	1	LUMP SUM	\$3,193.75	1.00	\$ 3,193.75
25	2573.502	SILT FENCE, TYPE MACHINE SLICED	500	LIN FT	\$2.17		\$ -
26	2575.502	SEED MIXTURE 270	288	POUND	\$4.33	540	\$ 2,338.20
27	2575.511	MULCH MATERIAL TYPE 1	2	TON	\$324.79		\$ -
28	2575.523	EROSION CONTROL BLANKETS CATEGORY 6 (WOOD FIBER 3S)	63	SQ YD	\$6.50	360	\$ 2,340.00
29	2575.532	FERTILIZER TYPE 1	600	POUND	\$1.08	700	\$ 756.00
30	2575.560	HYDRAULIC SOIL STABILIZER TYPE 5	900	POUND	\$1.35	5,800	\$ 7,830.00
31	2582.502	4" SOLID LINE WHITE - EPOXY	935	LIN FT	\$1.46	1,003	\$ 1,464.38
32	2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	420	LIN FT	\$2.99	475	\$ 1,420.25
Total Base Bid - Coon Lake Beach							\$ 670,421.24

Alternate Bid No. 1 - 187th Lane Overlay

ITEM NO.	SPEC.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	2021.501	MOBILIZATION	1	LUMP SUM	\$1,190.89	1	\$ 1,190.89
2	2105.525	TOPSOIL BORROW (LV)	4	CU YD	\$54.13		\$ -
3	2232.501	MILL BITUMINOUS SURFACE (2")	583	SQ YD	\$4.72	250	\$ 1,180.00
4	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	117	GALLON	\$3.09	120	\$ 370.80
5	2360.501	TYPE SP 12.5 WEARING COURSE MIXTURE (2,B)	282	TON	\$62.77	220	\$ 13,809.40
6	2563.601	TRAFFIC CONTROL	1	LUMP SUM	\$433.05	1	\$ 433.05

Total Alternate Bid No. 1 - 187th Lane Overlay

\$ 16,984.14

**FINAL PAY ESTIMATE
CITY OF EAST BETHEL
Coon Lake Beach and Miscellaneous Overlay Projects**

ENGINEER

Alternate Bid No. 2 - 245th Avenue Reclaim and Paving

ITEM NO.	SPEC.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	2021.501	MOBILIZATION	1	LUMP SUM	\$1,461.96	1	\$ 1,461.96
2	2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	110	LIN FT	\$4.17	88	\$ 366.96
3	2105.525	TOPSOIL BORROW (LV)	11	CU YD	\$54.15		\$ -
4	2112.603	SUBGRADE PREPARATION	320	LIN FT	\$9.83	320	\$ 3,145.60
5	2232.501	MILL BITUMINOUS SURFACE (2")	26	SQ YD	\$21.66	22	\$ 476.52
6	2331.604	BITUMINOUS PAVEMENT RECLAMATION	1,171	SQ YD	\$1.87	1,171	\$ 2,189.77
7	2357.502	BITUMINOUS MATERIAL FOR TACK COAT	65	GALLON	\$3.09	60	\$ 185.40
8	2360.501	TYPE SP 9.5 WEARING COURSE MIXTURE (2,B)	118	TON	\$75.08	133	\$ 9,985.64
9	2360.502	TYPE SP 12.5 NON WEARING COURSE MIXTURE (2,B)	118	TON	\$72.82	150	\$ 10,923.00
10	2563.601	TRAFFIC CONTROL	1	LUMP SUM	\$433.17	1	\$ 433.17
Total Alternate Bid No. 2 - 245th Avenue Reclaim and Paving							\$ 29,168.02

Alternate Bid No. 3 - Drainage Improvements

ITEM NO.	SPEC.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	2502.541	8" PERF PE PIPE DRAIN	945	LIN FT	\$12.09	380	\$ 4,594.20
2	2506.502	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48 - 4020	4	EACH	\$2,187.52	4	\$ 8,750.08
Total Alternate Bid No. 3 - Drainage Improvements							\$ 13,344.28

Total Base Bid - Coon Lake Beach	\$ 670,421.24
Total Alternate Bid No. 1 - 187th Lane Overlay	\$ 16,984.14
Total Alternate Bid No. 2 - 245th Avenue Reclaim and Paving	\$ 29,168.02
Total Alternate Bid No. 3 - Drainage Improvements	\$ 13,344.28
Total Work Completed to Date	\$ 729,917.68
Less Pay Estimate #1:	\$ 287,011.69
Less Pay Estimate #2:	\$ 295,990.90
Less Pay Estimate #3:	\$ 112,415.09
WE RECOMMEND FINAL PAYMENT OF:	\$ 34,500.00

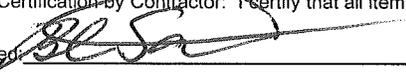
Please verify the amount of previous payments, and the receipt of the following items prior to making payment.

1. Certificate of claims payment (lien waiver),
2. Affidavit of payment of States taxes (MN State TAX Form IC 134),
3. Letter of consent from surety firm.

APPROVALS:

CONTRACTOR: NORTH VALLEY, INC.

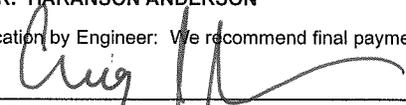
Certification by Contractor: I certify that all items and amounts are correct and complete.

Signed: 

Title: President Date 10/7/2013

ENGINEER: HAKANSON ANDERSON

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

Signed: 

Title: City Engineer Date 11/14/13

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____

SECTION 00991 – CHANGE ORDER

No. 1

PROJECT: Lift Station No. 1 Reconstruction Project

DATE OF ISSUANCE: 11/20/2013

EFFECTIVE DATE: 11/20/2013

OWNER: City of East Bethel

ENGINEER'S Project No.: EB608

CONTRACTOR: LaTour Construction, Inc.

ENGINEER: Craig J. Jochum, P.E.

You are directed to make the following changes to the Contract Documents.

With the redesign of the Wet Well certain work item quantities will be revised or deleted from the contract with this change order. Bid Items 26, 27, 28 and 29 will also be deleted from the contract. The final contract bid items and quantities are summarized below:

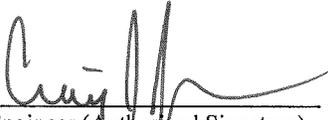
1. Base Bid					
ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY		UNIT PRICE	EXTENSION
1	MOBILIZATION	1	LUMP SUM	\$3,800.00	\$3,800.00
2	GENERAL CONSTRUCTION ALLOWANCE	1	LUMP SUM	\$10,000.00	\$10,000.00
3	SYSTEM INTEGRATOR ALLOWANCE	1	LUMP SUM	\$10,000.00	\$10,000.00
4	CLEARING	0.15	ACRE	\$4,280.00	\$642.00
5	GRUBBING	0.15	ACRE	\$4,280.00	\$642.00
6	SALVAGE CHAIN LINK FENCE	200	LIN FT	\$25.25	\$5,050.00
7	REMOVE BITUMINOUS PAVEMENT	194	SQ YD	\$4.00	\$776.00
8	REMOVE CONCRETE CURB & GUTTER	83	LIN FT	\$5.25	\$435.75
9	REMOVE CONCRETE SIDEWALK	344	SQ FT	\$0.75	\$258.00
10	REMOVE WATERMAIN, HYDRANT, GATE VALVE, AND BOX	1	LUMP SUM	\$1,500.00	\$1,500.00
11	REMOVE FORCEMAIN	78	LIN FT	\$5.25	\$409.50
12	REMOVE EXISTING WET WELL	0	LUMP SUM	\$6,935.00	\$0.00
13	ABANDON EXISTING DRY WELL	1	LUMP SUM	\$3,745.00	\$3,745.00
14	CAP EXISTING FORCEMAIN PIPE	1	LUMP SUM	\$630.00	\$630.00
15	CONNECT TO EXISTING SANITARY SEWER MANHOLE	1	EACH	\$3,000.00	\$3,000.00
16	8" PVC SANITARY SEWER PIPE - SDR 26	0	LIN FT	\$136.00	\$0.00
17	8" PVC SANITARY SEWER PIPE - SDR 35	38	LIN FT	\$78.50	\$2,983.00
18	CONSTRUCT SANITARY STRUCTURE DESIGN 48-4007	6.2	LIN FT	\$240.00	\$1,497.60
19	CASTING ASSEMBLY - SANITARY SEWER	1	EACH	\$1,145.00	\$1,145.00
20	CONNECT TO EXISTING SANITARY SEWER PIPE	0	EACH	\$6,000.00	\$0.00
21	6" PVC SEWER FORCEMAIN (DR 18)	145	LIN FT	\$31.50	\$4,567.50
22	DUCTILE IRON FITTINGS	250	POUND	\$5.60	\$1,400.00
23	6" WATERMAIN DUCTILE IRON CL 52	60	LIN FT	\$37.25	\$2,235.00
24	CONNECT TO EXISTING WATERMAIN	2	EACH	\$945.00	\$1,890.00
25	HYDRANT AND 6 INCH GATE VALVE AND BOX	1	EACH	\$5,475.00	\$5,475.00

