

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: April 16, 2014



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 Presentation

- A. 2013 Audit Report Presentation
- B. ~~Xeel Gas Franchise Agreement~~
- C. Sheriff's Report

8:00 PM 5.0 Public Forum

8:10 PM 6.0 Consent Agenda

Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration

- Page 149-152 A. Approve Bills
- Page 153-178 B. Meeting Minutes, April 2, 2014, Council Meeting
- Page 179 C. Resolution 2014-11 Declaring 2002 Ford F-550 Surplus Property
- Page 180 D. Approve Purchase of Light Duty Truck with Dump Box and Snowplow
- Page 181-188 E. Ham Lake Chamber of Commerce-Gambling Premise Permit, Resolution 2014- 12
- Page 189-190 F. Approve Purchase Fire Department Light Duty Grass Fire Truck with Box

New Business

7.0 Commission, Association and Task Force Reports

- A. Planning Commission
- B. Economic Development Authority
- C. Park Commission
- D. Road Commission

8:15 PM 8.0 Department Reports

- A. Community Development
- B. Engineer
 - 1. Water Emergency and Conservation Plan
- C. City Attorney
- D. Finance

- Page 191-212
- Page 213-214 1. Resolution 2014-13 Accepting the 2013 Audit Report
- Page 215-219 2. Resolution 2014-14 Revising the Fund Balance Policy
- Page 220-222 3. Resolution 2014-15 Permanent Fund Transfer

E. Public Works

- Page 223-224 1. OSHA Grant

- Page 225-228
Page 229-348
8:40 PM
Page 349-351
Page 352-355
Page 356-357
- F. Fire Department
 - 1. March 2014 Report
 - 2. Emergency Operations Plan
 - G. City Administrator
 - 1. 2015 Budget Outline
 - 2. Coon Lake Aquatic Invasive Species Control Program
 - 3. Temporary Clerical Employee
- 8:45 PM 9.0 Other**
A. Staff Report
B. Council Reports
C. Other
- 9:00 PM 10.0 Adjourn**



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 4.0 A

Agenda Item:

2013 Annual Financial Report and Presentation by Auditor

Requested Action:

Informational Only

Background Information:

Mr. Brad Falteysek, representing the City's audit firm of Abdo, Eick & Meyers, LLP, will present the 2013 Annual Financial Report with City Council and be available for questions.

Attachments:

- 1. Copy of 2013 Annual Financial Report
- 2. Management Letter

Fiscal Impact:

None

Recommendation(s):

No action is requested for this item

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2013

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CITY OF EAST BETHEL, MINNESOTA
ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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CITY OF EAST BETHEL, MINNESOTA
CITY COUNCIL AND OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2013

CITY COUNCIL

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Richard Lawrence	Mayor	01/01/15
Robert DeRouche, Jr.	Council Member	01/01/15
Ron Koller	Council Member	01/01/17
Heidi Moegerle	Council Member	01/01/15
Tom Ronning	Council Member	01/01/17

CITY OFFICIALS

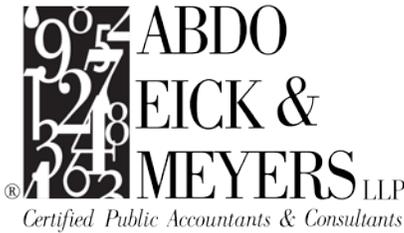
Jack Davis	City Administrator
Nate Ayshford	Public Works Manager
Mark DuCharme	Fire Chief
Nick Schmitz	Building Official
Mike Jeziorski	Finance Director
Colleen Winter	Community Development Director

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FINANCIAL SECTION
CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of East Bethel, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the City's 2012 financial statements and, in our report dated May 29, 2013 we expressed unmodified opinions on the respective proprietary fund financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information in Relation to the Financial Statements as a Whole

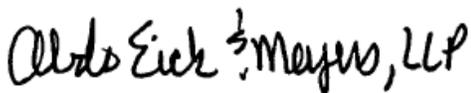
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 2, 2014

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Management's Discussion and Analysis

As management of the City of East Bethel, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013.

Financial Highlights

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$33,297,170 (net position). Of this amount, \$2,230,368 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$1,351,392. Of the total, governmental activities decreased \$1,277,447 and the business-type activities decreased \$73,945.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$6,486,756, a decrease of \$5,098,167 from the prior fiscal year. Continued construction payments for water and sewer projects contributed significantly to the decrease in fund balance.
- At the end of the fiscal year the General fund had a fund balance of \$2,982,714.
- The City's total noncurrent liabilities decreased \$389,363 during the current fiscal year as a result of regular scheduled payments on debt.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide fund financial statements that include details about nonmajor special revenue governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Organization of East Bethel
Annual Financial Report

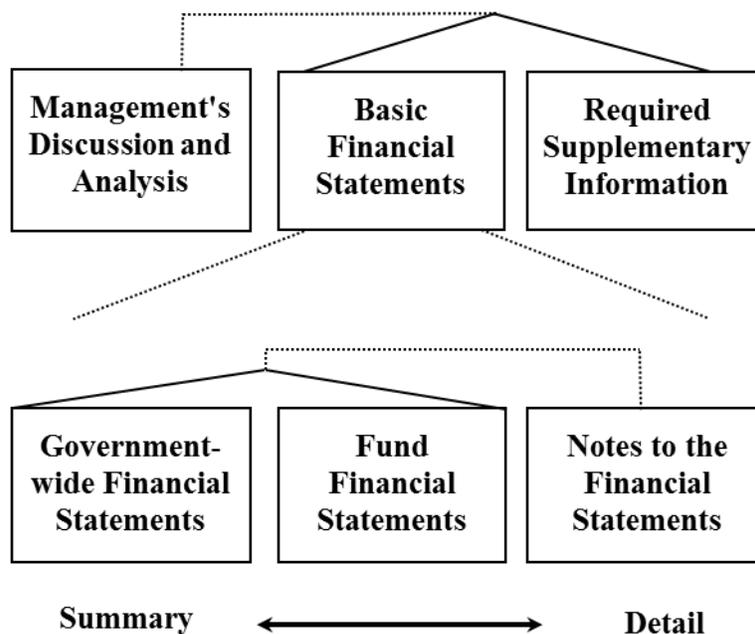


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major features of the Government-wide and Fund Financial Statements

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, public works and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statements of Net Position • Statements of Revenues, Expenses and Changes in Net Position • Statements of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid.	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, miscellaneous, and interest on long-term debt. The business-type activities of the City include an arena, wastewater treatment and water utility.

The government-wide financial statements start on page 25 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 28 individual governmental funds, seven of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund, Water Infrastructure fund, and Utility Infrastructure fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annually appropriated budget for its General fund and many of its special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements start on page 30 of this report.

Proprietary funds. The City maintains three enterprise funds and two internal service funds of the proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. Because the Internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility and arena operations. The City uses internal services funds for compensated absences and equipment replacement.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements start on page 38 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 47 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules start on page 66 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$33,297,170 at the close of the most recent fiscal year.

The largest portion of the City's net position \$28,322,682 or 85.1 percent reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, sewer main lines and storm sewers, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities			Business-type Activities		
	2013	Restated 2012	Increase (Decrease)	2013	Restated 2012	Increase (Decrease)
Current and other assets	\$ 9,342,101	\$ 15,990,632	\$ (6,648,531)	\$ (207,478)	\$ (343,314)	\$ 135,836
Capital assets	43,434,846	39,328,456	4,106,390	3,968,558	4,171,307	(202,749)
Total assets	<u>52,776,947</u>	<u>55,319,088</u>	<u>(2,542,141)</u>	<u>3,761,080</u>	<u>3,827,993</u>	<u>(66,913)</u>
Long-term liabilities outstanding	22,058,622	22,443,573	(384,951)	-	-	-
Other liabilities	1,131,914	2,011,657	(879,743)	50,321	43,289	7,032
Total liabilities	<u>23,190,536</u>	<u>24,455,230</u>	<u>(1,264,694)</u>	<u>50,321</u>	<u>43,289</u>	<u>7,032</u>
Net assets						
Net investment in capital assets	24,354,124	16,955,066	7,399,058	3,968,558	1,311,952	2,656,606
Restricted	2,744,120	7,905,985	(5,161,865)	-	-	-
Unrestricted	<u>2,488,167</u>	<u>6,002,807</u>	<u>(3,514,640)</u>	<u>(257,799)</u>	<u>2,472,752</u>	<u>(2,730,551)</u>
Total net position	<u>\$ 29,586,411</u>	<u>\$ 30,863,858</u>	<u>\$ (1,277,447)</u>	<u>\$ 3,710,759</u>	<u>\$ 3,784,704</u>	<u>\$ (73,945)</u>

A portion of the of the City's net position \$2,744,120 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,230,368 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for its governmental activities. The business-type activities have a deficit of unrestricted net position.

Governmental Activities

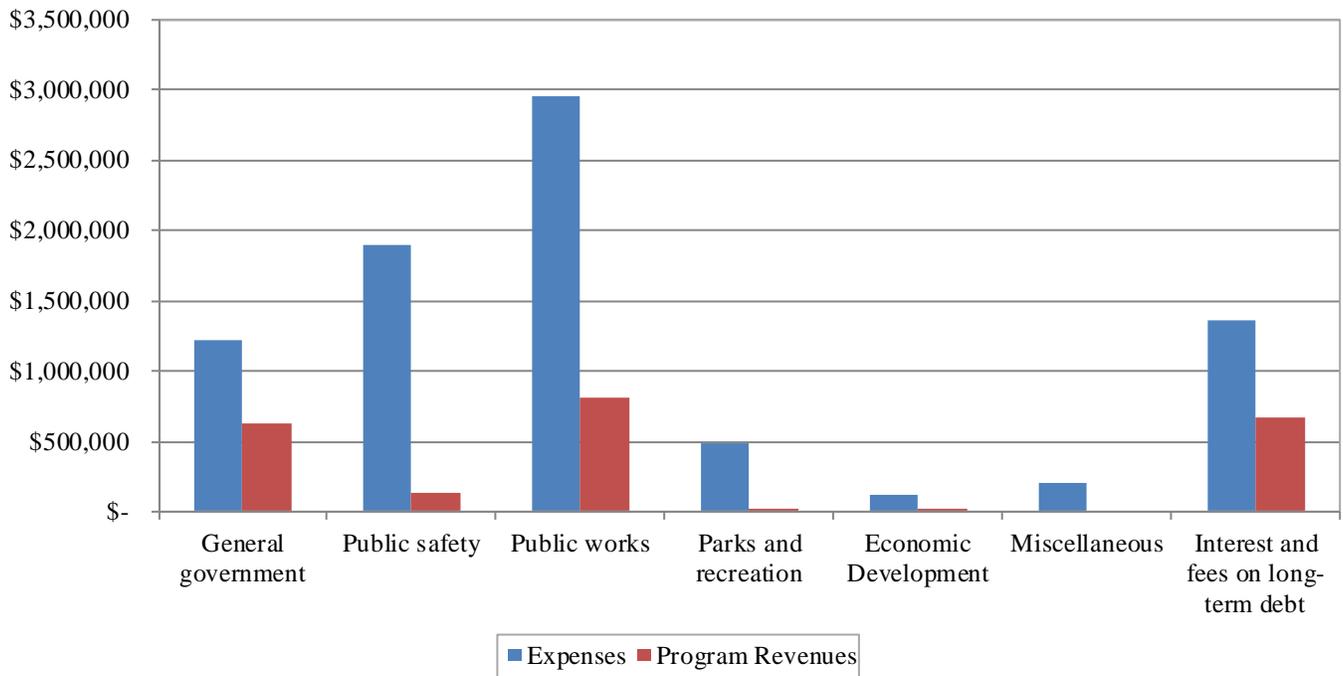
Governmental activities decreased the City's net position \$1,277,447. Business-type net position decreased by \$73,945 during the year. Key elements of the changes in net position are as follows:

City of East Bethel's Changes in Net Position

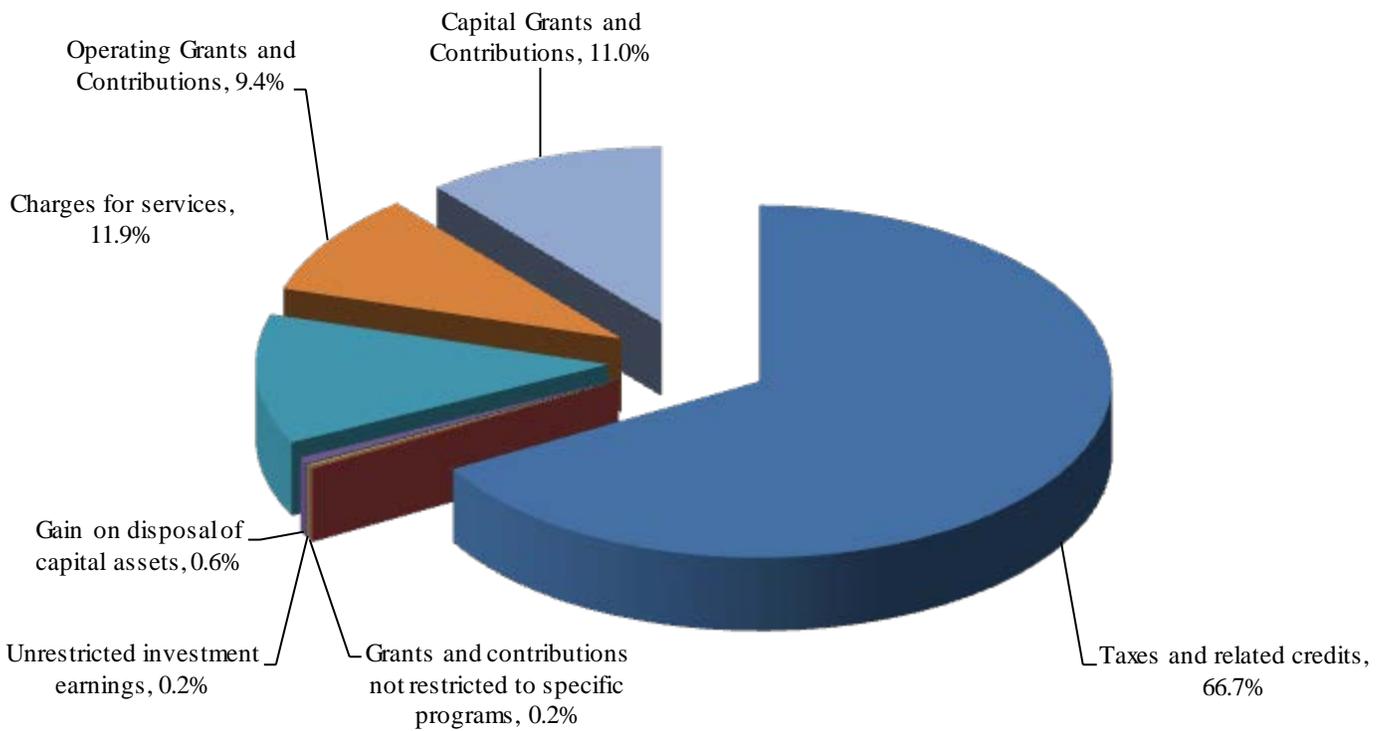
	Governmental Activities			Business-type Activities		
	2013	Restated 2012	Increase (Decrease)	2013	Restated 2012	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	832,459	\$ 513,935	\$ 318,524	\$ 412,905	\$ 354,568	\$ 58,337
Operating grants and contributions	657,281	168,871	488,410	-	-	-
Capital grants and contributions	769,954	1,831,089	(1,061,135)	-	-	-
General revenues						
Taxes	4,640,963	4,658,457	(17,494)	-	-	-
Grants & contribution not restricted to specific programs	15,413	486,703	(471,290)	-	-	-
Unrestricted investment earnings	10,553	24,652	(14,099)	6	-	6
Gain on disposal of capital assets	41,353	5,313	36,040	-	-	-
Miscellaneous	-	2,890	(2,890)	-	-	-
Total revenues	6,967,976	7,691,910	(723,934)	412,911	354,568	58,343
Expenses						
General government	1,224,698	1,234,266	(9,568)	-	-	-
Public safety	1,901,644	1,835,446	66,198	-	-	-
Public works	2,957,072	2,971,055	(13,983)	-	-	-
Parks and recreation	480,400	494,806	(14,406)	-	-	-
Economic Development	113,534	125,511	(11,977)	-	-	-
Miscellaneous	211,112	176,468	34,644	-	-	-
Water	-	-	-	174,408	97,452	76,956
Sewer	-	-	-	88,815	98,029	(9,214)
Ice arena	-	-	-	223,633	295,324	(71,691)
Interest and fees on long-term debt	1,356,963	1,405,360	(48,397)	-	-	-
Total expenses	8,245,423	8,242,912	2,511	486,856	490,805	(3,949)
Change in net position	(1,277,447)	(551,002)	(726,445)	(73,945)	(136,237)	62,292
Net position as restated, January 1	30,863,858	31,414,860	(551,002)	3,784,704	3,920,941	(136,237)
Net position, December 31	\$ 29,586,411	\$ 30,863,858	\$ (1,277,447)	\$ 3,710,759	\$ 3,784,704	\$ (73,945)

Below are specific graphs which provide comparisons of the governmental activities program revenues and expenditures:

Expenses and Program Revenues - Governmental Activities

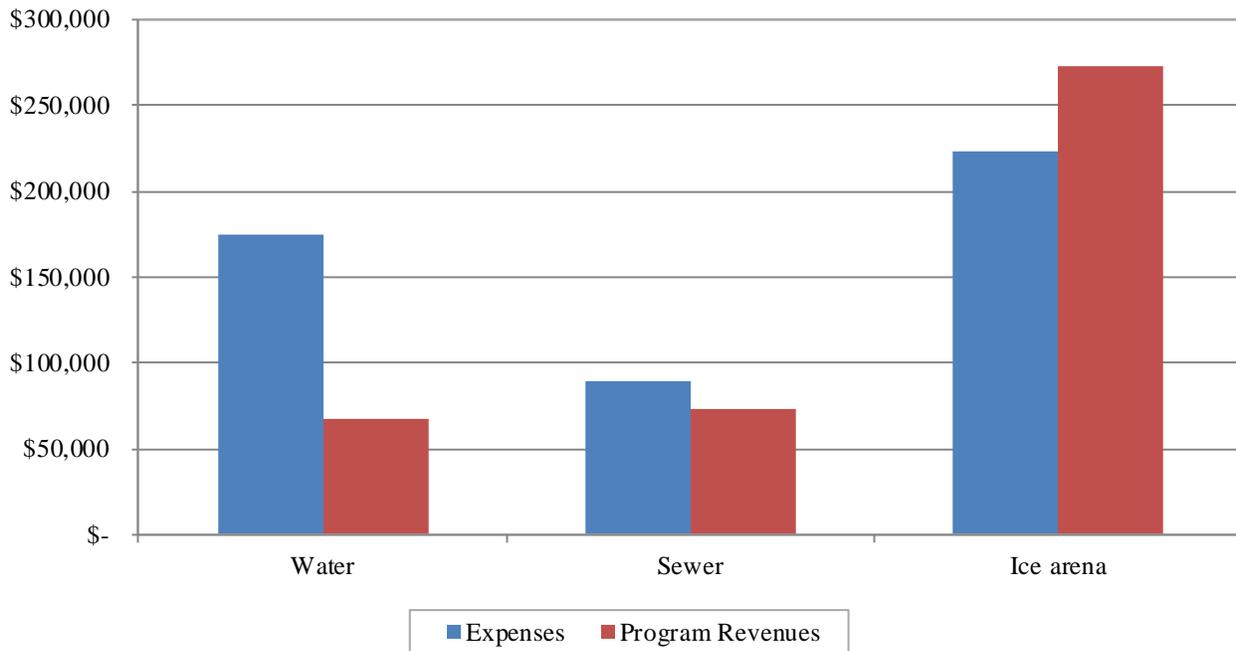


Revenues by Source - Governmental Activities



Business-type activities. Business-type activities decreased net position by \$73,945 including depreciation expenses of \$212,454. The results reflect the continuing start-up mode of the City’s utility services and the continuing challenges at the City’s Ice Arena. Below are graphs showing the business-type activities revenue and expense comparisons:

Expenses and Program Revenues - Business-type Activities



All of the revenues from Business-type activities come from charges for services.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$6,486,756, a decrease of \$5,098,167 in comparison with the prior year. Approximately 38.8percent of this total amount (\$2,514,952) constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance (\$3,907,775) is not available for new spending because it is either 1) restricted (\$2,775,562) or 2) assigned (\$1,132,213). For further classification refer to Note 3F on page 61 of this report.

The General fund balance increased by \$360,820 in 2013. The fund also transferred \$550,000 out to other funds as budgeted.

The Debt Service fund has a total fund balance of \$54,891 which is entirely restricted for the payment of debt service. The net decrease in fund balance of \$533,779 was a result regularly scheduled debt payments.

The Water Infrastructure fund decreased \$2,684,416 and the Utility Construction fund decreased \$1,737,128 due to the construction of water and sewer infrastructure.

Proprietary funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to a deficit of \$257,799. The total decrease in net position for the funds was \$92,289. Other factors concerning the finances of this fund have already been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

The General fund budget was not amended during 2013, which called for no increase or decrease in fund balance.

During the year, revenues were more than budget by \$252,916, and expenditures were less than budgetary estimates by \$107,904. The net result was a \$360,820 increase in the General fund. Some of the significant variances can be briefly summarized as follows:

- The most significant revenue variance was in licenses and permits, which exceeded budget by \$170,165. This was due to more than anticipated development.
- All expenditure departments were under budget, except for public safety and public works. The departments were over budget by \$2,325 and \$3,280, respectively.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2013, amounts to \$47,403,404 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, sewer main lines, water lines and wells, storm sewers, and infrastructure.

East Bethel's Capital Assets (net of accumulated depreciation)

	Governmental Activities			Business-type Activities		
	2013	2012	Increase (Decrease)	2013	2012	Increase (Decrease)
Land	\$ 887,546	\$ 887,546	\$ -	\$ 30,000	\$ 30,000	\$ -
Construction in progress	13,965,272	9,611,559	4,353,713	-	-	-
Buildings and structures	2,984,817	3,189,396	(204,579)	553,946	624,873	(70,927)
Machinery and equipment	2,158,795	1,344,118	814,677	8,734	-	8,734
Park improvements	766,307	729,877	36,430	-	-	-
Sewer main lines and storm sewers	1,162,362	1,227,758	(65,396)	-	-	-
Infrastructure	21,509,747	22,338,202	(828,455)	3,375,878	3,516,434	(140,556)
Total capital assets	<u>\$ 43,434,846</u>	<u>\$ 39,328,456</u>	<u>\$ 4,106,390</u>	<u>\$ 3,968,558</u>	<u>\$ 4,171,307</u>	<u>\$ (202,749)</u>

Additional information on the City's capital assets can be found in Note 3C starting on page 56 of this report.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$21,940,077 an increase of \$389,363 from 2012.

All debt outstanding at year-end is general obligation debt, which are backed by the full faith and credit of the City. Some of the general obligation bonds have specific revenue sourced pledged other than property taxes, but in the event those other sources were insufficient, the City would be required to the he shortfall through property taxes.

The City’s long-term debt at December 31, 2013 is as follows:

City of East Bethel’s Outstanding Debt

	Governmental Activities			Business-type Activities		
	2013	2012	Increase (Decrease)	2013	2012	Increase (Decrease)
General obligation improvement bonds	\$ 2,765,000	\$ 2,995,000	\$ (230,000)	\$ -	\$ -	\$ -
General obligation revenue bonds	19,175,077	16,475,085	2,699,992	-	2,859,355	(2,859,355)
Totals	\$ 21,940,077	\$19,470,085	\$ 2,469,992	\$ -	\$ 2,859,355	\$ (2,859,355)

Standard and Poors upgraded the City’s bond rating to AA for its latest bond issue.

State statutes limit the amount of general obligation debt a Minnesota city may issue to three percent of total Estimated Market Value. The current debt limitation for the City is \$24,578,064. Of the City's outstanding debt, \$1,335,000 is counted within the statutory limitation.

Additional information on the City’s long-term debt can be found in Note 3E starting on page 59 of this report.

Economic Factors and next year’s budget

- Residential building activity is expected to show improvement as the overall housing market improves.
- The discontinued Market Value Homestead Credit program will shift property tax burdens to higher valued parcels, but will allow the City to receive all dollars levied.

All of these factors were considered in preparing the City’s budget for the 2014 fiscal year.

Requests for Information. This financial report is designed to provide a general overview of the City’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 2241 221st Avenue N.E., East Bethel, Minnesota 55011.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 8,281,340	\$ (232,662)	\$ 8,048,678
Receivables			
Taxes	262,711	-	262,711
Accounts	25,278	19,262	44,540
Special assessments	385,836	4,358	390,194
Loan	16,400	-	16,400
Due from other governments	306,507	-	306,507
Prepaid items	64,029	1,564	65,593
Capital assets			
Land and construction in progress	14,852,818	30,000	14,882,818
Depreciable assets (net of accumulated depreciation)	28,582,028	3,938,558	32,520,586
TOTAL ASSETS	52,776,947	3,761,080	56,538,027
LIABILITIES			
Accounts payable	447,732	31,877	479,609
Contracts and retainage payable	147,571	-	147,571
Salaries payable	72,525	1,424	73,949
Accrued interest payable	413,657	-	413,657
Deposits payable	50,429	-	50,429
Unearned revenue	-	17,020	17,020
Noncurrent liabilities			
Due within one year	392,028	-	392,028
Due in more than one year	21,666,594	-	21,666,594
TOTAL LIABILITIES	23,190,536	50,321	23,240,857
NET POSITION			
Net investment in capital assets	24,354,124	3,968,558	28,322,682
Restricted for			
Water infrastructure construction	1,848,107	-	1,848,107
Debt service	2,389	-	2,389
Recycling	51,707	-	51,707
Donations	7,464	-	7,464
Housing & redevelopment	786,108	-	786,108
Economic development	22,281	-	22,281
Park development	26,064	-	26,064
Unrestricted	2,488,167	(257,799)	2,230,368
TOTAL NET POSITION	\$ 29,586,411	\$ 3,710,759	\$ 33,297,170

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities				
General government	\$ 1,224,698	\$ 583,083	\$ 47,255	\$ -
Public safety	1,901,644	-	137,395	-
Public works	2,957,072	36,820	-	769,954
Culture and recreation	480,400	450	-	-
Housing and economic development	113,534	200	16,400	-
Miscellaneous	211,112	-	-	-
Interest on long-term debt	1,356,963	211,906	456,231	-
Total government activities	\$ 8,245,423	\$ 832,459	\$ 657,281	\$ 769,954
Business-type activities				
Water	\$ 174,408	\$ 67,729	\$ -	\$ -
Sewer	88,815	73,013	-	-
Ice arena	223,633	272,163	-	-
Total business-type activities	486,856	412,905	-	-
Total primary government	\$ 8,732,279	\$ 1,245,364	\$ 657,281	\$ 769,954

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on disposal of capital assets

Total general revenues and special items

Change in net position

Net position as restated, January 1

Net position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (594,360)	\$ -	\$ (594,360)
(1,764,249)	-	(1,764,249)
(2,150,298)	-	(2,150,298)
(479,950)	-	(479,950)
(96,934)	-	(96,934)
(211,112)	-	(211,112)
(688,826)	-	(688,826)
<u>\$ (5,985,729)</u>	<u>\$ -</u>	<u>\$ (5,985,729)</u>
\$ -	\$ (106,679)	\$ (106,679)
-	(15,802)	(15,802)
-	48,530	48,530
<u>-</u>	<u>(73,951)</u>	<u>(73,951)</u>
<u>(5,985,729)</u>	<u>(73,951)</u>	<u>(6,059,680)</u>
4,259,695	-	4,259,695
329,729	-	329,729
51,539	-	51,539
15,413	-	15,413
10,553	6	10,559
41,353	-	41,353
<u>4,708,282</u>	<u>6</u>	<u>4,708,288</u>
(1,277,447)	(73,945)	(1,351,392)
<u>30,863,858</u>	<u>3,784,704</u>	<u>34,648,562</u>
<u>\$ 29,586,411</u>	<u>\$ 3,710,759</u>	<u>\$ 33,297,170</u>

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FUND FINANCIAL STATEMENTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

CITY OF EAST BETHEL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	101	300's	433
	General	Debt Service	Water Infrastructure Fund
ASSETS			
Cash and investments	\$ 3,109,631	\$ 267,755	\$ 2,006,738
Receivables			
Taxes	249,819	5,682	-
Special assessments	4,785	361,155	-
Accounts	12,553	11,200	-
Loans	-	-	-
Due from other funds	-	-	-
Due from other governments	28,229	10,254	128,420
Prepaid items	64,029	-	-
	<u>3,469,046</u>	<u>656,046</u>	<u>2,135,158</u>
TOTAL ASSETS	<u>\$ 3,469,046</u>	<u>\$ 656,046</u>	<u>\$ 2,135,158</u>
LIABILITIES			
Accounts and contracts payable	\$ 196,714	\$ -	\$ 287,051
Salaries payable	72,914	-	-
Due to other funds	-	-	-
Deposits payable	38,806	-	-
Advance from other funds	-	240,000	-
	<u>308,434</u>	<u>240,000</u>	<u>287,051</u>
TOTAL LIABILITIES	<u>308,434</u>	<u>240,000</u>	<u>287,051</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	173,113	-	-
Unavailable revenue - special assessments	4,785	361,155	-
Unavailable revenue - loans	-	-	-
	<u>177,898</u>	<u>361,155</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>177,898</u>	<u>361,155</u>	<u>-</u>
FUND BALANCES			
Nonspendable	64,029	-	-
Restricted	-	54,891	1,848,107
Assigned	-	-	-
Unassigned	2,918,685	-	-
	<u>2,982,714</u>	<u>54,891</u>	<u>1,848,107</u>
TOTAL FUND BALANCES	<u>2,982,714</u>	<u>54,891</u>	<u>1,848,107</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,469,046</u>	<u>\$ 656,046</u>	<u>\$ 2,135,158</u>

The notes to the financial statements are an integral part of this statement.

434			
Utility Infrastructure Fund	Other Governmental Funds	Total Governmental Funds	
\$ 10,806	\$ 1,568,879	\$ 6,963,809	
-	7,210	262,711	
-	19,896	385,836	
-	1,525	25,278	
-	16,400	16,400	
-	16,400	16,400	
-	139,604	306,507	
-	-	64,029	
<u>\$ 10,806</u>	<u>\$ 1,769,914</u>	<u>\$ 8,040,970</u>	
\$ 10,806	\$ 100,343	\$ 594,914	
-	-	72,914	
-	19,043	19,043	
-	11,623	50,429	
-	-	240,000	
<u>10,806</u>	<u>131,009</u>	<u>977,300</u>	
-	4,660	177,773	
-	16,801	382,741	
-	16,400	16,400	
-	37,861	576,914	
-	-	64,029	
-	872,564	2,775,562	
-	1,132,213	1,132,213	
-	(403,733)	2,514,952	
-	1,601,044	6,486,756	
<u>\$ 10,806</u>	<u>\$ 1,769,914</u>	<u>\$ 8,040,970</u>	

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CITY OF EAST BETHEL, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

Total fund balances - governmental	\$ 6,486,756
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	73,968,094
Less accumulated depreciation	(32,483,430)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Premium on bonds	(265,487)
Bonds payable	(21,674,590)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes receivable	177,773
Special assessments receivable	382,741
Loans receivable	16,400
Governmental funds do not report a liability for accrued interest until due and payable.	(413,657)
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental statement of net position	3,391,811
Net position of governmental activities	\$29,586,411

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	101	300's	433
	General	Debt Service	Water Infrastructure Fund
REVENUES			
Taxes	\$ 4,180,911	\$ 329,729	\$ -
Licenses and permits	340,095	-	-
Intergovernmental	257,400	456,231	-
Charges for services	128,543	211,906	-
Fines and forfeitures	53,574	-	-
Special assessments	1,318	138,125	-
Interest on investments	1,166	4,256	2,647
Other	54,042	-	-
TOTAL REVENUES	5,017,049	1,140,247	2,647
EXPENDITURES			
Current			
General government	1,085,090	-	-
Public safety	1,678,192	-	-
Public works	762,351	-	-
Culture and recreation	367,895	-	-
Housing and economic Development	-	-	-
Miscellaneous	211,112	-	-
Capital outlay			
General government	1,589	-	-
Public works	-	-	2,687,063
Culture and recreation	-	-	-
Debt service			
Principal	-	373,000	-
Interest and other	-	1,301,026	-
TOTAL EXPENDITURES	4,106,229	1,674,026	2,687,063
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	910,820	(533,779)	(2,684,416)
OTHER FINANCING SOURCES (USES)			
Bonds proceeds	-	1,250,000	-
Payment to refunding bond escrow agent	-	(1,255,000)	-
Transfers in	-	5,000	-
Transfers out	(550,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(550,000)	-	-
NET CHANGE IN FUND BALANCES	360,820	(533,779)	(2,684,416)
FUND BALANCE, JANUARY 1	2,621,894	588,670	4,532,523
FUND BALANCES, DECEMBER 31	\$ 2,982,714	\$ 54,891	\$ 1,848,107

The notes to the financial statements are an integral part of this statement.

434			
Utility Infrastructure Fund	Other Governmental Funds	Total	
\$ -	\$ 144,944	\$ 4,655,584	
-	-	340,095	
-	184,240	897,871	
-	-	340,449	
-	-	53,574	
-	23,248	162,691	
-	1,373	9,442	
-	42,981	97,023	
-	<u>396,786</u>	<u>6,556,729</u>	
-	7,631	1,092,721	
-	81,172	1,759,364	
-	26,374	788,725	
-	5,806	373,701	
-	113,534	113,534	
-	-	211,112	
-	-	1,589	
1,737,128	1,014,397	5,438,588	
-	114,996	114,996	
-	-	373,000	
-	-	1,301,026	
<u>1,737,128</u>	<u>1,363,910</u>	<u>11,568,356</u>	
<u>(1,737,128)</u>	<u>(967,124)</u>	<u>(5,011,627)</u>	
-	-	1,250,000	
-	-	(1,255,000)	
-	550,000	555,000	
-	(86,540)	(636,540)	
-	<u>463,460</u>	<u>(86,540)</u>	
(1,737,128)	(503,664)	(5,098,167)	
<u>1,737,128</u>	<u>2,104,708</u>	<u>11,584,923</u>	
<u>\$ -</u>	<u>\$ 1,601,044</u>	<u>\$ 6,486,756</u>	

CITY OF EAST BETHEL, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Net changes in fund balances - total governmental funds	\$ (5,098,167)
Amounts reported for governmental activities in the statement of activities are different because	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense	
Depreciation	(2,245,662)
Capital outlay	5,490,796
Loss on disposal of capital assets	(21,248)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.	
Amortization of bond premium	11,364
Debt issued	(1,250,000)
Principal payments on bonds payable	1,628,000
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(67,301)
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	(16,670)
Special assessments	107,304
Loans issued	16,400
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities	
Consolidation of internal service fund activities with governmental activities	167,737
Change in net position of governmental activities	\$ (1,277,447)

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 4,160,317	\$ 4,160,317	\$ 4,180,911	\$ 20,594
Licenses and permits	169,930	169,930	340,095	170,165
Intergovernmental	220,506	220,506	257,400	36,894
Charges for services	122,780	122,780	128,543	5,763
Fines and forfeitures	50,600	50,600	53,574	2,974
Special assessments	-	-	1,318	1,318
Interest on investments	2,000	2,000	1,166	(834)
Other	38,000	38,000	54,042	16,042
TOTAL REVENUES	4,764,133	4,764,133	5,017,049	252,916
EXPENDITURES				
Current				
General government	1,133,023	1,133,023	1,085,090	47,933
Public safety	1,675,867	1,675,867	1,678,192	(2,325)
Public works	759,071	759,071	762,351	(3,280)
Culture and recreation	394,467	394,467	367,895	26,572
Miscellaneous	241,705	241,705	211,112	30,593
Capital outlay	10,000	10,000	1,589	8,411
TOTAL EXPENDITURES	4,214,133	4,214,133	4,106,229	107,904
EXCESS OF REVENUES OVER EXPENDITURES	550,000	550,000	910,820	360,820
OTHER FINANCING USE				
Transfers out	(550,000)	(550,000)	(550,000)	-
NET CHANGE IN FUND BALANCES	-	-	360,820	360,820
FUND BALANCES, JANUARY 1	2,621,894	2,621,894	2,621,894	-
FUND BALANCES, DECEMBER 31	\$ 2,621,894	\$ 2,621,894	\$ 2,982,714	\$ 360,820

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds			
	601		602	
	Water Utility		Sewer Utility	
	2013	restated 2012	2013	2012
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ (103,490)	\$ (115,508)	\$ (196,864)	\$ (204,834)
Receivables				
Special assessments	2,179	4,576	2,179	2,750
Accounts	10,091	8,025	9,171	8,494
Due from other funds	-	-	-	-
Prepaid items	569	-	615	-
TOTAL CURRENT ASSETS	(90,651)	(102,907)	(184,899)	(193,590)
NONCURRENT ASSETS				
Advance to other funds	-	-	-	-
Capital assets				
Land	-	-	-	-
Buildings and structures	-	-	-	-
Machinery and equipment	-	-	-	-
Infrastructure	3,525,202	3,525,202	691,511	691,511
Total capital assets	3,525,202	3,525,202	691,511	691,511
Less accumulated depreciation	(400,919)	(283,412)	(439,916)	(416,865)
Net capital assets	3,124,283	3,241,790	251,595	274,646
TOTAL NONCURRENT ASSETS	3,124,283	3,241,790	251,595	274,646
TOTAL ASSETS	3,033,632	3,138,883	66,696	81,056
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	3,732	2,270	3,524	1,958
Salaries payable	712	750	712	836
Compensated absences - current portion	-	-	-	-
Unearned revenue	-	-	-	-
TOTAL CURRENT LIABILITIES	4,444	3,020	4,236	2,794
NONCURRENT LIABILITIES				
Compensated absences payable - noncurrent portion	-	-	-	-
TOTAL LIABILITIES	4,444	3,020	4,236	2,794
NET POSITION				
Investment in capital assets	3,124,283	3,241,790	251,595	274,646
Unrestricted	(95,095)	(105,927)	(189,135)	(196,384)
TOTAL NET POSITION	\$ 3,029,188	\$ 3,135,863	\$ 62,460	\$ 78,262

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds

615				Governmental Activities - Internal Service Funds
Ice Arena		Totals		
2013	2012	2013	2012	
\$ 67,692	\$ (47,197)	\$ (232,662)	\$ (367,539)	\$ 1,317,531
-	-	4,358	7,326	-
-	-	19,262	16,519	-
-	-	-	-	2,643
380	380	1,564	380	-
68,072	(46,817)	(207,478)	(343,314)	1,320,174
-	-	-	-	240,000
30,000	30,000	30,000	30,000	-
1,480,690	1,480,690	1,480,690	1,480,690	-
9,705	25,000	9,705	25,000	2,697,052
-	-	4,216,713	4,216,713	-
1,520,395	1,535,690	5,737,108	5,752,403	2,697,052
(927,715)	(880,819)	(1,768,550)	(1,581,096)	(746,870)
592,680	654,871	3,968,558	4,171,307	1,950,182
592,680	654,871	3,968,558	4,171,307	2,190,182
660,752	608,054	3,761,080	3,827,993	3,510,356
24,621	18,983	31,877	23,211	-
-	-	1,424	1,586	-
-	-	-	-	99,028
17,020	18,492	17,020	18,492	-
41,641	37,475	50,321	43,289	99,028
-	-	-	-	19,517
41,641	37,475	50,321	43,289	118,545
592,680	654,871	3,968,558	4,171,307	1,950,182
26,431	(84,292)	(257,799)	(386,603)	1,441,629
<u>\$ 619,111</u>	<u>\$ 570,579</u>	<u>\$ 3,710,759</u>	<u>\$ 3,784,704</u>	<u>\$ 3,391,811</u>

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds			
	601		602	
	Water Utility		Sewer Utility	
	2013	Restated 2012	2013	2012
OPERATING REVENUES				
Ice rentals and related revenue	\$ -	\$ -	\$ -	\$ -
Rentals, signs, lockers and tower	-	-	-	-
Dry floor events	-	-	-	-
Concession revenue	-	-	-	-
Charges for services	67,729	34,445	73,013	63,785
Franchise Fees	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL OPERATING REVENUES	67,729	34,445	73,013	63,785
OPERATING EXPENSES				
Personnel services	18,501	18,501	18,610	18,640
Repairs and maintenance	835	962	7,452	11,258
Utilities	23,745	9,499	13,542	12,391
Professional services	953	154	6,671	7,403
Supplies	12,446	1,594	18,038	22,945
Other services and charges	421	415	1,450	2,050
Depreciation	117,507	22,195	23,051	23,050
TOTAL OPERATING EXPENSES	174,408	53,320	88,814	97,737
OPERATING INCOME (LOSS)	(106,679)	(18,875)	(15,801)	(33,952)
NONOPERATING REVENUES (EXPENSES)				
Sale of capital assets	-	-	-	-
Interest on investments	4	-	-	-
Interest expense	-	(183)	(1)	(294)
TOTAL NONOPERATING REVENUES (EXPENSES)	4	(183)	(1)	(294)
INCOME (LOSS) BEFORE TRANSFERS	(106,675)	(19,058)	(15,802)	(34,246)
TRANSFERS IN	-	-	-	-
CHANGE IN NET POSITION	(106,675)	(19,058)	(15,802)	(34,246)
NET POSITION, JANUARY 1	3,135,863	3,154,921	78,262	112,508
NET POSITION, DECEMBER 31	\$ 3,029,188	\$ 3,135,863	\$ 62,460	\$ 78,262

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds

615				Governmental Activities - Internal Service Funds
Ice Arena		Total		
2013	2012	2013	2012	
\$ 191,300	\$ 195,025	\$ 191,300	\$ 195,025	\$ -
77,013	46,713	77,013	46,713	-
1,350	1,500	1,350	1,500	-
2,500	12,282	2,500	12,282	-
-	-	140,742	98,230	264,186
-	-	-	-	2,049
-	819	-	819	-
<u>272,163</u>	<u>256,339</u>	<u>412,905</u>	<u>354,569</u>	<u>266,235</u>
-	-	37,111	37,141	4,486
8,610	19,219	16,897	31,439	-
54,081	50,355	91,368	72,245	-
86,072	80,556	93,696	88,113	-
2,599	12,607	33,083	37,146	1,864
375	1,135	2,246	3,600	-
71,896	131,272	212,454	176,517	216,152
<u>223,633</u>	<u>295,144</u>	<u>486,855</u>	<u>446,201</u>	<u>222,502</u>
<u>48,530</u>	<u>(38,805)</u>	<u>(73,950)</u>	<u>(91,632)</u>	<u>43,733</u>
-	-	-	-	41,353
2	-	6	-	1,111
-	(180)	(1)	(657)	-
<u>2</u>	<u>(180)</u>	<u>5</u>	<u>(657)</u>	<u>42,464</u>
48,532	(38,985)	(73,945)	(92,289)	86,197
-	-	-	-	81,540
48,532	(38,985)	(73,945)	(92,289)	167,737
<u>570,579</u>	<u>609,564</u>	<u>3,784,704</u>	<u>3,876,993</u>	<u>3,224,074</u>
<u>\$ 619,111</u>	<u>\$ 570,579</u>	<u>\$ 3,710,759</u>	<u>\$ 3,784,704</u>	<u>\$ 3,391,811</u>

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF CASH FLOWS - CONTINUED ON THE FOLLOWING PAGES
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds			
	601		602	
	Water Utility		Sewer Utility	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 68,060	\$ 38,967	\$ 72,908	\$ 65,610
Payments to suppliers	(37,507)	(11,240)	(46,202)	(55,906)
Payments to employees	(18,539)	(18,368)	(18,734)	(18,421)
Miscellaneous revenue	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	12,014	9,359	7,972	(8,717)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments received on interfund loan	-	-	-	-
Interfund loan issued	-	-	-	-
Transfers in	-	-	-	-
Internal interest expense	-	(183)	(2)	(293)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	(183)	(2)	(293)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
NET CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	4	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,018	9,176	7,970	(9,010)
CASH AND CASH EQUIVALENTS, JANUARY 1	(115,508)	(124,684)	(204,834)	(195,824)
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ (103,490)	\$ (115,508)	\$ (196,864)	\$ (204,834)

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
615				
Ice Arena		Total		
2013	2012	2013	2012	
\$ 270,691	\$ 255,974	\$ 411,659	\$ 360,551	\$ 267,365
(146,099)	(168,974)	(229,808)	(236,120)	35,316
-	-	(37,273)	(36,789)	-
-	819	-	819	-
<u>124,592</u>	<u>87,819</u>	<u>144,578</u>	<u>88,461</u>	<u>302,681</u>
-	-	-	-	390,736
-	-	-	-	(2,643)
-	-	-	-	81,540
-	(181)	(2)	(657)	-
<u>-</u>	<u>(181)</u>	<u>(2)</u>	<u>(657)</u>	<u>469,633</u>
(9,705)	-	(9,705)	-	(1,102,303)
-	-	-	-	45,000
<u>(9,705)</u>	<u>-</u>	<u>(9,705)</u>	<u>-</u>	<u>(1,057,303)</u>
<u>2</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>1,111</u>
114,889	87,638	134,877	87,804	(283,878)
(47,197)	(134,835)	(367,539)	(455,343)	1,601,409
<u>\$ 67,692</u>	<u>\$ (47,197)</u>	<u>\$ (232,662)</u>	<u>\$ (367,539)</u>	<u>\$ 1,317,531</u>

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds			
	601		602	
	Water Utility		Sewer Utility	
	2013	2012	2013	2012
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (106,679)	\$ (18,875)	\$ (15,801)	\$ (33,952)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation expense	117,507	22,195	23,051	23,049
(Increase) decrease in assets				
Accounts receivable	(2,066)	1,376	(677)	550
Special assessments receivable	2,397	3,146	572	1,275
Prepays	(569)	-	(615)	300
Inventory	-	-	-	-
Increase (decrease) in liabilities				
Accounts payable	1,462	1,384	1,566	(158)
Accrued salaries payable	(38)	133	(124)	219
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 12,014</u>	<u>\$ 9,359</u>	<u>\$ 7,972</u>	<u>\$ (8,717)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Disposal of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfer of capital assets from governmental activities	<u>\$ -</u>	<u>\$ 2,859,355</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
615		Total		
Ice Arena				
2013	2012	2013	2012	
\$ 48,530	\$ (38,805)	\$ (73,950)	\$ (91,632)	\$ 43,733
71,896	131,272	212,454	176,516	216,152
-	200	(2,743)	2,126	1,204
-	-	2,969	4,421	-
-	-	(1,184)	300	37,180
-	3,000	-	3,000	-
5,638	(5,102)	8,666	(3,876)	4,412
-	-	(162)	352	-
(1,472)	(2,746)	(1,472)	(2,746)	-
<u>\$ 124,592</u>	<u>\$ 87,819</u>	<u>\$ 144,578</u>	<u>\$ 88,461</u>	<u>\$ 302,681</u>
<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 3,647</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,859,355</u>	<u>\$ -</u>

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CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of East Bethel, Minnesota (the City) was incorporated in 1958 and has operated under the State of Minnesota Statutory Plan A form of government since 1974. The governing body consists of a five-member City Council elected by voters of the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units for which the City has been determined to be financially accountable can be blended with the primary government or be included as a discrete presentation. Included in the City's reporting entity, based upon the application of these criteria, are the following blended component units.

The City has two component units – the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA). The HRA is considered component unit because the governing board is the same as that of the City as well as both the EDA and HRA are considered component units because the City is in a relationship of financial benefit with each of the entities.

The financial position and results of operations of the HRA and EDA component units are presented using the blended method. The blended component units, although legally separate entities, are, in substance, part of the City's operations. The component units include Governmental funds using the modified accrual basis of accounting, and as such are reported as a special revenue funds. Separate financial statements for the HRA and EDA are not prepared.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Description of funds

The government reports the following major governmental funds

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Water Infrastructure fund* is used to account for the bond proceeds that will be used to finance water infrastructure improvements.

The *Utility Infrastructure fund* is used to account for the bond proceeds that will be used to finance water and sewer infrastructure improvements.

The government reports the following major proprietary funds

The *Water Utility fund* accounts for water service activities to operate the water utility system.

The *Sewer Utility fund* accounts for sewer service activities to operate the sanitary sewer system.

The *Ice Arena fund* accounts for operations of the City's ice arena.

Additionally, the City reports the following fund type:

Internal service funds are used to account for the costs associated with employees' compensated absences and to account for the funding of major equipment necessary for City operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and arena enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for an allowable use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, liabilities, deferred inflows of resources, and net position/fund balance

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, commercial paper, government securities and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Investments for the City are reported at fair value. Earnings on investments are allocated to the individual funds based upon the average of month-end cash and investment balances. The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Minnesota Municipal Money Market (4M) fund operates in accordance with appropriate state laws and regulations. The 4M fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool shares. Financial statements of the 4M fund can be obtained by contacting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Property taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and December each year. Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accounts receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2013. The City annually certifies delinquent water, sewer and storm sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Interfund receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statement, are offset by a nonspendable fund balance account in applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than the amounts defined below (amount not rounded) and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized to the value of the assets constructed. For the year ended December 31, 2013, no interest was capitalized in connection with construction in progress. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives and are capitalized according to the following thresholds:

Asset Category	Value Threshold
All assets not referenced in this schedule	\$ 5,000
Parking lots, sidewalks, fencing, park shelters, land improvements	25,000
Buildings and building improvements	50,000
Infrastructure improvements: water, sewer, storm drainage, streets	100,000

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Life in Years
Miscellaneous office equipment, copiers, computer hardware, light trucks, mowers, attachments, other light equipment	5
Loaders, dump trucks, graders, trailers, other heavy equipment, telephone and radio systems, pumps, generators	10
Fire rigs, playground equipment, irrigation systems	20
Buildings, park shelters, fences, paved streets, sidewalks, parking lots, signs	25
Water trunks, mains, towers; sewer trunks, mains, lift stations; storm drainage trunks, mains, ponds	30

Deferred inflows of resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. At year-end, each employee's accrued obligation is expensed to their home department and revenue is recognized in the compensated absences internal service fund to fund the City's obligation. The compensated absences internal service fund is typically used to liquidate governmental compensated absences payable. It is assumed that these amounts will be payable only upon employees' severance from employment. Vacation and sick leave used during employees' tenure with the City is assumed to closely match the leave earned during that year. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. A liability is recognized in the internal service fund for that portion of accumulating sick leave benefits that is vested as severance pay.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund balance classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributions; or constraints imposed by State statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Administrator is to assign fund balance that reflects the City Council's intended use of those funds and approved by motion of the City Council.

Unassigned - is the residual classification for the General fund and also reflects negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's policy is to maintain a minimum assigned fund balance of 35 percent of the next year's property tax levy for cash-flow timing needs.

Net position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consist of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Comparative data/reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year presentation.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Recycling fund, Safer Grant fund, HRA fund, and the EDA fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the fund level. There were no budget amendments made during 2013.

B. Deficit fund equity

The following fund had fund balance deficits at December 31, 2013: Municipal State Aid Street Improvement (\$400,023) and Tax Increment District No. 1-1 (\$3,710). These deficits will be eliminated with future state aid payments, certified special assessments and future tax increment.

Note 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$1,717,803 and the bank balance was \$1,739,079. The bank balance was fully covered by federal depository insurance.

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Investments

As of December 31, 2013, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name:

Investment Type	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Pooled investments			
4M fund	N/A	less than 6 months	<u>\$ 6,330,725</u>

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A indicates not applicable or available

The investments of the City are subject to the following risks:

- *Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the City's investments to the list on page 50 of the notes.
- *Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, a governmental will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The City's investment policy limits its exposure by obtaining collateral or bond for all uninsured amounts on deposit and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.
- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by disallowing purchases of investments that, at the time of investment, cannot be held to maturity. The City's investment policy states the City's investment portfolio, as much as possible, will contain both short-term and long-term investments. The City attempts to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.
- *Concentration of Credit Risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not address concentration of credit risk, placing no limit on the amount that may be invested in any one issuer.

A reconciliation of cash and temporary investments as shown on the Statement of Net Position for the City follows:

Carrying amount of deposits	\$ 1,717,803
Investments	6,330,725
Cash on hand	<u>150</u>
 Total	 <u>\$ 8,048,678</u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

B. Loan receivable

The City has issued a loan to a local business to finance water and sewer access charges. The loan will be amortized for five years at 5 percent.

