

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: May 7, 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

Ice Arena Management Request for Proposal Review

- 1) Ice Arena Management Services
- 2) North Metro Community Association
- 3) Gibson Management Company, LLC

8:20 PM 5.0 Public Forum

8:30 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 78-82 | A. | Approve Bills |
| Page 83-98 | B. | Meeting Minutes, March 5, 2014, Council Meeting |
| Page 99-107 | C. | Meeting Minutes, March 5, 2014, Work Meeting |
| Page 108-124 | D. | Meeting Minutes, March 19, 2014, Council Meeting |
| Page 125-137 | E. | Meeting Minutes, March 19, 2014, Work Meeting |
| Page 138 | F. | Meeting Minutes, April 16, 2014, Board of Review |
| Page 139-150 | G. | Meeting Minutes, April 16, 2014, Council Meeting |
| Page 151-161 | H. | Meeting Minutes, April 23, 2014, Board of Review Recessed Meeting |
| Page 162-177 | I. | Meeting Minutes, April 23, 2014, Public Hearing |
| Page 178-187 | J. | Meeting Minutes, April 24, 2014, Town Hall Meeting |
| Page 188-190 | K. | Audit Engagement for 2014 / 2015 / 2016 with Abdo Eick and Meyer |
| Page 191 | L. | Resolution 2014-16 Twins Tickets Donation for Booster Day Drawing |
| | M. | LMC Conference |
| | N. | Seasonal Employees for Public Works |

New Business

8:35 PM 7.0 Commission, Association and Task Force Reports

- | | | |
|--------------|----|--------------------------------|
| | A. | Planning Commission |
| Page 192-200 | 1. | Zoning Map Amendment |
| | B. | Economic Development Authority |
| | C. | Park Commission |
| | D. | Road Commission |

8:40 PM 8.0 Department Reports

- | | | |
|--------------|----|-----------------------|
| | A. | Community Development |
| Page 201-226 | 1. | Valder Motors IUP |

Page 227-228

- B. Engineer
- C. City Attorney
- D. Finance
- 1. 2013 Audit Summary
- E. Public Works
- F. Fire Department
- G. City Administrator

9:00 PM **9.0** **Other**

- A. Staff Report
- B. Council Reports
- C. Other
- D. Closed Session- Code Enforcement Legal Action

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9:30 PM **10.0** **Adjourn**



City of East Bethel City Council Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 4.0

Agenda Item:

Ice Arena Management RFP's

Requested Action:

Review proposal presentations for the Ice Arena Management Contract and at the conclusion of the presentations Council consideration of the Ice Arena management preference.

Background Information:

The City of East Bethel managed and operated the City Ice Arena with City Staff until 2006. From 2006 to 2008 the City contracted with the National Sports Center for management services for this facility. The National Sports Center declined to exercise their option to extend their contract at the end of the 2008 season. As a result, the City solicited other management proposals for operation of the facility and awarded a contract to Gibson Management Company, LLC for a one year period. The contract with Gibson Management was extended in 2009 to 2011 and another extension was granted in 2011 to 2014.

City professional service agreements are evaluated, generally, every 5 years and additional requests for services are solicited to ensure that the City is receiving the best value for both the cost and benefit that is being offered. This Request for Proposal (RFP) was advertised in the Anoka Union, City Website, Minnesota Ice Arena Managers Association

There have been four inquiries regarding the RFP from the following:

- 1.) Rink Management Services Corporation-Richmond, Virginia;
- 2.) National Sports Center-Blaine, Minnesota;
- 3.) North Metro Community Association-St. Francis, Minnesota; and,
- 4.) Gibson Management, LLC-Rochester, Minnesota.

Rink Management Services Corporation is a national company that manages approximately 40 rinks throughout the United States. They currently manage the rink in Vadnais Heights and their representative lives in Blaine.

The National Sports Center manages 8 sheets of ice at their Blaine location and, as stated above, operated our rink from 2006 to 2008. Even though there was initial interest on their part, The National Sports Center informed the City that they would not be submitting a proposal for this management contract.

North Metro Community Association is a local non-profit 501(c)3 corporation composed of the Saint Francis Youth Hockey Association along with other youth sports groups and local business

leaders that are dedicated to increasing participation in hockey participation as well as other sports.

Gibson Management, LLC is the current management contractor of the City Arena. They have managed our facility since 2008.

The City Ice Arena was able to post a positive fund balance for the first time in 2013. The goal of the City is to operate this facility at no less than a break-even point with no taxpayer subsidies. This position was made abundantly clear to all those who have submitted RFP's.

Aside from the outsourcing the management of the Arena to an independent contractor as we have done since 2006, the City could consider the following alternative options:

- Leasing the facility outright
- Hire a contract manager and operate the facility under the umbrella of the City.

The major issue with leasing is protecting the City's investment in the facility and establishing responsibilities for maintenance of the equipment. Directly contracting the management as a City function, while a consideration, could create a position and role that has the potential to expand well beyond its anticipated purpose and produce an additional level of management and possible expense.

Attachments:

- Ice Arena Budget
- Ice Arena Report
- Ice Arena Management RFP Proposal
- North Metro Community Association RFP Proposal
- Gibson Management RFP Proposal

Fiscal Impact:

As noted above.

Recommendation(s):

At the conclusion of the presentations, Staff recommends Council consider approval of a contractor to provide management services for the City Ice Arena and direct staff to negotiate a contract for these services for Council consideration for approval at the June 4, 2014 City Council Meeting.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

City of East Bethel
Revenue / Expense Statement
Fiscal Year 2013
1/1/13 to 12/31/13

<u>Arena Operations</u>	Account Description	Actual - 12/31/13	FY 2013 Budget	YTD as a % of Budget
Revenues				
	R 615-36210 Interest Earnings	2.23	-	N/A
	R 615-36240 Refunds/reimbursements	-	500.00	0%
	R 615-37920 Vending Machine Sales	499.85	200.00	250%
	R 615-38060 Ice Rental Revenues	191,300.28	204,000.00	94%
	R 615-38062 Dry Floor Events	1,350.00	1,000.00	135%
	R 615-38064 Concession Rental	2,000.00	1,500.00	133%
	R 615-38065 Locker Room Rental	7,500.00	7,500.00	100%
	R 615-38066 Sign Space Rental	1,450.00	2,000.00	73%
	R 615-38067 Tower Lease Payments	68,062.68	34,000.00	200%
Total Revenues - Arena		272,165.04	250,700.00	109%
Expenditures				
	E 615-49851-201 Office Supplies	-	100.00	0%
	E 615-49851-211 Cleaning Supplies	-	750.00	0%
	E 615-49851-212 Motor Fuels	1,799.89	2,500.00	72%
	E 615-49851-219 General Operating Supplies	443.74	500.00	89%
	E 615-49851-223 Bldg/Facility Repair Supplies	2,048.56	5,000.00	41%
	E 615-49851-231 Small Tools and Minor Equip	105.81	1,500.00	7%
	E 615-49851-307 Professional Services Fees	86,072.20	86,000.00	100%
	E 615-49851-321 Telephone	1,503.83	1,300.00	116%
	E 615-49851-381 Electric Utilities	33,163.18	33,000.00	100%
	E 615-49851-382 Gas Utilities	16,537.40	22,000.00	75%
	E 615-49851-385 Refuse Removal	1,076.74	2,300.00	47%
	E 615-49851-402 Repairs/Maint Machinery/Equip	2,318.93	4,000.00	58%
	E 615-49851-403 Bldgs/Facilities Repair/Maint	6,291.52	30,000.00	21%
	E 615-49851-422 Auto/Misc Licensing Fees/Taxes	230.16	1,500.00	15%
	E 615-49851-433 Dues and Subscriptions	145.00	250.00	58%
	E 615-49851-610 Interest	-	350.00	0%
	E 615-49851-481 Depreciation Expense	71,894.94	82,361.00	87%
Total Expenditures - Arena		223,631.90	273,411.00	82%
Net Income - Arena		48,533.14	(22,711.00)	

A photograph of ice hockey players on an ice rink. The players are wearing various colored jerseys (red, blue, white) and are holding hockey sticks. A puck is visible on the ice. The background is a light blue gradient.

Request for Proposals
for
Ice Arena Management Services
City of East Bethel
May 1, 2014

East
City of *Bethel* Minnesota

Rink Management Services Corporation

the most trusted name in ice rinks

Rink Management Services Corporation

the most trusted name in ice rinks

Executive Summary City of East Bethel Ice Arena Management Services May 1, 2014

We thank the City of East Bethel for the opportunity to submit a proposal for the operation and management of the your ice arena. Rink Management Services Corporation is the most widely respected management company in the recreational management business, and we are proud of our performance and the testimonials we receive on a regular basis from our clients. The company was founded in 1999 and our core business is the safe and efficient management of ice-skating rinks and other recreational facilities. We also provide consulting work, feasibility studies, and project management for the ice rink industry.

Rink Management Services Corporation is a C corporation, incorporated in Virginia in 1999. Our headquarters address is 9400 Charter Crossing, Suite D; Mechanicsville, Virginia, 23116. Our office telephone number is 804-550-7002 and our fax number is 804-550-7004. Thomas Hillgrove is the president and secretary of Rink Management Services Corporation and the sole shareholder of the company.

Rink Management Services Corporation (RMSC) is uniquely qualified to provide the best value to the City of East Bethel. We are the largest operator of ice skating facilities in the United States. We currently manage ice rinks for the Chicago Park District (IL), Charles County (MD), the City of Providence (RI), the Baltimore County Revenue Authority (MD), the City of Manassas (VA), the City of Des Moines (IA), the City of York (PA), and the City of Monroe (MI). In addition, we manage a 100,000 square foot fitness club/gymnasium/indoor water park for the City of Romulus (MI) and an 18-hole golf course for Henrico County, Virginia.

More importantly, our company has the most experience operating ice rinks in the municipal environment, an environment where the bottom line is just one consideration. We understand the sensitive nature of publicly owned recreation venues, where – in essence – your customers are also the owners. RMSC's reputation with its municipal clients makes us a natural choice for the City of East Bethel.

We have experience in the Twin Cities region. RMSC has managed the Vadnais Sports Center since November of 2012. This facility has two ice rinks and a 100,000 square foot dome with turf. Our company increased the net operating income by more than \$500,000 in the first full year under our stewardship compared with the previous year's results.

The hallmark of our relationships with our clients and guests is cooperation. Your facility is an important hockey community, and their needs and desires are important to its success. Our company will communicate openly and frequently with these groups, with the proper City officials, community organizations, the local business community, and with other skating groups to ensure we fulfill their needs and objectives. This type of ongoing communication allows us to get input from interested parties and establish our working relationships.

Rink Management Services Corporation will bring the following value to the City of East Bethel:

- The City will have more control in a structured environment through a systems-oriented management approach and receive timely, accurate financial statements. All our clients retain the strategic control of their asset.
- Institute a documented preventive maintenance program to protect and improve the City's asset.
- Rink Management Services has a documented record of outreach in the community and will expand opportunities for citizens to utilize your ice arena.

Here are some highlights of Rink Management Services Corporation:

- We currently manage **33 ice rinks in 15 states** and the **District of Columbia**
- Rink Management Services operates rinks for **11 municipalities and governments**
- Our principals have been involved in **47 ice rink construction projects**
- We are currently managing assets valued at **\$137 million**
- We are handling **\$28 million** for our clients
- Rink Management Services has more than **1600 employees** nationwide
- Our administrative staff consists of **24 seasoned professionals** in all functional and operational areas, including **3 Certified Public Accountants**
- Rink Management Services has **19 Certified Ice Technicians; 4 employees** on the Board of Directors of STAR (Serving the American Rinks); **3 Directors** of The Ice Skating Institute and **one member of a USA Hockey Council**.

Finally, our company has the highest standards of accounting, and we are very proud of the programs, the cost savings and the expansion of services and marketing that have occurred at our managed facilities.

Our references follow on a separate page. We look forward to working with the City of East Bethel.

Sincerely,



Thomas W. Hillgrove
President

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The Company

Rink Management Services Corporation provides owners and municipalities with a proven system for the turnkey operation of their facilities. The company has assembled a talented group of industry veterans in the key functional areas of ice skating and arena management. These individuals function as a cohesive unit that provides strategic goals, tactical tools, and experienced guidance to the facility's on-site staff, whether selected by us or the current employer.

Our clients have found that hiring Rink Management Services Corporation is more cost effective than trying to select, train and manage facility employees themselves. Add to this the knowledge, experience, and history of success that the Rink Management Services Corporation team provides, and it is easy to understand why some of North America's leading corporations, foundations, and business development councils have selected our company, as well as more municipalities than any other company. We proudly stand on our record.

Rink Management Services Corporation is the second recreational management company founded by Thomas W. Hillgrove. His original company, which specialized in managing ski areas before focusing on arenas and ice skating facilities, became so successful that after only seven years, it was rated by *Amusement Business Magazine* as the fourth largest venue management company in North America.

Hillgrove sold Recreational Management in 1998, and founded Rink Management Services Corporation in 1999. His leadership once again attracted several of the industry experts who made the first company such a success. They currently hold top positions at Rink Management Services Corporation.

Philosophy

Rink Management Services Corporation's success and expansion in the recreational management field is due to a systems-based management orientation that provides managers with accurate, timely information and establishes high standards. The company's on-site managers are supported by a core staff of professionals that provide the facilities. Rink Management Services Corporation operates with a depth of talent and expertise unmatched by any single person.

A strong commitment to consumer satisfaction and customer service is at the core of the Rink Management Services Corporation management philosophy. The company insists on remaining in close touch with all clients and believes in timely, open communication.

Though the company's success is based on proven systems and sales approaches, each client's needs are individually assessed and a program is developed that will serve that client best.

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Advertising Public Relations

Marketing under Rink Management Services Corporation involves a group of different people, under the direction of Rink Management Services Corporation's award-winning communications director and the advertising/promotions director. Using traditional marketing tools like media relations, public relations, advertising, direct mail and promotions, the corporate staff works to create a marketing plan specific to each client. The placement of advertising depends on many things besides the budget; promotional programs in place that offer barter rather than paid advertising or special events where advertising costs and responsibilities will be handled by other entities are two examples of achieving advertising goals with little expenditure of advertising dollars. Setting up unique and exciting promotions can also serve such an advertising purpose.

Rink Management Services Corporation personnel have also had excellent success in the past using public relations in lieu of paid advertising, allowing our facilities to enjoy a much higher recognition rate in the media than other such facilities. And our marketing plans always include creating and maintaining a strong database, which is then massaged and worked to ensure on-going skating revenues.

Customer Service

Rink Management Services Corporation depends on special events programming to bring in new customers. We depend on our service of product to insure those customers come back.

Rink Management Service Corporation and its employees at all our facilities are dedicated to first, safety and second to customer service. We are all aware that people's limited recreational dollars may be spent in a variety of ways. Our philosophy is that unless we provide the best service and product at the most competitive price, those dollars will not benefit Rink Management Services Corporation clients.

Every year our clients receive numerous testimonials from our patrons thanking them for the service they received and the newspapers are full of kudos for the extra steps our company takes to please its customers. Such treatment is not only our philosophy – it is a positive reflection on the clients who hire us.

Thank you so very much for everything you did to make our function very special. The reception and dinner were superb and everything went smoothly. Thank you so much for all your help.

Maryann Crowder
Executive Director
Virginia Association of Chamber of Commerce

Thank you, thank you, thank you! You did an amazing job this weekend and without you this would not have been possible. You have made me feel extremely lucky to be a part of such an amazing cause and your consistent efforts and dedication year after year make Prince William County stand out in more ways than one. You are such an important asset to this community and I thank you for making this 2006 Walk a success.

Nicole Vagnerini
Washington D.C. Community Director
March of Dimes
National Capital Area Chapter

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Financial Management Systems

Rink Management Services Corporation prides itself on its financial management systems, which has become one of our most successful features. We recognize the essential need of most clients to have standard policies and procedures for overseeing accounting functions to include the processing of daily cash receipts, purchasing, accounts payable, accounts receivable and payroll. Additionally, Rink Management Services Corporation has successfully implemented accounting systems allowing timely completion of monthly financial statements, focused on budgeting as well as instituted process and control improvements.

One of our strongest skill sets and one that is greatly appreciated by our clients is our financial reporting. By the fifteenth of each month we produce reports that include a balance sheet, a statement of cash flows, a profit and loss versus budget for the month and year-to-year, a comparison to last year's periods (when applicable) and the entire general ledger. Our reports are GAAP standard and on a full accrual basis. They are 100% transparent and completely auditable.

Our extensive accounting staff is first-class and highly experienced. We focus on:

- Cash Handling Standard Procedures
- Accounts Payable Processing Procedures
- Accounts Receivable Processing Procedures
- Payroll Processing Procedures
- Budgeting
- Process and Control Improvements

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PRESS RELEASE

June 2009
Richmond, VA

RINK MANAGEMENT SERVICES CORPORATION awarded Excellence in Safety Award, other recognitions.

June 8, 2009 - The Ice Skating Institute (ISI) presented Rink Management Services Corporation the **Al Tyldesley Excellence in Safety Award** for operating top quality ice skating facilities, the company announced.

The **Excellence in Safety** Award was presented by Tim Sullivan, President of Rink Guard and the Willis Insurance Group at the ISI 50th Anniversary Conference & Trade Show, in the Walt Disney World Resort in Orlando.

Additionally, Rink Management Services employee Lauri Wagner, was recognized as the Instructor of the Year by Ice Skating Institute.

Lloyds Center Ice Rink (Portland, OR) and **York City Ice Arena** (York, PA) were also recognized as being long-time members of ISI (50 and 20 years, respectively.) Both of these properties are managed by Rink Management Services.

These awards follow the recent recognition of Rink Management Services Corporation as recipient of the **Alfred P. Sloan Award for Business Excellence in Workplace Flexibility** by the U.S. Chamber of Commerce. That award was given in June in Richmond, Virginia, and it is the second consecutive year that Rink Management Services Corporation has won the award.

Rink Management Services Corporation currently operates 30 recreational and ice rink facilities in 15 states and has \$137 million in assets under management. The company has more than 1,600 employees.



Glen Danischewski

Rink Management Services Corporation

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9400 Charter Crossing
Mechanicsville, VA 23116
804-550-7002
www.rinkmanagement.com

PRESS RELEASE

June 2009
Richmond, VA

RE: Local Company Providing Certified Ice Technicians Across the United States

Rink Management Services Corporation announces the completion of Certified Ice Technician training for their general managers of ice rinks across the United States. In May 2009, 35 team members of the largest operator of ice rinks in the industry attended the annual North American Ice Rink Conference Expo(NARCE) in Chicago, IL. After the completion of the (NARCE) training, Rink Management Services Corporation now has a total of 24 Certified Ice Technicians. The certification is granted to professionals in the US who have successfully completed the industry-related, multi-level training program involving courses in Basic Refrigeration, Ice Making and Painting as well as Ice Maintenance and Equipment Operations. Four (4) team members completed the 5 STAR Program which combines both technical training along with the management education programs.

Rink Management Services Corporation is the largest operator of ice skating facilities in the United States with more than \$137 million in assets under management. The company has more than 1600 employees.

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PRESS RELEASE

May 2009
Richmond, VA

US Chamber of Commerce Recognizes RINK MANAGEMENT SERVICES CORPORATION for Business Excellence in Workplace Flexibility

May 8, 2009 - Rink Management Services Corporation was awarded the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility.

The Award recognizes employers in select US cities nationwide that are successfully using flexibility to meet both business and employee goals.

Creating an effective and flexible workplace is a competitive business strategy for the 21st century. Workplace flexibility is a critical ingredient in effective workplace that enhances businesses' competitive advantage and benefits employees. It makes work "work" for both employers and employees.

This prestigious recognition is presented annually to only 20% of nominated businesses and corporations.

This is the second year in a row that Rink Management Services Corporation has been honored for this 21st Century flexibility benchmark.

Rink Management Services Corporation currently operates 30 recreational facilities in 18 states and has \$137 million in assets under management. The company has more than 1600 employees.

Rink Management Services Corporation
804-550-7002

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Key Personnel

Thomas Hillgrove

President

President of Rink Management Services Corporation (RMSC), Tom has over thirty years of experience in recreational management. After graduating from the McIntire School of Commerce at the University of Virginia, Tom began his career managing ski areas, community events and ice skating rinks. In 1999, he founded Rink Management Services Corporation which has grown to be the largest operator and developer of ice skating facilities in the United States. Using his industry experience Tom would be leading the RMSC team in all areas of operation, including overseeing the onsite team and support staff.

Jennifer André

Controller

Jennifer has over twenty-three years of experience in all aspects of financial and corporate accounting, including audits, budgets, accounts receivable, accounts payable and payroll. She has in-depth experience in handling insurance and risk management as well as overseeing a large staff of accounting professionals. Her accounting systems and procedures for Rink Management Services have truly been one of the benchmarks that brought the company to national status in the ice industry. Jennifer would supervise our strong accounting team and be the lead person for any financial information regarding the East Bethel Ice Arena.

Glen Danischewski

Vice President

Having more than twenty years of ice arena management and development experience, Glen has extensive experience with facility maintenance and security. Glen would be directly involved in the operations at the East Bethel Ice Arena. He would be responsible for implementing preventive maintenance programs and assisting the city on all capital expenditures.

James Littlejohn

Marketing and Transitions

Jim has over twenty years of experience in marketing and sales. Jim's work as Director of Marketing has helped contribute to Rink Management Services Corporation's national reputation in the ice industry. Jim is always looking for new ways to improve facility marketing and has been on the cutting edge of social media marketing, through sweepstakes and other tactics. Jim would lead the RMSC marketing team as it relates to sales and marketing at the East Bethel Ice Arena.

Carl Sasyn

General Manager and Regional Manager

Carl is a key RMSC team member and has been a General Manager for over ten years. He has connections all across the country within the hockey community and would be a key person in setting up tournaments at the East Bethel Ice Arena.

Louis Lombardo

General Manager and Regional Manager

Louis has been trained in all types of recreation facility management. He has been a General Manager for almost ten years. Louis would help the RMSC General Manager with building all recreational sport leagues, and parties. Louis would be key in overseeing programs such as learn to skate, summer camps, and other sporting events.

Don Baldwin

General Manager and Regional Manager

Don has been a General Manager for more than twenty years and is in the process of procuring his PhD in Business Administration. Don would lead the RMSC team in training our new staff members in HR and customer service. Don is a business innovator and is always coming up with new ways to help manage our facilities more efficiently.

Susan Mohs

Marketing and Business Development

Susan would help oversee marketing and event coordinating at the East Bethel Ice Arena. Susan lives in Minnesota and has experience and contacts to bring in trade shows and concerts for the East Bethel Ice Arena. Susan would also be a key team member during the transition process and assist in the training of employees, including implementing our policies and procedures.

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Thomas Hillgrove President

President of Rink Management Services Corporation, Tom has over 30 years experience in recreational management. After graduating from the McIntire School of Commerce at the University of Virginia, Tom began his career managing ski area, community events and ice skating rinks. In 1999, he founded Rink Management Services Corporation which has grown to be the largest operator and developer of ice skating facilities in the United States. Tom is a three team member of STAR (Serving the American Rinks), is on the USA Hockey Adult Council and was chairman of the industry committee that produced the Ice Industries Research Report in 2006. Professional services provided by Rink Management Services Corporation under Tom's leadership include:

- Ice Rink/Arena Management
- Contract Negotiations
- Industry Purchasing Power
- Mechanical and Technical Ice Rink Expertise
- Ice Rink Design and Build-Out
- Client-Oriented Accounting Systems
- Sales of Goods and Services
- Event Talent Booking
- Hockey and Figure Skating Expertise
- Personnel Management
- Insurance Liaison and Industry Contracts
- Subcontracting and Provider Expertise
- Media Spokesperson

AWARDS AND HONORS:

- Founded and headed up Recreational Management Services Corporation, which was named the fourth largest arena/facility manager in the country by *Amusement Business Magazine*
- Recognized as leading consultant for ice rink feasibility studies in the industry
- Directs team that has individually and as a group won many industry awards and honors
- Board Member, STAR (Serving the American Rinks), sponsored by USA Hockey and USFSA
- Member, Adult Council, USA HOCKEY

PROFESSIONAL EXPERIENCE:

- 1999-Present President
RINK MANAGEMENT SERVICES CORPORATION
- 1998-1999 President
SKATENATION, INC
- 1989-1998 President
RECREATIONAL MANAGEMENT SERVICES CORPORATION
- 1987-1989 President
BORVIG SKI LIFTS
- 1980-1988 President
HILLGROVE ASSOCIATES
- 1977-1980 Marketing Staff
KILLINGTON SKI RESORT

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JENNIFER ANDRE' CONTROLLER

Jennifer has over twenty-two years of experience in all aspects of financial and corporate accounting, including audits, budgets, accounts receivable, accounts payable and payroll. She has in-depth experience in handling insurance and risk management as well as overseeing large staff of accounting professionals. Her accounting systems and procedures for Rink Management Services have truly been one of the benchmarks that lead the company to national status in the ice industry. Jennifer graduated from Old Dominion University with a degree in accounting. She places great value on continuing education for her accounting team and directs hands-on training through "Assistant Controller University" for staff members. Professional accounting services at Rink Management Services, under Jennifer's direction, include:

- Preparing and overseeing preparation of annual budgets
- Overseeing accounts receivable and accounts payable
- Risk management
- Purchasing
- Invoicing
- Monitoring of control and process improvement
- Inventory control to include semi-annual inventory count and related adjustments

AWARDS/HONORS/ACCOMPLISHMENTS:

- Nominated into the Executive Management Training Program, DJJ
- Began risk management department of Christian Broadcasting Network
- Handled complicated accounting procedures for SkateNation, 19 sites and \$30 million

PROFESSIONAL EXPERIENCE:

1999-Present	Controller RINK MANAGEMENT SERVICES CORPORATION Handle and oversee accounting operations at 27 ice skating rinks/arenas.
1997-1999	Internal Auditor/Controller SKATENATION, INC Duties as Internal Auditor included establishing controls and procedures for original Skate Nation six ice skating facilities, then additional 13 sites in company purchase. Duties as Controller included automating all accounting procedures of each of original six facilities; oversaw the monthly closing process, the monthly consolidation process, the annual audits and the annual budgets.
1994-1997	Controller DAVID J. JOSEPH COMPANY District Controller for two scrap metal processing plants located in Richmond, VA and Greenville, SC and for a worldwide metal brokerage company.
1990-1993	Internal Auditor THE CHRISTIAN BROADCASTING NETWORK Fixed Asset Accountant for assets worldwide
1987-1990	District Controller LIDLAW TRANSIT Coordinated the accounting for three facilities located in Norfolk, VA, Atlanta, GA and Birmingham, AL for multinational busing company.

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Glen Danischewski Vice President of Operations

More than 20 years of ice arena management and development experience, including design of ice skating facilities, financial responsibility, program development, advertising and promotions, training and supervision, capital/daily maintenance of arenas and operated seven ice skating facilities as general manager.

SERVICES OFFERED:

- Ability to work with architects to design and remodel new and existing ice arenas
- Director of pre-start operations and openings of new skating facilities
- Extensive experience in purchasing and troubleshooting ice rink equipment
- Installation of ice surfaces and ice logos
- Hiring and training ice arena employees, all areas and payroll management
- Bottom line operations experience
- Development of risk management programs to reduce exposure to facility and client
- Implementation of customer service programs and monitor success of programs
- Development of non-traditional skating programs for peak and non-peak times
- Development of ISI and USFSA skating schools and competitions, USA hockey programs
- Production of skating shows with second tier professional skating talent

AWARDS, HONORS, ACCOMPLISHMENTS:

- Implemented award-winning USFSA Learn-to-Skate program, Chapel Hills Ice Arena
- Installed and implemented operations of the Boston Common Frog Pond
- Installed outdoor NHL-sized ice sheet in AAA ballpark in Scranton, PA
- Served as general manager of single ice sheet that generated over one million dollars with only public sessions and figure skating programs, NO hockey 1993

PROFESSIONAL EXPERIENCE:

7/2000-Present	Vice President of Operations RINK MANAGEMENT SERVICES CORPORATION
12/98-6/00	Regional Manager SKATENATION, INC.
1/94-12/98	Project Manager RECREATIONAL MANAGEMENT SERVICES CORPORATION Successfully implemented company policies and procedures
5/89-11/93	General Manager ICE CAPADES CHALET
10/87-4/89	Assistant Manager ICE CAPADES CHALET

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Jim Littlejohn Marketing & Transitions

Jim has over 20 years of experience in marketing and sales. He graduated from the State University of New York at Potsdam with a BA in Psychology and certification in Elementary Education. Since joining the Rink Management team in 1998, Jim has been involved with transitions in the company. Jim's work as Director of Marketing has helped contribute to Rink Management Services Corporation's national reputation in the ice industry. Core knowledge and skills at Rink Management Services under Jim's direction include:

- Strategic Partnerships and Alliances
- Relationship Building
- New Client Development
- High Profile Event Planning and Management
- Creative Market Planning & Execution
- Team Leadership & Supervision
- Client Presentations
- Customer Needs Assessment

PROFESSIONAL EXPERIENCE:

1998-Present Director of Marketing
RINK MANAGEMENT SERVICES CORPORATION
Handles marketing promotions at RMSC operated facilities.

1991-2008 Owner
BADGE PUBLICATIONS
Professional fundraising company.

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Carl C. Sasyn Regional Manager

9822 Larston Street
Houston, TX 77055
713-299-7327 (C)
csasyn@hotmail.com

EXPERIENCE

2002 – Present **Rink Management Services Corporation, Mechanicsville, VA**
Ice Skate USA General Manager

- Transferred to Ice Skate USA March 28, 2005.
- Opened Jamestown Savings Bank Ice Arena August 2002.
- Managed a staff of over thirty employees and responsible for daily operations of the arena.
- Saved over \$37,909.26 in payroll during our initial year of operation.
- Exceeded first year revenue numbers by \$37,606.15.
- Operated at \$750,000.00 in sales.
- Developed and implemented all functioning system reports in the facility.
- Developed and trained staff on all daily operations, policy, and procedures.
- Established Thanksgiving hockey tournament.
- Established Pepsi Early Bird hockey tournament.
- Successfully hosted North Atlantic Figure Skating Regionals.
- Implemented all new summer programs for ice hockey.
- Responsible for budget planning, monitoring, and reporting to the ice arena over site committee.
- Responsible for all interaction with the Jamestown Center City Development Corporation i.e. the Gebbie Foundation (not for profit), owners of the arena.
- Successfully established the facility goals and relaying information through the radio, print and television media.
- Handled construction close out litigation and mediation.

1998 – 2002 **Classic Molded Plastics, Erie, PA**
President

- Operated a 1.5 million company.
- Responsible for daily production goals, policies, procedures, and quality control
- Worked exclusively with the Department of Defense on highly classified plastic molded military technology.
- Responsible for quoting all sales jobs.
- Managed over thirty- five employees.

- Forecasted budget projections annually.
- Traveled extensively for sales leads.
- Responsible for obtaining Small Business Loan.
- Promoted and coordinated all sales activities.

1993 – 1998

Academic Service Products, Erie, PA

Senior Sales Account Representative

- Responsible for the distribution of over two thousand compact refrigerators throughout the East coast to colleges and universities while handling marketing, promotion, and sales to over seventy-five college accounts.
- Assisted in the engineering and planning of a compact refrigerator designed to run a microwave and refrigerator on the same outlet.
- Expanded sales to include carpeting.
- Expanded sales to include bulk market deliveries on refrigerators
- Responsible for budgeting, forecasting, and monitoring all financial activities.
- Participated in the transition of the company. The company was purchased by leading supplier of combination refrigerator microwave units in the country.

EDUCATION

- Niagara University, Niagara Falls, NY
- Bachelor of Arts in History and Business

ADDITIONAL TRAINING

- Certified Ice Technician.
- First Aid AED Trainer
- Maximum Solutions facility scheduling software
- ADP payroll system training.
- Sexual Harassment training
- Loss Prevention training.

ADDITIONAL ACTIVITIES

- Official in the East Coast Hockey League.
- Official in Eastern Collegiate Athletic Association.
- Official in the Ontario Hockey League.
- Official in the American Hockey League

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LOUIS LOMBARDO III REGIONAL MANAGER

Certifications:

Serving The American Rinks (STAR):

Ice Maintenance and Equipment Operations (IMEO), Chicago, IL May 2007

Basic Refrigeration (BR), Lake George, NY, June 2007

Ice Making and Painting Technologies (IMPT), Chicago, IL May 2008

Certified Ice Technician (C.I.T), June, 2008

Programming, Marketing & Promotions, Chicago, IL May 2009

Birthdays Party University

Certification – July, 2008

New York State Department of Health

Emergency Medical Technician – 1999- present

American Heart Association BLS CPR - 2009

Hudson Valley Regional EMS Council – Treasurer - 2008-2010

Hudson Valley Regional EMS Council – Putnam County Delegate – 2001-2003, 2006-2010

Instructor, Certified Emergency Vehicle Operations- 2001

New York State Department of State

Firefighter Essentials – 1996

Emergency Vehicle Operations – 2007

Putnam Lake Fire Department

Firefighter/Member – 1995 to present

EMT – 1999 to present

Business Secretary – 1998-2000, 2001-2003, 2008-2010

Business Treasurer – 2000-2001

EMS Captain – 2001-2003, 2007-2010

Co- Chair, Ambulance Design & Construction - 2009

Federal Emergency Management Agency

National Incident Management System – 700 - May 2008

American Safety and Health Institute

Instructor, - Community CPR, Professional Rescuer CPR, First Aid, Blood Borne Pathogens, AED, Oxygen Administration, and Incident Preparedness – expired

Member United States Figure Skating

Figure Skating Coach – 2000 to present
Voting Delegate 2009, 2010, 2011

Member Ice Skating Institute

Skating Instructor – 2001 to present
Skating Director – 2003 to present

USA Hockey

Member – 1999 to present
Certified Level 3 Coach – expired

Hudson Valley High School Ice Hockey Association

President – 2009-2010 season

Mid-West Hockey League

Vice President – “A” Division – 2010-2011 Season

Mid-West Amateur Hockey Association – (USA Hockey Affiliate)

Interim Adult Hockey Coordinator – 2010-2011 Season

National Registry of Food Safety Professionals

Food Safety Manager – March 2011

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Don Baldwin Regional Manager

Professional Experience:

Regional Manager:

Rink Management Services Corporation, 9400 Charter Crossing Ste. D., Mechanicsville, VA 23116

- May 2006 to present
- Supervise Palos Verdes Ice Chalet (CA) resulting in a doubling of net income compared to previous year
- Analyze ice rink operations and write consulting reports for Rink Management's consulting business
- Prepare competitive analysis for consulting reports
- Assist with RFP (Request for Proposal) bid preparation, appear at City Council Meetings
- Teach Managers how to resolve OSHA issues in the company's favor
- Compiled OSHA manual for rinks

General Manager

Lloyd Center Ice Rink, 953 Lloyd Center, Portland, Oregon 97232

- June 1998 to present
- Managed multiple units with Clackamas Town Center Ice Arena from 1998 through 2003
- Doubled gross sales from 2002 to 2006 by establishing an effective marketing program and improving quality of services
- Substantially improved gross profit from 2002 to 2006
- Wrote and published a basic web site that sells \$50,000 - \$70,000 in skating lessons per year (www.lloydcenterice.com)
- Manage all Day to Day operations
- Make sure operations are compliant with all laws
- Supervise a staff of 40 to 50
- Grew the Learn to Skate School from 180 to 900 students
- Grew a successful \$70,000 per year pro shop from bare walls

General Manager

Clackamas Town Center Ice Arena, 12000 SE 82nd Ave., Portland Oregon 97266

- August 1997 to March 2003
- President of the Youth Hockey League
- Ran an in house adult and youth hockey league
- Supervised an industrial refrigeration system and co-ordinate tradesmen's work
- Grew the Learn to Skate School
- Served on the state USA Hockey Affiliate, Oregon State Hockey Association as a non-voting board member
- Appealed OR-OSHA decision regarding safe operation of ice rink and won

Manager

Tri-Town Sports Center, Inc., 6 Progress Dr., Cromwell, Connecticut 06416

- September 1991 to June 1997
- Supervised refrigeration plant and co-ordinate tradesmen's work
- Reduced the refrigeration plant repair costs from \$150,000 to \$25,000 per year
- Supervised maintenance in an 80,000 square foot building with large health club
- Started a successful mom and tot skating program
- Operated Ice Rink as a lease rink
- Sold ice on commission
- Sold out summer ice by inviting summer camps to make Tri-Town their home
- Started Pro Shop operation

Owner

Don's Hat Trick Hockey, LTD, 153 South Main St., Middletown, CT 06457

- September 1994 to March 1998
- Owned and operated a senior hockey league
- 30 teams, 600 players at peak
- Published player statistics on the Internet in 1994
- Business closed due to loss of lease and owner moving to Oregon

Professional Education:

Northcentral University, PhD Business Administration, PENDING 2015

George Fox University, Master's of Business Administration, 2010

University of Phoenix, Bachelor of Science with Honors in Business, E-Business May, 2008

University of Hartford, West Hartford, Connecticut, studied Electrical Engineering

Burger King, People the Winning Edge Management Training Program 1989

Certified Ice Rink Manager, Serving the American Rinks (STAR), 2011

Safe Ice Resurfacers Operation, Serving the American Rinks (STAR), Portland Oregon 2005

Certified Ice Technician, Serving the American Rinks (STAR) October, 2006

Five Star Operator, Serving the American Rinks (STAR), May 2007

Presentation:

Assist with OSHA presentation at NARCE (North American Rink Conference and Expo, a national rink conference) class in Operations and Risk Management (ORM), May 2008 and May 2009

Publication

Birthday Bash, Rink Magazine, November/December 2010

Are You Ready for a Visit from OSHA?, Rink Magazine, November/December 2009

OSHA Is Your Business, Rink Magazine, July/August 2008

Catching Customers In Your Web, Rink Magazine, November/December 2007

Awards:

District Merit Award 2008, Ice Skating Institute (ISI) District 13

Outstanding Club/Rink Relations, Skating Club of Oregon, June 2007

Star Performer, Rink Management Services Corporation, May 14, 2007

3rd Place, Lloyd Center Mall, Lloyd Center Bucks local store marketing program, 2003

1st Place, Lloyd Center Mall, Lloyd Center Bucks local store marketing program, 2004

Skating Community Involvement:

Vice District 13 Representative, Ice Skating Institute, May 2007 through May 2009

Member, United States Figure Skating (USFS)

Member, Serving the American Rinks (STAR)

Community Involvement:

Board Member, Lloyd District Community Association, Portland, OR 2012AA2V Amateur Radio (HAM) Extra

Class License (Amateur Radio assists with public safety in times of disaster)

Vice President, Oregon Tualatin Valley Amateur Radio Club (OTVARC), 2009, 2010

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Susan M. Mohs Marketing and Business Development

1213 Huntington Drive South
Sartell, MN 56377
804-980-0393

susan.mohs@rinkmanagement.com

SUMMARY OF QUALIFICATIONS

More than 10 years of effective office management and leadership in the private and public sectors in administration, operations and sales.