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price	Original Contract Times
\$ 441,311.09	Substantial Completion: December 1, 2013 Ready for final payment: December 15, 2013
Net changes from previous Change Orders	Net changes from previous Change Orders
\$ 0	Substantial Completion: 0 Ready for final payment: 0
Contract Price Prior to this Change Order	Contract Times prior to this Change Order
\$ 441,311.09	Substantial Completion: December 1, 2013 Ready for final payment: December 15, 2013
Net Decrease of this Change Order	Net Increase of this Change Order
\$ 70,732.94	Substantial Completion (months): 6.5 Ready for final payment (months): 6.5
Contract Price with all approved Change Orders	Contract Times with all approved Change Orders
\$ 370,578.15	Substantial Completion: June 15, 2014 Ready for final payment: July 1, 2014

RECOMMENDED:

APPROVED:

ACCEPTED:

By: 
Engineer (Authorized Signature)

By: _____
Owner (Authorized Signature)

By: _____
Contractor (Authorized Signature)

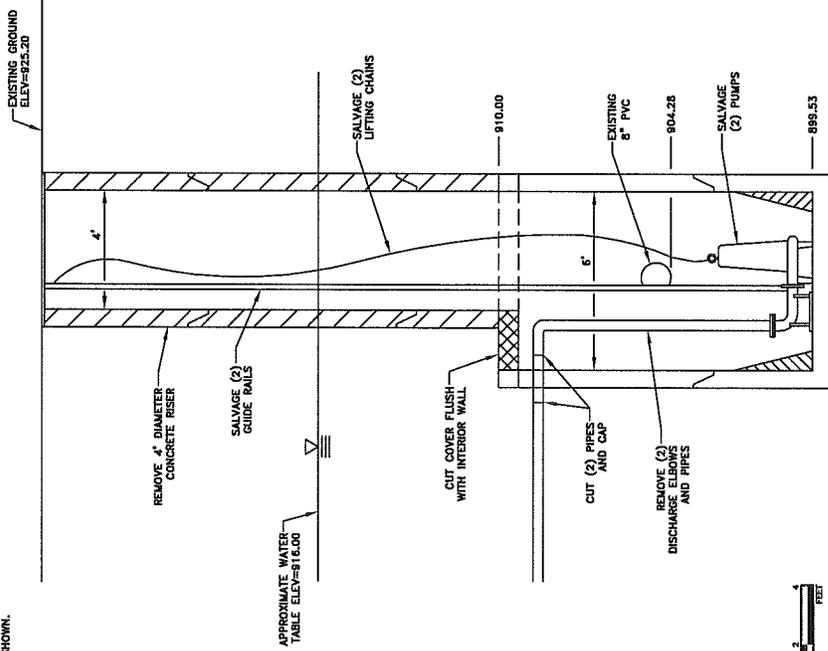
Date: 11/14/13

Date: _____

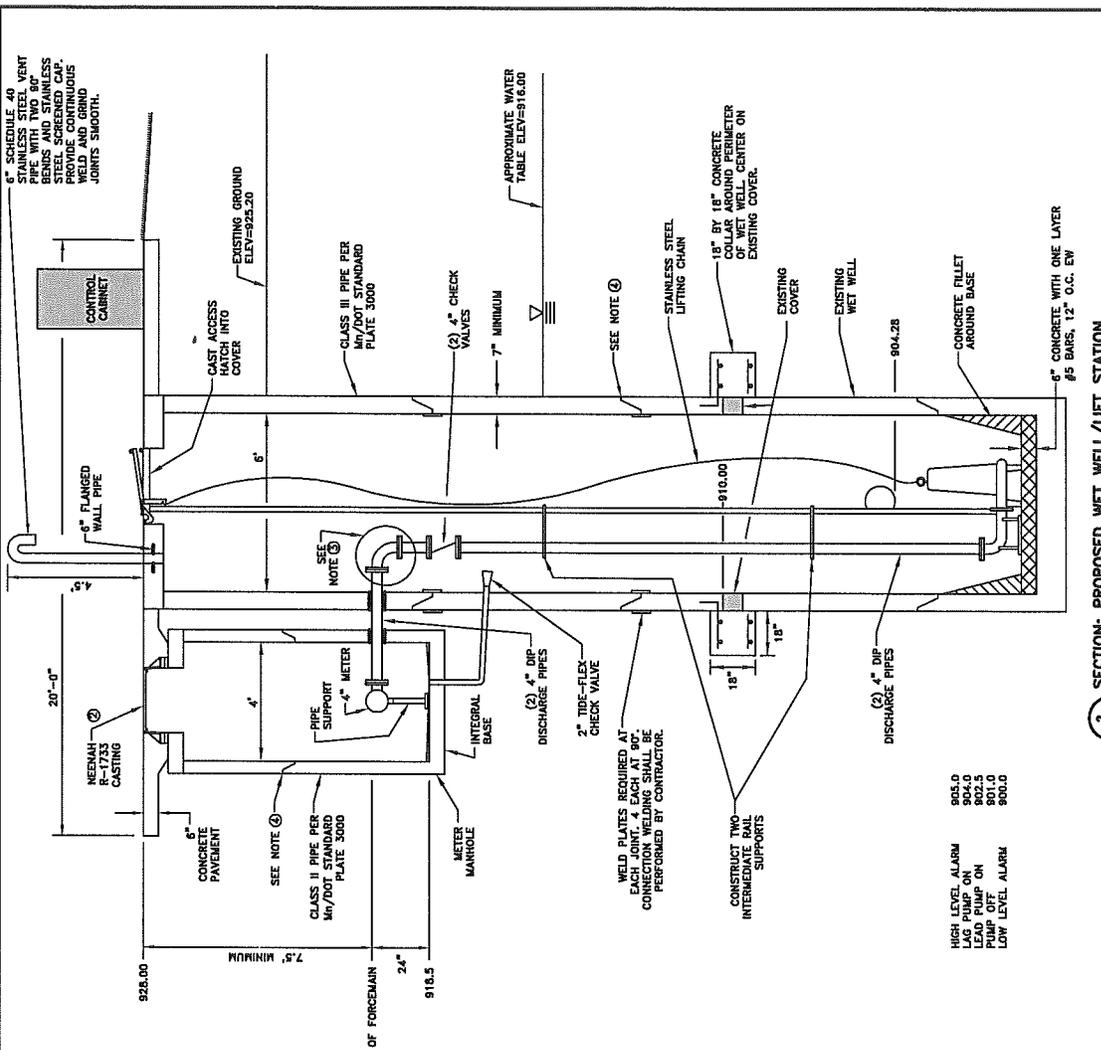
Date: _____

REFERENCE NOTES:
 ① CONTRACTOR SHALL PROVIDE REBAR DESIGN AND SUBMIT FOR ENGINEER APPROVAL. DESIGN SHALL ASSUME A GROUNDWATER DEPTH TO THE TOP OF THE LIFT STATION.
 ② CASTING SHALL BE HEENAH R-1733-0717 FRAME AND COVER, GASKETED SOLID LID WITH TWO LIFTING HOLES AND LETTERED "SANITARY SEWER". CONTRACTOR SHALL PROVIDE REQUIRED FITTINGS IN VERTICAL RUN TO ALIGN THE PIPING IN THE LIFT STATION WITH THE PIPING IN THE METER MANHOLE.
 ③ ALL JOINTS SHALL BE SEALED WITH INF-SHIELD GATOR WRAP 4 INCHES WIDE. FLEXIBLE RUBBER SLEEVE SHALL BE 30 MILS THICK. NON-HARDENING BUTYL MASTIC ADHESIVE SHALL BE 30 MILS THICK.

GENERAL NOTES:
 1. CONTRACTOR TO VERIFY PUMP GUIDE RAIL SPACING WITH THE PUMP SUPPLIER.
 2. LOCATION AND MOUNTING ARRANGEMENT OF PUMP BASES SHALL BE PER MANUFACTURER'S RECOMMENDATIONS.
 3. ALL MANHOLES SHALL HAVE GASKETED JOINTS PER 1/4"X1/4" STANDARD PLATE 3006.
 4. ALL BENDS SHALL BE LONG RADIUS.
 5. PIPING SHALL BE INSTALLED TO THE METER MANHOLE AND LIFT STATION WET WELL SHALL BE CONSTRUCTED WITH WATER-TIGHT WALL PENETRATIONS PER SECTION 05100 OF THE PROJECT MANUAL.
 6. FINISHES ARE NOT SHOWN.



1 SECTION: EXISTING WET WELL/LIFT STATION



2 SECTION: PROPOSED WET WELL/LIFT STATION

HIGH LEVEL ALARM 905.0
 METER MANHOLE 904.0
 LEAD PUMP ON 901.0
 PUMP OFF 901.0
 LOW LEVEL ALARM 900.0



DATE	REVISION	NO. 1	DATE	NO. 2	DATE	NO. 3	DATE	NO. 4	DATE	NO. 5
10/27/13	WET WELL REDUCTION PROPOSAL									
I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota. Date: 7/28/13 Lic. No. 23461 Name: J. JOHNSON Title: CIVIL ENGINEER										
HAKONSON ANDERSON Civil Engineers and Land Surveyors 3601 Hennepin Avenue, Suite 100 Minneapolis, MN 55412 763-427-5860 FAX 763-427-0520 www.hakonson-anderson.com										
LIFT STATION NO. 1					PROFILE AND SECTION VIEWS			SHEET 5 OF 7 SHEETS		
RECONSTRUCTION PROJECT					CITY OF EAST BETHEL, MINNESOTA			E8403		

SECTION 00991 – CHANGE ORDER

No. 2

PROJECT: Castle Towers/Whispering Aspen 2013 Forcemain Project

DATE OF ISSUANCE: 11/20/2013

EFFECTIVE DATE: 11/20/2013

OWNER: City of East Bethel

ENGINEER'S Project No.: EB608

CONTRACTOR: LaTour Construction, Inc.