C. Capital assets

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 887,546	\$ -	\$ -	\$ 887,546
Construction in progress	9,611,559	5,187,792	(834,079)	13,965,272
Total capital assets, not being depreciated	<u>10,499,105</u>	<u>5,187,792</u>	<u>(834,079)</u>	<u>14,852,818</u>
Capital assets, being depreciated				
Buildings and improvements	5,542,755	-	-	5,542,755
Park improvements	1,278,662	103,317	-	1,381,979
Machinery and equipment	3,222,253	1,102,303	(409,237)	3,915,319
Streets	47,926,365	1,033,766	-	48,960,131
Storm sewers	2,012,144	-	-	2,012,144
Total capital assets, being depreciated	<u>59,982,179</u>	<u>2,239,386</u>	<u>(409,237)</u>	<u>61,812,328</u>
Less accumulated depreciation for				
Buildings and improvements	(2,353,359)	(204,579)	-	(2,557,938)
Park improvements	(548,785)	(66,887)	-	(615,672)
Machinery and equipment	(1,878,135)	(262,731)	384,342	(1,756,524)
Streets	(25,588,163)	(1,862,221)	-	(27,450,384)
Storm sewers	(784,386)	(65,396)	-	(849,782)
Total accumulated depreciation	<u>(31,152,828)</u>	<u>(2,461,814)</u>	<u>384,342</u>	<u>(33,230,300)</u>
Total capital assets being depreciated, net	<u>28,829,351</u>	<u>4,701,200</u>	<u>(793,579)</u>	<u>28,582,028</u>
Governmental activities capital assets, net	<u>\$ 39,328,456</u>	<u>\$ 9,888,992</u>	<u>\$ (1,627,658)</u>	<u>\$ 43,434,846</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities	
General government	\$ 128,525
Public safety	121,032
Public works	1,901,085
Parks and recreation	95,020
Depreciation on capital assets held by governmental internal service activities charged to each function based on use	<u>216,152</u>
Total depreciation expense - governmental activities	<u>\$ 2,461,814</u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

	Beginning Balance	Increases	Decrease	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 30,000	\$ -	\$ -	\$ 30,000
Total capital assets, not being depreciated	30,000	-	-	30,000
Capital assets, being depreciated				
Buildings and improvements	1,480,690	-	-	1,480,690
Machinery and equipment	25,000	9,705	(25,000)	9,705
Infrastructure	4,216,713	-	-	4,216,713
Total capital assets, being depreciated	5,722,403	9,705	(25,000)	5,707,108
Less accumulated depreciation for				
Buildings and improvements	(855,817)	(70,927)	-	(926,744)
Machinery and equipment	(25,000)	(971)	25,000	(971)
Infrastructure	(700,279)	(140,556)	-	(840,835)
Total accumulated depreciation	(1,581,096)	(212,454)	25,000	(1,768,550)
Business-type activities capital assets, net	<u>\$ 4,171,307</u>	<u>\$ 222,159</u>	<u>\$ (50,000)</u>	<u>\$ 3,968,558</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type activities	
Water utility	\$ 117,507
Sewer utility	23,051
Arena	71,896
Total depreciation expense - business-type activities	<u>\$ 212,454</u>

Construction commitments

As of December 31, 2013, the City has signed contracts in place for three construction projects. The following summarizes these commitments:

Project	Spent to date	Remaining Commitment
Jackson Street Reconstruction	\$1,182,192	\$ 57,010
Whispering Aspen Overlay Project	205,117	10,796
Water Utility Infrastructure	1,515,538	80,065
Total	<u>\$2,902,847</u>	<u>\$ 147,871</u>

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

D. Interfund receivables, payables and transfers

The composition of internal balances as of December 31, 2013 is as follows:

Receivable Fund	Payable Fund	Purpose	Amount
Due from/to other funds			
Internal Service Fund	Governmental		
Equipment Replacement	Nonmajor	Deficit cash	\$ 2,643
Governmental	Governmental		
Nonmajor	Nonmajor	Deficit cash	<u>16,400</u>
Total due from/to other funds and advances			\$19,043
Advance to/from other funds			
Internal Service Fund	Governmental		
Equipment Replacement	Debt service	Deficit cash	<u>240,000</u>
Interfund activity eliminated from government-wide statements			<u>(259,043)</u>
Total internal balances government-wide statements			<u><u>\$ -</u></u>

Interfund transfers

The composition of interfund transfers for the year ended December 31, 2013 is as follows:

Fund	Transfer in			Total
	Nonmajor Capital Project Fund	Internal Service Equipment Replacement	Debt Service Fund	
Transfer out				
General	\$ 550,000	\$ -	\$ -	\$ 550,000
Nonmajor governmental	<u>-</u>	<u>81,540</u>	<u>5,000</u>	<u>86,540</u>
Total	<u><u>\$ 550,000</u></u>	<u><u>\$ 81,540</u></u>	<u><u>\$ 5,000</u></u>	<u><u>\$ 636,540</u></u>

The City annually budgets transfers for specific purposes. Annual transfers included transfer for debt service and transfers made as part of capital improvement plans. For the year ended December 31, 2013, the City made the following one-time non-budgeted transfers:

- The EDA nonmajor governmental fund transferred \$81,540 to the Equipment Replacement Internal Service fund for the cost of new City signs.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

E. Long-term debt

G.O. improvement bonds

The following bonds were used to finance improvements and buildings. They will be repaid with ad valorem taxes and special assessments levied against the properties. The bonds are backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2005B	\$ 495,000	2.95-3.80 %	9/15/2005	2/1/2016	\$ 170,000
G.O. Improvement Bonds, Series 2010C	1,260,000	3.20-3.45	12/15/2010	2/1/2017	1,260,000
Public Safety Bonds, Series 2005A	1,900,000	2.95-4.30	9/15/2005	2/1/2026	85,000
G.O. Public Safety Bonds, Series 2013A	1,250,000	3.00	11/13/2013	2/1/2026	<u>1,250,000</u>
Total G.O. Improvement Bonds					<u><u>\$ 2,765,000</u></u>

Annual requirements to maturity for the G.O. improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Principal
2014	\$ 140,000	\$ 102,669	\$ 242,669
2015	130,000	81,405	211,405
2016	845,000	65,653	910,653
2017	655,000	40,946	695,946
2018	95,000	28,425	123,425
2019-2023	535,000	96,075	631,075
2024-2026	<u>365,000</u>	<u>16,575</u>	<u>381,575</u>
Total	<u><u>\$ 2,765,000</u></u>	<u><u>\$ 431,748</u></u>	<u><u>\$ 3,196,748</u></u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

G.O. revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future tax levies and/or sewer and water access charges.

Governmental activities

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Sewer Revenue Bonds, Series 2008A	\$ 1,715,000	3.00-47.70 %	5/1/2008	2/1/2029	\$ 1,285,000
G.O. Water Revenue Bonds Series 2010A	8,605,645	4.50-7.00	12/15/2010	2/1/2040	11,465,000
G.O. Utility Revenue Bonds Series 2010B	6,100,000	3.10-7.00	12/15/2010	2/1/2040	6,100,000
G.O. Water Revenue Note Series 2010	69,190	1.00	2/17/2010	8/20/2029	<u>59,590</u>
Total G.O. Revenue Bonds					<u><u>\$ 18,909,590</u></u>

Annual requirements to maturity for the G.O. revenue bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 153,000	\$ 1,190,791	\$ 1,343,791
2015	158,000	1,185,839	1,343,839
2016	228,000	1,179,498	1,407,498
2017	263,000	1,170,811	1,433,811
2018	369,000	1,158,791	1,527,791
2019-2023	2,030,000	5,522,232	7,552,232
2024-2028	2,570,000	4,937,710	7,507,710
2029-2033	4,623,590	3,791,377	8,414,967
2034-2038	5,885,000	1,959,231	7,844,231
2039-2040	<u>2,630,000</u>	<u>185,850</u>	<u>2,815,850</u>
Total	<u><u>\$ 18,909,590</u></u>	<u><u>\$ 22,282,130</u></u>	<u><u>\$ 41,191,720</u></u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Restatement	Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable						
G.O. improvement bonds	\$ 2,995,000	\$ 1,250,000	\$ (1,480,000)	\$ -	\$ 2,765,000	\$ 140,000
G.O. revenue bonds & notes	16,198,235	-	(148,000)	2,859,355	18,909,590	153,000
Issuance premium	276,850	-	(11,363)	-	265,487	-
Total bonds payable	19,470,085	1,250,000	(1,639,363)	2,859,355	21,940,077	293,000
Compensated absences	114,133	103,854	(99,442)	-	118,545	99,028
Total governmental activity long-term debt	<u>\$ 19,584,218</u>	<u>\$ 1,353,854</u>	<u>\$ (1,738,805)</u>	<u>\$ 2,859,355</u>	<u>\$ 22,058,622</u>	<u>\$ 392,028</u>
Business-type activities						
Bonds Payable						
G.O. revenue bonds	<u>\$ 2,859,355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,859,355)</u>	<u>\$ -</u>	<u>\$ -</u>

F. Components of fund balance

At December 31, 2013, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Purpose	General Fund	Debt Service	Water Infrastructure Fund	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepayments	<u>\$ 64,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,029</u>
Restricted					
Water Infrastructure Construction	\$ -	\$ -	\$ 1,848,107	\$ -	\$ 1,848,107
Debt Service Fund	-	54,891	-	-	54,891
Recycling	-	-	-	51,707	51,707
Donations	-	-	-	7,464	7,464
Housing and Redevelopment Authority	-	-	-	785,564	785,564
Economic Development Authority	-	-	-	1,765	1,765
Park Development	-	-	-	26,064	26,064
Total Restricted	<u>\$ -</u>	<u>\$ 54,891</u>	<u>\$ 1,848,107</u>	<u>\$ 872,564</u>	<u>\$ 2,775,562</u>
Assigned to					
Park Capital Projects	\$ -	\$ -	\$ -	\$ 181,018	\$ 181,018
Street Capital Projects	-	-	-	785,993	785,993
Other Capital Projects	-	-	-	165,202	165,202
Total Assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,132,213</u>	<u>\$ 1,132,213</u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 4: DEFINED BENEFIT PENSION PLANS-STATEWIDE

A. Plan description

All full-time and certain part-time employees of the City of East Bethel are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire fighters and peace officers who qualify for membership by Minnesota statute are covered by PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota statute and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the web at www.mnpera.org, by writing to PERA at 60 Empire Street, #200, St. Paul, Minnesota 55102 or by calling (651) 296-7460 or (800) 652-9026.

B. Funding policy

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State legislature. The City makes annual contributions to the pension plans equal to the amount required by Minnesota statutes. GERF Basic Plan members and Coordinated Plan members are required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in 2013. PEPFF members are required to contribute 9.60 percent of their annual covered salary in 2013. In 2013, the City of Long Lake was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan GERF members, 7.25 percent for Coordinated Plan GERF members, and 14.40 percent for PEPFF members. The City's contributions to the GERF for the years ending December 31, 2013, 2012 and 2011 were \$80,271, \$74,743, \$79,086, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

CITY OF EAST BETHEL, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 5: OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City has no deductible. The City has selected the regular premium option for its coverage. Under this option, the City's premium is calculated based on City payroll, by class. The premium is adjusted by an experience modification factor, which reflects the City's previous loss experience. This option is a "fully insured" option; premium payments are the City's only liability. Property, casualty, and automobile insurance coverage are also provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. These deductibles are considered immaterial to the financial statements. The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. Federal and state funds

The City receives financial assistance from county and state governmental agencies primarily in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at December 31, 2013.

Note 6: SUBSEQUENT EVENT

On March 4, 2014, the City issued \$5,485,000 General Obligation Refunding Bonds, Series 2014A. The refunding bonds will mature on February 1, 2040 and carries an average coupon rate of 3.46 percent. The issue will refund the General Obligation Utility Revenue Bonds, Series 2010B.

Note 7: RESTATEMENT

The City restated the beginning balance of the Water enterprise fund as well as the beginning fund balance of the Governmental and Business-type government-wide funds. The restatement was a result of a change in expectation of the revenue sources to pay a bond issued for infrastructure improvements will come from. The City reclassified the bond to governmental type activities rather than business-type activities.

Activities/Fund	Net Position December 31, 2012 as Previously Reported	Restatement	Net Position December 31, 2012 Restated
Governmental activities	\$ 33,767,163	\$ (2,903,305)	\$ 30,863,858
Business-type activities			
Water	\$ 232,558	\$ 2,903,305	\$ 3,135,863
Sewer	78,262	-	78,262
Ice Arena	570,579	-	570,579
	<u>\$ 881,399</u>	<u>\$ 2,903,305</u>	<u>\$ 3,784,704</u>

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and investments	\$ 765,129	\$ 803,750	\$ 1,568,879
Receivables			
Taxes	7,210	-	7,210
Special assessments	-	19,896	19,896
Accounts	-	1,525	1,525
Loans	16,400	-	16,400
Due from other funds	16,400	-	16,400
Due from other governments	83,791	55,813	139,604
	<u>\$ 888,930</u>	<u>\$ 880,984</u>	<u>\$ 1,769,914</u>
TOTAL ASSETS			
LIABILITIES			
Accounts and contracts payable	\$ 4,970	\$ 95,373	\$ 100,343
Due to other funds	16,400	2,643	19,043
Deposits payable	-	11,623	11,623
	<u>21,370</u>	<u>109,639</u>	<u>131,009</u>
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	4,660	-	4,660
Unavailable revenue - special assessments	-	16,801	16,801
Unavailable revenue - loans	16,400	-	16,400
	<u>21,060</u>	<u>16,801</u>	<u>37,861</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
FUND BALANCES			
Restricted	846,500	26,064	872,564
Assigned	-	1,132,213	1,132,213
Unassigned	-	(403,733)	(403,733)
	<u>846,500</u>	<u>754,544</u>	<u>1,601,044</u>
TOTAL FUND BALANCES			
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
	<u>\$ 888,930</u>	<u>\$ 880,984</u>	<u>\$ 1,769,914</u>

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue	Capital Projects	Total
REVENUES			
General property taxes	\$ 144,944	\$ -	\$ 144,944
Special assessments	-	23,248	23,248
Intergovernmental	128,427	55,813	184,240
Interest on investments	533	840	1,373
Other	5,711	37,270	42,981
	279,615	117,171	396,786
EXPENDITURES			
Current			
General government	-	7,631	7,631
Public safety	81,172	-	81,172
Public works	26,374	-	26,374
Culture and recreation	3,756	2,050	5,806
Housing and economic development	112,367	1,167	113,534
Capital outlay			
Public works	-	1,014,397	1,014,397
Culture and recreation	-	114,996	114,996
	223,669	1,140,241	1,363,910
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	55,946	(1,023,070)	(967,124)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	550,000	550,000
Transfers out	(81,540)	(5,000)	(86,540)
	(81,540)	545,000	463,460
NET CHANGES IN FUND BALANCES	(25,594)	(478,070)	(503,664)
FUND BALANCE, JANUARY 1	872,094	1,232,614	2,104,708
FUND BALANCE, DECEMBER 31	\$ 846,500	\$ 754,544	\$ 1,601,044

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	226	227	231
	Recycling Fund	Miscellaneous Grants/ Donations Fund	SAFER Grant Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 30,510	\$ 7,464	\$ (58,144)
Taxes receivable	-	-	-
Due from other funds	-	-	-
Due from other governments	25,647	-	58,144
Loans receivable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 56,157</u>	<u>\$ 7,464</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 4,450	\$ -	\$ -
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>4,450</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
Unavailable revenue - loans	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Restricted	<u>51,707</u>	<u>7,464</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 56,157</u>	<u>\$ 7,464</u>	<u>\$ -</u>

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<u>HRA Fund</u>	<u>EDA Fund</u>	<u>Total</u>
\$ 769,124	\$ 16,175	\$ 765,129
584	6,626	7,210
16,400	-	16,400
-	-	83,791
<u>-</u>	<u>16,400</u>	<u>16,400</u>
<u>\$ 786,108</u>	<u>\$ 39,201</u>	<u>\$ 888,930</u>
\$ -	\$ 520	\$ 4,970
-	16,400	16,400
<u>-</u>	<u>16,920</u>	<u>21,370</u>
544	4,116	4,660
<u>-</u>	<u>16,400</u>	<u>16,400</u>
<u>544</u>	<u>20,516</u>	<u>21,060</u>
<u>785,564</u>	<u>1,765</u>	<u>846,500</u>
<u>\$ 786,108</u>	<u>\$ 39,201</u>	<u>\$ 888,930</u>

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	226	227	231
	Recycling Fund	Miscellaneous Grants/ Donations Fund	SAFER Grant Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	47,255	-	81,172
Interest on investments	15	7	-
Other	1,146	4,365	-
	<u>48,416</u>	<u>4,372</u>	<u>81,172</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Public safety	-	-	81,172
Public works	26,374	-	-
Culture and recreation	-	3,756	-
Housing and economic development	-	-	-
	<u>26,374</u>	<u>3,756</u>	<u>81,172</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	22,042	616	-
OTHER FINANCING USES			
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	22,042	616	-
FUND BALANCE, JANUARY 1	<u>29,665</u>	<u>6,848</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 51,707</u>	<u>\$ 7,464</u>	<u>\$ -</u>

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<u>HRA Fund</u>	<u>EDA Fund</u>	<u>Total</u>
\$ 479	\$ 144,465	\$ 144,944
-	-	128,427
511	-	533
200	-	5,711
<u>1,190</u>	<u>144,465</u>	<u>279,615</u>
-	-	81,172
-	-	26,374
-	-	3,756
<u>15,143</u>	<u>97,224</u>	<u>112,367</u>
<u>15,143</u>	<u>97,224</u>	<u>223,669</u>
(13,953)	47,241	55,946
<u>-</u>	<u>(81,540)</u>	<u>(81,540)</u>
(13,953)	(34,299)	(25,594)
<u>799,517</u>	<u>36,064</u>	<u>872,094</u>
<u>\$ 785,564</u>	<u>\$ 1,765</u>	<u>\$ 846,500</u>

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - RECYCLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	2013				2012
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Intergovernmental	\$ 30,300	\$ 30,300	\$ 47,255	\$ 16,955	\$ 59,428
Interest on investments	-	-	15	15	-
Other	2,175	2,175	1,146	(1,029)	2,329
TOTAL REVENUE	32,475	32,475	48,416	15,941	61,757
EXPENDITURES					
Current					
Public works	32,475	32,475	26,374	6,101	29,547
Capital outlay					
Public works	-	-	-	-	22,636
TOTAL EXPENDITURES	32,475	32,475	26,374	6,101	52,183
NET CHANGE IN FUND BALANCE	-	-	22,042	22,042	9,574
FUND BALANCE, JANUARY 1	29,665	29,665	29,665	-	20,091
FUND BALANCE, DECEMBER 31	<u>\$ 29,665</u>	<u>\$ 29,665</u>	<u>\$ 51,707</u>	<u>\$ 22,042</u>	<u>\$ 29,665</u>

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - SAFER GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	2013				2012
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Intergovernmental	\$ 84,500	\$ 84,500	\$ 81,172	\$ (3,328)	\$ 68,548
EXPENDITURES					
Current					
Public safety	84,500	84,500	81,172	3,328	68,548
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE, JANUARY 1	-	-	-	-	-
FUND BALANCE, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - HRA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	2013				2012
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Taxes	\$ -	\$ -	\$ 479	\$ 479	\$ 2,484
Interest on investments	-	-	511	511	1,187
Miscellaneous	-	-	200	200	-
TOTAL REVENUE	-	-	1,190	1,190	3,671
EXPENDITURES					
Current					
Housing and economic development	22,900	22,900	15,143	7,757	15,000
NET CHANGE IN FUND BALANCE	(22,900)	(22,900)	(13,953)	8,947	(11,329)
FUND BALANCE, JANUARY 1	799,517	799,517	799,517	-	810,846
FUND BALANCE, DECEMBER 31	<u>\$ 776,617</u>	<u>\$ 776,617</u>	<u>\$ 785,564</u>	<u>\$ 8,947</u>	<u>\$ 799,517</u>

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - EDA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	2013				2012
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUE					
Taxes	\$ 144,670	\$ 144,670	\$ 144,465	\$ (205)	\$ 159,988
EXPENDITURES					
Current					
Housing and economic development	144,670	144,670	97,224	47,446	122,968
EXCESS OF REVENUES OVER EXPENDITURES	-	-	47,241	47,241	37,020
OTHER FINANCING USE					
Transfers out	-	-	(81,540)	(81,540)	-
NET CHANGE IN FUND BALANCE	-	-	(34,299)	(34,299)	37,020
FUND BALANCE, JANUARY 1	36,064	36,064	36,064	-	(956)
FUND BALANCE, DECEMBER 31	<u>\$ 36,064</u>	<u>\$ 36,064</u>	<u>\$ 1,765</u>	<u>\$ (34,299)</u>	<u>\$ 36,064</u>

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	404	410	411	506, 588	402
	Park Acquisition Fund	Park Trails Fund	Minard Street Fund	Improvements of 2003 Fund	Municipal State Aid Street Improvement Fund
ASSETS					
Cash and investments	\$ 26,064	\$ 144,088	\$ 27,712	\$ 6,830	\$ (372,993)
Receivables					
Special assessments	-	-	-	13,402	-
Accounts	-	-	-	-	-
Due from other governments	-	-	-	-	55,813
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,813</u>
TOTAL ASSETS	<u>\$ 26,064</u>	<u>\$ 144,088</u>	<u>\$ 27,712</u>	<u>\$ 20,232</u>	<u>\$ (317,180)</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 71,220
Due to other funds	-	-	-	-	-
Contracts payable	-	-	-	-	-
Deposits payable	-	-	-	-	11,623
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,623</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,843</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	-	-	-	12,410	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,410</u>	<u>-</u>
FUND BALANCES					
Restricted	26,064	-	-	-	-
Assigned	-	144,088	27,712	7,822	-
Unassigned	-	-	-	-	(400,023)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,023)</u>
TOTAL FUND BALANCES	<u>26,064</u>	<u>144,088</u>	<u>27,712</u>	<u>7,822</u>	<u>(400,023)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 26,064</u>	<u>\$ 144,088</u>	<u>\$ 27,712</u>	<u>\$ 20,232</u>	<u>\$ (317,180)</u>

406	407	408, 409	401	502	435	
Street Capital Fund	Park Capital Fund	Utility Improvement Fund	Building Fund	Lunde/Jewell Street Fund	Tax Increment District No. 1-1	Total
\$ 731,587	\$ 40,144	\$ 23,723	\$ 132,132	\$ 44,463	\$ -	\$ 803,750
2,761	-	-	-	3,733	-	19,896
-	-	1,525	-	-	-	1,525
-	-	-	-	-	-	55,813
<u>\$ 734,348</u>	<u>\$ 40,144</u>	<u>\$ 25,248</u>	<u>\$ 132,132</u>	<u>\$ 48,196</u>	<u>\$ -</u>	<u>\$ 880,984</u>
\$ 9,076	\$ 3,214	\$ -	\$ -	\$ -	\$ 1,067	\$ 84,577
-	-	-	-	-	2,643	2,643
10,796	-	-	-	-	-	10,796
-	-	-	-	-	-	11,623
<u>19,872</u>	<u>3,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,710</u>	<u>109,639</u>
<u>658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,733</u>	<u>-</u>	<u>16,801</u>
-	-	-	-	-	-	26,064
713,818	36,930	25,248	132,132	44,463	-	1,132,213
-	-	-	-	-	(3,710)	(403,733)
<u>713,818</u>	<u>36,930</u>	<u>25,248</u>	<u>132,132</u>	<u>44,463</u>	<u>(3,710)</u>	<u>754,544</u>
<u>\$ 734,348</u>	<u>\$ 40,144</u>	<u>\$ 25,248</u>	<u>\$ 132,132</u>	<u>\$ 48,196</u>	<u>\$ -</u>	<u>\$ 880,984</u>

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	404	410	411	506, 588	402
	Park Acquisition Fund	Park Trails Fund	Minard Street Fund	Improvements of 2003 Fund	Municipal State Aid Street Improvement Fund
REVENUES					
Special assessments	\$ -	\$ -	\$ -	\$ 10,942	\$ -
Intergovernmental	-	-	-	-	55,813
Interest on investments	17	94	16	3	-
Other	-	-	8,000	-	-
TOTAL REVENUES	17	94	8,016	10,945	55,813
EXPENDITURES					
Current					
General government	-	-	-	-	-
Culture and recreation	-	2,050	-	-	-
Economic development	-	-	-	-	-
Capital outlay					
Public works	-	-	-	-	675,284
Culture and recreation	-	-	-	-	-
TOTAL EXPENDITURES	-	2,050	-	-	675,284
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17	(1,956)	8,016	10,945	(619,471)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	17	(1,956)	8,016	10,945	(619,471)
FUND BALANCE, JANUARY 1	26,047	146,044	19,696	(3,123)	219,448
FUND BALANCE, DECEMBER 31	<u>\$ 26,064</u>	<u>\$ 144,088</u>	<u>\$ 27,712</u>	<u>\$ 7,822</u>	<u>\$ (400,023)</u>

406	407	408, 409	401	502	435	
Street Capital Fund	Park Capital Fund	Utility Improvement Fund	Building Fund	Lunde/Jewell Street Fund	Tax Increment District No. 1-1	Total
\$ 8,224	\$ -	\$ -	\$ -	\$ 4,082	\$ -	\$ 23,248
-	-	-	-	-	-	55,813
532	56	16	78	28	-	840
-	450	28,820	-	-	-	37,270
<u>8,756</u>	<u>506</u>	<u>28,836</u>	<u>78</u>	<u>4,110</u>	<u>-</u>	<u>117,171</u>
-	-	-	7,631	-	-	7,631
-	-	-	-	-	-	2,050
-	.	-	-	-	1,167	1,167
339,113	-	-	-	-	-	1,014,397
-	114,996	-	-	-	-	114,996
<u>339,113</u>	<u>114,996</u>	<u>-</u>	<u>7,631</u>	<u>-</u>	<u>1,167</u>	<u>1,140,241</u>
<u>(330,357)</u>	<u>(114,490)</u>	<u>28,836</u>	<u>(7,553)</u>	<u>4,110</u>	<u>(1,167)</u>	<u>(1,023,070)</u>
425,000	75,000	-	50,000	-	-	550,000
-	-	(5,000)	-	-	-	(5,000)
<u>425,000</u>	<u>75,000</u>	<u>(5,000)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>545,000</u>
94,643	(39,490)	23,836	42,447	4,110	(1,167)	(478,070)
<u>619,175</u>	<u>76,420</u>	<u>1,412</u>	<u>89,685</u>	<u>40,353</u>	<u>(2,543)</u>	<u>1,232,614</u>
<u>\$ 713,818</u>	<u>\$ 36,930</u>	<u>\$ 25,248</u>	<u>\$ 132,132</u>	<u>\$ 44,463</u>	<u>\$ (3,710)</u>	<u>\$ 754,544</u>

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CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	2013			Variance with Final Budget	2012
	Budgeted Amounts		Actual		Actual
	Original	Final	Amounts		Amounts
REVENUE					
Taxes					
Property	\$ 4,123,317	\$ 4,123,317	\$ 4,131,421	\$ 8,104	\$ 4,225,660
Franchise	37,000	37,000	49,490	12,490	40,227
Total	<u>4,160,317</u>	<u>4,160,317</u>	<u>4,180,911</u>	<u>20,594</u>	<u>4,265,887</u>
Licenses and permits					
Business	33,200	33,200	31,560	(1,640)	36,570
Nonbusiness	136,730	136,730	308,535	171,805	108,325
Total	<u>169,930</u>	<u>169,930</u>	<u>340,095</u>	<u>170,165</u>	<u>144,895</u>
Intergovernmental					
State					
MSA	175,000	175,000	185,764	10,764	179,946
Property tax credits	-	-	5,690	5,690	-
PERA	2,123	2,123	2,123	-	2,123
Other state aid	4,000	4,000	7,600	3,600	7,600
Fire aid	39,383	39,383	56,223	16,840	40,896
Total	<u>220,506</u>	<u>220,506</u>	<u>257,400</u>	<u>36,894</u>	<u>230,565</u>
Charges for services	<u>122,780</u>	<u>122,780</u>	<u>128,543</u>	<u>5,763</u>	<u>153,840</u>
Fines and forfeitures	<u>50,600</u>	<u>50,600</u>	<u>53,574</u>	<u>2,974</u>	<u>52,870</u>
Interest on investments	<u>2,000</u>	<u>2,000</u>	<u>1,166</u>	<u>(834)</u>	<u>2,100</u>
Special Assessments	<u>-</u>	<u>-</u>	<u>1,318</u>	<u>1,318</u>	<u>-</u>
Miscellaneous					
Refunds and reimbursements	<u>38,000</u>	<u>38,000</u>	<u>54,042</u>	<u>16,042</u>	<u>49,385</u>
TOTAL REVENUES	<u>4,764,133</u>	<u>4,764,133</u>	<u>5,017,049</u>	<u>252,916</u>	<u>4,899,542</u>
EXPENDITURES					
General government					
Mayor and Council					
Personnel services	33,526	33,526	31,659	1,867	31,701
Other services and charges	53,533	53,533	38,139	15,394	44,306
Total Mayor and Council	<u>87,059</u>	<u>87,059</u>	<u>69,798</u>	<u>17,261</u>	<u>76,007</u>
Elections					
Supplies	-	-	-	-	277
Other services and charges	2,170	2,170	1,687	483	8,432
Total elections	<u>2,170</u>	<u>2,170</u>	<u>1,687</u>	<u>483</u>	<u>8,709</u>

CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
General government - continued					
Planning and zoning					
Personnel services	\$ 193,198	\$ 193,198	\$ 180,634	\$ 12,564	\$ 151,902
Supplies	150	150	165	(15)	758
Other services and charges	14,458	14,458	10,821	3,637	16,601
Total planning and zoning	207,806	207,806	191,620	16,186	169,261
Administration/support					
Personnel services	515,518	515,518	528,613	(13,095)	512,073
Supplies	500	500	336	164	411
Other services and charges	27,020	27,020	27,749	(729)	22,821
Total administration/support	543,038	543,038	556,698	(13,660)	535,305
General government buildings					
Supplies	4,200	4,200	1,876	2,324	2,177
Other services and charges	40,550	40,550	36,206	4,344	39,762
Total general government buildings	44,750	44,750	38,082	6,668	41,939
Miscellaneous					
Contractual services	248,200	248,200	227,205	20,995	232,727
Total general government	1,133,023	1,133,023	1,085,090	47,933	1,063,948
Public safety					
Fire protection					
Personnel services	302,548	302,548	315,819	(13,271)	297,568
Supplies	37,025	37,025	43,203	(6,178)	32,919
Other services and charges	188,210	188,210	184,971	3,239	168,895
Total fire protection	527,783	527,783	543,993	(16,210)	499,382
Police protection					
Other services and charges	961,144	961,144	959,256	1,888	959,924
Building inspection					
Personnel services	175,390	175,390	159,672	15,718	112,620
Supplies	4,200	4,200	6,813	(2,613)	5,183
Other services and charges	7,350	7,350	8,458	(1,108)	21,609
Total building inspection	186,940	186,940	174,943	11,997	139,412
Total public safety	1,675,867	1,675,867	1,678,192	(2,325)	1,598,718

CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Public works					
Street maintenance					
Personnel services	\$ 392,171	\$ 392,171	\$ 379,817	\$ 12,354	\$ 380,401
Supplies	132,950	132,950	165,389	(32,439)	130,093
Other services and charges	233,950	233,950	217,145	16,805	209,426
Total public works	759,071	759,071	762,351	(3,280)	719,920
Culture and recreation					
Personnel services	301,317	301,317	286,391	14,926	301,467
Supplies	42,400	42,400	43,666	(1,266)	36,715
Other services and charges	50,750	50,750	37,838	12,912	37,885
Total culture and recreation	394,467	394,467	367,895	26,572	376,067
Miscellaneous					
Supplies	10,300	10,300	9,628	672	9,044
Other services and charges	231,405	231,405	201,484	29,921	167,424
Total miscellaneous	241,705	241,705	211,112	30,593	176,468
Capital outlay					
General government	-	-	1,589	(1,589)	5,167
Public safety	10,000	10,000	-	10,000	11,764
Total capital outlay	10,000	10,000	1,589	8,411	16,931
TOTAL EXPENDITURES	4,214,133	4,214,133	4,106,229	107,904	3,952,052
EXCESS REVENUE OVER EXPENDITURES	550,000	550,000	910,820	360,820	947,490
OTHER FINANCING USES					
Transfers out	(550,000)	(550,000)	(550,000)	-	(580,000)
NET CHANGE IN FUND BALANCE	-	-	360,820	360,820	367,490
FUND BALANCE, JANUARY 1	2,621,894	2,621,894	2,621,894	-	2,254,404
FUND BALANCE, DECEMBER 31	\$ 2,621,894	\$ 2,621,894	\$ 2,982,714	\$ 360,820	\$ 2,621,894

CITY OF EAST BETHEL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2013

	301 2005/2013A Safety Bond	303 2005B Street Improvement Debt	308 2008A Sewer Revenue Bond
ASSETS			
Cash and investments	\$ 94,885	\$ 268,225	\$ (1,628)
Receivables			
Taxes	2,462	-	3,220
Special assessments	-	50,155	150,000
Accounts	-	-	-
Due from other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u><u>\$ 97,347</u></u>	<u><u>\$ 318,380</u></u>	<u><u>\$ 151,592</u></u>
LIABILITIES			
Advance from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - special assessments	<u>-</u>	<u>50,155</u>	<u>150,000</u>
FUND BALANCE			
Restricted	<u>97,347</u>	<u>268,225</u>	<u>1,592</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u><u>\$ 97,347</u></u>	<u><u>\$ 318,380</u></u>	<u><u>\$ 151,592</u></u>

309 2010 Water Revenue Note	310 2010A Revenue Bond	311 2010B Utility Revenue Bond	312 2010C Improvement Bond	Total
\$ 4,127	\$ (53,748)	\$ (128,011)	\$ 83,905	\$ 267,755
-	-	-	-	5,682
-	161,000	-	-	361,155
-	-	11,200	-	11,200
-	10,254	-	-	10,254
<u>\$ 4,127</u>	<u>\$ 117,506</u>	<u>\$ (116,811)</u>	<u>\$ 83,905</u>	<u>\$ 656,046</u>
<u>\$ -</u>	<u>\$ 150,361</u>	<u>\$ 89,639</u>	<u>\$ -</u>	<u>\$ 240,000</u>
<u>-</u>	<u>161,000</u>	<u>-</u>	<u>-</u>	<u>361,155</u>
<u>4,127</u>	<u>(193,855)</u>	<u>(206,450)</u>	<u>83,905</u>	<u>54,891</u>
<u>\$ 4,127</u>	<u>\$ 117,506</u>	<u>\$ (116,811)</u>	<u>\$ 83,905</u>	<u>\$ 656,046</u>

CITY OF EAST BETHEL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	301	303	308
	2005/2013A	2005B Street	2008A Sewer
	Safety	Improvement	Revenue
	Bond	Debt	Bond
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes	\$ 150,559	\$ -	\$ 179,170
Special assessments	-	28,125	18,000
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest on investments	64	165	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	150,623	28,290	197,170
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Debt service			
Principal	170,000	55,000	145,000
Interest and other charges	54,315	7,661	51,779
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	224,315	62,661	196,779
	<u> </u>	<u> </u>	<u> </u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(73,692)</u>	<u>(34,371)</u>	<u>391</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	1,250,000	-	-
Payment to refunding bond escrow agent	(1,255,000)	-	-
Transfers in	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	-	-
	<u> </u>	<u> </u>	<u> </u>
NET CHANGE IN FUND BALANCES	(78,692)	(34,371)	391
FUND BALANCE, JANUARY 1	<u>176,039</u>	<u>302,596</u>	<u>1,201</u>
FUND BALANCE, DECEMBER 31	<u>\$ 97,347</u>	<u>\$ 268,225</u>	<u>\$ 1,592</u>

309 2010 Water Revenue Note	310 2010A Revenue Bond	311 2010B Utility Revenue Bond	312 2010C Improvement Bond	Total
\$ -	\$ -	\$ -	\$ -	\$ 329,729
-	92,000	-	-	138,125
-	330,167	126,064	-	456,231
-	139,106	72,800	-	211,906
<u>3</u>	<u>3,964</u>	<u>1</u>	<u>59</u>	<u>4,256</u>
<u>3</u>	<u>565,237</u>	<u>198,865</u>	<u>59</u>	<u>1,140,247</u>
3,000	-	-	-	373,000
<u>626</u>	<u>767,498</u>	<u>376,989</u>	<u>42,158</u>	<u>1,301,026</u>
<u>3,626</u>	<u>767,498</u>	<u>376,989</u>	<u>42,158</u>	<u>1,674,026</u>
<u>(3,623)</u>	<u>(202,261)</u>	<u>(178,124)</u>	<u>(42,099)</u>	<u>(533,779)</u>
-	-	-	-	1,250,000
-	-	-	-	(1,255,000)
<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,377	(202,261)	(178,124)	(42,099)	(533,779)
<u>2,750</u>	<u>8,406</u>	<u>(28,326)</u>	<u>126,004</u>	<u>588,670</u>
<u>\$ 4,127</u>	<u>\$ (193,855)</u>	<u>\$ (206,450)</u>	<u>\$ 83,905</u>	<u>\$ 54,891</u>

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2013

	702		701	
	Compensated Absences		Equipment Replacement	
	2013	2012	2013	2012
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 118,619	\$ 113,334	\$ 1,198,912	\$ 1,488,075
Accounts receivable	-	799	-	405
Due from other funds	-	-	2,643	390,736
Prepaid items	-	-	-	37,180
TOTAL CURRENT ASSETS	118,619	114,133	1,201,555	1,916,396
NONCURRENT ASSETS				
Advance to other funds	-	-	240,000	240,000
Capital assets				
Machinery and equipment	-	-	2,697,052	1,603,865
Less accumulated depreciation	-	-	(746,870)	(536,187)
Net capital assets	-	-	1,950,182	1,067,678
TOTAL NONCURRENT ASSETS	-	-	2,190,182	1,307,678
TOTAL ASSETS	118,619	114,133	3,391,737	3,224,074
LIABILITIES				
CURRENT LIABILITIES				
Compensated absences - current portion	99,028	80,100	-	-
NONCURRENT LIABILITIES				
Compensated absences payable - noncurrent portion	19,517	34,033	-	-
TOTAL LIABILITIES	118,545	114,133	-	-
NET POSITION				
Investment in capital assets	-	-	1,950,182	1,067,678
Unrestricted	74	-	1,441,555	2,156,396
TOTAL NET POSITION	\$ 74	\$ -	\$ 3,391,737	\$ 3,224,074

<u>Total</u>	
<u>2013</u>	<u>2012</u>
\$ 1,317,531	\$ 1,601,409
-	1,204
2,643	390,736
-	37,180
<u>1,320,174</u>	<u>2,030,529</u>
<u>240,000</u>	<u>240,000</u>
2,697,052	1,603,865
(746,870)	(536,187)
<u>1,950,182</u>	<u>1,067,678</u>
<u>2,190,182</u>	<u>1,307,678</u>
<u>3,510,356</u>	<u>3,338,207</u>
99,028	80,100
<u>19,517</u>	<u>34,033</u>
<u>118,545</u>	<u>114,133</u>
1,950,182	1,067,678
<u>1,441,629</u>	<u>2,156,396</u>
<u>\$ 3,391,811</u>	<u>\$ 3,224,074</u>

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

	702		701	
	Compensated Absences		Equipment Replacement	
	2013	2012	2013	2012
OPERATING REVENUES				
Departmental billings	\$ 4,486	\$ 17,702	\$ 259,700	\$ 262,200
Franchise Fees	-	-	2,049	4,736
Miscellaneous	-	-	-	7,890
TOTAL OPERATING REVENUES	4,486	17,702	261,749	274,826
OPERATING EXPENSES				
Personnel services	4,486	17,702	-	-
Supplies	-	-	1,864	1,747
Depreciation	-	-	216,152	142,016
TOTAL OPERATING EXPENSES	4,486	17,702	218,016	143,763
OPERATING INCOME	-	-	43,733	131,063
NONOPERATING REVENUES				
Sale of capital assets	-	-	41,353	5,313
Interest on investments	74	-	1,037	2,704
TOTAL NONOPERATING REVENUES	74	-	42,390	8,017
INCOME BEFORE TRANSFERS	74	-	86,123	139,080
TRANSFERS IN	-	-	81,540	-
CHANGE IN FUND BALANCES	74	-	167,663	139,080
NET POSITION, JANUARY 1	-	-	3,224,074	3,084,994
NET POSITION, DECEMBER 31	\$ 74	\$ -	\$ 3,391,737	\$ 3,224,074

Totals

<u>2013</u>	<u>2012</u>
\$ 264,186	\$ 279,902
2,049	4,736
-	7,890
<u>266,235</u>	<u>292,528</u>
4,486	17,702
1,864	1,747
<u>216,152</u>	<u>142,016</u>
<u>222,502</u>	<u>161,465</u>
<u>43,733</u>	<u>131,063</u>
41,353	5,313
<u>1,111</u>	<u>2,704</u>
<u>42,464</u>	<u>8,017</u>
86,197	139,080
<u>81,540</u>	<u>-</u>
167,737	139,080
<u>3,224,074</u>	<u>3,084,994</u>
<u>\$ 3,391,811</u>	<u>\$ 3,224,074</u>

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	702		701	
	<u>Compensated Absences</u>		<u>Equipment Replacement</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 5,211	\$ 20,135	\$ 262,154	\$ 274,799
Payments to suppliers	-	-	35,316	(38,927)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,211</u>	<u>20,135</u>	<u>297,470</u>	<u>235,872</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments received on interfund loan	-	-	390,736	219,273
Interfund loan issued	-	-	(2,643)	-
Transfers in	-	-	81,540	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>469,633</u>	<u>219,273</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets	-	-	45,000	5,313
Acquisition of capital assets	-	-	(1,102,303)	(162,257)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(1,057,303)</u>	<u>(156,944)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments	74	-	1,037	2,704
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,285	20,135	(289,163)	300,905
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>113,334</u>	<u>93,199</u>	<u>1,488,075</u>	<u>1,187,170</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 118,619</u>	<u>\$ 113,334</u>	<u>\$ 1,198,912</u>	<u>\$ 1,488,075</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ -	\$ -	\$ 43,733	\$ 131,063
Adjustments to reconcile operating income to net cash flows from operating activities				
Depreciation expense	-	-	216,152	142,016
(Increase) decrease in assets				
Accounts receivable	799	2,433	405	(27)
Prepaid items	-	-	37,180	(37,180)
Increase in liabilities				
Accounts payable	4,412	17,702	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,211</u>	<u>\$ 20,135</u>	<u>\$ 297,470</u>	<u>\$ 235,872</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Loss on disposal of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,647</u>	<u>\$ -</u>

Total

2013	2012
\$ 267,365	\$ 294,934
35,316	(38,927)
302,681	256,007
390,736	219,273
(2,643)	-
81,540	-
469,633	219,273
45,000	5,313
(1,102,303)	(162,257)
(1,057,303)	(156,944)
1,111	2,704
(283,878)	321,040
1,601,409	1,280,369
\$ 1,317,531	\$ 1,601,409
\$ 43,733	\$ 131,063
216,152	142,016
1,204	2,406
37,180	(37,180)
4,412	17,702
\$ 302,681	\$ 256,007
\$ 3,647	\$ -

CITY OF EAST BETHEL, MINNESOTA
SUMMARY FINANCIAL REPORT
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013 AND 2012

	Total		Percent Increase (Decrease)
	2013	2012	
REVENUES			
Taxes	\$ 4,655,584	\$ 4,693,460	(0.01) %
Licenses and permits	340,095	144,895	1.35
Intergovernmental	897,871	2,164,404	(0.59)
Charges for services	340,449	153,840	1.21
Fines and forfeitures	53,574	52,870	0.01
Special assessments	162,691	69,852	1.33
Interest on investments	9,442	21,942	(0.57)
Other	97,023	197,150	(0.51)
	<u> </u>	<u> </u>	
TOTAL REVENUES	<u>\$ 6,556,729</u>	<u>\$ 7,498,413</u>	(0.13) %
Per Capita	\$ 567	\$ 636	(0.11) %
EXPENDITURES			
Current			
General government	\$ 1,092,721	\$ 1,293,589	(0.16) %
Public safety	1,759,364	1,668,001	0.05
Public works	788,725	960,577	(0.18)
Culture and recreation	373,701	417,322	(0.10)
Housing and economic Development	113,534	125,511	(0.10)
Miscellaneous	211,112	-	100.00
Capital outlay			
General government	1,589	5,167	(0.69)
Public safety	-	11,764	(1.00)
Public works	5,438,588	6,027,624	(0.10)
Parks and recreation	114,996	-	-
Debt service			
Principal	373,000	248,000	0.50
Interest and other charges	1,301,026	1,317,048	(0.01)
	<u> </u>	<u> </u>	
TOTAL EXPENDITURES	<u>\$ 11,568,356</u>	<u>\$ 12,074,603</u>	(0.04) %
Per Capita	\$ 1,001	\$ 1,025	(0.02) %
Total Long-term Indebtedness	\$ 21,940,077	\$ 19,470,085	0.13 %
Per Capita	1,899	1,652	0.15
General Fund Balance - December 31	\$ 2,982,714	\$ 2,621,894	0.14 %
Per Capita	258	223	0.16

The purpose of this report is to provide a summary of financial information concerning the City of East Bethel to interested citizens. The complete financial statements may be examined at City Hall, 2241 221st Avenue NE, East Bethel, MN 55011. Questions about this report should be directed to Mike Jeziorski, Finance Director at (763) 367-7852.

OTHER REQUIRED REPORTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated April 2, 2014.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute §6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 2, 2014



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 2, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

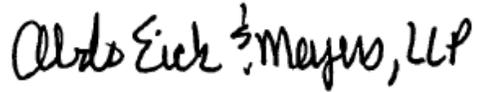
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ABDO, EICK & MEYERS, LLP

Minneapolis, Minnesota

April 2, 2014



CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

MANAGEMENT LETTER

FOR THE YEAR ENDED
DECEMBER 31, 2013



CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

MANAGEMENT LETTER

FOR THE YEAR ENDED
DECEMBER 31, 2013

April 2, 2014

Management, Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), for the year ended December 31, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 11, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. There were no new requirements adopted for the year ended December 31, 2013. The application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation on capital assets and allocation of payroll and compensated absences.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 2, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Financial Position and Results of Operations

Our principal observations and recommendations are summarized on the following pages. These recommendations resulted from our observations made in connection with our audit of the City’s financial statements for the year ended December 31, 2013.

General Fund

The General fund is used to account for resources traditionally associated with government, which are not required legally or by sound principal management to be accounted for in another fund. The General fund balance increased \$360,820 from 2012. The fund balance of \$2,982,714 is 62.1 percent of the 2014 budgeted expenditures less transfers out. We recommend that the fund balance be maintained at a level sufficient to fund operations until the major revenue sources are received in June. In 2011, the City formally adopted a fund balance policy for the General fund to maintain a minimum assigned fund balance of 35 percent of the next year’s property tax levy for cash-flow timing needs. The City’s ending fund balance is above this target level.

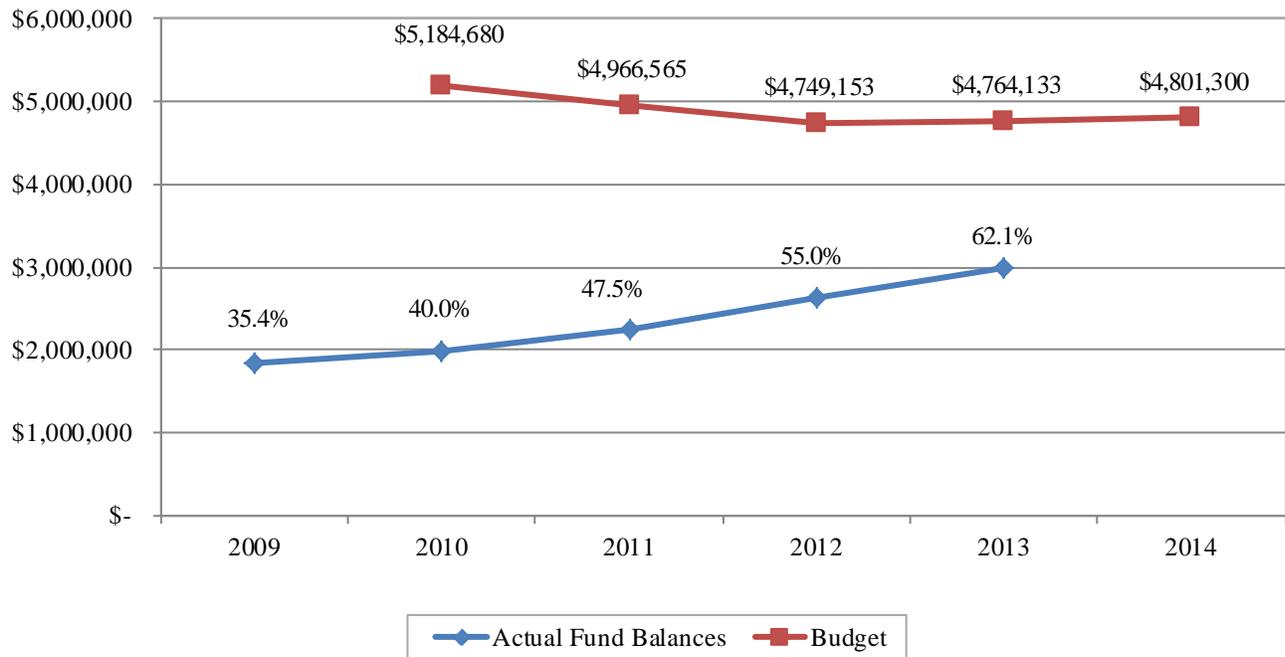
The purposes and benefits of a fund balance are as follows:

- Expenditures are incurred somewhat evenly throughout the year. However, property tax and State aid revenues are not received until the second half of the year. An adequate fund balance will provide the cash flow required to finance the governmental fund expenditures.
- The City is vulnerable to legislative actions at the State and Federal level. The State continually adjusts the local government aid formulas. An adequate fund balance will provide a temporary buffer against aid adjustments.
- Expenditures not anticipated at the time the annual budget was adopted may need immediate City Council action. These would include capital outlay, replacement, lawsuits and other items. An adequate fund balance will provide the financing needed for such expenditures.
- A strong fund balance will assist the City in maintaining, improving or obtaining its bond rating. The result will be better interest rates in future bond sales.

A table summarizing the General fund balance in relation to budgeted expenditures and transfers out follows:

Year	Fund Balance December 31	Budget Year	General Fund Budget	Percent of Fund Balance to Budget
2009	\$ 1,836,527	2010	5,184,680	35.4 %
2010	1,984,749	2011	4,966,565	40.0
2011	2,254,404	2012	4,749,153	47.5
2012	2,621,894	2013	4,764,133	55.0
2013	2,982,714	2014	4,801,300	62.1

Fund Balance as a Percent of Next Year’s Budgeted Expenditures and Transfers Out



We have compiled a peer group average derived from information we request from the Office of the State Auditor for Cities of the 3rd class which have populations of 10,000-20,000. In 2011 and 2012, the average General fund balance as a percentage of expenditures was 76 percent and 76, percent, respectively. Based on comparison to the peer groups, the City’s General fund balance is below the average, however is above the recommended minimum range.

The 2013 General fund operations are summarized as follows:

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 4,764,133	\$ 5,017,049	\$ 252,916
Expenditures	4,214,133	4,106,229	107,904
Excess of revenues over expenditures	550,000	910,820	360,820
Other financing use Transfers out	(550,000)	(550,000)	-
Net change in fund balances	-	360,820	360,820
Fund balances, January 1	2,621,894	2,621,894	-
Fund balances, December 31	<u>\$ 2,621,894</u>	<u>\$ 2,982,714</u>	<u>\$ 360,820</u>

The City's budget was not amended in 2013 and called for no change in ending fund balance. A more detailed summary of the budget variances is as follows:

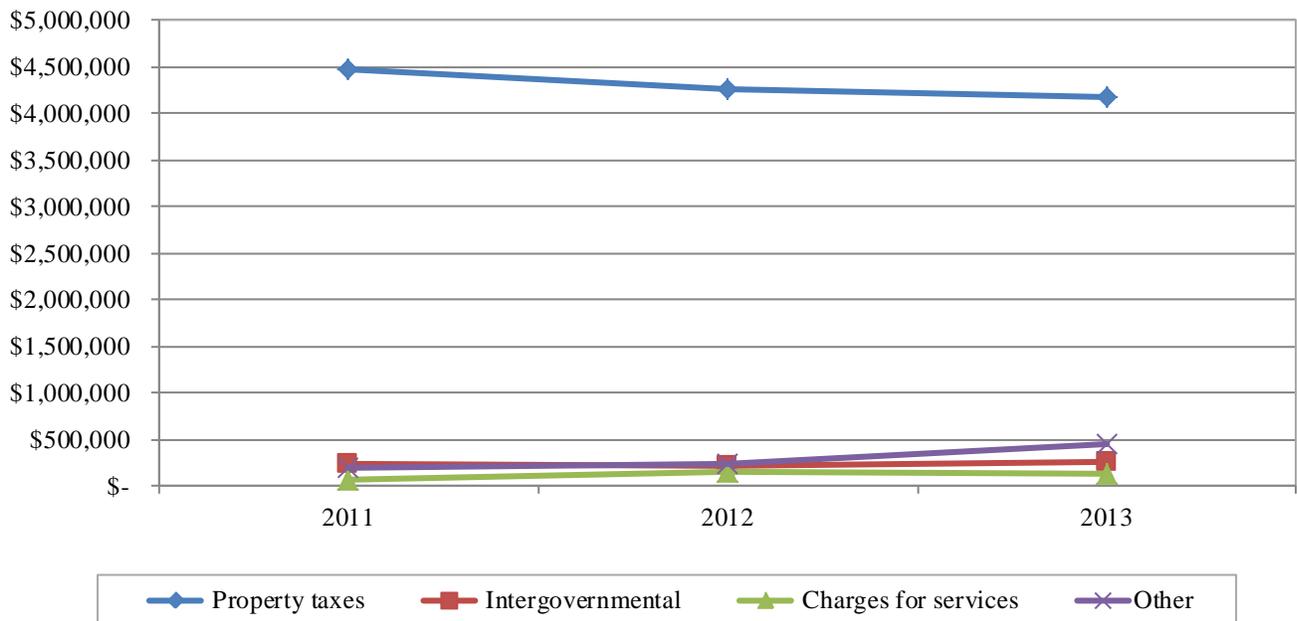
- The most significant revenue variance was in licenses and permits, which exceeded budget by \$170,165. This was due to more than anticipated development.
- All expenditure departments were under budget, except for public safety and public works. The departments were over budget by \$2,325 and \$3,280, respectively.

A comparison of General fund among 2011, 2012 and 2013 revenues are presented below:

Source	2011	2012	2013	Percent of Total	Per Capita
Property taxes	\$ 4,428,762	\$ 4,225,660	\$ 4,131,421	82.3 %	\$ 358
Franchise taxes	37,874	40,227	49,490	1.0	4
Licenses and permits	109,366	144,895	340,095	6.8	29
Intergovernmental	239,189	230,565	257,400	5.1	22
Charges for services	75,010	153,840	128,543	2.6	11
Fines and forfeitures	49,792	52,870	53,574	1.1	5
Investment income	1,586	2,100	1,166	-	-
Miscellaneous	40,836	49,385	55,360	1.1	5
Total revenues and transfers	\$ 4,982,415	\$ 4,899,542	\$ 5,017,049	100.0 %	\$ 434

A graphical presentation of 2011, 2012 and 2013 revenues and transfers in follows:

General Fund Revenues by Source



Some of the line items with significant changes are highlighted below:

- The significant increase in licenses and permits is due to the increase building within the City.

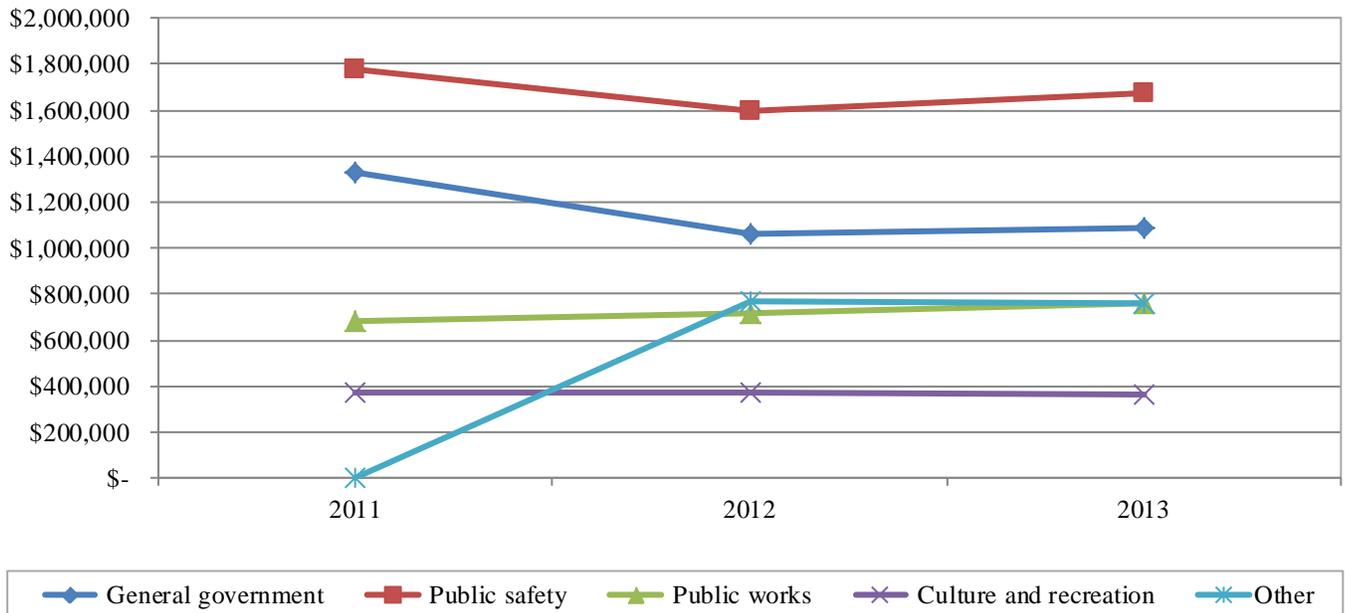
A comparison of General fund expenditures among 2011, 2012 and 2013 are presented below:

Program	2011	2012	2013	Percent of Total	Per Capita	Peer Group
Current						
General government	\$ 1,325,655	\$ 1,063,948	\$ 1,085,090	23.0 %	\$ 94	\$ 100
Public safety	1,781,927	1,598,718	1,678,192	36.0	145	219
Public works	679,882	719,920	762,351	16.4	66	100
Culture and recreation	372,692	376,067	367,895	7.9	32	56
Miscellaneous	-	176,468	211,112	4.5	18	13
Total current	4,160,156	3,935,121	4,104,640	87.8	355	488
Capital outlay	-	16,931	1,589	0.4	-	17
Transfers out	-	580,000	550,000	11.8	48	-
Total expenditures	\$ 4,160,156	\$ 4,532,052	\$ 4,656,229	100.0 %	\$ 403	\$ 505

The above chart compares the amount the City spends per capita in comparison to a peer group. The peer group average is compiled from 2012 information from third class Cities across the State with populations between 10,000 and 20,000.