AREAS OF EXPERTISE

<i>Consensus Building</i>	<i>Leadership</i>	<i>Short/Long Term Budgeting</i>
<i>Strategic Planning</i>	<i>Problem Solving</i>	<i>Marketing and Sales</i>
<i>Promotion/Special Events</i>	<i>Project Development</i>	<i>Policies and Procedures</i>
<i>Customer Service</i>	<i>Employee Management</i>	<i>Meeting Facilitation</i>
<i>Community Relations</i>	<i>Printing and Publications</i>	<i>Financial Procedures</i>

PROFESSIONAL EXPERIENCE

MARKETING & BUSINESS DEVELOPMENT March 2012 - present
Rink Management Services Corporation, Richmond VA

As the largest operator of ice skating facilities in the United States, Rink Management Services also provides management for other recreational facilities. As the marketing and business developer, my duties include traveling to locations throughout the US offering support, training and guidance which allows facilities to operate on a more efficient manner. Other duties include marketing assistance to a variety of facilities and research in tradeshow and concert opportunities.

RINK SUPERVISOR/PAYROLL
ICE at Santa Monica, Santa Monica CA

temporary - 2011

ICE at Santa Monica is a seasonal premier outdoor ice rink located in the heart of Santa Monica. This 8000 square foot rink provides a taste of winter to area residents without the bitter cold. As a rink supervisor, duties included customer service, employee management, payroll, event planning, daily reporting to the corporate office, and assisting the General Manager in all areas needed to make ICE at Santa Monica a successful endeavor.

2ND ASSISTANT TO EXHIBITOR SERVICES
American Film Market-Los Angeles CA

temporary - 2011

Provided assistance to the Manager of Exhibitor services during the course of the largest film market in North America by managing customer service needs to all exhibitors. This included maintaining attendance at all screenings by monitoring attendees and scanning devices, answering exhibitor questions, while maintaining a professional office setting.

OFFICE MANAGER
Wadena Evangelical Church, Wadena MN

2001-2011

I managed all aspects of the office setting in a growing church with the main focus on community needs. Working with a board and host of volunteers, WEC's primary goal is to make a difference in the community we serve. Providing community meals, neighborhood food drives, updating community parks and events to promote a sense of unity within our community. This along with research in solid teaching material for all ages is accomplished by developing and maintaining an operational plan, effective budgeting, communication with community leaders, and sound fiscal planning and reporting.

MEDIA SPECIALIST/PARAPROFESSIONAL
Verndale Public School, Verndale MN

2003-2005

Approximately 500 students attend this K-12 school. As the Media Assistant responsibilities included the day to day activities in the Media Center including developing and maintaining an annual budget, researching and ordering all media supplies including books, software and media equipment. I acted as a 1:1 paraprofessional with a student providing assistance in all educational, behavioral and social needs.

EDUCATION AA Degree Accounting
 Minnesota State Community College – Wadena

COMMUNITY President, Madhatters Community Theater- 20 years experience

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Action Plan for the East Bethel Ice Arena Transition May 1, 2014

- Coordinate the mechanics of bank accounts, exchanging files, existing payroll, and getting the office set up
- Create a contract and sign
- Our team needs to be introduced to the existing staff at East Bethel
 - After the introduction we will have meetings/interviews with all staff members with follow up
- Review the personnel files and/or the informal organization chart
- Assemble and review the existing contracts
- Speak with the appropriate coaches about youth hockey
- Register staff as RMS employees
- Conduct an inventory
 - This inventory will be in writing accompanied by pictures
 - The purpose is to list the main assets – the type, number and general physical condition
 - Ice resurfacing machines and spare parts
 - Refrigeration equipment
 - Tools and machines for ice maintenance – ice edgers, hoses, scrapers, etc.
 - Rental skates by sizes and quantities
 - Office equipment and computers
 - Food service equipment
 - Food and supplies inventory
 - A detailed and in-depth report on the retail inventory
- Make arrangements to meet with decision makers from user groups
- Check existing ice depth logs, compressor readings, Zam logs and implement our policies and procedures
- Learn as much as possible about the rink's current policies and methods of handling ice resurfacing and integrate with our best practices

- Conduct a general and preliminary risk management audit – signs, policies and procedures, look for glaring trouble spots
 - Take pictures of risk management signs
- Train all staff on accident reporting procedures
- Arrange and schedule for all staff to take the sexual harassment training video
- Work on an on-going basis with cashiers on proper cash handling procedures
- Review current ice schedule and programs and make recommendations
- Meet with relevant staff with the objective of optimizing ice schedule
- Work with staff to develop programs and events
- Research and gather data to begin groups sales efforts
- Create a sales plan with targets and timetables
- Begin the process of implementing our accounting systems with existing procedures
- Meet with service contractors to analyze condition of key equipment and systems
- Develop an emergency reaction plan with input from staff
- Develop a list of key contacts for the building – electricians, HVAC, plumbers, locksmiths, suppliers, emergency numbers, etc.

These steps will be done in the first 6 weeks.

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Scope of Services

Rink Management Services Corporation provides support in all functional areas to on-site managers. The following scope of services are incorporated at facilities under RMSC's management. Samples and support materials are included under appropriated tabs throughout the following RFP bid information.

- A. **Recruit, train, and employ all the workers** at the rink. This will give you an arm's length relationship with the employees and reduce record-keeping.
- B. **Maintain all equipment and property** in a first class manner.
- C. **Prepare financial reports**, including a balance sheet, statement of cash flows, profit and loss versus budget for the month and year-to-date, comparisons to last years' periods (when appropriate), and a complete general ledger. The reports are made on a full accrual basis and to GAAP standards.
- D. **Optimize programming and scheduling**. Rink Management Services will analyze the existing schedules and try to raise the revenue potential with the least disruption to existing user groups.
- E. **Coordinate sales, marketing, and promotions**. We will institute the systems that have been successful for us at our other facilities. We are constantly seeking ways to create and retain skaters.
- F. **Establish our risk management procedures**. Rink Management Services has a master policy for liability insurance which can often save our clients 20% to 30% over their existing premiums.
- G. **Provide support** for the on-site staff. Our corporate staff of 32 professionals is available to assist our properties with knowledge and experience in all aspects of facility management.
- H. **Offer any discounts** available to our clients through Rink Management Services' position as the ice rink industry leader.
- I. **Work with Ownership** to develop this property for long term value.

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Proposed Fee for Services

Rink Management Services Corporation will provide to the City of East Bethel all of the services listed in the Request for Proposals for Ice Arena Management Services for **\$94,500** (Ninety-four thousand five hundred dollars) per year. Our services will include all items listed on page six of the RFP issued on April 1, 2014 and due on May 1, 2014. This will include an on-site manager from September 1 through March 31 and all part time staff.

On page seven the RFP states that the City will be responsible for “Maintain insurance coverage at the statutory limits for property, boiler machinery, business interruption, and commercial general liability.” Rink Management Services has a master policy for general liability and we can provide the coverage but this will be an operating cost of the facility.

The following is included in our scope of services:

Rink Management Services Corporation provides support in all functional areas to on-site managers. The following scope of services is incorporated at facilities under RMSC’s management. Samples and support materials are included under appropriated tabs throughout the following RFP bid information.

- A. **Recruit, train, and employ all the workers** at the rink. This will give you an arm’s length relationship with the employees and reduce record keeping.
- B. **Maintain all equipment and property** in a first class manner.
- C. **Prepare financial reports**, including a balance sheet, statement of cash flows, profit and loss versus budget for the month and year-to-date, comparisons to last years’ periods (when appropriate), and a complete general ledger. The reports are made on a full accrual basis and to GAAP standards.
- D. **Optimize programming and scheduling**. Rink Management Services will analyze the existing schedules and try to raise the revenue potential with the least disruption to existing user groups.

Coordinate sales, marketing, and promotions. We will institute the systems that have been successful for us at our other facilities. We are constantly seeking ways to create and retain skaters.

- F. **Establish our risk management procedures**. Rink Management Services has a master policy for liability insurance, which can often save our clients 20% to 30% over their existing premiums.
- G. **Provide support** for the on-site staff. Our corporate staff of 32 professionals is available to assist our properties with knowledge and experience in all aspects of facility management.
- H. **Offer any discounts** available to our clients through Rink Management Services’ position as the ice rink industry leader.
- I. **Work with the City** to develop this property for long-term value to the community.

Rink Management Services Corporation

References

Red Wing School District Office

-Red Wing, MN

Kevin Johnson, CPE

Director of Buildings, Grounds & Technology

2451 Eagle Ridge Drive

Red Wing, MN 55066

651-385-4500

U.S. Bank

-Minneapolis, MN

Patricia Kapsch

Assistant Vice President

800 Nicollet Mall

Minneapolis, MN 55402

651-466-5861

Community Facility Partners (CFP)

-Deephaven, MN

Dan Nelson

Attorney

18338 Minnetonka Blvd

Suite B

Deephaven, MN 55391

612-339-5897

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Conflict of Interest

Rink Management Services has no conflicts or perceived conflicts of interest as it relates to Ice Arena Management Services at the East Bethel Ice Arena.

Rink Management Services' conflict of interest policy is not designed to exclude relationships and activities that may create a duality of interest, but rather to encourage transparency and careful deliberation in situations where conflicts or perceived conflicts may arise.

Whenever a Rink Management Services employee has a conflict of interest or perceived conflict of interest with a client of ours; he or she shall immediately consult with one of the Senior Management Team members. It is then presented to the President of Rink Management Services for review and a final decision

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Rink Management Services has had no previous engagements with the City of East Bethel.

**North Metro
Community
Association**



April 17, 2014

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

RE: Response to April 1, 2014 RFP for Management of East Bethel Ice Arena

Dear Mr. Davis,

North Metro Community Association (NMCA) is submitting this proposal to the City of East Bethel in response to the RFP for the Management of the East Bethel Arena.

The NMCA proposal offers the City of East Bethel an exciting opportunity to move quickly forward with a plan that will positively impact the entire ISD 15 community and beyond. Our management strategy will focus on two key areas, increased revenue generation and operational efficiencies.

Most importantly, our proposal represents the local vested interest in East Bethel Ice Arena as the home ice for Saint Francis Hockey. As part of our proposal, we will focus on:

- Growing ice rental revenue through relationship building with other districts and associations that require more ice than their home arena can provide
- Growing revenue through increased dry floor rental and events
- Growing revenue through advertising
- Operational excellence including maintaining the facility and the ice in a manner consistent with customer expectations
- Providing superior customer service to both customers and advertisers

Should you require any clarifications or have any questions regarding this proposal we would be happy to discuss with you or present to the City Council as necessary. Please contact Caroline Butterfield to schedule any meetings.

Caroline Butterfield
21950 Guarani Street NW
Oak Grove, MN 55303
Cjbutter.mn@gmail.com
612-875-3567 (mobile)

Sincerely,

Caroline Butterfield – Founder
North Metro Community Association

A. Firm History and Experience:

1. Brief history of firm including size and any specialty areas.

The North Metro Community Association (NMCA) is a non-profit 501(c)3 corporation which is in the process of forming by current members of the Saint Francis Youth Hockey Association as well as other youth sport associations and local business leaders that are dedicated to increasing youth participation in hockey as well as other sports.

We are a non-profit without voting members; we appoint our board members to ensure we have a board that shares the vision of the founders and have the right set of skills and experiences that will allow for continuity of the non-profit business. We currently have 4 board members and will be expanding as necessary up to a maximum of 10 members.

The board of directors is comprised of individuals with a variety of business experience including youth programming and development, marketing, advertising, sales, trade contracting, project management and business development and management.

We are in the process of hiring an arena manager that will report to the board and will oversee the day to day operations of the arena as well as the expansion of year round programming and the marketing and advertising activities needed to drive increased revenue. The board will act in both mentoring and oversight roles for this position to ensure the candidate is able to fully execute on the job description which is included in Appendix A for reference.

2. Background company data, including financial references.

The NMCA is a new non-profit organization created to manage the East Bethel Ice Arena with local talent that has a vested interest in keeping the East Bethel Ice Arena operating as the home hockey arena for the Saint Francis hockey programs. Included in Appendix B are our draft Articles of Incorporation and Bi-Laws that will be filed with the state of MN along with the Federal non-profit filing upon contract award.

Because we are a new organization we do not have any financial references.

3. Particular expertise or involvement in Ice Arena Management.

The non-profit was created by individuals that are passionate about the community and even more importantly have the vast skills and experience necessary to operate a non-profit organization including marketing/advertising, sales, budgeting, people management, volunteer coordination, fundraising and strategic business planning.

Several of the board members also have been involved to varying degrees in the Saint Francis Youth Hockey Association as coaches, age level directors and executive board members.

We are in the process of hiring a qualified arena manager that will be able to manage the day to day operations of the arena and has the business experience that is necessary to grow the revenue of the arena under the leadership of the non-profit board. A job description detailing out the qualifications we are seeking is attached (Appendix A). We will also hire or contract out any other activities needed to operate the arena on a daily basis. In addition to paid staff, we will be bringing in and training a team of qualified and capable volunteers to perform many duties in the facility to reduce the labor expense of operating the arena as well as make needed repairs and perform regular cleaning and maintenance duties.

We are also working with other local arena managers and arena sales consultants to ensure we are maximizing the operation efficiency and effectiveness and programming potential year round.

4. Municipality experience.

Our board members are made of current Saint Francis Youth Hockey Association members and business leaders in the community who provide a vast set of knowledge and experiences necessary to operate the non-profit and ensure the proper operation of the East Bethel Arena year round. As a newly formed non-profit we do not have any specific municipality experience.

B. Qualifications:

1. Description of service philosophy.

Everyone promises good customer service. But what does it take to get beyond the platitudes and actually make customer service a facility-wide value — one that's held by every staff member and volunteer, at every level? For NMCA it is about going above and beyond to treat customers the way they wanted to be treated, build relationships that last, and give attendees a positive experience. It's about creating a culture that values the way we interact with our customers, coworkers, vendors, and everyone else we come into contact with during the course of business, and it's about truly living up to the promise of superior customer service.

We will provide efficient, friendly service, creating a comfortable, welcoming environment. We will make ourselves available as valuable resources to guests and advertising clients and will not be satisfied until we have met their needs and exceeded their expectations.

Our goal is to provide service that promptly meets the customer needs and exceeds their expectations. We are committed to continuous, long-term improvement to meet needs in an exceptional way. Our primary measure of success is customer satisfaction.

Our intent is to earn and maintain the respect of all guests and establish collaborative working relationships with businesses, youth sports associations and community groups in the surrounding communities.

NMCA's Top 10 Principles

- 1. Customer First - Our goal is to meet and surpass our customers' needs and expectations.*
- 2. Golden Rule - Do unto others as you would have done unto you. Treat coworkers, vendors and customers with respect, fairness and courtesy. Great relationships yield great results.*
- 3. Listen - Be attentive and gain complete understanding of issues and situations that arise. Pay attention to the facts and details, so your plan of action can result in a solution.*
- 4. Think "YES" - Demonstrate a can-do approach and a positive mental attitude! Take an off-the-wall request and come up with an alternative that solves the issue. Work to make things happen instead of instinctively pointing out the reasons why they can't.*
- 5. Be Professional - Be a positive representative of NMCA and the East Bethel Arena. Take pride in your appearance and your work. Your interactions with customers create our reputation.*
- 6. Positive Attitude - Be optimistic. Encounter issues and situations with solutions. Encounter people with respect. Encounter your work with fresh ideas.*
- 7. 12-Hour Rule - All messages must be returned within 12 hours. Create urgency in response to all inquiries. If you don't have an answer for a question, keep in touch and provide status updates for your customers.*
- 8. Everybody Sells - Create new and unique ideas to drive our business. All employees and volunteers contribute to a customer's decision to repeat business with East Bethel Arena.*
- 9. Enthusiasm - Attack new challenges with passion and embrace existing responsibility! Taking pride in your work enhances your personal growth.*
- 10. Do It Now - Put a plan into action. Create solutions. Complete a task. Tackle issues immediately! People don't plan to fail...they fail to plan!*

2. Conceptual program structure and pricing.

Overall strategy:

Our goal is to provide a facility, staff and programming that will improve customer satisfaction, drive retention and generate, at minimum, a neutral revenue position for the city of East Bethel. We will efficiently and effectively operate the facility itself, but also develop the programming and offerings that will allow for revenue growth and increased customer satisfaction.

Direct and proactive sales techniques are critical for driving new business. Our aggressive approach to develop relationships with new customers will lead to incremental business for the arena in both facility rental as well as advertising/sponsorship revenue.

Facility Use/Rental:

The facility has a great deal of open ice time available. There are other associations that are looking for additional ice because their hockey programs are significantly larger than Saint Francis and their home rinks just don't have enough capacity for them. We have relationships already built with many of those associations that have expressed interest in East Bethel ice time.

The facility is also not utilized much during the non-ice season which is another source of increased revenue. From spring sports to summer activities and camps, there are several ideas that we are currently exploring the feasibility of putting on events for the community and renting space to other community and sports groups. Some ideas include summer concert series, roller hockey, sports practice in early spring when fields are still wet and unusable. This is going to be the second spring where the fields are going to be difficult to get on until later into the seasons, something the arena could be taking advantage of.

To assist in booking revenue generating events at the East Bethel Arena, NMCA proposes that a combination of consultative sales and targeted marketing activities be carried out at the facility. They include:

- Conduct personal meetings with all potential user groups to establish their needs and address any desires and/or concerns related to hosting their events at the facility*
- The creation of appropriate sales and marketing collateral including printed & online brochures, email deployments, and electronic presentations*
- Immediately develop cooperative relationships with the tenant teams to collectively work on mutually beneficial revenue opportunities*
- Incorporate use of other local businesses to create value-added programs for team and/or venue corporate sponsors*
- Develop multi-use booking and marketing packages to assist in lowering event costs and stimulate repeat business*

Operations

NMCA, as a non-profit, needs to operate in a fiscally conservative manner. As a result, we will hire a full-time arena manager and supplement with part-time staff as workload and event schedules require. This philosophy places more demand and responsibility on our manager, but this is a critical element in reaching our goal to produce a positive bottom-line while exceeding client expectations, thereby ensuring repeat business.

NMCA will conduct a thorough audit of the arena's operation that will focus on operating efficiencies and significant energy conservation opportunities. Again, the focus as a non-profit is to minimize expenses wherever possible while still ensuring we are operating a facility that will drive increased demand and not deter customers from using the facility due to cleanliness or the state of repair of the facility. The last management company let the facility decline in both and therefore the utilization of the facility and the

desire to remain in the facility has decreased. Our efforts will be to return the arena to the best possible condition with the limited funds available to drive that utilization and client satisfaction back up. We will be monitoring client satisfaction with surveys periodically throughout the year to ensure we are making progress in that area.

Marketing and Public Relations

NMCA will take advantage of every opportunity to generate free exposure, awareness, and interest in the arena and for all events taking place in the arena. In an effort to garner the maximum amount of exposure and recognition, the following marketing and public relations tools will be utilized:

- Internet/email and viral based marketing initiatives to past facility users, other associations and local corporations
- Social media (Facebook, Twitter, etc.)
- Direct Mail based marketing to past facility users, other associations and local corporations
- Grassroots marketing (flyers, posters, hand bills)
- Media releases - All press releases/media alerts would also be posted on the arena's media and social media outlets (Website, Facebook, Twitter, etc.)

These efforts will make use of all publicity and other non-paid forms of marketing to create a positive image of the East Bethel Arena and its events. Positive media coverage will encourage the community to consider the facility for their event, attend events and compliment other marketing initiatives such as advertising, promotion and sponsorship sales.

Advertising/Sponsorship Sales:

We will focus on an advertising program to generate additional revenue. We have a strong set of experience on the board in this area and have already developed campaign plans for approaching both local and national companies that are targets to advertise at the arena. We will include \$3,500/year in advertising revenue in the management fee; any sales over \$3,500 would trigger the profit share of 40% City, 60% Management Company with that split between arena manager commission, lead generation incentive (share back to hockey parent that provided the lead) and NMCA. This incentive plan in essence turns the entire hockey association and high school parents into sales reps for the arena which should generate significant revenue opportunities that will be reoccurring year over year. Once we acquire an advertiser or sponsor, they will be more likely to purchase the ad the second year.

Retail:

We have developed a concept plan to add a pro-shop to the arena. Many nearby arenas have this capability and arena patrons utilize it for some basic skating/hockey items needed during the course of the year. We will also look to add a skate sharpening as that has been identified as another challenge skaters have. We have developed a survey for current users of the facility to gather input with respect to value of this type of service as well as what items would be most desirable. This venture would be a partnership with an athletic store in the area and there would be a profit share opportunity for both the association and the city. This is a tentative plan but it has received favorable feedback during the initial concept validation.

Concessions:

We agree to lease the concessions space from the City for \$2000/year (\$166.66/month). We will review the food offerings and determine if any pricing or menu items need to be changed to improved customer satisfaction. Hours of operation will be determined by facility use schedule with the goal to have it open during all events and as many hours of operation possible. We also will be sending out a survey to current users of the facility to gather feedback in order to improve the current menu and pricing.

Recommended Compensation Structure

Term: Three (3) years commencing on August 1, 2014. There are two renewal options thereafter (three (3) and two (2) years). Additionally, there is an option for NMCA to lease the facility after the first year which would replace the management contract.

Fixed Fee – Base Management Contract:

One Hundred Thousand Dollars (\$100,000) paid at a monthly rate of \$8333.33. Further details of the services provided for this fee are included in #5 below.

Incentive Fees:

- *Revenue Incentives:* NMCA will be able receive 20% of the improvement in East Bethel Arena's revenues over a mutually agreed historical average. This revenue share is only applicable after arena revenues are positive. (Arena revenue will not include cell tower lease revenue.) This would be calculated and paid at the end of each year, after the year end audit is complete.
- *Advertising Profit Share:* NMCA will receive 60% of advertising profits after the base revenue of \$3,500 is achieved. NMCA share will be split between arena manager, NMCA and lead gen source. The City will receive 40% of the profit.
- *Retail Profit Share:* NMCA will receive 50% of the retail profit share revenue. The other 50% will be City revenue.

Maximum Fees

For the period of August 1, 2014 through December 31, 2014, NMCA's maximum fees will be \$41,666.65 for the base management contract.

For the first full fiscal year commencing January 1, 2015 through December 31, 2015, NMCA's maximum fees will be One Hundred Thousand Dollars (\$100,000). Revenue incentive fees earned for FY2014 would be paid in 2015 after completion of the Annual Audit. Advertising profit share and Retail profit share will be calculated and paid monthly by NMCA to the City.

Other Compensation Related Issues Capital Investment

NMCA may invest our revenue, upon contract signing, for revenue generating improvements to the East Bethel Arena. This investment does not require repayment; however, NMCA will amortize this investment over the initial term plus renewal periods (i.e. eight (8) years). If the contract is terminated for any reason before the investment is fully amortized, then payment of the unamortized portion will be required.

3. An introduction of the account team, by name with specific roles, qualifications and experience, and distribution of responsibilities including support capabilities.

The North Metro Community Association was founded by 4 members who are the initial board of directors. We are made up of local business leaders and sports association members. We will be expanding our board of directors by appointment to include up to 10 directors. This expansion will target other business leaders and community members that have the specific business experience and capabilities that are necessary to operate the non-profit long term. The non-profit is not a membership association; the initial board will be appointed and we will elect new board members as necessary to support the continuity of the non-profit.

North Metro Community Association – Board of Directors

Caroline Butterfield – Founder

- *Qualifications and experience:* 20 years in increasing roles in marketing and advertising, event planning and management and project management, currently Product Marketing Manager at Concur Technologies and owner of Buttercup Sweets; BS Biology

Eric Butterfield – Founder

- *Qualifications and experience: Exercise program development, Project Management, youth programming, Soccer coach for U19 Premier Girls, current Saint Francis Youth Hockey Mite Director and coach. Currently PCI Compliance Director at United Health Group; BS Exercise Physiology*

Brian Besch – Founder

Daryl Grams – Founder, Owner of Grams Electric

North Metro Community Association Staff

We will be organizing staff in a similar manner to other non-profit managed arenas where they rely heavily on volunteer staff to minimize labor costs.

Arena General Manager

- *Please see Attachment A for the complete job description. This position will report directly to the board*

Part-Time Staff

- *Staff will be hired as needed to fill in gaps where volunteers are not available*
- *These positions will be mostly for maintenance, repair and ice maintenance but the individuals hired will also need to have skills that will support our expectation of superior customer service*
- *All staff will be trained and supervised by the arena general manager and/or board of directors*

Volunteer Corp

- *This will be a group of community and sports association members that will provide labor for the following types of positions*
 - *Concessions and retail*
 - *Maintenance and repair*
 - *Cleaning*
 - *Security for events*
 - *Event Coordinators and supervisors*
 - *Other jobs as deemed we have qualified, capable individuals*
- *All volunteers will be trained and supervised by the arena general manager and/or board of directors*

4. Action-plan and timetable for assuming responsibilities as well as future design/cost containment plan.

Transition Plan

Caroline Butterfield and Eric Butterfield will be our transition coordinators and will oversee the transition of any employees, sales, and operations and will work one-on-one with the City to ensure a seamless transition. They will begin working with the Saint Francis High School and youth hockey organizations, and various other potential part-time tenants to coordinate the transition and immediately begin focusing on new business opportunities.

There are several items that once awarded we will begin prior to the paid contract starting, this includes the following:

- *Marketing and advertising campaigns to drive ice/facility rental – we will be contacting other local sports associations, schools, daycare facilities etc. to determine needs and requirements for their use of the arena (this is the highest area of incremental revenue potential therefore we will focus heavily on building lines of communication between the various groups and the arena)*

- *Marketing and advertising campaigns to secure advertising revenue as early as possible – no contracts will be executed until 8/1 but the campaigns will begin as soon as possible to get folks interested and ready to sign (this is the next highest area of untapped revenue potential)*
- *Draft contracts for the regular users of the rinks including Saint Francis High School as well as Saint Francis Youth Hockey*
- *User group surveys on concession, pro-shop and general satisfaction/feedback survey to further define changes and opportunities for improvement and to determine interest in expanded programming*
- *Website development*
- *Software upgrade – we are requesting a quote from the current software vendor to determine if an upgrade would be worthwhile as the arena is still using the original software. The added functionality in the web based version appears to be cost beneficial from a scheduling perspective though we will determine if it fits in our budget after the quote is received.*
- *Volunteer solicitation and coordination – we have already begun working with the youth hockey organization to develop a plan for volunteers to work in the arena*
- *Arena manager selection*

Cost Containment

NMCA, as a non-profit, needs to operate in a fiscally conservative manner. As a result, we will hire a full-time arena manager and supplement with part-time staff as workload and event schedules require. This philosophy places more demand and responsibility on our manager, but is a critical element in reaching our goal to produce a positive bottom-line while exceeding client expectations, thereby ensuring repeat business.

NMCA will conduct a thorough audit of the arena's operation that will focus on operating efficiencies and significant energy conservation opportunities. Again, the focus as a non-profit is to minimize expenses wherever possible while still ensuring we are operating a facility that will drive increased demand and not deter customers from using the facility due to cleanliness or the state of repair of the facility. The last management company let the facility decline in both and therefore the utilization of the facility and the desire to remain in the facility has decreased. Our efforts will be to return the arena to the best possible condition with the limited funds available to drive that utilization and client satisfaction back up. We will be monitoring client satisfaction with surveys periodically throughout the year to ensure we are making progress in that area.

NMCA follows a strict policy of complete transparency with respect to the care of the City's funds. We will provide detailed reports on a monthly and annual basis. Perhaps most important, NMCA manages expenses to revenue. We monitor our budgets very closely and we cut back on expenses if our revenue is not tracking up to forecast. Our focus is on achieving the bottom-line results the City expects as a result of the annual budgets you approve.

5. Detail of services that will be provided to the City.

The following services will be included as part of our management contract:

- *Facility management*
 - *A full-time, on-site manager and all necessary operational part time staff/volunteers; we will provide worker's compensation insurance covering all of our employees (Job Description of this position is attached in Appendix A)*
 - *Commercial general liability insurance coverage in the amounts of \$500,000.00 per claim, \$1,500,000.00 for any number of claims per occurrence, with the City of East Bethel named as an additional insured on the policy*
 - *Put in, maintain and take out the ice based on facility usage (ice out may be delayed if we can secure district games next year)*

- *Develop and execute regular cleaning and maintenance schedules for locker rooms, bathrooms, lobby, kitchen, and all common areas*
- *Maintain the interior and exterior of the building including walkways and fire exits*
- *Manage all short term maintenance projects and activities including work requiring outside contractors. We will coordinate and ensure the work is satisfactorily completed and provide the City the invoices for payment.*
- *We will provide guidance and planning to the City for current and planned capital improvements*
- *Ice sales, facility rental and scheduling*
 - *Actively market and sell ice in order to drive better utilization of the open ice time*
 - *Actively market and sell dry floor time year round*
 - *Facilitate and manage contracts with organizations that regularly use the facility including Saint Francis High School and Saint Francis Youth Hockey Association as well as other occasional use individuals and groups*
 - *Ensure all parties utilizing the facility have insurance and waivers signed prior to use*
- *Budgeting and Accounting*
 - *Prepare and manage the annual budget; draft documents will be provided no later than May 31st of each year for the following year's operations.*
 - *Provide, on a monthly basis, a detailed statement to the City that includes all expenses and payments received*
 - *Invoicing for all facility rental, payment collection/invoice reconciliation*
- *Marketing and Advertising*
 - *Create and maintain a website that is updated weekly and approved by the City for the purpose of displaying program information, hours, contact information and the calendar of events. We will also be determining the appropriate social media avenues to increase awareness of the facility, programming and availability of the facility for rental.*
 - *Develop advertising and marketing campaigns to drive additional revenue, all materials required for these campaigns will be included in the fee.*
 - *Develop and manage all contracts for advertising and sponsorships, copies of all contracts will be provided to the City. All materials needed to execute on the contracts will be included in this fee.*
 - *Actively solicit local and national businesses to sell advertising (dasher boards, wall boards, resurfacer etc.). The fee includes the solicitation and contracts. The cost of the graphic design and ad generation is not included in our fees.*
 - *Implement incentive plan for Saint Francis Youth Hockey Association and Saint Francis High School to drive advertising sales (This will be a profit share/commission back to the lead originator once a deal is closed and the advertising is paid in full.)*
 - *Display and maintain all interior and exterior signage*
- *Programming*
 - *Develop and implement a programming expansion plan to drive increased facility use/rental revenue. This could include: open skate, stick handling time, learn to skate programs for daycares and schools, skating clinics with contracted instructors, summer concert series, craft fairs and expos*
- *Concessions and Retail*
 - *We will be responsible for all concessions activities, including purchasing merchandise and supplies and agree to pay the City \$2,000/year (spread across 12 months) to rent the concession space and equipment. Customer satisfaction is dependent on quality concessions available for all events and functions at the arena. Our staffing plan will include the concession area being open more frequently than in the previous year.*

- *Pro-shop development to drive increased revenue and improve customer satisfaction*
 - *Profit share 50/50 between the City and NMCA*
- *Availability to City and Guests*
 - *All staff and volunteers will be identified as employees of the NMCA while working at the arena. We anticipate having 1 full-time staff member and several qualified part-time/volunteers that are trained on the various positions required in the arena to keep it operating efficiently. Volunteers would be utilized for cleaning, maintenance, concessions and retail/customer service roles and any other roles we find qualified candidates available to be trained and willing to volunteer their time.*
 - *We will make ourselves available to meet with City officials on a monthly basis or as-needed to resolve issues or answer questions*
 - *Our policy is to answer the phone during regular business hours and to return messages within 12 hours*

6. Indicate current responsibilities of person designated to serve as lead contact for the City.

Caroline Butterfield will act as the lead contact for the City. She is one of the founders of the Association and will act as the primary contact for the Management Contract with the City of East Bethel. Once a full-time arena manager is hired, that contact information will also be made available to the City as an additional on-site person to contact directly or the City can choose to continue to utilize the board contact. It will be the preference of the City as to who they would prefer to work with as the board of directors and the manager will be in close communication on a weekly if not daily basis.

D. References:

1. Provide the contact names and telephone numbers of three (3) clients in the State of Minnesota with whom you have had a working relationship, as a reference for the City. Include the number of participants for each group.

We are a new non-profit so we do not have any references at this time.

E. Conflict of Interest:

1. Disclose any conflicts or perceived conflicts of interest.

The current board of directors has only 1 person that also serves on the board of the SFYHA. The non-profit has established a policy that the majority of the board cannot be youth hockey association board members as to minimize any perceived conflict of interest.

2. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

If there are any votes that would require a board member to vote in favor or against any conflict area, they would be excused for that vote. If the conflict of interest is wide spread, they would be excused from the board of the North Metro Community Association and another board member would be appointed.

F. Previous Engagements with the City of East Bethel:

1. List of previous engagements with the City of East Bethel.

As we are a new organization, we have had no previous engagements with the City of East Bethel.

2. Describe what lead to the end of the engagement.

Not applicable

G. Proposed Fee for Services:

1. Explanation of compensation plans for your firm under this proposal including all services to be included in that fee.

Scope-of-Services

For one base management fee, NMCA will provide a comprehensive and complete scope of management, marketing, and operational service for the East Bethel Arena. The base management fee quoted within this Response includes all of the services outlined below.

Administration and Finance

- *Accounts payable/receivable*
- *Budgeting*
- *Capital improvement programming*
- *Contract settlements*
- *Fixed asset inventory and control*
- *General administration*
- *Purchasing*

Event Booking and Scheduling

- *Aggressive event booking*
- *Promotion of events*
- *Creative event development*
- *Aggressive event marketing and promotion*

Sales and Marketing

- *Advertising signage sales*
- *Barter/trade agreements*
- *Community and media relations/outreach*
- *Creation of brochures and collaterals*
- *Event marketing and promotions*
- *Event sponsorships*
- *Facility advertising and marketing*
- *Grassroots marketing*
- *Group sales*
- *Marketing surveys and research*
- *Photo opportunities*
- *Planning of major functions*
- *PR campaign development*
- *Revenue creation*
- *Venue awareness and exposure*
- *Website development and management*

Operations

- *Building signage*
- *Capital improvement programs (FF&E)*
- *Changeovers*
- *Events management*
- *Housekeeping and janitorial maintenance*
- *HVAC/utility management*
- *Recycling and conservation*
- *Repairs and maintenance*
- *Security/emergency planning and evacuation procedures*
- *Snow and trash removal*

Management of Ancillary Services (includes supervision of third-party contractors)

- *Business services/rentals to user groups*
- *Food and beverage (catering and concessions)*
- *Guest services*
- *Merchandising/novelties*
- *Management of material third-party contracts*

2. The proposal should contain the proposed fee for services in either a fixed dollar amount or as a percentage of premiums paid for coverage. Fees are to be maintained at the proposed level unless approval is given by the City Council for a change in the fee structure or level.

Recommended Compensation Structure

Term: Three (3) years commencing on August 1, 2014. There are two renewal options thereafter (three (3) and two (2) years). Additionally, there is an option for NMCA to lease the facility after the first year which would replace the management contract.

Fixed Fee – Base Management Contract:

One Hundred Thousand Dollars (\$100,000) paid at a monthly rate of \$8333.33. Further details of the services provided for this fee are included in #5 below.