ENGINEER: Craig J. Jochum, P.E.

You are directed to make the following changes to the Contract Documents.

A. With the Contract award of Lift Station No. 1, the following work item quantities will be revised with this change order.

1. Items included with Bid Schedules A, B, D, E and F as summarized below will be deleted from the Base Bid.

Base Bid Schedule "A" - Removals				
ITEM DESCRIPTION	UNIT	CONTRACT UNIT PRICE	QUANTITY DELETED	EXTENSION
Clearing	TREE	\$105.00	1	\$105.00
Grubbing	TREE	\$105.00	1	\$105.00
Remove Sidewalk	SQ YD	\$6.25	51	\$318.75
Remove Watermain and Forcemain	LIN FT	\$5.00	50	\$250.00
Remove Concrete Curb and Gutter	LIN FT	\$5.05	71	\$358.55
Remove Bituminous Pavement and Bituminous Curb	SQ YD	\$4.00	158	\$632.00
Cap Existing Forcemain Pipe	LUMP	\$630.00	1	\$630.00
Sawing Bituminous Pavement (Full Depth)	LIN FT	\$3.25	50	\$162.50
Mill Bituminous Surface	SQ YD	\$10.45	12	\$125.40
Salvage Gate	EACH	\$128.00	2	\$256.00
Total Bid Schedule "A"				\$2,943.20

Base Bid Schedule "B" Forcemain and Gravity Sewer				
ITEM DESCRIPTION	UNIT	CONTRACT UNIT PRICE	QUANTITY DELETED	EXTENSION
Ductile Iron Fittings	POUND	\$5.60	300	\$1,680.00
8" PVC Sanitary Sewer - SDR 35	LIN FT	\$78.50	38	\$2,983.00
4" PVC Sewer Forcemain (DR 18)	LIN FT	\$24.00	22	\$528.00
6" PVC Sewer Forcemain (DR 18)	LIN FT	\$19.00	133	\$2,527.00
Meter Manhole -4" Meter	EACH	\$12,150.00	1	\$12,150.00
4" Polystyrene Insulation	SQ FT	\$6.00	153	\$918.00
Connect to Existing Manhole	EACH	\$2,000.00	1	\$2,000.00
Connect to Existing Pipe	EACH	\$1,500.00	2	\$3,000.00
Construct Sanitary Structure Design 48-4007	LIN FT	\$450.00	6	\$2,700.00
Casting Assembly - Sanitary Sewer	EACH	\$860.00	1	\$860.00
Total Bid Schedule "B"				\$29,346.00

Base Bid Schedule "D" - Site Work and Storm Sewer				
ITEM DESCRIPTION	UNIT	CONTRACT UNIT PRICE	QUANTITY DELETED	EXTENSION
Aggregate Base Class 5	TON	\$26.00	40	\$1,040.00
Bituminous Material for Tack Coat	GALLO	\$4.15	8	\$33.20
Type SP 9.5 Wearing Course Mixture (2,B)	TON	\$100.00	20	\$2,000.00
Type SP 12.5 Non Wearing Course Mixture (2,B)	TON	\$97.00	20	\$1,940.00
Concrete Curb & Gutter Design Surmountable	LIN FT	\$18.25	71	\$1,295.75
4" Concrete Walk	SQ FT	\$5.25	459	\$2,409.75
Bollard	EACH	\$562.00	4	\$2,248.00
Random Riprap Class II	CU YD	\$190.00	3	\$570.00
Temporary Rock Construction Entrances	EACH	\$810.00	1	\$810.00
Topsoil Borrow (LV)	CU YD	\$13.35	50	\$667.50
Turf Establishment	ACRE	\$3,050.00	0.3	\$915.00
Total Bid Schedule "D"				\$13,929.20

Bid Schedule "E" - Watermain				
ITEM DESCRIPTION	UNIT	CONTRACT UNIT PRICE	QUANTITY DELETED	EXTENSION
Ductile Iron Pipe Fittings	POUND	\$4.65	376	\$1,748.40
6" Watermain Ductile Iron Class 52	LIN FT	\$37.25	60	\$2,235.00
6" Gate Valve and Box	EACH	\$1,370.00	1	\$1,370.00
Connect to Existing Watermain	EACH	\$945.00	2	\$1,890.00
Polystyrene Insulation	SQ FT	\$4.00	32	\$128.00
Hydrant	EACH	\$4,105.00	1	\$4,105.00
Total Bid Schedule "E"				\$11,476.40

Base Bid Schedule "F" - Mobilization, Traffic Control and Allowances				
ITEM DESCRIPTION	UNIT	CONTRACT UNIT PRICE	QUANTITY DELETED	EXTENSION
General Construction Allowance	LUMP SUM	\$40,000.00	.25	\$10,000.00
Total Bid Schedule "F"				\$10,000.00

Contract Amount \$ 2,084,071.19
Total deleted from Base Bid for Award Lift Station No. 1: \$ 67,694.80
Total Contract Price \$ 2,016,376.39

Reason for Change Order:

With the bid award of Lift Station No. 1 certain items will be deleted from this contract.

Attachments: (List documents supporting change)

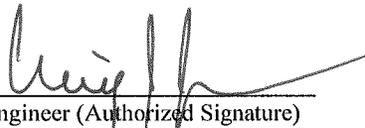
None

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price	Original Contract Times
\$ 1,849,982.69	Substantial Completion: December 1, 2013 Ready for final payment: December 15, 2013
Net changes from previous Change Orders	Net changes from previous Change Orders
\$ 234,088.50	Substantial Completion: 0 Ready for final payment: 0
Contract Price Prior to this Change Order	Contract Times prior to this Change Order
\$ 2,084,071.19	Substantial Completion: December 1, 2013 Ready for final payment: December 15, 2013
Net Decrease of this Change Order	Net Increase of this Change Order
\$ 67,694.80	Substantial Completion (days): 0 Ready for final payment (days): 0
Contract Price with all approved Change Orders	Contract Times with all approved Change Orders
\$ 2,016,376.39	Substantial Completion: December 1, 2013 Ready for final payment: December 15, 2013

RECOMMENDED:

APPROVED:

ACCEPTED:

By: 
Engineer (Authorized Signature)

By: _____
Owner (Authorized Signature)

By: _____
Contractor (Authorized Signature)

Date: 11/14/13

Date: _____

Date: _____



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 9.0 E.1

Agenda Item:

Fleet Safety Program

Requested Action:

Consider approving amendments to the adopted Fleet Safety Program

Background Information:

The League of Minnesota Cities Insurance Trust (LMCIT), our insurance underwriter, meets with City representatives annually to assess areas of need pertaining to worker safety, insurance incentives, workers compensation history, and other items relating to loss control. The LMCIT has recommended that the City adopt a written Fleet Safety Program to guide the use of city vehicles and equipment.

At the November 6, 2013 City Council Meeting, the East Bethel City Council adopted the Fleet Safety Program and requested that certain changes be made for clarification. Attached is the amended program with modifications.

Attachment(s):

- 1. Amended Fleet Safety Program

Fiscal Impact: None

Recommendation(s): Staff recommends approving the changes to the Fleet Safety Program