The expenditures and transfers out summarized above are presented graphically as follows:

General Fund Expenditures by Program



Special Revenue Funds

A summary of the special revenue fund balances is shown below:

Fund	Fund Balances December 31,		Increase (Decrease)
	2013	2012	
Nonmajor			
Recycling	\$ 51,707	\$ 29,665	\$ 22,042
Miscellaneous Grants/Donations	7,464	6,848	616
HRA	785,564	799,517	(13,953)
EDA	1,765	36,064	(34,299)
Total	\$ 846,500	\$ 872,094	\$ (25,594)

The decrease in the EDA fund is attributable to the transfer the fund made to the equipment replacement fund for a share capital purchases.

Capital Projects Funds

The fund balances of all capital projects funds are summarized below:

Capital Projects Fund	Fund Balances December 31,		Increase (Decrease)
	2013	2012	
Major			
Water Infrastructure	\$ 1,848,107	\$ 4,532,523	\$ (2,684,416)
Utility Infrastructure	-	1,737,128	(1,737,128)
Total major	1,848,107	6,269,651	(4,421,544)
Nonmajor			
Park Acquisition	26,064	26,047	17
Park Trails	144,088	146,044	(1,956)
Minard Street	27,712	19,696	8,016
Improvements of 2003	7,822	(3,123)	10,945
Municipal State Aid Street Improvement	(400,023)	219,448	(619,471)
Street Capital	713,818	619,175	94,643
Park Capital	36,930	76,420	(39,490)
Utility Improvement	25,248	1,412	23,836
Building	132,132	89,685	42,447
Lunde/Jewell Street	44,463	40,353	4,110
TIF No. 1.1	(3,710)	(2,543)	(1,167)
Total nonmajor	754,544	1,232,614	(478,070)
Total	\$ 2,602,651	\$ 7,502,265	\$ (4,899,614)

The City should monitor the deficit funds to ensure there will be future revenues to remove the deficit and close funds when the purpose of the fund is completed.

Debt Service Funds

Debt Service funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than enterprise fund debt). Debt Service funds may have one or a combination of the following revenue sources pledged to retire debt as follows:

- Property taxes - Primarily for general City benefit projects such as parks and municipal buildings. Property taxes may also be used to fund special assessment bonds which are not fully assessed.
- Tax increments - Pledged exclusively for tax increment/economic development districts.
- Capitalized interest portion of bond proceeds - After the sale of bonds, the project may not produce revenue (tax increments or special assessments) for a period of one to two years. Bonds are issued with this timing difference considered in the form of capitalized interest.
- Special assessments - Charges to benefited properties for various improvements.

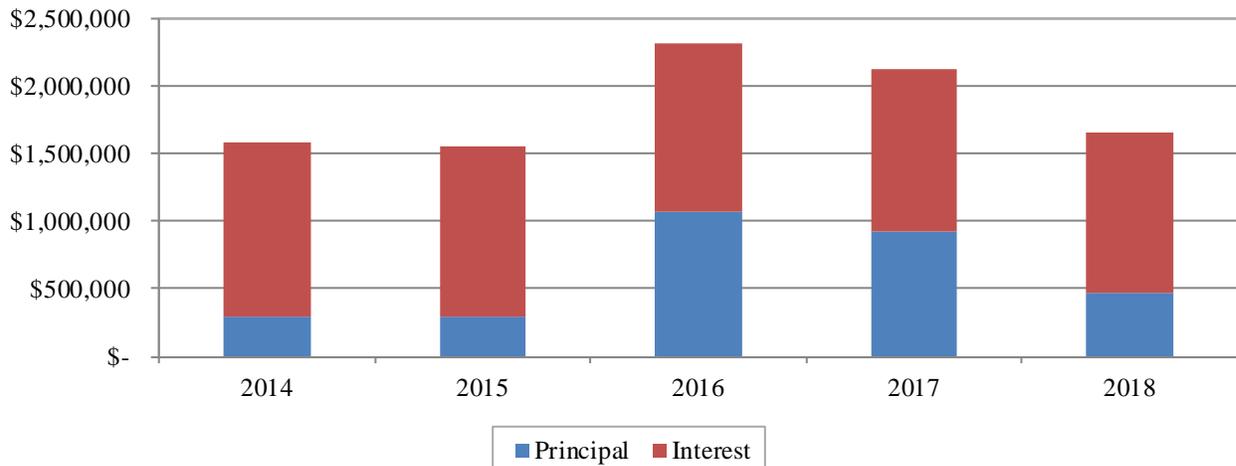
In addition to the above pledged assets, other funding sources may be received by Debt Service funds as follows:

- Residual project proceeds from the related capital projects fund
- Investment earnings
- State or Federal grants
- Transfers from other funds

The following is a summary of the cash, total assets and bonds outstanding for each issue of the City:

Debt Service Fund	Cash and Investments	Total Assets	Bonds Outstanding	Final Maturity Date
2013A Public Safety Bonds	\$ 94,885	\$ 97,347	\$ 1,335,000	02/01/26
2008A Sewer Revenue Bond	(1,628)	151,592	1,285,000	02/01/29
2010C Improvement Bond	83,905	83,905	1,260,000	02/01/17
2005B Street Improvement Debt	268,225	318,380	170,000	02/01/16
2010 Water Revenue Note	4,127	4,127	59,590	08/20/29
2010A Revenue Bond	(53,748)	117,506	11,465,000	02/01/40
2010B Utility Revenue Bond	(128,011)	(116,811)	6,100,000	02/01/40
Total Debt Service Funds	\$ 267,755	\$ 656,046	\$ 21,674,590	

Debt Service Scheduled Principal and Interest for the Next 5 Years

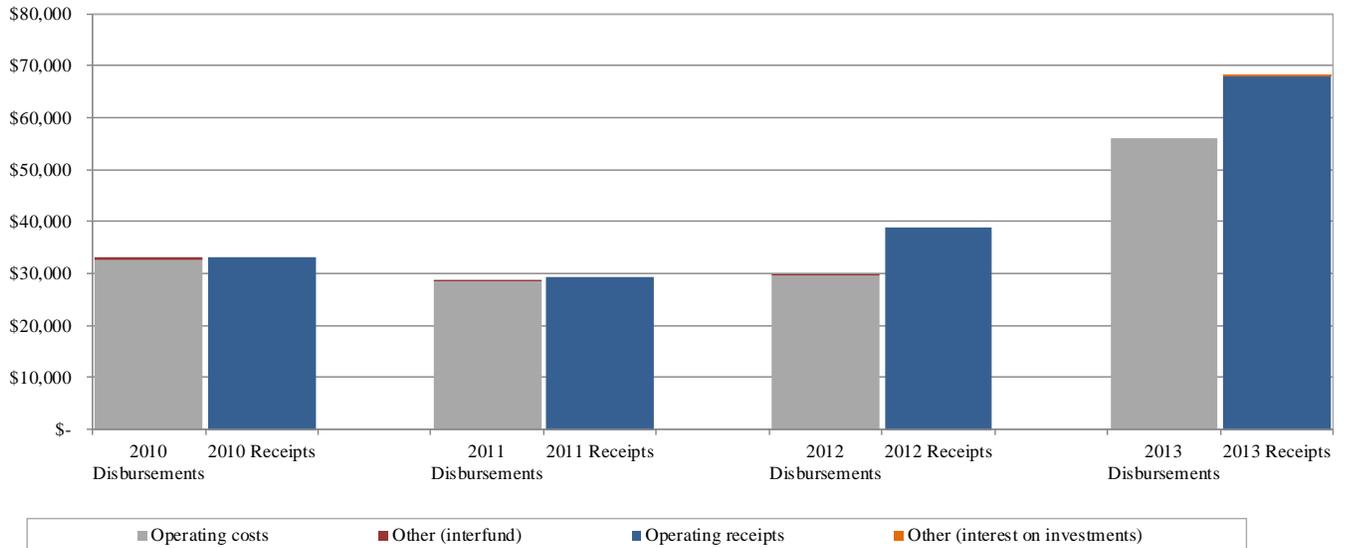


Currently, the debt service funds have a total advance from other funds of \$240,000. Without this advance, there is minimal cash and investments to pay futures debt service needs.

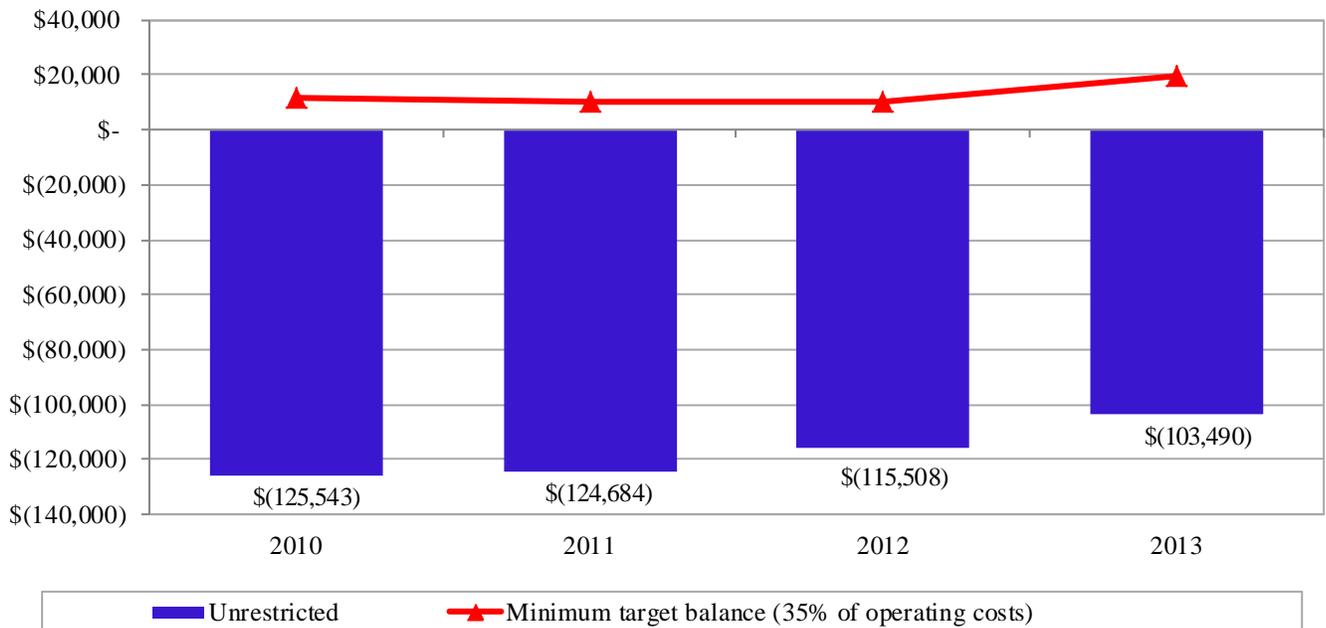
Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The results of the operations in terms of cash flow and the breakdown of the cash balances for the past four years are as follows:

Water Fund Cash Flow

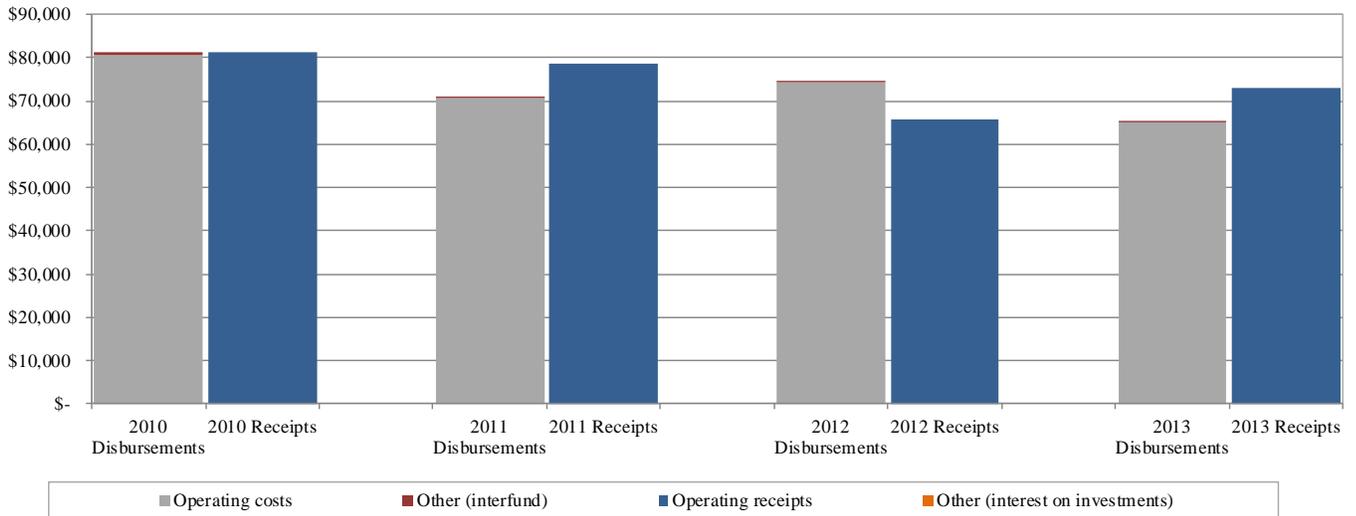


Water Fund Cash Balance

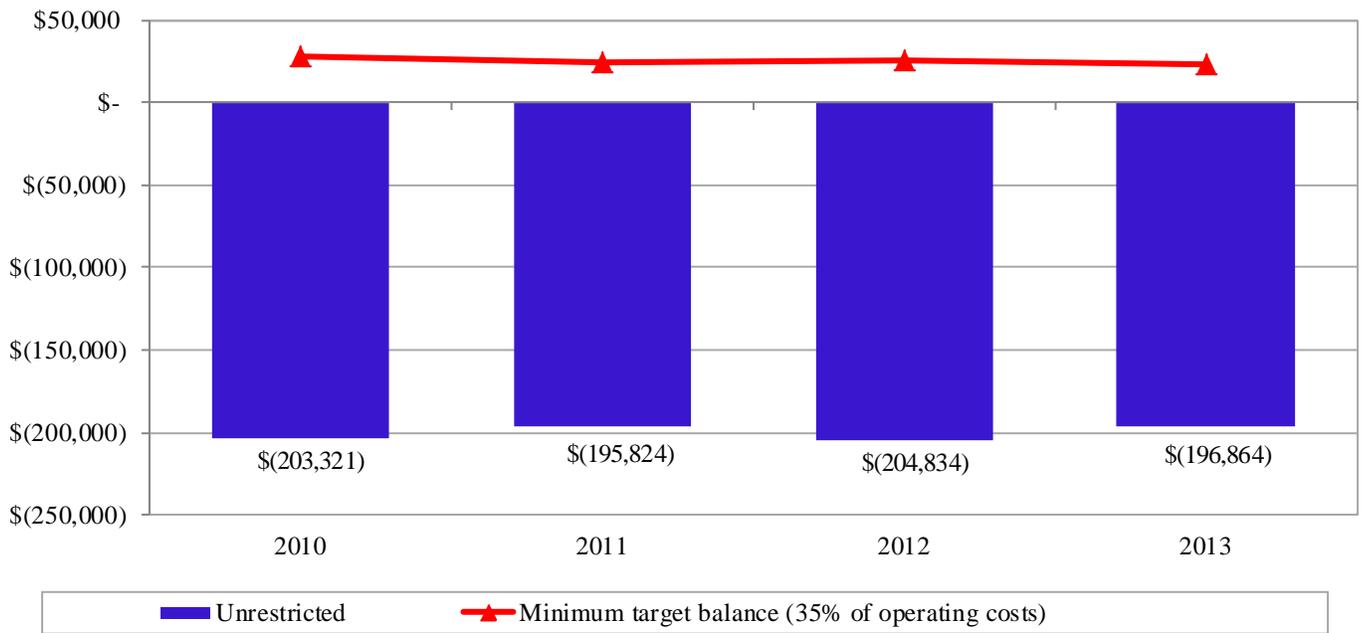


The fund has no cash and investments and is using reserves to support operations and has been borrowing from other funds to operate. The deficit cash balance has improved over the past four years. We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.

Sewer Fund Cash Flow

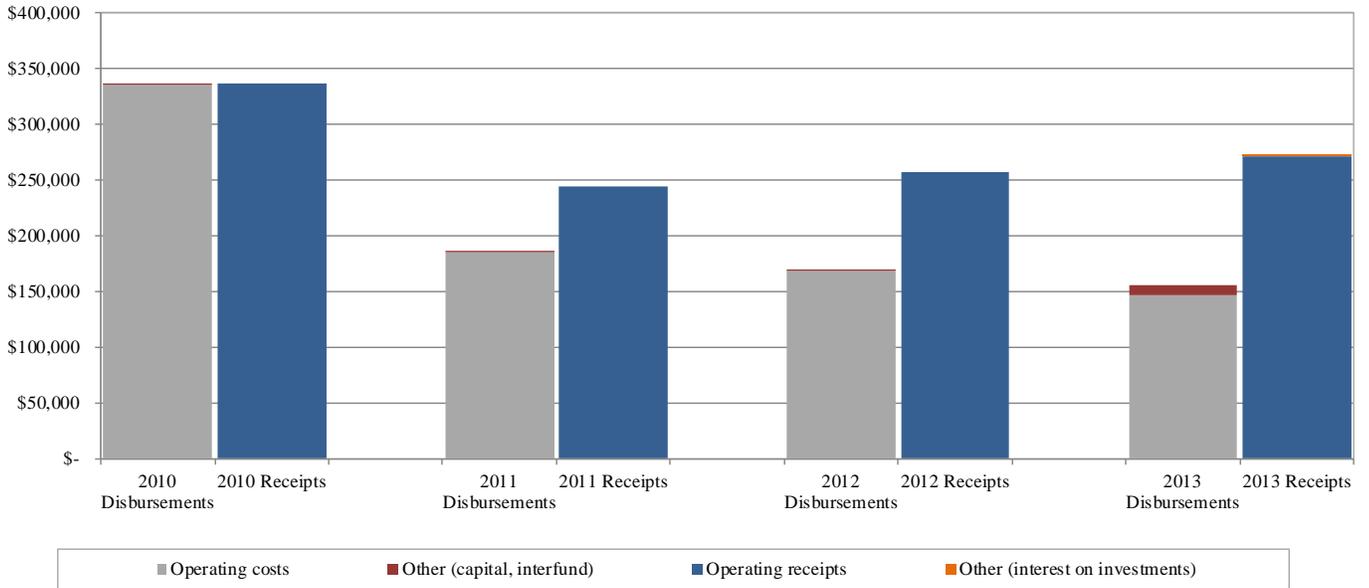


Sewer Fund Cash Balance

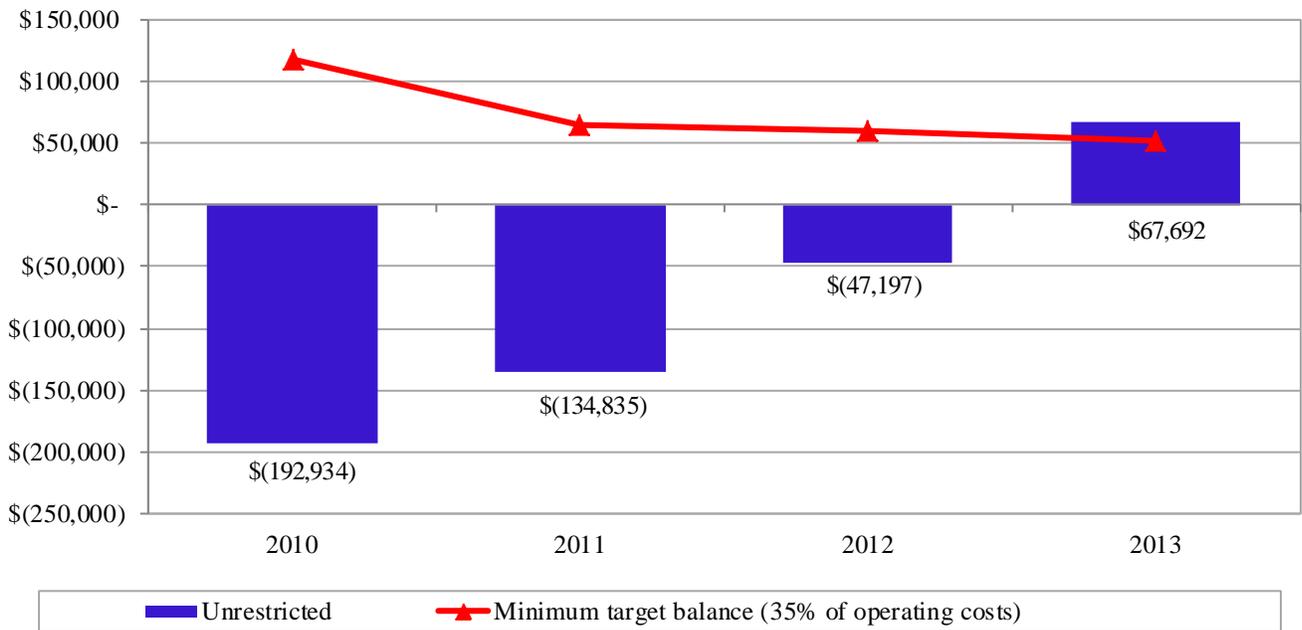


As you can see from the first graph, the sewer funds operating revenues did not cover operating expenses in 2010 and 2012. The fund has no cash and investments and is using reserves to support operations and has been borrowing from other funds to operate. We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.

Ice Arena Cash Flow



Ice Arena Cash Balance



The funds operating revenues have covered operating expenses the past three years, which has led to the fund having a positive cash balance in 2013.

Ratio Analysis

The following captures a few ratios from the City's financial statements that give some additional information for trend and peer group analysis. The peer group average is derived from information we have request from the Office of the State Auditor for cities of the 3rd class (10,000 to 20,000). The majority of these ratios facilitate the use of economic resources focus and accrual basis of accounting at the government-wide level. A combination of liquidity (ability to pay its most immediate obligations), solvency (ability to pay its long-term obligations), funding (comparison of financial amounts and economic indicators to measure changes in financial capacity over time) and common-size (comparison of financial data with other cities regardless of size) ratios are shown below.

Ratio	Calculation	Source	2010	2011	2012	2013
Debt to assets	Total liabilities/total assets	Government-wide	39% 36%	41% 32%	42% 33%	41% N/A
Debt per capita	Bonded debt/population	Government-wide	\$ 1,889 \$ 2,503	\$ 1,943 \$ 2,253	\$ 1,917 \$ 2,641	\$ 1,862 N/A
Taxes per capita	Tax revenues/population	Government-wide	\$ 396 \$ 468	\$ 415 \$ 442	\$ 395 \$ 465	\$ 394 N/A
Current expenditures per capita	Governmental fund current expenditures/population	Governmental funds	\$ 387 \$ 632	\$ 426 \$ 636	\$ 379 \$ 601	\$ 368 N/A
Capital expenditures per capita	Governmental fund capital outlay/population	Governmental funds	\$ 306 \$ 284	\$ 418 \$ 257	\$ 513 \$ 295	\$ 471 N/A
Capital assets % left to depreciate - Governmental	Net capital assets/gross capital assets	Government-wide	57% 57%	57% 63%	54% 60%	59% N/A
Capital assets % left to depreciate - Business-type	Net capital assets/gross capital assets	Government-wide	56% 68%	51% 68%	72% 62%	69% N/A

Represents the City of East Bethel

Represents Peer Group Average

Debt-to-Assets Leverage Ratio (Solvency Ratio)

The debt-to-assets leverage ratio is a comparison of a City's total liabilities to its total assets or the percentage of total assets that are provided by creditors. It indicates the degree to which the City's assets are financed through borrowings and other long-term obligations (i.e. a ratio of 50 percent would indicate half of the assets are financed with outstanding debt).

Bonded Debt per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total bonded debt by the population of the City and represents the amount of bonded debt obligation for each citizen of the City at the end of the year. The higher the amount, the more resources are needed in the future to retire these obligations through taxes, assessments or user fees.

Taxes per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total tax revenues by the population of the City and represents the amount of taxes for each citizen of the City for the year. The higher this amount is, the more reliant the City is on taxes to fund its operations.

Current Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total current governmental expenditures by the population of the City and represents the amount of governmental expenditures for each citizen of the City during the year. Since this is generally based on ongoing expenditures, we would expect consistent annual per capita results.

Capital Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total governmental capital outlay expenditures by the population of the City and represents the amount of capital expenditures for each citizen of the City during the year. Since projects are not always recurring, the per capita amount will fluctuate from year to year.

Capital Assets Percentage (Common-size Ratio)

This percentage represents the percent of governmental or business-type capital assets that are left to be depreciated. The lower this percentage, the older the City's capital assets are and may need major repairs or replacements in the near future. A higher percentage may indicate newer assets being constructed or purchased and may coincide with higher debt ratios or bonded debt per capita.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 67 - *The Financial Reporting for Pension Plans- an Amendment to GASB Statement No. 25*

Summary

The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

This Statement is effective for financial statements for fiscal years beginning after June 15, 2013. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The new information will enhance the decision-usefulness of the financial reports of these pension plans, their value for assessing accountability, and their transparency by providing information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year. The net pension liability information, including ratios, will offer an up-to-date indication of the extent to which the total pension liability is covered by the fiduciary net position of the pension plan. The comparability of the reported information for similar types of pension plans will be improved by the changes related to the attribution method used to determine the total pension liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison to actuarially determined rates, when such rates are determined. In that circumstance, it also will provide information about whether employers and nonemployer contributing entities, if applicable, are keeping pace with actuarially determined contribution measures. In addition, new information about rates of return on pension plan investments will inform financial report users about the effects of market conditions on the pension plan's assets over time and provide information for users to assess the relative success of the pension plan's investment strategy and the relative contribution that investment earnings provide to the pension plan's ability to pay benefits to plan members when they come due.

Future Accounting Standard Changes - Continued

GASB Statement No. 68 - *The Accounting and Financial Reporting of Pensions- an Amendment of GASB Statement No. 27*

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

This Statement is effective for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

GASB Statement No. 69 - *Government Combinations and Disposals of Government Operations*

Summary

This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

Until now, governments have accounted for mergers, acquisitions, and transfers of operations by analogizing to accounting and financial reporting guidance intended for the business environment, generally APB Opinion No. 16, Business Combinations. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations.

Future Accounting Standard Changes - Continued

GASB Statement No. 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

Summary

Some governments extend financial guarantees for the obligations of another government, a not-for-profit organization, a private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity or individual that issued the obligation does not fulfill its payment requirements. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range.

This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a nonexchange financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a nonexchange financial guarantee may be applied prospectively.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee.

GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measure Date - an Amendment of GASB Statement No. 68*

Summary

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Future Accounting Standard Changes - Continued

Statement No. 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement No. 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement No. 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement No. 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement No. 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

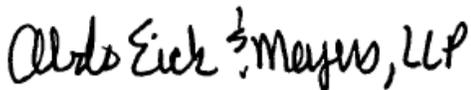
¹ *Note.* From GASB Pronouncements Summaries. Copyright 2014 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

* * * * *

This communication is intended solely for the information and use of City Council, management, others within the City, and the Minnesota Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendation in this report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
April 2, 2014



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 4.0 B

Agenda Item:

Xcel Gas Franchise Agreement Renewal

Requested Action:

Consider approving the Xcel Gas Franchise Agreement

Background Information:

Xcel’s franchise agreement for the purpose of constructing, operating, repairing and maintaining a gas distribution system expired on March 14, 2014. Their proposed franchise agreement is in accordance with our Code with a minor variation in Section 9-Franchise Fee and the addition of new Section that relates to tree trimming. We granted a Natural Gas Franchise agreement with Centerpoint (Ordinance 214) in 2007.

The City does not collect a franchise fee from Xcel, Centerpoint or Connexus.

Attachments:

- Attachment #1-City Code, Appendix B-Franchises, Article III, Sections 1-12, Natural Gas Franchise Agreement
- Attachment #2-Proposed Franchise Agreement submitted by Xcel
- Attachment #3-Revised Franchise Agreement with City Attorney’s Comments

Fiscal Impact:

None at this time

Recommendation(s):

Staff recommends that Council consider comments by the City Attorney and consider approving the Xcel Gas Franchise Agreement

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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ORDINANCE NO. 214

CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA

AN ORDINANCE GRANTING CENTERPOINT ENERGY RESOURCES CORP., d/b/a CENTERPOINT ENERGY MINNESOTA GAS ("CENTERPOINT ENERGY"), ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA, FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF

THE CITY COUNCIL OF THE CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA, ORDAINS:

[SECTION 1. DEFINITIONS.](#)

[SECTION 2. ADOPTION OF FRANCHISE.](#)

[SECTION 3. LOCATION, OTHER REGULATIONS.](#)

[SECTION 4. RELOCATIONS.](#)

[SECTION 5. INDEMNIFICATION.](#)

[SECTION 6. VACATION OF PUBLIC WAYS.](#)

[SECTION 7. CHANGE IN FORM OF GOVERNMENT.](#)

[SECTION 8. FRANCHISE FEE.](#)

[SECTION 9. ABANDONED FACILITIES.](#)

[SECTION 10. PROVISIONS OF ORDINANCE.](#)

[SECTION 11. AMENDMENT-PROCEDURE.](#)

[SECTION 12. PREVIOUS FRANCHISES SUPERSEDED: AMENDMENTS.](#)

SECTION 1. *DEFINITIONS.*

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of East Bethel, County of Anoka, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

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Company. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this franchise.

Gas Facilities. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing gas energy for public or private use.

Notice. A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to CenterPoint Energy, Vice President of Operations, 800 LaSalle Avenue, Minneapolis, Minnesota 55402. Notice to the City shall be mailed to City of East Bethel, City Administrator, 2241 - 221st Ave NE, East Bethel, MN 55011-9790. Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Public Way. Public right-of-way within the City as defined in Minnesota Statutes Section 237.162 subd. 3.

Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is held for use in common by the public.

SECTION 2. *ADOPTION OF FRANCHISE.*

- 2.1. **Grant of Franchise.** City hereby grants Company, for a period of 10 years from the date this Ordinance is passed and approved by the City, the right to import, manufacture, distribute and sell gas for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be imposed by the City pursuant to ordinance or permit requirements and to the further provisions of this franchise agreement.
- 2.2. **Effective Date; Written Acceptance.** This franchise shall be in force and effect from and after its passage of this Ordinance and publication as required by law and its acceptance by Company. If Company does not file a written acceptance with the City within 60 days after the date the City Council adopts this Ordinance, or otherwise informs the City, at any time, that the Company does not accept this franchise, the City Council by resolution may revoke this franchise or seek its enforcement in a court of competent jurisdiction.
- 2.3. **Service and Gas Rates.** The service to be provided and the rates to be charged by Company for gas service in City are subject to the jurisdiction of the Commission.
- 2.4. **Publication Expense.** Company shall pay the expense of publication of this Ordinance.
- 2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in State District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or in equity.
- 2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this franchise expires, this franchise will remain in effect until a new franchise is

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agreed upon, or until 90 days after the City or the Company serves written Notice to the other party of its intention to allow the franchise to expire.

SECTION 3. *LOCATION, OTHER REGULATIONS.*

- 3.1. **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System. Gas Facilities may be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Gas Facilities shall be subject to other reasonable regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this franchise.
- 3.2. **Street Openings.** Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two business days after commencing the repair, Company shall apply for any required permits and pay any required fees.
- 3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances consistent with law. Company shall restore the Public Ground to as good a condition as formerly existed, and shall maintain the surface in good condition for six months thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, the right to make the restoration of the Public Ground at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3.
- 3.4. **Performance Security.** The City hereby waives any requirement, in the normal course of Company operations, for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way or the Public Ground. Notwithstanding the foregoing, the City reserves the right to require a performance bond or other form of security for new installation, replacement, relocation, or repairs, when the Company's completion of its work is required in order for the City to proceed on a timely basis with a public improvement project.
- 3.5. **Avoid Damage to Gas Facilities.** The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Gas Facilities, if given reasonable notice by the City of such work prior to its commencement. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Gas Facilities while performing any activity.
- 3.6. **Notice of Improvements to Streets.** The City will give Company reasonable written Notice of plans for improvements to Public Ways where the City has reason to believe that Gas Facilities may affect

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or be affected by the improvement. The notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, and (iv) the time when the City will start the work. The notice will be given to Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities the Company deems necessary.

- 3.7. **Mapping Information.** The Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules Parts 7819.4000 and 7819.4100 and Minnesota Statutes Chapter 216D.

SECTION 4. *RELOCATIONS.*

- 4.1. **Relocation in Public Ways.** The Company shall comply with Minnesota Rules, part 7819.3100 and applicable City ordinances consistent with law.
- 4.2. **Relocation in Public Grounds.** City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Ground upon a finding by City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Relocation shall comply with applicable city ordinances consistent with law.
- 4.3. **Projects with Federal Funding.** Relocation, removal, or rearrangement of any Facilities made necessary because of the extension into or through City of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes Section 161.46, as supplemented or amended. Unless a delay in the timely progress of the project will result, City shall not order Company to remove or relocate its facilities without compensation when a Public Way is vacated, improved or realigned because of a renewal or a redevelopment plan which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable Non-Betterment Costs of such relocation is first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company.

SECTION 5. *INDEMNIFICATION.*

- 5.1. **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work.
- 5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

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SECTION 6. *VACATION OF PUBLIC WAYS.*

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, 7819.3200 and applicable ordinances consistent with law. In no case shall the City be liable to Company for failure to specifically preserve a right-of-way, under Minnesota Statutes, Section 160.29.

SECTION 7. *CHANGE IN FORM OF GOVERNMENT.*

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. *FRANCHISE FEE.*

- 8.1. **Form.** During the term of the franchise hereby granted, and in lieu of any permit fees being imposed on the Company, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and such review will not delay the implementation of the City-imposed fee. The fee shall not be imposed on the Company unless the City imposes a fee of the same or commensurate amount on the sale of gas energy by any other gas energy supplier within the City.
- 8.2. **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least sixty (60) days after written notice enclosing such proposed ordinance has been served upon the Company by certified mail.
- 8.3. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time, however, the change shall meet the same notice requirements and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's determination of the franchise fee payments.
- 8.4. **Continuation of Franchise Fee.** If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon. However, the franchise fee will not remain in effect for more than one year after the franchise expires.

SECTION 9. *ABANDONED FACILITIES.*

The Company shall comply with City ordinances, Minnesota Statutes, Section 216D.01 *et seq.* and Minnesota Rules Part 7819.3300, as they may be amended from time to time. The Company shall

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maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request and comply with the location requirements of Section 216D.04 with respect to all Facilities, including abandoned and retired Facilities.

SECTION 10. *PROVISIONS OF ORDINANCE.*

- 10.1. **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.
- 10.2. **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between the City and Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. *AMENDMENT-PROCEDURE.*

Either party to this franchise agreement may at any time propose that the agreement be amended. This Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment which, subject to the City's rights under law, shall become effective upon the filing of Company's written consent thereto with the City Administrator within 60 days after the effective date of the amendatory ordinance.

SECTION 12. *PREVIOUS FRANCHISES SUPERSEDED; AMENDMENTS.*

This franchise supersedes and replaces previous franchises granted to the Company or its predecessors. Upon Company acceptance of this franchise under Section 2.2, the previous franchise shall terminate.

Adopted by the City Council of the City of East Bethel, Minnesota this 3rd day of October, 2007.

	Gregory Hunter, Mayor
ATTEST:	

Douglas Sell	
City Administrator	

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Introduced: October 3, 2007	
Adopted: October 3, 2007	
Published: October 12, 2007	

FOOTNOTE(S):

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Editor's note— Article III formerly contained the franchise with Midwest Gas, Ord. No. 32B, adopted July 1, 1992. Such ordinance was superseded and previous franchises granted to the Company or its predecessors replaced by Ord. No. 214, adopted Oct. 3, 2007, the franchise with Centerpoint Energy Resources Corporation D/B/A Centerpoint Energy Minnesota Gas herein set out. Style and capitalization have been made uniform, and words in brackets [] have been included by the editor for clarity. ([Back](#))

GAS FRANCHISE ORDINANCE

ORDINANCE NO. _____.

CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY ITS SUCCESSORS AND ASSIGNS, PERMISSION TO ERECT A GAS DISTRIBUTION SYSTEM FOR THE PURPOSES OF CONSTRUCTING, OPERATING, REPAIRING AND MAINTAINING IN THE CITY OF EAST BETHEL, MINNESOTA, THE NECESSARY GAS PIPES, MAINS AND APPURTENANCES FOR THE TRANSMISSION OR DISTRIBUTION OF GAS TO THE CITY AND ITS INHABITANTS AND OTHERS AND TRANSMITTING GAS INTO AND THROUGH THE CITY AND TO USE THE PUBLIC GROUNDS AND PUBLIC WAYS OF THE CITY FOR SUCH PURPOSES.

THE CITY COUNCIL OF THE CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA, ORDAINS:

SECTION 1. DEFINITIONS.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

- 1.1 **City.** The City of East Bethel, County of Anoka, State of Minnesota.
- 1.2 **City Utility System.** Facilities used for providing non-energy related public utility service owned or operated by City or agency thereof, including sewer and water service, but excluding facilities for providing heating, lighting or other forms of energy.
- 1.3 **Commission.** The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all, or part of the authority to regulate Gas retail rates now vested in the Minnesota Public Utilities Commission.
- 1.4 **Company.** Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy its successors and assigns.
- 1.5 **Gas.** "Gas" as used herein shall be held to include natural gas, manufactured gas, or other form of gaseous energy.
- 1.6 **Gas Facilities.** Pipes, mains, regulators, and other facilities owner or operated by Company for the purpose of providing gas service for public use.
- 1.7 **Notice.** A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to Company shall be mailed to the General Counsel, 414 Nicollet Mall, 5th Floor, Minneapolis, MN 55401. Notice to the City shall be mailed to the City Administrator, City Hall, 2241 221st Avenue NE, East Bethel, MN 55011. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.8 **Public Ground.** Land owned by the City for park, open space or similar purpose, which is held for use in common by the public.

1.9 **Public Way.** Any street, alley, walkway or other public right-of-way within the City.

SECTION 2. ADOPTION OF FRANCHISE.

2.1 **Grant of Franchise.** City hereby grants Company, for a period of 20 years from the date passed and approved by the City, the right to transmit and furnish Gas energy for light, heat, power and other purposes for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Grounds and Public Ways of City, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject, however, to such reasonable regulations as may be imposed by the City pursuant to ordinance and to the further provisions of this franchise agreement.

2.2 **Effective Date; Written Acceptance.** This franchise agreement shall be in force and effect from and after passage of this Ordinance, its acceptance by Company, and its publication as required by law. The City by Council resolution may revoke this franchise agreement if Company does not file a written acceptance with the City within 90 days after publication.

2.3 **Service and Rates.** The service to be provided and the rates to be charged by Company for Gas service in City are subject to the jurisdiction of the Commission.

2.4 **Publication Expense.** The expense of publication of this Ordinance will be paid by City and reimbursed to City by Company.

2.5 **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

SECTION 3. LOCATION, OTHER REGULATIONS.

3.1 **Location of Facilities.** Gas Facilities shall be located, constructed and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System previously installed therein. Gas Facilities shall be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance and location of Gas Facilities shall be subject to permits if required by separate ordinance and to other reasonable regulations of the City to the extent not

inconsistent with the terms of this franchise agreement. Company may abandon underground gas facilities in place, provided, at City's request, Company will remove abandoned metal pipe interfering with a City improvement project, but only to the extent such metal pipe is uncovered by excavation as part of the City's improvement project.

3.2 Field Locations. Company shall provide field locations for its underground Gas Facilities within City consistent with the requirements of Minnesota Statutes, Chapter 216D.

3.3 Street Openings. Company shall not open or disturb any Public Ground or Public Way for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb any Public Ground or Public Way without permission from the City where an emergency exists requiring the immediate repair of Gas Facilities. In such event Company shall notify the City by telephone to the office designated by the City as soon as practicable. Not later than the second working day thereafter, Company shall obtain any required permits and pay any required fees.

3.4 Restoration. After undertaking any work requiring the opening of any Public Ground or Public Way, Company shall restore the same, including paving and its foundation, to as good a condition as formerly existed, and shall maintain any paved surface in good condition for two years thereafter. The work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground or Public Way in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration at the expense of Company. Company shall pay to the City the cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.4, but the City hereby waives any requirement for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required, under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way.

3.5 Avoid Damage to Gas Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Gas Facilities while performing any activity.

3.6 Notice of Improvements. The City must give Company reasonable notice of plans for improvements to Public Grounds or Public Ways where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Grounds and Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Ground or Public Way is involved, the order in which the work is to proceed. The notice must be given to Company a sufficient length of time in advance of the actual commencement of the work to permit Company to make any necessary additions, alterations or repairs to its Gas Facilities.

SECTION 4. RELOCATIONS.

4.1 Relocation of Gas Facilities in Public Ways. If the City determines to vacate a Public Way for a City improvement project, or at City's cost to grade, regrade, or change the line of any Public Way, or construct or reconstruct any City Utility System in any Public Way, it may order Company to relocate its Gas Facilities located therein if relocation is reasonably necessary to accomplish the City's proposed public improvement. Except as provided in Section 4.3, Company shall relocate its Gas Facilities at its own expense. The City shall give Company reasonable notice of plans to vacate for a City improvement project, or to grade, regrade, or change the line of any Public Way or to construct or reconstruct any City Utility System. If a relocation is ordered within five years of a prior relocation of the same Gas Facilities, which was made at Company expense, the City shall reimburse Company for Non-Betterment Costs on a time and material basis, provided that if a subsequent relocation is required because of the extension of a City Utility System to a previously unserved area, Company may be required to make the subsequent relocation at its expense. Nothing in this Ordinance requires Company to relocate, remove, replace or reconstruct at its own expense its Gas Facilities where such relocation, removal, replacement or reconstruction is solely for the convenience of the City and is not reasonably necessary for the construction or reconstruction of a Public Way or City Utility System or other City improvement.

4.2 Relocation of Gas Facilities in Public Ground. City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Ground upon a finding by City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground.

4.3 Projects with Federal Funding. City shall not order Company to remove or relocate its Gas Facilities when a Public Way is vacated, improved or realigned for a right-of-way project or any other project which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable non-betterment costs of such relocation are first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company, which allocated funding the City shall specifically request. Relocation, removal or rearrangement of any Company Gas Facilities made necessary because of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46, as supplemented or amended. It is understood that the rights herein granted to Company are valuable rights.

4.4 No Waiver. The provisions of this franchise apply only to facilities constructed in reliance on a franchise from the City and shall not be construed to waive or modify any rights obtained by Company for installations within a Company right-of-way acquired by easement or prescriptive right before the applicable Public Ground or Public Way was established, or Company's rights under state or county permit.

SECTION 5. TREE TRIMMING.

Company is also granted the permission and authority to trim all shrubs and trees, including roots, in the Public Ways of City to the extent Company finds necessary to avoid interference with the proper construction, operation, repair and maintenance of Gas Facilities, provided that Company shall save City harmless from any liability in the premises.

SECTION 6. INDEMNIFICATION.

6.1 Indemnity of City. Company shall indemnify, keep and hold the City free and harmless from any and all liability on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Gas Facilities located in the Public Grounds and Public Ways. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work. The City shall not be indemnified if the injury or damage results from the performance in a proper manner of acts reasonably deemed hazardous by Company, and such performance is nevertheless ordered or directed by City after notice of Company's determination.

6.2 Defense of City. In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City and Company, in defending any action on behalf of the City shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf.

SECTION 7. VACATION OF PUBLIC WAYS.

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. Except where required for a City improvement project, the vacation of any Public Way, after the installation of Gas Facilities, shall not operate to deprive Company of its rights to operate and maintain such Gas Facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company. In no case, however, shall City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes, Section 160.29.

SECTION 8. CHANGE IN FORM OF GOVERNMENT.

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 9. FRANCHISE FEE.

The City at the time of adopting this franchise agreement does not desire to require that Company collect a franchise fee from its customers in the City. At a future date during the term of this franchise agreement, the City may determine that it desires Company to collect a franchise fee. If so, the City may give Company Notice to amend this franchise agreement to authorize collection of a franchise fee by separate ordinance in an amount and upon such terms and conditions as Company at that time is willing to incorporate in its gas franchise agreements with other cities. Upon receipt of such Notice Company shall negotiate in good faith with City to so amend this franchise agreement.

SECTION 10. PROVISIONS OF ORDINANCE.

10.1 Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

10.2 Limitation on Applicability. This Ordinance constitutes a franchise agreement between the City and Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. AMENDMENT PROCEDURE.

Either party to this franchise agreement may at any time propose that the agreement be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate. If an amendment is agreed upon, this Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of Company’s written consent thereto with the City Clerk within 90 days after the date of final passage by the City of the amendatory ordinance.

SECTION 12. PREVIOUS FRANCHISES SUPERSEDED.

This franchise supersedes any previous Gas franchise granted to Company or its predecessor.

Passed and approved: _____, 2014.

Mayor

Attest:

City Clerk

Date Published: _____

ORDINANCE NO. ____

CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA

AN ORDINANCE GRANTING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION D/B/A XCEL ENERGY ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN FACILITIES AND EQUIPMENT FOR THE TRANSPORTATION, DISTRIBUTION, MANUFACTURE AND SALE OF GAS ENERGY FOR PUBLIC AND PRIVATE USE AND TO USE THE PUBLIC WAYS AND GROUNDS OF THE CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA, FOR SUCH PURPOSE; AND, PRESCRIBING CERTAIN TERMS AND CONDITIONS THEREOF

THE CITY COUNCIL OF THE CITY OF EAST BETHEL, ANOKA COUNTY, MINNESOTA, ORDAINS:

SECTION 1. *DEFINITIONS.*

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of East Bethel, County of Anoka, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by City or agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Minnesota Public Utilities Commission, or any successor agency or agencies, including an agency of the federal government, which preempts all or part of the authority to regulate gas retail rates now vested in the Minnesota Public Utilities Commission.

Company. Northern States Power Company, A Minnesota Corporation D/B/A Xcel Energy, its successors and assigns including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this franchise.

Gas Facilities. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company for the purpose of providing gas energy for public or private use.

Notice. A writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to General Counsel 414 Nicollet Mall, 5th Floor, Minneapolis, Minnesota 55401. Notice to the City shall be mailed to City of East Bethel, City Administrator, 2241 - 221st Ave NE, East Bethel, Minnesota 55011-9790. Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Public Way. Public right-of-way within the City as defined in Minnesota Statutes Section 237.162 subd. 3.

Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is held for use in common by the public.

SECTION 2. *ADOPTION OF FRANCHISE.*

2.1. **Grant of Franchise.** City hereby grants Company, for a period of 10 years from the date this Ordinance is passed and approved by the City, the right to import, manufacture, distribute and sell gas for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, Company may construct, operate, repair and maintain Gas Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such lawful regulations as may be

imposed by the City pursuant to ordinance or permit requirements and to the further provisions of this franchise agreement.

- 2.2. **Effective Date; Written Acceptance.** This franchise shall be in force and effect from and after its passage of this Ordinance and publication as required by law and its acceptance by Company. If Company does not file a written acceptance with the City within 60 days after the date the City Council adopts this Ordinance, or otherwise informs the City, at any time, that the Company does not accept this franchise, the City Council by resolution may revoke this franchise or seek its enforcement in a court of competent jurisdiction.
- 2.3. **Service and Gas Rates.** The service to be provided and the rates to be charged by Company for gas service in City are subject to the jurisdiction of the Commission.
- 2.4. **Publication Expense.** Company shall pay the expense of publication of this Ordinance.
- 2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in State District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or in equity.
- 2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this franchise expires, this franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or the Company serves written Notice to the other party of its intention to allow the franchise to expire.

SECTION 3. *LOCATION, OTHER REGULATIONS.*

- 3.1. **Location of Facilities.** Gas Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt normal operation of any City Utility System. Gas Facilities may be located on Public Grounds as determined by the City. Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Gas Facilities shall be subject to other reasonable regulations of the City consistent with authority granted the City to manage its Public Ways and Public Grounds under state law, to the extent not inconsistent with a specific term of this franchise.
- 3.2. **Street Openings.** Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance, for which the City may impose a reasonable fee. Permit conditions imposed on Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Gas Facilities and (ii) Company gives telephone, email or similar notice to the City before commencement of the emergency repair, if reasonably possible. Within two business days after commencing the repair, Company shall apply for any required permits and pay any required fees.
- 3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, Part 7819.1100 and applicable City ordinances consistent with law. Company shall restore the Public Ground to as good a condition as formerly existed, and shall maintain the surface in good condition for six months thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, the right to make the restoration of the Public Ground at the expense of Company. Company shall pay to the City the cost of such work done for or

performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3.

- 3.4. **Performance Security.** The City hereby waives any requirement, in the normal course of Company operations, for Company to post a construction performance bond, certificate of insurance, letter of credit or any other form of security or assurance that may be required under a separate existing or future ordinance of the City, of a person or entity obtaining the City's permission to install, replace or maintain facilities in a Public Way or the Public Ground. Notwithstanding the foregoing, the City reserves the right to require a performance bond or other form of security for new installation, replacement, relocation, or repairs, when the Company's completion of its work is required in order for the City to proceed on a timely basis with a public improvement project.
- 3.5. **Avoid Damage to Gas Facilities.** The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Facilities by persons, property, or the elements. The Company must take protective measures when the City performs work near the Gas Facilities, if given reasonable notice by the City of such work prior to its commencement. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Gas Facilities while performing any activity.
- 3.6. **Notice of Improvements to Streets.** The City will give Company reasonable written Notice of plans for improvements to Public Ways where the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The notice will contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, and (iv) the time when the City will start the work. The notice will be given to Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit Company to make any additions, alterations or repairs to its Gas Facilities the Company deems necessary.
- 3.7. **Mapping Information.** The Company must promptly provide complete and accurate mapping information for any of its Gas Facilities in accordance with the requirements of Minnesota Rules Parts 7819.4000 and 7819.4100 and Minnesota Statutes Chapter 216D.

SECTION 4. *RELOCATIONS.*

- 4.1. **Relocation in Public Ways.** The Company shall comply with Minnesota Rules, part 7819.3100 and applicable City ordinances consistent with law.
- 4.2. **Relocation in Public Grounds.** City may require Company at Company's expense to relocate or remove its Gas Facilities from Public Ground upon a finding by City that the Gas Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground. Relocation shall comply with applicable city ordinances consistent with law.
- 4.3. **Projects with Federal Funding.** Relocation, removal, or rearrangement of any Facilities made necessary because of the extension into or through City of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes Section 161.46, as supplemented or amended. Unless a delay in the timely progress of the project will result, City shall not order Company to remove or relocate its facilities without compensation when a Public Way is vacated, improved or re-aligned because of a renewal or a redevelopment plan which is financially subsidized in whole or in part by the Federal Government or any agency thereof, unless the reasonable Non-Betterment Costs of such relocation is first paid to Company. The City is obligated to pay Company only for those portions of its relocation costs for which City has received federal funding specifically allocated for relocation costs in the amount requested by the Company.

SECTION 5. *INDEMNIFICATION.*

- 5.1. **Indemnity of City.** Company shall indemnify and hold the City harmless from any and all liability, on account of injury to persons or damage to property occasioned by the construction, maintenance, repair, inspection, the issuance of permits, or the operation of the Gas Facilities located in the Public Ways and Public Grounds. The City shall not be indemnified for losses or claims occasioned through its own negligence except for losses or claims arising out of or alleging the City's negligence as to the issuance of permits for, or inspection of, Company's plans or work.
- 5.2. **Defense of City.** In the event a suit is brought against the City under circumstances where this agreement to indemnify applies, Company at its sole cost and expense shall defend the City in such suit if written notice thereof is promptly given to Company within a period wherein Company is not prejudiced by lack of such notice. If Company is required to indemnify and defend, it will thereafter have control of such litigation, but Company may not settle such litigation without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any action on behalf of the City, shall be entitled to assert in any action every defense or immunity that the City could assert in its own behalf. This franchise agreement shall not be interpreted to constitute a waiver by the City of any of its defenses of immunity or limitations on liability under Minnesota Statutes, Chapter 466.

SECTION 6. *VACATION OF PUBLIC WAYS.*

The City shall give Company at least two weeks prior written notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, 7819.3200 and applicable ordinances consistent with law. In no case shall the City be liable to Company for failure to specifically preserve a right-of-way, under Minnesota Statutes, Section 160.29.

SECTION 7. *CHANGE IN FORM OF GOVERNMENT.*

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 8. *FRANCHISE FEE.*

- 8.1. **Form.** During the term of the franchise hereby granted, and in lieu of any permit fees being imposed on the Company, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and such review will not delay the implementation of the City-imposed fee. The fee shall not be imposed on the Company unless the City imposes a fee of the same or commensurate amount on the sale of gas energy by any other gas energy supplier within the City.
- 8.2. **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least sixty (60) days after written notice enclosing such proposed ordinance has been served upon the Company by certified mail.

- 8.3. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time, however, the change shall meet the same notice requirements and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's determination of the franchise fee payments.
- 8.4. **Continuation of Franchise Fee.** If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon. However, the franchise fee will not remain in effect for more than one year after the franchise expires.

SECTION 9. *ABANDONED FACILITIES.*

The Company shall comply with City ordinances, Minnesota Statutes, Section 216D.01 *et seq.* and Minnesota Rules Part 7819.3300, as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request and comply with the location requirements of Section 216D.04 with respect to all Facilities, including abandoned and retired Facilities.