Incentive Fees:

- *Revenue Incentives: NMCA will be able receive 20% of the improvement in East Bethel Arena's revenues over a mutually agreed historical average. This revenue share is only applicable after arena revenues are positive. (Arena revenue will not include cell tower lease revenue.) This would be calculated and paid at the end of each year, after the year end audit is complete.*
- *Advertising Profit Share: NMCA will receive 60% of advertising profits after the base revenue of \$3,500 is achieved. NMCA share will be split between arena manager, NMCA and lead gen source. The City will receive 40% of the profit.*
- *Retail Profit Share: NMCA will receive 50% of the retail profit share revenue. The other 50% will be City revenue.*

Maximum Fees

For the period of August 1, 2014 through December 31, 2014, NMCA's maximum fees will be \$41,666.65 for the base management contract.

For the first full fiscal year commencing January 1, 2015 through December 31, 2015, NMCA's maximum fees will be One Hundred Thousand Dollars (\$100,000). Any revenue incentive fees earned for FY2014 would be paid in 2015 after completion of the Annual Audit. All profit share will be calculated monthly and paid by NMCA to the City on a monthly basis.

Other Compensation Related Issues Capital Investment

NMCA may invest our revenue, upon contract signing, for revenue generating improvements to the East Bethel Arena. This investment does not require repayment; however, NMCA will amortize this investment over the initial term plus renewal periods (i.e. eight (8) years). If the contract is terminated for any reason before the investment is fully amortized, then payment of the unamortized portion will be required.

3. List any additional service options as well as the fee structure involved.

See #2 above. All services would be included in the management fee and incentive programs.

4. Indicate any alternate billing arrangements you would be willing to consider and under what circumstances they would be most appropriate.

After a year of management of the arena we may have interest in a longer term lease of the facility; however we need to review the complete and detailed business expenses first before making a leasing decision.

H. Copies of the following items shall be furnished with the submittal:

1. Errors and omissions coverage.

We will secure coverage and provide a copy upon contract award. As a new organization solely formed to manage the East Bethel Arena, we do not want to incur an expense unless awarded the contract.

2. Business license.

We will secure licenses and non-profit status upon contract award and will provide copies once received. As a new organization solely formed to manage the East Bethel Arena, we do not want to incur an expense unless awarded the contract. A copy of our draft Articles of Incorporation and Bi-Laws are attached in Appendix B.

3. Statement of compliance with federal state laws.

We are compliant with all applicable federal, state, and local laws, statutes, ordinances, rules, and regulations.

4. Description of the firm's view of their responsibilities to the City in the provision of benefits brokerage services.

Not applicable per Jack Davis.

Attachment A

Arena Manager Job Description

EAST BETHEL ICE ARENA

The North Metro Community Association is a non-profit 501(C) (3) that operates the East Bethel Ice Arena in East Bethel MN. The General Manager is responsible for the daily operation of this arena. This position requires a unique combination of business, administrative, supervisory and facility maintenance skills and includes marketing, sales, developing revenue streams and immediate and long term capital fundraising. The position will manage all financial, business, operations and budgeting aspects of the arena and must meet the financial and strategic goals as set forth by the North Metro Community Association Board of Directors.

The General Manager is responsible for the management of the facility and staff for hockey games and special events, preparing the annual budget proposals and monitoring operating budgets, and developing and maintaining an efficient schedule for the facility on an annual basis. The candidate will also manage the daily operation of the Pro Shop and Concession Stand; coordinate with the City of East Bethel for facility maintenance projects that require outside funding, coordinate special events and other duties as assigned. The General Manager is responsible for the planning, organization and supervision of the Ice Arena facility and related programs. The Manager will contribute to the master plan, comprehensive plan, and capital repair and replacement schedule and will supervise a staff of full/part-time employees and volunteers. Because the Ice Arena operates a wide range of hours on a daily basis, the selected candidate will be required to work flexible hours to meet the various demands of the operation.

KEY JOB RESPONSIBILITIES

Facility Management and Operations:

- Responsible for the installation, maintenance, and breakdown of ice surfaces and dry floor events/activities.
- Responsible for maintaining quality ice, regular edging, temperature, and depth readings and the training of all additional staff needed to support all scheduled events. Performs or directs maintenance work accordingly.
- Responsible for maintaining and operating ice maintenance equipment to include but not limited to, ice resurfacer and ice edger.
- Responsible for inventory and purchasing of necessary supplies and equipment for arena operations
- Responsible for developing a year-round preventative maintenance schedule for the overall facility, refrigeration equipment, and all other facility equipment. Performs or directs maintenance work accordingly.
- Monitor the condition of the facility and make recommendations for minor and major upkeep, repairs, renovations and improvements.
- Responsible for managing the concessions stand including staffing, inventory, budgeting...
- Develop a pro-shop on site, work with local athletic stores to determine best candidate to sponsor the arena and provide pro-shop items that will fill the participants needs and generate additional revenue for the arena
- Evaluate staffing needs (including recruitment, hiring, training, and evaluation) and make adjustments to insure programs operate efficiently and create an environment for success. This includes starting up and managing a volunteer program to minimize wage expenditures.
- Responsible for keeping operating records as required for daily activities and mechanical operations.

ADMINISTRATION:

- Serve as the primary staff contact in communicating and partnering with the Saint Francis Youth Hockey Association and the Saint Francis High School Boys and Girls Hockey team coaches/parents/players/school
- Budgeting – Responsible for proper accounting practices including ice sales, dry turf rentals, skate school lessons, open skate admissions/skate rental and concession. Prepare and administer annual budget for Ice Arena.
- Prepare and/or direct the preparation of board summaries, monthly reports, and periodic and special reports.
- Prepare bids for projects not done by arena or volunteer personnel.

- Scheduling duties for facility use of both ice and dry floor activities to fully utilize ice time and achieve maximum productivity. Make schedule available to the public to enable sale of unused ice time easy for other non-primary user groups. Contact other potential user groups to notify of open ice on a regular basis to drive additional ice sales with the goal of maximum ice usage from 6am-midnight.
- Prepare and submit grant applications as needed.
- Attend meetings and participate with local community agencies, associations and organizations.
- Attend professional conferences and workshops to promote knowledge in related areas of responsibility.

Program Management, Education and Instruction

- Interpret user needs, develop and administer programs and services to meet those needs. Periodically review and evaluate facility, programs and services to determine if needs are being met. Oversee the program evaluation process and recommend modifications of existing programs and services or the introduction of new programs and services.
- Maintains Ice Arena public relations and patron satisfaction. Promote, organize and stimulate good relationships with community and other interest groups, schools, charter schools, daycare centers and with other agencies serving the area.

EDUCATION AND TRAINING:

- BA/BS in Recreation, Physical Education, Sports Management, Business or a closely related field or 5 years' experience in the operation and/or management of ice arena facilities with at least 2 years in a supervisory capacity.
- Must possess basic knowledge and understanding of HVAC equipment and how it relates to a quality/safe building environment.
- Certification in Ice Arena Management, Operations, or Programming issued by iAIM, STAR, or ORFA preferred.

KNOWLEDGE AND SKILL REQUIRED:

- Ability to communicate effectively, both orally and in writing, with a variety of individuals and groups representing different interests.
- Must be a self-starter willing to work with minimal supervision and willing to do all job functions in the arena including custodial, management, maintenance etc.
- Must demonstrate strong leadership qualities.
- Working knowledge of Microsoft Office Suite and ability to learn various software packages that include: accounting, registration, facility, and league scheduling software.
- Knowledge of ice operations and maintenance, building maintenance, machine operation, a basic understanding of refrigeration, and an understanding of safety practices are necessary.
- Current first aid and CPR/AED required or the ability to obtain within three months of hire date.
- Skating or hockey skills and knowledge of related programming
- Training in current Youth Sports issues including parent, coach and officials training preferred.
- Valid driver's license required.

Attachment B

Draft Articles of Incorporation

Draft Bi-Laws

ARTICLES OF INCORPORATION

OF [North Metro Community Association]

The undersigned incorporator(s) is an (are) individual(s) 18 years of age or older and adopt the following articles of incorporation to form a nonprofit corporation (Chapter 317A).

ARTICLE I — NAME

The name of this corporation shall be [North Metro Community Association]

ARTICLE II — REGISTERED OFFICE ADDRESS

The place in Minnesota where the principal office of the corporation is to be located at [21950 Guarani Street NW, Oak Grove, MN 55303]

ARTICLE III — PURPOSE

This corporation is organized exclusively for charitable, educational, and amateur athletics purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

The purpose of this corporation is:

- **to support and conduct education, and informational activities to promote youth sports participation;**
- **to manage/operate facilities that are used for youth sports and community activities;**
and
- **to promote community involvement in youth sports.**

ARTICLE IV — EXEMPTION REQUIREMENTS

At all times the following shall operate as conditions restricting the operations and activities of the corporation:

1. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purpose set forth in the purpose clause hereof.
2. No substantial part of the activities of the corporation shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public, and the corporation shall not participate in, or intervene in (including by publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

3. Notwithstanding any other provisions of this document, the organization shall not carry on any other activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code or corresponding section of any future tax code, or by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future tax code.

ARTICLE V — MEMBERSHIP/BOARD OF DIRECTORS

This corporation will not have members.

The management of the affairs of the corporation shall be vested in a board of directors, as defined by the corporation's bylaws. No director shall have any right, title, or interest in or to any property of the corporation.

The number of directors constituting the initial board of directors is four (4); their names and addresses are as follows:

Caroline Butterfield, 21950 Guarani Street NW, Oak Grove, MN 55303

Eric Butterfield, 21950 Guarani Street NW, Oak Grove, MN 55303

Brian Besch,

Daryl Grams,

Members of the initial board of directors shall serve until the first annual meeting, at which their successors will be duly elected and qualified, or removed as provided in the bylaws.

ARTICLE VI — PERSONAL LIABILITY

No member, officer, or director of this corporation shall be personally liable for the debts or obligations of this corporation of any nature whatsoever, nor shall any of the property of the members, officers, or directors be subject to the payment of the debts or obligations of this corporation.

ARTICLE VII - DURATION/DISSOLUTION

The duration of the corporate existence shall be perpetual until dissolution.

Upon the dissolution of the organization, assets of the corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

ARTICLE VIII - INCORPORATORS

In witness whereof, we, the undersigned, have hereunto subscribed our names for the purpose of forming the corporation under the laws of the State of Minnesota and certify we executed these Articles of Incorporation this **May 1st of 2014**.

Caroline Butterfield

21950 Guarani Street NW, Oak Grove, MN 55303

Eric Butterfield

21950 Guarani Street NW, Oak Grove, MN 55303

Brian Besch

Address, City, State, ZIP

Daryl Grams

Address, City, State, ZIP

BYLAWS OF
OF NORTH METRO COMMUNITY ASSOCIATION

The undersigned incorporator(s) is an (are) individual(s) 18 years of age or older and adopt the following articles of incorporation to form a nonprofit corporation (Chapter 317A).

ARTICLE I — NAME AND PURPOSE

Section 1: Name: The name of the organization shall be **North Metro Community Association**. It shall be a nonprofit organization incorporated under the laws of the State of Minnesota

Section 2: Purpose: **North Metro Community Association** is organized exclusively for charitable, education and amateur athletic purposes.

The purpose of this corporation is:

- **to support and conduct research, education, and informational activities to promote youth sports participation;**
- **to manage/operate facilities that are used for youth sports and community activities;**
- **to promote community involvement in youth sports.**

ARTICLE II — MEMBERSHIP

Section 1 – Membership: Membership shall consist of the board of directors.

ARTICLE IV — BOARD OF DIRECTORS

Section 1 - Board role, size, and compensation: The board is responsible for overall policy and direction of the association, and delegates responsibility of day-to-day operations to the staff and committees. **The board shall have up to 10, but not fewer than 4 members.** The board receives no compensation other than reasonable expenses for board of directors work.

Section 2 - Terms: All board members shall serve five-year terms, but are eligible for re-election for up to ten consecutive terms.

Section 3 - Meetings and notice: The board shall meet at least quarterly, at an agreed upon time and place. An official board meeting requires that each board member have written notice at least two weeks in advance.

Section 4 - Board elections: During the last quarter of each fiscal year of the corporation, the board of directors shall elect Directors to replace those whose terms will expire at the end of the fiscal year. This election shall take place during a regular meeting of the directors, called in accordance with the provisions of these bylaws.

Section 5 - *Election procedures*: New directors shall be elected by a majority of directors present at such a meeting, provided there is a quorum present. Directors so elected shall serve a term beginning on the first day of the next fiscal year.

Section 6 - *Quorum*: A quorum must be attended by at least sixty percent of board members for business transactions to take place and motions to pass.

Section 7 - *Officers and Duties*: There shall be four officers of the board, consisting of a chair, vice-chair, secretary and treasurer. Their duties are as follows:

The chair shall convene regularly scheduled board meetings, shall preside or arrange for other members of the Executive Committee to preside at each meeting in the following order: vice-chair, secretary, treasurer.

The vice-chair shall chair committees on special subjects as designated by the board.

The secretary shall be responsible for keeping records of board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each board member, and assuring that corporate records are maintained.

The treasurer shall make a report at each board meeting. The treasurer shall chair the finance committee, assist in the preparation of the budget, help develop fundraising plans, and make financial information available to board members and the public.

Section 8 - *Vacancies*: When a vacancy on the board exists mid-term, the secretary must receive nominations for new members from present board members two weeks in advance of a board meeting. These nominations shall be sent out to board members with the regular board meeting announcement, to be voted upon at the next board meeting. These vacancies will be filled only to the end of the particular board member's term.

Section 9 - *Resignation, termination, and absences*: Resignation from the board must be in writing and received by the Secretary. A board member shall be terminated from the board due to excess absences, more than two unexcused absences from board meetings in a year. A board member may be removed for other reasons by a three-fourths vote of the remaining directors.

Section 10 - *Special meetings*: Special meetings of the board shall be called upon the request of the chair, or one-third of the board. Notices of special meetings shall be sent out by the secretary to each board member at least two weeks in advance.

ARTICLE V — COMMITTEES

Section 1 - *Committee formation*: The board may create committees as needed, such as fundraising, programming/scheduling, advertising/marketing, etc. The board chair appoints all committee chairs.

Section 2 - *Executive Committee*: The four officers serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and bylaws, the Executive Committee shall have all the powers and authority of the board of directors in the intervals between meetings of the board of directors, and is subject to the direction and control of the full board.

Section 3 - *Finance Committee*: The treasurer is the chair of the Finance Committee, which includes three other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the board or the Executive Committee. The fiscal year shall be June 1-May 31. Annual reports are required to be submitted to the board showing income, expenditures, and pending income. The financial records of the organization are public information and shall be made available to the membership, board members, and the public.

ARTICLE VI — DIRECTOR AND STAFF

Section 1 - *Executive Director*: The executive director is hired by the board. The executive director has day-to-day responsibilities for the organization, including carrying out the organization's goals and policies. The executive director will attend all board meetings, report on the progress of the organization, answer questions of the board members and carry out the duties described in the job description. The board can designate other duties as necessary.

ARTICLE VII – AMENDMENTS

Section 1 - Amendments: These bylaws may be amended when necessary by two-thirds majority of the board of directors. Proposed amendments must be submitted to the Secretary to be sent out with regular board announcements.

Certification

These bylaws were approved at a meeting of the board of directors by a two-thirds majority vote on _____, 2014.

Secretary _____ Date _____



Business Proposal

City of East Bethel

Gibson's Management Company, LLC
PO Box 18
East Bethel, MN 55011
www.gibsonsmanagementcompany.com

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1.0 Executive Summary

The following plan is based on years of experience, is highly focused, and promises to follow a path of potential for growth and profit for its owners, managers, and the City of East Bethel. It is based on conservative goals for future ice and advertising sales, and actual sales may be higher. The GMC, LLC company strives to provide excellent customer service which will hopefully increase revenue each year thereafter.

GMC, LLC is a small company designed to make our customers feel as if they are receiving exclusive services in a world all to themselves. The teamwork theme is based on a goal of making certain that our clients feel as if their needs are being met in a timely and efficient manner. Customer service is our primary selling point, as we want to make sure our user groups and customers feel as if their voices are being heard.

1.1 Objectives

1. Increase ice sales by a minimum of 3% per year.
2. Have an accessible staff, with a clearly indicated manager on site for both common days and all major events.
3. Net increase of advertising sales of more than 5% by Year 3.
4. Implement new communications policy to quickly resolve any questions or concerns by City or customers.

1.2 Mission

GMC, LLC aims to offer excellent customer service and provide quality expertise at all times. Close personal attention to our clients is essential to providing a favorable experience for all customers. Adequate personnel has been hired and trained to ensure all facilities under our supervision will be maintained safely and efficiently.

1.3 Keys to Success

Keys to a successful City - company partnership will include:

1. Maintaining a safe, clean, presentable arena with a quality ice sheet.
2. Quality communication methods.
3. Competitive pricing and scheduling.

4. Ambitious recruitment of new advertisers for the facility.

2.0 Company Ownership and History

Gibson Management Company was founded in 2008 by Todd Gibson to serve local municipalities that would like to contract the management services for recreational and ice arena facilities.

2.1 Company Ownership

Gibson Management Company is a limited liability company licensed in the State of Minnesota. GMC, LLC is owned by Todd W Gibson, a full time resident of Minnesota who has over 20 years of experience working in various roles at both large and small ice venues.

2.2 Company History

Gibson Management Company took over the day to day management of East Bethel Ice Arena in 2008 after the National Sports Center declined renewing a management contract that had been in place since 2006. GMC was selected as the management company mainly because GMC offered more services per dollar, and because the GMC staff had prior experience at the Arena. The initial contract was for one year, which ended July 2009. GMC was subsequently renewed for a two year period ending July 2011. Following that duration, GMC was retained again for a three year contract that will expire on July 31, 2014.

2.3 Previous Experience

GMC owner, Todd Gibson, has experience working at a variety of ice sports and recreational venues in a multitude of roles.

Island Sports Center (Pittsburgh, PA) - Asst Director of Operations. Facility features two indoor, year round ice arenas, two additional seasonal, covered outdoor arenas that kept ice during the fall and winter months and Sport Court during the warmer months. Also at the facility were a full service pro shop, multiple concessions areas, skate rental, indoor golf dome & driving range, batting cages, turf sports field, and miniature golf. The facility hosted many local, regional, and national events such as the Junior Olympics, skating shows, and USA Hockey national tournaments.

East Bethel Ice Arena

Columbia Ice Arena (Fridley, MN) and Schwan Super Rink (Blaine, MN) - Arena Manager. Responsible for preventative maintenance of the ice sheets and ice resurfacer machines. In charge of concessions ordering and staffing. Implemented ticketing policies and supervised deposits. Responsible for all day to day operations of the single sheet facility at Columbia Arena.

East Bethel Ice Arena - Arena Manager. Was responsible for all scheduling, communication, staffing, training, concessions, ticketing, ice maintenance, and daily operations for the single sheet facility.

Rochester Recreation Center - Assistant Facility Manager for City of Rochester. Oversees all events, staff scheduling, customer service issues, maintain accurate records of rentals, revenue, and attendance.

2.4 Bank Information

GMC LLC has payroll services and checking accounts at Wells Fargo in Blaine, MN 612-316-3965

3.0 Qualifications

Gibson Management Company (GMC) offers service options to both public and private ice arena and recreation facilities. We offer a wide range of services such as consulting, part time work, ice installation and / or removal, and complete year round management of ice facilities.

Management of an ice arena can be a huge endeavor. Whether it's managing staff and payroll, or trying to keep up with new ice making technology and strategies, it's a big job for anyone. GMC has assembled a skilled team of industry professionals in the key functional roles of ice hockey trades and recreation management. This GMC team functions as a cohesive unit that provides current skills and experienced guidance to the facilities' on-site part time staff. We give City leaders their time back, by assuming the responsibility of operating the day to day scheduling, management, and daily up keep of your municipal ice arena location. Our primary goals are to provide quality customer service to all user groups, and effectively communicate with City officials.

3.1 Service Philosophy

Good leaders develop through a series of trial and error events, self reflection, training,

education, and naturally, experience. GMC has team members with extensive experience in venues both smaller and larger than the East Bethel Ice Arena. The goal of GMC here is to inspire our staff to higher levels of customer service and teamwork, rather than being content to maintain a baseline.

GMC promotes a team approach with a main priority being successful communication, both among all team members, as well as between staff and customers. We will aim to take aspects of what was successful at previous facilities and incorporate those ideals at the East Bethel Ice Arena. Additionally, we desire to be progressive and help the local programs grow. We are committed to keeping a successful balance between customer satisfaction and financial responsibility.

3.2 New System Timeline

Upon acquisition of a new contract, GMC plans on implementing all new strategies effective immediately. The staff that is already in place will communicate with the primary user groups regarding what they would like to see improve at their home arena. If approved for attendance, we will send a representative to select St Francis Youth Hockey board meetings, so that we can meet with our users face to face on a more regular basis. We already have Facebook and Twitter accounts in place, and will start sharing those with user groups for more modern communication options between GMC, EBIA, and user groups.

3.3 Services Provided

Services provided will include, but not be limited to, the following:

- Provide a full time, on site Arena Manager, as well as all necessary part time staff during all ice sports months, as well as during major off season events
- Supply, staff, and manage the concessions area, while adhering to all health code requirements
- With the assistance of the City, manage an annual budget
- Manage all minor mechanical maintenance, small projects, and service fixtures as needed
- Advise the City regarding potential improvements to the facility
- Maintain a website, Facebook page, Twitter account, Google+ page, email account
- Attend monthly meetings with City officials with updates and information

regarding Arena happenings

- Provide uniforms for GMC employees that will clearly indicate them as such, so that they may be easily identified
- Maintain detailed log books for cleaning tasks and routine maintenance schedules so that the staff is always accountable for keeping the arena clean, safe and presentable for all visitors
- Sell, schedule, and invoice all user groups and submit payments to the City
- Seek new advertisers for the Arena, in an effort to find new revenue streams
- Maintain the ice surface at an appropriate thickness and temperature
- Secure the building during all times when the facility is not in use
- Effectively move and store the artificial turf in a visually acceptable manner
- Implement a new communication policy that will ensure all questions and concerns are addressed in a timely manner

3.3.1 Potential New Business

Every effort will be made to establish a stronger dry floor rental business. Meetings and relationships will be sought with local event planners, show representatives, etc, An attractive, informative brochure will be developed that highlight facility rental options.

Ideas for dry floor events:

- Receptions
- Church events
- Parties
- Flea markets and rummage sales
- Trade shows
- Team building events
- Rehearsals
- Teen events / lock in' s
- Craft shows
- AKC / kennel clubs

- Pool or dart tournaments
- MMA events
- Pageants

Ideas for new Ice Sports groups

- North Branch Area Youth Hockey - We have contacted NBYHA regarding purchasing ice for the 2014-15 season. They currently purchase ice as far away as Princeton, which is a longer drive for them for ice time.
- Adult Hockey Groups or open hockey

3.4 Lead Contact

Lead contacts between GMC and City of East Bethel officials will be Todd Gibson and Derrick Orman. Mr Orman will be the Arena Manager. He will be on-site on a full time basis, typically 5-6 days per week during the prime ice season. He will also be on site during all major off season dry floor events. He will be provided with a cell phone and email so that user groups and City representatives can access him when necessary. The Arena phone will be forwarded to this cell phone so that the manager is readily available whenever necessary.

4.0 Pricing Structure & Proposed Fees

Financial obligation will not increase with a renewed contract.

4.1 Past Fee Structure

Contract 1: August 1, 2008 - July 31, 2009

- GMC operational fee \$83,000

Contract 2: August 1, 2009 - July 31, 2011

- GMC operational fee remained at \$83,000
- During this original three year time period, net operating income for the City of East Bethel increased, and the Arena fund was significantly reduced.

Contract 3: August 1, 2011 - July 31, 2014

- GMC operating fee was proposed and approved at \$88,000
- GMC made less income during this time period due to rental of concessions area, upon the request of the City of East Bethel. After Concessions rental was considered, the operations budget became \$84,000

4.2 Proposed Fees

GMC, LLC is proposing continuing the existing fee amount that is currently in place as part of the contract that expires this July 31 2014. GMC will consider re-structuring the billing process to only bill the City of East Bethel during the seven months of ice activity, rather than on an every month schedule. The \$84,000 yearly amount would remain the same, and the billing schedule would simply be adjusted to reflect monthly fluctuations in use.

5.0 Conflicts of Interest

GMC, LLC does not perceive any conflicts of interest between the company and the City. There have been no prior conflicts of interest between GMC and City of East Bethel during previous contract years.

6.0 Previous Engagements with City of East Bethel

GMC, LLC has successfully been under contract with the City of East Bethel since August 2008

7.0 Marketing and Web Based Services

GMC will maintain a welcoming Facebook page for East Bethel Ice Arena. This page will feature pictures of the arena, updates about relevant events, and general information about the facility.

GMC will also maintain a Twitter account with schedule and program information.

GMC will provide the City of East Bethel with photos, current information, and staff contact info for the City's official links on it's primary website.

8.0 Management Team

East Bethel Ice Arena will have a full time management team, both on site and at large. Team members will be in the following roles:

Arena Manager: Derrick Orman

- Direct the daily operations of the facility, including supervision of building, outdoor rink, and ice resurfacers
- Oversee the scheduling and documentation of daily work assignments and staff work schedules
- Communicate with City officials on an on-going basis via phone, email, and personal visits to City Hall
- Be readily available for communication with primary user groups, including attending SFYHA board meetings when requested
- Maintain a quality level of cleanliness in the lobby, referee room, locker rooms, shower areas, bleachers, concessions areas, as well as all other common areas
- Responsible for putting together orders for rink supplies and concessions supplies
- Oversees and supervises game management as needed for all youth and high school contests, as well as for special events and off season dry floor events.
- In charge of small projects and upkeep of basic fixtures
- Supervise the secure opening and closing of the facility
- Keep accurate data logs and maintain the facility's machinery, including basic ice resurfacers maintenance
- Maintain a safe, welcoming, presentable environment for customers and visitors
- Primary daily roles are to maintain a safe ice sheet and ensure arena cleanliness as top priorities
- Arena manager will be a full time, salaried position with a minimum of 45 hours on site per week during the ice season
- Assumes any additional responsibilities as required by the Owner of GMC, LLC
- Derrick has attended USA Hockey STAR classes and is educated on proper ice making. Maintaining proper ice depth is essential to keeping utility bills lower.

Marketing and Social Media Director: Pilar Gibson

- Maintain East Bethel Ice Arena Facebook and Twitter accounts, including, but not limited to user group events, high school game information, and dry floor community events that would interest the East Bethel community
- If desired, will attend St Francis Youth Hockey Assn board meetings to offer recruiting and marketing advice to help the association recruit new members
- Communicate with City of East Bethel City council regarding what events they would desire to have promoted via social media
- Work with SFYHA board members to grow local awareness of youth hockey program offerings
- Bachelor of Arts in Psychology at Providence College - Providence, RI 1998
- Extensive experience in the Ice Sports Programming field, including scheduling, billing, pro shop purchasing and inventory, recruiting, and marketing. Previously employed at Island Sports Center (Pittsburgh, PA) as asst Hockey Director and at National Sports Center (Blaine, MN) as an Ice Sports Programmer

Scheduling and Finance Director: Todd Gibson

- Work closely with SFYHA, St Francis HS boys and girls teams, as well as other user groups to efficiently and fairly schedule both prime and non prime hours.
- Seek out new users to fill additional hours, including adult groups, North Branch Area YHA, broomball groups, try-outs for off-season hockey programs, etc
- Invoice user groups in a timely manner
- Will send weekly updates to City of East Bethel, regardless of whether it is a high or low activity time of year
- Prepare an annual budget with assistance from the City
- Process various bank deposits for the City of East Bethel
- Holds certifications as a Certified Ice Technician (CIT), Certified Rink Administrator (CRA) and as a Certified Ice Rink Manager (CIRM) through the Serving the American Rinks program

Part Time Staff Members

- Operations Specialist: Matthew Hanchulak

East Bethel Ice Arena

- Currently holds a position as a Building Maintenance I for the City of Rochester, MN and will provide as needed support for the Arena Manager
- Will be assisting with ice painting, installation and removal
- Concessions Manager: Laura Doucette
- Zamboni Driver / Assistant to the Arena Manager: Joshua Gilbert
- Marketing Consultant: Joanna White (B.A. SUNY - Albany of New York)
- Mechanical Consultant: Kyle Schmidt (Dunwoody College of Technology - HVAC degree, B.A. St Cloud State University)
- Concessions game day staff

9.0 References

Pete Carlson - Director of Operations, National Sports Center (Blaine, MN)
763-717-3881 pcarlson@superrink.org

Steve Howarth - Arena Manager, Dodge County Ice Arena (Kasson, MN)
507-269-1674 smncig@gmail.com

Bob Montrose - Arena Manager, Graham Arena City of Rochester (Rochester, MN)
507-358-8991 bmontrose@rochestermn.gov

Doug Meyenburg - East Bethel Pageant Board Member
763-434-3973

Dave Hanson - General Manager, Robert Morris University Island Sports Center
(Pittsburgh, PA)
412-916-1119

John Niewinski - Operations, American Airlines Center, Home of Dallas Stars NHL
Team (Dallas, TX)
972-345-4966



April 27, 2014

To whom it may concern;

It has come to my attention that Todd Gibson and Gibson Management Company LLC has applied for the East Bethel Arena Management Position. I recommend Todd Gibson and his management company be considered for this position.

Todd was one of my managers at the National Sports Center. He was under my direction at the Schwan Super Rink. He worked at the Schwan Super Rink from 2001-2008. He began as a Zamboni Driver and quickly became one of my lead staff members.

Todd was responsible for several tasks. His main focus was the operations of the Schwan Super Rink and East Bethel Arena. He was directly in charge of budgeting, program development, program management, hiring, concessions, maintenance, scheduling, and customer service.

If you would like to discuss my business relationship with Todd, please call or email me anytime.

Sincerely,

Pete Carlson
National Sports Center / Schwan Super Rink
Director of Operations and Programming
763-717-3881
pcarlson@superrink.org

State of Minnesota

SECRETARY OF STATE

Certificate of Organization

I, Mark Ritchie, Secretary of State of Minnesota, do certify that: Articles of Organization, duly signed, have been filed on this date in the Office of the Secretary of State, for the organization of the following limited liability company, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

This limited liability company is now legally organized under the laws of Minnesota.

Name: Gibson's Management Company LLC

Charter Number: 2951324-2

Chapter Formed Under: 322B

This certificate has been issued on 08/04/2008.



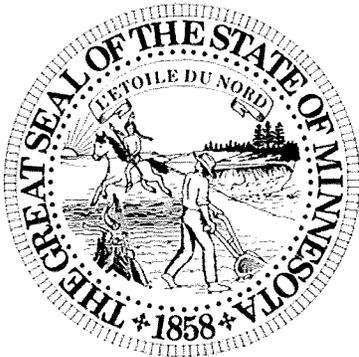
Mark Ritchie
Secretary of State.

**Office of the Minnesota Secretary of State
Certificate of Good Standing**

I, Mark Ritchie, Secretary of State of Minnesota, do certify that: The business entity listed below was filed pursuant to the Minnesota Chapter listed below with the Office of the Secretary of State on the date listed below and that this business entity is registered to do business and is in good standing at the time this certificate is issued.

Name: Gibson's Management Company LLC
Date Filed: 08/04/2008
File Number: 2951324-2
Minnesota Statutes, Chapter: 322B
Home Jurisdiction: Minnesota

This certificate has been issued on: 05/01/2014



Mark Ritchie

Mark Ritchie
Secretary of State
State of Minnesota



City of East Bethel City Council Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 6.0 A-N

Agenda Item:

Consent Agenda

Requested Action:

Consider approving the Consent Agenda

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, March 5, 2014 City Council Meeting

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

Item C

March 5, 2014 City Council Work Meeting Minutes

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

Item D

Meeting Minutes, March 19, 2014 City Council Meeting

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

Item E

March 19, 2014 City Council Work Meeting Minutes

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

Item F

Meeting Minutes, April 16, 2014 Board of Review Meeting

Meeting minutes from the April 16, 2014 Board of Review Meeting are attached for your review and approval.

Item G

Meeting Minutes, April 16, 2014 City Council Meeting

Meeting minutes from the April 16, 2014 City Council Meeting are attached for your review and approval.

Item H

Meeting Minutes, April 23, 2014 Board of Review Continuation

Meeting minutes from the April 23, 2014 Recessed Board of Review are attached for your review and approval.

Item I

Meeting Minutes, April 23, 2014 City Council Meeting Public Hearing

Meeting minutes from the April 23, 2014 City Council Public Hearing are attached for your review and approval.

Item J

Meeting Minutes, April 24, 2014 Town Hall Meeting

Meeting minutes from the April 24, 2014 Town Hall Meeting are attached for your review and approval.

Item K

Approve Audit Engagement for 2014 / 2015 / 2016 with Abdo Eick and Meyers

For the last three years Abdo, Eick and Meyer has administered the City's annual audit. They have completed their work in a timely and professional manner. They have also provided value added services that assisted in the transition of the City's new Finance Director. Given their proposal for 2014 / 2015 / 2016 is extremely competitive, along with their excellent service, staff is recommending Council consider approving the audit engagement for 2014/2015/2016. The City paid \$19,633 for 2013's audit and AEM has provided a proposal that has a cost of \$20,000 for each of the next three years.

Item L

Res. 2014-16 Accepting Donation from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP

The City of East Bethel has received a donation of four Minnesota Twins Tickets valued at \$192.00 from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP to be used towards the Family Fun Night scheduled for Friday, July 18, 2014.

Staff is recommending adoption of Resolution 2014-16 Accepting Donation from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP.

Item M

LMC Conference

Councilperson Moegerle has requested to attend the League of Minnesota Cities Annual Conference in St. Cloud on June 18-20, 2014. The cost would be \$375.00 for registration in addition to any per diem and mileage requests for reimbursement. There is currently \$1,133 available in the Conferences and Meetings line item of the Mayor and City Council Budget for the remainder of 2014.

Item N

Approve Hire of Seasonal Maintenance Employees

The City Council has approved the hiring of two seasonal maintenance employees at the February 19, 2014 meeting. Under the supervision and direction of the Public Works Manager, employees in these positions will perform various types of manual labor in the general maintenance of the Parks and Streets Department for a period of up to 63 working days.

City staff has interviewed candidates and recommends the hiring of Kirk Thunberg and Aaron Folk for the summer seasonal positions. Kirk worked for the City during the summer of 2013 and performed exceptionally. The rate of pay for returning employees is \$11.00 an hour with no benefits. Aaron will be starting as a new employee with a pay rate of \$10.00 an hour with no benefits. Funding for these positions is provided for in the General Fund Budget for 2014 under the Parks Department and Streets Department budgets.