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



FLEET SAFETY **PROGRAM**

October 15, 2013

Section 1: References

- A. ANSI Z15.1-2006

Section 2: Definitions

- A. **Accident** - An unplanned or unintended event or series of events that may: (a) result in death, injury, loss of or damage to a system or service; (b) cause environmental damage; (c) adversely affect an activity or function.
- B. **Aggressive Driving** - Driving in a selfish, bold, or pushy manner, without regard for the rights or safety of other users of the roadway.
- C. **At-Fault Accident** – Any accident where the driver is designated as having caused the accident or negligently contributed to its occurrence.
- D. **Collision** - An incident in which the first harmful event involves a motor vehicle in motion coming in contact with another vehicle, other property, person(s), or animal(s).
- E. **Crash** - An incident involving one or more motor vehicles in motion.
- F. **Defensive Driving** - Driving to save lives, time, and money, in spite of the conditions around you and the actions of others.
- G. **Distracted Driving** - Diversion of the driver’s attention from the task of operating a motor vehicle by activities, objects, or events inside or outside the vehicle, or by factors such as emotional stress or preoccupation.
- H. **Incident** - An undesired event that did or could have resulted in personal harm or property damage, or in any undesirable loss of resources. Includes minor citation, at-fault accidents, moderate convictions, and major convictions.
- I. **Incident Rate** - The number of incidents per some unit of measurement, for the purpose of assessing safety performance over time or comparing performance with other organizations.
- J. **Injury** - Physical harm or damage to a person resulting in the marring of appearance, personal discomfort, and/or bodily hurt, impairment or death.
- K. **Major Conviction** – Any citation that involves (1) Driving while intoxicated or while under the influence of drugs or alcohol; (2) Failure to stop and report and accident; (3) Homicide, manslaughter, or assault arising out of the operation of a motor vehicle; (4) Driving while license is suspended or revoked; (5) Reckless driving; (6) Speed contest, drag racing, or attempting to elude an officer of the law.
- L. **Minor Citation** – Any moving traffic citation unless it qualifies as a moderate conviction or a major conviction. This category does not include cases involving (1) Motor vehicle equipment, load or size requirements; (2) Improper display, or failure to display license plates; (3) Failure to sign or display registration; (4) Failure to have in possession a driver’s license.
- M. **Moderate Conviction** – Citations that involve: (1) possession of opened container or alcoholic beverages.
- N. **Motor Vehicle** - Any licensed mechanically or electrically powered device (except one moved by human power), not operated on rails, designed to be operated primarily on public streets and roads. Cargo and/or attachments (trailers, etc.) to a motor vehicle are considered part of that vehicle.
- O. **Passenger** - A person, other than the driver of the vehicle, who is in or on a motor vehicle.
- P. **Preventable Collision** - One in which the driver failed to do everything that reasonably could have been done to avoid the collision.
- Q. **Remedial Training** - Training required following an incident to upgrade and renew skills

and demonstrate proficiency.

- R. **Road Rage** - A criminal offense in which a vehicle is used as a weapon with intent to do harm, or the physical assault of a driver or vehicle.
- S. **Shall** - The term “shall” is used throughout Z15.1 in accord with ANSI conventions to indicate a mandatory or required practice in terms of this standard.
- T. **Should** - The term “should” is used throughout Z15.1 in accord with ANSI conventions to indicate a recommended practice.

Section 3: Program Requirements

- A. **Scope.** The City of East Bethel will set forth practices for the safe operation of motor vehicles owned or operated by the City of East Bethel. These practices are designed for use by those having the responsibility for the administration and operation of motor vehicles as a part of organizational operations.
- B. **Purpose.** The purpose of this Fleet Safety Program is to provide our employees and managers with tools and materials to ensure the safety of all employees who drive vehicles for the City of East Bethel. Vehicle accidents are costly to the City of East Bethel but more importantly, they may result in injury to our employees, volunteers and occupants of other vehicles or pedestrians. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. As such, the City of East Bethel endorses all applicable state motor vehicle regulations relating to driver responsibility. The City of East Bethel expects each driver to drive in a safe and courteous manner. The attitude our drivers take when behind the wheel is the single most important factor in driving safely.
- C. **Application.** This policy applies to the operation of City owned or leased vehicles, whether the vehicle is being driven on organizational business or for personal use; and the operation of rental or driver-owned vehicles for organizational purposes. It applies to persons working on behalf of the City of East Bethel whose job performance requires the use of a motor vehicle.
- D. **Written Program.** The City of East Bethel will review and evaluate this policy on an annual basis, when changes occur that prompt revision of this document, or when facility operational changes occur that require a revision of this document. This written program will be communicated to all personnel. It is designed to establish clear goals, and objectives.
- E. **Responsibilities and Accountabilities.**
All levels of management will be involved in and held accountable for the program's development, management, and implementation.
 - 1. Top Management City Administrator has the responsibility to implement this fleet safety policy by:
 - a. Directing all supervisors department heads and employees to endorse and comply with this policy.
 - b. Identifying and training existing and newly selected fleet operators to comply with this policy.
 - a. Ensuring the safe operation of fleet vehicles, in compliance with this policy.
 - b. Enforcing compliance with this policy. All presently employed and new employees, who drive a City owned or leased vehicle in the normal course of their employment, must be trained and in compliance with this policy.
 - 2. Supervisors Department Heads have the responsibility to:
 - a. Identify and train existing and newly selected fleet operators to comply with this policy.

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- b. Ensure that all vehicles can be operated safely or are taken out of service for repairs.
 - c. Require and enforce compliance with this policy.
 - d. Track and document all reported vehicle accidents.
 - e. Assist with the identification of preventable and non-preventable vehicle accidents, as requested.
3. Employees have the responsibility to:
- a. Understand their assigned tasks relating to fleet safety.
 - b. Apply the proper training and equipment to safely operate a motor vehicle.
 - c. Assist with the identification of vehicle operational problems.
 - d. Comply with the directives of this policy.
 - e. Act in compliance with vehicle insurance requirements.

F. Driver Recruitment, Selection and Assessment

The City of East Bethel shall implement a system that recruits and selects drivers to ensure safe operation and management of the motor vehicle safety program.

1. Motor Vehicle Record Annual Review

All full time and part time employees of the City of East Bethel who operate a City owned or leased vehicle ~~should~~will have their motor vehicle record checked annually. All Applicants hired as vehicle operators will have their motor vehicle record checked for patterns of violations or recent violations of DWI,~~or~~ DUI, or other major traffic violations prior to operating a City vehicle.

2. New Driver Selection

a. Overview

Employee selection procedures should be designed to evaluate an applicant's experience and potential. ~~All~~Any applicants ~~hired~~recommended for hire as vehicle operators shall provide proof of the proper classification of vehicle license and will be subject to a mandatory license background check prior to offer of employment. Any new applicant hired as an operator shall receive a road test on the designated equipment and, if applicable, receive a DOT Physical Examination. Departments, ~~who~~which have a promotional process, shall follow their departmental process when promoting an existing employee into a vehicle operator position.

b. New Employee Training

Basic training for all new drivers shall consist of on the job instruction and training with senior drivers or driver trainers. ~~A defensive~~Defensive driving attitude training is an important aspect of all new hire training. Drivers should believe that vehicle accidents are preventable if they take the initiative. Finally, drivers should be alert to hazards on the roadway that could cause an accident. New drivers should be introduced to an unfamiliar vehicle's general mechanical operation, safety equipment, emergency kit and accessory application, as well as a review of braking, backing, and trailer operation (if applicable). Drivers who transport hazardous materials shall be instructed in the details of accident prevention and hazardous materials spill prevention and response.

3. Monitoring Existing Drivers

Driver abuse of equipment is another issue to review with existing drivers. If repair problems show a pattern, the driver should receive training in the areas in question, ~~such as braking, etc.~~

G. Driver Rules

1. All employees operating City equipment shall comply with the State Motor Vehicle Regulations.
2. Drivers shall carry their State drivers license at all times while operating motor vehicles. Licenses must be the proper classification for the vehicle driven.
3. Safety belts shall be worn at all times by all passengers and by all employees where seat belts are provided. The only exception is when a suspect in a police vehicle is unable to be belted in due to unique arrest circumstances.
4. Drivers shall not consume alcoholic beverages, illegal drugs or medication that may affect driving ability, within 8 hours prior to, or at any time while on duty. If an employee is under the influence of drugs or alcohol taken more than eight hours prior to their shift, it is the responsibility of the employee to call in to work to report an inability to perform their function for that shift.
5. When backing vehicles, there must be a clear view of the area immediately to the rear.
6. Tailgates shall be up and locked when vehicles so equipped are in motion. If a vehicle's function requires that the tailgate remain down to carry a load, red flags shall be attached to the outer portion of the load.
7. Employees who operate motor vehicles, either regularly or occasionally are required to report any license revocations or suspensions immediately to their supervisors.
8. Reckless or unsafe operation of City vehicles is not permitted. This rule shall also apply to private vehicles operated on the City of East Bethel property.
9. ~~The maximum speed on the City of East Bethel property is 10 MPH, unless otherwise posted.~~
10. Vehicle engines shall not be operating when adding any fuel or engine oil to the vehicle.
11. Employees shall not board or alight from any moving vehicle.
12. Employees shall not ride on the running boards of any vehicle.
13. Riding on the side, tool box, tailgate or roof of any vehicle, or in the back of a truck bed, when a vehicle is in motion, is not allowed. Exception: Firefighters may ride on the hose bed of an apparatus (Fire Truck) while loading hose only.
14. In pickup trucks, riders shall always sit in the front cab.
15. During periods of limited visibility, or any time that windshield wipers are in use, headlights shall be turned on. The exception to this is any law enforcement vehicle under specific circumstances.
16. Trailers shall be fastened to hitches, and safety chains shall be secured, as required by state law, before moving vehicles.
17. All items to be transported by truck or trailer, which has the potential to move around during transport, shall be secured.
18. No more than three persons shall ride in the front seat of any vehicle. Where there are only two single seats, there shall be only one person per seat.
19. No City vehicle shall be left unattended with the key in the ignition. This does not include Fire apparatus and Police cruisers.
20. All City of East Bethel vehicles parked on the street, except for emergency vehicles, shall be locked when not in use.
21. Employees are responsible for any traffic citations they receive while operating City vehicles.
22. City of East Bethel vehicles without a handicapped permit shall not be parked in handicapped parking spaces, with the exception of emergency vehicles responding to an emergency situation.