SECTION 10. *PROVISIONS OF ORDINANCE.*

- 10.1. **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.
- 10.2. **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between the City and Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 11. *AMENDMENT-PROCEDURE.*

Either party to this franchise agreement may at any time propose that the agreement be amended. This Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment which, subject to the City's rights under law, shall become effective upon the filing of Company's written consent thereto with the City Administrator within 60 days after the effective date of the amendatory ordinance.

SECTION 12. *PREVIOUS FRANCHISES SUPERSEDED; AMENDMENTS.*

This franchise supersedes and replaces previous franchises granted to the Company or its predecessors. Upon Company acceptance of this franchise under Section 2.2, any previous franchise shall terminate.

Adopted by the City Council of the City of East Bethel, Minnesota this _____ day of March, 2014.

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	Robert DeRoche, Mayor
ATTEST:	

Jack Davis	
City Administrator	



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 4.0 C

Agenda Item:

Sheriff's Department Report

Requested Action:

Information Item

Background Information:

Commander Shelly Orlando will present the March 2014 Sheriff's Report.

Attachments:

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:

April 16, 2014

Agenda Item Number:

Item 6.0 A-F

Agenda Item:

Consent Agenda

Requested Action:

Consider approving the Consent Agenda

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, April 2, 2014 City Council Work Meeting

Meeting minutes from the April 2, 2014 City Council Work Meeting are attached for your review and approval.

Item C

Res. 2014-11 Designating 2002 Ford F-550 Light Duty Truck Surplus Property

The 2002 Ford F-550 light duty truck has outlived its useful life as a dependable vehicle for the City's maintenance needs. With numerous breakdowns and requiring many repairs, the cost to maintain the vehicle has exceeded its value. After 12 years of snow plowing parking lots and cul-de-sacs, pulling trailers, hauling material, and 126,000 miles, it has reached the end of its projected service life. This is a scheduled replacement and budgeted for in the Equipment Replacement Fund.

Staff recommends adoption of Resolution 2014-11, Declaring the 2002 Ford F-550 Surplus Property and directing the vehicle be traded in on a replacement vehicle.

Item D

Approve Purchase of Light Duty Truck with Dump Box and Snowplow

As part of the City's Equipment Replacement Program, the 2002 Ford F-550 light duty truck is scheduled for replacement in 2014. This is a regular replacement for this item. This piece of equipment has reached the stage in its service life where the maintenance costs are becoming excessive and are approaching the value of the truck. Due to higher maintenance costs, increased down time and lower productivity of this vehicle, City staff recommends that we replace the 2002 Ford F-550 light duty truck.

Staff has checked state contracts for light duty trucks with minimum specifications of a one ton frame, diesel engine, dual rear wheels and the ability to have a dump box and hoist mounted.

This is consistent with the vehicle that will be replaced. Staff has reviewed the three options for the cab and chassis on state contract from the three major truck manufactures and has determined that the Ford F-450 provides the best value and the lowest cost. The following information provides pricing data for the cab and chassis portion of the replacement program.

Single Axle Dump Trucks – Cab and Chassis

<u>Model</u>	<u>Dealer</u>	<u>Cost</u>
2015 Ford F-450	Midway Ford	\$39,895

Staff researched truck components on the state contract that included a 9' dump body with hoist and front snow plow. From a review of many different manufacturers, the quote provided by Aspen Equipment best fit the city's needs at the lowest price. The quote includes a 9 foot Henderson box with fold down sides, corrosion resistant bed material, strobe lights, and a Western snowplow.

Dump Body and Plow

<u>Model</u>	<u>Dealer</u>	<u>Cost</u>
Henderson and Western	Aspen Equipment	\$19,264

Funds for this acquisition are provided for in the Equipment Replacement Fund. Funding was budgeted at \$49,000 for replacement of the Ford F-550. The trade-in value of the 2002 Ford F-550 has been quoted at \$6,500 and would be deducted from the cab and chassis purchase price bringing that cost to \$33,395. The total purchase price of the completed truck after the trade-in would be \$52,659. All prices are directly from the State Contract for 2014-2015.

Staff recommends the purchase of the Ford F-450 from Midway Ford with box and plow equipment from Aspen Equipment for a total cost of \$52,659. This equipment will meet our current needs and provide a reliable snow plow and light duty truck with a projected service life of 12 years.

Item E

Ham Lake Chamber of Commerce-Gambling Premise Permit

The Ham Lake Chamber of Commerce is requesting approval of a Premise Permit for Lawful Gambling Activity at The Moonshine Whiskey. The Ham Lake Chamber of Commerce has supported and continues to support the East Bethel community and businesses in many civic endeavors. They have submitted the two required State forms and the City Application which are required for the City approval of the Permit. Staff recommends approval of Resolution 2014-12.

Item F

Approve Purchase Fire Department Light Duty Grass Fire Truck with box

As part of the City's Equipment Replacement Program, the 1989 Chevrolet One Ton light duty truck is scheduled for replacement in 2014. This is a regular replacement for this item. This piece of equipment has reached the stage in its service life where the maintenance costs are becoming excessive and are approaching the value of the truck. Due to higher maintenance costs, increased down time and lower productivity of this vehicle, City staff recommends that we replace the 1989 Chevrolet One Ton light duty truck.

Staff has checked state contracts for light duty trucks with minimum specifications of a one ton frame, diesel engine. This is consistent with the vehicle that will be replaced. Staff has reviewed the three options for the cab and chassis on state contract from the three major truck manufacturers and has determined that the Ford F-350 provides the best value and the lowest

cost. The attached information provides pricing data for the truck, emergency and safety equipment. The existing pump on the 1989 Chevrolet will be repurposed to the new grass Truck and only the tank will be replaced.

The budgeted amount for this purchase is \$ 65,000. The bid cost for this purchase is \$63,960.96.

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 April 16, 2014

Bills to be Approved for Payment	\$402,259.90
Electronic Payroll Payments	\$23,709.40
Payroll City Staff - April 10, 2014	\$31,687.16
Total to be Approved for Payment	\$457,656.46

City of East Bethel

April 16, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
	SAC Fee Remittance	03 2014	Metropolitan Council	101		\$2,692.80
	Sales Tax Remittance	2014Q1	Minnesota Revenue	101		\$131.00
Arena Operations	Auto/Misc Licensing Fees/Taxes	173323430003	Anoka County	615	49851	\$155.53
Arena Operations	Bldgs/Facilities Repair/Maint	39673	Aker Doors, Inc.	615	49851	\$2,422.00
Arena Operations	Bldgs/Facilities Repair/Maint	101996	Rogers Electric	615	49851	\$291.15
Arena Operations	Bldgs/Facilities Repair/Maint	33279352	Trane U.S. Inc.	615	49851	\$845.16
Arena Operations	Bldgs/Facilities Repair/Maint	032614	Wright-Hennepin Coop Electric	615	49851	\$19.95
Arena Operations	Electric Utilities	032114	Connexus Energy	615	49851	\$2,764.25
Arena Operations	Motor Fuels	1081427702	Ferrellgas	615	49851	\$317.80
Arena Operations	Refuse Removal	11217501	Ace Solid Waste, Inc.	615	49851	\$204.75
Arena Operations	Telephone	040114	CenturyLink	615	49851	\$95.61
Building Inspection	Electrical Permits	040114	Brian Nelson Inspection Svcs	101		\$684.75
Building Inspection	Surcharge Remittance	19484003051	MN Dept Labor & Industry	101		\$576.50
Central Services/Supplies	Cleaning Supplies	702160275001	Office Depot	101	48150	\$22.42
Central Services/Supplies	Cleaning Supplies	702825550001	Office Depot	101	48150	\$25.34
Central Services/Supplies	Information Systems	05 2014	Anoka County Treasury Dept	101	48150	\$225.00
Central Services/Supplies	Information Systems	218533	City of Roseville	101	48150	\$2,254.25
Central Services/Supplies	Information Systems	04 2014	Midcontinent Communications	101	48150	\$1,278.00
Central Services/Supplies	Office Equipment Rental	251053310	US Bank Equipment Finance	101	48150	\$269.50
Central Services/Supplies	Office Supplies	702160275001	Office Depot	101	48150	\$126.01
Central Services/Supplies	Office Supplies	702161114001	Office Depot	101	48150	\$2.73
Central Services/Supplies	Office Supplies	702825550001	Office Depot	101	48150	\$62.84
Central Services/Supplies	Telephone	032814	CenturyLink	101	48150	\$215.52
City Administration	Small Tools and Minor Equip	702161115001	Office Depot	101	41320	\$20.95
Fire Department	Auto/Misc Licensing Fees/Taxes	273323230008	Anoka County	101	42210	\$545.16
Fire Department	Auto/Misc Licensing Fees/Taxes	363323240084	Anoka County	101	42210	\$53.23
Fire Department	Bldgs/Facilities Repair/Maint	49562	Menards Cambridge	101	42210	\$119.07
Fire Department	Bldgs/Facilities Repair/Maint	032614	Wright-Hennepin Coop Electric	101	42210	\$4.98
Fire Department	Clothing & Personal Equipment	147715	Aspen Mills, Inc.	101	42210	\$58.85
Fire Department	Disability Insurance	14046405	The Hartford	101	42210	\$396.24
Fire Department	Electric Utilities	032114	Connexus Energy	101	42210	\$770.00
Fire Department	Motor Vehicles Parts	F-240850007	Allstate Peterbilt North	101	42210	\$47.01
Fire Department	Refuse Removal	11217501	Ace Solid Waste, Inc.	101	42210	\$54.29
Fire Department	Small Tools and Minor Equip	154780	Clarey's Safety Equipment Inc.	101	42210	\$397.53
Fire Department	Small Tools and Minor Equip	49562	Menards Cambridge	101	42210	\$79.98
Fire Department	Telephone	032814	CenturyLink	101	42210	\$52.34
Fire Department	Telephone	032814	CenturyLink	101	42210	\$157.42
Fire Department	Telephone	032814	CenturyLink	101	42210	\$106.27
Fire Department	Telephone	040114	CenturyLink	101	42210	\$50.23
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	10945	Betz Mechanical, Inc.	101	41940	\$445.72
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	457964	Ham Lake Hardware	101	41940	\$13.41
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	49458	Menards Cambridge	101	41940	\$29.99
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	040114	Timberwolf Comm. Cabinetry	101	41940	\$985.00
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	15033	GHP Enterprises, Inc.	101	41940	\$357.15
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-03-14	Premium Waters, Inc.	101	41940	\$36.67

City of East Bethel

April 16, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	123762	Robert B. Hill Company	101	41940	\$18.00
General Govt Buildings/Plant	Electric Utilities	032114	Connexus Energy	101	41940	\$831.43
General Govt Buildings/Plant	Refuse Removal	11217501	Ace Solid Waste, Inc.	101	41940	\$45.10
Legal	Legal Fees	03 2014	Eckberg, Lammers, Briggs,	101	41610	\$7,812.10
Legal	Legal Fees	134548	Eckberg, Lammers, Briggs,	101	41610	\$2,000.00
Mayor/City Council	Conferences/Meetings	198508	League of MN Cities	101	41110	\$85.00
Park Maintenance	Auto/Misc Licensing Fees/Taxes	043323430001	Anoka County	101	43201	\$155.53
Park Maintenance	Auto/Misc Licensing Fees/Taxes	353323130003	Anoka County	101	43201	\$25.00
Park Maintenance	Auto/Misc Licensing Fees/Taxes	353323310005	Anoka County	101	43201	\$25.00
Park Maintenance	Clothing & Personal Equipment	1132225918	G&K Services - St. Paul	101	43201	\$18.21
Park Maintenance	Clothing & Personal Equipment	1182237321	G&K Services - St. Paul	101	43201	\$18.21
Park Maintenance	Electric Utilities	032114	Connexus Energy	101	43201	\$164.25
Park Maintenance	Other Equipment Rentals	73791	Jimmy's Johnnys, Inc.	101	43201	\$52.00
Park Maintenance	Personnel Advertising	87649	ECM Publishers, Inc.	101	43201	\$108.00
Park Maintenance	Personnel/Labor Relations	289927	First Advantage LNS Screening	101	43201	\$85.33
Planning and Zoning	Professional Services Fees	816	Flat Rock Geographics, LLC	101	41910	\$975.00
Planning and Zoning	Small Tools and Minor Equip	702161115001	Office Depot	101	41910	\$20.95
Police	Professional Services Fees	S140408D	Anoka County Treasury Dept	101	42110	\$256,538.00
Police	Professional Services Fees	100172	Gopher State One-Call	101	42110	\$2.90
Police	Professional Services Fees	03 2014	Gratitude Farms	101	42110	\$425.00
Recycling Operations	Auto/Misc Licensing Fees/Taxes	273323240010	Anoka County	226	43235	\$21.29
Recycling Operations	Electric Utilities	032114	Connexus Energy	226	43235	\$122.08
Recycling Operations	Other Advertising	57409	The Courier	226	43235	\$272.50
Recycling Operations	Other Equipment Rentals	73791	Jimmy's Johnnys, Inc.	226	43235	\$52.00
Recycling Operations	Refuse Removal	11217501	Ace Solid Waste, Inc.	226	43235	\$204.75
Risk Management	Automotive Ins	45945	League of MN Cities Ins Trust	101	48140	\$13,353.00
Risk Management	Bonding Insurance	45945	League of MN Cities Ins Trust	101	48140	\$458.00
Risk Management	General Liability Ins	45721	League of MN Cities Ins Trust	101	48140	\$10,248.00
Risk Management	General Liability Ins	45945	League of MN Cities Ins Trust	101	48140	\$38,369.00
Risk Management	Machinery Breakdown	45945	League of MN Cities Ins Trust	101	48140	\$2,156.00
Risk Management	Property Ins	45945	League of MN Cities Ins Trust	101	48140	\$38,796.00
Sewer Operations	Bldg/Facility Repair Supplies	50251	Menards Cambridge	602	49451	\$191.88
Sewer Operations	Bldgs/Facilities Repair/Maint	032614	Wright-Hennepin Coop Electric	602	49451	\$22.95
Sewer Operations	Chemicals and Chem Products	3577602 RI	Hawkins, Inc	602	49451	\$90.00
Sewer Operations	Electric Utilities	032114	Connexus Energy	602	49451	\$858.23
Sewer Operations	Electric Utilities	032114	Connexus Energy	602	49451	\$54.72
Street Maintenance	Auto/Misc Licensing Fees/Taxes	942195	DVS Renewal	101	43220	\$16.00
Street Maintenance	Bldg/Facility Repair Supplies	3478930	Kimball Midwest	101	43220	\$218.25
Street Maintenance	Bldg/Facility Repair Supplies	7192	Quality Sales & Service, Inc.	101	43220	\$46.80
Street Maintenance	Bldgs/Facilities Repair/Maint	1132225918	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182237321	G&K Services - St. Paul	101	43220	\$9.17
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-03-14	Premium Waters, Inc.	101	43220	\$36.66
Street Maintenance	Bldgs/Facilities Repair/Maint	032614	Wright-Hennepin Coop Electric	101	43220	\$19.92
Street Maintenance	Clothing & Personal Equipment	1132225918	G&K Services - St. Paul	101	43220	\$18.32
Street Maintenance	Clothing & Personal Equipment	1182237321	G&K Services - St. Paul	101	43220	\$19.04

City of East Bethel

April 16, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Street Maintenance	Electric Utilities	032114	Connexus Energy	101	43220	\$1,527.35
Street Maintenance	Equipment Parts	F-240840031	Allstate Peterbilt North	101	43220	\$24.75
Street Maintenance	Equipment Parts	F4041056396	BlueTarp Financial, Inc.	101	43220	\$84.99
Street Maintenance	Equipment Parts	8655	Plow World, Inc.	101	43220	\$70.95
Street Maintenance	Lubricants and Additives	D10545	Gregory Cardey	101	43220	\$153.25
Street Maintenance	Lubricants and Additives	2350080	Lubricant Technologies, Inc.	101	43220	\$850.15
Street Maintenance	Lubricants and Additives	2350100	Lubricant Technologies, Inc.	101	43220	\$911.05
Street Maintenance	Lubricants and Additives	1539-279927	O'Reilly Auto Stores Inc.	101	43220	\$43.92
Street Maintenance	Lubricants and Additives	1539-280180	O'Reilly Auto Stores Inc.	101	43220	\$5.99
Street Maintenance	Motor Vehicle Services (Lic d)	IEB-0328-20215	North Metro Auto Glass	101	43220	\$215.00
Street Maintenance	Motor Vehicles Parts	77678	Central Truck Service, Inc	101	43220	\$8.00
Street Maintenance	Motor Vehicles Parts	1539-278176	O'Reilly Auto Stores Inc.	101	43220	\$55.57
Street Maintenance	Motor Vehicles Parts	1539-278358	O'Reilly Auto Stores Inc.	101	43220	\$78.72
Street Maintenance	Motor Vehicles Parts	1539-278375	O'Reilly Auto Stores Inc.	101	43220	(\$55.57)
Street Maintenance	Motor Vehicles Parts	1539-279747	O'Reilly Auto Stores Inc.	101	43220	\$406.35
Street Maintenance	Motor Vehicles Parts	1539-279808	O'Reilly Auto Stores Inc.	101	43220	\$45.24
Street Maintenance	Motor Vehicles Parts	1539-279941	O'Reilly Auto Stores Inc.	101	43220	\$212.98
Street Maintenance	Motor Vehicles Parts	1539-280128	O'Reilly Auto Stores Inc.	101	43220	\$106.49
Street Maintenance	Motor Vehicles Parts	1539-280179	O'Reilly Auto Stores Inc.	101	43220	(\$186.49)
Street Maintenance	Personnel/Labor Relations	289927	First Advantage LNS Screening	101	43220	\$106.67
Street Maintenance	Refuse Removal	11217501	Ace Solid Waste, Inc.	101	43220	\$81.43
Street Maintenance	Safety Supplies	F4041056396	BlueTarp Financial, Inc.	101	43220	\$24.99
Street Maintenance	Safety Supplies	55034	Menards - Forest Lake	101	43220	\$65.28
Street Maintenance	Shop Supplies	1539-278580	O'Reilly Auto Stores Inc.	101	43220	\$65.26
Street Maintenance	Shop Supplies	1539-278752	O'Reilly Auto Stores Inc.	101	43220	\$21.97
Street Maintenance	Shop Supplies	1539-280955	O'Reilly Auto Stores Inc.	101	43220	\$26.88
Street Maintenance	Small Tools and Minor Equip	3481946	Kimball Midwest	101	43220	\$96.97
Street Maintenance	Telephone	032814	CenturyLink	101	43220	\$64.84
Street Maintenance	Welding Supplies	9025533800	Airgas USA, LLC	101	43220	\$210.51
Water Utility Operations	Auto/Misc Licensing Fees/Taxes	293423220142	Anoka County	601	49401	\$53.23
Water Utility Operations	Bldgs/Facilities Repair/Maint	032614	Wright-Hennepin Coop Electric	601	49401	\$28.39
Water Utility Operations	Electric Utilities	032114	Connexus Energy	651	49401	\$1,054.44
Water Utility Operations	Telephone	032814	CenturyLink	651	49401	\$271.10
						\$402,259.90
Electronic Payroll Payments						
Payroll	PERA					\$5,568.58
Payroll	Federal Withholding					\$5,220.55
Payroll	Medicare Withholding					\$1,410.24
Payroll	FICA Tax Withholding					\$6,029.88
Payroll	State Withholding					\$2,174.94
Payroll	MSRS/HCSP					\$3,305.21
						\$23,709.40

EAST BETHEL CITY COUNCIL MEETING

APRIL 2, 2014

The East Bethel City Council met on April 2, 2014 at 7:30 PM for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Tim Harrington
 Heidi Moegerle Tom Ronning

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

Call to Order The April 2, 2014 City Council meeting was called to order by Mayor DeRoche at 7:30 P.M. The Pledge of Allegiance was recited.

Pledge of Allegiance

3.0 **Harrington made a motion to adopt the April 2, 2014, City Council agenda as amended to add Item H, Supplemental Bill List, to the Consent Agenda. Koller seconded. All in favor, motion carries.**

Adopt Agenda

4.0 No one signed to speak at the Public Forum.

Public Forum

5.0 Item A Bills/Claims

Consent Agenda

Item B Meeting Minutes, March 5, 2014 City Council Work Meeting
Meeting minutes from the March 5, 2014 City Council Work Meeting are attached for your review and approval.

Item C Meeting Minutes, March 5, 2014 City Council Regular Meeting
Meeting minutes from the March 5, 2014 City Council Regular Meeting are attached for your review and approval.

Item D Meeting Minutes, March 19, 2014 City Council Work Meeting
Meeting minutes from the March 19, 2014 City Council Work Meeting are attached for your review and approval.

Item E Meeting Minutes, March 19, 2014 City Council Regular Meeting
Meeting minutes from the March 19, 2014 City Council Regular Meeting are attached for your review and approval.

Item F Approve Completion of Probation for Receptionist
Karen White began her new position as Receptionist at the City on 10/7/13. Since that time, she has performed in an exceptional and exemplary manner. Staff is recommending her appointment as a regular employee based on the satisfactory completion of the six-month probationary period required of all new or promoted employees.

Item G Approve the Minnesota Mayors Conference as a Reimbursable Expense
Mayor DeRoche has requested to attend the Minnesota Mayors Conference in Fergus Falls on April 25-26, 2014. The reimbursement request would be \$85.00 for registration in

addition to per diem and mileage. This request is appropriate and funds have been budgeted and are available for this purpose in the Mayor and City Council Budget for 2014.

Item H Supplemental Bill List

Ronning, "I want to pull B, C, D, and E."

DeRoche motioned to approve A, F, G, and H. Ronning seconded. All in favor, motion carries unanimously.

Ronning, "There have been some concerns with the recent minutes, not to say that anybody, she has done a heck of a job, being called to fill in, doing double duty pretty much, and getting burned out too."

DeRoche, "Jack, would you say that? She's getting burned out?"

Davis, "I think Jill had several things on her plate. She was doing the EDA, Planning, Roads, and Parks. Particularly in February there were two Council meetings, special meetings, and work meetings. That adds up to considerable time in addition to her normal job and other responsibilities."

Ronning motioned to table consideration of B, C, D, and E, from the Consent Agenda, compare these Minutes to the Minutes that will be prepared for the April 2, 2014, meeting and consider a corrections procedure at the April 16, 2014, Council meeting. DeRoche seconded.

Roll call: DeRoche, Harrington, Koller, Ronning-Aye; Moegerle-Nay, motion carries 4-1.

**6.0
New Business**

Commission, Association and Task Force Reports

6.0A
Planning
Commission
6.0A.1
Michelle
Arellano –
IUP for Home
Occupation –
Metro Plus
Turnover
Cleaning
Services 449
220th Avenue
NE, East
Bethel, MN
Zoning RR

Davis presented the staff report and request to consider granting an Interim Use Permit (IUP) for Michelle Arellano for a Home Occupation in the RR – Rural Residential District.

The applicant, Michelle Arellano, is requesting an IUP to operate a home-based cleaning service business. She would be utilizing the address at 449 220th Avenue NE as her home office only and for storage of cleaning supplies in the garage. The Planning Commission conducted a Public Hearing for this request and as a result of the Hearing, voted to recommend approval of this IUP to City Council.

Staff recommends City Council consider approval of an IUP for a home occupation for a turnover cleaning service, located at 449 220th Avenue NE, Erickson Addition, Lot 2, Block 3, PIN 07-33-23-21-0018, with the conditions listed in the packet.

DeRoche motioned to approve the Interim Use Permit (IUP) as requested by Michelle Arellano at 449 220th Avenue NE (PIN 07-33-23-21-0018) for the operation of a turnover cleaning service business, subject to the following conditions:

- 1. Home Occupation shall meet the specific home occupation standards set forth in the City Code Appendix A Section 10-18:**

- a. **No more than three (3) persons, at least one (1) of whom shall reside within the principal dwelling, shall be employed by the Home Occupation.**
- b. **No traffic shall be generated by any home occupation in a significantly greater volume than would normally be expected from a single-family residence.**
- c. **Any sign associated with the home occupation shall be in compliance with the East Bethel City Code, Chapter 54. Signs. Home occupation signage must be no larger than two (2) square feet (City Code Chapter 54-4.3).**
- d. **The home occupation shall not generate hazardous waste unless a plan for off-site disposal of the waste is approved.**
- e. **A home occupation at a dwelling with an on-site sewage treatment system shall only generate normal domestic household waste unless a plan for off-site disposal of the waste is approved.**
- f. **The home occupation shall not constitute, create, or increase a nuisance to the criteria and standards established in this ordinance.**
- g. **There shall be no outdoor display or storage of goods, equipment, or materials for the home occupation.**
- h. **Parking needs generated by the home occupation shall be provided on-site.**
- i. **The area set aside for the home occupation in the principal structure shall not exceed 50 percent of the gross living area of the principal structure and the area set aside for the home occupation in the attached or detached accessory structures or garages shall not exceed total accessory structure space.**
- j. **No structural alterations or enlargements shall be made for the sole purpose of conducting the home occupation.**
- k. **There shall be no detriments to the residential character of the neighborhood due to the emission of noise, odor, smoke, dust, gas, heat, glare, vibration, electrical interference, traffic congestion, or any other nuisance resulting from the home occupation.**
 - 1. **Violation of conditions and City Codes shall result in the revocation of the IUP.**
 - 2. **All conditions must be met no later than April 30, 2014. An IUP Agreement shall be signed and executed no later than April 30, 2014. Failure to execute the IUP Agreement will result in the null and void of the IUP.**

Moegerle seconded. All in favor, motion carries unanimously.

6.0A.2
Appendix A,
Section 10
Zoning
Ordinance,
General
Development
Regulations,
Section 19 –
Home
Occupations

Davis presented the staff report and request to consider changes to City Code, Appendix A, Zoning Ordinance, Section 10 General Development Regulations, Section 19, Home Occupations for the definition of Home Occupation.

City Council considered an IUP renewal for Jeff Kirkeby owner of Pavement Resources at the February 19, 2014, meeting. Upon hearing the request, Council approved a 60-day extension of the IUP and referred the matter to the Planning Commission to consider redefining the definition of Home Occupation. The Planning Commission discussed this matter at their March 25, 2014, meeting and approved a modification to the definition as follows:

No more than three persons, at least one of whom shall reside within the principal dwelling, shall work at the home occupation site.

The old definition in the City Code currently reads as follows:

No more than three persons, at least one of whom shall reside within the principal dwelling, shall be employed by the home occupation.

This change would allow the creation and expansion of those Home Occupation businesses that utilize off-site employees and still minimize the impact of these activities in the residential areas in which they are located.

Staff recommends that Council approve the change in definition of Home Occupation, Appendix A, Zoning Ordinance, Section 10-19, as approved by the Planning Commission on March 25, 2014 and provide directions to publish.

Moegerle motioned to approve the change in definition of Home Occupation, Appendix A, Zoning Ordinance, Section 10-19 A, to the following:

No more than three persons, at least one of whom shall reside within the principal dwelling, shall work at the home occupation site.

and direct staff to publish. Ronning seconded. All in favor, motion carries unanimously.

6.0A.3
Jeff Kirkeby –
IUP for Home
Occupation –
Pavement
Resources,
23310
Monroe Street
NE

Davis presented the staff report and request to consider approving an Interim Use Permit (IUP) to Jeff Kirkeby, DBA Pavement Resources, at 23310 Monroe Street NE, East Bethel, MN 55005, for a period of three years.

The property owner/applicant is requesting a renewal of an Interim Use Permit that was originally approved in December, 2012 for one year. The IUP is for an asphalt maintenance/equipment sales business for the parcel located at 23310 Monroe Street NE. Mr. Kirkeby’s IUP expired in December 2013 and Mr. Kirkeby’s request for renewal was presented to City Council on February 19, 2014. At that time, there were concerns that Mr. Kirkeby’s business did not meet the current definition of Home Occupations. Council tabled the request until the Planning Commission could review this issue and present a recommendation to the City Council. The Planning Commission reviewed Council’s request and recommended a change in the definition of Home Occupation. Under the new Home Occupation definition, as was previously approved in the agenda item presented before this item, Mr. Kirkeby’s business would qualify for an IUP.

Mr. Kirkeby is still seeking a suitable location for his business but would still need an IUP at his residence to use his accessory building for storage of business equipment. He is currently in compliance with the conditions that were outlined in his original IUP. Mr. Kirkeby employs two full-time and five part-time employees at this location with none that work at this site. Upon relocation to a new site, Mr. Kirkeby proposes to continue to utilize the Monroe Street address for equipment storage inside his existing facility.

Home occupations are a permitted use in the Rural Residential District as long as the applicant can meet the requirements of the City Code and complies with the conditions of the IUP. This proposed home occupation will meet the requirements of the ordinance if the IUP conditions are approved.

Staff recommends City Council consider approval for an Interim Use Permit Renewal in the RR-Rural Residential District for an asphalt maintenance/equipment sales business for the property known as 23310 Monroe Street NE, East Bethel, PIN 31-34-23-13-0013, with the conditions included in the packet.

Ronning motioned to approve an Interim Use Permit Renewal in the RR-Rural Residential District for an asphalt maintenance/equipment sales business for the

property known as 23310 Monroe Street NE, East Bethel, MN 55005, PIN 31-34-23-13-0013, with the following conditions:

- 1. Signage must comply with East Bethel City Code, Chapter 54, which states “for home occupations, one identification sign is permitted, and the sign shall not exceed two square feet.” Signs must be placed on the business property as directional signs are not allowed.**
- 2. The structure must be inspected by the Fire Inspector on a yearly basis.**
- 3. Business street parking shall be prohibited and business parking must be on the driveway.**
- 4. The Interim Use Permit shall expire at the time the property changes hands and/or any of the prescribed stipulations have been violated.**
- 5. Conditions must be met and an IUP Agreement executed no later than 30 days from the date of City Council approval of the IUP. Failure to comply will result in the revocation of the IUP.**
- 6. The IUP will be issued for a period of three years from the date of Council approval. The IUP could be renewed for an additional term with the limits and conditions subject to City Council approval.**
- 7. There will be no expansion of the current accessory building on the site.**
- 8. There will be no additional employees utilized in the business from this site.**
- 9. No additional equipment can be stored outside on the property.**
- 10. Outside storage is limited to essential business related material and personal possessions and is to be in compliance with Ordinances 26-40, 26-52, and 26-110.**
- 11. Business must not emit odors or noise to the extent that surrounding property owners are affected with the exception of vehicle back up alarm systems.**
- 12. Hours of operation shall be from 6 a.m. to 7 p.m.**

Harrington seconded.

Moegerle, “I’m looking at Page 71 of the packet, the write up which says that Mr. Kirkeby’s IUP expired in December 2013. If it expired in 2013, and I’ve been trying to pull up the minutes from February 19, there is nothing to renew. I wanted to get that clarified. Did we ‘forgive’ the expiration? It is not in the write up and I want this to be very clear because someone is going to say we’re setting a precedent by doing this. Do we have that? Can you find that real quick? That was the one thing I had a question for.”

DeRoche, “If I’m not mistaken, when this came up he was granted the extension until it went through the processes to change this.”

Vierling, “This is my recollection but if there is any question at all, the maker of the motion can either grant it as initially or as renewed.”

Ronning motioned to amend to grant the IUP initially or as renewed. Harrington seconded the amendment.

Moegerle, “I would make an amendment with regard to Condition 4 and say the Interim Use Permit shall expire three years from today’s date. As currently written, it says the Interim Use Permit shall expire at the time the property changes hands and/or any of the prescribed conditions have been violated. Let me clarify my motion, I amend the motion that the Interim Use Permit shall expire when any of the prescribed stipulations have been violated or in three years.”

Davis, “That is a misprint. It should be three years.”

Moegerle, "So Condition 4 is an additional stipulation on when it will expire to Condition 6. Okay, never mind, I withdraw."

Vote on amendment: all in favor, amendment motion carries unanimously.

Vote on main motion as amended: all in favor, amended motion carries unanimously.

6.0B None.

Economic
Development
Authority

6.0C None.

Park
Commission

6.0D None.

Road
Commission

**7.0
Department
Reports**

Davis presented the staff report to consider a request from Nancy Krueger, owner of property at 18467 Lakeview Point Drive to continue the placement of her recreational camping vehicle at this address. The Ordinance Committee discussed this matter at a meeting on October 28, 2013. This property is zoned R-1 and has a property tax classification of seasonal recreational residential. The property is 0.2 acres. Ms. Krueger requested the Ordinance be amended to allow the placement of her recreational camping trailer on this site.

7.0A
Community
Development

7.0A.1
Floods
Ordinance
Amendment,
Chapter 34-
183

The Ordinance does provide for exemptions for recreational camping vehicle placement in Chapter 34-183 and after discussion with City Council, staff is recommending consideration of the changes as presented in Attachment #1 to address other issues that were identified in the examination and previous presentation of this concern.

The primary changes that are recommended for consideration are as follows:

- Require the ability to evacuate the recreational camping vehicle upon notification of Emergency Management Authorities
- The lot of record upon which the recreational camping vehicle is placed must be the same as the owner of the recreational camping vehicle
- The placement of the recreational camping vehicle must meet all the setback requirements as required by the City Zoning Ordinance
- There must be a lawful on-site or other MPCA approved facility for disposal and treatment of human waste prior to the placement of a recreational camping vehicle
- The placement of the recreational camping vehicle must comply with all Shoreland Management District regulations
- The site upon which the recreational camping vehicle is placed must meet all regulations required by the MPCA, DNR, and MDH in regard to water and sewage facilities
- All on site water and sewage facilities must be flood proofed if they are located within the area identified in the NFIP 100-year flood plain
- No nuisance conditions will be permitted
- The lot of record must have a tax classification as Seasonal Recreational

- Recreational camping vehicles can only be placed on the property between May 1st through October 1st of any calendar year (This requirement has not been placed in the proposed changes to the Ordinance and is open for discussion)
- Removed the terms *travel trailers* and *travel vehicles* and changed these classification terms to *recreational camping vehicles*. Recreational camping vehicles are further described and referenced to Section 38-19 as to definition. This change should be made throughout the Code to provide consistency with all sections that have used these terms (travel trailers/travel vehicles)

Proposed changes to the Ordinance are listed in the packet and again, these changes do not address Ms. Krueger's concern. They are only proposed in the event you want to make the placement of travel trailers more strict in the City. Staff recommends Council consider approval of these changes and upon action on this matter, consider Ms. Krueger's request as a separate issue.

DeRoche motioned, for discussion purposes, to approve amending the Ordinance related to the placement of recreational camping vehicles as presented. Moegerle seconded.

DeRoche, "We have to have some discussion."

Moegerle motioned to amend the original motion to remove any remaining 'travel trailer/travel vehicles' references and change to 'recreational camping vehicles' in this Chapter.

Vierling, "For clarification is that referenced in the staff recommendation?" Moegerle, "Yes, all it does is continues cleaning up to remove 'travel trailer/travel vehicles' and substituting 'recreational camping vehicles.' Those two were not changed so that makes it consistent with the intent of substituting 'recreational camping vehicle' for those words."

Ronning seconded.

DeRoche, "For discussion purposes, this is one of the situations where I'm wondering why we are changing another ordinance because someone came in, had issues. As far as I know, this has not been an ongoing problem and now we are going to, or it is suggested, that we are going to go through and change some more of this ordinance. I think before we do this, we need to have more than one problem. Sometimes I hear justification that there will be more people coming in here. I'm not sure how long the ordinance has been here, I didn't ask staff what was the history of the ordinance to begin with, apparently there isn't any. But, my thoughts were, well there must have been a reason for them to create the ordinance. Had Ms. Krueger not come in and had these issues, we probably wouldn't have been doing this anyway. Are we going down this road where whenever someone comes in, we should probably change this? I'm not for a change in the definition."

Moegerle, "I will address that. We had an Ordinance Committee meeting, when we still had the Ordinance Committee, and Nancy Krueger brought up this issue. What happened was that we started looking at it, or it was brought to us by staff and we started looking at this. We have a definition for 'recreational camping vehicles' that includes definitions of 'travel trailers' and a total of four subsections under that. When we were looking at this to get it straightened out, we had two sets of definitions. They were not cross referenced so you couldn't figure it out. The point that was made to me at the Ordinance Committee

meeting before Tom arrived, and it may have been repeated after that, but I know it was made at that time, was that if we can simply clean this up so that we know that this applies to all four subcategories of 'recreational camping vehicles' as opposed to specifying 'travel trailers' and 'travel vehicles.' So, this is more of a clean up to make the language consistent between the other ordinances that apply to 'recreational camping vehicles' and their subtype. This is not a substantive change, it is more of a clean up change, is the way I see it. It makes it more consistent, it makes it more clear, and it makes it more simple. It has been difficult to discuss this at the Ordinance Committee because we had different definitions."

Ronning, "Point of clarification please?" DeRoche, "Absolutely." Ronning, "The first time she came in was last summer or last August, or some time. Is that correct?" Davis, "September, I believe." Ronning, "I was here and we didn't have any more Ordinance meetings after that. No more Ordinance meetings were held so I'm not sure what you were referring to about an Ordinance meeting."

Davis, "We had an Ordinance Committee meeting on October 28 with Heidi about the noise and discussed this issue too. We discussed both of them. Again, these changes are not proposed to address Ms. Krueger's situation because they wouldn't apply to her because she is existing there. These are suggestions for your consideration if you want to make it more restrictive and clean up the language of the ordinance. It is almost like a menu, you can go down and decide which ones you'd like or you can select none of them."

DeRoche, "My problem again, Jack, is we come through and look at it, or certain people look at it. I would like to see if there are any minutes from that Ordinance meeting because I would like to see what is actually said." Moegerle, "They weren't kept."

DeRoche, "So, someone created this ordinance and now we are saying we don't like it, we are going to clean it up. Then the next Council Members come in and say we don't like it so we are going to clean it up again because why did you change it to begin with. I'm of the old adage that if it's not broke, don't fix it. To my knowledge, this has not been an issue before Ms. Krueger came in so would we even be discussing this had she never even come in with that problem."

Davis, "We would have in some respects because the reason that she came in was because we sent her a notice that she was in violation of the ordinance. This was based on a complaint from a neighbor. We went down and looked at it and based on the investigation at that time, there were questions on the existing ordinance whether she should place her recreational vehicle upon the lot with no house, or water or sewer system on there."

DeRoche, "Okay, which gets back to someone didn't just pop up with this ordinance. From the reading I've done, ordinances generally are created for either public safety, public health, well being, whatever. Another reason they have to be enforceable. Generally, there has to be a complaint or reason of more than a person to say we want this to happen because if we are going to change things because someone comes into the City and says, 'Well, I don't like blue houses.' We say, 'Okay, we're going to make it so you can't paint your house blue any more.' Well, unless you get the whole group to come in and say it doesn't fit, it looks terrible, right, the aesthetics isn't there. What is the history? Why was this ordinance created to begin with? And, if we're going to just say well, we don't like the way you did it so we are going to change it to the way we like it to fit."

Davis, "Again, this ordinance is not to address Ms. Krueger's situation. This ordinance is to see if Council wants to do anything to improve it or leave it as it is. It is your choice to do what you wish with it. As far as the history of ordinances, there is no written history of anything. You'd have to go back and research minutes to find out what had happened and those may not be all conclusive either. Apparently, the ordinance was written at one time to address what was, or perceived to be, a situation or problem with placement of recreational camping vehicles."

Moegerle, "I think that while your illustration is simple, I don't think it applies to this. Certainly, I think, at a minimum on this ordinance, even without adding any of the additional suggested changes, that to substitute 'recreational camping vehicle' for 'travel trailer' and 'travel vehicle' language is required to simplify what we've got and to be internally consistent. This original ordinance was written in 1992. I was not able to search the information on the background on that. I think in times past there has been discussion that some of the ordinances could be simplified and improved to make them more user friendly. I certainly think that this definitional change, if the other amendments alone are stricken, that's fine. I think that's a great debate to have in discussion here. But I certainly think that the change with regard to the 'recreational camping vehicles' will be of benefit to our ordinances and to the Building Department when they try and enforce this because they don't have to parse between is that a travel trailer, is that a travel vehicle, or a pop-up camper, or all of that because it applies to all categories of recreational camping vehicles. I think that is a benefit. As to the other issues, I think they are all debatable as to the value. I think the one minimal change should be made."

DeRoche, "So you want to define what a travel trailer is, what a rec trailer is. Now that is according to whose definition of what these are." Moegerle, "Our ordinances. If you will search our ordinances for 'recreational camping vehicle,' it is in there and it has a subcategory. Do you have the reference for that?" Davis, "3819, I believe." Moegerle, "Okay, so if you check 38-19, and I'll take it on trust from Jack, there you'll see 'recreational camping vehicle' defined and the four subcategories. My computer is going pretty slow today, let's see what we've got. Yes, 3819, under the Manufactured Home Parks, it was in our packet last time. 'Definitions, Recreational Camping Vehicles means any of the following: a travel trailer, a pick up coach, motor home, and camping trailer.' So what we have in the existing ordinance we are looking at today, we use a term that is not defined, which is 'travel vehicles.' By substituting 'recreational camping vehicle' for 'travel trailer' and 'travel vehicle' then we make our ordinance internally consistent so it means all of the four subcategories. That is just simple logic, I think, that we simplify it. As far as the other suggestions, I think we should discuss each one of those individually about the value of adding those additional issues. And, I think there is value in them from the standpoint of they make it very difficult for black water to get into our lakes during a flood. I think we want that, to protect our lakes. I think that is a valuable addition."

DeRoche, "Well at the end there are five votes. I would prefer it remain the way it is. I think someone did it with their intent and it is not my place to change because I don't like the way certain things are or because I have certain experiences to just go through and change things, but that is neither here nor there."

Ronning, "Jack, these four subcategories under the category, what does this do? What is it intended to do?" Davis, "As far as the definition?" Ronning, "For the change." Davis, "The change is to make it more restrictive and to clarify regulations as to the placement of RVs for recreational purposes on those City lots that have a tax classification of Seasonal

Recreational. The ordinance is somewhat vague and allows some gray areas for interpretation. If you have a property you may be able to come in and park an RV on there that could be in between two \$500,000 homes, this is an extreme example. There are a couple situations though that this could exist. There is a little sliver of a lot that is 25 feet wide, classified as Seasonal Recreational, and in between it are two expensive homes. If there was an existing method of sewage disposal on this, it could be that someone could park an RV on there and say this is for Seasonal Recreational purposes, 'I'm not living here but I come down here and spend the day or weekend,' something like that. That could lead to the devaluation of adjacent properties and it could also provide situations where people may dump some waste on the ground. I'm not insinuating that Ms. Krueger has done this, in fact, she has kept up her property very nicely. But, there could be certain situations where this could create a problem and I'm sure that is why the ordinance was originally written. What we have proposed as amendments makes it more restrictive in placing recreational vehicles on these lots that are tax classified as Seasonal Recreational. Hopefully, to prevent some of these problems."

Ronning, "I agree with Bob 100% that change for change sake does not really fit too well with me. But if it is reasonable, if there is some specific thing accomplished by it, I don't oppose that either. I'm not sure if I'm understanding what, so the four categories under one, and there is one category period if this passes?"

Davis, "In terms of definition, it just keeps it from going all over the board. So when you say 'recreational camping vehicle' you mean 'travel trailer,' which is something you hook to your vehicle and pull around, it is on wheels, and has a tongue. 'Travel vehicle,' which would be an RV type of situation that is self motorized. A 'pick-up camper' would be a topper or some form of camper that fits in the back of your pick-up. This would refer and define this and make it common to all of it. When you wanted to know if this was one or the other, you'd look it up and say, 'okay, 'recreational camping vehicle' covers all of these.' It kind of simplifies the definition of it."

Ronning, "How does it, or is it related to the other one, 38-19?" Davis, "38-19 is the definition where it defines 'recreational camping vehicle' and the subcategories of the definition."

Moegerle, "As this is currently written, what could happen is she could get one of those pop-up campers with the canvas foldout and this doesn't apply to her. So anybody could do that. Or, you could drive your pickup truck with a topper on top of it and do all of these things. The issues we are talking about dealing with sewage and septage and flood zones and all of that stuff, that doesn't apply. So that is why the changing to 'recreational camping vehicle' matters. Because then it covers all of those camping residences or places that people stay. Because, if you just say 'travel trailers' and 'travel vehicles' then there are three other categories that they can use instead. Why would you just want to eliminate 'travel trailers' and 'travel vehicles?' They are functionally the same as the other three categories."

DeRoche, "You lost me on the pop-up campers." Ronning, "Yes, what would make it any different than any of the other?" Moegerle, "Because as this is written, using 'travel trailers' and 'travel vehicles,' that is not a pop-up camper." Ronning, "It could be." Moegerle, "Not by the definition." DeRoche, "That is the way they are sold, Heidi."

Moegerle, "Take a look at our ordinances. Our ordinance, at 38-19, differentiates that. In

the definitions, it says that a 'travel trailer' is not a pickup coach, a motor home, or a camping trailer. That is what it says. We could change all of that but the simple thing to do is to say in the ordinance that we have in front of us, we will change to 'recreational camping vehicles' and it will cover motor homes, it will cover pickups, and all of those things. That is the simple thing that is accomplished by the 'recreational camping vehicle' change. I think that is a very good thing, it makes good sense."

DeRoche, "Again, that is your interpretation, that is your way of looking at it, and that is what happens with a lot of ordinances that have been looked at. You have your interpretation."

Moegerle, "Could we have a legal opinion? Mark, have you looked at our definitions at 38-19 for 'recreational camping vehicle' or 34-183? Do you see that there is a value? Or does it make a difference?"

Vierling, "I don't have them in front of me and for some reason I can't open your Code. But, from the discussion, I can see that there are separate definitions for the two of them, and therefore separate application. You can leave it the way it is if you are happy with those. You can alter as is proposed to go to 'recreational camping vehicles' or if you wish, you can go with the definition of 'travel trailers' and 'travel vehicles' and redefine those if you wish to do that."

Davis, "Even our definition does not define 'travel vehicle.' It does define "travel trailer' but if you leave that in there it does not provide, a 'camping trailer' could be..."

Vierling, "You could add a definition for that if you wish to do so and include as many items under the sun, if you wish to, right down to tents."

DeRoche, "How many times has this been an issue where Nick has been in a situation where he has said, 'I don't know, it says it here, and it says that there?' Other than when Nancy Krueger came before us and had questions, what was the problem? Did Nick have an issue with it? Did anybody here have an issue with it? Or was this just something that was brought up?"

Davis, "Again, the matter was brought to the Council's attention because a resident complained to me that there was a recreational vehicle parked on a lot that was in violation of City Code. At that time, we go and investigate these things, and we found there were two areas where it may have been in violation. That will be part of the second part of this presentation. If you want me to go into it now, we can."

DeRoche, "Sure."

Davis, "The violations occurred, there's a section of City Code, 38-20, that says you can park a recreational vehicle for storage purposes on a lot if it has a house, a well, and a septic system. The issue with this is there is no house, no well, or no septic system. The other issue is, is she storing the RV there or is she using it for day use activities, which was her explanation of what the use was."

DeRoche, "Okay, to hit on that point, is she storing it there or not? If she uses it three or four months of the year and the other nine months out of the year, it is sitting there, is it stored there? Or, would storing it be taking it somewhere else and storing it somewhere

else?"

Davis, "Like I said, there is a gray area there. You could interpret it storage was used for a certain portion of the year. The other section of the ordinances, under 34.183 that deals with floods, says that a travel trailer/travel vehicle loses its exemptions from the flood proofing section of this ordinance if there are developments exceeding \$500 to the travel trailer/ travel vehicle or an accessory structure. In this case, there is evidence that they have exceeded with the improvements in the existing outhouse that was there and extension of electrical power to an accessory structure. So, from that interpretation, we think that Ms. Krueger is probably in violation of the ordinance."

Moegerle, "An additional point before we move on to Ms. Krueger. There is Minnesota Statute 327.14 that also defines recreational camping vehicle that also has four subdivisions, much like what we have but the names are not quite the same. I would imagine this shows there's been some action on this as recently as 2009. So, that could well have been updated but I think, again, this is an opportunity to be consistent with State Statute as well."

DeRoche, "I would like to get the opinion of a couple Councilmembers who haven't had a chance to speak yet. Ron, what do you think?"

Koller, "Well, there are some things that I have read in there that are totally ridiculous. This one about the vehicle not meeting criteria of Subsection 3a of this section may, as an alternative, be allowed a conditional use. The applicant must submit an emergency plan for the safe evacuation of all vehicles and people during a 100-year flood prepared by a registered engineer. It's a camping trailer."

DeRoche, "But there is State law about that. Jack, can you hit on that?"

Davis, "That, I'm not sure if that is State Statute. That is part of the requirements you have to meet with the National Flood Insurance Program, which we are a part of. For any vehicles like this, there does have to be some type of evacuation plan and the vehicles do have to be road worthy and be able to be moved at direction of emergency management authorities. Now, the way this is written is probably, maybe, a little over board but there are certain requirements to maintain their eligibility in the National Flood Insurance Program."

Koller, "It says here that it has to be done by a registered engineer." Moegerle, "Is that part of the National Flood Insurance Program?" Davis, "I would have to check. I don't think that's part of the National Flood Insurance Program. I think that is probably somebody that ..." Koller, "It's a travel trailer, you put it on the back of the truck and you drive away." Moegerle, "I would be glad to accept an amendment to delete 'registered engineer.'" Koller, "I don't think a registered engineer would be needed to define that." Moegerle, "Well, make a motion to amend. You are right."

DeRoche, "But the problem is, it effects everything from the little pop-up to the 27- to 32-foot trailer. Now somebody's got a 32-foot trailer sitting there and it is in the flood zone or something happened, yes, I'd want them to get it the heck out of there. The pop-up you may be able to move, probably by hand. But, what are you going to do if you've got a bigger one? The thing is these ordinances, it's like everything else, they don't effect just one little thing, it effects everything that is within that group. Any time that something is looked at as being passed, you know, yes, it's a small thing here but okay, let's look down the road or let's look at the big picture and see what offenses the situation."

Koller, "The other issue here is the period of time it's going to be there. A lot of people, like me, I take my travel trailer up to my property and I'm there for a weekend and then I take it home with me. Now, leaving it sit there year round I could see issues with that. But, a lot of people don't have a place to put it."

Harrington, "Well couldn't you build a storage shed or something? Wouldn't that work either?" DeRoche, "You can't build that accessory building without a primary structure." Koller, "On some of these lots, you can't build a primary structure." Moegerle, "Right."

Davis, "Most of these things are classified as seasonal recreational. Not all, but most of them are probably unbuildable properties. In this case, this property is not buildable because of its size and because it is in the flood plain."

Koller, "So we are telling this person, you own the property but you can't build on it and you can't park a trailer on it?" Davis, "Well, there are certain things they can build on it if they meet flood proofing requirements. But, it would be very difficult and very expensive to construct a facility on it." Koller, "So they own the property and we are telling them they can't do anything with it. Davis, "There are instances like that where that happens several times. That is the powers of the zoning and land use authority that cities have, if it is perceived to be of health, safety issue." DeRoche, "And that is not just something in East Bethel. All cities have certain requirements in their zoning."

Moegerle, "Ron, where were you looking at the registered..." Koller, "It is on Page 3 of the ordinances." DeRoche, "The last two paragraphs of the ordinances." Moegerle, "I'm sorry, I downloaded it from the site. I'm looking at the Article 7 subdivisions. Is that where you are looking at?" Koller, "Under d, 1 and 2, particularly d2. I mean if a person has a lot that is not buildable and they can't leave a camper there, I mean it's worthless."

Davis, "Yes, that particularly applies, Ron, to travel trailers parks and campgrounds and not individual lots." Koller, "It doesn't say that here." Davis, "Under d it says 'new commercial travel trailer or travel vehicle parks or campgrounds or new residential type subdivisions and condominium associations and the expansion exceeding five units or dwellings' so that would not really refer to the individual placement of one of those." Koller, "I think this needs to be just basically simplified."

DeRoche, "I don't know about anybody else, but I got quite a few phone calls on this and a couple e-mails." Ronning, "I got a couple e-mails and would like to try to regroup this discussion a little bit. It's coincidence that she brought it up. It may have been something else that brought it up. My philosophy is we should not put any 'face' or name on any ordinance. If it makes any sense, look at it. If it doesn't, throw it out. And, understand completely it does. It's unfortunate for her that her 'face' is on this ordinance and it does not apply to her."

Davis, "And you know there was some concern, some discussion, that what we wanted to do was to look at this to make sure that there would not be a proliferation of RV placement throughout the City and to see if there was anything that could be done about it. These are just some proposals that could address that. Again, we can adopt all of them, or adopt none of them, or go back and take another look at it, whichever way you want us to do it."

Koller, "East Bethel is mostly residential and commercial properties, just R-1, R-2, where

these are seasonal recreational lots.” Davis, “But that is only a tax classification, that is not a zoning classification. Most of these, they’re tax classified as seasonal recreational but they could be zoned R-1, R-2, or Rural Residential.”

Koller, “But if they are not buildable, you can’t really zone it residential if you can’t build a house on it.” Moegerle, “That is taxes versus zoning.” Koller, “There are neighbors with homes that have the same classification.”

Moegerle, “With the changes, what Ron was talking about, an existing with a registered certified engineer, and I agree there are many things we may want to take away but what has been added is #2, is that it can be evacuated upon notice of an emergency. That makes good sense. So what I’m seeing in the red is that the person who owns the recreational camping vehicles is a person who owns the property. Makes good sense and it also requires a facility for disposal of and treatment of human waste, which is probably in the recreational camping vehicle. So, what is being added that may be controversial is #4, which is recreational camping vehicles may only be placed on lots of record described above between May 1st and October 1st within that calendar year. That could be flood season. Actually, between October 1st and the end of April, flooding isn’t really an issue but I understand if it is there during the winter, then it may be storage as opposed to being placed. But, I see #4 could be very controversial. As far as what is added, I don’t see it being controversial. The next question I have is with regard to c, where we change the word ‘development’ to ‘improvements’ because ‘development’ does have a word in land use, certainly today. In 1992, did they mean ‘improvements’ when they used the word ‘development?’ Jack and I have been debating and seeing both sides of that one. But, exceeding the \$500, is that something that is still our value? In 1992, \$500 was a lot more than it is today.”

Ronning, “Yes, that’s way outdated.” Koller, “Yes, \$500.” Moegerle, “That’s a dog house.” Koller, “You bring in some Class V.” Ronning, “That wouldn’t pay for Class V.” Koller, “No. That’s kind of a low number. Moegerle, “\$3,000, should it be?” DeRoche, “You know we can dance around things and interpret things anyway we want to.”

Ronning, “If you were to do something, you’d want it inflation adjusted. No ‘pie in the sky’ figure, whatever real inflation is, it should be something similar to that. It shouldn’t be exaggerated.”

Moegerle, “Mark, how would we accomplish what Tom is suggesting?” Vierling, “I’m not exactly sure what is being suggested unless you are talking about incorporating a cost of living adjustment.” Davis, “Or you could just make the assumption that costs have increased 3% annually over the period and come up with a figure that way. That’s somewhat defensible. Would you like us to go back and take another look at this?”