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 May 7, 2014

Bills to be Approved for Payment	\$73,412.28
Electronic Payroll Payments	\$25,564.02
Payroll City Staff - April 24, 2014	\$31,109.52
Total to be Approved for Payment	\$130,085.82

City of East Bethel

May 7, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Electric Utilities	042114	Connexus Energy	615	49851	\$818.03
Arena Operations	Gas Utilities	409362620	Xcel Energy	615	49851	\$2,831.02
Arena Operations	Professional Services Fees	68	Gibson's Management Company	615	49851	\$6,338.59
Arena Operations	Professional Services Fees	69	Gibson's Management Company	615	49851	\$6,030.71
Building Inspection	Conferences/Meetings	18154	University of Minnesota	101	42410	\$235.00
Building Inspection	Conferences/Meetings	18155	University of Minnesota	101	42410	\$50.00
Building Inspection	Motor Fuels	2355284	Lubricant Technologies, Inc.	101	42410	\$283.90
Building Inspection	Permit Refund	041814	Connexus Energy	101		\$300.00
Building Inspection	Telephone	332373310-149	Sprint Nextel Communications	101	42410	\$18.69
Central Services/Supplies	Office Supplies	042414	Colleen Winter	101	48150	\$20.00
Central Services/Supplies	Office Supplies	54199358	Hewlett-Packard Company	101	48150	\$1,169.01
Central Services/Supplies	Office Supplies	704047387001	Office Depot	101	48150	\$75.92
Central Services/Supplies	Office Supplies	707092384001	Office Depot	101	48150	\$51.48
Central Services/Supplies	Telephone	11928886	Integra Telecom	101	48150	\$212.26
City Administration	Telephone	332373310-149	Sprint Nextel Communications	101	41320	\$4.19
City Administration	Travel Expenses	042814	Jack Davis	101	41320	\$210.56
City Clerk	Professional Services Fees	041414	TimeSaver Off Site Secretarial	101	41430	\$566.75
Economic Development Authority	Professional Services Fees	042814	Jill Anderson	232	23200	\$135.00
Engineering	Architect/Engineering Fees	32817	Hakanson Anderson Assoc. Inc.	101	43110	\$5,443.25
Finance	Auditing and Acct g Services	327930	Abdo, Eick & Meyers, LLP	101	41520	\$4,633.00
Finance	Travel Expenses	041614	Mike Jeziorski	101	41520	\$12.24
Fire Department	Bldg/Facility Repair Supplies	042814	James J. Anderson	101	42210	\$400.00
Fire Department	Bldgs/Facilities Repair/Maint	9376294329	Grainger	101	42210	(\$235.48)
Fire Department	Cleaning Supplies	9423461483	Grainger	101	42210	\$161.22
Fire Department	Electric Utilities	042114	Connexus Energy	101	42210	\$836.49
Fire Department	Gas Utilities	409362620	Xcel Energy	101	42210	\$1,977.00
Fire Department	Motor Fuels	2355283	Lubricant Technologies, Inc.	101	42210	\$454.90
Fire Department	Motor Fuels	2355284	Lubricant Technologies, Inc.	101	42210	\$451.62
Fire Department	Motor Vehicle Services (Lic d)	F-240910037	Allstate Peterbilt North	101	42210	(\$13.41)
Fire Department	Motor Vehicle Services (Lic d)	22714	Hayford Ford	101	42210	\$193.36
Fire Department	Motor Vehicle Services (Lic d)	IEB-0411-20331	North Metro Auto Glass	101	42210	\$55.00
Fire Department	Motor Vehicle Services (Lic d)	12399	Rosenbauer Minnesota LLC	101	42210	\$500.00
Fire Department	Motor Vehicles Parts	F-240990001	Allstate Peterbilt North	101	42210	\$41.92
Fire Department	Motor Vehicles Parts	1539-282186	O'Reilly Auto Stores Inc.	101	42210	\$51.88
Fire Department	Motor Vehicles Parts	1539-284498	O'Reilly Auto Stores Inc.	101	42210	\$18.99
Fire Department	Motor Vehicles Parts	265250	S & S Industrial Supply	101	42210	\$4.34
Fire Department	Repairs/Maint Machinery/Equip	8976	Stan's Equipment Center	101	42210	\$55.13
Fire Department	Safety Supplies	1110018065	Allina Health System	101	42210	\$642.33
Fire Department	Safety Supplies	882370	W.S. Darley & Co.	101	42210	\$31.80
Fire Department	Small Tools and Minor Equip	1539-284865	O'Reilly Auto Stores Inc.	101	42210	\$5.49
Fire Department	Telephone	11928886	Integra Telecom	101	42210	\$132.65
Fire Department	Telephone	332373310-149	Sprint Nextel Communications	101	42210	\$38.55
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	040714	Dallas Jelmsberg	101	41940	\$33.93
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	9369984282	Grainger	101	41940	\$8.28
General Govt Buildings/Plant	Electric Utilities	042114	Connexus Energy	101	41940	\$847.37

City of East Bethel

May 7, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
General Govt Buildings/Plant	Gas Utilities	409362620	Xcel Energy	101	41940	\$877.73
Mayor/City Council	Professional Services Fees	042814	Jill Anderson	101	41110	\$250.00
Mayor/City Council	Travel Expenses	043014	Robert DeRoche	101	41110	\$228.46
MSA Street Construction	Architect/Engineering Fees	32814	Hakanson Anderson Assoc. Inc.	402	40200	\$1,360.80
MSA Street Construction	Architect/Engineering Fees	32815	Hakanson Anderson Assoc. Inc.	402	40200	\$973.75
Park Maintenance	Bldg/Facility Repair Supplies	461155	Ham Lake Hardware	101	43201	\$15.47
Park Maintenance	Bldg/Facility Repair Supplies	67749981	John Deere Landscapes	101	43201	\$38.30
Park Maintenance	Cleaning Supplies	2739294	Dalco	101	43201	\$281.81
Park Maintenance	Clothing & Personal Equipment	363065333	BlueTarp Financial, Inc.	101	43201	\$129.99
Park Maintenance	Clothing & Personal Equipment	1182248690	G&K Services - St. Paul	101	43201	\$18.21
Park Maintenance	Clothing & Personal Equipment	1182259997	G&K Services - St. Paul	101	43201	\$18.21
Park Maintenance	Clothing & Personal Equipment	1182271439	G&K Services - St. Paul	101	43201	\$18.21
Park Maintenance	Electric Utilities	042114	Connexus Energy	101	43201	\$165.76
Park Maintenance	Equipment Parts	02-130972	Lano Equipment, Inc.	101	43201	\$106.20
Park Maintenance	Motor Fuels	2355283	Lubricant Technologies, Inc.	101	43201	\$874.81
Park Maintenance	Motor Fuels	2355284	Lubricant Technologies, Inc.	101	43201	\$387.10
Park Maintenance	Motor Vehicle Services (Lic d)	71513	Gerdin Auto Service Inc	101	43201	\$190.50
Park Maintenance	Other Equipment Rentals	74422	Jimmy's Johnnys, Inc.	101	43201	\$52.00
Park Maintenance	Park/Landscaping Materials	13-2507	Rum River Tree Farm & Nursery	101	43201	\$182.11
Park Maintenance	Professional Services Fees	042814	Jill Anderson	101	43201	\$55.00
Park Maintenance	Safety Supplies	9423461483	Grainger	101	43201	\$108.97
Park Maintenance	Telephone	11928886	Integra Telecom	101	43201	\$48.64
Park Maintenance	Telephone	332373310-149	Sprint Nextel Communications	101	43201	\$66.04
Payroll	Insurance Premiums	05 2014	Dearborn National Life Ins Co.	101		\$1,134.09
Payroll	Insurance Premiums	5494394	Delta Dental	101		\$831.30
Payroll	Insurance Premiums	05 2014	NCPERS Minnesota	101		\$128.00
Payroll	Insurance Premiums	141070003809	PreferredOne	101		\$7,492.31
Payroll	Union Dues	04 2014	MN Public Employees Assn	101		\$468.00
Planning and Zoning	Legal Notices	90984	ECM Publishers, Inc.	101	41910	\$46.13
Planning and Zoning	Legal Notices	90985	ECM Publishers, Inc.	101	41910	\$153.75
Planning and Zoning	Legal Notices	95705	ECM Publishers, Inc.	101	41910	\$1,291.50
Planning and Zoning	Professional Services Fees	042814	Jill Anderson	101	41910	\$150.00
Planning and Zoning	Small Tools and Minor Equip	707092619001	Office Depot	101	41910	\$266.77
Recycling Operations	Bldgs/Facilities Repair/Maint	707566	Ver-Tech Inc.	226	43235	\$214.92
Recycling Operations	Electric Utilities	042114	Connexus Energy	226	43235	\$124.36
Recycling Operations	Gas Utilities	409362620	Xcel Energy	226	43235	\$296.41
Recycling Operations	Other Equipment Rentals	74422	Jimmy's Johnnys, Inc.	226	43235	\$52.00
Recycling Operations	Professional Services Fees	04 2014	Cedar East Bethel Lions	226	43235	\$1,200.00
Recycling Operations	Small Tools and Minor Equip	704047387001	Office Depot	226	43235	\$37.99
Sewer Operations	Bldg/Facility Repair Supplies	50573	Menards Cambridge	602	49451	\$12.01
Sewer Operations	Chemicals and Chem Products	3588014	Hawkins, Inc	602	49451	\$90.00
Sewer Operations	Electric Utilities	042114	Connexus Energy	602	49451	\$1,186.12
Sewer Operations	Electric Utilities	042114	Connexus Energy	602	49451	\$65.04
Sewer Operations	Professional Services Fees	85878	UC Laboratory	602	49451	\$546.25
Street Maintenance	Bldg/Facility Repair Supplies	67635383	John Deere Landscapes	101	43220	\$84.41

City of East Bethel

May 7, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Street Maintenance	Bldg/Facility Repair Supplies	51291	Menards Cambridge	101	43220	\$68.78
Street Maintenance	Bldgs/Facilities Repair/Maint	39988	Aker Doors, Inc.	101	43220	\$1,659.00
Street Maintenance	Bldgs/Facilities Repair/Maint	1182248690	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182259997	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182271439	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	ABI00114731	MN Dept Labor & Industry	101	43220	\$70.00
Street Maintenance	Cleaning Supplies	9369984282	Grainger	101	43220	\$14.78
Street Maintenance	Clothing & Personal Equipment	363065332	BlueTarp Financial, Inc.	101	43220	\$88.69
Street Maintenance	Clothing & Personal Equipment	1182248690	G&K Services - St. Paul	101	43220	\$18.68
Street Maintenance	Clothing & Personal Equipment	1182259997	G&K Services - St. Paul	101	43220	\$18.68
Street Maintenance	Clothing & Personal Equipment	1182271439	G&K Services - St. Paul	101	43220	\$18.68
Street Maintenance	Electric Utilities	042114	Connexus Energy	101	43220	\$1,565.36
Street Maintenance	Equipment Parts	F-240910037	Allstate Peterbilt North	101	43220	(\$24.75)
Street Maintenance	Equipment Parts	F-240970174	Allstate Peterbilt North	101	43220	\$50.14
Street Maintenance	Equipment Parts	F-241110005	Allstate Peterbilt North	101	43220	\$61.49
Street Maintenance	Equipment Parts	F-241150018	Allstate Peterbilt North	101	43220	\$24.75
Street Maintenance	Equipment Parts	F-241190160	Allstate Peterbilt North	101	43220	(\$50.14)
Street Maintenance	Equipment Parts	54078	Little Falls Machine Inc	101	43220	\$171.20
Street Maintenance	Equipment Parts	1539-282886	O'Reilly Auto Stores Inc.	101	43220	\$42.86
Street Maintenance	Equipment Parts	148993-IN	Zarnoth Brush Works, Inc.	101	43220	\$848.00
Street Maintenance	Gas Utilities	409362620	Xcel Energy	101	43220	\$1,171.09
Street Maintenance	Lubricants and Additives	2361370	Lubricant Technologies, Inc.	101	43220	\$851.00
Street Maintenance	Lubricants and Additives	527254	Lubricant Technologies, Inc.	101	43220	(\$944.67)
Street Maintenance	Motor Fuels	2355283	Lubricant Technologies, Inc.	101	43220	\$2,169.56
Street Maintenance	Motor Fuels	2355284	Lubricant Technologies, Inc.	101	43220	\$167.74
Street Maintenance	Motor Vehicle Services (Lic d)	231954	Auto Nation SSC	101	43220	\$2,940.90
Street Maintenance	Motor Vehicles Parts	841783	Boyer Truck Parts	101	43220	\$404.17
Street Maintenance	Motor Vehicles Parts	22837	Hayford Ford	101	43220	\$85.25
Street Maintenance	Motor Vehicles Parts	1539-282128	O'Reilly Auto Stores Inc.	101	43220	\$557.20
Street Maintenance	Motor Vehicles Parts	1539-283047	O'Reilly Auto Stores Inc.	101	43220	\$106.49
Street Maintenance	Motor Vehicles Parts	1539-283093	O'Reilly Auto Stores Inc.	101	43220	(\$430.80)
Street Maintenance	Motor Vehicles Parts	1539-283292	O'Reilly Auto Stores Inc.	101	43220	(\$40.00)
Street Maintenance	Professional Services Fees	042814	Jill Anderson	101	43220	\$45.00
Street Maintenance	Shop Supplies	265852	S & S Industrial Supply	101	43220	\$15.15
Street Maintenance	Small Tools and Minor Equip	363065332	BlueTarp Financial, Inc.	101	43220	\$8.28
Street Maintenance	Small Tools and Minor Equip	414148670	Snap-On Tools	101	43220	\$58.00
Street Maintenance	Street Maint Materials	IN00001038	City of St. Paul	101	43220	\$149.20
Street Maintenance	Street Maint Materials	52655	Plaisted Companies, Inc.	101	43220	\$202.41
Street Maintenance	Telephone	11928886	Integra Telecom	101	43220	\$48.64
Street Maintenance	Telephone	332373310-149	Sprint Nextel Communications	101	43220	\$163.53
Street Maintenance	Tires	1-41589	Steve's Tire Inc.	101	43220	\$250.84
Street Maintenance	Welding Supplies	98568	Metro Products, Inc.	101	43220	\$45.10
Water Utility Capital Projects	Architect/Engineering Fees	32816	Hakanson Anderson Assoc. Inc.	433	49405	\$65.25
Water Utility Operations	Bldg/Facility Repair Supplies	73964	Ferguson Waterworks #2516	601	49401	\$439.04
Water Utility Operations	Electric Utilities	042114	Connexus Energy	601	49401	\$134.14

EAST BETHEL CITY COUNCIL MEETING

March 5, 2014

The East Bethel City Council met on March 5, 2014 at 7:30 PM for their regular 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
 Craig Jochum, City Engineer

Call to Order **The March 5, 2014 City Council meeting was called to order by Mayor DeRoche at 7:30 PM.**

Adopt Agenda **Ronning motioned to adopt the agenda with no additions. Koller requested to add the supplemental bill list and a request for a gambling permit for the Cedar Creek Community School PTO to the agenda. Ronning withdrew motion. Koller motioned to add the bill list and the Cedar Creek School PTO request to the consent agenda. DeRoche seconded; Moegerle, “where would they be added”. Koller said G is the supplement payment and H for application for gambling. All in favor, motion carries unanimously.**

Public Forum No public comments.

Consent
Agenda

Item A
Bills/Claims

Item B
Meeting Minutes, February 19, 2014 City Council Meeting
Meeting minutes from the February 19, 2014 City Council Meeting are attached for your review and approval.

Item C
Resolution 2014-07, Declaring 2006 Jacobsen HR 6010 Mower Surplus Property
The 2006 Jacobsen HR 6010 mower has outlived its useful scheduled service life. Because it often requires numerous repairs and the difficulty associated with obtaining replacement parts, the mower is no longer a reliable and efficient piece of turf maintenance equipment. This is a scheduled replacement and budgeted for in the Equipment Replacement Fund.

Staff recommends adoption of Resolution 2014-07, Declaring Jacobsen HR 6010 Mower Surplus Property and directing the equipment to be used as trade-in value.

Item D
Purchase John Deere 1600 Mower-Equipment Replacement Schedule
As part of the City’s Equipment Replacement Program, the 2006 Jacobsen HR 6010 wide area mower 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 of this mower are becoming excessive and are approaching the value of the machine. Due to the lack of a local dealer, replacement parts are expensive and take longer to receive compared to other models. Due to higher maintenance costs, increased down time and lower productivity of this

machine, City staff recommends that we replace the 2006 Jacobsen HR 6010 wide area mower.

This mower is the main piece of equipment for maintaining the City’s parks and public grounds.

Staff has checked state contracts for wide area mowers with a minimum specification of an eleven-foot mower deck. This is consistent with our needs and similar to the replaced piece of equipment. From a review of the State Contracts for this type of mower, we have identified the John Deere 1600 as the unit that best matches our requirements. With numerous local vendors, access to parts and service is also the best match for the City’s needs.

Funds for this acquisition are provided for in the Equipment Replacement Fund. Funding was budgeted at \$44,000 for replacement of this mower in 2013. Staff decided to push the replacement date out an additional year to 2014. The salvage/trade in value of the Jacobsen HR 6010 is \$5,000. The cost for the new John Deere 1600 is \$48,913.60 on the state contract. The total cost for this machine less the trade in of \$5,000 is \$43,903.60. Funding is available from the City’s Equipment Replacement Fund.

Staff recommends the purchase of the John Deere 1600 wide area mower. This equipment will meet our current and future needs and has a projected service life of ten years.

Item E

Resolution 2014-08 Declaring April 26, 2014 Arbor Day in East Bethel

The Park Commission and staff are continually working on ways to improve the City’s park system. The Park Commission has recommended applying for a Tree City USA award. One of the requirements for the award is to have an Arbor Day resolution from the City Council and an event held to celebrate the occasion. Applying for the award would not require any additional funding or City resources with the exceptions of staff time to fill out the application and the cost of a tree to plant on Arbor Day.

The Park Commission and staff have discussed holding an Arbor Day celebration in Booster Park on April 26, 2014 at 10:00 am, which is also the Spring Recycle Day. The local scout group that has adopted Booster Park would be invited to attend and help with a tree planting to replace trees that have been lost to disease and wind within the park.

Staff recommends adoption of Resolution 2014-08 Declaring April 26, 2014 Arbor Day in East Bethel.

Item F

Fee Increase for Prime Ice Time for the City Ice Arena

Even though the Arena Fund is now in a positive cash position as a result of the cell tower lease fees and improved management, revenue from the Arena has declined over the past three years. Revenues, excluding concessions and tower lease payments, have fallen from \$224,824 in 2011 to \$209,382 in 2012 and to \$202,102 in 2013 while hourly rates for ice rental have remained constant at \$185/hr. for prime time rental and \$140 for non prime time rental.

The rates for arenas in neighboring Cities are as follows:

<u>City or Entity</u>	<u>Prime Rate</u>	<u>Non-Prime Rate*</u>
Isanti	\$190/hr.	\$140/ hr.
Andover	\$192/hr.	\$145/hr.

Forest Lake	\$200/hr.
National Sports Center	\$200/hr.

\$140/hr.

*Non-prime rate hours vary but generally cover the times between 6-8 AM to 2-4 PM on Monday through Friday.

Due to the need to generate additional revenue to cover expenses at the Arena, Staff recommends the adoption of Resolution 2014-09, which would increase the prime time hourly rate for ice rental to \$192/hr.

Items pulled:
Moegerle requested B and C be pulled.
Ronning requested F be pulled.
Koller requested D be pulled.

DeRoche made the motion to approve the consent agenda with items B, C, D and F pulled for separate discussion. Ronning seconded, all in favor, motions carries unanimously.

Item B: Meeting Minutes, February 19, 2014 City Council Meeting

Moegerle, "I pulled B, because I didn't vote on one of the motions. It is page 28 right before the Council reports. I didn't vote to recognize the appointment of Tim Harrington and I wanted that to be noted. **I ask that the minutes be adopted as amended.**"

Koller seconded. All in favor, motion carries unanimously.

Item C: Resolution 2014-07, Declaring 2006 Jacobsen HR 6010 Mower Surplus Property

Moegerle, "I pulled C for the purpose that, this is an expenditure of 1% of the operating budget of the City. Why has a 2006 mower come to the end of our useful life. Why we are going to spend 1% of our budget on this piece of equipment?"

Davis, "This piece of equipment was purchased in 2006. It was never suited for the application or the conditions that we have here. It is generally used for finer turf but we mow sandburs and weeds. The mower was slated for replacement in 2013 but we extended it out to 2014 to get another years life. Another reason we want to replace it this year is there will be new emissions requirements in 2015 which will, as reported by the manufacturer, increase the cost by up 22%. By purchasing this year we can save approximately \$10,000 over next years price increase. In addition we've spent approximately \$10,000 on maintenance on this machine over its 8 year lifespan."

DeRoche, "I looked at the equipment last year. Parts availability is tough. This mower was not made for rough cutting and to keep this machine is going to be putting good money after bad. You get what you pay for"

Ronning, "Reel type mowers are for golf greens."

DeRoche, "They also use it on nice fairways."

Moegerle, "Who made the motion?"

DeRoche, "You did."

Ronning, "It is like taking a Cadillac through the Grand Canyon. It should never been purchased."

Harrington, "I went over and looked at it Monday. It has to be serviced in Chanhasen. The parts are obsolete. Tom says it is a mower for golf courses."

DeRoche motioned to approve to approve C. Koller seconded. All in favor; motion carries unanimously.

Item D: Approve Purchase of John Deere 1600 Wide Area Mower

Ronning, "I think that is a ridiculous amount of money for a lawn mower."

Davis, "The 2006 Jacobson was almost the same price. It is a wide area mower. It mows 9 feet. It has a larger horsepower engine and will mow at higher speeds. It is a rugged constructions and was bid on the State Contract. That is the going rate for these types of machines. This will mow much more property more efficiently and has a much higher productivity than the 60 and 72" ZTR's that we use in conjunction with the wide area mower.

DeRoche motioned to approve the purchase of John Deere 1600 wide area mower. Ronning seconded.

DeRoche, "We have to get a mower. Is this a commercial grade mower?"

Davis, "Yes, it is."

DeRoche, "Some of the lighter weight John Deere machines are not commercial grade. What is the life expectancy? Will we be able to change the oil? Change the blades."

Davis, "We do the maintenance.

Ronning, "Is this a diesel?"

Davis, "Yes."

Koller, "Does it have a cab?"

Davis, "No."

DeRoche, "You get what you pay for. You can buy something not so good and you get what you pay for it."

Ronning, "Ron what did you pay for the 3000 series with the loader?"

Koller, "\$18,000."

Harrington, "The cost for emissions requirements are going to go up next year, so the amount will increase next year."

Davis, "There is no argument that it is a lot to spend on a mower. We will get a lot of life out of it."

Ronning, "How and when are we going to pay for it?"

Davis, "We have an equipment replacement fund to pay for this. It won't have an impact on the general budget. We won't have to increase the levy for this."

Ronning, "Do you see any impact on this budget or future ones?"

Davis, "No this will not impact this budget or future budgets as we have the funds already set aside".

All in favor, motion carries unanimously.

Item F: Amending the 2014 Fee Schedule

Ronning motioned to approve Resolution 2014-09 Amending the 2014 Fee Schedule. DeRoche seconded.

Ronning, "This has to with the Ice Arena and fee. Are we comparable with the other ice arenas?"

Davis, "We are the cheapest in the area. Some of the other facilities are nicer, such as the National Sports Center. On your update on Friday, you will get some options on the Ice Arena. One of things we have to do is raise our rates to make it current with other areas. There will be other recommendations in the report. We can have it be a discussion item at a later meeting. Currently we allocate the revenue for the tower to the arena fund. We want to separate that from the arena fund

And use some of that for the sewer and water bonds. The assignment of this money is what is keeping the arena in the black. We need to make sure it breaks even. I will have it in a report for you Friday."

DeRoche, "I don't have a problem raising the rates. It has been a thorn in my side since we bought it. I thought it was always making money when I came on the Council. I didn't know the cell tower was keeping it in the black."

Davis, "We would propose to raise the rate by \$7.00 per hour from \$185/hr. to \$192/hr."

Ronning, "We aren't pricing ourselves out of the game. It would be nice to know who is using the rink."

Davis, "We aren't. We are providing the facility for use for people in other cities, such as Oak Grove, St. Francis. We don't need to subsidize this function for use for others outside of the City."

Moegerle, "I am fine with raising the rates once, but not raising them twice. Now you are raising fees on it twice. I would like it to be more streamlined and do it once. We are also talking about the RFP. Does the rate matter to the folks with the RFPs?"

Davis, "I am sure whoever we will contract with will want to see the cheapest ice rink times, so these times will be easier to sell. We want to raise it for one time. Please read my report and we can discuss it. They are totally separate issues. We need to raise the rate now, so we are in ball park with the other areas."

Moegerle, "What type of rate will you suggest later?"

Davis, "If we move the cell tower revenue, we need to look at what we need to balance this."

DeRoche, "We gave the concessions up, because that wasn't doing any good. It's not that I don't want kids to skate but If we are subsidizing so the kids around us can skate then we need to take another look at it."

Davis, "Everyone here would like to see it stay open. But we can't afford to subsidize it any longer."

Moegerle, "I just have a problem with raising it twice."

Davis, "We need to raise the rates to generate the revenue. We are looking to stay competitive."

Ronning, "Are we looking at different management?"

Davis, "Yes, I am not as concerned with price they submit to do the management as long as we are guaranteed enough income to at least break even. We want to make sure they generate x dollars of revenue to make up the cost of running the arena."

All in favor, motion carries unanimously.

New Business
Traffic and
Motor Vehicle
Ordinance,
Section 70-111

Background Information:

On October 2, 2013 Becky Knisley, 23250 Sunset Road, requested City Council to consider amending Traffic and Motor Vehicles Ordinance, Section 70 to address noise and hours of operation of dirt bikes. The City has received previous complaints from residents in other areas regarding this same issue. This Ordinance was discussed at an Ordinance Committee meeting on October 28, 2013, but no consensus was reached at that meeting. Staff has looked at this Ordinance and is recommending the following changes:

70-110 Definitions

- Changed Motorized dirt bike to Off Highway Motorcycle (OHM) – this is to make the language the same as the Off Highway Vehicle regulations of the MN DNR.
- Added definition for race track

70-111

- Under No. 1 – proposal to change lot line setback from 50 ft. to 100 ft. and dwelling units from 100 ft. to 200 ft.
- Under No. 3 – added language for non residents
- Under No. 4 – Added No at the beginning of sentence
- Under No. 6 – Left two (2) hours of operation unchanged, and changed language from one (1) hour to two (2) hours of no operation
- Under No. 8 – Added language regarding race tracks

- Other considerations - The Council could look at adding language for an Interim Use permit (IUP) for race tracks

Staff recommends Council consider the changes, and if approved, directions to publish.

DeRoche motioned to table this to a work session. Ronning seconded.

Moegerle, “Wanted to know if the motion to table could be clarified and why do we need to come back again to discuss this.”

DeRoche, “There is a motion to table and a second and therefore there is no discussion”.

All those in favor, DeRoche, Koller, Harrington and Ronning-Aye; Moegerle-Nay; motion carries.

Manufactured Home Ordinance, Section 34-183

City Council received a request from Nancy Krueger, owner of property at 18467 Lakeview Point Dr. to consider amending the Ordinance regulating recreational camping vehicles. The Ordinance Committee discussed this matter at a meeting on October 28. This property is zoned R-1 and has a property tax classification of seasonal recreational residential-non C. The property is 0.2 acres. Ms. Krueger is requesting the Ordinance be amended to allow the placement of her recreational camping trailer on this site.

We have references to Travel Trailer and Recreational Vehicles in several places in our code. Any modifications that are done in one section of the code should carry forth into other relevant sections of the code also.

Under Article 34 – Floods, we address the placement of Travel Trailers. However, that is only in those areas that are on the general flood map. This should be changed so that it applies and should also be included in Article II, Chapter 38-20 as additional items. The proposed language in Article 34 and Chapter 38-20 should be the same. We should also include the same language in Appendix A, Zoning under General Development Regulations. This will keep the information consistent from one section of the code to another. The Changes in Article 34 could be as follows:

Article 34, (3) a. 3 – Additions provided by the City Attorney

Article 34, (3) b. 1 – Additions proposed by City Attorney with the Staff addition of Property Tax Classification status as Seasonal Recreational – vacant and improved as a condition.

The definition of Recreational Vehicle/Travel Trailer should be included in Definitions section of Zoning Code Appendix A, Article 34 and Chapter 38.

Attached are maps that locate all the properties in the City that have a tax classification of Seasonal Recreational. Even though there are sanitation requirements in the proposed amendment to this Ordinance, allowance of placement of recreational camping vehicles on these properties could create consequences that have a greater impact than simply addressing the situation of an individual property owner.

Staff recommends Council consider the changes, and if approved, direction to publish.

DeRoche motioned to table this issue and discuss it in a workshop. Ronning seconded.

All in favor, DeRoche, Koller, Harrington and Ronning-Aye; Moegerle-Nay; Motion carries.

Johnson
Street Service
Road

As discussed at the January 22, 2014 City Council Meeting, MnDOT was in the process of reviewing the eligibility of the grant for the service road project. Initially, the City received notice that a maximum grant amount of \$702,000 was awarded for this project.

The attached memo dated February 27, 2014 from Phillip Bergem provides a summary of MnDOT’s final decision on the grant award. MnDOT considers only the segment of service road from 219th Avenue to 221st Avenue to be eligible. The eligible cost is estimated to be \$574,000. The City can secure the remaining \$128,000 in grant funds by providing access control along Trunk Highway 65. Access control would restrict access to Highway 65 from the adjacent parcels. Once the access control documents were executed by the landowners, they would be deeded to MnDOT.

If the project is to move forward it must be awarded before June 30, 2014. Staff is requesting direction on how the Council wants to proceed on this project. Three possible options would include:

- Option 1 – Notify MnDOT that the City will not be moving forward with the project.
- Option 2 – Obtain access control along Trunk Highway 65 to maximize the grant amount of \$702,000 and proceed with the project as originally planned.
- Option 3 – Accept the \$574,000 in grant money and construct the service road from 219th Avenue to 221st Avenue only.

The current estimated total costs for this project are as follows:

Construction Cost	\$ 1,089,036
Easement Acquisition Costs	\$ 203,500
Overhead and Contingency Costs	<u>\$ 160,000</u>
Total Project Cost	\$ 1,452,536

If only the segment of service road from 219th Avenue to 221st Avenue is constructed at this time. The total cost of \$1,452,536 would be reduced approximately \$530,000 or to a total of \$922,536. To date a total of \$262,397 has been spent for easement acquisition and preparation of plans and specifications.

Fiscal Impact:

As of February 2, 2014 the City’s Municipal State Aid Construction Fund balance was \$1,451,072.93. Whether the project moves forward or not, the current expenditures of \$262,397 are reimbursable from the City’s Municipal State Aid Construction Fund. If the City moves forward with Option 2 or Option 3 the amount that would be financed from the Municipal State Aid Construction Fund would be \$750,536 and \$348,536 respectively.

Staff is requesting direction from Council regarding moving forward with this project.

Ronning motioned to suspend all activity and try to recoup easement cost. Koller seconded.

Moegerle, "Can you explain?"

Ronning, "It would be two blocks and this is an expensive cost."

Jochum, "It is based on engineers estimates and these two blocks are the most expensive segment of the project."

Ronning, "There are two residents to get signed on."

Jochum, "MnDOT Is trying to get access control. They are trying to get signatures. That \$128,000 cost is gone for sure, if we don't get them signed."

DeRoche, "How much is in the easements?"

Jochum, "\$203,500 was for easement acquisition."

DeRoche, "No matter what happens with the project, we own the property."

Davis, "The only way we can recoup the costs if we discontinue the project and then we would have to have all the property owners agree to sell back. However retaining the right of way is investing in the future road. If the property owners refuse to do it, we are left in the cold. I'll try to tell how this process happened. Originally the MnDOT regional office awarded the project and we proceeded based on that award from their Regional Office. The central office didn't agree with how it relates to the cooperative agreement grant. When it got kicked upstairs, they changed the rules of the game and denied funding for the southern half of the project long after we had incurred costs."

DeRoche, "I haven't been in favor of this from day one. I would rather to see us focus on the sewer and water district. Maybe do something along 189th."

Davis, "The only thing we could apply would be on the east side, to make a right in or right out. 189th wouldn't apply to the cooperative agreement grant?"

Jochum, "That would not be eligible for the cooperative agreement."

Ronning, "If we go with the lease agreement, we forfeit the easement and get the access. We get the extra change at the end of the deal if they sign over the easement. We pay for the easement and deed it to MnDOT."

Davis, "If we want the cooperative agreement grant, we must get the deeded agreement that will not allow or request access to Hwy 65."

Jochum, "MnDOT is trying to get the City the remaining money. It will happen naturally."

Ronning, "The cost is higher."

Jochum, "That includes all the removal on Hwy 65, the storm water, it is already stubbed to go to the south. Even though the distance is not the same, and a lot of Hwy 65."

Davis, "This includes the connection and turn lanes, and also extra grading."

Ronning, "A comparison is you go to Vegas, and you keep investing and you don't get any place. The future we want to plat it. The future is from now to 3000."

Moegerle, "It opens area for development. Municipal State Aid money is not always there. You can't use it for repairing roads. If we use MSA funds on the south side of the corridor by Black Bear. That is an area we need redevelopment. This is valuable. It has great appeal with future development."

DeRoche, "We have the easements, it could be developer driven. I was at the Roads Commission meeting when it came through, when we have so much more to focus on in the sewer and water area. It's the build it and they will come proposition again. If we have the easements, we don't have to purchase them again. Maybe a developer will want to put in the roads. We would have the easements for it."

Moegerle, "Isn't going to be more expensive in the future? Are they use it or lose it?"

Jochum, "They don't want your funds to go to a certain level. We have Lincoln, Laurel and Longfellow on the schedule. We have enough to do both projects."

Koller, "We have the easements and there is no interest in development. At this point in time, no."

Ronning, "This is 90% is farm land. If we didn't sell it back to them, it goes down the middle of the field. They might be interested in renting our land for their crops. What would be cost for the City?"

Jochum, "It's the engineers estimates and they are based on comparable projects and current bid prices. I am usually fairly close on my estimates."

Ronning, "How close is this to what we had to increase the levy?"

Davis, "The price is twice the levy increase."

Ronning, "This is a road to nowhere. Especially now that we know it is double what the assessment was. I don't know anyone who will pat us on the back."

All in favor, DeRoche, Koller, Harrington and Ronning-Aye; Moegerle-Nay; Motion carries.

DeRoche motioned to select Option 1 - Notify MnDOT that the City will not be moving forward with the project, Koller seconded. All in favor, DeRoche, Koller, Harrington and Ronning; Moegerle-Nay; Motion carries.

Ronning, "We are all in favor of growing the City, but there is no use for this."

2013 Finance
Report

The unaudited December 2013 Financials including: Narrative, Bank Reconciliation, Balance Sheet, and Summary Revenue/Expense Statement are attached for your review. The City of East Bethel's annual financial audit will begin on March 10th and be conducted by Abdo Eick and Meyer's LLP. After the audit is complete a comprehensive financial report will be

provided to the City Council. We will have a presentation in April or May by Abdo, again the main function of an audit is to ensure the financials are fairly stated and that there are no material weaknesses in our internal controls.

Jeziorski, "2013, the general fund had a surplus of \$360,000, that was driven by better than anticipated building inspection revenues. What happens to the surplus? Does it get refunded? No. It goes into the fund balance. It is a governmental term that describes the City's net position or simply assets minus liabilities. The City's fund balance was roughly \$2.9 million dollars at the end of 2013, which is 62% of our 2014 budgeted expenditures. This is roughly a \$1.3 million dollar excess from the City Council target fund balance of 35%. Other funds I wanted to take a look at are the Equipment replacement fund which has \$1.2 million, HRA \$770,000, Street Capitol \$730,000, Trail fund \$144,000. These are not funded through direct levies but are rather transfers from the General fund".

DeRoche, "Can the fund be used to pay for overtime, salt?"

Davis, "We would transfer the money from the general fund."

Jeziorski, "These funds are generally looked at undesignated, and can be transferred anywhere."

Jeziorski, "As for 2014, in order to balance our budget we raised the levy by 15.1% and will use \$20,000 in fund balance. Also in 2014, we have had our bond rating upgraded to AA from AA-. It is cited, within their rating criteria. The rating reporting cited strong management and staff's monthly reports to council. They also look at the Macro environment of our State and drill down to the nuts of bolts of our financials and internal controls. We have also initiated a levy to pay for the 2010A and B debt service. They are now built into the levy. We have refinanced the 2005A and 2010B debt issues.

We have settled the union contract for 2014/2015/2016 and also renewed the medical insurance. Given the whole Obama care issue, we had the opportunity to renew our medical insurance and did so at a significant cost savings and better plan. Finally, we are now seeing market values trending upwards. 2013/2014 we had a market value of 709 million and for 2014/2015 had a market value of 788 million.

2015 timeline – April 1, we will look to have a finance committee meeting. Key points of discussion will be reserves, levy tolerance and the debt management plan. April/May Staff will submit their budget requests and will be incorporated into the budget model. July, the proposed budget will be presented to the City Council at which time Council can ask specific questions to department heads. September 3, we will set the preliminary budget and levy and on December 3 final budget and levy will be offered for consideration.

I don't have any actions items for you."

Ronning, "December 2013 financial statement and analysis, the second paragraph under assets. 712, delinquent fund balances \$84,000. How much of this property just haven't been paid on, how many are foreclosures, can you answer?"

Jeziorski, "The county doesn't break it down that way. We just get a statement telling us what it is."

Ronning “Is there a way to find out how much the banks are sitting on. If they are sitting there holding on to our money, I want it back.”

Jeziorski, “As you go up the years, it goes up each year.”

Davis, “One remarkable statistic, is our receivables on tax payments are 97%.”

DeRoche, “How long does the County to foreclose, I know someone who is delinquent on three properties. If they are delinquent to the County, that is how we get paid.”

Davis, “The County does work with property owners. As long as they are making payments. As far as when they will declare it for Sheriff’s sale. I don’t know.”

DeRoche, “If they have a payment plan with the County, how long does that extend?”

Davis, “The County tracks that.”

Jeziorski, “There are fees and penalties that area tacked on. The City and taxpayers need to be made whole. It is a lengthy process.”

Moegerle, “Do we get the money?”

Attorney, “It is prorated among the taxing authorities.”

Ronning, “It is a one way street, there is no advantage to us. Perhaps if it is the same value as all the neighborhood. Who owns those properties? Does US Bank or Wells Fargo have a bunch? Let’s send them hate mail.”

Vierling, “They would have to have people making payment to be in a deferment. By statute if there is no payment in three years, in the fourth year it goes to Sheriff’s sale.”

Ronning, “Can we get foreclosures?”

Vierling, “The tax auditor wouldn’t know which ones are in foreclosure.”

Davis, “Depending on where they are in the system, they may charge us for us getting the information.”

Vierling, “The property owner has the right to buy it back from the bank. They won’t advance payments on taxes they will wait it out. For every year of non-payment there is penalty and interest. It has to be paid. You will get the principal and the penalty and interest.”

Ronning, “So we will get it one way or another. It is reasonable to ask what makes this approximate.”

Vierling, “They would be able to give you the property identification number.”

Ronning, “I would like to look at the numbers. Could they print out a master list of the properties in the City.”

Jeziorski, “I have seen that report before.”