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23. Headphones are not allowed to be worn while operating a motor vehicle, except for emergency two way radios. This also does not pertain to situations where protective muffs or plugs are required for hearing protection.
24. Before leaving the operator's seat, the vehicle shift selector shall be placed in park, and if needed, the parking brake applied. If the vehicle does not have a park position, the shift selector shall be placed in neutral and the parking brake applied.
25. Smoking is not allowed in any City vehicles.

H. **Orientation and Training**

A process of orientation and training shall be established in order to ensure safe and effective operation of motor vehicles. All new drivers will be trained on a vehicle similar in size, power, configuration and operation as the vehicle they will be using prior to being assigned the vehicle/unit, including any special equipment specific to their intended vehicle assignment. Training will include behind-the-wheel observation.

1. *Special Equipment*

Special equipment such as tractors, forklifts, graders, plows, snowmobiles, or equipment with special devices or usage, require instructions prior to use by the operator. Training should include the following:

- a. Familiarization with the owner's/operator's manual.
- b. Explanation and demonstration of control devices.
- c. Explanation and demonstration of safety equipment.
- d. Knowledge of maintenance items such as fuel, water, oil, and other minimum operating needs of the equipment.
- e. Demonstration of operation.
- f. New driver operation with supervision and testing.
- g. Training of new operators by the supervisor, or an experienced operator.

Section 4: Operational Environment

A. **Vehicle Maintenance and Safety Inspections**

The City Administrator and/or Department Head should be consulted regarding the selection, purchase and maintenance of City vehicles. Vehicles must be kept in a safe condition and provided with necessary safety or emergency equipment. When taking out any fleet vehicle, drivers should complete an initial pre-trip inspection; provided however, that the pre-trip inspection of vehicles shall not be required of police and fire department personnel in emergency situations.

1. Repairs will be done by qualified automotive service personnel
2. Vehicles will be maintained based upon miles driven, hours of operation, or calendar time.
3. Vehicles will be maintained in accordance with the manufacturer's recommendations

B. **Impaired Driving**

Drivers shall not consume alcoholic beverages, illegal drugs or medication that may affect driving ability, within eight hours prior to, or at any time while on duty. If an employee is under the influence of drugs or alcohol taken more than eight hours prior to their shift, it is the responsibility of the employee to call in to work to report an inability to perform their function for that shift.

C. **Distracted Driving**

Drivers shall not be distracted while driving. This includes refraining from but not limited to the following activities:

1. Cell Phone Use

2. Eating or Drinking
3. Grooming
4. Smoking
5. ~~Physical or verbal~~ Passenger ~~interference or disruptions~~ ~~s such as children or pets~~
6. Reading
7. Use of Technology (GPS, computer, MP3, etc.)

D. Aggressive Driving

Drivers shall not resort to aggressive driving or road rage under any circumstances. Examples of aggressive driving include but are not limited to:

1. Speeding
2. Tailgating
3. Failure to signal a lane change
4. Running red lights and stop signs
5. Weaving in traffic
6. Yelling
7. Making obscene gestures
8. Excessive use of horn

E. Vehicle Emergency Procedures

When it's absolutely necessary to stop on a highway or city street in case of an emergency, use extreme caution:

1. Warning signals and lights shall be used.
2. Rotating beacon(s) shall be used, if the vehicle is so equipped.
3. Emergency flashers shall be used.
4. Flares, fuses, warning flags, reflector triangles or other emergency equipment shall be used to give adequate advance warning, where applicable for commercial vehicles.

Section 5: Accident Reporting

A. What to do at the Scene of an Accident

Report all vehicle accidents. Collect any necessary information before leaving the accident site. The City of East Bethel will investigate all accidents involving City vehicles. The following shall be considered:

1. It is unlawful to leave the scene of any accident if you are involved in the accident, without furnishing your name, address and vehicle information to the other driver. Any hit and run accident, on private or public property, should be reported to the local police, sheriff or state patrol office with jurisdiction.
2. Accidents involving a pedestrian and a City vehicle, or an accident involving a City employee who is struck by a vehicle, should also be reported to the local police, sheriff or state patrol office with jurisdiction.

B. Employee Retraining

It may be necessary to retrain an employee if they are involved in a severe accident or repeated accidents. ~~Retraining with a co-worker, training officer, supervisor or driver trainer should~~ shall include a review of the actions leading up to the vehicle accident and how to prevent future accidents from occurring.

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During training, if vision, hearing, or other health conditions indicate a possible deficiency that may affect the safe operation of the vehicle, then an examination and evaluation by a medical specialist may be coordinated by the employee's department.

Section 6: Disciplinary Action

A. Point System

In order to provide a uniform method to evaluate driving records, the City of East Bethel has adopted a point-based measuring system which relates to each driver's motor vehicle record. The point values correspond to various types of driving convictions, similar to systems used by many states for determining when a license should be revoked or suspended. This system is referenced in Section 13 of the City Personnel Policies.

~~Special reviews will be held in cases where too many points have been accumulated within the stated time period. A good driving record is defined as less than 6 points using the State Department of Motor Vehicle point system. The normal time frame that is considered is three years. However, major convictions, as defined below, are counted back as far as five years.~~

~~The evaluation will be completed by the City Administrator and the driver's supervisor. The point system will be as follows:~~

Moving Violation	Points Assessed
Minor Violation, no accident involved	1
At Fault, no accident	2
Major Citation or Conviction (within 3 years)	6
Major Citation or Conviction (>3 years, <5 years)	3
Additional Points	
2 incidents within the most recent 18 months adds	1
3 incidents within the most recent 18 months adds	2

Disciplinary action, based on an accumulation of points over a specified period of time, may include all or any of the following:

- Verbal Warning
- Written Warning
- Suspension
- Termination

The ~~appropriate personal~~ signature and date on the ~~Driver Acknowledgement~~Acknowledgement of Receipt of Vehicle Fleet Safety Program Form confirms that the driver fully understands the need for an acceptable driving record, based on the point system. The signature and date also acknowledges that the driver is aware that points will be assigned for moving violations and that accumulation of points over a prescribed threshold will result in disciplinary action as indicated above and referenced in Section 13 of the East Bethel City Personnel Policies.

Enforcement of clear, quantitative rules regarding the consequences of unsafe driving behaviors is remarkably successful in changing those unsafe behaviors and in reducing the number of moving violations and preventable crashes.

The City of East Bethel
ACKNOWLEDGMENT OF RECEIPT
OF
VEHICLE FLEET SAFETY MANUAL PROGRAM FORM

This is to acknowledge that I have received a copy of the Vehicle Fleet Safety Manual Program and understand that it contains important information on many of the City of East Bethel general driving safety policies and on my driving privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to these policies and will familiarize myself with the material in the manual. Additionally, I agree to abide by any new or revised policy.

I understand that I am governed by the contents of the manual and that, the City of East Bethel may change, rescind or add to any policies or practices described in this manual program from time to time in its sole and absolute discretion with or without prior notice. The City of East Bethel will advise employees of material changes within a reasonable time.

I further acknowledge and agree that employment with the City of East Bethel may be terminated for not abiding by the rules and policies set forth in the Vehicle Fleet Safety Manual Program.

Employee Signature

Date

Print or Type Name

IMPORTANT NOTE: I understand it is my responsibility to read, understand, and comply with the provisions contained in the City of East Bethel Vehicle Fleet Safety Manual Program. If I am unable to understand any part of this manual program, I will arrange to have it translated or explained to me. I further understand that if I am unable to arrange such help, I will immediately notify my supervisor who will make arrangements for needed assistance.

(Please place in employee's personnel file.)



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 9.0 F.1

Agenda Item:

Fire Department Report

Requested Action:

Informational only

Background Information:

The Fire Chief has included attachments of Fire Department emergency calls, fire inspections, and emergency medical calls from the previous month and will present a report of these activities.

Fiscal Impact:

None

Recommendation(s):

Informational only.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

October, 2013

Number of Medical Calls 22

Type	Number	Transport by Ambulance
Medical Complications	4	2
Short of Breath	1	1
Cardiac	1	1
Bleeding	1	1
Illness	4	4
Trauma	3	3
Assist	0	0
Other	5	4
Cancelled Medical Call	<u>3</u>	<u>3</u>
Totals	22	19

Notes:

Flu Season is beginning

3 DOA

Domestic; left scene before arrival

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

Incident Number	Incident Date	Alarm Time	Location	Incident Type
442	10/31/2013	06:15	3841 Edmar Lane	EMS call
441	10/27/2013	11:53	22451 Tippecanoe ST	EMS call
440	10/27/2013	11:50	18943 Fillmore ST NE	EMS call
439	10/27/2013	11:29	22115 Quincy ST	EMS call
438	10/23/2013	16:59	3832 213 AVE	EMS call
437	10/23/2013	10:45	Xylite & 221 st	Gas leak (natural gas or LPG)
436	10/22/2013	22:18	950 229 AVE NE	EMS call
435	10/22/2013	07:10	Viking Blvd & Hwy 65	EMS call
434	10/20/2013	08:33	20332 Austin ST NE	EMS call
433	10/19/2013	13:15	3309 227th LN	Dispatched and cancelled en route
432	10/18/2013	22:53	East Bethel Blvd	Motor vehicle accident with injuries
431	10/18/2013	17:04	246 Dogwood Rd	Assist police
430	10/18/2013	15:02	246 Dogwood Rd	EMS call
429	10/18/2013	14:19	24355 65 Hwy NE	Dispatched and cancelled en route
428	10/18/2013	05:03	Hwy 65 & 209 th	Fire in a foundation of a building
427	10/17/2013	20:38	24355 Hwy 65	EMS call
426	10/17/2013	12:48	22857 Sandy Drive	EMS call
425	10/17/2013	03:24	24355 65 Hwy NE	EMS call
424	10/15/2013	04:06	2041 229th Ave NE	EMS call
423	10/12/2013	01:15	552 Lincoln DR NE	EMS call
422	10/11/2013	20:24	2657 226 LN NE	Unauthorized burning
421	10/11/2013	19:36	19863 University Ave	Dispatched and cancelled en route
420	10/11/2013	09:00	2251 Viking Blvd NE	Special type of incident, other
419	10/10/2013	16:49	4832 Viking Blvd NE	Motor vehicle accident with injuries
417	10/10/2013	13:39	2341 153 rd AVE NE	Building fire
416	10/10/2013	10:13	19562 Taylor ST NE	EMS call
418	10/10/2013	08:00	2251 NE Viking Blvd	Special type of incident, other
415	10/09/2013	17:56	22451 Tippecanoe ST	EMS call
414	10/08/2013	13:09	3535 Fishers DR	Dispatched and cancelled en route
413	10/07/2013	04:07	620 Emerson DR NE	EMS call
412	10/05/2013	15:04	24425 Durant ST NE	EMS call
411	10/04/2013	19:52	23417 NE Gopher DR	Dispatched and cancelled en route
410	10/04/2013	17:28	2951 183rd AVE NE	EMS call
409	10/03/2013	07:07	1909 211th AVE	EMS call
408	10/02/2013	16:09	2814 Viking Blvd	Unauthorized burning
407	10/02/2013	07:51	Hwy 65 & 205 th	Service Call, other
406	10/01/2013	23:25	23460 Goodhue ST	EMS call
405	10/01/2013	08:55	20454 Hwy 65 NE	Gas leak (natural gas or LPG)
Total				38



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 9.0 F.2

Agenda Item:

FEMA Assistance to Fire Fighters Grant (AFG)

Requested Action:

Consider approving submission of a FEMA Assistance to Fire Fighters Grant (AFG)

Background Information:

FEMA has opened the application period for the Assistance to Fire Fighters Grant (AFG) through November 20, 2013. This Grant Program has been designed to assist Fire Departments with the purchase of equipment through a 5% matching formula. The Fire Department requests approval, from Council, to submit a proposal for two projects.

The first project is for the replacement purchase of Self Contained Breathing Apparatus (SCBA). The current 35 SCBA units were purchased in 2004 by another FEMA AGF Grant. The units are now 10 years old and are noncompliant with current NFPA Standards. Although our current SCBA units are in good mechanical condition, they are aging and will need replacement within approximately 5 years. Replacement of this equipment is approximately \$4,750.00 per unit. If this project is awarded by FEMA, we would request funding for 40 SCBA units plus an additional 40 spare bottles and 40 SCBA masks for a total cost of \$222,000.00. The City match for this program is 5%, or \$11,100. The matching funds could come from either the 2014 or 2015 Equipment Replacement Fund.

The second project is standby emergency electrical generators for the City Hall and Public Works. Both facilities have a need to function efficiently during disasters and emergencies when electric power is not available. The estimated cost for the equipment and installation of the generators is \$60,000.00. The 5% City Match (\$3,000.00) would come from the Building Capital Project Fund.

Both of these items have been recommended by The United States Fire Administration and FEMA and have been designated as priority initiatives by the United States Fire Administration and FEMA.

Fiscal Impact:

The matching funds required for the turn out gear proposal is 5% of the total cost, estimated at \$222,000.00. The maximum City match is \$11,100.00 will be part of the FY 2014 or 2015

Equipment Replacement Fund. The matching funds required for the generator project is 5% of the total costs, estimated at \$60,000. The maximum City match would be \$3,000 and will be part the FY 2014 or 2015 Building Capital Project Fund.

Recommendation(s):

Staff recommends direction to the Fire Chief to prepare and submit Assistance to Fire Fighters Grant (AFG) by November 30, 2013.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 9.0 G.1

Agenda Item:

Town Hall Meeting

Requested Action:

Consider the format and location of the November 21, 2013 Town Hall Meeting

Background Information:

We may experience a larger than normal turnout for the November 21, 2013 Town Hall Meeting due to the proposed tax increase that is required to pay for bond interest for the Municipal Utilities Project. Since we can seat 150 persons in the Senior Center and only 50 in Council Chambers, we may want to consider conducting the entire session in the Senior Center.

Scheduling the entire Town Hall meeting in the Senior Center would prevent the video recording of the Question and Answer (Q & A) Session, but while we record the Q & A Session of the meeting that is held in Council Chambers, we have never played this back on Channel 10. We would have a digital audio recorder available for the meeting if we in fact do conduct the entire meeting in the Senior Center.

One other item that would change if the Q & A Session is conducted in the Senior Center is the format would need to be altered to have the Mayor act as the moderator of the meeting. There would be only one microphone available for the Council and one for the public. In this format, the Mayor would recognize a citizen who desired to make a statement or ask a question and a Staff person would bring a microphone to that individual for their comments. The Mayor would answer the question or direct the question to appropriate Councilperson/Staff member for comment. This is the format that was used for Town Hall Meetings prior to the Fall Meeting in 2009.

One other option would be to gage the size of the crowd and make the decision for and announce the location (Senior Center or Council Chamber) of the Q & A Session prior to the Session. The advantage to conducting the meeting in the Senior Center would be the ability to accommodate an audience in excess of 50 persons. If the turnout is 50 persons or less, Council Chambers has better acoustics and the ability to video record the meeting. This is a matter we can discuss further at the City Council Meeting on November 20, 2013.

Fiscal Impact:

Recommendation(s):

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

November 20, 2013

Agenda Item Number:

Item 9.0 G.2

Agenda Item:

2014 Budget Discussion

Requested Action:

Continue 2014 Budget Discussion in Preparation for Approval of the Final Levy

Background Information:

2014 Budget Discussion

Council and Staff have been working on a multitude of approaches to minimize the impact of the projected 2014 levy increase that will be required to pay the interest on the 2010 A & B Bonds. The following is a summary of meetings that have been conducted as part of the 2014 Budget process:

- March 27, 2013Finance Committee discusses budget issues and provides direction to Staff*
- May 7, 2013 Staff Meeting.....Department Heads present budget requests to City Administrator*
- May 28, 2013 Staff Meeting.....Review of requests by City Administrator and direction for reductions*
- June 20, 2013 Staff Meeting.....Discussion of reductions and potential for additional cuts*
- July 2, 2013 Staff Meeting.....Budget review with Finance Director and Dept. Heads*
- July 10, 2013 Work Meeting.....Preliminary Budget presented to City Council*
- July 17, 2013 Work & Regular Mtg.....Budget Overview Presentation*
- August 7, 2013 Work Meeting.....Council budget discussion.*
- August 21, 2013 Regular Meeting..... Council Budget discussion*
- September 4, 2013 Regular Meeting....Council sets Preliminary Budget*
- September 18, 2013 Regular Meeting... Council Budget discussion*
- September 25, 2013 Work Meeting..... Council Budget discussion*
- October 2, 2013 Regular Meeting.....Council Budget discussion*
- October 10, 2013 Special Meeting.....Council conducts a meeting dedicated to public comment on the 2014 Budget*
- October 16, 2013 Regular Meeting..... Council Budget discussion*
- November 6, 2013 Regular Meeting.....Council Budget discussion*
- November 20, 2013 Regular Meeting... Council Budget discussion*

On September 4, 2013 City Council approved the 2014 Preliminary Levy of \$ 5,230,742 or an increase of 17.5% over the 2013 Final Levy. The preliminary levy was certified to the County Auditor and this amount may be reduced, but not increased, prior to final certification to the County Auditor by close of business on December 30, 2013.

On October 16, 2013, the preliminary levy was adjusted to compensate for staffing changes that were effective September 25, 2013 and reflected a reduction in wages and benefits for the Administrative Assistant for the Community Development Department. This personnel change reduces the levy increase to 17.2%.

On November 6, 2013 Staff incorporated and presented to Council a proposed reduction of \$ 44,600 in line item budget cuts. Approval of these reductions will reduce to the levy increase to 16.4%.

On November 13, 2013, Staff included the assessment roll payments for the Water and Sewer Lateral Benefit Charges, a proposal to allocate \$20,000 from the General Fund and the savings from the 2005 A Bond Refunding for consideration as additional means to reduce the budget. Incorporation of these recommendations of October 16th and November 6th and 13th would reduce the levy increase to 15.5% or a total levy amount of \$5,142,350.

The net result of all the above changes would result in a General Fund Tax Levy decrease of 1.9%.