DeRoche, “Well, another issue I have, now granted, Ms. Krueger is in here and she’s a chemist, she uses proper chemicals and takes care of it. Now, the next person coming up may take care of it by hooking a garden hose up and waiting until it gets dark and then unloading over in the beach area.” Moegerle, “That is why #3 provides for sewage disposal.”

DeRoche, “Seeing that I am one of the people that lives over by the lake, that is a concern and seems to be a topic of discussion in these Chambers quite a bit. We need to clean the lake up, we need to take care of this, we need to make sure we don’t do that. Well, now all

of a sudden we have RVs pulling up and people hook their hose up and that was one of the reasons we told people if you have an existing structure, the last only thing you can really do is to put a holding tank in with a contractor, with a pumper that he would pump it every month to try and prevent people from pumping it out in the middle of the night. Now, there is an RV park on Coon Lake and to me, that is where if you are pulling an RV, then that is where you go. Now, if a person has a piece of property, if you want to use it in the summer as recreational, that's great. But, I don't want you dumping in the lake and it shouldn't be stored there because you got neighbors on both sides. Maybe they've got nice houses, and there are some nice ones out there. She may take care of this recreational vehicle but guess what Jack, you go over on Coon Lake Beach and there are people whose houses are pretty tough and their camper trailers might just be the same. What is that going to do to the value of people's properties?"

Davis, "That is why we are looking at this, to see if you want to make it more restrictive for the placement of these vehicles. Not only that, but to do the environmental protection, require them if they do their certain minimum sewage facilities that they have to provide. So, you know, again, it is your choice as to how you want to do this but these are just some suggestions we have come up with to address this situation if it needs to be addressed."

DeRoche, "When this first came to light, if you look in the minutes, I was one of the people who was willing to work with this lady and say, look, we'll try and figure this out, we need to look at certain things and make sure it is not going to effect everybody else."

Davis, "I think that was the Council's intent, to try and work with her. As a result when we went back and started looking at this, we see that the existing ordinances may or may not apply to her. But more specifically, any changes that we do are definitely not applying to her situation. But, these can be ways that we can incorporate maybe not to have to face this type of situation again. Again, there are two situations in our existing ordinance that may address her problem that we can go over once we finish this discussion."

DeRoche, "I have no problem, Ron, if you have a piece of property and you want to bring your RV up, you want to use it, camp, do whatever, you are using the lake, but it is not a permanent fixture. And, there's means, and not everybody's going to take care of business Jack. Some people dig a hole in the ground and do whatever they do with one of them little chairs."

Moegerle, "What I would like to point out is that the proposed amendments adds something that has been missing from this and addresses exactly what you are talking about and that is the disposal and treatment of human waste and existing sewage. And, without this amendment, what you are talking about is black water into the lake, gray water into the lake. There's no enforcement capability. So if they do that, Nick can go by there and he can't tag them."

Vierling, "But that's a nuisance regardless of whether or not you have this ordinance, anybody dumping on the ground would be a nuisance violation and tagged under that."

Moegerle, "This will certainly set the standard. This is in a flood zone. This ordinance that we are looking to amend protects that flood zone and I think that is an important addition that works to solve the concern that you are expressing."

DeRoche motioned to table consideration of amending the ordinance related to the

placement of recreational camping vehicles. Koller seconded.

Moegerle, "Can you tell us, give us direction on how to tweak it." Vierling, "There is a motion and a second to table. Moegerle, "I'm asking for clarification." Vierling, "It is non-debatable."

Roll call: DeRoche, Harrington, Koller, Ronning-Aye; Moegerle-Nay, motion carries 4-1.

Vierling, "Council can certainly advise/direct staff with their comments on this topic, which I'm sure they would appreciate."

DeRoche, "To give staff some direction, so you're not in a bind Jack, I suggest we send you what we think is, whoever you are going to work with on it. Then when you put something together, send it out in the update, or something, as to what you think may work, what won't work. Is everybody agreeable with that?" Ronning, "Yes." Koller, "Yes." Moegerle, "I think that what he provided here shows exactly what you just asked for."

Davis, "Part 2, Chapter 2 of this issue. This addresses Ms. Krueger's petition to allow her continuation of the placement of her recreational camping vehicle at this location. This will depend on how City Code is interpreted. We think there are two sections that could apply to the situation. The first one is in Chapter 38-20 (c) and it is titled: *Placement outside a manufactured home park prohibited*. The last sentence of that says a recreational camping vehicle is permitted on owner's property for storage purposes provided the property has a single-family residence on it connected to a sewer and well, and may not be occupied for more than three weeks within any two-month period.

So, the question is, is the placement of that recreational vehicle there for storage purposes, what is its function. As previously pointed out it is probably used quite a bit in the summer time for day use activities but since it is vacant apparently in the winter time, then it would be there for storage purposes and there is no house, no well, nor septic system on the lot.

The other part of our Code that addresses this and may be more clear. It says that travel trailers and travel vehicles exempted in Chapter 34-183(3)a (which refers to the flood proofing requirements of the ordinance) shall lose their exempt status when development occurs on the parcel exceeding \$500.00 in value for a structural addition to the travel trailer/travel vehicle or an accessory structure. The travel trailer/travel vehicles and all additions and accessory structures will then be treated as a new structure and shall be subject to the flood protection requirements of this chapter.

So, in other words, there were improvements or developments done to the property, there was an upgrading of an outhouse which was done quite tastefully, I might add if you haven't seen it, and also there was an extension of electrical service to a pole. A line was run and dropped to a meter that serves an accessory storage structure on the property. Just visually judging the cost was well in excess of the \$500. In that case, then Ms. Krueger loses her exemption status for the flood proofing requirements and now would have to be subject to flood proofing her recreational camping vehicle by elevating one foot above the 100-year flood plain elevation. She could keep it there but she would have to meet the flood proofing requirements of the ordinance and also she would probably have to go back and prove that she meets the MPCA requirements for outhouses, which essentially state that if it is an earth bottom it has to be three feet above saturated soils. If it does not meet this

requirement, it has to have a water-tight container in the outhouse and underneath buried to receive the human waste.”

DeRoche, “Jack, that map that we looked at in the office with all the blue, is that East Bethel’s determination of the flood plain? Is that the State’s? Whose is that?” Davis, “That is the Federal Emergency Management Association’s and is part of the National Flood Insurance Flood Plain map. I don’t know what her elevation is there but it is conceivable that she would have to build a pad up, maybe, let’s just use an example, maybe three feet high to elevate the camping vehicle above the level of the flood plain for the 100-year flood. But, she could keep it there as long as she met the requirements of the flood proofing provisions of the ordinance and the Flood Insurance Program.”

Moegerle, “Could she bring in soil to build that up to put it at three feet?” Davis, “She would have to do that and when you do that you have to prove you are not raising the elevation of the 100-year flood no more than one inch. That is fairly easy to prove because of the drainage area and the small amount of material that she would bring in. That’s not an East Bethel requirement, that’s a provision of FEMA and the Flood Insurance Program.”

Moegerle, “From what we said, we kind of agree that the \$500 is a little bit low. So, I guess I don’t see...” Ronning, “The three percent inflation is a multiplication factor of 1.91 and fractions.” Moegerle, “Per year?” Ronning, “Total. It is more like \$1,000.” Moegerle, “So she certainly violated that. The storage, the day use, and the parking are issues that are not very clear from what you’ve described in the write up.”

Davis, “No, you can interpret the storage thing, you know, what does storage mean? Is it permanent? Is it temporary? It just depends on how you want to define it or if you want to choose the standard definition of what storage is. That is one that can be argued or parsed back and forth. We don’t have a definition in the ordinance of storage.”

DeRoche, “And what ever definition of storage we come up with, if someone challenges it in court, it is going to have to hold up.”

Davis, “The third option, if we interpret this as saying storage does not apply here so she doesn’t qualify for that. Or, if it is determined that her improvements did not exceed the \$500 value, if it can be proven, then she still keeps her exemptions through the flood proofing requirements of the ordinance.

Ronning, “Could you explain some of the concerns that you’ve been hearing?”

DeRoche, “Well, I’ve had a couple that I’ve already said. One would be the polluting of the lake, another would be you put a trailer out there, something happens, you pass on, your family gets it, they don’t understand the rules because they really haven’t been that involved in it, and so now we get into this situation where maybe they’re going to start bringing, not only leave the thing there but start bringing up trashy vehicles, bikes, whatever. You see people do that with their houses for goodness sake. And it’s like, well you know, we’ll just throw it up at the lake. We’ll just leave it there. Let’s bring our snowmobile trailer up there with our sleds and leave it sit. Is she going to do that? Judging by when she was in here, probably not. But, again, it’s not just going to effect her, it’s going to effect anybody else that wants to do something.”

Moegerle, “Can I ask a question of the City Attorney? The example that we just saw,

wouldn't that also fall under the nuisance statute? Having all those things there?" Vierling, "It might or it might not." Moegerle, "Okay, thank you."

Ronning, "What about somebody new moving into the place? Just assuming that it's livable, like a home, can they do that?"

DeRoche, "Can it be rental property? I decide I don't want to use it so you know what, you want to live there over the winter? I'll rent it to you." Moegerle, "But it's on wheels." DeRoche, "Well, that doesn't mean you can't rent it."

Ronning, "You've been there Tim, and looked at it. Harrington, "It's a travel trailer." Ronning, "Does it have skirts on it, and wheels?" Davis, "You couldn't use it for habitation because it has no sewage disposal facilities nor does it have a water supply."

DeRoche, "Which gets back again to the comment made earlier about the sewage thing. Yes, I understand she has an outhouse. And yes, I understand she takes care of that outhouse. But, the next person that brings a trailer onto a 20-foot by 100-foot lot may not do that. How enforceable is this going to be? We're not going to have Nick go running around, I would hope not, he's not going to just drive around looking for them and say 'gee wiz, let's go see if they are up to snuff.' Because I think he's got more than enough to do as is." Davis, "Trust me, that's the last thing we are going to do. Everything we do, unless we see something egregious, is complaint driven. We would have never addressed this situation had there not been a complaint filed."

Koller, "As far as polluting the lake goes, how many ice fishing houses are on there during the winter? And, how many of them have holding tanks?" DeRoche, "That is not apples-to-apples and that, you know the DNR pretty much keeps up if they see issues going on. Koller, "They are inside an ice house. How can they see an issue?" DeRoche, "I guess, if they are going down the hole, they'd have to go in there and watch them." Koller, "There are 30-40 ice houses out there and they are drinking beer all day long and never leave. There is some pollution going on." DeRoche, "Well, but they are not in an RV and they are not parking on a lot." Koller, "It's called an RV, they're on wheels."

DeRoche, "I ran into issues, a neighbor redid, used to be a boat house, turned it into a guest house, had parties, and when ever they decided to go outside, they'd just hang it out. And, I had a real problem with that seeing how our daughter and her friends would come over. So, you know what, there are a lot of things that go around this. It's not just a thing. And, you know what, if it was your place and you had that going on, you'd probably have a different take on it. Just my opinion."

Davis, "So, what we discussed, is there any opinions on how you want to handle Ms. Krueger's request or is there any agreement to this interpretation as presented in the write up."

DeRoche, "Well, we're in a bad situation if we told her, well look, if you put a holding tank in the ground, take care of your sewer, well that opens up a lot of other open lots that says hey, all I do is put in a holding tank and you can pull right up." Davis, "She can't, a holding tank can only be put in for an existing residence that has a failed sewer system." DeRoche, "I understand that but, you know, that could be worked out too but it wouldn't do any good because then you'd create another problem. Tim, you're pretty quiet. What do you think?"

Harrington, "I've had a hard time with this one Bob. I've had a couple calls and two people told me there is a trailer park on 22 and that's where they should be." Koller, "So what do you tell the people that own the lot? Get out?" Harrington, "I would like to do whatever we could do, you know, work with her."

DeRoche, "I don't have any problem if you want to come out with a family but to turn it into a full-time..." Davis, "We don't have anything proposed that says you can't drive your RV there and park it and stay the day and then leave. What we're talking about is permanent or more permanent type placement of RVs on properties." Moegerle, "For six months out of the year, from May 1st to October 1st."

Koller, "There is a lake in North Crosby, Rabbit Lake, and they allow campers on lake lots. They have to be removed a minimum of one day a year. And, that is basically to keep them from becoming a permanent residence." DeRoche, "But that's a campground, not a city." Koller, "No, that's just people on their own lake lots. They basically say you can use it summer/winter but it has to be removed at least one day a year. That way, they don't become a permanent fixture. Ronning, "Doesn't grow roots." Koller, "The wheels don't come off."

Ronning, "This is a tough one, more difficult than I thought it would be."

Harrington, "Well, she keeps it up real nice. I mean, she does the grass, she's got flowers there in the summer." Davis, "Her maintenance of the property is definitely not an issue because they keep it up very, it is almost immaculate." DeRoche, "But it's not her that's the problem, it's the next person, or maybe two people after, who knows."

Davis, "The maintenance is not an issue and I'm commending her for the way she keeps her property up and tries to avoid any nuisance situations. For that, she gets a good commendation on that. However, the issue is, you know, we have certain things that are City Code and I think it can be interpreted without too much of a stretch or using your imaginations that there are violations here. What do we do with it?"

Moegerle, "What if we wrote her a letter, called her up and said, we're having this problem, you're in the flood plain. I think she is genuinely concerned about fouling the lake as well by her effort with the outhouse and this arrangement she's made with the chemical toilet. And, suggest to her, how can we best resolve this together because we are looking at future application and the way we see it, you are in violation. We want to work with you. How can you make changes so this is in compliance with our flood regulations? Kind of put it back to her."

DeRoche, "Have her come to a work meeting."

Ronning, "She is not here to speak for herself but she wants an answer. What can I do? What can't I do? Summer is coming up, I'd like to know what I can plan for or what I can think about."

Moegerle, "And, hearing from her and seeing from her view what are reasonable accommodations may be more helpful since it effects her directly. Maybe she says there is no thing but I think having her input on it..." DeRoche, "Originally she said she'd get rid of the outhouse, if you go back and read the minutes." Moegerle, "Sure, then that's the solution. We say fine, pump and dump your black water storage system, keep the receipts

for doing that, and all good to go.” DeRoche, “But that’s one issue.”

Ronning, “All you need is a portapotty and take it home on the weekend. That place has been around for how many years, that people lived on there? The whole lake?” DeRoche, “Since the 1800s.”

Ronning, “So, it’s not new by any means and once again, we have to take her ‘face’ off this. What does it do to everybody? What does it do for or what does it do to? She shouldn’t be a factor in this at all.” Davis, “She’s not really in the ordinance but in the application, her quest to place a trailer, then she comes again to the forefront.” Ronning, “There’s a request to clarify the usage.”

DeRoche, “We got over that one part. This part does have a ‘face’ on it and it is hers because she’s the one, basically, that didn’t come in and ask for an IUP but asked what it would take for her to keep the trailer there. So, she is on this one.”

Harrington, “How long has that trailer been there?” Davis, “I think she said for ten years.” Ronning, “Ten or eleven.” Koller, “Eleven, 2003.” Ronning, “Somebody got upset about it last year.” Koller, “Why did they wait eleven years?” Davis, “That is a good question.” Ronning, “They didn’t do anything to aggravate, anything from somebody’s dogs, from waste on your yard to fireworks at 1 o’clock in the morning.” DeRoche, “We need to decide what we are going to do because we are going around in circles and spinning our wheels.”

Ronning, “Yes, absolutely. I’d like to try and find ways to work with people. I don’t know if that’s available in here or not. I thought I heard somebody say there is a new place, a new squatter in the City someplace? On the lake?”

Moegerle, “The write-up says that staff’s interpretation is that she is in violation of the Chapter. So, I think you send out the usual notice that you are in violation of the Chapter and we always work with people when they are in violation to get them to be in compliance. And, I think that’s how we deal with it. If there’s a problem between staff and her and to come into compliance, then we revisit this issue.”

DeRoche, “Jack, didn’t we already do that? In fact, we gave her permission to keep it there until we try to figure something out. And, she’s already been written up, Nick already wrote her a citation.” Davis, “We wrote her a citation that there was a violation. That’s why she chose to appear here. We did tell her that we would not act upon that until this issue was resolved.” DeRoche, “Right, so that has already been done.”

Moegerle, “What were her suggestions in how she would comply with the Flood Protection requirements?” Davis, “At that time she did make an offer to remove the outhouse but, unfortunately, with the way our Code reads, that is not the major problem. The major problem is the flood issue, which was not known at that time. We had time to look into this.” Ronning, “Just speaking for myself, we don’t all know what that thing says completely, or real well, so she’s never heard of it.” Davis, “And I’m sure most people haven’t or would never of thought of it.” Ronning, “Right.”

Moegerle, “I just think you bring it to her attention and say, these are the things. It is a different matter than just the outhouse and say, this is where we are. You know, what can we do?”

DeRoche, "What would she be willing to do? Or, to come into compliance with the flood regulations but isn't it the flood regulations also where you have to have flood straps to anchor the thing?"

Davis, "You do if it's in a mobile home park or if it's in a recreational vehicle camp ground. Then you're supposed to have the strap downs, the tie downs. Here, on hers, I think she can comply with the pad. One thing we can do is see if we can easily find out what the 100-year flood elevation is there. We have topo maps and could give her an approximate number of how high she needs to elevate it. It could be six inches or it could be three or four feet. I think if that was known, it would make the decision and the approach to this may be a little bit easier."

DeRoche, "I think to get an accurate, it's going to take someone with a GPS to go out there and take the ratings to see where it is actually at." Davis, "If you wanted to be precise, no we couldn't get a precise elevation. If there was a benchmark, though, we could take a level or small transit and come within plus or minus a couple of inches. I think we have enough data with the topo maps we have and also what the elevations are based on the cross sections of that area to at least give her some kind of approximate figure on how high she would have to elevate that pad."

Moegerle, "In addition, we have a resident who knows quite a bit about flood plains and levels of lakes, and those kinds of things that might have that information in his library." Davis, "I don't think he would have this though." DeRoche, "I think we'd have to call, if it's going to get down to..." Moegerle, "Well, they may have the documents to make it more accessible."

Davis, "So, could I propose that we contact Ms. Krueger and sit down with her and explain to her where we are in the process and get her comments and see if there's anyway that we can work with her to get her in compliance with our ordinances?"

DeRoche, "Right, that's a good idea." Koller, "That sounds fine." Davis, "If you could give me some direction to do that."

DeRoche, "We'll give staff direction to contact Ms. Krueger, tell her where we're at, see what she'd be willing to comply with, or maybe she says she doesn't want to bring in the dirt, take care of the flood plain and all the other issues, you know the sewer problem, a lot of stuff. You know more than I do." Davis, "Why don't we do it in the form of a motion."

DeRoche motioned to direct staff to contact Ms. Krueger and review her situation and explore options to propose to Council alternatives to this issue. Koller seconded.

Ronning, "How does this effect the existing problems? I thought I'd heard that somebody's in a camper. There's a couple instances similar to this, but not the same kind of vehicle." DeRoche, "One of them they are not living in and the other one the RV isn't there. It used to sit on Lakeshore but that hasn't been there for quite a while." Davis, "There's been no formal complaint filed on those. We are looking into the information that was provided to us but we'll have to address those on a case-by-case situation."

All in favor, motion carries unanimously.

7.0B
City Engineer

None.

7.0C
City Attorney

None.

7.0D
Finance

None.

7.0E
Public Works

None.

7.0F
Fire
Department

None.

7.0G
City
Administrator

Davis presented the staff report and request for the Council to consider approving SCORE funding for the removal of the unused oil recycling shed and underground tanks at the East Bethel Recycle Center.

7.0G1
Recycle Shed
and Storage
Tank
Removal

Each year the City applies for State dollars allocated through the County from the Select Committee on Recycling and Environment (SCORE) to help offset the costs of municipal recycling programs and improvements. In past years, the City has used these grant dollars to help improve the equipment and facilities at the East Bethel Recycle Center.

For 2014, staff is recommending using an additional grant of \$12,000 to cover the cost of removing the abandoned underground storage tanks that had been used for oil recycling up until 2011 and the attendant shed that covers the site. The tanks have been emptied and cleaned and can be disposed of as scrap metal. Removal of the tanks and shed would improve the appearance and functionality of the Recycle Center and also provide a way for the City to eliminate the possibility of any other underground contamination at the site.

Staff is recommending the approval of the maximum grant amount of \$12,000 to cover the cost of \$11,836 for removal of the concrete, asphalt, and underground tanks, required soil testing, and backfill for the site. The Public Works Department would handle the removal and disposal of the shed.

Additional costs could be incurred if ground water is encountered beneath the tanks or if additional excavation should be required to remove and dispose of contaminated soils. If we do run into contamination issues, our insurance policy would cover up to \$250,000 of the cost to cover this expense and other clean up funds are also available. We did check this out through the LMC and we are covered because these tanks are registered with the PCA.

Staff recommends approval of the additional SCORE funding for the removal of the unused oil recycling shed and underground tanks at the East Bethel Recycle Center.

Moerle motioned to approve the additional SCORE funding for the removal of the oil recycling shed and underground tanks at the East Bethel Recycle Center. Harrington seconded.

DeRoche, "Just so people understand, they are not removing the new oil disposable tank. I had a few people call saying well gee why, they just put it in, why are they taking it out and I said no, this is the old one." Davis, "The differentiation is the ones we are removing are underground. The current ones are above ground."

Koller, "Did we send out for bids on this?" Davis, "We got one proposal of \$11,836 from Pinnacle Engineering. We can get some others, these are more like RFPs. Some of them vary, we can write some specs, we can get some other quotes if you'd like us to do that." Koller, "Okay, I just was wondering."

DeRoche, "Comments? We're going to remove the old oil tank."

Ronning, "Has it been cited as a hazard or anything yet?" Davis, "No but these tanks were originally installed in 1994. They are registered with the PCA in 1999. They were probably used even before 1994 as fuel tanks for the old Public Works building. We'd like to get rid of that shed, we are not using that part of it, and it is a very detracting part of the facility. We could use more parking room and we can get a grant to do this to cover all of our costs. We think this would be an appropriate use of those funds and solve a few problems that we have at the Recycle Center. Eventually those tanks will have to come out so we might as well use the grant funds while we have them available and do it now."

All in favor, motion carries unanimously.

7.0G2
SCORE
Contract

Davis presented the staff report and request to consider approving the 2014 additional Recycling Funds. The Anoka County Department of Integrated Waste Management has notified the City that we are eligible to apply for up to \$34,033 in additional funds for drop off, municipal park, community event recycling programs and removal costs for the buried waste oil tanks and shed at the Recycle Center. These funds are a 100% reimbursable grant, meaning that the City would only be eligible to receive monies actually spent on these activities but no local matching funds are required. Utilizing this additional funding will enhance our current Recycling Program.

In 2013 our recycling tonnage goal was 1,090 tons and we were able to meet 88.985% of our goal. Attachment #1 in the packet provides a summary of our recycling report of activities and accomplishments for 2013.

It is possible that the County may increase tonnage goals for municipalities that participate in this program. Should that happen, these new funds for activities, over and above those currently offered, would be beneficial in providing the additional means to achieve any higher tonnage goals that could possibly be imposed.

The City will receive \$30,165 grant from Anoka County in 2014 to operate the Recycle Center itself. These funds are separate from the additional grants that are available. This is a reimbursable grant program and 100% of the costs are covered by the grant. The City allocates no funds to City Recycle Program.

Staff recommends City Council authorize the approval of the additional \$34,033 in grant funds that have been made available for this program.

Ronning motioned to approve an additional \$34,033 in SCORE funding as part of the

2014 Recycling Budget as appropriated by the Anoka County Department of Integrated Waste Management. Harrington seconded.

All in favor, motion carries unanimously.

8.0 Other
8.0A
Staff Reports

Davis, "As I have mentioned earlier, we have completed an update and a review of the City Personnel Policy. There are certain sections in there that this Policy hasn't been revised in a number of years so there are some legal requirements to be changed. We would like to schedule a work meeting, or a meeting at your convenience to review these and go over them before they are actually presented for Council consideration at a regular meeting. If you have any ideas or dates about this, if you can give those to me, I'd like to get this done as quickly as possible."

Moegerle motioned to schedule a Council Work Meeting at 6:30 p.m. on May 7, 2014, to discuss proposed changes in the City Personnel Policy.

Davis, "May 7th is soon enough. In April, we have a public hearing scheduled for the 23rd and then we've got the Local Board of Assessment on the 16th and then a Council Meeting so May 7th would be great." DeRoche, "We already had a meeting scheduled for that night, an HRA." Moegerle, "Maybe, if and only if we get the money."

Koller seconded. All in favor, motion carries unanimously.

8.0B
Council
Report –
Member
Moegerle

Moegerle, "We had an EDA meeting and we had a lot of good discussion trying to formulate a succinct message for the City to get out and to use and promote the City so it is a consistent message. So, that is good. There is going to be another Sunrise Business Breakfast on the 10th at Route 65 Pub and Grub, which was part of the discussion. For about five days, ending about Tuesday last week, my phone was down. Apparently, for which it's published for residents to contact me, which just goes to show that people don't use the land line very much because it was all down Forest Road. So, I thought that was rather amusing to show that landlines are not used that much since it took so long to discover it. As soon as the phone came into effect, I got a call from a neighbor about this particular document and there were solicitors going door-to-door on that particular day. According to our ordinances, we have to post a no solicitation sign in order to avoid getting those kinds of invitations. So, just a reminder that now that it is spring, you can put out signs, it has to be four by four inches and I'm sure Jack will be able to cite people to the exact ordinance and what you have to have to stop solicitation."

Council
Report –
Member
Koller

Koller, "Booster Days fundraiser was the 22nd at the Ice Arena. We had kind of a big sand box there and volleyball nets, bouncy castle, the Fire Department had a boat there, some antique snowmobiles. We had a lot of kids show up and they played real hard for the change in the sand and they went home really tired. Denise Lachinski put in a lot of work and she did a really good job. So, I would like to commend her on that."

Council
Report –
Member
Ronning

Ronning, "I would say the same thing about the accommodations. I was going to comment about it as well. There was a real good crowd. For the first time there, I did not expect much of a turn out at all because how do you know about it? But, it was publicized well enough, I guess. There were a lot of people, I got to meet a number of people. Some are happy, some are displeased. Haven't heard, but I asked yesterday about the money, what kind of funds we raised, but haven't got an answer yet. I got the feeling that people will look forward to it next year, that it won't just die in the fine. It was very successful. Denise

and that whole group did a lot of work, a lot of work that doesn't show too."

Council
Report –
Member
Harrington

Harrington, "I've got a question for Jack. I got a call on the transmission upgrade they are doing on Wild Rice and Sunset. Is the electric company going to clean these areas up once they are done? They have some of the people's yards ripped up pretty good, and their easements. They have taken a lot of trees out on Sunset and they have been doing it on Wild Rice the last couple of days, they have been grinding."

Davis, "Wild Rice is just tree trimming by Connexus. Sunset is the GRE project and they will clean all their mess up, I'm sure they probably had some weather delays but they will clean everything up and restore all the property to its original conditions."

Council
Report –
Mayor
DeRoche

DeRoche, "I also went to the Booster Day party and I thought it was pretty fun. Pretty good City stream the whole time, I thought. Walked around, talked to a bunch of people. They had the Vintage Snowmobile Club there, the volleyball, you could get your hair done."

March 26 there was a Sand Hill Crane Natural Area meeting. Jack and I went down there from the City and met with quite a few people. Still trying to work out just exactly how that's going to wind up. I think when we first went down to the first meeting, Jack, it was 15-18 months before everything got done between the DNR. There were some concerns about turtles and there was concerns about a tiger beetle. I looked it up just to see what a tiger beetle is. Well, unfortunately what they do is they are kind of vicious, they hide in the sand, and eat the larvae that clean the algae off the lakes. But, there are people out there that are concerned that if it's alive, they are looking out for it.

Saturday, April 5, is the Pet Clinic, 8 o'clock to noon at the Ice Arena. Dog licenses are free with proof of rabies vaccination. The dogs, if they are in the City should have a rabies vaccination because if they do bite someone and they come to being a potentially dangerous dog, if you don't have the vaccination and can't prove it, the animal person will lock your dog up, put him in jail for a while, until it can be proven and it can be kind of spendy. Vaccinations for dogs and cats, rabies and distemper, I'm not sure what they charge for that." Davis, "It depends on what is vaccinated. The fees range from about \$18 to \$45 depending on the type of vaccination."

DeRoche, "Spring Recycle Days at the Arena, April 26, 8:00 a.m. to 1 p.m., and it's not a free-for-all so what you need to do is either look at the website or contact the City and see what you can and cannot drop off. They don't want just a bunch of junk because then we end up paying to get rid of it if I'm not mistaken. It's a good time, we do it every spring and then it happens over at the beach. That will be coming up at some point."

May 3rd, Community Center, that's when their Recycle Days are, 8 a.m. to noon. Look at the newsletter because it has a list of what you can recycle and what you can't bring down there.

Our favorite meeting, the Local Board of Assessment Equalization and Appeals is coming up April 16, at 6:30 p.m. at the City Hall. If anyone has questions on your assessments, your taxes, why your property maybe went down, the taxes went up, Ken Tolzman, our City Assessor, will be there. I think Heidi and I are still on that Board. I haven't heard when that meeting is for any other certifications. Davis, "We will receive notification for those

meetings fairly soon but the only thing we know now is they will be scheduled sometime between June and November.”

DeRoche, “Ice is going out on the edges of the lake. I noticed on the news last night, unfortunately, there was someone that went through the ice, looks like they had a truck and trailer, and didn’t make it. It wasn’t in this area but just to let you know it may be safe farther out but around the edges, it could be a cold ride home if you are fortunate enough to get out.

I was going to go into more depth, but I guess I won’t. I think when information goes out from up here, it has to be factual with data backing it up. I had some calls from people about not only the 15% increase in the levy but the decision that was made to go ahead with the sewer and water project and if it hadn’t passed we really had to pay all this money immediately or how would that of worked. Certain people are pretty upset and going, ‘Oh my gosh, why did you do that?’ And, I said well because, that is not necessarily the truth.”

Moegerle, “That is what we were told.”

DeRoche, “Well, you know what, then I would request if that is going to be put out there, that the data be available for the public to see and if there were figures given, the data of how that information was put together. Not just that someone that talked to someone and they said this could be this, but what it would have actually cost. It was my understanding that if it didn’t go ahead and the bonds were back, there could have been some costs but it would not have been an immediate payment and it would probably have been spread out over many years. So, there’s people out there that don’t know that, there it is. I think that whatever information comes across here, sometimes you hear about transparency and I think it has got to be the truth. And one other figure, we didn’t save \$4.4 million on the water plant, it was \$3.8 million. I had people ask, ‘What did you do with the extra million?’ Well, we didn’t do anything with it.

Snowstorm coming in. I think we still have plows on all the trucks, right Jack? And, we have plenty of salt?” Davis, “We have enough to get us through one more storm.” DeRoche, “In talking to other cities, we’re not the only ones who have been stretched out on chemicals and the salt we put on the roads. I just think it’s important for people to get around and if we have to pay a little more in salt, so be it. Now if we can just get some of the potholes on some of the County Roads.”

8.0C None.

Other

9.0

Adjourn

Moegerle made a motion to adjourn at 9:14 p.m. Harrington seconded. All in favor, motion carries unanimously.

Submitted by:

Carla Wirth

TimeSaver Off Site Secretarial, Inc.

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

RESOLUTION NO. 2014-11

RESOLUTION DESIGNATING SURPLUS PROPERTY

WHEREAS, the City of East Bethel owns and operates a fleet of trucks and equipment for the purposes of maintaining its city streets and parks; and

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

WHEREAS, the 2002 Ford F-550 light duty truck has come to the end of its useful service life as a reliable and dependable piece of equipment; and

WHEREAS, the City Council of East Bethel has approved the purchase of replacement equipment pursuant to the Equipment Replacement Schedule; and

WHEREAS, the City of East Bethel will trade-in the 2002 Ford F-550 on the purchase of the replacement vehicle.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the 2002 Ford F-550 light duty truck is hereby declared as surplus property and direction to dispose of the property is hereby authorized.

Adopted this 16th day of April, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Robert DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator

Midway Ford Commercial
Fleet and Government Sales
 2777 N. Snelling Ave.
 Roseville MN 55113



Travis Swanson
 651-343-5212
tswanson@rosevillemidwayford.com

Fax # 651-638-4880

C-65
2015 F450 4X4 -Regular Cab-Cab & Chassis (DRW) 60" Cab to Axle XL
 Vehicle will include the following required OEM equipment if not part of standard base package.

Standard

6.8L V10 Gas Engine
5 Speed Auto Trans
AM/FM Radio

Cab Lights
Air Conditioning
Wide Load/Trailer Tow Type Mirrors
Upfitter Switches

Options	Code	Price	Select	Exterior Colors		Select
6.7L Diesel	99T	\$6,931	x	Blue Jeans Metallic	N1	
6 Speed Auto Trans	44W	\$162	x	Vermillion Red	F1	
Snow Plow Prep	473	\$73	x	Green Gem Metallic	W6	x
Power Group	90L	\$763	x	Pale Adobe Metallic	LQ	
Cloth 40/20/40 Seat	1S	\$85	x	Tuxedo Black Metallic	UH	
Traction Tires	THB	\$162	x	Sterling Grey Metallic	UJ	
Shift on Fly 4x4	213	\$158	x	Ingot Silver Metallic	UX	
Brake Controller	52B	\$230	x	Oxford White	Z1	
Back-up Alarm	76C	\$107	x	Interior Colors		
XL Décor Group	17F	\$133	x	Steel only (color for XL)		

				Extended Service Contracts	Cost	Select
				5yr/100000m F450/550 Gas 4x2	\$1,420	
				5yr/100000m F450/550 Gas 4x4	\$1,615	
				5yr/100000m F450/550 Diesel 4x2	\$1,830	
				5yr/100000m F450/550 Diesel 4x4	\$2,370	
Option Total	\$8,804					

			More time and mileage options available			
Base Price			Totals	You must have a active FIN code to participate in this purchase contract : FIN code # _____		
6.8L V10			\$31,071.00	Purchase Order required prior to order placement		
Options Price Totals			\$8,804.00	Payment due upon agreed vehicle acceptance		
Trade-In			-\$6,500.00			
Transit Impr Excise Tax			\$20.00			
Tax Exempt Lic						
Other				Name of Organization		
Document fee (if Midway titles)						
Sub total per vehicle			\$33,395.00	Address		
Number of Vehicles			1			
Grand Total for all units			\$33,395.00	City, State, Zip		

PO # _____

Acceptance Signature _____

Print Name and Title _____ **Date** _____

Contact Person/ Phone # _____

Contact's e-mail address and fax # _____

Midway Ford Acceptance Signature _____ **Date** _____



Application for Approval of State Gambling Premises Permit

Applicant Information

Organization Name	Ham Lake Area Chamber of Commerce
Name of Leased Premises	The Moonshine Whiskey - Ulysses St - East Bethel
Street Address	1207 Constance Blvd
City ST ZIP Code	Ham Lake MN 55304
Work Phone	763-434-3011 (office) 763-229-5225 (cell)
E-Mail Address	wendy@hamlakece.org
License Number	02948
Check all activities that will be conducted:	<input checked="" type="checkbox"/> Pull-Tabs <input type="checkbox"/> Pull-tabs w/dispensing device <input type="checkbox"/> Tipboards <input checked="" type="checkbox"/> Paddlewheel <input type="checkbox"/> Paddlewheel w/table <input type="checkbox"/> Bingo <input checked="" type="checkbox"/> Bar Bingo

Organization Background Information

Please provide background information for your organization to include the following:

(Attach Additional Sheets as necessary)

- 1) Your Mission and Purpose The HACE is organized to advance the general welfare and prosperity of the area so that its citizens and all areas of its business community shall prosper
- 2) Area and Population served East Bethel, Ham Lake, Oak Grove, St Francis, Bethel are main areas of service reaching over 45,000 residents
- 3) Services your organization will/does offer promotion of economic, civic, commercial, cultural, industrial and educational interests to both citizens and businesses
- 4) Has your organization had a violation of any state statute, state rule or city ordinance relating to gambling within the last three years (If yes, please indicate dates and describe violation, and what was the penalty) NO
- 5) Other Pertinent Information East Bethel residents and businesses regularly meet with HACE residents and businesses through chamber meetings and special events. The HACE has supported and continues to support East Bethel community and special projects on an ongoing basis. Adding this site would increase opportunities in East Bethel.

Proposed Lawful Purpose Expenditures

Organization, Individual or Institution Name	Street Address	Phone
City of East Bethel	2241 221st Ave	763 367-7840
East Bethel Booster Days	2241 221st Ave	763 367 7840
NACE	18511 Hwy 65 East Bethel	763 434-7685
(see attached for complete scope of supported organizations)		

Agreement and Signature

By submitting this application, I affirm that the facts set forth are true, correct and complete. I understand that any false statements, overt omissions or other misrepresentations made by me on this application may result in revocation of the premises permit.

Name (printed)	Wendy Renner
Signature	Wendy Renner
Title	Gambling Manager / Executive Director
Date	4-10-14

Application

Application for approval of a state premises permit shall be made at least 90 days prior to the expiration of a current premises permit or, in the case of a new premises permit, at least 90 days prior to the date the application is submitted to the Minnesota gambling control board for the permit. The application shall be filed with the City Clerk.

Approval

Application for approval of a state premises permit has been

___ Approved ___ Denied by the City of East Bethel this ___ day of _____, 20__.

City Administrator



Community Donations

Alexandra House
 ALS Association
 American Cancer Society
 American Heart Association
 Anoka County Sherriff Safety Camp
 Andover High School
 Anoka-Hennepin Ed Foundation
 Blaine High School
 Breast Cancer 3-day
City of East Bethel
 City of Ham Lake
East Bethel Booster Days
 Free 2B
 Ham Lake Lanes Youth Bowlers
 Ham Lake Senior Center
 Hope 4 Youth
 Lee Carlson Center
 Local 4H Clubs

Make A Wish Foundation
 Meals on Wheels
 Majestic Oaks/DKM Scholarship Foundation
 Mercy/Unity Hospital Foundation
 MS Association
NACE, Inc.
 North Star Council
 One Child—One Heart
 Order of the Arrow – Boy Scouts
 Patriot Guard
 Pink Pumpkin Patch
 Pay It Forward
 Soderville Athletic Association
St. Francis High School
 VFW – Ham Lake
 Wishes & More



LG214 Premises Permit Application

Annual Fee \$150 (NON REFUNDABLE)

<p>Required Attachments to LG214</p> <ol style="list-style-type: none"> If the premises is leased, attach a copy of your lease. Use LG215 Lease for Lawful Gambling Activity. \$150 annual premises permit fee, for each permit (non refundable). Make check payable to "State of Minnesota." 	<p>Mail the application and required attachments to: Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113</p> <p>Questions? Call 651-539-1900 and ask for Licensing.</p>
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Organization Information

- Organization name Ham Lake Area Chamber of Commerce License number 02948
- Chief executive officer (CEO) Al Stauffacher Daytime phone 7634343011
- Gambling manager Wendy Renner Daytime phone 7634343011

Gambling Premises Information

- Current name of site where gambling will be conducted The Moonshine Whiskey
- List any previous names for this location _____
- Street address where premises is located 21383 Ulysses Street
Do not use a P.O. box number or mailing address.

7. City <u>East Bethel</u> OR Township _____	County <u>Anoka</u>	Zip code <u>55011</u>
-----------------------------------------------------	---------------------	-----------------------

- Does your organization own the building where the gambling will be conducted?
 Yes No **If no, attach LG215 Lease for Lawful Gambling Activity.**
 A lease is not required if only a raffle will be conducted.
- Is any other organization conducting gambling at this site? Yes No Don't know
- Has your organization previously conducted gambling at this site? Yes No Don't know

Gambling Bank Account Information. Must be in Minnesota.

11. Bank name <u>21st Century Bank</u>	Bank account number <u>5005193</u>
12. Bank street address <u>17635 Central Ave NE</u> City <u>Ham Lake</u> State <u>MN</u> Zip code <u>55304</u>	

All Temporary and Permanent Off-site Storage Spaces

13. Address (Do not use a P.O. box number) <u>16800 Hwy 65 Svc Rd, Ham Lake</u>	City <u>Ham Lake</u>	State <u>MN</u>	Zip code <u>55304</u>
14. Address (Do not use a P.O. box number) _____	City _____	State <u>MN</u>	Zip code _____

Acknowledgment by Local Unit of Government: Approval by Resolution

<p>CITY APPROVAL for a gambling premises located within city limits</p>	<p>Local unit of government must sign</p>	<p>COUNTY APPROVAL for a gambling premises located in a township</p>
City name _____		County name _____
Date approved by city council _____		Date approved by county board _____
Resolution number _____		Resolution number _____
Signature of city personnel _____		Signature of county personnel _____
Title _____ Date signed _____		Title _____ Date signed _____
		TOWNSHIP NAME _____
		Complete below only if required by the county. On behalf of the township, I acknowledge that the organization is applying to conduct gambling activity within the township limits. [A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.213, Subd. 2.]
		Print township name _____
		Signature of township officer _____
		Title _____ Date _____

Acknowledgment and Oath

<ol style="list-style-type: none"> 1. I hereby consent that local law enforcement officers, the Board or its agents, and the commissioners of revenue or public safety and their agents may enter and inspect the premises. 2. The Board and its agents, and the commissioners of revenue and public safety and their agents are authorized to inspect the bank records of the gambling account whenever necessary to fulfill requirements of current gambling rules and law. 3. I have read this application and all information submitted to the Board is true, accurate, and complete. 4. All required information has been fully disclosed. 5. I am the chief executive officer of the organization. 	<ol style="list-style-type: none"> 6. I assume full responsibility for the fair and lawful operation of all activities to be conducted. 7. I will familiarize myself with the laws of Minnesota governing lawful gambling and rules of the Board and agree, if licensed, to abide by those laws and rules, including amendments to them. 8. Any changes in application information will be submitted to the Board no later than 10 days after the change has taken effect. 9. I understand that failure to provide required information or providing false or misleading information may result in the denial or revocation of the license. 10. I understand the fee is nonrefundable regardless of license approval/denial.
<p>Signature of Chief Executive Officer (designee may not sign) <i>Al Stauffacher</i></p>	<p>Date <i>4/2/14</i></p>
<p>Print name <u>Al Stauffacher</u></p>	

<p>Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process your organization's application. Your organization's name and address will be public information when received by the</p>	<p>Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public</p>	<p>Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.</p>
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LG215 Lease for Lawful Gambling Activity

Organization HamLake Area Chamber of Commerce	Address 1207 Constance Blvd HamLake 55304	License/site number 02948	Daytime phone 7634343011
Name of leased premises the Moonshine Whiskey	Street address 21383 Ulysses St	City East Bethel	State MN
		Zip 55011	Daytime phone 763772-4174
Name of legal owner Andy Parizek	Business/street address 21383 Ulysses St	City East Bethel	State MN
		Zip 55011	Daytime phone 763772-4174
Name of lessor [if same as legal owner, write in "SAME"]	Same	Same	

Check applicable item:

1. **New lease. Do not submit existing lease with amended changes.**
 _____ Date that the changes will be effective. Submit changes at least 10 days **before** the effective date of the change.

2. **New owner. Effective date** _____ Submit new lease **within** 10 days after new lessor assumes ownership.

Check all activity that will be conducted (No lease required for raffles)

<input checked="" type="checkbox"/> Pull-tabs [paper]	<input type="checkbox"/> Electronic pull-tabs [must also sell paper pull-tabs]
<input type="checkbox"/> Pull-tabs [paper] with dispensing device	<input type="checkbox"/> Linked electronic bingo
<input checked="" type="checkbox"/> Bar bingo	<input type="checkbox"/> Bingo
<input type="checkbox"/> Tipboards	
<input checked="" type="checkbox"/> Paddlewheel	<input type="checkbox"/> Paddlewheel with table

Electronic games may only be conducted at:
 (1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent malt beverages [but does not include a general food store or drug store permitted to sell alcoholic beverages under Minn. Stat. 340A.405, subdivision 1]; or
 (2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100.

PULL-TAB, TIPBOARD, AND PADDLEWHEEL RENT
 Separate rent for booth and bar ops.

BOOTH OPERATION - Some or all sales of gambling equipment are conducted by an employee/volunteer of a licensed organization at the leased premises.

ALL GAMES, including electronic games - Monthly rent to be paid, 10%, not to exceed **10%** of gross profits for that month.
 • Total rent paid from all organizations for only booth operations at the leased premises **may not exceed \$1,750**.
 • The rent cap does not include BAR OPERATION rent for electronic games conducted by the lessor.

BAR OPERATION - All sales of gambling equipment conducted by the lessor or lessor's employee.

ELECTRONIC GAMES - Monthly rent to be paid, _____%, not to exceed **15%** of the gross profits for that month from electronic pull-tab games and electronic linked bingo games.

ALL OTHER GAMES - Monthly rent to be paid, _____%, not to exceed **20%** of gross profits from all other forms of lawful gambling.
 • If any booth sales conducted by a licensed organization at the premises rent may not exceed **10%** of gross profits for that month and is subject to booth operation **\$1750** cap.

BINGO RENT for leased premises where bingo is the primary business conducted, such as bingo hall.

Bingo rent is limited to one of the following:

- Rent to be paid, _____%, not to exceed **10%** of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo.
- OR -
- Rate to be paid \$ _____ per square foot, not to exceed 110% of a comparable cost per square foot for leased space, as approved by the director of the Gambling Control Board. The lessor must attach documentation, verified by the organization, to confirm the comparable rate and all applicable costs to be paid by the organization to the lessor.
 - o Rent may not be paid for bar bingo.
 - o Bar bingo does not include bingo games linked to other permitted premises.

LEASE TERMINATION CLAUSE. Must be completed.

The lease may be terminated by either party with a written 60 day notice.

Other terms _____

LG215 Lease for Lawful Gambling Activity

Lease Term - The term of this agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management - The owner of the premises or the lessor will not manage the conduct of lawful gambling at the premises.

The organization may not conduct any activity on behalf of the lessor on the leased premises.

Participation as Players Prohibited - The lessor will not participate directly or indirectly as a player in any lawful gambling conducted on the premises. The lessor's immediate family and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises, except as authorized by Minnesota Statutes 349.181.

Illegal Gambling - The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7865.0220, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without payment of rent during the time period determined by the Board for violations of this provision, as authorized by Minnesota Statutes 349.18, Subdivision 1(a).

To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes 609.75.

Notwithstanding Minnesota Rules 7865.0220, Subpart 3, an organization must continue making rent payments under the terms of this lease, if the organization or its agents are found to be solely responsible for any illegal gambling, conducted at this site, that is prohibited by Minnesota Rules 7861.0260, Subpart 1, item H or Minnesota Statutes 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.

The lessor must not modify or terminate the lease in whole or in part because the organization reported, to a state or local law enforcement authority or the Board, the conduct of illegal gambling activity at this site in which the organization did not participate.

Other Prohibitions - The lessor will not impose restrictions on the organization with respect to providers (distributor or linked bingo game provider) of gambling-related equipment and services or in the use of net profits for lawful purposes.

The lessor, the lessor's immediate family, any person residing in the same residence as the lessor, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. The lessor must not modify or terminate this lease in whole or in part due to the lessor's violation of this provision. If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Gambling Control Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.

Access to permitted premises - Consent is given to the Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel to enter and inspect the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the premises during any time reasonable and when necessary for the conduct of lawful gambling.

Lessor records - The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record must be maintained for 3-1/2 years.

Rent all-inclusive - Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to:

- trash removal
- electricity, heat
- snow removal
- storage
- cost of any communication network or service required to conduct electronic pull-tabs games or electronic bingo
- in the case of bar operations, cash shortages.
- janitorial and cleaning services
- other utilities or services
- lawn services
- security, security monitoring

Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Gambling Control Board. Rent payments may not be made to an individual.

Acknowledgment of Lease Terms

I affirm that this lease is the total and only agreement between the lessor and the organization, and that all obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board.

Other terms of the lease

Signature of lessor

Date

Signature of organization official [lessee]

Date

Print name and title of lessor

Print name and title of lessee

Questions? Contact the Licensing Section, Gambling Control Board, at 651-539-1900. This publication will be made available in alternative format (i.e. large print, Braille) upon request. **Data privacy notice:** The information requested on this form and any attachments will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

[Reset Form](#)

[Print Form](#)

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

RESOLUTION NO. 2014-12

**Resolution Recommending Approval of the
Gambling Premise Permit for the Ham Lake Chamber of Commerce
at The Moonshine Whiskey**

WHEREAS, Ham Lake Chamber of Commerce has made application for a gambling premise permit for operations at The Moonshine Whiskey at 21383 Ulysses Street NE, East Bethel, MN 55011, and ;

NOW THEREFORE, BE IT RESOLVED, by the City Council of East Bethel That: the City recommends the gambling premises permit application for the Ham Lake Chamber of Commerce at The Moonshine Whiskey at 21383 Ulysses Street NE, East Bethel, MN be approved.

Adopted by the City Council for the City of East Bethel, this 16th day of April, 2014.

Robert DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator

Midway Ford Commercial
Fleet and Government Sales
 2777 N. Snelling Ave.
 Roseville MN 55113



Travis Swanson
 651-343-5212
tswanson@rosevillemidwayford.com

Fax # 651-638-4880

T81 Contract # 74464 XLT
2015 F350 4x4- Super Cab- 8' Box 158" WB

Standard

Vehicle will include the following required OEM equipment if not part of standard base package.

Automatic Transmission	40/20/40 Cloth Seats	Carpet Floor Covering
AM/FM/CD Player	Brake Controller	Dual Front Air Bags
Tow Hitch	4-Wheel ABS Brakes	Front Tow Hooks
Tilt Wheel	Air Conditioning	Matching Full Size Spare Tire
Power Windows/Locks	Chrome Bumpers w/Rear Step	Chrome Grille
Aluminum Wheels		

Options	Code	Price	Select			
6.7L Diesel Engine	99T	\$7,229	x			
Block Heater	41H	N/C	x	Exterior Colors		Select
Shift on Fly 4x4	213	\$158	x	Blue Jeans Metallic	N1	
XLT Interior Package	96I	\$678	x	Vermillion Red	F1	X
FX4 Off-Road Package	17X	\$252	x	Green Gem Metallic	W6	
LT275/70r18E AT Tires	TDX	\$107	x	Pale Adobe Metallic	LQ	
E-Locking 3.55 Axle	X3J	\$333	x	Tuxedo Black Metallic	UH	
Camper Package	471	\$137	x	Sterling Grey Metallic	UJ	
Heavy Service Front	67H	\$107	x	Ingot Silver Metallic	UX	
200 Amp Alternator	67D	\$64	x	Oxford White	Z1	
Cab Steps	18B	\$316	x	Interior Colors		
Roof Clearance Lights	592	\$48	x	Steel only color for XL		
Wheel Well Liners	61L	\$153	x	Extended Service Contracts	Cost	Select
Back-Up Alarm	76C	\$107	x	5yr/100000m F250/350 Gas 4x2	\$885	
Upfitter Switches	66S	\$107	x	5yr/100000m F250/350 Gas 4x4	\$1,015	
Spray-In Liner		\$405	x	5yr/100000m F250/350 Diesel 4x2	\$935	
Option Total		\$10,201		5yr/100000m F250/350 Diesel 4x4	\$1,080	X

Base Price	Totals		
6.2 L E85 Gas	\$30,382.00	More time and mileage options available	
Options Price Totals	\$10,201.00	You must have a active FIN code to participate in this purchase contract : FIN code # 41-0849847	
Extended Warranty		Purchase Order required prior to order placement	
Transit Impr Excise Tax		Payment due upon agreed vehicle acceptance	
Tax Exempt Lic		Name of Organization	
Other		EAST BETHEL FIRE	
Document fee		Address	
Sub total per vehicle	\$40,583.00	2241 221ST AVE. NE	
Number of Vehicles	1	City, State, Zip	
Grand Total for all units	\$40,583.00	EAST BETHEL, MN. 55011	
PO #		Contact Person/ Phone #	
Acceptance Signature		Mark Ducharme 612-328-6833	
Print Name and Title	Date	Contact's e-mail address and fax #	
		mark.ducharme@ci.east-bethel.mn.us 763-413-3088	
		Midway Ford Acceptance Signature	
		Date	



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

Water Supply Plan

Requested Action:

Consider approval of the draft Water Supply Plan

Background Information:

A Minnesota Department of Natural Resources Water Appropriations Permit is required for all water systems that pump more than 1,000,000 gallons of water per year. Wells No. 3 and No. 4 that service the Phase 1 Project 1 Utility Area will require a permit. As part of the application the City is required to develop a Water Supply Plan. A copy of the draft plan is attached. Staff will present the plan at the council meeting.

Attachment(s):

1. Draft Water Supply Plan
2. Permit Application for Appropriation of Water of the State

Fiscal Impact:

None at this time

Recommendation(s):

Staff recommends Council consider approval of the draft Water Supply Plan.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**DEPARTMENT OF NATURAL RESOURCES - DIVISION OF WATERS and
METROPOLITAN COUNCIL
WATER SUPPLY PLANS**

These guidelines are divided into four parts. The first three parts, Water Supply System Description and Evaluation, Emergency Response Procedures and Water Conservation Planning apply statewide. Part IV, relates to comprehensive plan requirements that apply only to communities in the Seven-County Twin Cities Metropolitan Area. If you have questions regarding water supply plans, please call (651) 259-5703 or (651) 259-5647 or e-mail your question to wateruse.dnr@state.mn.us. Metro Communities can also direct questions to the Metropolitan Council at watersupply@metc.state.mn.us or (651) 602-1066.

DNR Water Appropriation Permit Number(s)	
Name of Water Supplier	City of East Bethel
Address	2241 221 st Avenue, East Bethel, MN 55011
Contact Person	Nate Ayshford
Title	Public Works Manager
Phone Number	763-367-7876
E-Mail Address	nate.ayshford@ci-east-bethel.mn.us

PART I. WATER SUPPLY SYSTEM DESCRIPTION AND EVALUATION

The first step in any water supply analysis is to assess the current status of demand and supplies. Information in Part I, can be used in the development of Emergency Response Procedures and Conservation Plans.

A. ANALYSIS OF WATER DEMAND.

Fill in Table 1 for the past 10 years water demand. If your customer categories are different than the ones listed in Table 1, please note the changes below.
NA - New System

Water Use Trends. Discuss factors that influence trends in water demand (i.e. growth, weather, industry, conservation). If appropriate, include a discussion of other factors that affect daily water use, such as use by non-resident commuter employees or large water consuming industry.

NA - New System

TABLE 2 Large Volume Users - List the top 10 largest users.

Customer	Gallons per year	% of total annual use
NA - New System		

B. TREATMENT AND STORAGE CAPACITY.

TABLE 3(A) Water Treatment

Water Treatment Plant Capacity	1,200,000	Gallons per day
Describe the treatment process used (i.e., softening, chlorination, fluoridation, Fe/Mn removal, reverse osmosis, coagulation, sedimentation, filtration, others). Also, describe the annual amount and method of disposal of treatment residuals, if any.		
The system includes removal of Fe/Mn via two 500 gpm pressure filters. Water is chlorinated prior to being discharged to the system.		

TABLE 3(B) Storage Capacity - List all storage structures and capacities.