Ice Arena
Management
Contract RFP

Prior to 2006 the City of East Bethel managed the operation of the City Ice Arena. Due to the labor-intensive nature of the operation of this facility, a decision to outsource this service was the option selected for management of the Arena. Beginning in the 2006, the City contracted with the National Sports Center for management services under an agreement that ended in June of 2008. The National Sports Center did not exercise their option to extend the contract for another two-year period due to decreased demand for ice time.

The City solicited management proposals and contracted with Gibson Management Company, LLC for a one-year period ending July 31, 2009 and extended by City Council for the term of 2009 to 2011 and then from 2011 to 2014. Gibson Management's contract will expire on July 31, 2014.

As with all professional contracts, the City solicits proposals for services on a 3 to 5 year basis to ensure that full value is received through these agreements.

The City explored the potential for the sale of the Arena as a rink facility, but while there was interest among the current users, there were financial limitations with these groups. There also appears to be a diminished value in the secondary market for this building as a use other than an ice arena.

The building and property have a tax valuation \$953,800 and an estimated market value based on a cost approach of \$918,100. As there is currently no excess income above expenses, an income approach to valuation was not considered. The arena building is approximately 34,000 s.f. and the two parcels that compose the property are 6.29 acres. The property is encumbered by a MnDOT park and ride agreement that comprises one acre of the site. There is also a 0.11-acre cell tower site on the property.

Even though the Arena Fund is now in a positive cash position due to improved internal management and cell tower lease income assigned to this fund, the net revenue from the Arena has declined over the past three years. Revenues, excluding concessions and tower lease payments, have fallen from \$224,824 in 2011 to \$209,382 in 2012 and to \$202,102 in 2013 while hourly rates for ice rental have remained constant.

In addition to the basic scope of responsibilities, the proposed RFP would address maintenance standards, requirements for an active and maintained website and a message response policy. Upon the selection of a contractor, the City would negotiate incentives for the sale of non-prime ice time and advertising above a base threshold.

Gibson Management, St. Francis Youth Hockey and the National Sports Center have expressed an interest in submitting a RFP for the management contract. Upon approval of authorization to advertise for an RFP, we will post notice on the City's Website, Minnesota Ice Arena Management Association, the Anoka Union and any other source that markets to the management of ice arenas.

Other options, other than a management contract, could include leasing of the facility to a current user or the City's direct use of a contract manager to operate the facility. These options would be alternatives for consideration in the event an acceptable proposal for a management

contract for the facility is not approved. Staff is also evaluating proposed rate increases and their impact on potential sales as a means of increasing revenue and reducing the City subsidy to the facility.

Staff is recommending Council consider approval to authorize the solicitation of RFP's for an Arena Management Contract for the East Bethel Ice Arena.

DeRoche made the motion to consider approval to authorize the solicitation of RFP's for an Arena Management Contract for the East Bethel Ice Arena. Koller seconded.

Ronning, "When this goes out, can we get comparison as management fees. We aren't in the same ball park as Columbia Heights."

Davis, "We can check with other sources. We will check what we are going to get what they are paying for."

Koller, "Would it be a possibility to have them only manage during ice time?"

Davis, "That would be something we could do. We need to get more dry floor events. We recognize we have a hard time doing it. If we have the right person in there, we might be able to do that. We could sell more ads and signage space. We might look back at our agreements with the schools. We will look at other sources of revenue to make it break even or hopefully, even better. If we get proposals back and say they don't want to deal with dry floor events, we could have it fall into effect during ice rental availability only. The City of Andover keeps ice all year long. We might want to keep ice for another month, but we can't do it all year because we don't have cooling capabilities."

Ronning, "Could we make this a gun range?"

DeRoche, "Ramsey did it."

Davis, "14,000 square feet is taken up in lobby, locker room, concession, etc. The usable area is only 20,000 square feet so we may be limited as to our options for other uses both in terms of size and costs for conversion. We need to ask what is the value to the City of East Bethel as an ice rink? It does bring people in. Hopefully there will be a place for them to spend money in the City. Depending on how we answer that question is how we deal with the issue."

Koller, "When my daughter played hockey there, people said it was the dirtiest rink around."

Davis, "St. Francis Youth hockey and the high school are our prime users and we need to make that facility as clean as possible."

Koller, "Gibson is made up of three people and we usually only have one person show up."

Davis, "The utility rates are lower this year, than any other year. We did a conversion to a more efficient lighting system a couple years ago. ."

DeRoche, "How old is the Zamboni?"

Davis, "It is the original one."

Koller, "The government is going to require replacement of the refrigerant."

Davis, "Fortunately we have a different system and the new requirements don't affect us. Most systems will take \$20,000 to \$30,000 or more to make the replacement."

Harrington, "It could mean more business for us."

Davis, "I don't know what Forest Lake or Isanti have."

Ronning, "I don't want to sound like a grumble on this thing. I believe that is the object of the question."

Moegerle, "What is the expected life of the Zamboni?"

Davis, "We don't have anything on the equipment replacement fund for the ice arena. The estimated construction cost for the building was \$1.5 million dollars. Whether we want to recover the costs. We could write off the costs for capital improvement. Hopefully we can get another three years on it. The Zamboni is a \$60,000 to a \$120,000 piece of equipment."

All in favor, motion carries unanimously.

SRWMO 2015
Budget

The SRWMO's draft 2015 budget is attached for your review. Any requests to modify the budget must be presented to the SRWMO prior to their May 1, 2014 meeting. After that date, and absent any comments or direction from East Bethel, our portion of the budget can be considered approved at the level indicated for 2015.

The proposed 2015 SRWMO Budget is \$47,010 as compared to the 2014 budget of \$48,464. East Bethel's share of the budget, as presented in the attachment, is proposed to be \$15,003.80. The City's share for 2014 is \$15,571.

There is a proposed change to the 2015 draft budget under consideration that is not reflected in the attached 2015 Budget Summary. Unapproved, but proposed at this point in time, the SRWMO at their February 6, 2014 meeting discussed reductions for the Lakeshore Landscaping Marketing and Aquatic Plant Education. The proposed changes (final approval of these changes would be made at the 5/1 SRWMO meeting) would result in reducing the 2015 budget from \$47,010 to \$45,000, depending on the option chosen. This change would result in a reduction of 7% from the current 2014 budget and reduce our share by a proportionate amount.

Staff requests the City Council review and provide comment on the SRWMO 2015 Budget.

Davis had requested Leon Majors to address the Council. He can come to the March 19th meeting. We can keep discussing this.

Davis, "We are working on alternatives for the ice arena and they will come out Friday."

March 5, 2014
Council
Member Heidi
Moegerle

Moegerle, "The taxable market value has gone up and that is good. That is a solid gain. I like the minutes and wanted to point out that it is a positive change and wanted to point that out. When will the comp plan be coming forward?"

Davis, "Winter will be back and we anticipate this will be on the next Planning Commission agenda. For those that live in the Forest Lake School District there will be a new bonding limit issue on the ballot on May 20th. I've followed up with legislature with the traffic education programs that are being doing throughout the state. There are five live bills. There is a punitive program for those that gathered in all the fees. There are four other bills that address the education programs. They are differentiating on how much is being put to the different educations areas. Within two weeks we should know. It could be a way for us to get more income."

Council
Member Tom
Ronning

Ronning, "Ron, were you going to comment about Booster Day? One of the biggest problems the Booster Day people have is coming up with funds. They have put a lot of effort into it. If anyone has ideas on how to come up with extra money they would welcome the input."

Council
Member Ron
Koller

Koller, "They are planning an event at the ice arena. They are going to have a beach party with volleyball and games. It will be posted when things are set. Denise Lachinski has done a really good job. She puts in a lot of hours. On Monday I attended the Fire Department meeting for their harassment training. Today the fire department responded to a chimney fire. Let this be a reminder to clean your chimney."

Council
Member Tim
Harrington

Harrington, "I stopped by the maintenance to introduce myself. Next week I will meet with Park Commission. Day light savings time begins this weekend."

Council
Member Bob
DeRoche

DeRoche, "I went to the East Bethel Royalty dinner. The Royalty was glad to see someone there. There are a lot of snow banks and I can see where they are removing a lot of them. It looks like all the ice shacks came off the lake. I would hope there isn't a lot of staff time devoted to the ticket diversion program. Council has said where they are at on this. I would hope that no one is burdening staff to look into things unless it is brought up before Council to direct staff. People are saying the meetings are going better and quicker. There was a nice article in the paper about Tim. I am looking forward to meeting again with Met Council and pick their brains."

Adjourn

Moegerle made a motion to adjourn at 9:00 p.m. Koller seconded; all in favor, motion carries unanimously.

Submitted by:

Jill Anderson
Recording Secretary

EAST BETHEL CITY COUNCIL WORK MEETING

March 5, 2014

The East Bethel City Council met on March 5, 2014 at 6:00 PM for a work 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 March 5, 2014 City Council work meeting was called to order by Mayor DeRoche at 6:00 PM.**

Adopt Agenda **DeRoche motioned to adopt the agenda with no additions. Koller seconded; all in favor, motion carries unanimously.**

Emergency Fire Chief Mark DuCharme presented the City's Emergency Management Plan to Council
Operations for review and comment. Additional meetings may be required for completion of the
Plan review prior to submission to Council for adoption.

DuCharme, "I would like to update the Council concerning a chimney fire on 214th Avenue. Although the fire was minor in damage, it comes up every now and is a message to keep our chimney's clean. We also have to be careful with the ashes. In this case the chimney liner was cracked. They will have to work with their insurance company. This is to remind people to be a little more alert, especially after the long winter."

"I would like to switch over to the presentation on the screen, the Emergency Operations Plan Succession. This is the second time we have discussed the Emergency Operations Plan for East Bethel. There are things that have to be changed for grammar and spelling and staff directories have to be updated. In April of last year was when we last talked about the plan. Tom Ronning had asked how we put this plan together. The plan is a consortium of a lot of templates that come together from neighboring cities, to ones far away, even the Federal government. We try to make it unique to the City"

"This is a disaster flow chart. This is made to address an emergency. The Mayor is at the top of the chart and is responsible for the plan. The Emergency Management Director is an assistant to the Mayor. The City Administrator should be up a tier. As you can see, City Council and Mayor are going to be at the Emergency Operations Center. They are doing the supervision and the contact jobs. At this point, of preparing the plan, we are open to all kinds of discussion. If I don't have the answer, maybe collectively we will have to find an answer."

"This is right out of our ordinance, Chapter 2, Article XI, Sections 602-603. It also talks about the possibility of the City being struck with a natural or manmade disaster. This discusses the succession of key government officials. The Mayor, City Council and City Administrator shall be notified by anyone and any means available. If a tornado comes through and wipes out the cell tower, the Mayor, Council and City Administrator should meet at the City Hall, unless that isn't a safe location. If the Mayor is present, they will call the meeting. If the Acting Mayor is not present, the Acting Mayor will call the meeting. If

neither is present, the Council members present will elect a chair. They will review the incident, and no matter how many are there, they will fill all the emergency operations positions. They will elect them. Those present elect a chair person and a secretary.”

DeRoche, “How much time lapse are we talking? I think the City Administrator should be farther up.”

DuCharme, “I do contact Davis about things that should be notified. I would rather have him hear it from me than see it on television. I don’t foresee people being at the City Hall in two minutes. In case of an emergency or disaster, there are functional things going on in the field. If you haven’t gotten together, that doesn’t stop emergency services. We will still be asking, for mutual aid from other resources.”

DeRoche, “I notice the emergency sirens can’t be blown through East Bethel, what if something comes through?”

DuCharme, “Anoka County has the County split into sections. If there is a storm, they will sound the sirens. Every time there is a storm warning or watch, we are also notified of that. We cannot go and flip a switch and turn on a siren, we can communicate with our dispatch center and ask them to start it.”

DeRoche, “If you’re not around can Davis call them and tell then this has happened.”

DuCharme, “We can make sure he has the number 427-1212. Our deputies are very good in their judgment and they would also request that sirens or warnings be given out. This is what we have set up. It doesn’t call out for a time period. It is set up for a considerable a reasonable amount of time. Direction and control, this is important. The emergency response is by executive order of the Mayor or the acting Mayor. That position is the only one that can declare the emergency. I am going to tell you right now, 99% of the time we aren’t going to use that plan. At some time we will have to activate this plan. Remember I told you, you were all going to be at the emergency operations center. We need to define where that is going to be. We are going to use Fire Station 1. The main reason we are going to use it is that it has a backup generator. We will have electricity. 80% of that building will be powered. We don’t have that at City Hall or the Senior Center. Here is the concern I have..... our computer network is at City Hall. So I have concerns about not having backup power at that location. If we lose power there, we don’t have our computers or telephones. That will affect Station Number 1 as we are on the city computer network and phones. We do have two analog lines that service Station Number 1. One is the fax and one is for emergency operations. If the Fire Station was substantially destroyed, the next place we could move to is City Hall, Coon Lake Community Center, Fire Station 3, Our Saviour’s Church or Cedar Creek Elementary.

DeRoche, “Has anyone thought about getting 5K generator?”

Davis, “We have looked into that. I had an electrician come in and look at it. He sized a 60K generator to power. The cost would be \$36,000, plus the cost of the pad and also the gas connection. That is what it would cost to power the whole building.”

DeRoche, “We powered a whole area in the bush, with a 10K.”

Davis, “We could probably get a generator with low hours in fairly good condition, for less

cost. The above figures are for a generator sized for the peak electrical demand of City Hall.”

DuCharme, “We went with a surplus generator out of Willow River. We have received several things from the military. The boat, with the big twin 90s, that came from the DNR. It is a vibrant program. We know the people up there pretty well. I have talked with the program coordinator about the need for a generator. I think it is more realistic. FEMA is not in tune on the local level for building a facility.”

Moegerle, “Could we get one that would operate our water tower?”

Davis, “We have a permanent one there and one at new Castle Towers/Whispering Aspens lift station. The cost for a 60kw, was \$27,500. Hopefully we could find a surplus property one for a lot less.”

DeRoche, “We do have one for the lift station by Castle Towers and the water tower.”

DuCharme, “If Coon Lake Beach, our first two choices are wiped out, the third choice might have power.”

Moegerle, “It will depend on if it wipes out the entire city or is localized.”

DuCharme, “We will have to do a MOU with these organizations, just in case we need it. That is important. We have 123 pages in the plan, but we also have to make sure everyone will do it. We are trying to do that with the staff. That is an internal thing.”

Ronning, “Do we know if the land lines that the computers go through would not be operational without City hall?”

DuCharme, “Yes, because it is voice over internet. That is why I have two phones in my office, one is analog and one is digital.”

Ronning, “Will there be a signal, you power up your computer, when you power it up, will it be there.”

DuCharme, “If the connection is down here, then we won’t have connection at all.”

Davis, “We might have redundancy with the Anoka County Broadband.”

DuCharme, “I will check with the IT people on that.”

Ronning, “If the building was up and running here, would we be able to have contact.”

DuCharme, “We might be able to.”

Ronning, “The phone line has juice, stick your finger on it and find out. If we prepare for these things, will it be there for us at all.”

DuCharme, “That is why we go two three deep. For example, everyone is having a drink of water. It isn’t far fetched that our water system would be contaminated. You guys could become incapacitated like the bird flu pandemic scare that was being circulated a couple of

years ago. There were a lot of businesses that wanted to take a look at the continuity of government. It could be difficult to keep our City services going under those conditions.”

DeRoche, “Further down in the packet, is there a supply of water, bottled water, C rations in inventory.”

DuCharme, “There is and it’s through our mutual aid, State, National and local. We deal with mutual aid on a daily basis. If we need bottled water we know where to get that resource. If we need tankers of drinking water brought in, we know how to work up the chain of command to get the Governor to order out the National Guard for water. That is all in the training our Fire Department has gone through. We took all of our officers and have had all the NIMS and Blue Card certification. They have incident command of multiple incidents. That was 120 hours in school. The Blue Card shows they can handle a large scale disaster.”

DuCharme, “This is the concept, we do have an idea what to look for. One other thing about emergency operations center, out at Coon Lake Beach, if we would have had large-scale power outages, we could have two command centers going at one time. Somebody has to run and make sure the emergency operation center is open. I have a formal agreement with the retired fire fighters. If I called one retired fire fighter, they will call the rest and open the center. If I am not there, I put in charge the Fire Marshall/Inspector. This person goes through all the buildings once a year, and knows the buildings. The third choice would be the Deputy Fire Chief. If we know officers are going to be out of town, we raise our level of alertness.”

DuCharme, “Also the communications and warnings are what we need to talk about. Fire Station number 1 is there for communications. We have a communication center there. That is where we get our CADD dispatch. We have a fax machine there that is analog. If dispatch gets overwhelmed with calls, they will declare a major event. They will fax those to us. We will do self-dispatch, like a kind of triage. We will send our units to the most important. If Station 1 is knocked out, we go to 2, and if that is knocked out we go to 3. If that is knocked out we go to a mobile unit. The County has a mobile unit, and so do some of our neighboring cities.”

DuCharme, “The Deputy Fire Chief is the one that will handle the event. The Fire Duty Officer is next in line and the Highest Ranking Fire Officer is the backup. Although it seems like we are deploying all the fire department people for administrative functions, once we assess the situation, we call in mutual aid fire departments. We would call in Anoka County Emergency Management, Anoka County Sheriff’s Department and other mutual aid.. The County brings a great amount of resources.”

DeRoche, “Is there any means to work with Ham operators?”

DuCharme, “Your Ham units, if you don’t have any phones, cell phones they can still communicate. They are a great resource. I just don’t have a list of those people. That is a list of people we are going to need. If something happened tomorrow Deputy Chief Anderson is going to have make sure the radios and communications gear are working. If they aren’t working, we would have to talk to the Ham groups. They would be able to get us running quick.”

DuCharme, “We have taken care of everything down from the Mayor to the functional

items. Keep in mind that Nate and Public Works are available. We will just direct them to the areas that need immediate cleanup. They will go and do it. If Nate doesn't feel they have the resources to do it, he will make a call to ask for help. Keep in mind, the control is above that line and rests with the Mayor and Council."

DuCharme, "I want to apologize to the Community Development Director that I have put them as the City Planner in the Plan. We need to make sure we get clear, concise information out to the public. We have to make sure it is what we get out to the Council and law enforcement. The Community Development Director would be a good person to do this work. It is not that the Community Development Director would be releasing press releases whenever they want. They would be doing it at the direction of the Emergency Operation team. Any information that is going out there is approved by the Council and Mayor. If the Community Development Director isn't there, then it would be the City Administrator and the backup would be the Fire District Chief."

DuCharme, "Damage assessment is a big one. If we have a moderate tornado, Nick and his crew will probably help out with assessment. The City Engineer and Nate's team will be able to help with this. They will get the intelligence from the field. The Building Official would be the person to assess building damage. Most of this would be done in relatively short order to complete the initial assessment. We will want to know how much damage we have and then get more specific on what the damage is."

DuCharme, "Law enforcement, is the Sheriff's department. They have the County's plan, their own plan and they fit into ours. On a large scale, we would have a liaison right with us at the emergency operations center. The sheriff would assign the three deep people depending on staffing. They are a big player with us."

DuCharme, "Fire and rescue, there is still emergency functions that have to go on. Between fire, law enforcement and public works that is going on from the beginning of a disaster."

DuCharme, "Emergency resources supply.... This is the person that has to keep the records. It is quite chaotic when these things start out. It is not uncommon during the first twelve, eighteen or twenty four hours until we have control of the situation. If we have to go out and spend some money, or bring in volunteers, we need to have clear and concise records to qualify for FEMA reimbursement. This is three deep this function is the longest lasting function of an emergency plan. There are disasters from five or six years ago that are still going on in terms of sorting through the reimbursement."

DeRoche, "Does the Finance Director or Community Development Director know what they are to do?"

DuCharme, "They will be going through training, and also NIMS training. There are resources that are going to help them and step in and show them how to do the reports. There will be outside resources that will help us through it. We have to identify who is responsible for the function."

DeRoche, "I think our Finance person can do it."

Davis, "He has already had some of that training through Centerville."

DuCharme, "We have all these functions and they work together. The Council and Mayor are at the top."

DuCharme, "If the Public Works Director isn't on scene should be the City Engineer be in charge of this part of the plan."

DeRoche, "I think the City Engineer."

DuCharme, "The lead people are really trained in operating the equipment."

Moegerle, "It seems the Public Works Director has a couple of hats they are wearing."

DuCharme, "I am not trying to spread us thin, sometimes we will have to do that."

Moegerle, "I think if we looked at it a different way, if we didn't look at it individually, it might be separated. We should look at all the duties. The City Engineer might be over qualified for this position. It might be something you might want to call at the time, depending on the disaster."

Moegerle, "You have to make a decision. I know the value of having it set in stone."

DuCharme, "It isn't going to be against the law to deviate from the plan."

Moegerle, "Where does the City Engineer live? Where does Nate live?"

DuCharme, "If something happens here, it might also be affecting their home area. We have to also be aware their thoughts might be with their families and properties

Moegerle, "For folks that are coming, how do they get past security. Do they have a pass card that says who they are?"

DuCharme, "Everyone has an ID card, this year Anoka County is going to issue ID's."

DeRoche, "There was one case where one of the Mayors got turned down and couldn't get in."

DuCharme, "The new cards will have the pictures printed right on it."

Moegerle, "Who else has this document?"

DuCharme, "When we have the final edits, we will have personal information in there. That part is not public. It will be kept at the vaults in City Hall and the Fire Station 1 vault."

Moegerle, "Will Anoka County and Ham Lake have it?"

DuCharme, "I have a copy of Ham Lake's and it doesn't have the personal information in it."

DuCharme, "Evacuation, if there is a decision made to evacuate, mandatory, or non-mandatory, who will start that process. The Sheriff will use the manpower. The Deputy

Chief will make that decision. The Fire District Chief will replace him in his absence.”

DeRoche, “So will they make the determination if they are going to evacuate?”

DuCharme, “No, the Mayor and Council will. What will happen, if there is an emergency, if we need to move people right now we do that. If someone has a major gas leak, we will do that. If it is large evacuation, you will be consulted right away about it. If we see a vapor cloud, moving around, by 5:00 p.m. it will be right here, and it is 3:00 p.m. The Council will have to make the decision. We may activate emergency operations center, but not fully. Much like when I talked to you about the possible blizzard coming in.”

DuCharme, “In an in place shelter situation, most people won’t evacuate, they will stay in home. If they are going to do that, we have to get the word out, we have to be sure we know who is staying in what houses much like in the forest fires out west. They will want to know how many people are there in the case the house is destroyed. In place shelter is important and the Fire Marshall/Inspector would be the responsible party. If they are not able to be there, it would be the Deputy City Clerk. In this area when it was bitter, bitter cold, we would have elderly people staying there with no power or heat.”

DuCharme, “Reception care would be handled by the Deputy City Clerk and their backup would be the Receptionist. In the event that neither is available, it would be the Fire Lieutenant. Their duties would be contacting the Red Cross. ”

DuCharme, “Anoka County Health Department would help with a biological agent/virus. They wouldn’t take care of emergency medical services.”

DuCharme, “Emergency medical services is a responsibility of Fire Department, mutual aid partners and Allina.”

DuCharme, “Terrorism, if it is suspected, would be the responsibility of the Sheriff’s Department as the local lead agent. They would bring in the other resources such as FBI or BCA.”

DuCharme, “That is all the functional things in the plan. When you put those all together it is the same flow chart. You’re not going to do the functional stuff, you will direct policy to us. What are your comments?”

DeRoche, “I think it looks good to me and should have been done a year ago.”

Moegerle, “If a disaster happens tomorrow, are we ready?”

DuCharme, “Yes we are prepared.”

Moegerle, “Does Anoka County have this plan?”

DuCharme, “We will be trading plans with Anoka County. Your staff is capable.”

Moegerle, “We could walk through what we have.”

DuCharme, “The biggest thing is understanding the succession. If the bird flu would have hit like we thought it would, half of us wouldn’t be here. We are fully ready for a

emergency response.”

DeRoche, “We need to focus on an emergency generator.”

Ronning, “Is there a flow chart that we can follow?”

DuCharme, “If an emergency or disaster situation occurs, we would activate the emergency operations center. If you can’t get there, we would come in. Fire isn’t going to wait for you to convene. Should our field commanders say we need more resources? We would go ahead and do that. We might have people saying it might go on for a while. We might need food, portable toilets. You will get a briefing, the briefing will tell you what happened, what the situation is, where we are now, and where we will be in 8-12 hours.”

DeRoche, “I would expect there wouldn’t be any micromanaging. It would be nice to know what it is going on.”

DuCharme, “It might take two – three hours to get an emergency operations center up and running.”

Ronning, “The functions will all be in place, and this group comes together.”

DuCharme, “You will come together and make sure we are on the right track.”

Ronning, “How much time did you spend on this?”

Davis, “What do you want to see to go forward to get approved?”

DeRoche, “Grammatical errors, names changed, etc. I don’t want to see names in stone. I would like to see the City Engineer involved.”

Davis, “Craig Jochum and myself did the NIMS training. Nate, Nick and Mike have had it at their previous employment. From staff point, we have been through the training. We did go through a simulated emergency drill. From a staff stand point, we need to have council and staff go through this annually.”

DeRoche, “Are there refreshers? You know if there isn’t something going on, things can go be forgotten and when it comes time for something to happen your skills are not at their peak.”

DuCharme, “We will review the plan on an annual basis and that will be the continuing education.”

Ronning, “People on the list could be part of the casualty list.”

DuCharme, “They could be.”

Davis, “Flexibility is imperative.”

DuCharme, “I will start the edit process. Please email him the changes.”

Moegerle, “Can you forward it to me in Word?”

DuCharme, “Yes, I can. Does anyone else want it in Word?”

DeRoche, “No, I am fine with it in PDF.”

Adjourn

DeRoche made a motion to adjourn at 7:15 p.m. Koller seconded; all in favor, motion carries unanimously.

Submitted by:

Jill Anderson
Recording Secretary

DRAFT

EAST BETHEL CITY COUNCIL MEETING

March 19, 2014

The East Bethel City Council met on March 19, 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
 Andy Pratt, City Attorney
 Craig Jochum, City Engineer

Call to Order The March 19, 2014 City Council meeting was called to order by Mayor DeRoche at 7:35 PM.

Adopt Agenda **Koller made a motion to adopt the March 19, 2014 City Council agenda including the supplement bill list as item G. on the Consent Agenda**

DeRoche seconded; all in favor, motion carries.

Special The SRWMO's draft 2015 budget is attached for your review. Any requests to modify the budget
Presentation – must be presented to the SRWMO prior to their May 1, 2014 meeting. After that date, and absent
Leon Mager – any comments or direction from East Bethel, our portion of the budget can be considered approved
SRWMO 2015 at the level indicated for 2015.
Budget

The proposed 2015 SRWMO Budget is \$47,010 as compared to the 2014 budget of \$48,464, a proposed reduction of \$1,454. The City's share of this budget for 2014 is \$15,571 and is proposed to be \$15,003.80 in 2015, a reduction of \$567.20.

There is a proposed change to the 2015 draft budget under consideration that is not reflected in the attached 2015 Budget Summary. Unapproved, but proposed at this point in time, the SRWMO at their February 6, 2014 meeting discussed reductions for the Lakeshore Landscaping Marketing and Aquatic Plant Education. The proposed changes (final approval of these changes would be made at the 5/1 SRWMO meeting) would result in reducing the 2015 budget from \$47,010 to \$45,000, depending on the option chosen. This change would result in a reduction of 7% from the current 2014 budget and reduce our share by a proportionate amount.

Mr. Leon Mager was present and provided a budget overview and a summary of the SRWMO activities.

Staff is seeking comment from City Council regarding the SRWMO Draft Budget.

Mager, "I am going to spend the first ten minutes talking about Coon lake and the last ten minutes talking about the budget. I do have some slides here. There is a state standard for mercury content and there is one that has to do with pollution with phosphorus. This is a picture of Typo lake. We have three lakes that are impaired. Coon Lake is not impaired and is in very good shape. 1 lb of phosphorus = 500lbs of algae. In 2014, we will be putting \$73,000 into Coon Lake for storm water control. \$43,000 is a grant we received from the government. We applied for this grant in prior years. We didn't have matching funds then. We have procured that money. There will be twelve rain gardens, four swales, one basin outlet modification, one eroding stormwater discharging pond. We have identified eighteen sources and their watersheds. We have went through the watersheds and looked at the surface. We determined on an average year the pollutants, and also looked at storm water controls and what is the best way to reduce it. We can do the engineering of this. We use rain gardens are. We looked at the solutions to find the most cost effective to the least effective.

Why we are targeting four to seven, versus the whole eighteen? Rain gardens to requirement for maintenance. We need a written agreement from the people who have the rain gardens who will do the maintenance. If we get the four to seven, we will eliminate 4 lbs of phosphorus, which would be 2,000lbs of algae.”

“There are misconceptions of rain gardens.

- They do not affect the lake level. These are not holding ponds, they are not mosquito havens. This is the initial portion of the rainfall. This is the first part of the rainfalls. The rain garden gets returned to the lake through the shallow water tabled.
- If all the 18 solutions would reduce the lake level by 200ths of one inch.

A typical rain garden diverts the water down the road and then directs the water to the lake. The shrubbery is usually dry within a couple hours. Usually the curb cut requires maintenance. There is a filter that needs to be scooped out and washed off. The size of them depends on the physical characteristics of the area.”

“A Rain garden site at the Coon Lake Beach Community Center would be a candidate. This is the run off from the asphalt, shingles, and playground. It would be diverted to a rain garden. I wanted to touch on that so you would understand what we are doing.”

DeRoche, “Being as close to the road as we are, with the plows and the chemicals, how will that affect the rain gardens?”

Mager, “When the numbers came in, the numbers were very low. Except for the northwest end. Along the channel, the majority doesn’t get into Coon Lake. There is a break and all that water goes out into wetland. The numbers were really low. There is still a couple worth going after. It is worth going after the clubhouse there. There is some by the northwest end. The numbers were very low.”

DeRoche, “When the roads at the Beach were redone, did it help funnel and divert the water?”

Mager, “You have nice high crowns on the road, you get the water off the road and getting it strained through the ditches. We can put some swales around the corners. Having the nice big crowns is a good deal.”

Ronning, “Does everyone know what swales are?”

Mager, “It is like a catch basin. The budget, in addition to what we are putting into Coon Lake. 1/3 of our budget is for Coon Lake, it is \$15,000. The next biggest item is the discretionary funds of \$8,000. When we did the 10-year plan, we have problems seeing a project for 10 years in advance. We planned that is the money we will have for ten years. We labeled that fund discretionary fund. We did a storm water study on Martin Lake. It is an impaired lake. We have eleven candidates in there. Some of the money could go back to Martin Lake. About a year ago or so, Linwood Lake exceeded the State water act. Now we have Typo, Martin and Linwood on the impaired waters. When that happens there is a study. Then there is a TMDL study done. It looks at phosphorus. It puts the phosphorus in bib buckets. Once they are done, they will ask what we will do with it. That is part of the \$8,000. We need to do something at ditch 20, the headwaters. Administrative costs are about 1/10th of our budget. We have no staff, cars or office. The biggest part of our budget is insurance. The remaining part of the budget, deals with the monitoring. It has to do with the healthiness of the lakes. It has to do with the lake monitoring. As you go through the list. Coon lake is on the list. We do not do every lake every year. We have a lot more leverage on dollars spent on the impaired lakes. The grant monies are just shy of a half a million dollars. The majority of that will go to impaired lakes. That is pretty impressive with an annual budget a 1/10th of that. The last item I want to talk about, on page three of your packet, on February 6th, the Sunrise people could take off of marketing and education. They did not pass that. If you look on your page six you

will see options. The number one I am asking you to pass the budget as it, and let the board figure out what they want to go with. The budget you see in front of you is the budget.”

Davis, “Can I present one thing? The proposed budget is \$47,010, as compared with \$48,000. The cities share is \$15,003 in 2015 and a reduction of over \$500. As presented the budget would be \$47,010 that is for all four participants. “

Ronning, “You have a lot of credibility, do you get a lot of feedback?”

Mager, “I don’t attend a lot of those meetings, like MIDS. We usually do pretty well on those things that come up. WATCH what we are doing fine on. We have primary input.”

Ronning, “Are they contributing to the improvement, they aren’t harming what you have done?”

Mager, “No not at all.”

DeRoche, “Where would the carp barriers be installed?”

Mager, “The problems on Martin Lake. They think phosphorus stirred up by the carp. The carp winter up in Martin Lake and then go to Typo. It is a big carp factory. They stir up the bottom and sediments. It puts off phosphorus. What they are doing is putting a carp barrier at Typo, so they don’t get into data creek. Same into Martin Lake. They are going to put a carp barrier from Linwood and Typo. They are trying to kill off the nursery.”

DeRoche, “What are the state regulations for commercial operators doing yard work. How are they regulated as to the chemicals they are using?”

Mager, “They would have to abide by the rules the residents have to use.”

Ronning, “Phosphorus limitations have been a state law since 1982.”

DeRoche motioned to approve the City of East Bethel SRWMO budget allocation for 2015. Koller seconded; all in favor motion carries unanimously.

Sheriff’s Report

Commander Shelly Orlando will present the February 2014 Sheriff’s Report.

DWI’s: There was 1 DWI in February. A deputy located a vehicle in the ditch with a male standing outside of it. The male advised he had lost control of his vehicle and went into the ditch, he then had locked himself out of the vehicle. The male failed field sobriety tests and tested with a .19 bac.

Thefts: There were 15 reported thefts. Three thefts involved financial transaction cards being fraudulently used – one suspect involved a family member the other two had unknown suspects. Two thefts involved license plates being stolen. One theft involved prescription medications being delivered to the wrong address. There was one vehicle theft reported and a trailer theft reported (not related). There was a report of identity theft where a victim had learned her tax return had been filed in Dallas Texas. There was one theft for shoplifting and two gas drive offs (one of which was resolved).

Burglaries: There were 3 reports of burglary/attempted burglary. The first report involved a business which was closed for the winter. The business had been broken into and had several thousand dollars worth of merchandise taken. The business owner winters in Florida and came back to conduct an inventory of all missing items. This case is currently under investigation.

There was a report of a home that is not occupied being broken into and a washing machine and drill being taken. Entry into the home was made through a basement window. The last report involved a cabin that is under construction. The front door was damaged as a result of someone attempting

to kick it in. No entry was made but a power line had been cut.

Criminal Vehicular Operation: Deputies responded to a personal injury accident at Hwy 65 and Viking Blvd. Upon arriving it was determined that a suspected intoxicated driver had rear-ended a driver stopped at a red light. The driver failed field sobriety tests and a search warrant was obtained for a blood draw. The other driver had sustained pain in her back and was transported for medical care. Test results showed a bac of .24.

Disorderly Conduct: Deputy responded to a road rage incident where a suspect had broken out a window on a vehicle while stopped at a red light. The victim advised the driving conduct began around 221st Ave on Hwy 65. An independent witness had witnessed the driving conduct and then the smashing of the window and was able to supply a license plate number on the suspect vehicle. The witness reported both vehicles were passing one another on Hwy 65 from Viking Blvd, heading north. At the intersection of 237th, one male got out of his vehicle, walked over to the other vehicle and hit the window (which shattered). The driver then left heading north on 65, while the victim and witness stopped to report the action. The deputy was able to follow up with suspect driver who advised the other driver was irritating him by going 45 mph in the passing lane and then slamming on his brakes. He advised he did go over and hit the window, not thinking that it would actually break, but to voice his frustration. The suspect was cited for disorderly conduct and damage to property.

Ronning, "What is the highest BAC that you remember?"

Orlando, "There are some chronic that are at a .30? We typically only see people upper 2s."

Ronning, "They should be in a coma."

Orlando, "Yes. we have seen a decline in that."

Public Forum No one signed to speak at the Public Forum.

Consent Agenda Item A Bills/Claims

Utility Infrastructure Loan Program Extension 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 Meeting Meeting minutes from the March 5, 2014 City Council Meeting are attached for your review and approval.

Item D Approve Date for Finance Committee Meeting Staff is recommending that the Finance Committee meet at 9 AM on April 1, 2014 at City Hall to discuss and provide Staff direction for the preparation of the 2015 Budget.

Item E Approve Completion of Probation for Administration Support I – Community Development Carrie Frost began her new position as Administration Support I – Community Development within the City on 10/23/13. 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. This

recommendation is based on the observations and evaluations of the Community Development Director and the City Administrator.

Item F

Approve Pay Estimate #5, Castle Towers/Whispering Aspen Force Main Project

This item includes Pay Estimate No. 5 to LaTour Construction, Inc. for the Castle Towers/Whispering Aspen 2013 Force Main Project. This pay estimate includes payment for the lift station generator and miscellaneous items. Staff recommends partial payment of \$26,295.61. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 1,622,982.30
Less Previous Payments	\$ 1,515,537.57
Less Retainage	\$ <u>81,149.12</u>
Total payment	\$ 26,295.61

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate No. 5 is attached.

Item G

Supplemental Bill List

DeRoche, "Want to pull B and C, the minutes."

Koller, "Want to pull A."

DeRoche motioned to approve D, E, F and G. Koller seconded; all in favor, motion carries unanimously.