Proposed Budget Reduction-September 4, 2013 through November 13, 2013

9-4-13	10-16-13	11-6-13	11-13-13
17.5%	17.2%	16.4%	15.5%

General Fund Levies 2010-2014

2010	2011	2012	2013(Budgeted)	2014(proposed)
\$4,977,674	\$4,681,345	\$4,191,470	\$4,123.317	\$4,045,850

City Bond Levies 2010-2014

	2010	2011	2012	2013(Budgeted)	2014(scheduled)
2005A	\$136,860	\$144,756	\$147,328	\$149,638	\$126,500
2008A	\$111,970	\$109,500	\$158,000	\$180,000	\$180,000
2010A	\$0	\$0	\$0	\$0	\$490,000
2010 B	\$0	\$0	\$0	\$0	\$300,000
2010C	\$0	\$0	\$0	\$0	\$0*

*\$650,000 is due in 2016 and 2017

Special City Levies 2011-2014

	2011	2012	2013	2014
City HRA	\$126,058	\$0	\$0	\$0
County HRA	\$187,920	\$0	\$0	\$0
City EDA	\$0	\$163,428	\$144,670	\$133,022

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

- 1.) Transfer of additional General Fund or other fund balances at an amount to be determined to subsidize the deficit;
- 2.) Additional reductions to the City Budget which could include the following:

Budget Reductions for Consideration

Conferences - Mayor and Council.....	\$ 2,000
Seasonal Employees for Parks and Roads	\$11,766
Booster Day Fireworks	\$ 2,500
Parks Capital Transfer	TBD
EDA	TBD

Proposed Budget Reductions for Consideration.....\$ 15,266*

Recommended Minimum Reductions of \$44,600 that were previously presented and listed in Attachment 1 have been incorporated in the proposed budget.

***Recommended Reductions are only the minimum from the above list and additional cuts can be added as Council deems appropriate.**

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>
	<u>\$464,000</u>

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

If the line item budget reductions (\$88,166)* and the one time reductions (\$464,000) were approved the final levy would result in a 4.8% increase over the 2013 levy. If this was approved, we would still have a minimum deficit of \$790,000 that would need to be addressed for the 2015 budget with only critical fund reserves available to address the issue. The adoption of this type of alternative would only postpone the necessity for a double digit levy percentage increase until next year and in the process would exhaust funds to deal with the bond fund debt long term.

**Current reductions from the September 4, 2013 Preliminary Budget*

LEVY INCREASE OPTIONS FOR 2014

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

Street Capital Fund	\$ 805,000
Equipment Replacement Fund	\$1,359,000
Parks Capital Fund	\$ 70,000
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 have only negligible affects on the budget.

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

Based on our budget reviews to date, the only means to further significantly reduce the budget would be to examine use of the reserve funds outlined above or by personnel cuts. Neither of these approaches are recommended at this time, as their implementation could be counter-productive to the City's ability to solve not only the problem of the proposed tax increase for 2014 and beyond but would diminish the City's ability to provide current levels of service.

In addition to finding acceptable solutions to address the 2014 tax increase, the following is a general outline of a proposed approach to avoid another drastic rise in tax increases and address our debt situation through 2018:

Budget Year 2014

- Incorporate a total of \$88,392 in budget reductions in the proposed 2014 Budget to reduce the levy increase to a minimum of 15.5% (these reductions are included in the proposed budget that is listed as Attachment 1)
- Postpone any Parks Capital Improvement Projects for 2014
- Postpone 2014 expenditures from the Equipment Replacement Fund in the amount of \$62,000
- Transfer the 2005B Bond Fund balance (\$120,000) and the General Fund Budget surplus in excess of 50% (approximately \$200,000) for use to address the 2016 2010C Bond payment
- Postpone any Trails Capital Improvements (\$144,000) until 2016 to determine if these funds will need to be used to address 2016 Budget deficits
- Escrow all City SAC and WAC and assessment fees (amounts to be determined) that will be collected in 2014 to address the projected 2016 Budget deficit
- Continue efforts to refinance the 2010A Bonds
- Continue working on political and administrative options that could provide assistance to address our bond payment issue and MCES obligations and enhance our prospects for future development.

Budget Year 2015

- Incorporate appropriate budget evaluations for the 2015 Budget to minimize or reduce a levy increase in 2015
- Evaluate the Parks Capital Improvement Projects for potential postponement
- Transfer any General Fund Budget surplus in excess of 50% for use to address the 2016 2010C Bond payment

- Postpone any Trails Capital Improvements (\$144,000) until 2016 to determine if these funds will need to be used to address 2016 Budget deficits
- Escrow all City SAC and WAC and assessment fees that will be collected in 2015 to address the projected 2016 Budget deficit.
- Continue efforts to refinance the 2010A Bonds
- Continue working on political and administrative options that could provide assistance to address our bond payment issue and MCEs obligations and enhance our prospects for future development.

Budget Year 2016

- Incorporate appropriate budget evaluations for the 2016 Budget to minimize or reduce any levy increase in 2016
- As a result of the call date of the 2010 C Bond, \$650,000 will be due in 2016 for this bond debt. By utilizing the transferred funds recommended in 2014 and 2015 we would have a minimum of \$464,000 to apply to the debt. The debt would be further reduced by \$149, 918 (the 2010 B savings in 2016) bringing the total amount available to apply to the additional debt of the 2010 C Bond to \$613, 918. This amount does not include any SAC and WAC fees collected in 2014, 2015 and 2016 or other sources of revenue that could be dedicated to 2010 C Bond payments
- Continue efforts to refinance the 2010A Bonds
- Continue working on political and administrative options that could provide assistance to address our bond payment issue and MCEs obligations and enhance our prospects for future development.
- Transfer of the fund balances previously recommended and utilizing the 2016 savings for bond payments on the 2010 B Bond will enable the City to absorb the majority if not all of \$650,000 C Bond payment due in 2016.

Budget Year 2017

- Incorporate appropriate budget evaluations for the 2017 Budget to minimize or reduce a levy increase in 2017
- As a result of the call date of the 2010 C Bond, \$650,000 will be due again in 2017 for this bond debt. The 2017 payment for this bond will be second and final installment due on this debt.

By 2017 we are projecting to have accumulated 150 SAC and WAC fees from legitimate development proposals which are currently in the discussion and/or planning phases. Presuming these developments or others would occur by 2017, we would have up to \$ 840,000 to apply to the \$650,000 2010 C Bond payment. We would also have the savings on the 2010 B Bonds in the amount of \$178,105 that would also be applied for budget reduction. This could leave a balance of up to \$ 368,000 to roll over to address debt issues in 2018

- Continue efforts to refinance the 2010A Bonds
- Continue working on political and administrative options that could provide assistance to address our bond payment issue and MCEs obligations and enhance our prospects for future development.

Budget Year 2018

- Incorporate appropriate budget evaluations for the 2018 Budget to minimize or reduce a levy increase in 2018

- Beginning in 2018, we will have paid the amount owed on the 2010 C Bond in full but will begin principal payments on the 2010 A and B Bonds of approximately \$400,000.

If we were able to roll over the projected \$368,000 as described in Budget Year 2017, we would also have 2010B Bond savings of \$265,375 which, when applied to the bond debt, would provide the funds cover our principal payment of \$400,000 without a tax increase for this purpose. This would still leave us a potential balance of up to \$233,375 to roll over for 2019 bond debt payment. The 2018 scenario assumes no other sources (SAC & WAC, etc.) of revenue for use to address the bond debt and budget issues.

- Continue efforts to refinance the 2010A Bonds
- Continue working on political and administrative options that could provide assistance to address our bond payment issue and MCES obligations and enhance our prospects for future development.

Tabular Summary of the Proposed 2015-2018 Bond Payment Debt Management Plan*

	2014	2015	2016	2017	2018	Total
Funds available	\$320,000 ¹	transfers ²	\$144,000 ³	\$840,000 ⁴	\$368,000 ⁵	\$1,672,000
For Debt Service			<u>\$149,918⁶</u>	<u>\$178,105⁷</u>	\$233,375 ⁷	\$ 561,398
Estimated Total	\$320,000		\$293,918	\$1,018,105	\$601,375	\$2,233,398
Additional Bond Debt (2010 C)			\$650,000	\$650,000		\$1,300,000
Principal Payment					\$400,000	\$ 400,000

**This applies only to the principal and 2010 C Bond payments through the identified period. The tax increase for 2014 and beyond addresses interest payments.*

Based on the above projections, the total City Levy for the period 2015- 2018 can potentially remain essentially level. These projections are based on the following:

- 1.) The City will transfer General Fund Balances exceeding 50% and utilize the fund balance from the Trails Capital Funds and the 2005 B Bond fund balance until 2016 ;
- 2.) The City approves the current proposal to refund the 2010 B Bond;
- 3.) It is assumed that there will be 150 SAC and WAC fees collected through 2017.

Fiscal Impact:

As noted above

Recommendation(s):

Staff recommends Council provide further direction for any additional budget reductions and plans to manage the debt beyond 2014.