Total Storage Capacity	Average Day Demand (average of last 5 years)	
500,000	Gallons	0
		Gallons per day
Type of Structure	Number of Structures	Gallons
Elevated Storage	1	500,000
Ground Storage		
Other:		

C. WATER SOURCES. List all groundwater, surface water and interconnections that supply water to the system. Add or delete lines to the tables as needed.

TABLE 4(A) Total Water Source Capacity for System (excluding emergency connections)

Total Capacity of Sources	1,000	Gallons per minute
Firm Capacity (largest pump out of service)	500	Gallons per minute

TABLE 4(B) Groundwater Sources - Copies of water well records and well maintenance information should be included with the public water supplier’s copy of the plan in Attachment . If there are more wells than space provided or multiple well fields, please use the List of Wells template (see Resources) and include as Attachment .

Well # or name	Unique Well Number	Year Installed	Well & Casing Depth (ft)	Well Diameter (in)	Capacity (GPM)	Geologic Unit	Status
3	782113	2011	347	18	500	Tunnel City-Wonewok	Complete
4	782114	2011	345	12	500	Tunnel City-Wonewok	Complete

Status: Active use, Emergency, Standby, Seasonal, Peak use, etc. GPM – Gallons per Minute
 Geologic Unit: Name of formation(s), which supplies water to the well

TABLE 4(C) Surface Water Sources

Intake ID	Resource name	Capacity (GPM/MGD)
NA		

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 4(D) Wholesale or Retail Interconnections - List interconnections with neighboring suppliers that are used to supply water on a **regular basis** either wholesale or retail.

Water Supply System	Capacity (GPM/MGD)	Wholesale or retail
NA		

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 4(E) Emergency Interconnections - List interconnections with neighboring suppliers or private sources that can be used to supply water on an emergency or occasional basis. Suppliers that serve less than 3,300 people can leave this section blank, but must provide this information in Section II C.

Water Supply System	Capacity (GPM/MGD)	Note any limitations on use
NA		

GPM – Gallons per Minute MGD – Million Gallons per Day

D. DEMAND PROJECTIONS.

TABLE 5 Ten Year Demand Projections

Year	Population Served	Average Day Demand (MGD)	Maximum Day Demand (MGD)	Projected Demand (MGY)
2014	220	0.02	0.04	15.4
2015	385	0.03	0.07	26.9
2016	549	0.04	0.10	38.4
2017	714	0.05	0.13	49.9
2018	879	0.07	0.16	61.3
2019	1044	0.08	0.20	72.8
2020	1208	0.09	0.23	84.3
2021	1373	0.10	0.26	95.8
2022	1538	0.12	0.29	107.3
2023	1702	0.13	0.32	118.8

MGD – Million Gallons per Day MGY – Million Gallons per Year

Projection Method. Describe how projections were made, (assumptions for per capita, per household, per acre or other methods used).

Projections are based on 580 ERU's by 2023. Population is based on 2.94 residents per household (per ERU). Average day demand is based on the estimated population times 75gpcd. Maximum day demand is based on a peaking factor of 2.5. Projected demand is based on average demand plus estimated irrigation demand.

E. RESOURCE SUSTAINABILITY

Sustainable water use: use of water to provide for the needs of society, now and in the future, without unacceptable social, economic, or environmental consequences.

Monitoring. Records of water levels should be maintained for all production wells and source water reservoirs/basins. Water level readings should be taken monthly for a production well or observation well that is representative of the wells completed in each water source formation. **If water levels are not currently measured each year, a monitoring plan that includes a schedule for water level readings must be submitted as Attachment .**

TABLE 6 Monitoring Wells - List all wells being measured.

Unique well number	Type of well (production, observation)	Frequency of Measurement (daily, monthly etc.)	Method of Measurement (steel tape, SCADA etc.)
782113	Production	Monthly	SCADA
782114	Production	Monthly	SCADA

Water Level Data. Summarize water level data including seasonal and long-term trends for each ground and/or surface water source. If water levels are not measured and recorded on a routine basis then provide the static water level (SWL) when the well was constructed and a current water level measurement for each production well. Also include all water level data taken during well and pump maintenance.

NA - New System.

Attachment : Provide monitoring data (graph or table) for as many years as possible.

Ground Water Level Monitoring – DNR Waters in conjunction with federal and local units of government maintain and measure approximately 750 observation wells around the state. Ground water level data are available online www.dnr.state.mn.us/waters. Information is also available by contacting the Ground Water Level Monitoring Manager, DNR Waters, 500 Lafayette Road, St. Paul, MN 55155-4032 or call (651) 259-5700.

Natural Resource Impacts. Indicate any natural resource features such as calcareous fens, wetlands, trout streams, rivers or surface water basins that are or could be influenced by water withdrawals from municipal production wells. Also indicate if resource protection thresholds have been established and if mitigation measures or management plans have been developed.

As part of the well construction a pump test was completed to review the potential influence of the production wells on existing natural features. The findings of the pump test are summarized in a report completed by URS dated June 12, 2012. Although not conclusive it was reported that the production wells may have a long term impact on the surficial aquifer. The City will continue to monitor the draw down of the production wells and the surficial aquifer.

Sustainability. Evaluate the adequacy of the resource to sustain current and projected demands. Describe any modeling conducted to determine impacts of projected demands on the resource.

The City of East Bethel currently has two aquifers that have proved to produce adequate water supply for domestic use. These aquifers include the Mount Simon-Hinckley and the Tunnel City-Wonewok aquifer. Given current restrictions on the Mount Simon-Hinkley aquifer it is anticipated that the City will rely on the Tunnel City-Wonewok and possibly the drift for current and future water needs. All three aquifers appear stable and sustainable now and into the future. As part of the well construction a pump test was completed to review the potential influence of the production wells on existing natural features. The findings of the pump test are summarized in a report completed by URS dated June 12, 2012. Although not conclusive it was reported that the production wells may have a long term impact on the surficial aquifer. The City will continue to monitor the draw down of the production wells and the surficial aquifer. .

Source Water Protection Plans. The emergency procedures in this plan are intended to comply with the contingency plan provisions required in the Minnesota Department of Health's (MDH) Wellhead Protection (WHP) Plan and Surface Water Protection (SWP) Plan.	
Date WHP Plan Adopted:	WHP Plan has not been scheduled.
Date for Next WHP Update:	NA
SWP Plan:	<input type="checkbox"/> In Process <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Not Applicable

F. CAPITAL IMPROVEMENT PLAN (CIP)

Adequacy of Water Supply System. Are water supply installations, treatment facilities and distribution systems adequate to sustain current and projected demands? Yes No If no, describe any potential capital improvements over the next ten years and state the reasons for the proposed changes (CIP Attachment _____).

Proposed Water Sources. Does your current CIP include the addition of new wells or intakes? Yes No If yes, list the number of new installations and projected water demands from each for the next ten years. Plans for new production wells must include the geologic source formation, well location, and proposed pumping capacity.

Water Source Alternatives. If new water sources are being proposed, describe alternative sources that were considered and any possibilities of joint efforts with neighboring communities for development of supplies.

NA

Preventative Maintenance. Long-term preventative programs and measures will help reduce the risk of emergency situations. Identify sections of the system that are prone to failure due to age, materials or other problems. This information should be used to prioritize capital improvements, preventative maintenance, and to determine the types of materials (pipes, valves, couplings, etc.) to have in stock to reduce repair time.

The City's existing system is new and portion of the distribution system will be constructed as development occurs. The existing system was designed and inspected under the direction of a professional engineer. The City has developed a comprehensive set of engineering standards to ensure all future installations and materials meet or exceed current standards and practices.

PART II. EMERGENCY RESPONSE PROCEDURES

Water emergencies can occur as a result of vandalism, sabotage, accidental contamination, mechanical problems, power failures, drought, flooding, and other natural disasters. The purpose of emergency planning is to develop emergency response procedures and to identify actions needed to improve emergency preparedness. In the case of a municipality, these procedures should be in support of, and part of, an all-hazard emergency operations plan. If your community already has written procedures dealing with water emergencies we recommend that you use these guidelines to review and update existing procedures and water supply protection measures.

Federal Emergency Response Plan

Section 1433(b) of the Safe Drinking Water Act as amended by the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Public Law 107-188, Title IV – Drinking Water Security and Safety) requires community water suppliers serving over 3,300 people to prepare an Emergency Response Plan. **Community water suppliers that have completed the Federal Emergency Response Plan and submitted the required certification to the U.S. Environmental Protection Agency have satisfied Part II, Sections A, B, and C of these guidelines and need only provide the information below regarding the emergency response plan and source water protection plan and complete Sections D (Allocation and Demand Reduction Procedures), and E (Enforcement).**

Provide the following information regarding your completed Federal Emergency Response Plan:

Emergency Response Plan	Contact Person	Contact Number
Emergency Response Lead		
Alternate Emergency Response Lead		
Emergency Response Plan Certification Date	Not Completed - New System.	

Operational Contingency Plan. An operational contingency plan that describes measures to be taken for water supply mainline breaks and other common system failures as well as routine maintenance is recommended for all utilities. Check here if the utility has an operational contingency plan. At a minimum a contact list for contractors and supplies should be included in a water emergency telephone list.

Communities that have completed Federal Emergency Response Plans should skip to Section D.

EMERGENCY RESPONSE PROCEDURES

- A. Emergency Telephone List.** A telephone list of emergency contacts must be included as Attachment _____ to the plan (complete template or use your own list). The list should include key utility and community personnel, contacts in adjacent communities, and appropriate local, state and federal emergency contacts. Please be sure to verify and update the contacts on the emergency telephone list on a regular basis (once each year recommended). In the case of a municipality, this information should be contained in a notification and warning standard operating procedure maintained by the warning point for that community. Responsibilities and services for each contact should be defined.
- B. Current Water Sources and Service Area.** Quick access to concise and detailed information on water sources, water treatment, and the distribution system may be needed in an emergency. System operation, water well and maintenance records should be maintained in a central secured location so that the records are accessible for emergency purposes and preventative maintenance. A detailed map of the system showing the treatment plants, water sources, storage facilities, supply lines, interconnections, and other information that would be useful in an emergency should also be readily available. Check here if these records and maps exist and staff can access the documents in the event of an emergency.
- C. Procedure for Augmenting Water Supplies.** List all available sources of water that can be used to augment or replace existing sources in an emergency. In the case of a municipality, this information should be contained in a notification and warning standard operating procedure maintained by the warning point for that community. Copies of cooperative agreements should be maintained with your copy of the plan and include in Attachment _____. Be sure to include information on any physical or chemical problems that may limit interconnections to other sources of water. Approvals from the MN Department of Health are required for interconnections and reuse of water.

TABLE 7 (A) Public Water Supply Systems – List interconnections with other public water supply systems that can supply water in an emergency.

Water Supply System	Capacity (GPM/MGD)	Note any limitations on use
Fire Station No.1	300	

GPM – Gallons per Minute MGD – Million Gallons per Day

TABLE 7 (B) - Private Water Sources – List other sources of water available in an emergency.

Name	Capacity (GPM/MGD)	Note any limitations on use
None		

GPM – Gallons per Minute MGD – Million Gallons per Day

D. Allocation and Demand Reduction Procedures. The plan must include procedures to address gradual decreases in water supply as well as emergencies and the sudden loss of water due to line breaks, power failures, sabotage, etc. During periods of limited water supplies public water suppliers are required to allocate water based on the priorities established in Minnesota Statutes 103G.261.

Water Use Priorities (Minnesota Statutes 103G.261)	
First Priority.	Domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets contingency requirements.
	<i>NOTE:</i> Domestic use is defined (MN Rules 6115.0630, Subp. 9), as use for general household purposes for human needs such as cooking, cleaning, drinking, washing, and waste disposal, and uses for on-farm livestock watering excluding commercial livestock operations which use more than 10,000 gallons per day or one million gallons per year.
Second Priority.	Water uses involving consumption of less than 10,000 gallons per day.
Third Priority.	Agricultural irrigation and processing of agricultural products.
Fourth Priority.	Power production in excess of the use provided for in the contingency plan under first priority.
Fifth Priority.	Uses, other than agricultural irrigation, processing of agricultural products, and power production.
Sixth Priority.	Non-essential uses. These uses are defined by Minnesota Statutes 103G.291 as lawn sprinkling, vehicle washing, golf course and park irrigation, and other non-essential uses.

List the statutory water use priorities along with any local priorities (hospitals, nursing homes, etc.) in Table 8. Water used for human needs at hospitals, nursing homes and similar types of facilities should be designated as a high priority to be maintained in an emergency. Local allocation priorities will need to address water used for human needs at other types of facilities such as hotels, office buildings, and manufacturing plants. The volume of water and other types of water uses at these facilities must be carefully considered. After reviewing the data, common sense should dictate local allocation priorities to protect domestic requirements over certain types of economic needs. In Table 8, list the priority ranking, average day demand and demand reduction potential for each customer category (modify customer categories if necessary).

Table 8 Water Use Priorities

Customer Category	Allocation Priority	Average Day Demand (GPD)	Demand Reduction Potential (GPD)
Residential	1	800,100	
Institutional	4	25,400	25,400
Commercial	2	254,000	254,000
Industrial	3	190,500	190,500
Irrigation	5	515,000	515,000
Wholesale	NA		
Non-essential	6		
	TOTALS	1,785,000	984,900

GPD – Gallons per Day

Demand Reduction Potential. The demand reduction potential for residential use will typically be the base demand during the winter months when water use for non-essential uses such as lawn watering do not occur. The difference between summer and winter demands typically defines the demand reduction that can be achieved by eliminating non-essential uses. In extreme emergency situations lower priority water uses must be restricted or eliminated to protect first priority domestic water requirements. Short-term demand reduction potential should be based on average day demands for customer categories within each priority class.

Triggers for Allocation and Demand Reduction Actions. Triggering levels must be defined for implementing emergency responses, including supply augmentation, demand reduction, and water allocation. Examples of triggers include: water demand >100% of storage, water level in well(s) below a certain elevation, treatment capacity reduced 10% etc. Each trigger should have a quantifiable indicator and actions can have multiple stages such as mild, moderate and severe responses. Check each trigger below that is used for implementing emergency responses and for each trigger indicate the actions to be taken at various levels or stages of severity in Table 9.

- | | | | |
|-------------------------------------|------------------------------------------------------------------------------|--------------------------|-------------------------|
| <input checked="" type="checkbox"/> | Water Demand | <input type="checkbox"/> | Water Main Break |
| <input type="checkbox"/> | Treatment Capacity | <input type="checkbox"/> | Loss of Production |
| <input checked="" type="checkbox"/> | Storage Capacity | <input type="checkbox"/> | Security Breach |
| <input type="checkbox"/> | Groundwater Levels | <input type="checkbox"/> | Contamination |
| <input type="checkbox"/> | Surface Water Flows or Levels | <input type="checkbox"/> | Other (list in Table 9) |
| <input type="checkbox"/> | Pump, Booster Station or Well Out of Service | | |
| <input checked="" type="checkbox"/> | Governor’s Executive Order – Critical Water Deficiency (required by statute) | | |

Table 9 Demand Reduction Procedures

Condition	Trigger(s)	Actions
Stage 1 (Mild)	Demand equals 90% of capacity	Eliminate 5 th Priority.
Stage 2 (Moderate)	Demand equals 95% of capacity	Eliminate 4 th Priority.
Stage 3 (Severe)	Demand equals 100% of capacity	Eliminate 3 rd and 4 th Priorities.
Critical Water Deficiency (M.S. 103G.291)	Executive Order by Governor & as provided in above triggers	Stage 1: Restrict lawn watering, vehicle washing, golf course and park irrigation and other nonessential uses Stage 2: Suspend lawn watering, vehicle washing, golf course and park irrigation and other nonessential uses

Note: The potential for water availability problems during the onset of a drought are almost impossible to predict. Significant increases in demand should be balanced with preventative measures to conserve supplies in the event of prolonged drought conditions.

Notification Procedures. List methods that will be used to inform customers regarding conservation requests, water use restrictions, and suspensions. Customers should be aware of emergency procedures and responses that they may need to implement.

Voluntary reduction measures will be encouraged through billing inserts, newsletters and website postings.

E. Enforcement. Minnesota Statutes require public water supply authorities to adopt and enforce water conservation restrictions during periods of critical water shortages.

**Public Water Supply Appropriation During Deficiency.
Minnesota Statutes 103G.291, Subdivision 1.**

Declaration and conservation.
(a) If the governor determines and declares by executive order that there is a critical water deficiency, public water supply authorities appropriating water must adopt and enforce water conservation restrictions within their jurisdiction that are consistent with rules adopted by the commissioner.
(b) The restrictions must limit lawn sprinkling, vehicle washing, golf course and park irrigation, and other nonessential uses, and have appropriate penalties for failure to comply with the restrictions.

An ordinance that has been adopted or a draft ordinance that can be quickly adopted to comply with the critical water deficiency declaration must be included in the plan (include with other ordinances in Attachment 7 for Part III, Item 4). Enforcement responsibilities and penalties for non-compliance should be addressed in the critical water deficiency ordinance.

Sample regulations are available at www.dnr.state.mn.us/waters

Authority to Implement Water Emergency Responses. Emergency responses could be delayed if city council or utility board actions are required. Standing authority for utility or city managers to implement water restrictions can improve response times for dealing with emergencies. Who has authority to implement water use restrictions in an emergency?

- Utility Manager City Manager City Council or Utility Board
 Other (describe):

Emergency Preparedness. If city or utility managers do not have standing authority to implement water emergency responses, please indicate any intentions to delegate that authority. Also indicate any other measures that are being considered to reduce delays for implementing emergency responses.

PART III. WATER CONSERVATION PLAN

Water conservation programs are intended to reduce demand for water, improve the efficiency in use and reduce losses and waste of water. Long-term conservation measures that improve overall water use efficiencies can help reduce the need for short-term conservation measures. Water conservation is an important part of water resource management and can also help utility managers satisfy the ever-increasing demands being placed on water resources.

Minnesota Statutes 103G.291, requires public water suppliers to implement demand reduction measures before seeking approvals to construct new wells or increases in authorized volumes of water. Minnesota Rules 6115.0770, require water users to employ the best available means and practices to promote the efficient use of water. Conservation programs can be cost effective when compared to the generally higher costs of developing new sources of supply or expanding water and/or wastewater treatment plant capacities.

A. Conservation Goals. The following section establishes goals for various measures of water demand. The programs necessary to achieve the goals will be described in the following section.

Unaccounted Water (calculate five year averages with data from Table 1)	
Average annual volume unaccounted water for the last 5 years	gallons
Average percent unaccounted water for the last 5 years	percent
AWWA recommends that unaccounted water not exceed 10%. Describe goals to reduce unaccounted water if the average of the last 5 years exceeds 10%.	
NA - New System	

Residential Gallons Per Capita Demand (GPCD)	
Average residential GPCD use for the last 5 years (use data from Table 1)	GPCD
In 2002, average residential GPCD use in the Twin Cities Metropolitan Area was 75 GPCD. Describe goals to reduce residential demand if the average for the last 5 years exceeds 75 GPCD.	
NA - New System	

Total Per Capita Demand: From Table 1, is the trend in overall per capita demand over the past 10 years <input type="checkbox"/> increasing or <input type="checkbox"/> decreasing? If total GPCD is increasing, describe the goals to lower overall per capita demand or explain the reasons for the increase.
NA - New System

Peak Demands (calculate average ratio for last five years using data from Table 1)	
Average maximum day to average day ratio	
If peak demands exceed a ratio of 2.6, describe the goals for lowering peak demands.	
NA - New System	

B. Water Conservation Programs. Describe all short-term conservation measures that are available for use in an emergency and long-term measures to improve water use efficiencies for each of the six conservation program elements listed below. Short-term demand reduction measures must be included in the emergency response procedures and must be in support of, and part of, a community all-hazard emergency operation plan.

1. **Metering.** The American Water Works Association (AWWA) recommends that every water utility meter all water taken into its system and all water distributed from its system at its customer’s point of service. An effective metering program relies upon periodic performance testing, repair, repair and maintenance of all meters. AWWA also recommends that utilities conduct regular water audits to ensure accountability. Complete Table 10 (A) regarding the number and maintenance of customer meters.

TABLE 10 (A) Customer Meters

	Number of Connections	Number of Metered Connections	Meter testing schedule (years)	Average age/meter replacement schedule (years)
Residential				/
Institutional				/
Commercial				/
Industrial				/
Public Facilities				/
Other				/
TOTALS				

Unmetered Systems. Provide an estimate of the cost to install meters and the projected water savings from metering water use. Also indicate any plans to install meters.

As discussed this is a new water system. All water will be metered at the customers point of service.

TABLE 10 (B) Water Source Meters

	Number of Meters	Meter testing schedule (years)	Average age/meter replacement schedule (years)
Water Source (wells/intakes)			/
Treatment Plant	2	5	0 / 20

2. **Unaccounted Water.** Water audits are intended to identify, quantify, and verify water and revenue losses. The volume of unaccounted-for water should be evaluated each billing cycle. The AWWA recommends a goal of ten percent or less for unaccounted-for water. Water audit procedures are available from the AWWA and MN Rural Water Association.

Frequency of water audits: each billing cycle yearly other:

Leak detection and survey: every year every years periodic as needed
 Year last leak detection survey completed:

Reducing Unaccounted Water. List potential sources and efforts being taken to reduce unaccounted water. If unaccounted water exceeds 10% of total withdrawals, include the timeframe for completing work to reduce unaccounted water to 10% or less.
NA - New System

3. **Conservation Water Rates.** Plans must include the current rate structure for all customers and provide information on any proposed rate changes. Discuss the basis for current price levels and rates, including cost of service data, and the impact current rates have on conservation.

Billing Frequency: Monthly Bimonthly Quarterly
 Other (describe):

Volume included in base rate or service charge: gallons or cubic feet

Conservation Rate Structures

- Increasing block rate: rate per unit increases as water use increases
- Seasonal rate: higher rates in summer to reduce peak demands
- Service charge or base fee that does not include a water volume

Conservation Neutral Rate Structure

- Uniform rate: rate per unit is the same regardless of volume

Non-conserving Rate Structures

- Service charge or base fee that includes a large volume of water
- Declining block rate: rate per unit decreases as water use increases
- Flat rate: one fee regardless of how much water is used (unmetered)

Other (describe):

Water Rates Evaluated: every year every years no schedule
 Date of last rate change:

Declining block (the more water used, the cheaper the rate) and flat (one fee for an unlimited volume of water) rates should be phased out and replaced with conservation rates. Incorporating a seasonal rate structure and the benefits of a monthly billing cycle should also be considered along with the development of an emergency rate structure that could be quickly implemented to encourage conservation in an emergency.

Current Water Rates. Include a copy of the actual rate structure in Attachment _____ or list current water rates including base/service fees and volume charges below.
Base Charge is \$5.00/ERU per month, Plant Charge is \$10.00/ERU per month and Usage charge is \$3.00 per 1,000 gallons.

Non-conserving Rate Structures. Provide justification for the rate structure and its impact on reducing demands or indicate intentions including the timeframe for adopting a conservation rate structure.

4. **Regulation.** Plans should include regulations for short-term reductions in demand and long-term improvements in water efficiencies. Sample regulations are available from DNR Waters. Copies of adopted regulations or proposed restrictions should be included in Attachment * of the plan. Indicate any of the items below that are required by local regulations and also indicate if the requirement is applied each year or just in emergencies.

*The system is new. The City does not anticipate any demand issues in the near future.

- Time of Day: no watering between _____ am/pm and _____ am/pm (reduces evaporation) year around seasonal emergency only
- Odd/Even: (helps reduce peak demand) year around seasonal emergency only
- Water waste prohibited (no runoff from irrigation systems)
Describe ordinance:
- Limitations on turf areas for landscaping (reduces high water use turf areas)
Describe ordinance:
- Soil preparation (such as 4”-6” of organic soil on new turf areas with sandy soil)
Describe ordinance:
- Tree ratios (plant one tree for every _____ square feet to reduce turf evapotranspiration)
Describe ordinance:
- Prohibit irrigation of medians or areas less than 8 feet wide
Describe ordinance:
- Permit required to fill swimming pool every year emergency only
- Other (describe):

State and Federal Regulations (mandated)

Rainfall sensors on landscape irrigation systems. Minnesota Statute 103G.298 requires “All automatically operated landscape irrigation systems shall have furnished and installed technology that inhibits or interrupts operation of the landscape irrigation system during periods of sufficient moisture. The technology must be adjustable either by the end user or the professional practitioner of landscape irrigation services.”

Water Efficient Plumbing Fixtures. The 1992 Federal Energy Policy Act established manufacturing standards for water efficient plumbing fixtures, including toilets, urinals, faucets, and aerators.

Enforcement. Are ordinances enforced? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, indicate how ordinances are enforced along with any penalties for non-compliance.
Ordinances are currently enforced by City staff members that are assigned and trained in such enforcement duties. The City involves the City Attorney as necessary for non-compliance issues.

5. **Education and Information Programs.** Customers should be provided information on how to improve water use efficiencies a minimum of two times per year. Information should be provided at appropriate times to address peak demands. Emergency notices and educational materials on how to reduce water use should be available for quick distribution during an emergency. If any of the methods listed in the table below are used to provide water conservation tips, indicate the number of times that information is provided each year and attach a list of education efforts used for the last three years.

Current Education Programs	Times/Year
Billing inserts or tips printed on the actual bill	
Consumer Confidence Reports	
Local news papers	
Community news letters	
Direct mailings (water audit/retrofit kits, showerheads, brochures)	
Information at utility and public buildings	
Public Service Announcements	
Cable TV Programs	
Demonstration projects (landscaping or plumbing)	
K-12 Education programs (Project Wet, Drinking Water Institute)	
School presentations	
Events (children’s water festivals, environmental fairs)	
Community education	
Water Week promotions	
Information provided to groups that tour the water treatment plant	
Website (include address: _____)	
Targeted efforts (large volume users, users with large increases)	
Notices of ordinances (include tips with notices)	
Emergency conservation notices (recommended)	
Other:	

List education efforts for the last three years in Attachment _____ of the plan. Be sure to indicate whether educational efforts are on-going and which efforts were initiated as an emergency or drought management effort.

Proposed Education Programs. Describe any additional efforts planned to provide conservation information to customers a minimum of twice per year (required if there are no current efforts).

The City plans to distribute conservation information as utility billing inserts and through articles in the City newsletter and postings on the City website.

A packet of conservation tips and information can be obtained by contacting DNR Waters or the Minnesota Rural Water Association (MRWA). The American Water Works Association (AWWA) www.awwa.org or www.waterwiser.org also has excellent materials on water conservation that are available in a number of formats. You can contact the MRWA 800/367-6792, the AWWA bookstore 800/926-7337 or DNR Waters 651/259-5703 for information regarding educational materials and formats that are available.

6. **Retrofitting Programs.** Education and incentive programs aimed at replacing inefficient plumbing fixtures and appliances can help reduce per capita water use as well as energy costs. It is recommended that communities develop a long-term plan to retrofit public buildings with water efficient plumbing fixtures and that the benefits of retrofitting be included in public education programs. You may also want to contact local electric or gas suppliers to see if they are interested in developing a showerhead distribution program for customers in your service area.

A study by the AWWA Research Foundation (Residential End Uses of Water, 1999) found that the average indoor water use for a non-conserving home is 69.3 gallons per capita per day (gpcd). The average indoor water use in a conserving home is 45.2 gpcd and most of the decrease in water use is related to water efficient plumbing fixtures and appliances that can reduce water, sewer and energy costs. In Minnesota, certain electric and gas providers are required (Minnesota Statute 216B.241) to fund programs that will conserve energy resources and some utilities have distributed water efficient showerheads to customers to help reduce energy demands required to supply hot water.

Retrofitting Programs. Describe any education or incentive programs to encourage the retrofitting of inefficient plumbing fixtures (toilets, showerheads, faucets, and aerators) or appliances (washing machines).

Since the City water system is new a retrofitting program is not anticipated to be required.

Plan Approval. Water Supply Plans must be approved by the Department of Natural Resources (DNR) every ten years. Please submit plans for approval to the following address:

DNR Waters
Water Permit Programs Supervisor
500 Lafayette Road
St. Paul, MN 55155-4032

or Submit electronically to
wateruse.dnr@state.mn.us.

Adoption of Plan. All DNR plan approvals are contingent on the formal adoption of the plan by the city council or utility board. Please submit a certificate of adoption (example available) or other action adopting the plan.

Metropolitan Area communities are also required to submit these plans to the Metropolitan Council. Please see PART IV. ITEMS FOR METROPOLITAN AREA PUBLIC SUPPLIERS.

METROPOLITAN COUNCIL

PART IV. ITEMS FOR METROPOLITAN AREA PUBLIC SUPPLIERS

Minnesota Statute 473.859 requires water supply plans to be completed for all local units of government in the seven-county Metropolitan Area as part of the local comprehensive planning process. Much of the required information is contained in Parts I-III of these guidelines. However, the following additional information is necessary to make the water supply plans consistent with the Metropolitan Land Use Planning Act upon which local comprehensive plans are based. Communities should use the information collected in the development of their plans to evaluate whether or not their water supplies are being developed consistent with the Council's Water Resources Management Policy Plan.

Policies. Provide a statement(s) on the principles that will dictate operation of the water supply utility: for example, "It is the policy of the city to provide good quality water at an affordable rate, while assuring this use does not have a long-term negative resource impact."

- East Bethel will provide a reliable and sufficient supply of water for the health and safety of its citizens.
- East Bethel's water will meet the Federal Clean Water Act (CWA) and the Minnesota Department of Health standards.
- East Bethel will provide water to its citizens at a fair and affordable rate based on operation, maintenance and replacement costs.
- East Bethel will promote water conservation to reduce water demand and improve the efficiency of its water system.
- East Bethel will sustain ISO fire protection ratings.
- East Bethel will expand the water supply in accordance with staged land use growth.
- East Bethel will develop Emergency Preparedness procedures for responding to supply of a reliable water source for both domestic use and fire protection.

Impact on the Local Comprehensive Plan. Identify the impact that the adoption of this water supply plan has on the rest of the local comprehensive plan, including implications for future growth of the community, economic impact on the community and changes to the comprehensive plan that might result.

Prompted consideration of a more detailed Water Comprehensive Plan Study and development regulation controls and water conservation and education programs.

Demand Projections

Year	Total Community Population	Population Served	Average Day Demand (MGD)	Maximum Day Demand (MGD)	Projected Demand (MGY)
2010	11,600	0	0.4	1.0	146
2020	13,200	1,208	1.4	3.5	511
2030	16,500	1,600	2.33	5.83	850
Ultimate					

Population projections should be consistent with those in the Metropolitan Council's *2030 Regional Development Framework* or the Communities 2008 Comprehensive Plan update. If population served differs from total population, explain in detail why the difference (i.e., service to other communities, not complete service within community etc.).

In general the municipal service area is limited to the Trunk Highway 65 corridor. A majority of the City is planned for Rural Residential.

PLAN SUBMITTAL AND REVIEW OF THE PLAN

The plan will be reviewed by the Council according to the sequence outlined in Minnesota Statutes 473.175. **Prior to submittal to the Council, the plan must be submitted to adjacent governmental units for a 60-day review period.** Following submittal, the Council determines if the plan is complete for review within 15 days. If incomplete, the Council will notify the community and request the necessary information. When complete the Council will complete its review within 60 days or a mutually agreed upon extension. The community officially adopts the plan after the Council provides its comments.

Plans can be submitted electronically to the Council; however, the review process will not begin until the Council receives a paper copy of the materials. Electronic submissions can be via a CD, 3 1/2" floppy disk or to the email address below. Metropolitan communities should submit their plans to:

Reviews Coordinator
Metropolitan Council
390 Robert St,
St. Paul, MN 55101

electronically to:
watersupply@metc.state.mn.us



A-02623-04
(Rev. 3/06)

Permit Application for Appropriation of Waters of the State NON-IRRIGATION

P.A. No. _____	Date(s) Served _____
<input type="checkbox"/> SWCD _____	<input type="checkbox"/> WSD _____
<input type="checkbox"/> CITY _____	_____

NOTICE OF WARNING: All information provided on this form is considered to be public information in accordance with the Minnesota Data Privacies Act (M.S. 15.1611 to 15.1698).

SEE INSTRUCTIONS...TYPE OR PRINT CLEARLY

1. Applicant Name (landowner or renter) City of East Bethel	2. Business Name City of East Bethel												
3. Authorized Agent (if applicable) Craig Jochum, City Engineer	4. Phone Numbers (with area codes) (763) 852-0485												
5. Mailing Address 2241 221st Avenue NE	6. City, State, Zip Code East Bethel, MN 55011												
7. Purpose (Explain what the water will be used for) <input checked="" type="checkbox"/> Public Water Supply <input type="checkbox"/> Commercial/Industrial <input type="checkbox"/> Water Level Maintenance <input type="checkbox"/> Pollution Containment <input type="checkbox"/> Temporary (1 year or less) <input type="checkbox"/> Other _____													
8. Source of Water ("X" one and complete) <small>▶ Additional information MUST be supplied for each source. Refer to instructions (8 & 9) for requirements.</small>	9. Point of Taking/Pumping Site												
a. <input type="checkbox"/> One well b. <input checked="" type="checkbox"/> 2 manifolded wells c. <input type="checkbox"/> Stream, ditch, or river (name) _____ d. <input type="checkbox"/> Wetland, lake, or impoundment (name) _____ e. <input type="checkbox"/> Other _____	a. NE/NW 1/4 of SE/SW 1/4 of NE/NW 1/4 (Well #3/Well #4) b. Section No. #3-30, #4-29 c. Township No. 33 d. Range No. 23W e. County Anoka												
10. Means of Taking and Rate a. <input checked="" type="checkbox"/> Stationary Pump(s) at 1,000 gpm b. <input type="checkbox"/> Portable Pump at _____ gpm c. <input type="checkbox"/> Gravity Flow at _____ gpm/cfs d. <input type="checkbox"/> Other _____ gpm/cfs (circle one)	11. Method of Measurement a. <input checked="" type="checkbox"/> Flow Meter b. <input type="checkbox"/> Timing Device c. <input type="checkbox"/> Electric Power Consumption d. <input type="checkbox"/> Other _____												
12. Means of Distribution a. <input checked="" type="checkbox"/> pipe 8" - 24" diam 3,000' length b. <input checked="" type="checkbox"/> tank 0.5 M gal. capacity c. <input type="checkbox"/> channel _____ length d. <input type="checkbox"/> other _____	13. Legal Description-Land Owned/Rented * <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Township No.</th> <th style="text-align: center;">Range No.</th> <th style="text-align: center;">Section</th> <th style="text-align: center;">Fractional Sect. Gov't. Lots</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">33</td> <td style="text-align: center;">23W</td> <td style="text-align: center;">30</td> <td style="text-align: center;">See Att. Desc.</td> </tr> <tr> <td style="text-align: center;">33</td> <td style="text-align: center;">23W</td> <td style="text-align: center;">29</td> <td style="text-align: center;">See Att. Desc.</td> </tr> </tbody> </table>	Township No.	Range No.	Section	Fractional Sect. Gov't. Lots	33	23W	30	See Att. Desc.	33	23W	29	See Att. Desc.
Township No.	Range No.	Section	Fractional Sect. Gov't. Lots										
33	23W	30	See Att. Desc.										
33	23W	29	See Att. Desc.										
14. Months of Appropriation <input checked="" type="checkbox"/> JAN <input checked="" type="checkbox"/> JUL <input checked="" type="checkbox"/> FEB <input checked="" type="checkbox"/> AUG <input checked="" type="checkbox"/> MAR <input checked="" type="checkbox"/> SEP <input checked="" type="checkbox"/> APR <input checked="" type="checkbox"/> OCT <input checked="" type="checkbox"/> MAY <input checked="" type="checkbox"/> NOV <input checked="" type="checkbox"/> JUN <input checked="" type="checkbox"/> DEC	15. Schedule of Appropriation ("X" one and complete) a. <input checked="" type="checkbox"/> Continuous _____ hrs./day _____ days/mo. _____ mo./yr. b. <input type="checkbox"/> Seasonal Beginning date _____ c. <input type="checkbox"/> Temporary End date _____												
16. Total Annual Use (Gallons per Year) <div style="text-align: center; font-size: 1.2em;">118.8 million</div>													
17. Discharge To and Quantity a. <input type="checkbox"/> Stream, Ditch or River _____ (name) () MGY b. <input type="checkbox"/> Wetland, Lake or Impoundment _____ (name) () MGY c. <input checked="" type="checkbox"/> Sewer System (47) MGY d. <input checked="" type="checkbox"/> Other (71.8) MGY													
18. Discharge Point a. NE 1/4 of SE 1/4 of NE 1/4 b. Section No. 30 c. Township No. 33N d. Range No. 23W e. County _____	19. Means of Discharge and Rate a. <input checked="" type="checkbox"/> 2 (no.) stationary pump(s) at 500 gpm ea. b. <input type="checkbox"/> (no.) portable pump(s) at _____ gpm ea. c. <input type="checkbox"/> Gravity Flow at _____ gpm/cfs d. <input type="checkbox"/> Other _____ gpm/cfs (circle one)												
20. Additional Requirements: a. <input checked="" type="checkbox"/> Map or Air Photo which shows: 1) Point of Taking or Pumping Site 2) Test Hole Location 3) Boundaries of Property Controlled and Area of Use 4) Discharge Point b. <input type="checkbox"/> \$150 Minimum Application Fee will be billed after receipt of application. c. <input checked="" type="checkbox"/> Statement of Justification/Alternative Sources d. <input checked="" type="checkbox"/> Additional Documents Required													

I hereby make application pursuant to Minnesota Statutes Chapter 103G.261 and all supporting rules for a permit to appropriate water in accordance with all supporting maps, plans, and other information submitted with this application. The information submitted and statements made concerning this application are true and correct to the best of my knowledge.

21. Signature of Landowner or Authorized Agent	22. Date
------------------------------------------------	----------

IMPORTANT: Submit this application and all supporting data to the DNR Office serving you (see back for addresses).
 APPLICANT: KEEP A COPY FOR YOUR RECORDS.

This information is available in an alternative format upon request.



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

Resolution 2014-13 Accepting Annual Financial Statements and Auditor's Annual Report

Requested Action:

Consider adopting Resolution 2014-13 Accepting the 2013 Annual Financial Report and Annual Auditor's Report

Background Information:

The 2013 Annual Financial Report (AFR) has been prepared, audited and is presented for your review and approval.

Resolution 2014-13 formally accepts and adopts the 2013 Annual Financial Report and directs the submission of the Annual Financial Report to the State Auditor.

Fiscal Impact:

None

Recommendation(s):

Staff recommends adoption of Resolution 2014-13 Accepting the 2013 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2013 and direction to submit the report to the state Auditor.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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

RESOLUTION NO. 2014-13

**RESOLUTION ACCEPTING AND ADOPTING THE 2013 CITY OF EAST
BETHEL ANNUAL FINANCIAL REPORT (AFR)**

WHEREAS, City staff has prepared the 2013 Annual Financial Report of the City; and

WHEREAS, the City's auditing firm, Abdo, Eick & Meyers LLP, has completed its review of the financial report; and

WHEREAS, the audit opinion finds that the financial report presents fairly, in all material respects, the financial position of the City as of December 31, 2013.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council hereby accepts and adopts the 2013 Annual Financial Report and directs its submission to the State Auditor.

Adopted this 16th day of April, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Bob DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 D.2

Agenda Item:

Resolution 2014-14 Adopting Fund Balance Policy

Requested Action:

Consider adopting Resolution 2014-14 Revised Fund Balance Policy

Background Information:

The City of East Bethel ended fiscal year 2013 with an unassigned fund balance of \$2,982,715, which was 62% of the 2014 General Fund budget of \$4,801,300. The current fund balance policy is to have at a minimum 35% fund balance of expenditures. This is also the recommended minimum prescribed by the State Auditor’s Office. In an effort to more accurately reflect the fund balance needs of the City, Staff is recommending raising the Fund Balance Policy from 35% to 40% to ensure adequate reserves are kept for cash flow purposes to fund City expenditures between the time periods the City receives our property tax revenues from the County.

Fiscal Impact:

As described above

Recommendation(s):

Staff recommends Council consider adoption of Resolution 2014-14 Revised Fund Balance Policy

Recommendation 2 - Staff recommends adoption of Resolution 2014-14 Permanent Transfer of Funds.

City Council Action

Motion by: _____

Second by: _____

Vote Yes:_____

Vote No:_____

No Action Required:_____

CITY OF EAST BETHEL, MN

FUND BALANCE POLICY

I. PURPOSE

The purpose of this policy is to establish specific guidelines the City of East Bethel will use to maintain an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids are received in the second half of the City's fiscal year.

The purpose of this policy is to also establish specific guidelines the City of East Bethel will use to classify fund balances into a categories based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in these funds can be spent.

II. CLASSIFICATION OF FUND BALANCE/PROCEDURES

1. **Nonspendable**

- This category includes fund balance that cannot be spent because it is either (i) not in spendable form or (ii) is legally or contractually required to be maintained intact. Examples include inventories and prepaid amounts.

2. **Restricted**

- Fund balance should be reported as restricted when constraints placed on those resources are either (i) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (ii) imposed by law through constitutional provisions or enabling legislation.

3. **Committed**

- Fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- The City's highest level of decision making authority (City Council) will annually or as deemed necessary commit specific revenue sources for specified purposes by resolution. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint, may be determined in the subsequent period.
- To remove the constraint on specified use of committed resources the City Council shall pass a resolution

4. Assigned

- Amounts that are constrained by the government's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the General fund includes amounts that are intended to be used for specific purposes.
- The City Council has delegated the authority to assign and remove assignments of fund balance amounts for specified purposes to the Finance Director and the City Administrator.

5. Unassigned

- Unassigned fund balance represents the residual classification for the General fund. Includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General fund. The General fund should be the only fund that reports a positive unassigned fund balance amount.
 - i. The City will maintain an unassigned fund balance in the General fund of at least 40% of the next year's budgeted expenditures of the General fund. This will assist in maintaining an adequate level of fund balance to provide for cash flow requirements and contingency needs because major revenues, including property taxes and other government aids are received in the second half of the City's fiscal year.

II. STABILIZATION ARRANGEMENTS

Stabilization arrangements are defined as formally setting aside amounts for use in emergency situations or when revenue shortages or budgetary imbalances arise.

The City will set aside amounts by resolution as deemed necessary that can only be expended when certain specific circumstances exist. The resolution will identify and describe the specific circumstances under which a need for stabilization arises. The need for stabilization will only be utilized for situations that are not expected to occur routinely.

III. MONITORING AND REPORTING

The City Administrator and Finance Director shall annually prepare the status of fund balance in relation to this policy and present to the City Council in conjunction with the development of the annual budget.

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

RESOLUTION NO. 2014-14

**RESOLUTION ADOPTING THE CITY OF EAST BETHEL'S
ADEQUATE GENERAL FUND UNASSIGNED BALANCE POLICY**

WHEREAS, The City of East Bethel wishes to revise their current General Fund unreserved balance policy.

WHEREAS, The City of East Bethel's revised policy is attached to this resolution.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the Adequate General Fund Unreserved Balance Policy specifying a minimum balance of 40% is hereby adopted:

Adopted this 16th day of April, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Bob DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 D.3

Agenda Item:

Resolution 2014-15 Permanent Fund Transfer

Requested Action:

Consider adopting Resolution 2014-15 Permanent Transfer of Funds

Background Information:

The City of East Bethel has a 2010C debt issue fund that currently does not have sufficient cash to pay its 2016 debt service principal and interest payments of \$695,000 and \$30,613, respectively.

Staff is recommending that \$585,000 of the General Fund balance is permanently transferred to the 2010C debt service fund in order to assist in paying the 2016 debt service on this bond. If the transfer is approved, it is projected that the City will end 2014 with a Fund Balance of \$2,377,715, approximately 50% of 2014 budgeted expenditures, which will still meet the proposed fund balance policy threshold of 40%.

Staff is also recommending that the City transfer \$142,000 in excess reserves from the 2005B debt service fund to the 2010C debt service fund. This excess is the result of the difference in interest rates on the assessment for the project and the bond interest rate.

These two transfers will provide sufficient funding to cover our 2016 2010C principal and interest payment. The 2017 2010C payment can be addressed with General Fund and internal fund transfers and connection fees.

Fiscal Impact:

As described above

Recommendation(s):

Staff recommends Council consider the adoption of Resolution 2014-15 Permanent Transfer of Funds.

City Council Action

Motion by:_____

Second by:_____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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

RESOLUTION NO. 2014-15

RESOLUTION AUTHORIZING A PERMANENT FUND TRANSFER

BE IT RESOLVED by the City Council (the "Council") of the City of East Bethel, Minnesota (the "City"), as follows:

Whereas the City of East Bethel has a 2010C debt issue, which has \$695,000 in principal and \$30,612.50 in interest due in 2016.

Whereas the 2010C debt service fund does not have sufficient cash to make the 2016 debt service payments and makes it necessary for the City to fund this amount through internal permanent transfers from other sources.

Whereas the General Fund and the 2005B debt service fund have excesses to transfer to the 2010C debt service fund.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: The City hereby authorizes the Finance Director to make a one time permanent fund transfer of \$585,000 from the General Fund to the 2010C debt service fund. The City hereby also authorizes the Finance Director to make a one time permanent fund transfer of \$142,000 from the 2005B debt service fund to the 2010C debt service fund. These funds will then be used by the 2010C debt service fund to pay 2016 debt service principal and interest.

Effective Date. This resolution is effective upon the date of its approval.

Adopted this 16th day of April, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Bob DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 E.1

Agenda Item:

Safety Hazard Abatement Grant

Requested Action:

Consider approval of an application submittal to the Department of Labor and Industry for a Safety Hazard Abatement Grant

Background Information:

The Minnesota Department of Labor and Industry awards grants for projects or equipment designed to correct or prevent safety hazards. The grants are matching grants up to \$10,000 and are reimbursed to the successful applicants after the project is complete or the equipment is purchased.

After a review of City facilities by the League of Minnesota Cities Loss Control Consultant, a number of recommendations were made to help reduce the chance of injury and improve workplace safety. Two of the recommendations were a tailgate lift for loading heavy items into the back of a truck and providing a safer way to handle asphalt repairs with regards to how the material is shoveled from the truck. The City has two documented burn accidents as a result of asphalt removal from truck tailgates.

Staff has identified a piece of equipment that would meet both of the recommended requirements that is also cost effective and could qualify for the Safety Hazard Abatement Grant. The Hot Patch truck insert is placed in the back of an existing light duty truck with minimal modification and has the ability to keep asphalt hot and provides a lower shoveling height with its hydraulic tailgate. The material is kept hot by using the trucks cooling system and therefore does not require an open flame or fuel source like most other units. Public Works staff must often travel long distances to get asphalt and the ability to keep the material warm would benefit the quality of the repairs and reduce the amount of material becomes unusable once it cools and hardens . The hydraulic tailgate can lift up to 800 lbs and can be used for many other activities when not repairing asphalt. Anoka County currently has two units in service and numerous other cities, including Blaine, are using them as well with no noted concerns.

The cost of the unit is \$10,000. Other trailer units for asphalt repair can cost twice as much and truck mounted units considerably more. If applied for and awarded, the grant would cover half of that amount reducing the City's cost to around \$5,000. The City would have to fund the entire amount up front but would be reimbursed by the grant amount after the purchase is complete.

Funding for the matching amount of this purchase would be provided from the Equipment Replacement Fund.

Fiscal Impact:

As noted above

Recommendation(s):

Staff is seeking approval to apply for the Safety Hazard Abatement Grant to be used to purchase a Hot Patch truck insert for asphalt repairs and assisting the loading of heavy items into trucks.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 F.1

Agenda Item:

Fire Department Report

Requested Action:

Informational only

Background Information:

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

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
March 2014 Response Calls**

Incident Number	Incident Date	Alarm Time	Location	Incident Type
118	03/31/2014	17:17	2219 Viking BLVD NE	Passenger vehicle fire
117	03/30/2014	19:23	18164 Hwy 65 NE #57	Electric outlet smoking
116	03/30/2014	17:07	18409 Lakeview Point DR NE	EMS call
115	03/29/2014	23:02	23417 Davenport ST NE	EMS call
114	03/29/2014	15:28	22078 Wake ST NE	EMS call
113	03/29/2014	07:46	19452 W Tri Oak CIR NE	EMS call
112	03/26/2014	20:22	22435 Palisade ST NE	EMS call
111	03/25/2014	16:58	1836 209 CT	EMS call
110	03/25/2014	15:37	22078 Wake ST NE	EMS call
109	03/25/2014	13:41	607 Viking BLVD	CO detector activation due to malfunction
108	03/24/2014	19:15	23919 Highway 65	Authorized controlled burning
107	03/24/2014	06:02	18748 Breezy Point DR NE	EMS call
106	03/22/2014	13:48	4647 229 AVE NE	EMS call
105	03/21/2014	16:22	1015 229 AVE NE	Chimney or flue fire
104	03/21/2014	02:43	22320 Durant ST NE	EMS call
103	03/20/2014	18:28	727 229th LN	EMS call
102	03/20/2014	12:35	24355 Hwy 65	EMS call cancelled en route
101	03/18/2014	06:22	4351 229 AVE NE	EMS call
100	03/17/2014	21:11	4602 E Front BLVD NE	EMS call
099	03/17/2014	00:53	1532 229 LN NE	EMS call
098	03/16/2014	20:52	18164 Hwy 65 NE	EMS call
097	03/16/2014	09:04	19300 Hwy 65	EMS call
096	03/15/2014	22:08	20485 East Bethel BLVD NE	EMS call
095	03/14/2014	21:40	18164 Highway 65 HWY NE	Smoke scare, odor of smoke
094	03/14/2014	13:42	22443 7 ST NE	EMS call
093	03/12/2014	18:27	22149 Vermillion ST NE	EMS call
092	03/12/2014	13:31	19425 Jackson ST	EMS call cancelled en route
091	03/11/2014	18:50	19242 Jackson ST NE	EMS call
090	03/11/2014	08:54	19512 Tri Oak CIR NE	EMS call
089	03/10/2014	21:47	18755 Greenbrook DR NE	EMS call
088	03/10/2014	15:35	18536 Greenbrook DR NE	Animal rescue
087	03/10/2014	12:53	3254 182 LN	Chemical hazard (no spill or leak)
086	03/09/2014	12:06	19961 Rendova ST	EMS call
085	03/07/2014	07:48	23617 London CT	EMS call
084	03/05/2014	22:39	24355 Hwy 65 NE	EMS call
083	03/05/2014	12:12	1637 214 AVE	Chimney or flue fire
082	03/05/2014	11:59	430 221 AVE	EMS call
081	03/03/2014	16:25	24425 Durant ST	EMS call cancelled en route
080	03/03/2014	10:16	18164 65 HWY	EMS call
079	03/02/2014	18:24	20310 East Bethel BLVD NE	Electrical wiring/equipment problem
078	03/02/2014	09:44	2101 Deerwood LN NE	EMS call
077	03/02/2014	08:16	182 NE Forest RD NE	EMS call cancelled en route
Total				42

City of East Bethel

Subject: Fire Inspector Report

March 1 – 31, 2014

City of East Bethel Fire Inspection List

Name	Address	Comments
Flex Fitness	21058 Davenport St	Emergency lighting
Tek Steel Fab.	23020 Ulysses St	No Violations
R.A.K. Const	21435 Johnson St	2 nd Inspection: No Violations
A-Blast	21473 Johnson St	No Violations
Blue Sky Alpacas Inc	21476 Johnson St	Emergency lighting
Cedar Creek Auto	21388 Johnson St	Fire Extinguishers
R.L Automotive Inc.	11835 Viking Blvd	No Violations
Residential	3233 227 th Ave	Fire access road
	18805 Suite A	No Violations
		NOTE: First Inspections Unless Noted

00 Businesses Inspected

Reported by Mark Duchene
Fire Inspectors



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 F.2

Agenda Item:

Emergency Management Plan

Requested Action

Approve the City Emergency Management Plan

Background Information:

Fire Chief Mark DuCharme will present the City’s Emergency Management Plan to Council for approval. Previous work meetings with the Council have been held to discuss the Emergency Operations Plan. Recommended changes have been incorporated in the plan.

Attachment:

Draft Emergency Management Plan

Fiscal Impact:

None

Recommendation(s):

Staff recommends approval of the Emergency Operations Plan.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

CITY OF EAST BETHEL

EMERGENCY OPERATIONS PLAN



East Bethel, Minnesota

April 2014

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DISTRIBUTION

Each city department is responsible for maintaining availability of the Basic Emergency Operations Plan (BEOP) and the Annexes and Appendices relevant to the department's responsibilities for executing this plan. Copies may be maintained in hardcopy or softcopy as appropriate to the department's functional responsibilities.

Emergency Operations Plan Distribution List

Title	Person	Date Obtained	Plan #	Printed or CD	
				Printed	CD
Mayor	Robert DeRoche, Jr		1	<input type="checkbox"/>	<input type="checkbox"/>
City Administrator	Jack Davis		2	<input type="checkbox"/>	<input type="checkbox"/>
Deputy City Clerk	Wendy Warren		3	<input type="checkbox"/>	<input type="checkbox"/>
Emergency Management Director	Mark DuCharme		4	<input type="checkbox"/>	<input type="checkbox"/>
Building Official	Nick Schmitz		5	<input type="checkbox"/>	<input type="checkbox"/>
Finance Director	Mike Jeziorski		6	<input type="checkbox"/>	<input type="checkbox"/>
Community Development Director	Colleen Winter		7	<input type="checkbox"/>	<input type="checkbox"/>
Anoka County Sheriff's Dept.	Cmdr. Michelle Orlando		8	<input type="checkbox"/>	<input type="checkbox"/>
Deputy Fire Chief	Arden Anderson		9	<input type="checkbox"/>	<input type="checkbox"/>
Public Works Superintendent	Nate Ayshford		10	<input type="checkbox"/>	<input type="checkbox"/>
Councilmember	Tom Ronning		11	<input type="checkbox"/>	<input type="checkbox"/>
Councilmember	Ron Koller		12	<input type="checkbox"/>	<input type="checkbox"/>
Councilmember	Heidi Moegerle		13	<input type="checkbox"/>	<input type="checkbox"/>
Councilmember	Tim Harrington		14	<input type="checkbox"/>	<input type="checkbox"/>
			15	<input type="checkbox"/>	<input type="checkbox"/>
			16	<input type="checkbox"/>	<input type="checkbox"/>
			17	<input type="checkbox"/>	<input type="checkbox"/>
Anoka County Emergency Mgr.	Terry Stoltzman		18	<input type="checkbox"/>	<input type="checkbox"/>
MN HSEM Regional Coordinator	Kim Ketterhagen		19	<input type="checkbox"/>	<input type="checkbox"/>
			20	<input type="checkbox"/>	<input type="checkbox"/>
			21	<input type="checkbox"/>	<input type="checkbox"/>
			22	<input type="checkbox"/>	<input type="checkbox"/>

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DATA PRACTICES WARNING

Information contained in the City of East Bethel, Emergency Operations Plan, is classified as both “Public” and “Private” data on individuals pursuant to the Minnesota Government Data Practices Act. Data classified as “Public” is accessible to anyone upon request to the City’s Responsible Authority. Data classified as “Private” is accessible to those City staff members that have a job need for the information, to the subject of the data, and to those whom the data subject has given their informed consent. City staff and other persons who are in possession of the Emergency Operations Action Plan are to maintain it in a secure location to insure that the information is not accessed by unauthorized persons, or outside the procedures established by City policy and State law.