Koller, "Reading through the arena items. I see there are motor fuels for Gibson."

Davis, "There is an explanation for the Ferel gas bill for \$38.00. It is listed as motor fuels because it is for motor equipment."

Koller, "It is paid to Gibson. Because above it is says pay to Ferel. We are paying them too much to begin with."

Davis, "There is a description on the bill."

DeRoche, "This is a lot more than \$38.00."

A Resident asked the City Administrator, "Say Jack did we just go over the public forum. I would like to speak."

Davis, "You'll have to ask the mayor."

Davis (in responding to Mr. Koller's question, "I think that is a coding issue. We can pull the \$38 bill and approve the rest of it."

Koller motioned to approve A, with pulling the Gibson Management bill for \$38.00. Moegerle seconded; all in favor, motion carries unanimously.

Ronning, "If we link all the items and one fails, they all would fail."

DeRoche motioned to table the meeting minutes for the March 5th work and regular City Council meeting. Ronning seconded; Deroche, Harrington, Koller and Ronning-Aye; Moegerle-Nay, motion carries.

Greg Bayard of 230061 Hwy 65 off of 229th was recognized to speak.

DeRoche, "Are you hear to address the same topic that you have brought up at previous meetings.

Bayard, "I'm here to clarify a question on the City tax increase. I had a phone conversation with Mike and asked if the increase was 16% plus the 3% for the St. Francis school. I was told that the increase would tend to flat line out for next year and may be in the range of 0-4% for next year."

DeRoche, "It was 15.2% of the levy. We can defer you to Jack. There will be a finance meeting on April 1. The goal is to keep the budget flat lined."

Bayard, "My real estate agent told me my real estate taxes went up \$400+ per month. I want to clarify to find out if that is right or wrong."

Davis, "The levy increase is 15.2%."

Resident, "So it was a total of 18% for each home owner?"

DeRoche, "The 15% increase is on the levy. In my conversations with Ken Tolzmann the new valuations have been readjusted upward. \$400 a year is a lot for the difference in the tax bill."

Bayard, "I got that from my real estate agent. I asked Colleen if she could look it up."

DeRoche, "I did some research on League of Minnesota Cities this morning. There is information about fiscal disparities. There are all these formulas. I encourage people to look at the city, county and school. Forest Lake is looking at another bond. Read the article on financial status of East Bethel. I would encourage anyone to read the article. We are doing pretty well. It will give people a better idea of what really goes on. I don't think anyone is up here to stick anyone. If you are looking at going to another City, look at how their bonds and replacement funds are set up. They operate on strictly on their general levy. They will have to go after the taxpayers somehow for future capital expenditures. Make sure you are comparing apples to apples here.

Moegerle, "I have a document, the debt service schedule and it shows what we owe on debt for this year is \$723,000, and we will owe over \$1 million in 2015. That is why we are looking at refunding the bond next year. That will help moderate the debt service and that will be after an election."

Bayard, "I read an article on this, and wanted to know if some of the current board members pushed it (the sewer project) through."

DeRoche, "I voted against it."

Moegerle, "I voted for it. We were told the cost to stop it would cost us more. It would cost more than \$5 million to return it. We would have to levy between \$5 million to \$9 million. That would have been a huge tax increase. Imagine ten times what we currently levied. We were faced with a dilemma. We saved over \$4 million on the water treatment plant. That was the hardest vote I had to make. I didn't know what would truly come from that. I know that everyone of us, we were opposed to this and how could we find the best solution. It was a compromise."

Bayard, "What has gone on to fix this debt, our problem, since a few meetings back?"

DeRoche, "We have refinanced bonds, we got rid of the Federal tax credit that had been reduced to us. I am not going to sit back and go back and forth on the \$5 - \$9 million savings. There was going to be \$2 million in federal rebates. We voted to redo two bonds. That was in the paper. Without going through the whole meeting, I would encourage you to read the article. The finance guy talked at the last meeting. How did we finish last meeting?"

Davis, "We refinanced two bonds. We looked for help from the State. We also looked at future bonding bills. We also looked at a debt management plan."

Resident, "How can all the residents make up a bill and have you guys vote on it for a cap on the City property taxes, so it is not over 3% over the year?"

Davis, "We currently have that, it is levy limits imposed by the State, and outstanding debt is not included."

DeRoche, "Total assessed property value went up 9.8% increase over last year. It is 4% more than what the County assessed from last year. There is nothing we can do about that."

Ronning, "We are watching expenses close. We saved \$700,000 last meeting by cancelling a service road project."

Bayard, "I hope you are not cutting things the residents want."

DeRoche, "I am not going to gut the City. It took certain people to get the City to where it is at."

Resident, "Every time I come here it is like I am negative. This is a big flop. It is making the City big like Blaine. I apologize for the negativity. I was lied to by the old Council members. All the Met Council people were there. This wasn't going to happen until 2050. Can you please call out the street department to plow out 229th? You have your lot plowed."

Davis, "The frontage road is not a City street. That is a MnDOT service road."

Resident, "Congrats on your new position Mr. Mayor."

New Business

9.0A1 Traffic and Motor Vehicles Ordinance, Section 70

On October 2, 2013 Becky Knisley, 23250 Sunset Road, requested City Council to consider amending Traffic and Motor Vehicles Ordinance, Section 70 to address noise and hours of operation of dirt bikes. The City has received previous complaints from residents in other areas regarding this same issue. This Ordinance was discussed at an Ordinance Committee meeting on October 28, 2013, but no consensus was reached at that meeting. Staff has looked at this Ordinance and is recommending the following changes:

70-110 Definitions

- Changed Motorized dirt bike to Off Highway Motorcycle (OHM) – this makes the language consistent with the Off Highway Vehicle regulations of the Minnesota DNR.
- Added a definition for race track

70-111

- Proposal to change lot line setback from 50 ft. to 100 ft. and dwelling units from 100 ft. to 200 ft.
- Added language for non residents
- Added No at the beginning of sentence
- Left two (2) hours of operation unchanged, and changed language from one (1) hour to two (2) hours of no operation
- Added language regarding race tracks

Other considerations:

- Council could look at adding language for an Interim Use permit (IUP) for race tracks

- Council could prohibit circular race courses in certain residential zones
- Council could prohibit exhaust modifications to dirt bikes operated in the City

Recommendation(s):

Staff recommends Council consider the changes provided in discussions in the March 19, 2014 Work Meeting for decision, and if approved, directions to publish.

City Council considers holding a public hearing on this matter.

Koller motioned to have a public hearing on this matter and provide adequate information about the meeting before hand. DeRoche seconded.

Davis, "Any dates in mind. The next Council meeting is April 2nd. You could do it as part of that."

DeRoche, "We will need to get it noticed for some time."

Davis, "On the 16th we also have the Local Board on that evening. On the 24th there is the town hall meeting."

DeRoche, "What is everyone else's schedule?"

Moegerle, "We have the LBA meeting, what about the 16th. Do we expect a crowd?"

Davis, "It is a possibility."

DeRoche, "I would prefer to have it be its own meeting so our focus will be on this issue. How about the 23rd?"

Koller, "Ok"

Harrington, "Yes"

Ronning, "Works for me."

Davis, "7:00 p.m."

All in favor, motion carries unanimously.

9.0A2
Manufactured
Home
Ordinance,
Chapter 34
Floods, Article
VII; Section
38-20; and
Under
Appendix A
Zoning
Ordinance

City Council received a request from Nancy Krueger, owner of property at 18467 Lakeview Point Dr. to consider amending the Ordinance regulating recreational camping vehicles. The Ordinance Committee discussed this matter at a meeting on October 28. This property is zoned R-1 and has a property tax classification of seasonal recreational residential. The property is 0.2 acres. Ms. Krueger is requesting the Ordinance be amended to allow the placement of her recreational camping trailer on this site.

We have references to Travel Trailer and Recreational Vehicles in several places in our code. Any modifications in one section of the code should carry forth into other relevant sections of the code. The recommended changes address these matters.

Article 34 – Floods, the placement of Travel Trailers is addressed, however, that is only in those areas that are on the general flood map. This should be changed so that it applies and be included in Article II, Chapter 38-20 as additional items. The proposed language in Article 34 and Chapter 38-20 should be the same. We should also include the same language in Appendix A, Zoning under General Development Regulations. This will keep the information consistent from one section of

the code to another. The Changes in Article 34 is recommended as follows:

Article 34, (3) a. 3 – Additions to the Ordinance as provided by the City Attorney

Article 34, (3) b. 1 – Additions proposed by City Attorney with the Staff addition of Property Tax Classification status of Seasonal Recreational, vacant and improved, as an additional condition for exemption.

The definition of Recreational Vehicle/Travel Trailer is recommended to be included in Definitions section of Zoning Code Appendix A, Article 34 and Chapter 38.

Attached are maps that locate all the properties in the City that have a tax classification of Seasonal Recreational. Even though there are sanitation requirements in the proposed amendment to this Ordinance, allowance of placement of recreational camping vehicles on these properties could create consequences that have a greater impact than simply addressing the situation of an individual property owner.

Recommendation(s):

Staff recommends Council consider the changes, and if approved, direction to publish.

Davis, “Nothing was determined at the work meeting, so it is open for discussion as a regular agenda item”.

Koller, “We were talking about if you allow the RVs in there, they could devalue property. But if you don’t allow them they will be parked there illegally.”

DeRoche, “There have been a couple people who have RVs on their properties and they live in them.”

Moegerle, “If they own their property why can’t they leave their property on their real estate? Won’t this create more issues with them pulling them out? If they meet the three requirements – vacant, border the lake and recreational land, isn’t this a limited amount of property.”

Davis, “The parcels in question are shown in the attached map. Some are listed as improved but improved could mean only a storage shed. Ms. Krueger’s property is listed as improved but includes only an outhouse and a garage. If it would be of any value, we could go and check each one of those to see what further impact.”

Moegerle, “That would make sense for enforcement.”

Davis, “There may be only two of them.”

DeRoche, “I expressed a concern before, and will do it again. When an individual comes in, we do a zoning text amendment and it sets a bad precedent. I have concerns about sewer and septage. I also have a concern and complaining about people with stuff in their yard. We let all these trailers in and they don’t have place to put their stuff. The next thing is to let them put up a metal shed and then we have a mess.”

Moegerle, “With words you can limit what has to be done. It has to be a travel trailer owned by the property owner, self-contained. You can require then to pump the septage. Lachinski and whoever pumps can hook up to the trailer. There is a septage dump by the Shell in Wyoming. There is no way, that 100% guarantee would be created that would not care about septage and put stuff in the lake. If we are responsible and circumscribe the ordinance and put in the protections. You cannot eliminate a risk on anything.”

DeRoche, “So someone comes in here, and talks to Colleen about a problem and Colleen tells them to come to City Council and Council will suit their needs.”

Moegerle, "I think that is insulting to Colleen. This is more than everyone coming to Colleen."

DeRoche, "Colleen was that the impression you got? Don't even go there Heidi."

Moegerle, "You just implied she would send it to us. Sometimes it requires an ordinance change. Sometimes we send Colleen, Jack or building inspector out there. I don't like spot zoning or text amendments. I think it needs to be broad latitude. This is the rare case where something needs to be done to help the property owners."

Winter, "I have never talked to this woman. You asked staff to draft something."

DeRoche," and she was told by a Council person to come talk to that Council person the next day."

Moegerle, "I have never talked to this gal."

DeRoche, "For the record, no one insinuated that Colleen changes ordinance. It was a hypothetical. When Colleen gets something and they insist on something. Can we make a decision, sure? I have seen it time and time again, and an individual triggers an ordinance change. The fact of the matter is, I think this is a bad idea. Everyone has a chance to vote on it. We have other things that we have to worry about. To add another thing, maybe this woman will be very responsible but there may be ten down the road that aren't."

Ronning, "The last concern I heard was the septic Since 1959 as a City, there have been 10's of thousands of opportunities to make those messes. I am sure they did and I don't think there is a problem. It's a valid concern"

Moegerle, "What happens if there is no use for this property? We don't allow people to leave their recreational vehicles on the property. Is that a burden on that land that makes it difficult to sell?"

Pratt, "Sometimes it can lead to a claim from inverse condemnation. Basically just regulations that negate good use of the property. No business or residential use. This is a complicated situation. You restrict travel trailers on the property. As of currently right now, I don't think someone could make that claim."

Moegerle, "I am in favor of making this property usable."

DeRoche, "She redid her outhouse. Why not, if all that was there was an outhouse and she moves in and puts her trailer there. She completely redid her outhouse. She had Connexus Energy put up a pole. It was a lot she put up a long time ago. We can tell anyone else they can take something down and put it back up. There is always ramifications and something down the road and you have to think about the future."

Moegerle, "The problematic sentence is the single family resident, sewer and water and cannot be used for more than three weeks in a two month period. If a person parks something it is for temporary habitation, vacation. It isn't there for storage purposes. It's for habitation."

DeRoche, "What is our ordinance on property that doesn't have a primary structure?"

Davis, "That would be covered under manufactured homes. There are two issues – the storage issues and the habitation issue. The well and septic was interjected to cover the habitation. The manufactured home has to be in a manufactured home park."

Moegerle, "The definition says it is more than 320 square feet. If it is less than 320 square feet she falls between the cracks. How big is this travel trailer?"

Koller, "It is not that big."

DeRoche, "The State changed the variance, it is now five steps. Economics can't be part of it. Because someone bought a piece of property and put in electric service then say I am going to put my trailer here."

Moegerle, "In 38-19, it is a recreational travel trailer."

DeRoche, "What is a home and what is not? That is an actual RV park."

Davis, "Another part of the ordinance is floods. The structure has to be elevated above one hundred year flood and also has to have anchor and flood strapping."

Moegerle, "The flood ordinance is the bigger problem."

DeRoche, "So are we going to change our flood ordinance?"

Winter, "We need to add a section that talks about recreational vehicles. Then we need to determine if a certain size if they can be allowed on seasonal vacation properties. You will have to determine if you want them on certain lots. The other issue you have is the septic. What qualifies for the septic system? Is it self-contained? Those are the points discussed. We as staff could draft something to present at one of your next meetings."

Moegerle, "I would like that."

Ronning, "That sounds like a use permit and could be used as leverage."

Winter, "You could do that."

Moegerle, "Does it have a current license for highway use?"

Winter, "I don't know."

Moegerle, "I don't understand why she can't be here."

Davis, "There are two other areas of code have to be coordinated."

Moegerle, "There are more ordinances and sections that apply than are in front of us."

Winter, "This particular issue is in the shoreland area."

DeRoche, "Isn't that regulated by the State, Section 158 was East Bethel's code, 10 or 12 years ago."

Winter, "What they put in place was the general standards. We can add in additional standards. The state is discussing making changes in it. We can add this under the shoreland management part of the ordinance. Do you want to be able to allow people to park their travel trailers?"

DeRoche, "If this is passed then you can't single anyone out."

Pratt, "If you make regulations based on classification and they are reasonable. You can back that up."

Moegerle motioned that in two weeks we revisit this topic with a proposal from the Community Development Director. Koller seconded; all in favor, motion passes unanimously.

9.0E1 2014
JPA Bid
Results and
Final
Quantities

The following projects were recommended to bid as part of the 2014 JPA Street Maintenance program by City Council approval on January 22, 2014. These projects have been identified in the 2014-2018 Street Capital Improvement Plan (CIP) and include:

1. Seal coat 65,000 sq yds of City streets including Washington St and 7th St, Monroe St and 238th Ln, 235th Ave, 231st Ln, Buchanan St, Taylor St, 229th Ln, Goodhue St, and Davenport St
2. Crack-seal 100,000 LF as part of the annual street maintenance program. Crack sealing will be performed prior to any seal coating applications.
3. 150,000 LF of striping to be determined.

Bidding these items does not obligate the City to accept the bid. The bid for individual items can be rejected or amended as to quantities to accommodate the project budget should bid costs exceed the estimates.

The estimated budget for seal coating, crack sealing and striping the above listed streets was \$299,000. These projects will be funded from the Street Capital Fund as identified in the 2014-2018 Capital Improvement Plan and the 2014 Street Maintenance Budget.

The bid costs for our portion of the JPA project were as follows:

Trap rock, 65,000 SY @ \$0.81/SY	\$52,650.00
CRS-2 Oil, 18,200 Gals @ \$2.12/Gal	\$38,584.00
Crack Sealing, 100,000' @ \$0.66/LF	\$66,000.00
Striping, 150,000' @ \$0.058/LF	\$ 8,671.88
Contingency (5%)	\$ 8,295.25
Inspection Services	\$ 2,000.00
Administrative Cost (1.5%)	<u>\$ 2,613.00</u>
Total Project Cost	\$178,814.13

As additional item, Staff recommends the contracting of inspection services for the seal coat portion of the contract. The estimated cost of this service is \$3,000.

The total project cost is \$120,185.87 less than the project estimate. This amount will remain in the Street Capital Fund and be available for other street improvement purposes.

Staff and the Road Commission have reviewed the bids and recommend acceptance of the 2014 JPA Street Maintenance Agreement bids in the amount of \$178,814.13 and authorization to submit a letter of concurrence to the City of Coon Rapids indicating our participation in this project.

DeRoche motioned accept the 2014 JPA Street Maintenance Agreement bids in the amount of \$178,814.13 and authorize submittal of a letter of concurrence to the City of Coon Rapids indicating our participation in this project. Harrington seconded.

Ronning, "Is there any warranty?"

Davis, "That is why we want to hire the inspector. We would hire the independent inspector if there is a problem within a year, they would have to come back and fix the problem."

All in favor, motion carries unanimously.

9.0E2 Lions
Club Recycling
Fees

The Cedar/East Bethel Lions have provided the personnel to operate the City Recycle Center at 2761 Viking Boulevard for the past 10 years. In exchange for their services the City has paid the Lions Club \$1,000 per month for their assistance. There has been no change in the fee during the term of this agreement.

The basic services provided by the Lions Club at the Center include:

- Sorting , crushing and storing cardboard bales
- Sorting and separating tin and aluminum
- Crushing and loading glass
- Collecting and storing those items left after hours
- Cleaning and maintaining the exterior and interior of the facility
- Monitoring the used oil collection site

It is estimated that the Lions spend approximately 40 labor hours per week to conduct these activities. The City's cost to staff and operate the facility for the same number of hours would be an estimated cost of \$1,200 per week or \$4,800 per month to perform the same functions.

The City is the recipient of a SCORE Grant in the amount of \$64,198 for 2014 from Anoka County to operate the Recycle Program. Included in this amount is the base cost of \$1,000 per month and the additional request of \$200 per month for the Lions Club for their facility staffing payment. No City funds would be used for the proposed fee increase for the Lions Club reimbursement. Should this increase be approved it would only be for 2014 and continuation of the new rate would be dependent on future funding at this level through the SCORE Grant beyond the current year.

Staff requests the City Council consider approving the fee increase from \$1,000 to \$1,200 per month to the Lions Club for the operation of the Recycle Center effective April 1 and continuing through December 31, 2014.

Moegerle motioned to approve the fee increase from \$1,000 to \$1,200 per month to the Lions Club for the operation of the Recycle Center effective April 1 and continuing through December 31, 2014. Harrington seconded.

Ronning, "Do we get any of the recycling benefit?"

Davis, "The Lions clubs gets the monies. Our values come in to meet the tonnage requirements. Our value also comes for our residents."

Ronning, "Does the SCORE grant cover some of this?"

Davis, "It covers all of it. The acronym for SCORE is Select Committee on Recycling and Environment..."

All in favor, motion carries unanimously.

9.0F1 Fire
Department
Report

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

DuCharme, "In February, we responded to 32 calls. It has been quiet. A couple things worth mentioning. We had a report of a fire on a lake. It was a recreational fire. We do not take City equipment onto the lake. We don't take \$400,000 fire equipment on the lake. We have had rescues

on the lake. We have used personal vehicles to go out there. The Sheriff's policy has the same as we do. We have taken the deputies with in our personal vehicles."

DeRoche, "How would the insurance cover that?"

DuCharme, "Many times the insurance doesn't cover the vehicle. We were talking about a pick up truck."

DuCharme, "We did answer 22 medical calls, and 18 were transported by the ambulance. A good deal the residents have to be transferred by ambulance. Our fire inspection program is still going on. We try to get to all the commercial buildings in the City. In the month of February, we made it into ten of them."

Moegerle, "Nice to see a short list."

9.0 E2 Request
for Equipment
Purchase

In 2013, the City of East Bethel replaced two front line Fire Engines. One of the replaced Fire Engines was sold as surplus equipment for \$50,000. The other Engine is in service and is used as a backup Engine to the fleet. The proposed purchase presented in the attachment is to provide the additional equipment that is not available from our current inventory to outfit the new truck.

The Fire Department is requesting \$ 29,518 of the funds derived from the \$50,000 dollar sale to be used for purchase of those items necessary to equip the new Engine. Fully equipped Fire Engines have the benefit of potential reductions in ISO ratings, provide tools and equipment essential for effective fire and rescue operations, and furnish the necessary safety equipment for emergency operations. A spreadsheet itemizing the proposed purchases is attached for your review. The prices that are shown have been bid by three different Fire Department Suppliers. The prices represent the lowest price on each item from of the three vendors.

The City received \$50,000 from the sale of the surplus engine. This amount was deposited in the Equipment replacement fund. This is an appropriate expenditure and funds are available for this purpose.

Staff recommends that Council approve the recommendation of the Fire Department to purchase the items provided in the attachment at a cost not to exceed \$29,518.

DeRoche, motioned to use the \$50,000 from the sale of the surplus engine to purchase the items provided in the attachment at a cost not to exceed \$29,518. Koller seconded.

Moegerle, "Do we have the purchasing agreements for the Fire Department."

DuCharme, "We belong to several consortiums, usually smaller items like this are not included. We price them from three legitimate vendors."

All in favor, motion carries unanimously.

DuCharme, "Next time I am here, the snow will probably be gone. But if we have residents that want to do burning, now is the time to burn it. It is more controlled. Then will be burning restrictions put into effect until the green up."

9.0G1 Upper
Rum River
Water
Management

The URRWMO is in the process of developing their 2015 budget. As part of this work, they are requesting our review and comment on the attached draft budget. Line items within the draft budget may be subject to change by the URRWMO but the total expenditures are proposed to remain unchanged and be the same as the 2014 Budget.

The draft budget attached is for discussion and recommendation purposes. Revisions are anticipated for line items after comments are received but there is no proposal to change the budget total. A final budget for your consideration will be provided in early May.

This proposed draft budget is the same budget that was approved for 2014. We need to provide comments **before May 1, 2014**.

In 2016-17 the URRWMO will be required to update its 10-year comprehensive plan. The completion of this process may create a noticeable change in budgets beyond 2015.

There is no change between the 2014 and the proposed 2015 Budget. The impact on our Budget will be neutral in terms of the amount budgeted for this activity in 2014 compared to 2015.

Staff recommends providing any comments appropriate to the URRWMO proposed 2015 Budget.

The City of Ham Lake has approved the budget as submitted.

Ronning, "We are obligated to this right?"

Davis, "Yes, statutorily."

Koller motioned to appropriate to the URRWMO proposed 2015 Budget. Harrington seconded; all in favor, motion carries unanimously.

Moegerle, "The first meeting will be on May 6."

Koller, "Both are run very well and he is very impressed."

9.0G2
Timesavers

Wendy Warren, Deputy City Clerk, has been responsible for the recording, preparation and submission of City Council minutes. Ms. Warren is out on an indefinite medical leave and at this time we are not certain when she will be able to return to work. In Ms. Warren's absence, Jill Anderson, the Recording Secretary for the EDA, Parks, Planning and Road Commissions, has filled this position. Ms. Anderson willingness and availability to substitute for Ms. Warren has been invaluable to the City and her efforts are greatly appreciated.

Ms. Anderson volunteered to perform Ms. Warren's function on a provisional basis but due to Ms. Anderson's other personal and professional commitments, it has become necessary to consider other options for recording services for City Council Minutes. City Staff recommends that the recording secretarial duties be outsourced until Ms. Warren's situation is resolved. City Staff has researched these types of services and have found one provider, TimeSaver, that appears to meet our requirements.

TimeSaver would provide off site recording functions from City's website streaming video broadcast and DVD of the Council meeting and provide a 5 day turnaround for the minutes. The City has the capability and would have to make the video available in an MP3 or Wave file. TimeSaver currently provides this service to 22 municipalities including the Cities of Anoka, Blaine and Coon Rapids. Staff checked their local references and received a positive endorsement from the Cities listed above.

TimeSaver could perform this service on a temporary or set time basis and could be available for the April 2, 2014 meeting. Should the services of TimeSaver be considered as an option for recording secretarial services, Council may wish to exclude Work Meetings from their contract to save costs.

The expense of a 20-page set of minutes from a 2 hour City Council meeting using Timesaver would cost approximately \$350 (See attached contract for itemization of charges).

Historically we have spent 10-12 hours of staff time to prepare Council minutes at a cost of approximately \$480 per meeting. This cost is covered in the Deputy City Clerks annual budget for wages and benefits.

Assuming there are 6 Special Meetings, 2 Town Hall, 1 LBAE and 24 Regular City Council meetings in a year, the estimated annual cost for utilizing a service such as TimeSaver for minutes preparation would be approximately \$12,000 per year.

Should TimeSaver be retained for minutes preparation for April through December 2014, the estimated cost for their time is projected to be \$9,100, assuming an average set of minutes of 20 pages and the average meeting time of 2 hours.

There would be a minimum of \$8,900 in Deputy City Clerk's budget to cover this cost.

Staff recommends that the City contract with TimeSavers to provide transcript-type minutes on a temporary basis until Ms. Warren's leave and/or subsequent return to work conditions are resolved.

Moegerle motion that we enter into a temporary recording secretary up to and including Wendy return or the replacement of her or whatever and to reevaluate the contract at that time. Koller seconded; all in favor motion carries unanimously.

Staff Reports

Staff is working to prepare some documentation with Met Council. You will be forwarded some basic information.

Council Member Harrington

We had a good informational meeting for the Road Commission. We looked at solutions. We also looked at MSA for the next five years. Parks meeting went really well. We had a discussion on what we are going to do with the outdoor hockey rink. There is suppose to be a question on the website on who is using the rink. We had a discussion on new locations for a cell phone tower.

Council Member Moegerle

I attended the EDA meeting. We had a good discussion to secure new businesses. We also discussed the Met Council Thrive 2040 initiative. They are asking for input. They are asking for input. We as council should weigh in on that. I know Davis is going to do something official.

I had an opportunity to review Coon Rapids website. We have passed on the opportunity to get a Laserfische system. I looked for a site plan and building plan. I see where the value is. Particularly where we are looking at a phase to get more building. It will be good to have it in place for new growth. I talked to Jack about the trends. I think it is something we need to get.

Good job on the estimate for the JPA, it is great we came so far under.

I really want to say we do miss Wendy.

Council Member Ronning

The Booster day fundraiser is coming up. I have seen the buttons for sale at People's Bank. Dallas has sold fifty of those things. That is not a fun thing. They do a lot of work. I hope it works out well.

Council Member Koller

I could give you all the reports on the water shed. The Booster day fundraiser is Saturday at the ice arena. It will be a beach party. It will beach toys and volley ball nets. Route 65 will supply some food and the Lions will help there.

I had a couple of things. The City received preliminary approval for the CBDG for the septic systems. The grant could be up to \$200,000. It did pay off.

Fat Boys has been sold. The building is undergoing interior renovations and will be opening in 6-8 weeks.

Local Board of Appeals is on April 16 at 6:30 p.m. The current certified board members are Heidi and I. When will they have the other classes? Davis, "They will be between June and November."

If you wish to appear contact Ken Tolzmann. He is not going to be able to answer anything about the levy.

I am going to another meeting once a month, the Community Correction meeting in Anoka County. There are four judges, public defenders, prisons, po's office

Booster Club is having their beach party. Are they selling buttons here?

Davis, "We are selling buttons here."

I have had a few calls where people had anticipated their taxes going up a lot more than what they did. It was a misconception. Unless you're involved in it is hard to understand that kind of stuff.

The Anoka County Union did a good job on their latest articles. It is good to see positive press.

Davis, "We do have an HRA meeting on April 2. We will go over the CBDG. I would also like to mention road restrictions went into effect last Friday. The restrictions are dependent on the weather. Please contact Nate Ayshford on this if you have questions."

DeRoche, "There is an EDA meeting on Monday at 7:00 p.m."

Adjourn

Moegerle made a motion to adjourn at 9:35 p.m. Koller seconded; all in favor, motion carries unanimously.

Submitted by:

Jill Anderson
Recording Secretary

EAST BETHEL CITY COUNCIL WORK MEETING

March 19, 2014

The East Bethel City Council met on March 19, 2014 at 6:00 PM for the work meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
 Colleen Winter, Community Development Director
 Andy Pratt, City Attorney

Call to Order The March 19, 2014 City Council meeting was called to order by Mayor DeRoche at 6:00 PM.

DeRoche, "We have a new staff writer for the Anoka County Union, her name is Debbie Griffin."

Griffin, "I have recently contracted to cover the East Bethel City Council. I am happy to answer any questions you might have."

Adopt
Agenda

Koller made a motion to adopt the agenda. Harrington seconded; all in favor, motion carries.

3.0 - Traffic
and Motor
Vehicles
Ordinance,
Section 70

On October 2, 2013 Becky Knisley, 23250 Sunset Road, requested City Council to consider amending Traffic and Motor Vehicles Ordinance, Section 70 to address noise and hours of operation of dirt bikes. The City has received previous complaints from residents in other areas regarding this same issue. This Ordinance was discussed at an Ordinance Committee meeting on October 28, 2013, but no consensus was reached at that meeting. Staff has looked at this Ordinance and is recommending the following changes:

70-110 Definitions

- Changed Motorized dirt bike to Off Highway Motorcycle (OHM) – this makes the language consistent with the Off Highway Vehicle regulations of the Minnesota DNR.
- Added a definition for race track

70-111

- Proposal to change lot line setback from 50 ft. to 100 ft. and dwelling units from 100 ft. to 200 ft.
- Added language for non residents
- Added No at the beginning of sentence
- Left two (2) hours of operation unchanged, and changed language from one (1) hour to two (2) hours of no operation
- Added language regarding race tracks

Other considerations:

- Council could look at adding language for an Interim Use permit (IUP) for race tracks

- Council could prohibit circular race courses in certain residential zones
- Council could prohibit exhaust modifications to dirt bikes operated in the City

Recommendation(s):

Staff recommends Council consider the changes provided in discussions in the March 19, 2014 Work Meeting for decision, and if approved, directions to publish.

DeRoche, "To me, personal opinion is, dirt bikes, ATV, snowmobiles are not the problem. The way the ATV ordinance was crafted it is under MN law. When they are running down the road not stopping, changing an ordinance won't stop that. To ride on the road in East Bethel, you have to have a driver's license, drive on the right side of the road and have a helmet on if you are under 18. There are not a lot of problems, except one or two. I don't know if changing this – changing distance from 100 feet to 200 feet. The thing you can't drive on your own property if you have a modified exhaust. It is unfortunate, as far as I know; this is the only issue we have had. The City was trying to deal with it. The parties say they are following the ordinance. I don't know. The enforcement. We have had issues with people having problems with CSOs and deputies driving around. Are we going to dispatch someone to check them out? I am not sure who came up with the redlines and changes."

Davis, "The changes were staff recommendation to see if anything works or addresses the problems."

Koller, "I see the hours from 9 a.m. – 8 p.m. from 10 – 5 p.m., it is conflict with DNR rules. They allow them from ½ hour before sunrise and sunset, so you can't use your ATV for hunting."

Moegerle, "How would you make it fit? A city can limit. How would you make it fit?"

Koller, "Since deer hunting is legal, you can't restrict them."

Davis, "The off-road dirt bikes are the problem."

DeRoche, "I would like to have a public hearing on it. Anyone can speak up for it, or against it. There is so much stricken out of here, it is gutting what we did. There are an awful lot of dirt bikes, snowmobiles and ATVs in the City. If we deal with this way, what happens when someone has a loud mower? We have discussed that up here, as far as a noise ordinance goes. This is more of a nuisance anything. Why couldn't this be a nuisance ordinance? I haven't seen a big problem, other than this issue. We can ask Shelly, she is coming in tonight."

Davis, "This is the third complaint we have had since 2011. Both of the other complaints were along the border with Bethel. These are the complaints and they have been from dirt bikes."

Koller, "A lot of the problem we have to deal with the after market exhaust. At state races, they took a decimeter to your exhaust. A lot of the ones running around have the louder exhaust."

Moegerle, "What we are talking about is racetracks. It makes sense to not have racetracks in a residential area. I will let the You Tube video run, and you can hear the noise. I want

to have the quiet enjoyment of my home. If that is in the background for hours on end. Racetracks should be regulated. It is not for the purpose of people from prohibiting them.”

DeRoche, “We don’t need that going in the background.”

Moegerle, “It is making a point. I think they should be regulated.”

DeRoche, “All these redlines and distances, what does it have to do with the race track.”

Moegerle, “Then write it about the race track. We started this last fall. This lady has had a concern about this racetrack for over six months. It keeps getting tabled. We tabled it last week because we wanted more information. We are here two more weeks later, and we have an hour and fifteen minutes to solving her problem. I thought we were here to do the peoples business.”

DeRoche, “No more grandstanding. Heidi I am asking you. When it was tabled last time, when you who are so up on Robert’s Rules of Order. That is why our meetings just drag on and on and on. I am quite sure, she hasn’t been complaining about this for the last six months. I have had conversations with her, and told her we are working on something palatable for both parties. If we do this for a situation, everyone is affected. To say we are not doing the City’s business, that is bologna.”

Moegerle, “And you want to table it again, and that is getting the work done. I don’t understand that.”

DeRoche, “We can put this up for a vote and then it is done.”

Moegerle, “We will make some progress.”

DeRoche, “I don’t see a problem with the ordinance. Do I want peace and quiet? Sure. Minnesota DNR took a lot of time creating the rules. They have a lot better resources than we do.”

Ronning, “What is the name of the racetrack?”

Moegerle, “It is a private racetrack.”

Ronning, “Who named it a racetrack?”

Moegerle, “She did.”

Ronning, “A racetrack is when people are running it, and timing the track. I am looking at an aerial picture, there isn’t a track.”

Davis, “The neighbors did take a dozer out and grade it. The quantity of dirt moved does not require compliance with our ordinance. They did create a track.”

Moegerle, “Wikipedia doesn’t agree with your definition.”

Ronning, “How about a dictionary?”

DeRoche, "Was anyone at the State contacted on this? I have read a lot of the League of Minnesota Cities. We can make things more restrictive, but if we do it, we are going to be put in a legal pinch. If someone wants to challenge it, they aren't licensed and we don't hold competitions. How can you regulate it?"

Ronning, "This isn't limited to East Bethel."

Pratt, "This is an abstract discussion. The City has to have police power to keep the peace in the City. This is general power of cities. When there are state requirements, such as massage powers, the statute says this prevents the City from doing other things. The DNR example was brought up regarding hours. Cities can be more restrictive than the DNR. This is a policy for the Council and consider that and if it is enforceable."

DeRoche, "What is the law on quiet enjoyment of property? She is not able to enjoy to her property. She can enjoy her deck. What rights for quiet enjoyment are there?"

Pratt, "That is more of a nuisance action. There are many behaviors that might constitute a nuisance. There are quiet enjoyment nuisance. If you, circumscribe that with standards that are quantifiable."

Moegerle, "The issue is the decibel readings. The logistics of quantifying is the hard part."

Pratt, "I have not seen this in the cities I have worked with. It would be a nuisance, under the code. You would go back and forth in the courts. You can put the quantifiable, if you exceed a certain decibel reading or closeness to the house."

Davis, "Both Andy and Bob touched on it being enforceable. We have found out that noise is an unenforceable action. The testing you have to do to enforce it. Addressing it from noise or nuisance would be hard to be enforced. It is a very narrow line to walk here. I would hope that maybe we could come out of this with some recommendations so we can keep discussing this."

DeRoche, "Number six, you can ride for two hours and stop for two hours. That is in the nuisance. So why gut the off-road and ATV ordinance?"

Davis, "The nuisance ordinance goes back to noise. It is next to impossible to do it. You have to take 360-decible readings. ACSO has one-decibel reader that is approved for this. They are not going to come out here and take readings for one hour. We don't have a reader. The definition of noise is defined by the MPCA."

DeRoche, "Oak Grove had a trail set up on their property so they could do that, and unfortunately that young man died. People live out here so they can ride their snowmobiles, ATVs and dirt bikes. What are we going to tell people they can't ride their machine after certain hours and they break down."

Davis, "We have had no complaints about ATVs, this is a dirt bike problem."

Moegerle, "I think we have to separate this out into the reserved sections. What maybe we should do is have this information and tweak it for the deer hunting. We should indication, dirt bike nuisance and define it as nuisance underneath. I think that would solve their problem. Then we can talk about the other issues. We could define it and have it as a

subheading.”

DeRoche, “How can we have a dog barking ordinance? If two people call and complain, and two from the same residence. Why can’t we do the same thing with dirt bikes? The time limit on and off, I think they can alternate it. I am not going to vote to do that. I am not going to tell people in East Bethel they can’t do this anymore.”