¹ General Fund and 2005B Bond balance transfer

²General Fund transfers over 50% of fund balance or other fund transfers

³ Trails Capital Fund transfer

⁴SAC and WAC fees

⁵ Potential carryover from 2017 balance of payments

⁶2010B Bond Refunding Savings

⁷ 2010B Bond Refunding Savings

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

**City of East Bethel
2014 Final General Fund Budget (Summary)**

back	Account Description	2011 Actual	2012 Actual	Actual - 9/30/13	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	4,045,850.00	-2%
	Franchise Taxes	37,875.00	40,227.00	31,686.97	37,000.00	41,000.00	11%
	Licenses and Fees	39,103.00	38,325.00	29,226.60	37,250.00	35,900.00	-4%
	Building Inspection Permits	107,181.00	152,980.00	117,215.33	95,700.00	116,000.00	21%
	Building Inspection Permits (Bethel / Oak Grove)	-	-	115,236.73	60,000.00	100,000.00	67%
	State Aid	223,929.00	222,965.00	186,825.50	216,506.00	254,000.00	17%
	Fines and Forfeits	49,292.00	52,470.00	39,041.34	50,000.00	55,000.00	10%
	Intergovernmental Charges	37,548.00	97,809.00	86,923.55	93,000.00	73,000.00	-22%
	Other Fees	7,529.00	11,419.00	3,308.25	6,360.00	6,450.00	1%
	Cemetery Revenue	8,775.00	6,200.00	5,650.00	5,000.00	6,000.00	20%
	Other / Gambling Proceeds	40,707.00	49,384.00	28,510.61	38,000.00	41,500.00	9%
	Interest Earnings	1,715.00	2,100.00	852.83	2,000.00	2,000.00	0%
	Total Revenues - General Fund	4,982,416.00	4,899,541.00	2,802,975.11	4,764,133.00	4,776,700.00	0.3%
Expenditures							
General Government							
	Council	76,911.00	76,008.00	60,540.13	87,059.00	83,800.00	-4%
	City Administration	242,927.00	206,887.00	151,161.30	210,061.00	214,600.00	2%
	Elections	-	8,709.00	-	2,170.00	13,400.00	518%
	City Clerk	102,205.00	102,918.00	73,308.95	103,331.00	102,200.00	-1%
	Finance	224,841.00	225,500.00	189,237.65	226,086.00	228,250.00	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	103,352.93	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	26,440.09	44,750.00	43,800.00	-2%
	Risk Management	97,629.00	96,210.00	103,140.00	99,800.00	105,150.00	5%
	Central Services	79,330.00	77,758.00	58,521.92	99,405.00	97,950.00	-1%
	Total General Government	1,083,997.00	1,044,627.00	794,507.73	1,077,837.00	1,094,600.00	2%
Community Development							
	Planning and Zoning	201,518.00	169,260.00	137,068.14	208,391.00	167,600.00	-20%
	Building Inspection	232,508.00	139,412.00	119,317.12	186,940.00	233,000.00	25%
	Total Community Development	434,026.00	308,672.00	256,385.26	395,331.00	400,600.00	5%
Public Safety							
	Police Protection	1,036,087.00	959,924.00	753,304.26	961,144.00	990,000.00	3%
	Fire Protection	513,332.00	511,145.00	362,652.45	537,783.00	555,100.00	3%
	Total Public Safety	1,549,419.00	1,471,069.00	1,115,956.71	1,498,927.00	1,545,100.00	3%
Engineering							
	Engineering	35,406.00	29,196.00	11,299.62	46,000.00	40,000.00	-13%
	Total Engineering	35,406.00	29,196.00	11,299.62	46,000.00	40,000.00	-13%
Public Works							
	Public Works - Parks Maintenance	372,692.00	376,067.00	273,610.58	397,567.00	397,100.00	0%
	Public Works - Streets	679,882.00	719,920.00	537,321.50	755,971.00	791,800.00	5%
	Total Public Works	1,052,574.00	1,095,987.00	810,932.08	1,153,538.00	1,188,900.00	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	50,000.00	-33%
	Transfer to Trail Capital	58,484.00	5,000.00	-	-	-	N/A
	Contingency	-	-	21,600.00	40,000.00	-	-100%
	Total Other	552,604.00	580,000.00	571,600.00	590,000.00	525,000.00	-11%
	Total Expenditures - General Fund	4,712,763.00	4,532,052.00	3,563,181.40	4,764,133.00	4,796,700.00	0.7%
	Excess of Revenues over Expenditures - General Fund	269,653.00	367,489.00	(760,206.29)	-	(20,000.00)	
Tax Levies - City							
	General Fund Tax Levy	4,681,345.00	4,191,470.00	-	4,123,317.00	4,045,850.00	-1.9%
	2005 A / 2013 A	144,756.00	147,328.00	-	149,638.00	126,500.00	-15%
	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	5,142,350.00	15.5%
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%

2014 Budget Discussion

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

- 1.) Transfer of General Fund balances at an amount to be determined to subsidize the deficit;
- 2.) Assignment of special assessments for properties in the sewer to the debt service;
- 3.) Assignment of other rents, revenues and royalties to the debt service; and/or
- 4.) Additional reductions to the City Budget which could include the following:

<u>Budget Reductions for Consideration</u>	<u>Proposed</u>	<u>Recommended Minimum Reduction</u>
Conferences - Mayor and Council	\$ 2,000	
Equipment Replacement- Mayor & Council	\$ 800	\$ 800
Conferences-City Administrator	\$ 500	\$ 500
Equipment Replacement-Planning	\$ 500	\$ 500
Fire Department Outreach Programs	\$ 1,500	
Portable Toilets for Parks	\$ 2,000	\$ 1,000
City Administrator- Travel	\$ 600	\$ 300
Seasonal Employees for Parks and Roads	\$11,766	
Professional Service Fees-Planning	\$ 3,000	\$ 3,000
Relief Association Pension Contribution	\$17,500	\$ 3,500
Public Works Overtime	\$ 6,000	
Booster Day Fireworks	\$ 2,500	
Parks Capital Transfer	\$25,000	\$25,000
City newsletter reduction to 2x per year	\$ 4,500	
EDA	<u>\$10,000</u>	<u>\$10,000</u>
Proposed Budget Reductions for Consideration.....	\$ 88,166	
Recommended Minimum Reductions*		\$44,600

***Recommended Reductions are only the minimum from the above list and additional cuts can be added as Council deems appropriate.**

If the minimum reductions (\$44,600), as indicated above, were approved the final levy would result in a 16.4% increase over the 2013 levy. If all of the proposed reductions (\$88,166) were approved the final levy would result in a 15.4% increase over the 2014 levy.

Rank	City	2009 Tax Rate	2010 Tax Rate	2011 Tax Rate	2012 Tax Rate	2013 Tax Rate	*Preliminary 2014 Tax Rate	6 Year Average
1	NowThen	18.520%	19.346%	22.172%	23.743%	27.040%	29.397%	23.370%
2	Ham Lake	23.754%	23.371%	25.797%	26.720%	29.226%	30.806%	26.612%
3	Oak Grove	31.187%	33.013%	36.328%	33.462%	32.676%	32.422%	33.181%
4	Blaine	29.151%	29.510%	32.798%	33.563%	36.740%	36.302%	33.011%
5	Linwood	25.285%	23.724%	30.149%	33.279%	36.676%	36.848%	30.994%
6	Andover	32.484%	36.814%	38.748%	42.539%	41.171%	44.251%	39.335%
7	Ramsey	79.505%	88.504%	39.801%	44.172%	44.290%	45.096%	56.895%
8	Coon Rapids	35.861%	37.893%	39.231%	42.823%	48.835%	45.942%	41.764%
9	Lino Lakes	38.733%	37.905%	42.041%	42.892%	46.774%	46.965%	42.552%
10	Fridley	28.676%	32.295%	37.027%	39.615%	47.362%	47.801%	38.796%
11	Anoka	37.685%	40.530%	43.020%	50.368%	54.010%	49.996%	45.935%
12	Columbus	30.174%	34.404%	38.229%	43.501%	43.867%	50.031%	40.034%
13	Spring Lake Park	45.001%	54.455%	54.490%	62.654%	49.311%	57.388%	53.883%
14	East Bethel	35.795%	40.611%	45.135%	43.807%	48.224%	59.170%	45.457%
15	St Francis	38.401%	44.266%	47.139%	53.405%	63.026%	59.488%	50.954%
16	Circle Pines	45.851%	48.667%	51.505%	63.972%	67.554%	60.581%	56.355%
17	Centerville	46.252%	54.353%	58.654%	66.795%	71.208%	72.475%	61.623%
18	Columbia Heights	47.430%	56.881%	61.804%	66.300%	80.871%	77.974%	65.210%
19	Lexington	48.370%	50.674%	56.161%	63.998%	69.340%	79.208%	61.292%
20	Bethel	49.971%	52.765%	61.544%	74.376%	80.469%	79.828%	66.492%
21	Hill Top	100.910%	98.932%	98.531%	97.100%	96.620%	121.412%	102.251%
	Mean	41.381%	44.710%	45.729%	49.956%	53.109%	55.399%	48.381%
	Min	18.520%	19.346%	22.172%	23.743%	27.040%	29.397%	23.370%
	Max	100.910%	98.932%	98.531%	97.100%	96.620%	121.412%	102.251%

**2014 Is based on the Preliminary tax rates for each City except the City of East Bethel which is based on their projected final rate*