CERTIFICATION OF PLAN APPROVAL

This page documents approval of the General Plan and Annexes, the Standard Operating Procedures, and the Resource Manual.

Plan developed by: **Mark DuCharme**
City of East Bethel
Fire Chief/Emergency Management Director

Date: __/__/14

Plan approved by: **Robert DeRouche, Jr.**
City of East Bethel
Mayor

Signature: _____

Date: _____

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GLOSSARY OF TERMS AND ACRONYMS

ARC: American Red Cross

Biological Agents: Living organisms or materials derived from them that cause disease; harm humans, animals, or plants; or deteriorate materials.

CERT: Community Emergency Response Team(s)

Chemical Agent: A chemical substance intended to kill, seriously injure, or incapacitate people through physiological effects.

Contingency: For more effective planning, a construct that groups similar hazards and activities related to possible incidents.

Cyber Terrorism: Malicious use of electronic devices to commit or threaten to commit acts of terrorism. (See definition of Terrorism)

DAC: Disaster Application Center

DOE: Department of Energy

DOT: Department of Transportation

EAS: Emergency Alert System (formerly EBS)

EM: Emergency Management

EMS: Emergency Medical Services

EMA: Emergency Management Agency

EOC: Emergency Operating Center

EOP: Emergency Operations Plan

EMI: Emergency Management Institute

EPI: Emergency Public Information

Exercise: An activity designed to promote emergency preparedness; test or evaluate emergency operations plans, procedures or facilities; train personnel in emergency response duties, and demonstrate operational capability. There are three specific types of exercises: Tabletop, Functional, and Full Scale.

FCO: Federal Coordinating Officer

FEMA: Federal Emergency Management Agency

FIA: Federal Insurance Administration

Functional Area: A major grouping of functions and tasks that agencies perform to carry out awareness, prevention, preparedness, response, and recovery activities.

Hazardous Substance: Any substance or mixture of substances that presents a danger to public health, public safety, or the environment.

HAZMAT: HAZardous MATerial

HSEM: (Minnesota) Homeland Security and Emergency Management

IC: Incident Command(er)

ICS: Incident Command System

Incident: An occurrence in which hazards or threats result in a harmful, dangerous, or otherwise unwanted outcome.

Local Government: A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, regional or interstate government entity, or agency or instrumentality of a local jurisdiction. This term also applies to an Indian tribe or authorized tribal organization, or in Alaska a Native village or Alaska Regional Native Corporation. It also applies to a rural community, unincorporated town or village, or other public entity. (As defined in Section 2(10) of the Homeland Security Act of 2002, Pub. L. 107-296, 116 Stat. 2135, et seq. (2002).)

MARS: Military Affiliate Radio System

MDOT: Minnesota Department of Transportation

MDNR: Minnesota Department of Natural Resources

NCIC: National Crime Information Center (FBI Data Base)

NETC: National Emergency Training Center

NFPA: National Fire Protection Association

NIMS: National Incident Management System

NOAA: National Oceanographic and Atmospheric Administration

NRC: Nuclear Regulatory Commission

NWS: National Weather Service

OEM: (Kirkwood) Office of Emergency Management

PIO: Public Information Officer

RACES: Radio Amateur Civil Emergency Service

RADEF: RAdiological DEFense

Radiation (Nuclear): High-energy particles or gamma rays emitted by an atom undergoing radioactive decay. Emitted particles can be charged alpha or beta particles, or neutral neutrons.

Safeguarding Vital Records: Measures by government that protect vital records the government must have to continue functioning during emergency conditions and to protect the rights and interests of citizens during and after the emergency.

SAR: Search And Rescue

SARA: Superfund Amendment Reauthorization Act (Title III)

SAVE: Structural Assessment and Visual Evaluation Coalition

SBA: Small Business Administration

SFM: State Fire Marshal

SOP: Standard Operating Procedure

SOG: Standard Operating Guidelines

SLA: State and Local Assistance (FEMA funding)

Succession: The process established to list the order, line, or interim personnel entitled to succeed one another under emergency conditions.

Terrorism: The unlawful use of force or violence against persons or property to intimidate or coerce a government, civilian population, or any segment thereof, in furtherance of political or social objectives.

Threat: An indication of possible violence, harm, or danger.

TTY: Teletype (hardcopy communications terminal)

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EMERGENCY OPERATIONS PLAN

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REFERENCES

The East Bethel Office of Emergency Management will maintain copies of all documents referenced at the end of each section of this plan. Reference documents will not be reproduced and distributed with the East Bethel Emergency Operations Plan since they exist as stand alone documents on file with the responsible and appropriate agencies.

**CITY OF EAST BETHEL
EMERGENCY OPERATIONS PLAN
BASIC PLAN**

I. PURPOSE, STRUCTURE, OBJECTIVES

A. Purpose

The four phases of comprehensive emergency management are:

1. Mitigation - advance activities to eliminate or reduce the probability of disasters, and to lessen the negative effects of unavoidable hazards.
2. Preparedness - planning and testing of response capabilities for emergency/disasters.
3. Response - Activities during an emergency/disaster that help reduce casualties and damage, and speed recovery.
4. Recovery - Restoring critical services and providing for basic needs of the public, followed by long-term restoration of the community to a normal state.

The purpose of this emergency operations plan is to predetermine, as far as possible, actions to be taken by the city departments and other cooperating organizations, public and private, to prevent disasters if possible, to reduce the vulnerability of East Bethel residents to any disasters that may strike, to respond effectively to the actual occurrence of a disaster, and to provide for the recovery from any emergency involving extensive damage or significant negative influence on normal life within East Bethel.

B. Structure

This plan contains three sections:

1. Basic Emergency Operations Plan – an overview of East Bethel, the hazards it is subject to and the approach to planning for such hazards
2. Annexes - emergency plans for each major function
3. Appendices – Reference information

These three sections together form the East Bethel Emergency Operations Plan.

This plan is intended to provide a general guideline and not to provide such detail as to limit or inhibit creative leadership in time of disaster.

C. Objectives

1. To save lives.
2. To sustain survivors.
3. To guard the health of the population.
4. To protect property.
5. To support the conduct of disaster operations.
6. To assure the continuity of East Bethel Government operations.
7. To provide preservation of important records for operation and reconstitution, if necessary, of East Bethel's government during and after a disaster.
8. To make the public aware of potential disaster situations and prepare them to take appropriate action.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. The City of East Bethel is located in the north-central part of Anoka County, Minnesota, an area of 47 square miles bounded by five cities and one township, with a population of approximately 12,000 in 2011.
2. In addition to the East Bethel city departments, other authorities, agencies and institutions exist and/or function within the city's boundaries, including:

St. Francis School District
Forest Lake School District
Metro Transit
Xcel gas utility
Connexus Energy electric utility
CenterPointe Energy gas Utility
Minnesota Department of Transportation
Anoka County Sheriff's Department
Minnesota State Patrol
Anoka County Highway Department
Anoka County government

State of Minnesota agencies
University of Minnesota

3. Within East Bethel there are approximately 149 miles of roads, divided as follows:
 - State highways 7 miles
 - County roads 22 miles
 - East Bethel roads 105 miles
 - Private streets 15 miles
4. East Bethel has the resources, capabilities and potential that would contribute significantly to the preservation of life, property and continuity of services to our citizens. This capability is based on well equipped, comprehensive fire, law enforcement and public works departments.
5. Through mutual aid agreements, East Bethel may obtain resources and assistance from other cities as well as Anoka County.
6. The city of East Bethel is exposed to many hazards, all of which have the potential to disrupt community life, create casualties and cause damage. Natural hazards come from severe weather, health epidemic or resource shortages. Technological hazards are related to sources such as fire, transportation accidents, hazardous materials and civil or economic crisis or terrorism.

B. Assumptions

1. That disasters and serious emergencies can and will occur in the City of East Bethel
2. That while this plan has been prepared for response to a disaster, the plan's provisions can be applied, as appropriate, to any emergency situation.
3. That, after conducting a hazard identification analysis, the incidents East Bethel should be prepared for include: tornado, winter storm, major utility failure, high winds, flooding, hazardous or radiological material accidents, mass casualty transportation accident, civil disorder and terrorism.
4. That some of these situations may occur with time for warning or other preparedness measures, but others (such as earthquake or terrorism) can occur with little or no warning.

5. That East Bethel's city officials are aware of the possibilities of an emergency or major disaster, and of their responsibilities in the execution of this plan, and will fulfill those responsibilities.
6. That proper implementation and execution of this plan will reduce or prevent loss of lives and damage to property in the City of East Bethel.
7. That depending on the severity and magnitude of the situation, East Bethel may find it necessary to summon assistance through volunteer organizations, private enterprise, mutual aid agreements, or county, state, and federal sources.
8. That large-scale population relocation is impractical; however, an in-place shelter plan is essential.
9. That although natural and technological hazards stem from a variety of sources, many of the response activities are similar or overlap.
10. That East Bethel's city government departments will remain operational throughout a disaster, performing both emergency and routine duties although routine functions may be limited as necessary.

Natural Hazards

Tornadoes/straight-line winds	Severe hail storm(s)
Severe thunderstorms	Severe ice storm(s)
Large rain fall(s) with flash flooding	Severe winter storm accumulations
Extreme & prolonged high temperatures	Extreme & prolonged fog
Extreme & prolonged drought	Large wildland/grass/forest fire(s)
Extreme & prolonged low temperatures	Earthquake
Pandemic(s)	

Technological Hazards

Fixed facility hazardous materials incident	Accidental hazardous materials release
Transportation hazardous materials incident	Large scale transportation accident
Large/multiple structure fire w/high occupancy	Large/multiple structure collapse
Utility Failure – natural gas, electricity, etc.	

National Security/Terrorism/Manmade

Terrorist bombing/mass homicide/assault	Terrorist hostage taking incident
Terrorist act against government/society	Large scale civil disorder/riot incident
Chemical/biological weapon attack	Enemy military invasion

HAZARD PROBABILITY ANALYSIS:

More Likely to Occur

Tornadoes/straight-line winds	Severe thunderstorms
Severe hail storms(s)	Severe winter storm accumulations
Extreme & prolonged low temperatures	Large rain falls with flash flooding
Extreme & prolonged high temperatures	Extreme & prolonged drought
Severe ice storm(s)	Fixed facility hazardous materials incident
Transportation hazardous materials incident	Large scale transportation accident
Utility Failure – natural gas, electricity, etc.	Large scale wildland/grass/forest fire(s)
Large/multiple structure fire w/high occupancy	Pandemic(s)

Less Likely to Occur

Intentional Hazardous Materials Release	Terrorist Act Against Government/Society
Terrorist Hostage Taking Incident	Terrorist Bombing/Mass Homicide/Assault
Extreme & Prolonged Fog	Large Scale Civil Disorder/Riot Incident
Chemical/Biological Weapon Attack	Enemy Military Invasion
Earthquake	Large/multiple structure collapse

III. CONCEPT OF OPERATIONS

- A. Each level of government is responsible for providing an emergency management program that meets the needs of its citizens who might be affected by serious emergency or major disaster.
- B. The City of East Bethel has the first line of responsibility for emergency management activity. In an emergency, state and federal government can be counted on for major support only when the damage has been unusually widespread and severe. The role of emergency management in East Bethel is to ensure development and maintenance of an on going emergency management program. The program should cover mitigation, preparedness, response, and recovery, utilizing the normal capabilities of East Bethel 's government.
- C. Anoka County Office of Emergency Management works with county departments and private sector organizations in development of plans and capabilities responsive to those hazards that threaten the county. Anoka

County Emergency Management can also assist in obtaining County resources when an emergency exceeds the capabilities of East Bethel. Anoka County Emergency Management needs to be called before going to the State of Minnesota and HSEM for additional resources.

- D. Minnesota Homeland Security and Emergency Management (HSEM) develops and maintains the necessary plans, facilities, and equipment to administer an active emergency management program at both State and local levels. HSEM is in a position to ascertain the needs of local governments and facilitate the acquisition, application and coordination of state and federal resources for program development and emergency assistance. East Bethel's resource requests of the state need to be made through the Anoka County Office of Emergency Management.
- E. Federal Emergency Management Agency (FEMA) is the principal point of contact for federal emergency management activities. Working with the state, FEMA can provide policy, technical and financial assistance to East Bethel. FEMA has 10 regional offices; Region V Headquarters in Chicago, IL. is responsible for Minnesota. FEMA also coordinates emergency response of other federal agencies that administer disaster relief programs. Federal disaster assistance to East Bethel may only be obtained through HSEM.
- F. The Mayor of East Bethel is responsible for protecting lives and property in an emergency or disaster situation in East Bethel. The East Bethel City Council, City Administrator, city department heads and Emergency Management Director will provide advice and counsel to the Mayor in time of declared emergency.
- G. This plan is based on the concept that initial emergency response will be handled by East Bethel's existing departmental resources. Extra assistance will be requested through: Mutual aid agreements between East Bethel and other municipalities or Anoka County. Assistance may also be obtained from the American Red Cross, Salvation Army, other volunteer groups, HSEM, and FEMA (coordinated through HSEM).
- H. Certain people who may require special attention will be accommodated in this plan. This includes people with special needs, such as hospice patients or the elderly, and persons with disabilities.
- I. Emergency management assignments in Appendix 1 of this plan are based upon the concept that they parallel normal day-to-day functions of East Bethel's departments. Routine resources will be applied before seeking outside aid.

- J. In large-scale disasters, it may be necessary to draw on people's basic capabilities in areas of greatest need, suspending day-to-day functions that do not directly contribute to emergency operations.
- K. The Mayor, City Administrator, department heads, and Emergency Management Director will periodically review and suggest updates to existing emergency management plans, policies and programs.

IV. ASSIGNMENTS

Specific responsibilities are assigned to City of East Bethel officials in the event of an emergency, in concert with their normal city government functions.

- A. The Mayor of East Bethel shall exercise general direction and control over all emergency operations in accordance with Minnesota State Law (Chapter 12 Revised Statutes of Minnesota). IN accordance with the City of East Bethel Ordinance, Chapter 2, Article XI, Sections 603 – 603); In the absence of the Mayor, the Acting Mayor shall assume responsibility. In the absence of the Mayor and Acting Mayor, those persons present, by majority vote, regardless of number, shall elect a chair to preside at the meeting and a secretary to keep minutes. City resources shall be managed through the normal chain of command under the City Administrator. Reference Appendix 1.
- B. East Bethel City Council shall exercise their legislative powers, including the power to adopt emergency legislation.
- C. The East Bethel Emergency Management Director is responsible for general maintenance of this Emergency Operations Plan, and guidance in its use.
- D. East Bethel city department heads shall each:
 - 1. Prepare a plan to be included (or specifically referenced) in appropriate annexes of this plan to cover emergency functions assigned as shown in Appendix 1.
 - 2. Develop systems for alerting their personnel of impending emergency situations (to include a line of succession should key personnel be unavailable), develop a notification/recall plan and designate a primary reporting area (normal place of duty) and alternate reporting area, should the primary area be unsuitable due to the emergency.

3. Be ready to alert and mobilize sections or individuals of their department as necessary to support emergency mission assignments as shown in Appendix 1.
 4. Serve as, or designate a senior employee to serve as, their departmental disaster coordinator in the Emergency Operations Center during emergency operations.
 5. Upon receipt of an emergency notification, report to the Emergency Operations Center (or ensure the department disaster coordinator reports to the EOC), to meet with the Mayor and assist in evaluation and coordination of actions for the specific emergency.
 6. Prepare a plan for rotation of employees to ensure twenty-four hour seven day continuous functioning of their department if required by the nature of the emergency.
 7. Identify records in their department necessary for continuation and maintenance of East Bethel Government, and provide for adequate backup and storage of such records in a secure location.
 8. Collect and evaluate factual information relative to the emergency and make such information available to the Mayor in the Emergency Operations Center to support decisions and actions following an emergency.
 9. Provide lateral liaison with appropriate local government agencies and/or private enterprise businesses related to the department's emergency function assignments.
 10. Plan and implement inter-department exercises.
- E. Emergency Function Responsibilities of each city of East Bethel department, with respect to this plan, are summarized in the chart included in Appendix 1 of this plan.

V. DIRECTION AND CONTROL

- A. The emergency response provisions of this plan become operative by executive order of the Mayor of East Bethel, or the official Acting Mayor; acting for the mayor due to absence or inability. See Appendix 1 for executive line of succession.

- B. Upon the executive declaration of emergency, the East Bethel Emergency Director shall coordinate the notification, commitment and utilization of all East Bethel resources, both public and private, until relieved by higher authority. See Appendix 2 for Emergency Notification List, and Annex A Direction and Control.
- C. City departments with essential records include Administration, Finance, Fire, Public Works, Engineering, Building Inspections and Planning and Zoning, The majority of essential records are automated and the MIS Department manages an electronic backup of databases for off-site storage by a commercial data storage company. Any critical manual records are either retired to a vault in City Hall each day.

VI. PLAN MAINTENANCE

- A. This plan is the principal source of documentation on East Bethel 's emergency management program. Each city department has responsibility for developing and maintaining the part(s) of the plan that pertain to their area(s) of responsibility under the plan. The East Bethel Emergency Management Director is responsible for development and maintenance of the Basic EOP and coordinating maintenance of the plan's Annexes and Appendices.
- B. County, state and federal agencies may become involved in the planning process to the extent necessary to insure coordination of outside aid and conformance of the plan to Federal and State requirements for financial aid.
- C. Nothing in the planning and support process should be interpreted as relieving East Bethel's appointed department heads of their responsibilities for emergency planning or their authority to direct their assigned resources.

VII. LEGAL BASIS AND REFERENCES

The legal basis for planning for and conducting all-hazard emergency operations at the Federal and State levels are listed in the Emergency Management Director's Handbook, Section B. An electronic copy is located at the Emergency Management Department/Fire Department.

The legal basis also includes the following:

- Federal Civil Defense Act of 1950 (Public Law 920), as amended.
- Minnesota State Statute, Chapter 12, as amended.

- East Bethel Resolution No. XX-XXX
- Anoka County Emergency Operations Plan
- Mutual Aid agreements
- Public Law 93-288, Disaster Relief Act

B. Authentication

1. Nothing contained herein shall be in conflict with any provision of the City of East Bethel ordinances or the Constitution of the State of Minnesota.

2. Original City of East Bethel Emergency Operations Plan approved:

(Signed) _____, _____

Robert DeRoche, Jr., Mayor,
East Bethel, MN

Date

(Signed) _____, _____

Jack Davis, City Administrator
East Bethel, MN

Date

(Signed) _____, _____

Mark DuCharme, Emergency Management Director
East Bethel, MN

Date

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ANNEX A

DIRECTION AND CONTROL

I. PURPOSE

- A. In a disaster situation, a centralized management center used to facilitate coordination and control of responding agencies is the Emergency Operating Center (EOC), where information for decision making is collected and analyzed. B. This annex covers the EOC activation and use. It covers the facility, personnel, procedures and support for use of the EOC as a command post for city management in emergency situations.

II. SITUATION AND ASSUMPTIONS

- A. Situation
1. The primary EOC is located on the lower level of the East Bethel Fire Station # 1, 2751 Viking Blvd.
 2. The EOC is equipped with one analog telephone line and connected with the City Hall phone system and internet network, cable television, a small copier, dispatch radio room, public safety radios programmed for all East Bethel area channels. The building also provides a natural gas generator that will operate 80% of the electrical needs in the building.
 3. The alternate EOC location is at City Hall at 2241 221st Avenue NE; the Senior Center; East Bethel Ice Arena. These alternate locations all have limitations regarding telephone and two-way radio communications availability.
- B. Assumptions
1. East Bethel Fire Department, Public Works and the Anoka County Sheriff's Office will handle routine emergency situations in the city.

2. Most major single point of occurrence emergencies can be managed using the established incident command procedure with support of the city's departments plus applicable mutual aid resources.
3. In a multi-location large-scale emergency or disaster situation, centralized direction and control from the EOC will provide the most effective coordination of resources, and free the field forces to concentrate on essential tasks at the scene.

III. CONCEPT OF OPERATIONS

A. Definitions

1. **EMERGENCY:** a situation requiring multiple East Bethel departments (or mutual aid) to respond with resources beyond routine day to day activity.
2. **DISASTER:** an emergency requiring non-East Bethel's resource far beyond the city's normal capability.

B. General

All of East Bethel's primary emergency services dispatching is carried out from the dispatch center of Anoka County Radio. Computer and radio channels for receiving warnings from State and local governments are installed. The East Bethel Emergency Management Director will be aware of any major emergency situation that could affect East Bethel. Since emergencies vary in nature, speed of onset and potential for escalation to disaster proportions, the Emergency Management Director can initially determine the need for activation of East Bethel resources beyond those normally employed in handling day-to-day emergency situations.

C. Notifications

Any situation requiring resources beyond routine day-to-day levels will be deemed a potential emergency. The Emergency Management Director will ensure notification of the appropriate department heads. The Emergency Management Director will initiate the request for notification of the City Administrator, who will in turn determine notification of the Mayor and Council.

NOTE: routine fire department mutual aid responses are not considered a potential emergency situation until a second alarm is called.

D. EOC Activation

1. The official declaration of a City of East Bethel emergency will be made by the Mayor (or next in succession) responding to notification of a potential emergency situation. The EOC may or may not be activated, depending on the nature of the situation and the Mayor's assessment for needing EOC functions. The Emergency Management Director may make activation of the EOC as a precautionary measure.
2. Functions to be carried on in the EOC include policy (city leaders and department heads), disaster analysis, operations, and resource management.
3. Initial activation of the EOC would typically be for the analysis and coordination function, to monitor the situation and determine the need for additional action and full alerting of key officials.

E. Alternate EOC

1. If it is determined that a given disaster will render the primary EOC untenable, operations will be shifted to an alternate EOC location within East Bethel as listed in paragraph A.II.A.3 above.
2. If a disaster is immediate and totally destroys the ability of East Bethel to maintain an EOC on city property, possible alternate locations include:

Coon Lake Beach Community Center
Fire Station # 3 (Coon Lake Beach)
Our Savior's Church and School
East Bethel Community School
Cedar Creek Elementary School

3. The Incident Management System employed for field operations will be consistent with the IMS used by all fire departments in Anoka County and the State of Minnesota.
4. If a disaster disables all local EOC capabilities, including Anoka County's EOC, the State of Minnesota Homeland Security and Emergency Management will establish direction and control capabilities for the surviving field forces.

IV. ASSIGNMENTS

A. Direction and Control

1. The ultimate authority for emergency management in East Bethel is the Mayor, who heads the **POLICY** group in the EOC. The policy group exercises broad control over emergency operations, gives guidance on matters of policy, and provides official information and instructions to the public.
2. The **DISASTER ANALYSIS** group, consisting of department heads or their duty officers, analyzes all available information on the situation, develops a response and recovery strategy, and plans the deployment of resources, making certain to apply the most effective combination of all city departments and outside agency resources.
3. The **OPERATIONS** group, consisting of supervisory personnel, implements the analysis group's strategy, communicates with the field forces, and keeps track of their status and progress in carrying out the instructions.
4. The **RESOURCE MANAGEMENT** group is responsible for working with agencies, both public and private, in the East Bethel area, to ensure maximum availability of resources for emergency needs.

NOTE: Depending on a given situation, the FUNCTIONS of Analysis, Operations and Resource Management may be carried out by any appropriate staff grouping.

B. Responsibilities

1. Emergency Management Director will develop and maintain a Standard Operating Procedure (SOP) for the EOC and work with city departments to both establish and maintain the EOC site and develop the EOC Organization & Assignments, Appendix 3 to this plan.
2. Other city departments will provide assistance in manning and support of the EOC as detailed in Appendix 3, EOC Organization and Assignments.
3. Finance Director will track the emergency/disaster incident unique expenses.

V. CONTINUITY OF GOVERNMENT

- A. If the primary EOC is not able to function (i.e., EOC is damaged, inaccessible, etc.), an alternate EOC will be activated. It is the responsibility of the Emergency Management Director to manage the alternate EOC, provide for the relocation of staff members to this facility, and transfer direction and control authority from the primary EOC.
- B. Should it become necessary to evacuate the entire city, the EOC will be moved to the nearest safe location.
- C. The line of succession for the Emergency Management Director is as follows:
 - 1. Emergency Management Director
 - 2. Fire Marshal
 - 3. Deputy Fire Chief

VI. PLAN DEVELOPMENT AND MAINTENANCE

The Emergency Management Director will maintain Annex A of this plan, in cooperation with all the East Bethel city Department Heads and their designated representatives.

VII. AUTHORITIES AND REFERENCES

- A. Authority: see basic plan section VII.
- B. Reference: FEMA CPG 1-20, EOC Handbook.

ANNEX B

COMMUNICATIONS & WARNING

I. PURPOSE

This annex outlines the responsibilities, organization, facilities and procedures for conducting essential communications and warning the general public in time of emergency or disaster.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. Warning of the general public is desirable for any serious threat to their welfare.
2. Since hazards vary in predictability and speed of onset, the lead time for warning the public can vary from adequate to none at all.
3. The communications center during EOP operations is at Fire Station # 1; 2751 Viking Bld.
4. Anoka County Radio activates the fifteen (15) outdoor warning sirens. Activation by City personnel is not possible.
5. The City Hall main number; 763-367-7840 will be transferred to the EOP during an emergency or disaster.
6. Public safety radio communication and dispatching is provided by Anoka County Radio. Anoka County Radio will dispatch and in times of emergencies and disasters assign "talk groups" or channels for radio communications. These talk groups allow communication with a wide range of resources, agencies and disciplines. During widespread disasters, Anoka County Radio may impose a "self dispatch" procedure for Fire Departments. Self dispatching will only occur when directed by Anoka County Radio. When in the self dispatch mode, Fire Station # 1 will monitor Fire main radio channel and web cad to determine emergency calls in our City. Station # 1 personnel will dispatch only East Bethel units and/or resources committed to East Bethel through Mutual Aid agreements. The telephone number of Station # 1 763-367-7885, the analog telephone number is; 763-413-1622.
7. Computer terminal access to city computer networks and internet connections exists, as well as an analog fax line.

8. Additional communications capability may be provided through volunteer agencies, mutual aid resources or the Anoka County mobile command vehicle.
9. The Fire Department has a remote base at Fire Station #2, 2375 221st Avenue NE. capable of operation on the fire channel and fire mutual aid channel.

B. Assumptions

1. A good system for warning the public has potential for saving lives, preventing or minimizing injuries, and limiting property damage.
2. The population of East Bethel is generally within hearing range of the existing warning sirens, and most of the population has access to radio or television receivers.
3. Administrators of large concentrations of people (schools, institutions, etc.) have established procedures to follow when warnings are issued, and monitor NWS Weather Alert radios.
5. Communication via messenger, cell phone, land phone line or walkie-talkie may be necessary between the communications center and the EOC.

III. CONCEPT OF OPERATIONS

A. General

Fire Station # 1; 2751 Viking Blvd., communications center will remain the center for communications and warning in a disaster situation. See paragraph II.A.12. for alternate routing of routine incoming calls.

B. Direction and Control

1. The Emergency Management Director will take action to ensure the staffing of the communications center is augmented commensurate with the level of emergency at hand.
2. Fire Department Standard Operating Procedures or Guidelines for the Communications Center will remain in effect.

3. In slowly developing situations, the decision to issue a warning will be made by Anoka County.
4. Fire and Police officials may initiate evacuation and shelter operations on their own in accordance with their departmental standard operating procedures.

C. Sources of Information

Reports of situations that may endanger East Bethel's population may come from private citizens, certified weather spotters, responding emergency services personnel, National Weather Service radio, adjoining cities or Anoka County, industry or utilities. The magnitude of the threat and the credibility of the source of the information must be considered in proceeding with dissemination of a warning to the general public.

D. Warning Dissemination

One or more of the listed warning facilities will be used, depending on the nature of the emergency:

1. Outdoor warning sirens (Anoka County activated)
2. Neighborhood sweeps using emergency vehicles with siren and public address equipment, and door-to-door canvass, as necessary, utilizing law enforcement, fire and other city employees as available, plus Sherriff reserves, Fire Explorers, CERT members.

IV. ASSIGNMENTS

A. Communications Center

Emergency assignments will be made by the Fire Department officer in charge at the time of the emergency. The designated **warning point** for East Bethel is the communications center. This will be the focal point for receipt and dissemination of warning information.

B. Emergency Operations Center

Each city department or organization will maintain a record of its communications with respect to the emergency/disaster situation, in accordance with its standard operating procedures.

V. ADMINISTRATION AND LOGISTICS

- A. Outdoor sirens are maintained by the city of East Bethel and activated by Anoka County Radio
- B. Communications Center is maintained by the East Bethel Fire Department, and can **NOT** activate East Bethel's outdoor warning sirens.
- C. Mobile Siren & Public Address equipment is maintained by each department having such equipment in its inventory.

VI. CONTINUITY OF GOVERNMENT

- A. The line of succession for the Communications and Warning Coordinator is as follows:
 - 1. Deputy Fire Chief
 - 2. Fire Duty Officer or Station One Highest Ranking Officer responding
 - 3. Highest Ranking Officer or most Senior Fire Fighter responding

VII. PLAN DEVELOPMENT AND MAINTENANCE

The Fire Department will be responsible for the development and maintenance of this annex to the plan.

VIII. REFERENCES

- A. FEMA Emergency Communications CPG 1-8; Job Aid Manual SM - 61.1; CPG 1-14
- B. Principles of Warning and Criteria Governing Eligibility of NAWAS Terminals; CPG 1-16

Locations of Outdoor Warning Sirens

MAP TO BE INSERTED

ANNEX C

EMERGENCY PUBLIC INFORMATION

I. PURPOSE

- A. To assure that correct, factual, official, and timely information is made available for the general public. This will involve the collection, evaluation and dissemination of essential information.
- B. This annex establishes policies and procedures and assigns responsibilities to ensure a capability is maintained to disseminate accurate and timely information to the population of East Bethel on potential and actual emergency/disaster situations.

II. SITUATION AND ASSUMPTIONS

- A. Situation
 - 1. Rumor and false information can prevent maximum cooperation of East Bethel citizens and thereby impede the response and recovery efforts in an emergency. In an information void, rumors and false information can be expected.
 - 2. The population of the City of East Bethel is an English speaking population. Persons with disabilities may have their locations registered with the Anoka County Radio.

- B. Assumptions

The public and media will demand information in emergency and disaster situations. Local media has an essential role in getting accurate information to our population. The city will have people available who know how to interface effectively with the media.

III. CONCEPT OF OPERATIONS

- A. General
 - 1. The City's Public Information Officer (PIO) will coordinate release of information to the media, in accord with wishes of the Mayor.
 - 2. The PIO will coordinate information with appropriate law enforcement and fire PIO personnel.

3. The PIO will designate a specific area that will serve as a central clearing point for briefing media personnel.
4. City employees involved in the emergency situation will be advised by the PIO where the media briefing is to be located so that they may direct inquiries and/or newsmen to the proper location.
5. If the emergency is such that no briefing area need be established, a specific phone number and/or office at City Hall will be designated to handle media inquiries.

B. Public Information Officer's role in Phases of Emergency Management

1. Mitigation

- a. Develop public information on hazard awareness
- b. Develop and maintain relationships with local media (ref Appendix 15 Media Contacts)
- c. Designate a media briefing point for general emergencies

2. Preparedness

- a. Arrange public education programs.
- b. Prepare emergency information packets on each major hazard for release during emergency.

3. Response

- a. Schedule news conferences.
- b. Control rumors.
- c. Distribute press releases and emergency information packets.
- d. Provide recorded message or answer EOC hotline, number to be determined, as appropriate.

4. Recovery
 - a. Continue emergency public information programs.
 - b. Assess effectiveness of information program for this emergency.
 - c. Compile chronological record of events.

IV. RESPONSIBILITIES

- A. The city's PIO will:
 1. Prepare news releases.
 2. Provide information for hearing impaired persons via local television and, if registered with the police, via hardcopy messages.
 3. Conduct or arrange briefings for news media.
 4. Conduct or arrange tours of the incident scene by media.
 5. Arrange deployment of on scene EPI spokespersons.
 6. Arrange for media interviews of key personnel.
- B. The PIO will not speculate as to the cause of accidents, amount of damage, responsibility, possible outage time (i.e. of a city facility, etc.), injuries, etc.
- C. Names of victims will not be released until it is confirmed that the family (next of kin) have been notified.
- D. All facts released to the media will be logged by the PIO.
- E. Persons at the scene should forward all confirmed facts to the field Command Post or EOC for use by the PIO and EOC teams. The Field Command Post or EOC will notify the PIO of this information in a timely manner.
- F. All media should be directed to contact the PIO first. The PIO will either provide information or (having none) will direct the media to the appropriate source.

G. No information should be given to the media that has not been cleared by the PIO.

H. The format and procedure for news releases is:

1. FORMAT

- a. Name, address, and phone number of the news release initiator.
- b. Text of the release.
- c. Any backup or substantiating data for the release, as appropriate.
- d. Date and time information was received.
- e. Date and time information was released.
- f. How and to whom the release was issued.

2. RELEASE PROCEDURE

- a. Verify authenticity of information in the release.
- b. Verify that a duplicate release has not already been made.
- c. Prepare the release in the format given above.
- d. Determine that the information in the release:
 - 1) Is in the public interest;
 - 2) Will NOT create unwarranted or unnecessary fear;
 - 3) Will NOT create any adverse reaction among the public;
- e. News releases will be distributed equitably to all media.
- f. Copies of all news releases will be logged and filed.

V. ADMINISTRATION AND LOGISTICS

- A. The EOC hotline, To Be Determined, has incoming telephones and will be answered by assigned CERT members and Fire Explorer personnel.
- B. Space for special conferences, interviews, etc. will be arranged convenient to the EOC.
- C. List of media contacts: Appendix 15.

VI. CONTINUITY OF GOVERNMENT

The line of succession for East Bethel Chief PIO will be as follows:

- 1. Community Development Director
- 2. City Administrator
- 3. Fire District Chief or Fire Chief Designee

VII. PLAN DEVELOPMENT AND MAINTENANCE

This annex and Appendix 15 are maintained by the Community Development Director

VIII. REFERENCES

- A. FEMA, CPG 1-6, Disaster Operations - A Handbook for Local Government.
- B. FEMA Job Aid Manual SM 61.1

DAMAGE ASSESSMENT

I. PURPOSE

The purpose of this annex is to ensure that procedures and expertise are available for preliminary estimates and descriptions of the nature and extent of damage to the community following a disaster. Based on observations by trained personnel, an assessment can be prepared as the basis for determining the types of assistance needed and assignment of priorities.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. The hazards which pose the most likely need for wide spread damage assessment severe weather, especially tornado. Localized damage requiring assessment may also be consequential to other types of hazards
2. The damage assessment will determine what happened, who is affected, what essential services and facilities are affected, what needs immediate attention, and when critical public services and facilities can be restored.

B. Assumptions

1. Land use regulations and building codes can mitigate the damage effects of many disasters.
2. Quick, accurate damage assessments are key to effective disaster response.
3. Damage assessment reporting information required by state and federal authorities will dictate the information collected at the local level.
4. Outside resources such as real estate assessors, insurance adjusters, trained Red Cross damage assessment volunteers and county building commission personnel may be drafted to assist depending on the nature of the disaster.

III. CONCEPT OF OPERATIONS

A. General

Extensive damage assessment will be required to obtain financial recovery assistance from state/federal assistance programs.

Personnel beyond normal city staff, with appropriate backgrounds and experience, will have to be recruited and trained in damage assessment for a disaster situation.

B. Phases of Emergency Management

1. Mitigation

- a. Establish a damage assessment program.
- b. Identify persons in other city departments who may be logical candidates to assist with damage assessment following a disaster. (Ex: fire, street).
- c. Identify non-city personnel who may be appropriate team members.
- d. Develop damage assessment training program.
- e. Enforce land use and building codes.

2. Preparedness

- a. Train personnel in damage assessment techniques to be used by the city in a disaster.
- b. Maintain pre disaster photos, documents, maps, etc., as appropriate.
- c. Identify critical facilities for damage assessment and restoration.
- d. Identify additional damage assessment team resources that may be recruited in a catastrophic disaster.
- e. Develop procedures for emergency restoration work permits, inspections, etc.

3. Response

- a. Activate the damage assessment teams.
- b. Deploy teams and collect information at the EOC.
- c. Compile damage assessment reports.

- d. Ensure restriction of access to unsafe facilities, through law enforcement.
 - e. Provide information to PIO regarding unsafe public structures, roads or bridges.
 - f. Coordinate relocation of displaced occupants from unsafe buildings with Reception and Care function and the American Red Cross.
 - g. Document emergency work performed.
 - h. Provide PIO with information regarding procedures for the public to follow in building restoration.
4. Recovery
- a. Maintain postings on unsafe structures, roads or bridges.
 - b. Advise on priorities for repair.
 - c. Monitor all restoration activities.
 - d. Investigate and select funding options for city facilities damaged.
 - e. Ensure preparation of documents required for federal recovery assistance.
 - f. Attend state/federal briefings; prepare maps etc. required by state/federal agencies; follow FEMA guidelines for recovery program participation.
 - g. Issue Building Permits and collect fees

IV. ORGANIZATION AND RESPONSIBILITIES

- A. The East Bethel Building Official has primary responsibility for the damage assessment function in East Bethel. The Building Official will be the coordinating official for damage assessment activity following a disaster. The Building Official will maintain damage assessment techniques and methods as well as maps and reporting forms to provide the information required at higher government levels.
- B. Damaged or potentially damaged buildings will be tagged green, yellow or red as follows:

1. Green – Inspected and clear for occupancy
2. Yellow – Limited entry for cleanup and repair estimating
3. Red – Unsafe for Occupancy *or* Supervised Entry for Property Retrieval Only

V. DIRECTION AND CONTROL

The Building Official or a representative of the Building Official will coordinate the damage assessment activity and reporting from the EOC following a disaster. Critical facilities, roads and bridges will be assessed first. Non-city personnel assisting with damage assessment will be supervised and coordinated by the East Bethel Building Official.

VI. CONTINUITY OF GOVERNMENT

The line of succession for the Damage Assessment Coordinator will be as follows:

1. Building Official
2. Building Inspector
3. City Engineer

VII. PLAN DEVELOPMENT AND MAINTENANCE

The East Bethel Building Official is responsible for development and maintenance of this damage assessment Annex.

VIII. REFERENCES

- A. American Red Cross State Chapter Disaster Plan
- B. American Red Cross Damage Assessment Handbook
- C. FEMA Disaster Operations Handbook CPG 1-6
- D. FEMA Disaster Response and Assistance Handbook

PRIVATE DAMAGE ASSESSMENT FORM

From Building Inspections

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ANNEX E

LAW ENFORCEMENT

I. PURPOSE

The purpose of this annex is to identify unique tasks and law enforcement requirements during a serious emergency or disaster situation.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. During emergencies or disasters, law enforcement agencies may be required to expand their scope of services and operations to provide the increased population protection required by a given disaster.
2. Anoka County Sheriff's Department provides law enforcement services to the City of East Bethel. The services contract is on file at City Hall.

B. Assumptions

1. Law enforcement activities will increase significantly during emergency operations.
2. In a localized disaster, law enforcement assistance from neighboring municipalities may be requested by Anoka County Sheriff's Department
3. The Anoka County Sherriff's Department has prepared their emergency response plan and has trained on such plan.
4. Anoka County Sherriff's Department will participate in the Incident Command structure as the basis for organization, operations, responsibilities, and direction and control.

III. CONCEPT OF OPERATIONS

A. General

The responsibilities of law enforcement personnel in disaster situations are basically an extension of routine operations. Primary responsibility is security of citizens' life and property, crowd

control, traffic control, emergency communications, and response to a variety of citizen complaints. Additional disaster responsibilities may include population warning, managing the evacuation of a segment of the population, identification and processing of fatalities, and coordinating investigation of a disaster with suspicious origins.

B. Phases of Emergency Management

1. Mitigation

- a. Analyze hazards posing unique threats to law enforcement in East Bethel.
- b. Identify critical facilities requiring special security during an emergency.
- c. Conduct public information programs (ex: Neighborhood Watch).

2. Preparedness

- a. Develop SOPs for unique emergency situations anticipated.
- b. Develop contingency plans for anticipated emergency conditions.
- c. Train on special emergency procedures.

3. Response

- a. Maintain law and order.
- b. Assess situation for resources needed.
- c. Provide traffic and crowd control as necessary.
- d. Maintain controlled access to disaster scene as coordinated with Incident Commander and applicable authorities.
- e. Provide security for property protection and/or evidence protection.
- d. Collect evidence as appropriate.
- e. Coordinate necessary support with “Health and Medical” function.

- f. Assist with evacuation.
 - g. Provide shelter security as required.
 - h. Provide security as required when the EOC is activated.
4. Recovery
- a. Investigate source of disaster, if warranted.
 - b. Debrief personnel involved as appropriate.
 - c. Report mitigation, preparedness, and response recommendations.

IV. ORGANIZATION AND RESPONSIBILITIES

Anoka County Sherriff's Department has primary responsibility for all law enforcement operations within the city. They have primary responsibility to coordinate response to incidents that endanger life or property of citizens due to violation of law. They will provide on scene security for fire, EMS, and public works personnel responding to a disaster or serious emergency, utilizing mutual aid with other departments as needed.

V. DIRECTION AND CONTROL

The Highest Ranking Officer will be in command of all Anoka County Sherriff's Department operations until relieved by a higher authority. If the EOC is activated, the Sherriff will coordinate Anoka County Sherriff's Department and mutual aid support in accord with established standard operating procedures.

VI. CONTINUITY OF GOVERNMENT

The line of succession for Law Enforcement is as follows:

- 1. County Sheriff
- 2. Commander to be assigned
- 3. Commander to be assigned
- 4. Commander to be assigned

VII. PLAN DEVELOPMENT AND MAINTENANCE

The Anoka County Sherriff's Department is responsible for development and maintenance of this law enforcement annex.

VIII. REFERENCES

- A. East Bethel City Ordinances
- B. FEMA Disaster Operations Handbook CPG 1-6
- C. FEMA Job Aid Manual SM61.1

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ANNEX F

FIRE & RESCUE

I. PURPOSE

The purpose of this annex is to provide East Bethel with a firefighting, rescue and EMS capability able to meet the demands of a disaster or serious emergency situation.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. During emergencies or disasters, there is great potential for spontaneous eruption of many small fires. The possibility of a serious conflagration may create a disaster situation in and of itself. Fire, building collapse (perhaps resulting from a tornado, explosion) or transportation accident all pose the potential need for rescue of persons trapped.
2. The City of East Bethel is provided fire protection by the East Bethel Fire Department.
3. The East Bethel Fire Department is alerted through the Anoka County Radio 911 Dispatch, also known as the Anoka County Central Communications.

B. Assumptions

Existing fire department personnel and equipment will be able to handle most emergency situations through the use of existing mutual aid agreements. If required, additional aid may be obtained from county, state and federal agencies.

III. CONCEPT OF OPERATIONS

A. General

The responsibilities of fire department personnel in disaster situations are basically the same as daily operations. Primary responsibility is fire control, rescue and emergency medical services, radiological monitoring and hazardous materials incident response along with response to medical emergencies; however the East Bethel Fire Department does NOT transport patients.

B. Phases of Emergency Management

1. Mitigation

- a. Fire code enforcement.
- b. Public safety information programs.

2. Preparedness

- a. Equipment maintenance.
- b. Training of personnel.
- c. Development of communications procedures.
- d. Maintain contact with mutual aid departments.

3. Response

- a. Fire control.
- b. Rescue operations.
- c. Radiological monitoring.
- d. Hazardous materials control.

4. Recovery

- a. Fire inspection.
- b. Decontamination.
- c. Destruction of unsafe buildings.

IV. ORGANIZATION AND RESPONSIBILITIES

East Bethel Fire Department has primary responsibility for all fire and rescue operations within the city. They have primary responsibility to coordinate response to hazardous materials or radiological incidents and monitor radiological exposures. They will provide first responder emergency medical services and coordinate all EMS, health and medical support in a disaster or serious emergency, utilizing mutual aid agreements with other departments and private agencies, such as the American Red Cross.

V. DIRECTION AND CONTROL

The Duty Officer will be the initial commander of all fire department operations, until relieved by a senior officer. If the EOC is activated, the Deputy Fire Chief will coordinate fire department and mutual aid support in accord with established standard operating procedures.

VI. CONTINUITY OF GOVERNMENT

The line of succession for the Fire and Rescue Coordinator is as follows:

1. Deputy Fire Chief
2. Fire Duty Officer or Highest Ranking Officer responding
3. Highest Ranking Officer or most Senior Fire Fighter responding

VII. ADMINISTRATION AND LOGISTICS

Communications channels and equipment available are listed in Appendices 8 and 9 to this plan.

Mutual Aid and Private Enterprise agreements are listed in Appendices 13 and 14 to this plan.

VIII. PLAN DEVELOPMENT AND MAINTENANCE

The East Bethel Fire Chief is responsible for development and maintenance of this fire and rescue annex.

IX. REFERENCES

- A. American Red Cross State Chapter Disaster Plan.
- B. FEMA Disaster Operations Handbook CPG 1-6.
- C. FEMA Job Aid Manual SM - 61.1.
- D. Appendices 8, 9, 13, 14 and 16 to this plan.

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ANNEX G

EMERGENCY RESOURCE SUPPLY

I. PURPOSE

The purpose of this annex is to establish procedures by which special or extraordinary resources which may be required in a disaster or emergency situation can be identified, obtained and allocated in a timely and orderly manner.

II. SITUATION AND ASSUMPTIONS

A. Situation

In time of disaster or emergency, the resources of East Bethel may be overtaxed or exhausted. This includes both equipment and expendable supplies, such as food, water and first aid supplies. It is not economically feasible to maintain a large reserve of expendables or capital equipment just for disaster situations. The City of East Bethel will have to anticipate such needs and find alternate sources which could be made available in an emergency.

B. Assumptions

1. During a disaster or emergency, private sector resources may be available to East Bethel. Payment (where required) for the use of private sector resources will be made from City of East Bethel funds and federal disaster funds applied for as appropriate. In accord with state and county guidelines, resources from county or state will normally not be requested until local sources have been exhausted, including the use of resources available through mutual aid agreements between East Bethel and other municipalities and/or fire protection districts. An emergency response period exceeding 6 hours will probably require outside resources.
2. Requisition procedures may be suspended during a disaster or serious emergency, as specified in the East Bethel City Ordinance and Minnesota State Law.

III. CONCEPT OF OPERATIONS

A. General

The first resources committed will be those under control of the City of East Bethel. Available resources will be mobilized to protect life and property of East Bethel citizens. Local resources will be augmented with mutual aid resources (including Red Cross) prior to seeking private sector resources. Private sector resources may be utilized where more efficient, economical or practical under the specific emergency circumstances.

B. Phases of Emergency Management

1. Mitigation

Review hazards identified for East Bethel in the Basic Plan to determine resources required to deal with them.

2. Preparedness

- a. Identify locations of required resources.
- b. Establish and maintain agreements with private sector including emergency contacts.
- c. Identify resources required for critical facilities and for special groups (disabled, infirmed, or aged).
- d. Develop emergency procurement procedures consistent with applicable laws and East Bethel City Ordinance.

3. Response

- a. Work with EOC staff to establish priorities and allocate emergency resources.
- b. Coordinate with assisting agencies (Red Cross, etc.).
- c. Develop lists of resources required.
- d. Coordinate with sources the acquisition and use of emergency resources.
- e. Maintain records of resources procured.

4. Recovery

- a. Check damage assessment reports to determine additional resources needed for recovery.

- b. Total resources requests by internal and external organizations.
- c. Set up staging areas to receive and distribute recovery resources.
- d. Prepare report of emergency resources acquired and used.

IV. ORGANIZATION AND RESPONSIBILITIES

A. The East Bethel Finance Director, assisted by the Accounting Technician, the Planning Department Administrative Assistant, and discipline specific mutual aid personnel have primary responsibility for coordinating emergency resources in time of disaster.

B. Resources include, but are not limited to:

Food and sustenance supplies (coordinated with Red Cross and/or liaison in EOC)

Fuel

Electric energy

Water

Transportation

Construction equipment and supplies

Manpower (not otherwise covered in specific annexes).

Sheltering (* coordinated with Red Cross and/or responsible liaison in EOC)

V. DIRECTION AND CONTROL

Emergency resources management will be controlled from the EOC. The Finance Director will designate persons responsible for the functions covered by this annex. Conditions permitting, normal work areas may be utilized, but decisions will come from the EOC.

VI. CONTINUITY OF GOVERNMENT

A. The line of succession for the Resource and Supply Coordinator is as follows:

1. Finance Director
2. Community Development Director
3. Accounting Technician

VII. ADMINISTRATION AND LOGISTICS

- A. Bypassing normal purchasing procedures requires approval from the Mayor or City Administrator.
- B. Records will be kept of all purchases and distributions.
- C. Transportation of supplies will be coordinated through city resources, outside transportation sources (Appendix 11), or volunteers.

VIII. PLAN DEVELOPMENT AND MAINTENANCE

The East Bethel Finance Director is responsible for development and maintenance of this Emergency Resource Supply Annex.

IX. REFERENCES

- A. American Red Cross State Chapter Disaster Plan.
- B. FEMA Disaster Operations Handbook CPG 1-6; FEMA Job Aid Manual SM 61.1
- C. FEMA Disaster Response and Assistance Handbook.
- D. Appropriate Annexes and Appendices in this Plan.

ANNEX H

HAZARDOUS MATERIALS

I. PURPOSE

This annex outlines the City of East Bethel planning for a hazardous materials emergency.

Hazardous material includes hazardous radioactive material.

II. SITUATION AND ASSUMPTIONS

A. Situation

1. Large numbers of hazardous material parcels, including radioactive material, are transported daily in the metropolitan Minneapolis/St. Paul area. With one major State highway, one several County State Aid Highways and various county roads through East Bethel, conditions exist which could lead to a hazardous materials incident in the City of East Bethel.
2. Fire Fighters of the East Bethel Fire Department are trained to the NFPA “Operational” level hazard materials (Haz Mat) response. Through communication with the Minnesota Duty Officer, the regional CAT (Chemical Assessment Team) can be requested for assessment of a Haz Mat emergency and the Minnesota State Duty Officer can also be used for a request of an Emergency Haz Mat response team.
3. The Hazmat Plan will be followed by the East Bethel Fire Department when responding to a hazardous materials incident. In addition to the Hazmat Plan, the Fire Department also has Standard Operating Guides (SOG) which provides response protocol for hazardous material incidents within the city.

B. Assumptions

1. East Bethel has the resources to respond to a hazardous materials incident (including radiological incident) for purpose of sizing the hazard, identifying the hazard and exposure level and advising emergency responders of safe procedure to follow, pending the arrival of hazardous material specialists.
2. The most likely hazardous material threat to East Bethel will be a transportation incident on the State highway or major County highways passing through the city.

III. CONCEPT OF OPERATIONS

A. General

1. The first responders to a hazardous material incident in East Bethel will assess the situation, secure the area, and call for appropriate specialists to respond to the scene.
2. Through communication with the Minnesota Duty Officer, the regional CAT (Chemical Assessment Team) can be requested for assessment of a Haz Mat emergency and the Minnesota State Duty Officer can also be used for a request of an Emergency Haz Mat response team.

B. Phases of Emergency Management

1. Mitigation

- a. Assess the possible presence of hazardous material in the city and on major transportation routes.
- b. Assist in evacuation planning for static hazardous material sites.

2. Preparedness

- a. Conduct training on hazardous material incident response.
- b. Maintain supplies for initial containment of hazardous materials.
- c. Ensure the procedures for calling out the regional Hazardous Materials Team are understood by all involved emergency personnel.
- d. Identify medical services and facilities capable of handling hazmat incident victims.

3. Response

- a. Initiate an Incident Command System. If appropriate, initiate evacuation of prescribed area around incident.
- b. Notify law enforcement of hazardous area.
- c. Take steps necessary to protect human life. Emergency medical procedures should not be denied just because

hazardous material may be involved; however, responder safety will always be considered. Property will be safeguarded as far as possible.

- d. Call the regional Hazmat Response Team through the **Minnesota Duty Officer** or request the State Duty Officer to be notified through Anoka County Radio.
 - e. Keep the public away from the scene; prevent handling of debris.
 - f. Follow East Bethel Fire Department Haz Mat response SOG .
 - h. Wait for qualified hazardous material safety experts.
4. Recovery
- a. Ensure decontamination of area is complete prior to allowing citizens to return to home or business locations.
 - b. Provide appropriate special instructions (boil water, discard exposed food, etc.) to returning citizens.
 - c. Follow up on analysis and assessment of incident for future mitigation planning.

IV. ADMINISTRATION AND LOGISTICS

- A. The Incident Commander of the East Bethel Fire Department is the responsible officer on the scene, in a hazardous materials incident.
- B. The East Bethel Fire Chief will be responsible for hazmat response resources and training.
- C. Communications, warnings, public information, EOC operations, etc., will all be conducted in accord with the appropriate Annexes of this plan.

V. PLAN DEVELOPMENT AND MAINTENANCE

- A. The Fire Chief of the East Bethel Fire Department is responsible for the development and maintenance of this section of the plan.

VI. AUTHORITY AND REFERENCE

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ANNEX I

PUBLIC WORKS

I. PURPOSE

This annex covers responsibilities and references for tasks required during emergency/disaster situations that are related to the Public Works functions in East Bethel.

II. SITUATION AND ASSUMPTIONS

A. Situation

During emergencies or disasters, Public Works personnel, skills and equipment may be required to address a variety of circumstances, depending on the nature of the emergency.

B. Assumptions

The East Bethel Public Works Department has the personnel, skills and equipment necessary to deal with building, streets, engineering, sanitation and maintenance requirements. In a disaster or serious emergency situation, these resources may be augmented through agreements with private enterprise and volunteer organizations (including American Red Cross), to meet the city's needs.

III. CONCEPT OF OPERATIONS

A. General

The responsibility for providing public works services during emergencies rests with the Director of East Bethel Public Works.

B. Phases of Emergency Management

1. Mitigation:

- a. Train personnel in emergency procedures.
- b. Identify vulnerabilities in public works.
- c. Initiate mutual aid agreements with neighboring cities.

- d. Identify local private contractors who can provide support during emergencies and acquaint them with East Bethel 's emergency plans and procedures.
 - e. Review and update public works plans.
 - f. Clarify public works role in overall emergency plan.
 - g. Participate in design and execution of exercises.
2. Preparedness:
- a. Maintain equipment and supplies for debris removal.
 - b. Maintain emergency staffing plans.
3. Response:
- a. Survey roads, parks and City facilities in disaster areas and evaluate in terms of engineering estimates. Report findings to EOC.
 - b. Inspect all bridges and report status to EOC.
 - c. Make recommendations to alleviate problems.
 - d. Provide EOC coordinator, if required.
 - e. Clear roads and effect emergency repairs.
 - f. Barricade damage areas, as directed.
 - g. Notify EOC of areas barricaded.
 - h. Call out private contractors and other assistance as necessary.
4. Recovery:
- a. Repair public works equipment and buildings.
 - b. Coordinate private and volunteer repair efforts.