Davis, “We have almost no enforcement about barking dogs, and they are calling back again.”

Ronning, “This is fatally flawed. These are two neighbors that have a complaint. It is two neighbors. Rather than deal with the problem, we are changing the rules so the problem goes away. Does anyone disagree?”

Davis, “There are two neighbors that have a dispute that can’t be resolved.”

DeRoche, “So it is our job to resolve the problem with the two neighbors.”

Moegerle, “We had the other two complaints as well. I suggested she go to Anoka County Mediation. We still have that option. There is a point that is being made. If we want to make it analogous to the barking dog. We could do something to outline some reasonable standards.”

Ronning, “Who would the reasonable standards apply to?”

Moegerle, “It depends on how you draft it.”

Ronning, “When were the two other complaints.”

Davis, “They were close to the same neighborhood, one in 2011 and one in 2012.”

DeRoche, “One complaint each year.”

Winter, “There was one in 2013 also.”

Davis, “That relates to someone coming to visit you, the owner is gone and you still have to have the owners permission.”

DeRoche, “If I don’t have written permission, that is State law.”

Moegerle, “This reinforces it.”

DeRoche, “The State law is very clear. Most young people have to go through the safety class.”

Ronning, “I am not opposed to helping her. This is not an anti Knisley thing so I hope it doesn’t get communicated that way. When you are looking at two neighbors, that is a small area to change the rules for everything.”

Moegerle, “What is your proposed solution?”

Winter, "I think the issue, it has to do with the fact that it is straight-line pipes, the way they made their pipes very loud. The track is about 500 to 600 feet away. That is probably the issue. The excessive noise of the particular dirt bike."

DeRoche, "Why do you think they put pipes on there that are louder than stock? It creates more power. If they are racers on a circuit. They are not going to change the pipes on the bike. They aren't having a competition at home. They might have modified exhaust. This is a tough one."

Moegerle, "Did you make those changes, paragraph three, without the written permission of the property owner, is that to help Anoka County to help cite?"

Davis, "Yes to help them with any investigation."

Moegerle, "Can we change those hours without problem?"

Davis, "Whenever this ordinance was enacted, probably around 2005."

Ronning, "Where are you finding these numbers you are referring to?"

Moegerle, "If you look online, the ordinance numbers will show you what the numbers are from 2005."

DeRoche, "Would you like a glass of water down there?"

Koller, "In the State rules, it says they can't exceed 96-decibels on public land. It says nothing about private land."

Moegerle, "Then we are back to discussing decibels. I am not in favor of the Ham Lake language. I don't think that is helpful and we would have to change a lot to get it to work."

DeRoche, "They worked around ours and so did Oak Grove."

Moegerle, "I like the part about exhaust and after market parts."

Pratt, "That is a good point, it shows how difficult it is to draft an ordinance. Those would need to be defined. How is someone in compliance with the pipes and after market? In number 8 in this redline; this is sort of the land use way of going about this. In your zoning ordinance, you want to exclude uses of property in different zones of the City. The R1 and R2 are denser, so we should exclude this type of use. The problem with that is a one size fits all in the zoning districts."

DeRoche, "If we create this ordinance, we would have to grandfather them in."

Winter, "That is under the land use ordinance. If it made it a legal non-conforming use. This is not tied to our zoning or land use."

DeRoche, "We put this ordinance into effect, you don't think we will get challenged on that."

Ronning, "What is the rest of the community interested in?"

DeRoche, "A public hearing you get public input and you find out what people are interested in."

Davis, "She came before council in September."

Ronning, "They are marketed for off-road use, not road use. That is what it is used for. It is not like they are doing anything wrong. If you were in Blaine, that would be a problem. When you are out in the middle of someone's 640, that isn't public."

Koller, "At State sanctioned races, they don't allow the after market exhaust."

DeRoche, "You could be running your chainsaw, lawn mower or having a party, that could be a noise nuisance. What is noise to you, it might not be to someone else? You may have to walk away for four hours."

Davis, "If we try to address it from the noise/nuisance, it won't be enforceable. We need it under the land use."

DeRoche, "When the original one came out, it was because someone built a track. So there was an ordinance put in place. I can't see doing that. We have 13,000 people in the City. We have two households having an issue with this. The rest of you people, we will make you all pay for it."

Ronning, "We try to fix something for two neighbors, and it affects everyone. Rather than correct the problem, they change the rules for everyone."

DeRoche, "Are we just putting a band aid on it?"

Moegerle, "How would this ordinance penalize you?"

Ronning, "That is just two of us."

Moegerle, "We haven't seen anyone here asking people to save our race/dirt bike tracks. It is a limited application ordinance. I don't think it penalizes a large amount of people."

Ronning, "What is the penalty?"

Davis, "Misdemeanor"

DeRoche, "What does it cost us to send a deputy out?"

Davis, "They are paid to be on duty, but they won't do decibel readings. All cities use the noise ordinance. Once city said noise is a nuisance regulated by the Anoka County Sheriff's Department. This is not an easy one. There are questions on both sides."

DeRoche, "What is the thought on a public hearing?"

Ronning, "It would be nice to have public input. Rather than neighbors complaining."

Moegerle, "What if only three or less show up?"

DeRoche, "At least it allows people to give an opinion."

Moegerle, "It has been on the agenda a number of times. Even Miss Knisley isn't here tonight."

DeRoche, "I told her that I was going to table it. Do you think that the average resident will bring this up on the internet?"

Davis, "That is just to show you what could be potentially done. You would need a draft or proposal."

DeRoche, "We have a town hall, they could ask it in the open forum or have some kind of a booth and talk about it. To see if there is any interest. We could put it out on channel 10. We are going to have this public hearing."

Davis, "Would it be better to have it individually. This might evolve into a single-issue item. If you have a public hearing, a lot of people will come in."

Moegerle, "What will they look at? What is the hearing going to be on?"

Ronning, "They should hear the complaints."

Moegerle, "That would be a trial."

Ronning, "You are letting people know there are complaints in the community."

Pratt, "I am not sure if you will agree on this proposal, you are in still fact gathering mode, you would have people coming up and drafting it from there. If more changes are made, there may not be Council buy in and that defeats the purpose of the public hearing."

Moegerle, "When this came through there was a six month comment period. That would be another way we could approach this."

DeRoche, "I don't like making a law and then coming back and rescinding it."

Harrington, "Would the DNR have any more power than the ACSO?"

Davis, "They don't have jurisdiction on this."

Koller motioned to schedule a public hearing.

Pratt, "In work sessions how do you balance that?"

Davis, "We just do a recommendation."

Pratt, "The next meeting would change."

Davis, "It can be discussed at that time."

Pratt, "You would bring this up at the next meeting for a creating a public hearing."

Davis, "Open as a discussion item, this is what we discussed in the work meeting and there as a motion for a public hearing."

DeRoche, "I will second it. The motion was made and we can't make a motion. Would everyone support that?"

Ronning, "Yes."

Harrington, "Yes."

3.0 B
Manufactured
Home
Ordinance,
Chapter 34
Floods,
Article VII;
Section 38-
20; and Under
Appendix A
Zoning
Ordinance

City Council received a request from Nancy Krueger, owner of property at 18467 Lakeview Point Dr. to consider amending the Ordinance regulating recreational camping vehicles. The Ordinance Committee discussed this matter at a meeting on October 28. This property is zoned R-1 and has a property tax classification of seasonal recreational residential. The property is 0.2 acres. Ms. Krueger is requesting the Ordinance be amended to allow the placement of her recreational camping trailer on this site.

We have references to Travel Trailer and Recreational Vehicles in several places in our code. Any modifications in one section of the code should carry forth into other relevant sections of the code. The recommended changes address these matters.

Article 34 – Floods, the placement of Travel Trailers is addressed, however, that is only in those areas that are on the general flood map. This should be changed so that it applies and be included in Article II, Chapter 38-20 as additional items. The proposed language in Article 34 and Chapter 38-20 should be the same. We should also include the same language in Appendix A, Zoning under General Development Regulations. This will keep the information consistent from one section of the code to another. The Changes in Article 34 is recommended as follows:

- Article 34, (3) a. 3 – Additions to the Ordinance as provided by the City Attorney
- Article 34, (3) b. 1 – Additions proposed by City Attorney with the Staff addition of Property Tax Classification status of Seasonal Recreational, vacant and improved, as an additional condition for exemption.

The definition of Recreational Vehicle/Travel Trailer is recommended to be included in Definitions section of Zoning Code Appendix A, Article 34 and Chapter 38.

Attached are maps that locate all the properties in the City that have a tax classification of Seasonal Recreational. Even though there are sanitation requirements in the proposed amendment to this Ordinance, allowance of placement of recreational camping vehicles on these properties could create consequences that have a greater impact than simply addressing the situation of an individual property owner.

Recommendation(s):

Staff recommends Council consider the changes, and if approved, direction to publish.

Davis, "The recommendation would be if this were allowed, 3A would be added and 1 under B would be expanded."

Moegerle, "First off, her concern under 3 we talk about travel trailers and vehicles. They

are a subheading of recreational camping. Are we looking at a subset of camping vehicles? I don't have the answer to that."

Davis, "Can you expand that?"

Moegerle, "We have seventeen sections of our code talking about recreational vehicles. The definition of travel trailers and vehicles, they are a subset of recreational camping vehicles."

Davis, "This would be to deal with the subset."

DeRoche, "Here we are again, single person, I don't mean that by marital status. They have a trailer on the parcel. She had an existing outhouse that was grandfather in. It was significantly remodeled. She had consensus come in and put power in. The trailer hasn't moved in three years. This is another one of those ordinances that will affect a lot of people. A lot of these red lines, on the street that I live on, they all have nice great big homes on them. People bought the cabins and put up pretty big homes. I think if we do it with one, in Coon Lake Beach, there are a lot of little lots. If this goes through, we will have a lot of RVs pulling up. They will put in holding tanks."

Koller, "Are they all zoned seasonal recreational?"

DeRoche, "Most of the lots are that way, but mine was the first one homestead."

Koller, "If a lot is only twenty feet wide, you can't build on them. Isn't the setback six feet?"

DeRoche, "They can get a variance. I think a lot of what happens, like 143 Maple, there is another house that was tore down. They went in when one family moved out. They had the sewer that was on the road right of way. They didn't get approved, so he is just going to make a big garden. A lot of people sell it to the neighbor. If it is foreclosed on, they sneak in and get it cheap. There has been a lot of combining of lots."

Davis, "With the seasonal recreational, they might have a waste system that was functional. They house may have been torn down, but the waste system is still functional. This is similar to the last one that we don't create unintentional problems for the future."

Moegerle, "What if she puts in a travel trailer how does it violate the ordinance?"

Davis, "If you park a trailer it has to be on a lot that has a house, well and septic system and must be moved after two weeks."

Moegerle, "She didn't meet the ordinance how?"

Davis, "This lot doesn't have an existing home, septic system or well."

DeRoche, "She said she could maintain the outhouse on her own."

Davis, "It would need DNR approval and health department approval. It is within 75 feet of the lake."

Ronning, "How many of these lots might be available?"

Davis, "I believe there is 128 lots that have a seasonal recreational tax classification. They are all around Coon Lake/Beach."

Koller, "How many don't have a building on them?"

Davis, "It is hard to tell."

Ronning, "I went through the plats and aerial views of 20 of them. And all of them had homes. There is potential for a lot more of them."

Davis, "The outhouse is about 80 feet of the lake. It is in the shoreland district and would need DNR approval for modification."

DeRoche, "What is your take on it?"

Koller, "We have all of these lots that have seasonal recreational? Is this really big problem?"

Winter, "The red parcels do not have homes on them."

Koller, "If you do open it up for RVs, they won't leave the RV there for the winter."

Davis, "Some do and some don't."

Koller, "I have been around that neighborhood and some of those houses shouldn't be there either."

Moegerle, "What is her real problem?"

Winter, "Nothing allows her to have the travel trailer on that lot for an extensive time period."

Moegerle, "That is in the shoreland area or is it in Chapter 38?"

DeRoche, "The State came up with the shoreland stuff about ten years ago."

Moegerle, "Section 57 of the zoning?"

Winter, "It is in the flood page management ordinance, in section 58 under zoning."

Moegerle, "What provision is the issue?"

Davis, "Section 38-20, a recreational vehicle is permitted on a property that has a house, septic and well and cannot be occupied for more than three weeks in a two month period. It is the last sentence."

Winter, "In that other section, they must be highway ready, and the travel trailer must have no permanent placement."

Moegerle, "Would we just add recreational seasonal?"

Winter, "The question the council has, do you want people to park RVs at the beach? If you do, are there certain things you want included on that."

DeRoche, "I think it is a can of worms."

Koller, "I think it is ok, not all of the lots can be built on."

DeRoche, "Some people own multiple lots."

Koller, "My father-in-law had one that burned, and he just ended up walking away. If you could put a camper on that."

Winter, "What you want to protect, you want them to be there without a septic system."

DeRoche, "What are you going to do when peoples home values drop. There are nice houses and shanties. You start peppering in different things. There are houses we have been trying to take care of."

Moegerle, "It is all in how you are going to police it. When this first came up people might want to be there in the winter. How can we draft this so people can use their land without affecting the lake? The \$500 limit on economic development of the property. You can't put in a septic system or treatment for \$500.00. You can't solve the problem."

Davis, "If you can't get a approved septic system, but you can get a holding tank. You might get people who want to put a holding tank in themselves."

DeRoche, "I will just drain my system at night and no one will know. We are going after people who have non-compliant system. We will let people come in away. Are they going to have people come in and pump it? People come on a weekend and they stop on their way home and pump it."

Ronning, "Let's move on to an easy one."

DeRoche, "One person, but now we are going to change things. If one person comes in, are we going to make a change for them."

Davis, "If there is the chance it will affect others, would be worthy then."

Moegerle, "She could bring her travel trailer up everyday and that would be permitted?"

Davis, "Yes."

Moegerle, "The problem with that last sentence, it talks about storage purposes. We would need to add a section about habitation purposes; it could be require them to be self-contained. They could be pumped. If we had a requirement that they are self contained for public health septic. How frequently would you have to pump them and then provide proof?"

DeRoche, "We were going to have people who have tanks to have them pumped on an

annual basis.”

Koller, “You already have non-compliant systems around there.”

DeRoche, “My system is seven years old. Hiawatha beach had an issue that one was red tagged.”

Moegerle, “If it is self contained, and zero tolerance on gray/water dumping.”

Winter, “How do you enforce it?”

Moegerle, “You will get complaints, the smell alone will be the clue. I don’t want it to become a trailer park.”

DeRoche, “At one point the City was buying up the lots. That is why there are so many City owned parcels.”

Davis, “There were some acquired through tax forfeiture.”

Winter, “We are seeing buying their neighbors lots.”

DeRoche, “I think it will devalue some of the nicer homes.”

Moegerle, “If there was a public hearing, and variance. If it were a permit, and a public hearing, then the owners of the large house. Of course what is the value of empty land that you can’t improve?”

Davis, “Property that had lake front access, there is very few of those that have lake front access that are listed as vacant.”

DeRoche, “The Community Center owns a lot of the area around the lake.”

Davis, “A lot of these are interior lots. Some of them, down on Birch or Cedar, even those are listed as seasonal recreational they are wetlands. If you looked at these, most of those south of 187th Avenue are wetlands. Those north would need to be looked at. But they are not lake front properties.”

Koller, “If we don’t allow them, they will still be there anyway. They bought it for recreational property. That isn’t right.”

Moegerle, “Can we talk about this at the Council meeting?”

Koller, “Sure.”

Adjourn

Moegerle made a motion to adjourn at 7:30 p.m. Koller seconded; all in favor, motion carries unanimously.

Submitted by:

Jill Anderson
Recording Secretary

**EAST BETHEL CITY COUNCIL MEETING
LOCAL BOARD OF APPEALS AND EQUALIZATION**
April 16, 2014

The East Bethel City Council Local Board of Appeals and Equalization meeting was held on April 16, 2014 at 6:30 PM.

MEMBERS PRESENT: Bob DeRoche Ron Koller Tim Harrington
 Tom Ronning

MEMBERS ABSENT: Heidi Moegerle

ALSO PRESENT: Jack Davis, City Administrator
 Ken Tolzmann, City Assessor
 Diana Stellmach, Anoka County
 Mark Vierling, City Attorney
 Alex Gugenberg, Anoka County
 Shawn Allen, Anoka County
 Mike Jeziorski, Finance Director

1.0 The meeting was called to order by Mayor DeRoche at 6:30PM.

Call to Order

2.0 **Ron Koller motioned to adopt the 2014 Local Board of Appeals and Equalization agenda.**

Adopt Agenda

Tim Harrington seconded; all in favor, motion carried.

3.0 City Assessor Tolzmann presented the assessors report and presented information on the housing sales and market value increases in the City. The Assessors report is available at City Hall for public inspection.

Assessor's Report

4.0A There were no property owners at the meeting that were present to appeal their property assessment.

Board of Equalization

Mayor Deroche questioned Mr. Tolzman as to the basis of the assessment of 553 Lakeshore Drive. Mr. Tolzman explained that the assessment was based on 2012 information. Council was advised that the Council, acting as the Board of Adjustment and Equalization can, based on evidence, adjust property values either negatively or positively. Bob made a motion to recess the meeting to 6 PM on Wednesday, April 23 to consider an adjustment to increase the valuation on this property based on comparable property valuations in the surrounding area. After a discussion, in general, that referenced comparable properties in the area and septic system and holding tank requirements for this property, Mayor Deroche made a motion to recess the Board of Assessment and Equalization to 6 PM to Wednesday April 23, 2014.

5.0 Recess **Mayor DeRoche made a motion to recess the Board of Appeals and Equalization until April 23, 2014, at 6:00 p.m. and notify the property owner at 553 Lakeshore Drive that there would be a consideration to adjust the valuation of this property. Ron Koller seconded; all in favor, motion carried unanimously.**

EAST BETHEL CITY COUNCIL MEETING

APRIL 16, 2014

The East Bethel City Council met on April 16, 2014 at 7:30 PM for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Tim Harrington
 Tom Ronning

MEMBERS ABSENT: Heidi Moegerle

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney
 Craig Jochum, City Engineer
 Fire Chief Mark DuCharme
 Mike Jeziorski

Call to Order The April 16, 2014 City Council meeting was called to order by Mayor DeRoche at 7:30 PM. The Pledge of Allegiance was recited.

Pledge of Allegiance

3.0 **Koller made a motion to adopt the April 16, 2014 City Council agenda, as presented..**

Adopt

Agenda **Ronning seconded.**

Harrington requested that item 4.0 Xcel Gas Franchise be pulled from the agenda and that item 8.0 G.3, hire of temporary clerical assistant be added to the agenda.

Mayor Deroche requested that item 8.0 G.4, termination of the Cable Technician, be added to the agenda.

All voted favor of the amended motion.

All voted in favor of the main motion as amended.

4.0

Presentation

4.0A

2013 Audit
Report

Presentation

Mr. Brad Falteysek, representing the City's audit firm of Abdo, Eick & Meyers, LLP, presented the 2013 Annual Financial Report. The conclusion of the report was an opinion that the financial statements were presented fairly in all material aspects. They also noted that they did not detect any materially weaknesses in the internal controls of the City. They summarized that the General Fund had a surplus of \$360,820 in 2013 and ended the year with a Fund Balance of \$2,982,714 or 62.1% of 2014 budgeted expenditures. They also summarized the operating results from the City's special revenue, debt service and enterprise funds.

After the Auditors presentation, it was requested by the City Administrator to move Item D.1, Resolution 2014-13, Accepting the 2013 Audit Report for consideration at this point in the Agenda. 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.

Koller motioned to accept the 2013 Audit Report, as presented and direction to submit the report to State Auditor. Harrington seconded; all in favor motion carried unanimously.

4.0B
Xcel Gas
Franchise
Agreement

~~Davis presented the staff report and explained that 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.~~

~~It was noted the following attachments had been provided for the Council's review:
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~~

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

4.0C
Sheriff's
Report

Commander Shelly Orlando presented the March 2014 Sheriff's Report.

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

**5.0
Public
Forum**

No one signed to speak at the Public Forum.

**6.0
Consent
Agenda**

Item A Bills/Claims

Item B Meeting Minutes, April 2, 2014 Council Meeting

Meeting minutes from the April 2, 2014 City Council 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.

Mayor Deroche requested that Item E be pulled.

Harrington requested that Item F be pulled.

Ronning motioned to approve A, B, C and D. Koller seconded; all in favor, motion carried.

Item E-Mayor Deroche thanked the Ham Lake Chamber of Commerce for their support for East Bethel activities and for their donations for fireworks for Booster Day for 2013.

Item F-Harrington requested information on for the inclusion of an extended warranty on the purchase of the Light Duty Grass Fire Truck. Harrington stated that he noticed it wasn't part of the Public Work's purchase request and was interested to know if there was any value in adding this item to the purchase. Chief DuCharme explained that the Fire Department has traditionally purchased the extended warranties and in his opinion were worth the extra expense but could be removed if Council desired.

Mayor Deroche motioned to approve E; Harrington seconded; all in favor, motion carried unanimously.

Harrington motioned to approve F; Koller seconded; all in favor motion carries unanimously

7.0 Commission, Association and Task Force Reports
New Business

7.0 A None.
Planning
Commission

7.0 B None.

Economic
Development
Authority

7.0 C None.

Park
Commission

7.0 D None.

Road
Commission

8.0 None.

**Department
Reports**

8.0 A
Community
Development

8.0 B Jochum presented the staff report and explained that 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 presented the plan at the council meeting.

8.0 B.1
Water
Emergency
and
Conservation
Plan

The following attachments were provided for the Council’s review:

1. Draft Water Supply Plan
2. Permit Application for Appropriation of Water of the State

Jochum explained that growth projection numbers in the plan were based on the most recent population projections. He also explained that the purpose of the plan was to comply with the DNR requirements.

Harrington motioned to approve the Water Supply Plan, as presented. Koller seconded; all in favor, motion carried unanimously.

8.0 C None.

City Attorney

8.0 D

Finance

8.0 D.2 Davis presented the staff report and requested that Council consider adopting Resolution 2014-14 Revised Fund Balance Policy

2014-14
Revising
Fund Balance
Policy

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.

Mayor DeRoche motioned to adopt Resolution 2014-14 Adopting the City of East Bethel’s Adequate General Fund Unassigned Balance Policy as presented. Koller seconded; all in favor, motion carried unanimously.

8.0 D.3
Resolution
2014-15
Permanent
Fund Transfer

Davis presented the staff report and explained 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.

Council was requested to consider the adoption of Resolution 2014-15 Permanent Transfer of Funds.

Ronning motioned to approve adopt Resolution 2014-15 Authorizing a Permanent Fund Transfer, as presented. Harrington seconded; all in favor, motion carried unanimously.

8.0 E
Public Works
8.0E.1
OSHA Grant

Davis presented the staff report and request for the Consider to consider approval of an application submittal to the Department of Labor and Industry for a Safety Hazard Abatement Grant

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 pounds 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.

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.

Koller motioned to authorize staff to apply for the Safety Hazard Abatement Grant for a Hot Patch truck insert for asphalt repairs and assisting the loading of heavy items into trucks. Ronning seconded; all in favor, motion carried unanimously.

8.0 F
Fire
Department
8.0 F.1
March 2014
Report
8.0 F.2
Emergency
Operations
Plan

Fire Chief Mark DuCharme provided reports of Fire Department emergency calls, fire inspections, and emergency medical calls for March 2014.

Fire Chief Mark DuCharme presented the City's Emergency Management Plan to Council. Previous work meetings with the Council have been held to discuss the Emergency Operations Plan. Recommended changes and edit have been incorporated in the plan.

The Plan provides a chain of command and directed duties of City personnel and elected officials in the event of declared disaster or City emergency situation.

Ronning motioned to approve the Emergency Operations Plan, as presented. Koller seconded; all in favor, motion carried unanimously.

Davis presented the staff report and requested Council consider approving the recommendations of the Finance Committee as direction to prepare the draft 2015 Budget

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 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.

It was noted by Council that this outline provides a framework to address the debt service through the life of the water and sewer bonds and create an opportunity to keep the General Levy from any dramatic increases.

Mayor DeRoche motioned to approve the Finance Committee's recommendation to proceed with the preparation of a draft 2015 Budget. Harrington seconded.; all in favor, motion carried unanimously.

8.0 G.2
Coon Lake
Aquatic
Invasive
Species
Control
Program

Davis presented the staff report and request that the Council to provide direction to participate in the AIS or approval to opt out of the program

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 a property owner’s right to request treatment not be done in front of their 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 and non-treated areas may diminish the quality of control and affect the goal to reduce the quantity of control of AIS with each year’s successful results. **Should the City 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.

Mayor DeRoche motioned to approve participation in the Aquatic Invasive Species Control Program. Ronning seconded; all in favor, motion carried unanimously.

8.0 G.3
Hiring of
Temporary
Clerical
Worker

The Deputy City Clerk will be out of work until at least June 6, 2014 and additional clerical assistance is needed 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, Staff recommends the 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 should 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.

The cost of utilizing a temp agency employee to cover our immediate needs would not exceed \$15/hr. Estimated cost for this service would be \$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.

Koller motioned to approve the employment of a temporary clerical assistant through June 6, 2014 at a cost not to exceed \$15/hr. Harrington seconded; all in favor, motion carried unanimously.

The City Administrator recommended the dismissal of the Cable Technician. Councilperson Koller requested additional information on the request. The City Administrator explained that there had been a failure to meet job expectations.

8.0 G.4
Cable
Technician

Ronning motioned to approve the dismissal of the City Cable Technician. Mayor DeRoche seconded; all in favor, motion carried unanimously.

9.0 Other
9.0A
Staff Reports

Davis advised Council that any member intending to attend the April 39th LGO meeting should advise him by April 23rd for reservations.

9.0B
Council
Report –
Member
Harrington

Councilperson Harrington reported that the East Bethel Chamber of Commerce is sponsoring a ribbon cutting for Tin Man on Saturday April 19th. There will be an Arbor Day celebration in Booster Park on April 26, 2014 at 10:00. The local scout group that has adopted Booster Park will attend and help with a tree planting to replace trees that have been lost to disease and wind within the park.

Plow World will hold an open house on Saturday, April 26th from 11 AM to 2 PM. Food and drinks will be served.

Council Member Moegerle Absent

Council Member Ronning No Report

Council Member Koller No Report

Mayor DeRoche provided an update on the Pet Clinic that was held on April 5, 2014 and thanked Dr. Fagerness and his staff for their work at the Clinic over the past ten years; Mayor Deroche provided a schedule of upcoming events that include:

- 1.) Spring Recycle Day on Saturday, April 26th from 8 AM to 1 PM at the Ice Arena;
- 2.) A Public Hearing to discuss the Traffic and Motor Vehicle Ordinance, Section 70 at 7 PM on Wednesday, April 23rd at City Hall; and
- 3.) The Spring Town Hall Meeting scheduled for April 24th from 6-9 PM at City Hall.

Mayor Deroche reported on road work activities within the City.

10.0 Adjourn **Koller made a motion to adjourn at 9:20 p.m. Harrington seconded; all in favor, motion carried unanimously.**

put into this property, we need those specifications in order to determine whether, in fact, the building department would allow that holding tank to go in. Also, in order to compare the valuations on these comparables, I need to see those and those have not been provided to me. Again, all I have are several e-mails. So, would I have the opportunity to look at those comparables?"

Davis, "There were no comparables discussed specifically at the meeting. It was just a general statement." Moegerle, "Are there any available at this time for me to compare?" Davis, "There were no comparables prepared."

Moegerle, "Okay, just based upon that, I think the argument is specious and falls on its face; however, we will continue. I'd like to give you a little bit of history with regard to this particular property. The property that is known to me as 553 Lakeshore Drive, which is known as Property ID #36-33-23-21-0266, is located at Coon Lake Beach. It is in the Shoreland Overlay District, its perimeter is about 50 feet from the ordinary high water mark of Coon Lake. The lot is approximately 7,300 to 7,500 square feet. The structure on the property includes a 28 by 16 foot 1940 cabin to which a 1985 addition, which include a garage and an area that was at one time used as a kitchen and a bathroom.

My husband and I purchased the property in February of 2013 for the purposes of creating green space and utilizing the garage area for indoor storage and garage purposes. For the past ten months or so, the property has been undergoing demolition. The first order of business was to remove the mailbox because the property was vacant and would never be a residence again, and to disconnect the septic system from the house.

All appliances were removed and turned in for recycling at the City's Spring 2013 Recycling Day at the East Bethel Ice Arena. Mr. Davis witnessed that and we have discussed it several times in between. Since May 2013 fixtures have been removed, interior walls removed, exterior cleared to allow for machines to remove the exterior walls, and for the septic system to be removed as well as the finger-drainage system, which encroaches upon City property. Whatever the value of the property was in 2013, it is decreased in value since that time.

On April 22, 2014, Mr. Tolzmann, Nick Schmitz, and Steve, whose last name I forget, the Building Inspector were permitted into the demolition zone for the purposes of examining the interior of the building.

Going back to, I think, what is public record with regard to this matter, is that in a document that I have and received dated April 8, 2014, regarding 2014 pay, 2015 assessment report authored by Mr. Ken Tolzmann, indicates that for adjustments to local land zones in East Bethel, were for Zone 7, Coon Lake Beach, minus 15%. From looking at the document associated with the Anoka County's property record for 553, the assessed value in 2014, payable in 2014, is \$44,300. Assessed value for 553 payable in 2015 is \$43,900. The total difference is \$400 from this year to payable last year. That is the value of less than 1%. It is .009 something. If the 553 property is assessed at the reduced rate indicated by Mr. Tolzmann as 15%, which is the value reduction for Coon Lake Beach, the property should be taxed at a value of \$37,655.

So, at this time, I counter the Council's motion with the request that the 553 property be reassessed consistent with the Assessor's 2014 pay 2015 assessment report. As a side note, our home in which we reside which abuts the property at issue did not decrease in value anything close to 15% but our taxes went up about \$200.

On April 2013, I appeared before this Board, constituted by different individuals, in part, to ask that the 553 property be reassessed for the purposes of reducing its taxes. I indicated that the property had been identified but not red-tagged by the City as being unlivable due to a failed septic system.

At that time, Mr. Tolzmann said, and I will refer you to the minutes from that date: *'I did review the*

property prior to this assessment and made an adjustment to the land because there is no septic system on the property, and took a look at the condition of the house. It is 50% usable. They would have to remodel it and put in a well and septic. Moegerle, The land doesn't meet the high water setbacks and there are issues with the Shoreland Overlay District. Tolzmann, can the property be used as a residential property?' My response is not recorded but the answer was no. I continued, 'There have been a lot of discussions on that. My understanding is there would be more space for a septic system. You can't put a septic system in, but you can put it where the house was. The four people who tried to purchase it found this out. Davis, A holding tank is the only option for that property. There is no place to put in a system. Moegerle, A holding tank wasn't appropriate because of logistics, feasibility, and you have to pump it every month. DeRoche, What would happen with the retaining wall?' And, that point, it was no longer relevant to the issues of assessment of the value of that property.

The following day, on April 18, 2013, Mr. Tolzmann stated: *'The property was inspected by me on August 8, 2012. At that time, it was noted that the property was vacant and the condition had deteriorated. Therefore, in my opinion, the current value of the subject at \$44,300 is appropriate. Moegerle, I spoke with Mr. Tolzmann and agree. And, I will abstain from any vote.'*

And then there is discussion of about how many feet is on that lot and is it lake or across the road. *'Moegerle, .16 acres or 7,500 feet or less. Tolzmann, There were a lot of questions about the well and septic and if they are not functioning and need to be replaced. How you do that I think was the subject of last week's meeting. The house is roughly half depreciated because of the condition of it.'*

At that time, Mr. Koller made a motion to approve the recommendation of the City Assessor for the parcel PIN #36-33-23-21-0266. Seconded by Lawrence, all in favor. Moegerle abstained. The motion was passed unanimously by all voting members for that reduction. Three of the four members that voted are on the Council today asking for the taxes to be increased as evidenced by their unanimous vote that was taken last Wednesday.

I reiterate that 553 is not fit and has not been fit for human habitation since it was purchased by my husband and I, Gary Otremba, on February 2013. It was not fit for habitation in 2013. Staff has told me that five engineering studies were done by various potential purchasers of the property to make it habitable by adding a septic tank or holding tank. None of these were able to bring the building into habitable condition without a variance, extreme expense, and uncertain result. As a result of the engineering studies and staff opinion of the unsuitable of the various proposed septic system and holding tank designs, each potential purchaser of the property for habitation backed out of the purchase negotiations. As a point of interest, the only reason we purchased it was because the bank contacted us directly and asked, as the abutting property owner, if we would purchase it. Since we are only interested in it as green space and the garage, that is reflected in the purchase price.

Should the Council proceed to determine, without specifications of particular holding tank design and placement, and determine that the property can now support a specific holding tank system, potential purchasers of the property that walked away from it based upon City's advice that it could not put in a holding tank that was feasible, reasonable, and financially doable, could possibly sue the City or the Council. Now, again, I came to this meeting because I was told that a holding tank could be put on that property, I have yet to see specifications from the Council with regard to what could be put on there.

I contacted the DNR and then they referred me to Bart Bierman, and, I may be wrong with regard to that. I do have his telephone number. And, I asked specifically with regard to this issue, because Nick Schmitz is on a holiday to celebrate an achievement of his daughter, just exactly what could be done about this holding tank. He stated specifically that to discuss this in terms of the holding tank, generally makes no sense. That for a Building Official to make a decision on this, a specific design, location of the proposal, would have to be put in place. As far as my husband and I are concerned, it is a non-sequester. We don't plan to habitate this place, it has no functioning fixtures, it will never have running water. Ken was there, I pointed it out to him, the shower surround which is just thick

with rust. The water is not potable. We plan to make no changes to the well, and the water remains connected up solely for the purpose of watering future plants that we hope to put in there, maybe yet this year. That, of course, remains to be seen.

So, without having a particular design for staff to determine that could be put on there, it is a non, it is meaningless for that regard. The other thing is that I was told there were comparables that showed that we were under paying our taxes. Those have not been presented here tonight so, again, I consider the argument specious. However, I did my due diligence because I wanted to see just what those comparables were, possibly could be, and to make those available and to pay the property taxes that would be reasonable.

And, so I checked with regard to properties on Elm Street, particularly, as well as for Forrest Road, and here is the summary I have, which is, the address which is 553 Lakeshore, the 28 by 16 foot original cabin, built in 1940, also had a 1985 addition of a garage, which also included a small bath with a shower, a combination, and also a kitchen. The 2015 value, payable, is \$43,900, payable per half, \$336.88 annual payment \$673.76. Again, this property is not habitable, it has no functioning kitchen, it doesn't have a toilet, it doesn't have a sink, it has studs down to the bare walls, and some remaining drywall as demolition is still pending.

With regard to another comparable, we have 455 Forrest Road, built in 1991, has a 2015 value of \$77,100, payable per half \$357.82. It is a residential homestead. It has a value of more than \$30,000 than what we are currently paying and only pays about \$20 per half more. The annual payment is \$715.65.

On Elm Road there is a 1950 homestead at 248 Elm Road. Again, it is a homestead. 2015 value is \$46,700, payable per half \$366.67, annually \$733.35. So, that property which is valued at less than \$3,000 more pays \$20 more per half than we do.

We have, finally, because I thought three comparables would be sufficient, I suspect there are more. A 1930 structure, a homestead, located at 253 Elm Road. 2015 value, payable 2014, \$67,200, payable per half \$334.11, annually \$668.23. This property, which is valued at almost \$25,000 more than our property, which is not homesteaded, vacant, and un-habitable, pays \$3 less per half than we do.

So, by no means, by these comparables, is the property under taxed. However, there is strong evidence that when compared with homestead properties, and I compared it with homestead because of the issue that was brought up about the septic system, which, of course, would make it habitable, to compare what that would be. And, since, based upon what was said at the 2013 Board of Equalization, did not say that it was inhabitable or didn't have a septic system, so I consider those fair and comparables. There were no other vacant properties that I could find. The three comparables are, as I understand, current habitations. So, we'll stand for questions."

DeRoche, "Well, for beginners..."

Ronning, "I'd like to start with something. Nobody is questioning your tax, how much tax you are paying or you're not paying. The issue is the marketable value, taxable market value. The work you've described, is that recent work? Or, is that..." Moegerle, "It's been on-going work."

Ronning, "What, are you operating under an active permit? An open permit?" Moegerle, "Yes, we are. Yes, and one of the things that, it operates with a demolition permit so long as you, you know, we are doing this slow as time and resources permit. Spoke with Nick about this. He said it is uncommon to take quite so long, but I said we had quite a lot to do. We are doing it as time permits. And, he said so long as you contact us every six months and you are actually making active progress towards it, perfectly fine. Yesterday he did ask me to send a letter of intent with regard to what the plan is and how much of the building is going to be demolished because as we indicated, the garage will be left standing. Part of the delay is because there is some necessary discussions that must go

on with staff. It is grandfathered in as a legally non-conforming. Is that correct Jack?"

Davis, "No, the house is not legally non-conforming. But, if you tear the house portion off, then it becomes an accessory structure and that becomes legally non-conforming."