- c. Compile after action reports and make recommendations to city administration and City Council, as appropriate.

IV. ORGANIZATION AND RESPONSIBILITIES

The East Bethel Director of Public Works is responsible for direction and coordination of all public works functions during a disaster situation. The Public Works Director will represent or provide a representative of public works in the EOC, if it is activated.

V. DIRECTION AND CONTROL

- A. Public Works direction and control during an emergency or disaster will be in accord with standard operating procedures of the East Bethel Public Works Department.

VI. CONTINUITY OF GOVERNMENT

Line of Succession

1. Public Works Manager
2. City Engineer
3. Lead Public Works Employee

VII. PLAN DEVELOPMENT AND MAINTENANCE

The East Bethel Public Works Manager is responsible for development and maintenance of this public works annex.

VIII. REFERENCES

- A. American Red Cross State Chapter Disaster Plan.
- B. FEMA Disaster Operations Handbook CPG 1-6.
- C. FEMA Job Aid Manual SM - 61.1
- D. East Bethel Public Works

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ANNEX J

EVACUATION

I. PURPOSE

- A. This annex provides for the orderly and expeditious evacuation of any part of the population of East Bethel, if that action is determined the most effective available for protecting people from the effects of any disaster. Mass evacuation of the entire city for many threats is no longer considered practical and “in-place” sheltering is anticipated in lieu of such an evacuation.
- B. For hazard unique considerations see Hazard Unique Considerations Appendix. For reception and care see Reception and Care Annex L.

II. SITUATION AND ASSUMPTIONS

- A. Situation
 - 1. Several types of emergencies could occur in East Bethel which would require the evacuation of persons from their homes or places of business.
 - 2. Evacuating hazardous areas is the most effective action for protecting people in many situations of disaster or threatened disaster.
 - 3. Evacuation can be accomplished more rapidly and effectively if plans are developed and tested in advance of the need, regardless of the size of the population affected.
- B. Assumptions
 - 1. There will be people who refuse to follow evacuation instructions. They will be left until willing evacuees are provided for.
 - 2. A significant portion of the population will willingly leave their home or place of business and seek shelter with friends, neighbors or family located outside the evacuation area.
 - 3. Some portion of the population to be evacuated will require transportation to a safe area.

4. People with special needs, such as language barriers or disabilities, especially those disabilities which limit mobility, will need to be accommodated.
5. Additional personnel will be needed to notify and ensure the evacuation of the threatened area and city employees (not required for other emergency service), Sheriff's reserves, fire Explorers may be enlisted to assist as appropriate.
6. Control of any attempted looting of the evacuated area will be controlled by law enforcement as part of their emergency operations procedures.

III. CONCEPT OF OPERATIONS

A. General

1. The East Bethel Fire Department or designee will be responsible for coordinating evacuation activity.
2. Evacuation is the movement of people from a place of danger to a place of relative safety. It may be the only practical way to protect people from the effects of some disasters.
3. Several hazards identified in the East Bethel Hazards Analysis have the potential for making evacuation of people necessary.
4. Evacuation may be carried out within the East Bethel city limits, or require reception and care of evacuees outside East Bethel.

B. Direction and Control

1. The EOC may or may not be activated to accomplish an evacuation; other factors combined with the evacuation will determine the need for the EOC activation.
2. The decision to evacuate can be made as a policy decision by the Mayor (and/or EOC "Policy Group") or as an emergency decision by a field commander.

C. Phases of Emergency Management

1. Mitigation
 - a. Identify population groups or facilities requiring special assistance (long term care facilities, preschools, schools...).

- b. Identify special resources (transportation, barricades, emergency generators, ...) which may be required to facilitate an evacuation.
- 2. Preparedness
 - a. Develop a procedure for logging evacuated addresses.
 - b. Develop a procedure for notifying persons who do not respond to a knock at the door or public address from the street.
- 3. Response

As detailed below.
- 4. Recovery
 - a. Have the EOC telephones covered to receive calls from evacuees for information regarding all clear to return home.
 - b. Track arrivals at shelters for advice when it is safe to return home.
 - c. Monitor activities until situation is normal.

IV. RESPONSIBILITIES

- A. An "Analysis Team" will be assembled in the EOC, or in the field, if the EOC is not activated. The Analysis Team will obtain full particulars on the disaster, scope of potential evacuation required, and meteorological or other relevant information for recommending area to be evacuated and route(s) safe to use.
- B. Warning of the affected population will be in accordance with the Communications and Warning Annex of this plan. Persons will be advised of available shelter and given the EOC emergency number of **XXX-XXXX** to call for further information and advice when it is safe to return home.
- C. If persons refuse to leave their homes, names and addresses should be recorded, and "next of kin" information should be obtained from them. Depending on the nature of the disaster requiring evacuation, the "stay at home" people will either be persuaded to evacuate, left alone, or a court order for their removal obtained, if circumstances warrant.

- D. Addresses evacuated will be logged in the EOC.
- E. Addresses not responding to a knock at the door will be reported to the EOC.
- F. If a large segment of the population is to be evacuated and public transportation is needed, staging areas will be designated for transportation pickup. The three primary staging areas will be the East Bethel City Hall (north), the Coon Lake Beach Community Center (Southeast), the East Bethel Ice Arena (South) and Cedar Creek Community School (West central)
- G. Traffic, law and order, and security of the evacuated area will be affected in accord with the Law Enforcement Annex of this plan.
- H. Reception and care of evacuees will be in accord with the Reception and Care Annex of this plan, as required.
- I. Transportation for those persons without their own will be provided.
- J.
- K. Evacuation of institutions may require assistance from the Red Cross and/or other volunteer agencies.

V. CONTINUITY OF GOVERNMENT

- A. Lines of succession.

The lines of succession for the Evacuation Coordinator will be as follows:

1. Deputy Fire Chief
2. District Fire Chief
3. Highest Ranking Fire Officer

VI. ADMINISTRATION AND LOGISTICS

- A. Several annexes to this plan contain information relevant to conducting a successful evacuation. Direction and Control, Communications and Warning, Emergency Resource Supply, In Place Shelter, Reception and Care, Health and Medical, Emergency Public Information, Law Enforcement and Damage Assessment all pertain. The Appendices to this plan on Transportation Sources, Institutions, Hospitals and Media Contacts may also be referenced.

- B. Every effort should be made to accurately document the movement of people and any related transactions so that claims may be substantiated and properly disposed of.
- C. To the extent consistent with law, no administrative process will be permitted to interfere with operations essential to preventing injury, loss of life, or significant property damage.

VII. PLAN DEVELOPMENT AND MAINTENANCE

Development and maintenance of this Annex is the responsibility of the East Bethel Emergency Management Director.

VIII. AUTHORITIES AND REFERENCES

- A. FEMA Guide for Emergency Operations Plans CPG 1-8
- B. East Bethel City Ordinance
- C. Appendix 19 – Staging Areas and Evacuation Routes

ANNEX K

IN-PLACE SHELTER

I. PURPOSE

To provide for guidance to citizens of East Bethel on preparing themselves for extended confinement to their normal residence or place of business or a public shelter due to an emergency or disaster situation in East Bethel that will prohibit them from leaving the structure they are in or from moving about town to obtain food and shelter from external sources.

II. SITUATION AND ASSUMPTIONS

A. Situation

Based on the hazards in East Bethel, there is a possibility that some of East Bethel's population may either be evacuated from their home or business or confined there for an extended period following a disaster which renders their exposure to the outside dangerous, roads unusable or public services unavailable, such as severe weather or hazardous material incident.

B. Assumptions

1. Population relocation plans for major crisis are no longer in effect.
2. Under local emergency conditions requiring shelter of people displaced by an East Bethel disaster, national statistics show that 50% or more will seek shelter with friends or relatives.
3. Persons with special needs or disabilities will be accommodated.
4. Institutions in East Bethel will provide for sheltering of their patients or residents in their own emergency planning.

III. CONCEPT OF OPERATIONS

A. General

1. The City of East Bethel will operate a temporary shelter only when required by circumstances.
2. The American Red Cross has been designated to operate shelter facilities during disasters.

3. In a locally wide spread disaster, such as an severe weather, where the Red Cross resources may be taxed to the limit, residents will be required to shelter “in place” at home, if possible, or in community churches, schools and service organizations.

B. Phases of Emergency Management

1. Mitigation
 - a. Prepare guidance to residents on planning to shelter in place if required.
 - b. Distribute guidance on resources to stock and preparations to make at home for in place sheltering.
2. Preparedness
 - a. Maintain the Reception and Care Annex of this plan.
 - b. Conduct public information briefings to ensure understanding of potential in place sheltering situations that could restrict citizens’ mobility and availability of public services using Town Hall meetings, email updates and newsletters. Use of the City PIO is required.
3. Response
 - a. Advise public of public shelters, if such are available and accessible by the public.
 - b. Advise public of domestic animal pet sheltering availability.
 - c. Keep public informed on status of disaster and conditions of roads, availability of restaurants and food stores, etc.
 - d. If it is not safe for the public to leave their home or business due to a hazardous condition in the air, advise them to close and seal all doors and windows, close curtains and stay away from windows, turn off exhaust fans and heating systems, bring in pets, and close fireplace dampers.
4. Recovery
 - a. Canvas neighborhoods to determine welfare of residents.

- b. Check with churches, schools, etc., regarding welfare of their populations.

IV. CONTINUITY OF GOVERNMENT

The line of succession for the In-Place Shelter Coordinator is:

1. Fire Inspector
2. Deputy City Clerk
3. Community Development Director

V. RESPONSIBILITY AND MAINTENANCE

The East Bethel Fire Inspector is responsible for preparation and maintenance of this annex, and supervising the in place shelter program for East Bethel.

VI. REFERENCES

- A. American Red Cross. Statement of Understanding between the Federal Emergency
- B. Management Agency and the American National Red Cross. ARC 2267.
- C. FEMA Disaster Operations Handbook CPG 1-6.
- D. FEMA How to Manage Shelters SM-11.

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ANNEX L

RECEPTION & CARE

I. PURPOSE

To provide temporary living accommodations for persons in East Bethel forced to leave their normal place of residence due to an emergency or disaster situation in East Bethel.

II. SITUATION AND ASSUMPTIONS

A. Situation

Based on the possible hazards in East Bethel, there is a possibility that some of East Bethel's population may require relocation for some period of time ranging from hours to days. Hazards that could cause such a need include tornado, severe winter storm and some types of hazardous material incidents.

B. Assumptions

1. Under local emergency conditions requiring shelter of people displaced by an East Bethel disaster, 50% or more are likely to seek shelter with friends or relatives.
2. Persons with special needs will require accommodation.
3. Institutions such as hospitals or long term care facilities will have their own emergency plans for relocation of their patients/residents.

III. CONCEPT OF OPERATIONS

A. General

1. The American Red Cross has been charged with operation of shelter facilities.
2. When needed, an Anoka County Radio dispatcher or Emergency Management Director will contact the ARC advising of the situation and requesting shelter activation.

3. On a limited emergency, the ARC will generally respond to the scene and confer with the Incident Commander to determine the requirements for opening a shelter.
4. On a large-scale emergency, the ARC will advise the location of a shelter that they will open or which is already in operation to accommodate displaced persons.
5. The ARC will not generally provide a list of shelters in advance since their contracts are considered internal information. Shelter location is selected at the time of need based on the specific need, type of incident, number of people, etc.

B. Phases of Emergency Management

1. Mitigation

- a. Understand the requirements of reception and care at a shelter.

2. Preparedness

- a. Review and update Appendix 14 of this plan to ensure correct ARC emergency contacts.
- b. Communicate with the ARC periodically to confirm phone numbers and procedures.
- c. Prepare for use of a city facility, such as the Community Center, for very **short term** sheltering when weather conditions dictate the need to shelter persons prior to the ARC arrival and opening of a shelter facility.
- d. Identify locations where domestic pets can be taken if unacceptable at shelter locations.

3. Response

- a. Notify Red Cross of requirements based on disaster situation.
- b. Open the Community Center, if required by the situation.
- c. Coordinate with PIO and Evacuation Coordinator.
- d. Provide information on shelter availability and location.

- f. Advise the public which shelters will accept pets or where pets may be taken for temporary sheltering. Reference Appendix 14 for possible animal shelter facility locations.
 - g. Maintain records of persons arriving until the ARC takes over shelter management.
 - h. Coordinate with “Health and Medical” if required for evacuee's needs.
- 4. Recovery
 - a. Provide shelter as long as needed.
 - b. Arrange transportation home or to long-term shelter, if required.
 - c. Submit report of shelter activity.

IV. CONTINUITY OF GOVERNMENT

- A. The line of succession for the Reception and Care Coordinator will be:
 - 1. Deputy City Clerk
 - 2. City Receptionist or Community Development Administrative Support
 - 3. Fire Department Lieutenant

V. RESPONSIBILITY AND MAINTENANCE

The East Bethel Deputy City Clerk is responsible for preparation and maintenance of this annex, and supervising the Reception and Care program for East Bethel.

VI. REFERENCES

- A. American Red Cross. Statement of Understanding Between the Federal Emergency
- B. Management Agency and the American National Red Cross. ARC 2267.
- C. ARC Minnesota Chapter Disaster Plan
- D. ARC Shelter Management Handbook
- E. FEMA Disaster Operations Handbook CPG 1-6.
- F. FEMA How to Manage Shelters SM-11.

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ANNEX M

HEALTH & MEDICAL

I. PURPOSE

This annex covers responsibilities and references for health and medical services during emergency/disaster situations in the City of East Bethel.

II SITUATION AND ASSUMPTIONS

A. Situation

Health and medical services will be an integral part of any disaster or major emergency operation. Both emergency and preventive services may be required, including emotional support to disaster victims and workers.

B. Assumptions

1. Experience indicates that many, if not most, injured civilians are not transported to hospitals by medical personnel.
2. Emergency Medical Services (EMS) is most critical 15 to 30 minutes after a disaster. Later, EMS personnel will be dealing with less critically injured and/or deceased.
3. Mutual aid will arrive after the first 15 - 30 minutes; therefore, East Bethel will be "on its own" for the initial critical period.
4. In a wide spread disaster, many minor injuries in the community will be treated by civilian first aid because the normal EMS system will be overburdened and not able to respond outside the major disaster areas.

III. CONCEPT OF OPERATIONS

A. General

1. The East Bethel Fire Department along with the Anoka County Sherriff's Department and Allina Medical Transportation are responsible for emergency medical response in the City of East Bethel whether routine or in a disaster. Allina Medical Transportation has fully equipped Advanced Life Support Vehicles (ALS) to provide ambulance transport of injured. Backup for emergency medical response and transport is provided by mutual

aid agreements with other medical transportation companies within the surrounding communities.

2. Public health for Anoka County and all municipalities therein is the responsibility of the Anoka County Health Department. The Department serves the public health needs of all residents of the county.

B. Phases of Emergency Management

1. Mitigation

- a. Identify likely mass casualty disasters based on hazard analysis of East Bethel.
- b. Conduct public education on what to expect in various types of disasters with regard to EMS availability.

2. Preparedness

- a. Keep ongoing communication with Allina and Sherriff's Department on EMS response protocols.
- b. Plan for response and staging in a mass casualty disaster incident.
- c. Maintain necessary equipment and supplies for field operations at a mass casualty incident.

3. Response

- a. Triage: Assessing and classifying patients according to degree of injury so that effective treatment and transportation may be provided.
- b. Medical supervision and control.
- c. Advanced Life Support transportation using paramedics and EMTs.
- d. Transportation using ambulances for seriously injured or other means for large numbers of minor injured.
- e. Activate temporary morgue in liaison with the county medical examiner, as necessary.

4. Recovery
 - a. Continue response and treatment activities as necessary.
 - b. Compile reports required by local and state authorities.
 - c. Re-supply expendables.

IV. ORGANIZATION AND RESPONSIBILITIES

- A. East Bethel Fire Department will provide first response emergency medical service (EMS) with Allina Medical Transportation and Anoka County Sherriff's Department and mutual aid from neighboring fire departments under established mutual aid agreements.
- B. East Bethel Fire Department, Allina Medical Transportation and Anoka County Sherriff's Department other responders will utilize their SOP for triage coding and functions.
- C. The Anoka County Health Department will provide public health services during a disaster situation.
- D. The local chapter of the American Red Cross will provide medical and nursing care in shelters and emergency aid stations; provide blood and blood products; make hospital visits to determine dead, missing, ill, and injured; provide information to families on health resources in the community; assist in establishing and operating a morgue and with victim identification; establish and staff temporary infirmaries if needed; assist in transportation arrangements for ill and injured; assist with evacuation of nursing homes or hospitals when required and requested.

V. DIRECTION AND CONTROL

Field operations for EMS will be under the direction of the East Bethel Fire Department. If required, field medical supervision will be performed by designated Allina Medical Transportation personnel.

Shelter health and medical will be under the direction of the American Red Cross shelter manager.

VI. CONTINUITY OF GOVERNMENT

- A. Lines of Succession for the Anoka County Health Department
 1. Director

2. TBD

3. TBD

B. Lines of succession for local EMS

1. Fire Chief

2. Deputy Fire Chief

3. Fire Captain

VII. PLAN DEVELOPMENT AND MAINTENANCE

The East Bethel Fire Chief and Allina Medical Transportation are responsible for development and maintenance of this Health and Medical annex.

VIII. REFERENCES

A. American Red Cross State Chapter Disaster Plan.

B. FEMA Disaster Operations Handbook CPG 1-6.

C. FEMA Job Aid Manual SM - 61.1

ANNEX N

TERRORISM RESPONSE

I. PURPOSE

The purpose of this annex is to establish a unified approach for emergency response agencies of East Bethel to respond to and recover from a threat or act of terrorism. Also, to establish a terrorism response system that prescribes responsibilities and actions required to respond to and recover from a terrorist event.

II. SITUATION AND ASSUMPTIONS

A. Situation:

1. East Bethel has some potential targets for terrorist activities. These include, but are not limited to:
 - a. Municipal government facilities and structures.
 - b. Religious facilities.
 - c. Businesses and manufacturing centers.
 - f. Highways
 - d. Future public utilities;
 - e. Large public gatherings.
2. Terrorism takes many forms: bombings, arson, infrastructure attacks (on water, electric, gas, or telecommunications systems), mass shootings, cyberspace failure or disruption, and transportation attacks (hijacking, bombing, sabotage).
 - a. Weapons of Mass Destruction (WMD): Any weapon designed or intended to cause death or serious bodily injury through the release, dissemination, or impact of toxic or poisonous chemicals, or their precursors; any weapon involving a disease organism; or any weapon designed to release radiation or radioactivity at a level dangerous to human life (18 USC 2332a).
 - b. Chemical Agent: A chemical substance intended to kill, seriously injure, or incapacitate people through physiological effects.

- c. Biological Agents: Living organisms or materials derived from them that cause disease; harm humans, animals, or plants; or deteriorate materials.
- d. Radiological/Nuclear: High-energy particles or gamma rays emitted by an atom undergoing radioactive decay.
- e. Explosives: Conventional explosive devices or improvised bombs used to cause massive local destruction or to disperse chemical, biological, or radiological agents.
- f. Cyber Terrorism: “Malicious conduct in cyberspace to commit or threaten to commit acts dangerous to human life, or against a nation’s critical infrastructures.

III. CONCEPT OF OPERATIONS

A. General:

- 1. The Federal government has primary responsibility to prevent, preempt, and terminate threats or acts of terrorism, and to apprehend and prosecute the perpetrators.

B. Primary Objectives in Response to a Terrorist Act:

- 1. Protect the lives and safety of the citizens and first responders.
- 2. Isolate, contain, and/or limit the spread of any cyber, nuclear, biological, chemical, incendiary, or explosive device.
- 3. Ensure that responders have appropriate equipment and personal protective equipment (PPE).
- 4. Notify emergency personnel, including medical facilities of the danger and anticipated casualties.
- 5. Notify appropriate state and Federal agencies.
- 6. Provide accurate and timely public information.

C. Phases of Emergency Management:

- 1. Mitigation:
 - a. Develop a method for processing information.

- b. Analyze potential threats, targets, and potential hazards for the jurisdiction. Disseminate on a need to know basis when appropriate.
 - c. Integrate Response on all terrorism training exercises.
- 2. Preparedness
 - a. Develop and review Plans and SOG's for response to a terrorist incident.
 - b. Advise key personnel of the potential risk.
- 3. Response:
 - a. Once a terrorism incident is suspected, local law enforcement will report and request assistance from the state using existing operating guidelines and/or procedures.
 - b. Each Emergency Response agency shall report to the EOC upon arrival and may be required to provide a representative to the on-scene Unified Command.
 - c. Local government departments will provide assistance to the EOC as dictated by the current situation.
- 4. Recovery:
 - a. Determine the extent of damages, prepare a damage assessment report and request assistance.
 - b. Test, check, and exercise equipment to identify its serviceability.
 - c. Restore all public service to the general population.

IV. ORGANIZATION AND ASSIGNMENT OF RESPONSIBILITIES

A. Organization:

The response will be conducted from the EOC or Incident Command Post.

B. Assignment of Responsibilities:

1. EOC Function: (See Basic Plan and appropriate Annex's for additional Information).

2. Emergency Management:
 - a. Direction and Control will originate from the EOC.
 - b. Ensure the alternate EOCs are operationally ready in the event that the primary EOC is not available.
 - c. The EOC will be staffed in accordance with the Basic Plan.
 - d. Coordinate with Anoka County EM and other Federal, State or Local Agencies EOCs as necessary.
 - e. Coordinate response and recovery operations.
 - f. Identify and coordinate resource requirements.
3. Local Law Enforcement:
 - a. Manage the incident scene. Set-up IMS to manage/coordinate with other departments and agencies using the Unified Command System.
 - b. Security, investigation and support to other agencies.
 - c. Keep the EOC informed.
4. Public Works:
 - a. Respond to emergency requests from the EOC.
 - b. Coordinate with the EOC and the on scene commander to insure the area is safe to enter. Do not enter any area if it has not been cleared and declared safe for reentry.

V. DIRECTION AND CONTROL

- A. Initial response operations are the responsibility of the City of East Bethel and Anoka County Sherriff's Department. The FBI is the Lead Federal Agency for all terrorist attacks and will establish a JOC for Direction and Control.
- B. Local Public Information Operations will be coordinated from the EOC. Note: FEMA/FBI may establish a JIC (Joint Information Center).

- C. Response and Recovery operations are the responsibility of the local jurisdiction.

VI. CONTINUITY OF GOVERNMENT

Line of Succession for Terrorism:

The Line of Succession for terrorism incidents in the City of East Bethel will be dependent on the responding agency.

VII. ADMINISTRATION AND LOGISTICS

- A. Administration:
 - 1. To implement Annex N, an incident must be designated a terrorist threat or action by the Mayor or successor if the Mayor is not accessible.

APPENDICES

APPENDIX 1

CITY OF EAST BETHEL, MINNESOTA

FUNCTIONAL ORGANIZATION

Organizational
Chart
to be
Inserted Here

EXECUTIVE LINE OF SUCCESSION

A. IN accordance with the City of East Bethel Ordinance, Chapter 2, Article XI, Sections 603 – 603); In the absence of the Mayor, the Acting Mayor shall assume responsibility. In the absence of the Mayor and Acting Mayor, those persons present, by majority vote, regardless of number, shall elect a chair to preside at the meeting and a secretary to keep minutes.

Other related City Ordinance(s):

Sec. 2-602. Purpose.

With a possibility that the city may be struck with a natural or manmade disaster requiring a declaration of a state of emergency, it is found urgent and in the best interests of the city to provide for an orderly process necessary to ensure the continuity of the government and the emergency interim succession of key governmental officials by providing a method for temporary emergency appointments to their offices.

(Ord. No. 104B, § 25(25-1), 10-3-2007)

Sec. 2-603. Succession to local office.

In the event of a natural or manmade disaster affecting the city, the mayor, city council and city administrator shall be notified by anyone with knowledge of the disaster, by any means available. The mayor, city council and city administrator shall gather at the city hall. In the event that safety or convenience dictate, an alternative place of meeting may be designated. Those gathered shall proceed as follows:

- (1) If the mayor is present, he will conduct the meeting. If the mayor is not present, the acting mayor will conduct the meeting. If the mayor and acting mayor are not present, those persons present, by majority vote, regardless of number, shall elect a chair to preside at the meeting and a secretary to keep minutes.
- (2) They shall review and record the specific facts relating to the manmade or natural disaster to include injuries to persons or damage to property already done, or the imminence thereof.
- (3) They may, based on such facts, declare a state of emergency.
By majority vote of those persons present, regardless of number, they shall fill all positions on the emergency city council, including the office of mayor.

(4) Such interim successors shall serve until such time as the duly elected official is again available and returns to his position, or the state of emergency has passed, whichever occurs first.

(Ord. No. 104B, § 25(25-2), 10-3-2007)

Sec. 2-604. Duties of the interim emergency city council.

The interim emergency council shall exercise the powers and duties of their offices, and appoint other key government officials to serve during the emergency.

(Ord. No. 104B, § 25(25-3), 10-3-2007)

Secs. 2-605—2-626. Reserved.

EMERGENCY RESPONSIBILITY BY ORGANIZATION

- A. A summary of the City of East Bethel emergency responsibility assignments, by function, is shown on chart A. Heads of the various city government departments and agencies will be responsible for carrying out the assignments shown on this chart. Additional information about these emergency responsibility assignments is contained in the annexes to this basic plan. (One annex exists for each of the responsibilities [functions] that are shown on Chart A.) Lastly, city departments and agencies are expected to develop whatever SOPs they may need in order to carry out these responsibilities.
- B. Responsibilities have been assigned by a code letter: "P", "S", or "C".
1. "P" indicates primary operational responsibility, which means that the official or agency is in charge of and responsible to make provision for that function.
 2. "S" indicates support responsibility, which means that the agency so assigned will, if possible, assist the official or agency that has primary or coordination responsibility for that function.
 3. "C" indicates coordination responsibility, and is assigned when several agencies have a partial responsibility, but no one official/agency has obvious primary responsibility. This will often-times be the situation when non-governmental agencies are involved.
 4. As a general rule, county officials will be primarily responsible for carrying out emergency functions outside city limits, and municipal officials will have the corresponding responsibility within city limits.
 5. Only one "P" or "C" can be assigned per function, and at least one "S" should be assigned for each function.

**CHART A
EMERGENCY RESPONSIBILITY ASSIGNMENTS**

FUNCTION	RESPONSIBLE AGENCIES	REMARKS
1. Warning and Notification	Anoka County Central Communication - P Anoka County Sheriff's Department. - S	See Annex A
2. Direction and Control	Mayor and/or City Council - P City Administrator - S Emergency Management Director - S	See Annex B
3. Emergency Public Information	Mayor - P City Administrator - S Emergency Management Director - S	See Annex C
4. Search and Rescue	Fire Department - P Anoka County Sheriff's Department - S Mutual Aid Fire Depts. - S	See Annex D
5. Public Health Protection	Emergency Management Director - P Local Hospitals, Clinics, Allina Transportation, etc. - S Anoka County Community Health & Emergency Services - S	See Annex E
6. Evacuation, Traffic Control, and Security	Anoka County Sheriff's Department - P State Patrol - S Fire Department - S	See Annex F
7. Fire Protection	Fire Department - P Mutual Aid Fire Depts. - S	See Annex G
8. Damage Assessment	Building Official - P Building Inspectors - S City Engineer - S	See Annex H
9. Mass Care	Red Cross - P Anoka County Emergency Management Director - S Salvation Army - S	See Annex I
10. Debris Management	Public Works - P Anoka County Department of Public Works - S	See Annex J
11. Public Works/Utilities Restoration	Public Works - P City Engineer - S	See Annex K
12. Environmental Hazard Response	Fire Department - P Anoka County Community Health & Emergency Services - S Emergency Management - S	See Annex L
13. Resource Management	Emergency Management - P City Staff - S	See Annex M
14. Terrorism	Emergency Management Department - P Anoka County Sheriff's Department - S Fire Department - S FBI, CIA - S, C	Emergency Management is Primary for initial response. Federal agencies become primary for investigation and on-going response. See Annex N
15. Emergency Notification Contact List	Emergency Management Department - P	See Annex O
16. Continuity of Government	Emergency Management Department - P City Administrator - S	See Annex P
Code: P = Primary; S = Secondary; C = Coordination		

APPENDIX 2

EMERGENCY NOTIFICATION LIST

To be notified as required, based on the situation:

City Administrator
Emergency Management Director/Fire Chief
Mayor and City Council, through City Administrator
Sherriff's Department
Deputy Fire Chief
Public Works Director
Finance Director
Planning Director
Building Official
IT Vendor

NOTE: Names and telephone contact numbers of each position above for regular and off duty hours are maintained in City Hall.

APPENDIX 3

EMERGENCY OPERATING CENTER (EOC)

EOC ORGANIZATION, ASSIGNMENTS AND S.O.P.

EOC ORGANIZATION

POLICY GROUP

Provides executive direction and guidance in matters of East Bethel policy; provides official information and instructions to the public.

DISASTER ANALYSIS GROUP

Collects and analyzes data; interprets and predicts disaster damage or other effects; interprets for the EOC staff the actual or potential impact of the disaster on emergency operations.

OPERATIONS GROUP

Directs the conduct of emergency operations through the field forces deployed; is organized along the functional lines of the East Bethel government. The Incident Command System used by all Anoka County area fire services will be the basis for organization of field operations.

NOTE: Department heads, especially Police, Fire and Public Works, will locate in the EOC or Incident Command Post, based on nature of the emergency.

RESOURCE MANAGEMENT GROUP

Ensures adequate supplies to support emergency operations, including food, fuel, transportation, communications, etc. Executes pre-emergency agreements with outside agencies, businesses, volunteers, etc., to maintain supply of resources needed. Tracks expenses unique to the emergency/disaster incident.

MESSENGERS

Carry messages between EOC and communications center and other city offices as required.

EOC STAFFING

POLICY GROUP 14

Mayor, City Council, City Administrator, City Attorney, 7
Department Heads, EM Director, 5
Outside agency liaison executives. (2)
(Sherriff Liaison and City Engineer)

DISASTER ANALYSIS GROUP

Building Official, City Engineer 2

OPERATIONS GROUP 7

Department heads or designated representatives. 7

RESOURCE MANAGEMENT GROUP 2

Finance Director, City Administrator, 2

MESSENGERS 2

Total staffing 16

* The five department heads in the Policy Group, Resource Management Group and Disaster Analysis Group will also serve on the Operations Group.

EOC PHYSICAL LAYOUT

The primary EOC is located on the lower level of the East Bethel Fire Station # 1, 2751 Viking Blvd. The EOC is routinely used as the Fire Department Training Room. It is 20 x 40 feet (800 sq. ft.) set up classroom style with one computer desks. There is one phones and a cable connected television. The City's computer network is accessible. The building contains restrooms and a kitchen with break room. An automatic backup electric generator supports the building. Access to the building is controlled.

PERMANENT WALL DISPLAYS could include a large East Bethel city map with clear overlay for displaying roads closed, major damage areas, location of temporary medical and shelter facilities, expected problem areas and evacuation status.

Additional displays may be hung as needed, to include:

Damage assessment chart

Medical facilities status

Shelter and mass care status board

Bulletin board

County and state maps

Resource status board: personnel, equipment, ...

Cable TV can display The Weather Channel, and major news sources including CNN and Headline News as well as local newscasts.

**E O C STANDARD OPERATING PROCEDURE
EOC ACTIVATION CHECKLIST**

Alerted: Persons listed on EOP Attachment 2
Hospitals (EOP Attachment 5)
Ambulance services
Red Cross
Salvation Army
Outside utilities (EOP Attachment 7)
AT&T

EOC SETUP CHECKLIST

If "Policy" or "Operations" groups will assemble, direct them to the Fire Chief's office
Set up wall charts.
Power on and check radios and PCs.
Place stationary supplies on service counter.
Prepare to set up public information or media center if required.

EOC DEACTIVATION CHECKLIST

Clear walls of temporary displays; Inventory and replenish expendables, and store supplies.
Power off public safety radios, computers and video displays.

APPENDIX 4

SCHOOLS AND INSTITUTIONS

NAME/LOCATION

PHONE

Schools

Cedar Creek Community School
21108 Polk St NE, Cedar, MN 55011

(763) 213-8780

East Bethel Community School
21210 Polk St NE, East Bethel, MN 55011

(763) 213-8900

Churches

Our Savior's Lutheran Church
19001 Jackson Street NE, East Bethel, MN 55011

(763) 434-6117

Add Others

APPENDIX 5

HOSPITALS

NAME / LOCATION

Mercy Hospital
Address

763-236-6000
4050 Coon Rapids Blvd
Coon Rapids, MN 55433

Unity Hospital
Address

763-236-5000
550 Osborne Road NE
Coon Rapids, MN 55432

Cambridge
Address

763-689-7700
701 South Dellwood Street
Cambridge, MN 55008

Wyoming/Fairview Lakes Medical Ctr
Address

651-982-7600
5200 Fairview Blvd
Wyoming, MN 55092

APPENDIX 6

EMERGENCY TELEPHONE NUMBERS

Anoka County Radio	763-427-1212
Anoka County Sherriff's Department	763-323-5000
Minnesota Highway Patrol (District 2500)	763-591-4680
Minnesota State Duty Officer	1-800-422-0798
Anoka County Medical Examiner	763-323-6411
National Weather Service	952-361-6670
Anoka County Emergency Management	763-421-4760
American Red Cross 24 hr Emergency	612-871-7676
F.B.I	763-569-8567
U.S. Marshal	612-664-5955
U.S. Secret Service	612-348-1800
Poison Control Center	1-800-222-1222

APPENDIX 7

UTILITIES

Name	Telephone
Xcel Energy - Electrical	1-800-641-4400
Xcel Energy - Gas	1-800-541-8441
Connexus	763-323-2660
CenterPoint Energy	1-800-296-9815
Metropolitan Council Sewer	651-602-1269

APPENDIX 8

COMMUNICATIONS CHANNELS

Radio talk groups active in the Fire Station Communications Center:

Zones and Channels

<u>Channels</u>	<u>Zone A</u>	<u>Zone B</u>	<u>Zone C</u>	<u>Zone D</u>	<u>Zone IC</u>
1	CO FIRE				
2	L FTAC	L FTAC	FD ROAM	8CALL90R	FTAC1
3	CO FTAC A	CO FTAC A	F SPEC OPS	8TAC91R	FTAC2
4	CO FTAC B	CO FTAC B	DYN RGP	8TAC92R	FTAC3
5	CO FTAC C	CO FTAC C	PTAC1	8TAC93R	FTAC4
6	CO FTAC D	CO FTAC D	PTAC2	8TAC94R	STAC1
7	Z COMMON	TG 1	PTAC3	8CALL90D	STAC2
8	L F ADM1	TG 7	PTAC4	8TAC91D	STAC3
9	L F ADM2	CO HWY	ATAC1	8TAC92D	STAC4
10	STAC 1	CO PARKS	ATAC2	8TAC93D	PTAC1
11	STAC 2	SP EVENT1	ATAC3	8TAC94D	PTAC2
12	STAC 3	SP EVENT2	ATAC4	ASOA2	PTAC3
13	STAC 4	SP EVENT3	MSP-CALL	ASOA1	PTAC4
14	CO COMMON	EMER MGMT1	FSOA2	PSOA2	P SOA2
15	PSOA1	EMER MGMT2	FSOA1	PSOA1	P SOA1
16	CO FIRE				

APPENDIX 9

EQUIPMENT INVENTORIES

I. VEHICLE SUMMARY

- A. Fire Department Vehicles:
- 3 Pumper/Rescue (first line)
 - 2 Water Tenders
 - 2 Brush truck
 - 2 Rescue Trucks
 - 1 Pickup truck
 - 1 Boat/Trailer

All fire vehicles above equipped with radio on frequencies used by Anoka County emergency (fire) dispatch agencies and municipal dispatches, state wide mutual aid channel and Anoka Public Works.

- C. Public Works Vehicles:
- Heavy duty trucks
 - Light duty trucks
 - Heavy duty dump trucks
 - Road grader, backhoe, forklifts, etc.

II. MISCELLANEOUS EQUIPMENT SUMMARY:

- A. Emergency generators:
- 1. Permanent at Fire Stations 1
- B. Multiple portable generators and chain saws among Fire and Public Works
- 1. Compressors at Fire Stations and Public Works
 - 2. Jack hammers
 - 3. Chain saws at Fire Stations and Public Works
 - 4. Snow plows at Public Works
 - 5. Barricades at Public Works and Anoka County
 - 6. Warning lights at Public Works and Anoka County
 - 7. Pylon markers at Public Works and Anoka County **III.**

APPENDIX 10

WARNING SIREN INDEX

1341 187th LN NE	Siren #1 187th Ln
3124 185th LN NE	Siren #2 185th Lane
4126 Viking Blvd NE	Siren #3 Viking Blvd
4325 Wild Rice Dr NE	Siren #4 Wild Rice Dr
21519 Kissel St NE	Siren #5 Kissel St
19734 E Bethel Blvd	Siren #6 E. Bethel Blvd
1105 Klondike Ave NE	Siren #7 Klondike Dr
21210 Polk St	Siren #8 Polk St
1812 209th Ave NE	Siren #9 209th Ave
22655 Buchanan St NE	Siren #10 Buchanan St
1172 241st Ave NE	Siren #11 241st Ave
	Siren #12 E Bethel Park
22266 Palisade St NE	
22786 E. Bethel Blvd	Siren #13 EBB
3091 212th Ave NE	Siren #14 212th Ave
23603 Durant St NE	Siren #15 Durant St

Siren Maintenance:

Ebedded Systems

Ready Watt Electric

Activation by Anoka County is tested the FIRST WEDNESDAY of EVERY MONTH at 1300 hrs.

NO Local activation of sirens is possible

APPENDIX 11

TRANSPORTATION SOURCES

Name	Telephone
Bus Companies	
Taxis	
MTC	

APPENDIX 12

STATE AND CITY LAWS

The following documents are on file in the office of the East Bethel City Clerk, and may be referenced as required.

- A. Ordinances of the City of East Bethel, Minnesota
Defines the City's form of government, elected positions, responsibilities and limitations of each. Establishes the East Bethel Office of Emergency Management and establishes emergency powers for the City Council; Establishes the Emergency Management Director position with duties and responsibilities.

- C. Chapter 12, Revised Minnesota Statutes
Covers disaster preparedness responsibilities of the state and local governments, including responsibility of each political subdivision to have a disaster planning organization.

APPENDIX 13

MUTUAL AID AGREEMENTS

COUNTY FIRE MUTUAL AID

The East Bethel Fire Department has ongoing Mutual Aid Agreements with the following Anoka County municipalities and entities:

Andover
Anoka/Champlin Fire
Bethel
Centennial Fire District
Columbia Heights
Coon Rapids
Fridley
Ham Lake
Linwood
Oak Grove
Ramsey
St. Francis

Minnesota DNR

A copy of the Anoka County Fire Mutual Aid agreement is on file in the Office of Emergency Management. Mutual Aid signatories agree to provide mutual aid to each other as well as request mutual aid Anoka County. Resources supplied under this agreement are directed by the requesting municipality.

LAW ENFORCEMENT MUTUAL AID

Anoka County Sherriff's Department manages its own Mutual Aid Agreements.

MUNICIPAL MUTUAL AID AGREEMENT

East Bethel has entered into various agreements for additional assistance, if needed.

APPENDIX 14

EXTERNAL ASSISTANCE

AGENCY PHONE OFF HOURS

VOLUNTEER AGENCIES

American Red Cross 24 HOUR EMERGENCY NUMBER Mgr, Disaster Services	612-871-7676
Salvation Army Emergency Services Director Canteen	1-800-456-4483

AGENCIES

Anoka County Emergency Management	763-421-4760
Minnesota Homeland Security and Emergency Management State Duty Officer	651-201-7400 1-800-422-0798
State Highway Patrol	763-591-4680
Department of Natural Resources, Forestry Division DNR Cambridge Office	651-259-5830 763-689-7101
MN Department of Health	888-345-0823
MN Department Transportation	800-657-3774

FEDERAL AGENCIES

NOTE: All requests must go through HSEM.
Federal Emergency Management Agency,
Small Business Administration,
Farmers Home Administration,
Environmental Protection Agency,
U. S. Coast Guard, Army Corps of Engineers.

ANIMAL HOSPITALS

APPENDIX 16
AMATEUR RADIO

List of
Ham Radio
Operators
in the area

APPENDIX 17

FORMS REFERENCE

Samples of forms to be used in the EOC and in the field for responding and recovery activities following a disaster are filed behind the last appendix page.

Message Form
Communications Log
Log of Disaster Related Occurrences
News Release Log
Record of Evacuation
Shelter Registration Form
Area Maps
Private Damage Assessment Form
Public Damage Assessment Form
FEMA 90-49 Notice of Interest (for Federal Disaster Assistance)
FEMA 90-52 Damage Survey Report
Task/Volunteer Form

APPENDIX 18

HEALTH AND MEDICAL ADDENDUMS

I. LOCAL PUBLIC HEALTH EMERGENCY PLAN

- A. The Local Public Health Emergency Plan outlines the actions to be taken by the Anoka County Health Department, in conjunction with local government officials and cooperating private and volunteer organizations. A local public health emergency can best be described as an event, which threatens the safety and well being of a number of people in an area, i.e. bio-terrorism incident, anthrax, smallpox, pandemic influenza, etc.

To work towards a safer environment the plan has been developed to:

1. Reduce the vulnerability of citizens to any disasters that creates a local public health emergency.
2. Establish capabilities for protecting citizens from the effects of a local public health emergency.
3. Respond effectively to the actual occurrence of disasters, and;
4. Provide for recovery in the aftermath of any local public health emergency.

APPENDIX 19

Staging Areas and Evacuation Routes

APPENDIX 20

City of East Bethel

City Staff

and

Communication List

CITY OF EAST BETHEL

Main Phone Line – 763-367-7840

NOT PUBLIC

Insert List of City Council and City Staff Telephone Numbers

ONLY in Non – Public Copy



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 G.1

Agenda Item:

2015 Budget

Requested Action:

Consider approving the recommendations of the Finance Committee as direction to prepare the draft 2015 Budget

Background Information:

The City Finance Committee met with Staff on April 1, 2015 and discussed options for the 2015 Budget. A budget with a 0.9% overall increase was proposed as the initial basis for discussion of the levy. This proposal recommended no increase in the General Fund Levy and \$47,500 in additional levies to fund bond indebtedness.

The recommendations of the Committee are:

- Increase our Fund Balance Policy from 35% to 40% of the General Fund for 2015 and incrementally increase this balance to 45% in 2016 and 50% by 2017
- Transfer all fund balances in excess of 50% from the General fund to be used for the debt service for water and sewer utility bonds
- For discussion purposes, the General Fund Levy amount for 2015 would be unchanged from 2014 (\$4,050,450) and an increase the in the levy for the 2010 A, 2005A/2013A, the 2010B/2014A and the 2013A Bonds by \$47,500 would be considered. The cumulative effect of this proposal would produce a total City Levy increase of 0.9% for 2015
 - This would include an incremental increase to the debt service levy for the 2010 A Bond by 3.5% per year to cash flow these payments. This is a worst case scenario and assumes that there would be no SAC and WAC fees collected to amortize this debt. Assuming no refinancing, continuation of the 3.5% increase annually for the 2010A Bonds would cash flow this debt through 2040, and
 - This would include an increase for the 2010B/2014A Bond levy from \$300,000 to \$330,000 per year to cash flow this debt. This is a worst case scenario and assumes that there would be no SAC and WAC fees collected to amortize this debt. Continuing to levy \$330,000 annually, would cash flow this debt through 2040.
- Initiate the transfer of General Fund Balances and excess Bond account funds to the payment of the 2010C bond debt due for 2016. Final payment of the 2010C bond in 2017 would be accomplished by General Fund balance transfers in excess

of 50%, collection of development fees and if necessary internal transfers of Trails, Equipment Replacement and/or Street Capital Funds to supplement any deficits not covered by other sources

- Continue to monitor opportunities to refinance the 2010 A bond
- Negotiate with the Anoka County Sheriff’s Department to maintain an equal level of service in 2015 with no increase in costs over the 2014 contract.
- Continue to work with MCES to seek relief and modifications to the Reserve Capacity Loan Program and minimum flow requirements obligations. The City is also in discussion with MCES concerning a grant for the decommissioning of the Castle Towers WWTP and exploring other possibilities for grant funds for other service extensions or system improvements that could stimulate development.

Staff will present the completed draft 2015 Budget to City Council at a proposed Work Meeting that will be requested to be scheduled for July 9, 2014 or other date as suitable for review and discussion.

Attachments:

Proposed 2015 General Fund Budget Summary

Fiscal Impact:

As noted above

Recommendation(s):

Staff is requesting Council approval of the Finance Committee’s recommendations as to direction to proceed with the preparation of a draft 2015 Budget.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**City of East Bethel
2015 General Fund Budget (Summary)**

Account Description	FY 2014 Budget	FY 2015 Budget	% Change
<u>Tax Levies - City</u>			
General Fund Tax Levy	4,050,450.00	4,050,450.00	0.0%
2005 A / 2013 A	126,500.00	127,000.00	0.4%
2008 A	180,000.00	180,000.00	0.0%
2010 A	470,000.00	487,000.00	3.6%
2010 B / 2014 A	300,000.00	330,000.00	10.0%
2010 C	-	-	N/A
Total Levy - City	5,126,950.00	5,174,450.00	0.9%
<u>Tax Levies - Special Levies</u>			
City HRA	-	-	
County HRA	-	-	
City EDA	123,022.00	123,022.00	
Total Levy - Special	123,022.00	123,022.00	0.0%



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

Aquatic Invasive Species (AIS) Control Program

Requested Action:

Consider direction to participate in the AIS or approval to opt out of the program

Background Information:

At the Annual Meetings of the Coon Lake Improvement District in July of each year, members at the meeting vote to approve and fund the districts activities for the coming year. An annual fee is determined and will be charged to eligible district properties via collection of fees by the county on the following year tax statements. These fees are currently used to fund the cost of herbicide treatments in areas identified as moderate to heavily infested with Curly Leaf Pondweed (CLP) or Eurasian Water Milfoil (EWM). This is determined by means of a delineation to locate and document sites to be re-inspected and/or approved by the MN DNR for treatment by a state licensed applicator contracted by the CLID. The chemicals normally used to control these are Endothall, Triclopyr and 2,4-D.

Sec. 78. Minnesota Statutes 2010, section 103G.615, has been recently amended by adding a subdivision to read: (in part)

Subd. 3a. Invasive aquatic plant management permits.

- a) "Invasive aquatic plant management permit" means an aquatic plant management permit as defined in rules of the Department of Natural Resources that authorizes the selective control of invasive aquatic plants at a scale to cause a significant lake wide or bay wide reduction in the abundance of the invasive aquatic plant.
- b) The commissioner may waive the dated signature of approval requirement in rules of the Department of Natural Resources for invasive aquatic plant management permits if obtaining signatures would create an undue burden on the permittee or if the commissioner determines that aquatic plant control is necessary to protect natural resources.
- c) If the signature requirement is waived under paragraph (b) because obtaining signatures would create an undue burden on the permittee, the commissioner shall require an alternate form of landowner notification, including news releases or public notices in a local newspaper, a public meeting, or a mailing to the most recent permanent address of affected landowners. The notification must be given annually and must include: the proposed date of treatment, the target species, the method of control or product being used, and instructions on how the owner may request that control not occur adjacent to the landowner's property.

Signatures for herbicide control of invasive species are not currently needed for Coon Lake as the MN DNR has waived the signature requirement as allowed by state statute. This is documented as an amendment to the Lake Vegetation Management Plan through April of 2015. The following, with the distribution of this letter, fulfills the requirement as stated in Subd.3c. (above);

Early season herbicide treatment for CLP is expected to take place from mid to late April (depending on variables such as ice-out date, water temperature, approval of permit and herbicide applicator availability) and will be done by using the chemical Aquathol K, at dosage rates of .75 – 2 ppm. Nuisance control of EWM should follow in mid-May to mid-late June and areas would be treated with a 2,4-D or Triclopyr herbicide and be applied at the rate of .75 – 2.5 ppm depending on the applicators recommendation. All of the rate variables listed above have a direct correlation to the size of the weed bed and requirement for satisfactory results.

It is your right to request treatment not be done in front of your property in the case it is identified as an area that needs to be treated, but please be mindful that this is a collective effort funded by each of us and non-treated areas may diminish the quality of control and affect our goal to reduce the quantity of control of AIS with each year’s successful results. **Should you desire to Opt Out, please entirely fill out the “Request to be Excluded From Herbicide Treatments” form, copy it and mail one copy to each of the recipients listed on the form.** A decision to opt out would only include non-treatment of City frontage property and not that of the entire lake. The City has participated in this program in the past.

Attachments:

Map of City Owned Property

Exclusion Letter

Fiscal Impact:

Recommendation(s):

Staff is seeking direction from Council as to the desire to participate in the Aquatic Invasive Species Control Program.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

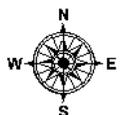
No Action Required:_____



Map



Disclaimer: Maps and documents made available to the public by the City of East Bethel are not legally recorded maps or surveys and are not intended to be used as such. The maps and documents are created as part of the Geographic Information System (GIS) that compiles records, information, and data from various city, county, state and federal resources.
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COON LAKE IMPROVEMENT DISTRICT - (CLID)

**REQUEST TO BE EXCLUDED FROM HERBICIDE TREATMENTS
FOR AQUATIC INVASIVE SPECIES (AIS) CONTROL**

**SIGNING THIS FORM DOES NOT EXEMPT YOUR PROPERTY FROM THE
ANNUAL CLID FEE CHARGED TO ALL PROPERTIES WITHIN THE DISTRICT**

**Use this form each year to Opt Out of having herbicide treatments to
control AIS within the 150' lake-ward zone from your shoreline:**

Due to the distribution date of aforementioned information and when the treatments would occur, this signed form is only valid when signed between January 1st and May 31st and is valid only for that years Spring/Summer season. If you plan to submit this form and wish not to have treatment for CLP, do it immediately as early season treatment for CLP is temperature sensitive and could be applied as early as mid April. EWM treatments may occur as early as mid May. **Your request to "Opt Out" is invalid for treatments that occur prior to receipt of your signature by the CLID or the DNR.**

Submit a copy of the following to each of the addresses listed below:

Coon Lake Improvement District
PO Box 26
East Bethel, MN 55011

Keegan Lund / Invasive Species Specialist
Division of Ecological and Water Resources/ MN DNR
1200 Warner Rd, St. Paul, MN 55106

I have read the CLID annual letter sent on or before April 1st of this current year and reviewed this document. I request that no herbicide treatment occur adjacent to the property and 150' lake-ward of the shoreline for the property listed below. (For further information or clarification, call Mike Bury @ 612-618-1372)

Signed _____ Date _____
(Only One Signature is required)

All requested information must be entered for verification and validation purposes.

Current Year: _____ Pin Number(s): _____

Property Owners Name(s): _____

Lake Property Address: _____

City / State / Zip _____

Phone Number(s) Home: _____ Cell: _____

Mailing Address (If different from Lake Property Address):



City of East Bethel City Council Agenda Information

Date:

April 16, 2014

Agenda Item Number:

Item 8.0 G.3

Agenda Item:

Temporary Clerical Employee

Requested Action:

Consider approval of hiring a temporary employee to provide clerical services in the absence of the Deputy City Clerk

Background Information:

Our Deputy City Clerk will be out of work until at least June 6, 2014 and we need additional clerical assistance in the office to compensate for her absence. The Deputy City Clerk's primary responsibilities have been divided and have assigned among staff. However, in order to efficiently accomplish this division of duties, we need to hire a temporary employee to relieve several staff of some of the clerical functions of these current job functions and the additional assignments.

This is a job that I recommend be contracted through a temporary employment agency. The normal procedure of selecting an employee for a City position generally takes a minimum of 4 to 5 weeks and we need this assistance as soon as possible. We can fill this position within 7 days by utilizing a temp agency.

There will be up to \$10,000 in the Deputy City Clerk's 2014 budget to cover this cost. The cost of utilizing a temp agency employee to cover our immediate needs would not exceed \$15/hr.

Attachments:

Fiscal Impact:

Estimated cost for this service is \$3,600. Funds from the Deputy City Clerk's Budget are available to cover this expense and will result in no increases in the 2014 Budget.

Recommendation(s):

City Council is requested to direct the City Administrator to contract the services of a temporary employee to serve in a clerical capacity with an employment agency through June 6, 2014.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

This is an addendum to the
April 16, 2014 City Council
Meeting. It was added on
April 15, 2014.

Anoka County Sheriff's Office Report March 2014

DWI's: There were 3 DWI arrests in March. One arrest involved a suspicious vehicle that was parked at a business after hours. The deputy saw a male standing outside of the vehicle, near the business. The male then got into his vehicle and left. The deputy believed the male may have been attempting to break into the business and began to follow the vehicle. The deputy attempted to pull over the vehicle, after observing a traffic violation, at which time the vehicle fled at a high rate of speed, traveling east on Viking Blvd. The deputy pursued the vehicle and the driver lost control in the city of Wyoming, striking some mailboxes. The driver smelled of alcohol and there were empty containers in the vehicle. The driver refused to submit to testing and had a drivers license status of DAC-IPS. The driver was arrested for felony fleeing, gross misdemeanor dwi, gross misdemeanor refusal to test and gross misdemeanor driving after cancellation, inimical to public safety, and misdemeanor open bottle. The other two arrests were a result of traffic violations.

Thefts: Twelve reports of theft were made in March. Three were no pay gas drive-offs. Of the three, one was resolved. One license plate that was reported turned out to be stolen. A snowmobile trailer had been stolen from a vehicle while parked at a local business. The business did have surveillance video which showed a newer dark colored Chevy Impala with a sunroof and spoiler taking the trailer. There were three male suspects seen on the video. One theft report involved a financial transaction card fraud report that had occurred in New Mexico. The victim doesn't know how his card number was used, as he still had the card in his possession. There was a report of gas siphoning during daytime hours in the Coon Lake beach community. There was also a report of cash and prescription medication being stolen from a vehicle overnight, that was parked in the driveway. One report involved an acquaintance being named as a suspect in the theft of items from a residence. There was an attempted theft of auto parts where suspects were located and taken into custody.

Burglaries: There were two reported burglaries. One involved a home that had been entered but had not items taken. There was an amount of used kitty litter left behind. The reported suspect is an acquaintance of the homeowner, who believes the suspect made entry in retaliation for a recent

court order. The second burglary involved a foreclosed upon home that had the furnace, water heater and washer/dryer taken.

Damage to Property: There were two reports of damage to property. One report involved several chickens and a turkey being killed by a dog trespassing upon private property. The case is under investigation. The second incident involved damage to a home caused by a renter. That case is under investigation as well.

Arrest Breakdowns:

Felony: 4

Violate Domestic Abuse Order – 1

Flee Peace Officer in a Motor Vehicle – 1

Possession of Burglary Tools – 2 (same incident)

Misdemeanor: 5

4 were from the same incident that involved the attempted theft of auto parts

– 2 for theft and 2 for trespass

1 – possess small amount of marijuana in motor vehicle