Vierling, "The [redacted] is non-conforming. I wouldn't say it becomes legally non-conforming." 21:15

Moegerle, "So the issue is that if we remove 50% of the value, or 50% of the space and Ken and we were discussing this yesterday, it looses grandfathered. And, if you take off so much in those kinds of things, so there was going to be discussion about exactly how much would be removed. So, those discussions are on going as well as several other issues regarding the removal of the septic system and the encroaching finger system."

Ronning, "You took a permit out February 21, 2013?" Moegerle, "Uh huh." Ronning, "And, a 180 day permit?" Moegerle, "Uh huh." Ronning, "Is there any documentation on file of any extension of any kind?" Moegerle, "Is, what I spoke with Nick and Mr. Tolzmann..." Ronning, "Um, that's fine..." Moegerle, "Let me finish." Ronning, "I'm asking about documentation."

DeRoche, "Ms. Moegerle. Let him speak." Moegerle, "Let me speak." DeRoche, "He didn't interrupt you." Moegerle, "Let me speak." DeRoche, "You know what, you're out of order."

Ronning, "When will it be my turn?" Moegerle, "I'm trying to answer this question."

Ronning, "I didn't ask a question." Moegerle, "Yes you did, you asked if there's any paperwork." Ronning, "Yes, I did, that's correct." Moegerle, "That's correct. I don't have the paperwork. That is kept within City files. Mr. Schmitz showed up, he indicated that I was in compliance because I continued to contact the staff with regard to that matter. So, it is my understanding that yes, I am in compliance with the demolition permit and all he requested was the letter of intent. How does that impact my valuation, sir?"

Ronning, "Well, it's been 14 months. I don't know how much time is allowed, if it's 14 months, 6 months, 14 years, whatever. Are you heating the place?" Moegerle, "No." Ronning, "You're not running it, any gas through there?" Moegerle, "It is turned off at the gas meter. The electricity will be turned off officially by the end of the week. But, it is turned off into the circuit box."

Ronning, "When was the gas turned off?" Moegerle, "It's been off at the meter, I don't know. Do you know?" Otremba, "23:27 (off mic) [redacted] so nothing will freeze up." Moegerle, "Because we have, we have storage and vehicles in there. So, we needed to keep those warm." Ronning, "So, the gas is operating." Moegerle, "Pardon?" Ronning, "The gas is active." Moegerle, "At the meter but it is turned off now." Ronning, "When did 'now' start?" Otremba, "23:50 (off mic) [redacted] we got the heat on until it got warm."

Ronning, "You were using the home?" Otremba, "No, we kept it above freezing because I've got storage things in there." Moegerle, "It was acting as a heated garage. In fact, we are not going to be removing the gas service from the house from that so we can have a heated garage. There is no requirement for the gas to be removed."

DeRoche, "Well, the accessory structure is something we're not discussing tonight. That will come up at another time." Moegerle, "I'm sure it will."

Ronning, "As far as anybody knows, has the City been kept up-to-date what the progress is with the building?" Davis, "I would have to speak with Nick on that. It is my knowledge that the permit was pulled in February and I don't know if there was a request for an extension or not. Generally, though, we do work with people, you know, if they don't get done on certain things like this. It is our policy to work with them to try to get it done. As far as what documentation there is, I can't say."

Ronning, “This has turned into 14 months, 14 months and 2-3 days.” Moegerle, “How does this address the equalization and valuation of this property?”

Ronning, “What we’re trying, you had a permit to tear the building down so...” Moegerle, “A portion of it, yes.” Ronning, “A portion? What portion were you going to leave?” Moegerle, “Well, that hasn’t been decided yet because, as I’ve indicated, that’s a discussion that needs to be held with staff. I’ve got a call in to Colleen Winter on that with regard to that, at Nick’s advice yesterday. He hadn’t been in the property ever, that I know. And, I wanted to show him the status of the demolition. And, he suggested that a meeting would be in order so that we can discuss the ramifications of where, exactly, that would occur. However, the interior is demolished in usual construction demolition style.”

Koller, “What year was it built?” Moegerle, “The 28 by 16 portion, which is the most eastern portion, was built in 1940 or thereabouts. The garage and the kitchen/bathroom portion was built in 1985 and that is what you see when you pull up the information on this property.”

Koller “Was there an asbestos abatement on it?” Moegerle, “There is no asbestos.” Otremba, “No 26:19 (off mic). Moegerle, “Because they remodeled it when they...” Otremba, “85 they remodeled the whole house.”

Ronning “Okay because I was going to say, sheetrock does have asbestos in it.” Otremba, “They remodeled in 1985.” Ronning, “Okay, because I’m a licensed inspector.” Moegerle, “Sure.”

Ronning, “And tile? Floor tile? Same thing?” Moegerle, “It is ceramic floor tile.” Otremba, “It was all put in in 1985. Before that it was a cabin with no insulation, no nothing.”

Moegerle, “The only linoleum on the property is the cache of debris that somebody dumped on the property outside the premises.” Otremba, “We didn’t dump that.” Moegerle, “Yea, we didn’t dump that and it’s not ours.”

DeRoche, “All right, well, I don’t want to turn this into some big long lecture, whatever, because there’s information. Ken, I’d like to give you these to take a look at. These are actually three comparables that I looked up.”

Moegerle, “Now, I was just told there were not comparables.”

DeRoche, “One is 563 Lakeshore.” Moegerle, “I’m sorry, say again?” DeRoche, “563 Lakeshore, 852 Lakeshore, and 315 Lakeshore. And, he has all the information on them. Just to get back with the minutes that you read, I have a copy of the minutes here and I was reading along and for some reason, there are a lot of different words from what you read and what I’ve got here. And, this was the date of April 17.”

Moegerle, “Well, I’m looking at the document I printed it off this afternoon, probably at 4:00 p.m.” DeRoche, “Here it is. Those are the minutes.” Moegerle, “See, this is the section with regard to Heidi Moegerle with regard to, I think that’s the 17th, on Page 8 of 9, and then with regard to, I’m sorry, that was the continuation. And, the second was this here, I only read you the relevant parts because why waste your time. DeRoche, “I think it’s all relevant.” Moegerle, “Pardon?” DeRoche, “I think it’s all relevant.” Moegerle, “Well, you can.”

DeRoche, “You’re doing things...” Moegerle, “Well, okay, I have a reason. I have an issue. In February we purchased 553 Lakeshore, this is adjacent to our property. There were a couple of offers on this, all the sales failed because the septic system on the property failed. No one could find a way to put a septic system on the property. The realtor came and asked if we would like to purchase it as a green space. It was actually the banker, not the realtor. In 2011, the septic system failed. It was not feasible or possible to get it up to standards. In February 2013 we did a permit to

demolish the building. I talked with Mr. Tolzmann about, to reassess the 2014 because the realtor, mortgage company didn't bring it to the Assessor's attention. We want it listed un-habitable and reassess when it is demolished. And, that picks up where I highlighted and left.

DeRoche, "You forgot a couple parts." Moegerle, "I'd like to see the **29:09 (off mic)**, if I might?"

DeRoche, "Okay, I'm going to read this into the record. This is kind of after, '*...didn't bring it to the Assessor's attention, we want it listed as uninhabitable and reassess when it was demolished. Tolzmann, I did review the property prior to this assessment and made an adjustment to the land because there is no septic system on the property, and took a look at the condition of the house. It is 50% usable. They would have to remodel it and put in a well and septic. Moegerle, The land doesn't meet the high water setbacks and there are issues with the Shoreland Overlay District. Tolzmann, can the property be used as a residential property? Moegerle, There have been a lot of discussions on that. My understanding is there would be more space for a septic system.*' I don't quite understand that. '*You can't put a septic system for a system.*' And, I'm reading from the minutes here, okay?"

Moegerle, "I've complained about them often enough."

DeRoche, "Well, just let me finish reading here, okay? '*...The four people who tried to purchase it found this out. Davis, A holding tank is the only option for that property. There is no space to put in a system. Moegerle, A holding tank wasn't appropriate because of logistics, feasibility, and you have to pump it every month. DeRoche, What would happen with the retaining wall? Davis, The City granted the owner a license to use City property for their drainfield*' That would be the previous owner and when the house was foreclosed on, and he left, then that contract was null. Okay? '*Moegerle, That is an agreement for system in the right of way. That system was put in without a permit. There are all limits on issues of the property. Because our name is not in the property records yet, since we closed in February, I wanted to bring this to Tolzmann's attention here. Tolzmann, Hopefully can get the issues resolve.*'

And, before you interrupt again, I brought this up because I've been asked by people over there that have looked at the property and were going to buy it. And, they were actually going to pay more because they were going to use it. They were going to look into putting in a holding tank and they were doing to live in it. They were told they couldn't do that. Now, where they got that information is beyond me. But, you know what, someone told them that. And, as far as I'm concerned, people ask me, well how can their taxes be so low. Well, you know what? I'm on the Board, I'm going to ask that question and that's exactly what we're doing. When it was brought up at the last meeting, last year, it was the intent, and I'm sure that everybody voted because it was under the assumption that you bought it, you were going to tear the whole building down, remove the septic, and there would be nothing there. And, that's why the valuation went down as low as it did. Now, if those plans have changed, well, that's fine but I think then somebody needs to let the City know. And, as far as what your conversation with Nick, as far as I'm concerned, is hearsay because Nick is not here to say what he said, what he didn't say."

Moegerle, "Tolzmann's here as a witness."

DeRoche, "And if there has been, if it has been used for storage, then to me, when you came in and got a permit to demolition it, it was my assumption the thing would be demolished. Demoed, there wasn't going to be heat over the winter, it wasn't going to be storage, it wasn't going to be anything else. So, as far as I'm concerned, I would like the County to take a look at it. Take a look at the paperwork, take a look at the comparable properties. I did and if they say that it's good to go, then that's the way it is. But, if they don't, then so be it also."

Moegerle, "May I respond? DeRoche, "Absolutely."

Moegerle, “First of all, the conversation with regard to the demolition permit was, as I indicated, Mr., you’re saying that’s hearsay and so be that. What you assumed, I have no control of and you know that the risk of assuming is. What, I would like to address, with regard to this, is that these comparables that you indicate. First of all, the comparables that you have, like the ones that I indicated, are all residential homestead properties. That’s apples-to-oranges. And, the property that is very clear with regard to 553, which is 36-33-23-21-0266 PIN number, is not a residential homestead. It is a 4-BB1 Residential non-homestead single unit. The property values for PIN 36-33-23-23-0098 also known as 852 Lincoln Drive NE, it had market value in 2013 at \$62,300. It has now a property value of \$62,700. Congratulations, their property went up \$400. Again, it is residential, it has functioning water, it has utilities, it has electricity, it has a kitchen I would assume. I would imagine it has fixtures and appliances. I’m sure the walls are intact, that they are not bear standing studs. I would guess that any other habitation, again, is not going to be comparable. We have 33-33-23-12-0334, also known as 315 Lakeshore Drive, built in 1927. This lot size is substantially larger than what we have. It is 110 by 125 and 100 by 48. So, that is substantially than 7,300 square feet. The 2015 tax assessment for that one is \$80,500. Substantially, almost twice what the 553 property is, and its tax is \$461. So, that property is \$40,000 more valuable, its use is a habitation, from what I understand, or could be because it’s shown as a residential homestead, and it pays \$200, no less than \$200 more than our property, which is valued at less than half. Oh, and the first property, that 563 Lakeshore Drive, that was built in 1924, on the record there it indicates it has an irregular lot size so I have no idea what that means but I’m sure that can be figured out by GIS. Finally, the comp that is 852 Lincoln Drive...did I go over 852? Pardon me? 852 Lakeshore, built in 1969, it has a lot size 85 by 100 plus 40 by 115. It’s probably half again the size of the lot that we have. The year built is average between the 1940 and the 1985. Its value is \$62,700 and payable by half \$316 and annually \$362 dollars. So, comparing that 852 Lakeshore with the 553 Lakeshore, the valuation is a difference of \$18,000 and that property pays \$40 a year less than what we pay. So, I don’t find that your comparables are...”

Ronning, “You’ve spoken roughly 25 of the last 38 minutes. We’re not going to get anyplace if you continue like this.” Moegerle, “This was scheduled for 45 minutes and I’m being responsive to questions and information presented.” Ronning, “You didn’t start with any questions, you just rambled on for 15 minutes to begin with.” Moegerle, “I get to present evidence. Proceed.”

Ronning, “Is it your position you did or did not say that ‘we wanted it listed as uninhabitable and reassessed when it was demolished?’” Moegerle, “I have no idea.” Ronning, “It’s on your minutes.” Moegerle, “I understand it’s in the minutes. And, I’ll have to double check to see if I voted to approve these minutes.” Ronning, “That doesn’t matter. They are the minutes. If you didn’t approve, if you didn’t vote for them, it doesn’t mean they are no good. Moegerle, “No, but what I do...” Ronning, “No, but what.” Moegerle, “Do I get to respond?” Ronning, “No, this is getting old. You’ve been running this...”

DeRoche, “Let’s get it under control again.” Moegerle, “I don’t agree with that.” Ronning, “Hold it.” Moegerle, “I don’t agree.”

Ronning, “That’s fine. We have to come up with some kind of an answer. We’ve asked. Based on what I see in the information and what have you, I’d make a motion.”

Ronning made a motion to move the question of the tax valuation of 553 Lakeshore Drive to the County Assessor to consider what the value should have been this past 14 months and what it would be on going.

Moegerle, “Mr. Tolzmann, do you have an opinion on the value of the property?”

Tolzmann, “Do you want me to speak?” DeRoche, “Sure. And, I guess I’d like you to speak on what it was valued at prior to the started demolition. Especially in light of the fact that had one of the people that purchased it down the line put a holding tank in there, they could have lived there.”

DeRoche, “Ms. Moegerle, would you please take a seat while he’s speaking?”

Tolzmann, “...in August of 2012. At that time, it was a bank owned property. It was vacant and I viewed the property along with the other properties in the Coon Lake Beach area. It was part of the quintile, which means I was doing a total review of that area. At that point, the value on the lot was about \$32,000. I believe the value of the buildings and total value was around, I’d have to look it up, I think it was around \$80,000. Right in that neighborhood. So, at that time, I put the value in that it was about 50% depreciated based on a year built of 1985. That fall, I had a call from Ms. Moegerle just indicating to me that the property, the septic was not functioning on the property and that it couldn’t ...I believe, don’t quote me on the words here...but it couldn’t sustain a septic system. She provided some documentation to that effect. So, what I did do is I did make an adjustment for the fact that the property could have a holding tank. But, the fact that there was no septic system there would severely impact the value of the property. At the time that, this past week, Nick, Ms. Moegerle, and myself, and Steve, the other building inspector, I was able to get in to take a look at the property. And, discovered that it was built in 1940. Our records showed it as being built in 1985. I did make a change to the record on that, the fact that it was built in 1940. Also, looking at the inside of the building, my assessment of it was that the property, the structure, on the 1985 portion, was probably a little better condition than I thought it was so I backed off on the 50% rate that I had on it before and I’m going with 30% after that inspection. Overall, the value hasn’t changed. The new value that I came up with after the inspection this past week was \$44,700 versus the \$43,900 that it was before. I think what the Board needs to consider here is what would someone pay for this. The record shows that Ms. Moegerle paid, I think it was \$6,000 for the property. My opinion was that it was worth considerably more than that. What would someone pay had they known that they could put a holding tank in there? I guess I’m not prepared to answer that question but I certainly feel comfortable that I reviewed the property and basically called it the way I saw it. That the property was worth right in that, basically what I thought it was worth, \$43,900 is what we have posted for the pay 2015 assessment. Does anyone have any questions?”

Vierling, “Just a quick one Ken. For the record, and to deal with the obvious, the Statute requires you to assess the value of property as of what time? What period of time for tax values? Isn’t it January?” Tolzmann, “January 2nd of 2014.” Vierling, “That would be for payable 2015 and vice versa 13 for payable 14?” Tolzmann, “Correct.” Vierling, “Okay.” Tolzmann, “Correct.” Vierling, “And, you had indicated, I believe the last time we were here that you had adjusted the value from 13 payable 14?” Tolzmann, “I believe that was the result of the quintile that I spoke to earlier. When I was at the property in August of 2012, that value would have been posted January 2 of 2013 for payable 2014.”

Vierling, “Okay, and for the record, would the demolition permit that was referenced in these discussions here tonight have anything to do with your reassessment of the value of that property from 13 payable 14?”

Tolzmann, “At the time I was out there, back at the first of the year, this past year, the permit was taken out in February of 2013. I was out there at the end of 2013. The structure was still there. I didn’t see any activity going on. No trucks in the driveway or anything like that. So, I checked it to come back at a later date. So, that was, for the record, that is what I saw at that time.”

DeRoche, “I’m sorry, did you say you saw no trucks in the driveway?” Tolzmann, “No trucks. I didn’t see, I don’t recall seeing any, you know, dump trucks. The type of thing that would indicate there was a demolition in progress”

Moegerle, “May I ask a question?”

Vierling, “I’m not done yet. Mr. Tolzmann, again, follow up because I wasn’t sure that you responded to the question I had. You said you had been to the property and you didn’t see any

demolition in progress and then you marked it for follow up. Or, you were going to follow up later on?"

Tolzmann, "Follow up this year. Typically people will take out a permit and if it's not done, I'll come back a year later just to see if it ever did get done."

Vierling, "I understand that. But, again, I just want to make sure the record is clear. Relative to the permit that was actually issued in February of 13, that you saw no activity on when you were on the property, did that permit itself in 13 at all influence your decision to value the property in 13 for payable 14?" Tolzmann, "No. It didn't. I left the data, the physically characteristics, the same because there's been no change in the property." Vierling, "Thank you, that's what I wanted."

Tolzmann, "Any other questions at all?"

DeRoche, "Any questions?"

Moegerle, "May I make a closing comment?" Ronning, "Closing comment?"

Moegerle, "Yeah. This demolition seems to be an issue. With regard to this, we had to get trees out of the front yard in order to get heavy equipment in to remove the septic system and those kinds of things. So, that was a part of the demolition. We didn't like taking down the trees, but in order to get the septic system out and clear out the finger system, that was necessary. The interior demolition, all of the materials except for those items that were taken to the Recycling Center in the spring of 2013, are in the building. We felt that it would be a disservice to the community to open up the exterior of the building and have all of that exposed on going. There's issues of abatement, of having stuff fly out and litter the lake, and those kinds of things. So, we've done that all interiorly but it's an on-going issue with regard to what happens with the demolition because it's always been that we're going to leave the garage because it is in a good condition. That is a conversation that still must be discussed about grandfathering in and what happens if you have an accessory structure that is not on a property. Or, do you add it. It's a complex thing. It's not because we've been 'sleeping on our right,' it's because we're doing this in a measured way. In a way we don't want to be a blight."

Ronning, "You appear upset, to me any how." Moegerle, "I'm not upset at all." Ronning, "Well, the way you keep talking, talking, and talking and rebutting and rebutting and rebutting shows a little bit. But, at any rate, he made it clear that he was answering, this came up as a result of residents asking questions about whether the property, why the property is taxed less than theirs."

Moegerle, "They're welcome to ask."

Ronning, "Is that a reasonable question for people?" Moegerle, "I think they should ask the property owner." Ronning, "No, I'm not going to ask the property owners. They have requested that your property be reviewed." Moegerle, "Who's 'they.'?" Ronning, "They is the 'little people in the sky' or something." DeRoche, "It's immaterial Heidi. We don't need to bring in people's names." Moegerle, "They're welcome to come and ask me what the status is of the demolition."

Ronning, "No, they asked us." Moegerle, "Us? So, is this a violation of the open meeting law?" DeRoche, "No."

Ronning, "This was brought up at the last meeting, the one you missed. Moegerle, "Yeah, where the snow storm?"

Ronning, "Would you quit interrupting? Or, at least would you please stop talking when I'm interrupting? This is a reasonable request for people in your neighborhood, or whatever neighborhood, that's affected by the tax structure to ask why are your taxes less than theirs."

Moegerle, “And, I’d like to know why my taxes are more than others. I’m interested that at out of 5,000 taxable properties, I’m the only one that’s being increased.”

DeRoche, “All right, there was a motion made to move this ahead.”

Seconded by DeRoche for discussion purposes.

Koller, “We need some kind of closure to this.”

DeRoche, “Any more discussion? To more this ahead to the County and let them review the situation? All in favor?”

Vote: 4 ayes. Motion carries unanimously.

**3.0
Adjourn**

DeRoche declared the Board of Appeals and Equalization adjourned at 6:50 p.m.

DRAFT

EAST BETHEL CITY COUNCIL MEETING

APRIL 23, 2014

The East Bethel City Council met on April 23, 2014 at 7:00 p.m. for the special City Council meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
 Colleen Winter, Community Development Director

1.0 The April 23, 2014 City Council special meeting was called to order by Mayor DeRoche at
Call to Order 7:00 p.m.

DeRoche, "I want to say go over a few items first. I'd like to keep civility. Maybe people's emotions might get a little carried away, but we prefer not to do that because that just kind of turns everybody off. Depending on the amount of people who are speaking, I'd like everybody speak what's on their mind. But, also remember, you know, there are kids in here so foul language or anything like that, that may come through your mind, just please abstain from that. When you come up to the microphone, please state your name, address, so that, this is all being recorded and it will be played back both over the internet, on Channel 10, and I'm not sure if the reporter is here tonight but it will all be in the minutes. So, all of that, for public information, that all has to be there. And, with that, I'll entertain a motion to accept the agenda."

2.0 **Harrington made a motion to adopt the April 23, 2014 City Council agenda, as**
Adopt **presented. Koller seconded. All in favor, motion carries.**
Agenda

3.0 Davis presented the staff report, noting that on October 2, 2013 Becky Knisley, 23250
Public Sunset Road, requested City Council to consider amending Traffic and Motor Vehicles
Hearing Ordinance, Section 70 to address noise and hours of operation of dirt bikes. The City has
Traffic and received previous complaints from residents in other areas regarding this same issue. This
Motor Ordinance was discussed at an Ordinance Committee meeting on October 28, 2013, but no
Vehicles consensus was reached at that meeting. City Council has scheduled a Public Hearing for
Ordinance, April 23, 2014 to solicit citizen input on this matter.
Section 70

The City Council scheduled a public hearing for tonight to solicit citizen input on this matter. Mr. DeRoche will call your name to speak and we're here to hear your comments on this and get your input. Thank you.

DeRoche, "One other comment. This in an information gathering meeting so there won't be a lot of dialogue back and forth. It's something that, it was an important enough issue that a public hearing needed to be called to get input from the public on both sides and anywhere in between."

DeRoche opened the public hearing at 7:02 p.m.

Becky Knisley, 23250 Sunset Road NE, "I met with you guys so you kind of know where

I'm coming from. And, I've read what you're trying to adopt, which, and I met with Colleen about it and had e-mails back and forth with you guys. I understand what you're trying to do and I still, I want it to be known that I'm not against dirt bikes or ATVs or snowmobiles. What the problem is, is the noise. And, I don't think that what you are proposing has addressed the noise issue at all. With the track, with the race track that is not at my exact neighbors but the two doors down neighbor has built last fall. With the amount of actual dirt bikes that are there and their constant every night, every weekend, when there's two or three or four riders and it's the dirt bikes, the really loud dirt bikes, where we cannot sit on our deck and have a dinner or have a conversation. That's how loud they are. And, I know the County has the sound meter to regulate that. But, we, as the City are still, we don't have a way to regulate that because the County is not going to come out and measure the sound levels of what is going on. That's kind of where I'm coming from. It doesn't matter whether it's a certain hour of the day that they can ride. It is how loud is something. I don't care whether it is a dirt bike or it's somebody's having a band practice and they are playing outside and it's 100 decibels loud. That is the issue. Not that they can ride or that they can't ride. It's how loud can somebody be before it is, I don't get my right to quiet enjoyment on my property because of what my neighbor is doing. It is not for two minutes. It is for a couple hours on end every night during the summer and on weekends."

DeRoche, "Okay, I want to touch on something here quick. You and I have had conversations and kind of discussed how do you define 'noise.' I mean, is 'noise' your neighbor's garden tractor? Is it his chainsaw? Is it the dirt bikes? Is it, whatever, and if you were to go out to Minnesota Revisers Statute and that Minnesota Noise Ordinance, Chapter 7030, and I happen to read that this morning. It's quite a bit more to checking sound than what the County said. Some of the little deals where you have to check for ambient temp, you have to filter the microphone, you can't be within 300 feet of a structure, it can't be on a rainy day, it can't be on a windy day. And, this is all State law. Kind of what we've been trying to figure out, is how do you regulate the noise."

Knisley, "And that is what I've been asking. Hopefully that's what this meeting is, trying to regulate noise. Not necessarily regulating ATVs or dirt bikes, but a level of noise. Because, this is an issue at my house right now, or it was last summer and fall. I'm hoping it's not going to be this summer, every night, going on. But, it's noise in general. That's what I am saying and how does the City regulate that? How can we? It doesn't seem realistic to adopt the State Statute, which is what we currently have because to do that you know the Manual to do that is this thick of how the procedure to do it. It's just not cost effective. It does not make sense. So, what is the City going to do to put something into place that would regulate loud noise?"

DeRoche, "Well, with that being said, what I would like to see come out of this meeting tonight is anyone in the audience offer a suggestions." Knisley, "That would be great."

DeRoche, "That, to me, is why you have a public hearing. You get enough different opinions, or hopefully something so when we bring this up again we can say well, you know what. Because, our ideas are great but there's 12,000 people in the City and I don't think five people should be determining for 13,000 of what's going on."

Knisley, "I understand that and you guys understand too is when we're on acreage and we're a rural residential neighborhood. I didn't move next door to a racetrack. When I bought my land and built my house, I did not move next door to a racetrack. Just like I didn't decide to have my house back up to Highway 65. And, again, I have said this before,

we had to have a Special Use Permit to conduct a business out of our residential home that makes no noise. But, we had to go through the process to get that Special, or Conditional Use Permit, I don't remember which it is, so that we can run a real estate company and a construction company out of our home. We make no, nobody knows that is going on. It's not disturbing anybody. But, some of my new neighbors can move in and build a racetrack and they can be that loud and they didn't have to apply for a permit. They didn't have to do anything. That doesn't make sense to me."

Ronning, "I want to be sure I understood what you said earlier, that it was not the neighbor but it was two doors down?" Knisley, "If you go by addresses, it's not my immediate neighbor but we both have kind of 'L' shaped lots. Mine is an upside down 'L' and theirs is the other way and it is this neighbor...no, he doesn't have an 'L' either. His property touches mine but his house is not next door. It is two doors down. There is a piece that is cut out that we have another neighbor, but our back yards touch."

Ronning, "What...there's one house and then the next, the next occupied property is another house?" Knisley, "That's the house that has the track. Not my neighbor directly, not the house that is next to me, but one more house over. My lot is an upside-down 'L.' I have a neighbor here, and it's this neighbor here. So, my house, this house, and now this house and he's got the track going all the way down to back in his property."

Ronning, "And, what you were just saying, you are facing East so the north lots." Knisley, "We are facing east so no, it would be the south lot." Ronning, "The south lot." Knisley, "But not the house directly next to me. No problem. Thank you."

DeRoche, "Thank you Becky. Chad Larson?"

Chad Larson, 23532 Isanti Street NE, "I haven't been involved with this at all, after listening to what she had to say. I get that, I do, the sound of loudness, that would really stink if I had to sit in my back yard and listen to that constantly. But, the thing is, this will affect all of us. Some of these rules in here, to me, they kind of tell me what times and stuff when I can ride, and stop, and go. To me, doesn't seem fair to the rest of us. But I do believe, maybe, a Sound Ordinance of some sort could be."

DeRoche, "But, that's what you figure out, but how do you create it?" Larson, "I don't either. After she said that, I'm trying to think myself and I really don't know how that would..."

DeRoche, "Mostly, yeah, your dirt bikes are pretty loud but, then, I've got a 16 horse tractor that I'm cutting the grass and the muffler is shot on. Now, okay, so, and I've explained to a couple people, when you make up an ordinance or you make rules, it's like okay, but now you've got to remember, these rules are going to affect everybody. So, when you do it, you've got to kind of balance it out and say, okay look, you can make noise but only for so long. Or, because if you put a decibel level on it, as Becky knows and I've read and we've talked to the Deputies, they would have to literally sit out on the property for, what Jack, an hour? And, every ten seconds take a reading and document it. And, if it doesn't exceed certain things, then it's, it's not as easy as it may sound. Now, again, it's like I told her, if you've got any ideas, you know, bring them in to Jack, Colleen. There is not going to be a decision made on this tonight. But, we sure the heck needed more information."

Larson, "Okay, well I was going by what I read here and I don't agree with a lot of the stuff

that's written on here. It's controlling me on my property and my little boys, seven, driving a dirt bike isn't really loud, it's not hurting anything that I'm aware of. And, my neighbors don't really complain. I have a track right behind my house that I used to ride when I first moved in quite often. And, it had a track when I moved there and now, obviously, you didn't move next to a track. I can understand that, but I don't want that to be restricting my kids and what we're doing on my property if it's just a sound issue. Thank you."

Ronning, "If I may, it's a real issue. It's not, and it's important to the people, it's important to. The noise thing, to complicate a little bit, forget the lawnmowers and stuff. A baby cries typically 90+ decibels, between 90 and 100. That's, if you had that all day long, you might be able to be in a work environment for one to two hours and then OSHA would say you are over the limit for that noise exposure. Nobody is going to get rid of their babies because they're too loud. But, it's just that kind of an issue. It's incredibly difficult to try to come up with something that works for everybody. As Bob said, it's more than five of us want to dictate what everybody's going to have to live with."

DeRoche, "Zach on Sunset?"

Zach Harguth, 23204 Sunset Road, "I'm here to express my opinion about complaints about noise from my neighbors. I come from a motocross background, been riding for all my life. I moved out of Ham Lake to up here so I could build a track and ride, because you can't in Ham Lake. As you first started riding, we were not really following by the rules because we didn't know about the times. We talked to my neighbor about if he cared if we ride and we took it as, we don't want you riding at all, we didn't move next to a motocross track. So, after that we looked up the laws with the times and ever since then, we rode within the legal times and we do not ride every day, every weekend. Maybe once or twice a week, every other weekend, maybe. And, my last question, what is your guy's definition of a racetrack? Because we don't hold sanctioned events, there is no starting lines, there is no flag or post, we just have a track at my house."

DeRoche, "That is one of the other things that we've kind of wrestled with. What is the definition of a racetrack. I don't know, where two people get together and run around, or is it we have competition, or is it where you win money, what is it? And, I have yet to have somebody come up and really give a good definition of what it is. Now, to her, it seems like a racetrack because you have two or three people and they are racing around, around, and around. That's what you hear at a racetrack. I don't know, this is a tough one."

Harguth, "And one last thing about the noise, all of our bikes can pass sound testing at AMA racing events. So, if they can pass that a sanctioned event, I would think they would be legal sound for a residential riding on 7+ acres."

Moegerle, "Can you say that again? I'm sorry?" Hogath, "All of our bikes that we ride can pass AMA sound testing which is a fairly new law to dirt bikes and four-wheel racing. If they cannot pass that, you cannot ride. So, all of our bikes can pass that test."

Koller, "I know when my daughter raced a few years ago, they, before the bike races, they do a decibel meter right at the exhaust, so many inches from the exhaust and it has to pass or they don't race."

Harguth, "Yep. That is all I have to say. Thanks."

DeRoche, "Sandy Winneger?"

Sandy Winneger, 4912 – 229th Avenue NE, "I'm close to the neighborhood and have heard the dirt bikes. I was a former Councilmember. I was one of the Councilmembers that passed the Ordinance that is currently on the books. In regard to the times and that, when people can be riding their bikes. We went through a lot of the same thing you guys are going through and we came up with, when I was on the Council, we came up with what we thought was a really good plan. Because you couldn't ride it all the time. The problem is enforcement. You know, the City doesn't have enough people to enforce these things. And, you get a new guy moving in, he doesn't know the rules. But the thing to not do is to change this Ordinance because it is a good Ordinance. It worked really well in our neighborhood. I live in that same neighborhood, I hear the dirt bikes. They have not been running them all day and all night and every weekend. I've been around and I know that. I've lived there for 23 years. I just don't think that the sound thing, you're not going to get away from it. You've got lawnmowers, like you said. I mean, heck I ride my Harley and it's probably louder than their bikes are, you know up and down the road. And that's probably true. I have heard them. I can hear them from my house and I'm a ways away. But I don't think this is going to solve anything because wherever you live, you're going to have noise and you're not, you know, reinventing the rules in any way shape or form. But, it isn't true that they ride them all the time because I know that. I live there. I know it. I just hope you guys really think hard about it because I know when we did it, that's what we wanted to make so the people could still enjoy their dirt bikes and we set up good times so that they weren't riding on Sunday afternoon when we were having dinner with our family. And, they had to quit. Because, I had a dirt bike track three houses down from my house when we first moved in there and that one, you know, I had the same complaints that Becky had at that point. But, at least then the City said, you know, it's a tough deal. The City changed some rules and it was all good and it's been good. I mean, I know you get complaints all the time because I was there. I've been there, I've done that. But, I don't think this will solve anything, you know, with the dirt bike thing because it's more than that. There's a lot of noise, like you said, it's a bigger thing, a bigger issue, than what you've got going on. It's not a dirt bike thing and they are not running them all the time."

DeRoche, "Well, you made a pretty good point. One of the things the State says when you are going to make an ordinance or rules, is if you can't enforce it, don't make it. I mean, you can have more rules than you know what to do with and anyone who has ever seen our Ordinance book, when you come up to talk, it's sitting I front here, about this thick. Common sense, I think, should play a part. Neil Dack? Did I say that right?"

Neil Dack, 1101 Ironwood Avenue SW, Isanti, "I grew up at 22664 Waconia Circle in East Bethel here, recently moved to Isanti. I found, when I moved, I talked to my neighbors. I have three boys that, they ride. I take it, they're under six years old, six and two five-year-olds. We do it within allotted times. I talked to all my neighbors to make sure that it's okay and if there is a problem, we communicate. We find even ground to work with. A couple years ago when the first Ordinance was put in, it was on the track that I grew up practicing on. Now, we followed the rules. There wasn't any problems. Cops weren't called. Neighbors were okay. We all found even ground to stand on so that everybody could be happy. And, I just feel that the new regulations are ridiculous. There is no way. You know you'll make one person happy and you'll make 15, 20 people upset. It's a good thing, it's like baseball, hockey, soccer, granted it is louder, I understand that. Now, but if you can find common ground. But, just as everybody else has said, if we have to shut it down completely, it's, I just don't think it's fair. I mean, I pay taxes. Everybody else pays taxes.

You said you had a business and you had to apply for a permit for. Basically, we had to do the same thing a few years back in order for us to ride. Where people moved in around the track. And, I understand they built the track after you guys had already built your house, they moved in. But there's has got to be a common ground that everybody can stand on where everybody can be happy. I don't know if you guys have tried to speak with each other. I'm not directly involved with the problem. But, I'd hate for my kids, that's their dream, that's what they love to do. There's nothing else that they would rather do. Every day, that's all they want to do and they are 5 and 6. I don't want their dreams to be washed away for, you know, as it seems so far for people coming up, one person being unhappy. And, I know there's probably more than one. I'm not saying that you're a bad person or anything like that. I understand."

Knisley, "I'm not trying to be a bad person. I'm trying to say here's the problem, how do we solve it. I don't have anything against ATVs, snowmobiles, RVs or whatever. That is not the issue, the issue is the noise."

Davis, "Excuse me, if we could have one person speaking, addressing the Council, and speak directly into the microphone so we can have it recorded. Anyone who speaks in the audience, it doesn't pick it up. So, we just need to have a recording of this."

Dack, "And, that's all I've got. Thank you."

DeRoche, "Thank you. Shayne Wyatt? And, just for the public's information, these Ordinances that are the proposed changes, it's not what is 'carved in stone' it's not even what would be the final. Staff has to put something together to say, look, this is what we think is the best idea and that is where the input comes, to try and figure out for sure what we're going to do."

Shayne Wyatt, 20006 Austin Street NE, "I have no doubt in my mind that I'm one of the people that you've had calls about. I have a track. It is not a racetrack. It is basically hills that you ride over. Two years ago, I had the Sheriffs out at my house nine time. He couldn't fine anything wrong any of those times. In fact, he hid down the road and there was another call. Person put out that I was riding up and down the road, riding wheelies, getting crazy, and he came over and he goes, 'Well, I understand now. You know people want to exaggerate things like that.' When he came out, he seen little kids riding on dirt bikes. They weren't any louder, as you said, than a lawnmower. A full-blown motocross bikes are quieter than a John Deere tractor. You put the decibel meter up against a John Deere mower and my bike, and I was 15 decibels quieter than that. Where does it stop? I mean, when you want to put sanctions on things, you are going to put these on, not necessarily, but if you do, it's not going to stop. You are going to get another complaint, another complaint, and another complaint. And, pretty soon, the guy that wants to come home late on his Harley can't do it. He's going to be in violation. Or, the guy that can't afford to fix his mower because his muffler fell off. You just got to make that decision of where does it stop. And little kids, I love, I'm 31 years old, I'm shot in 'motocross years' but I still like going out and I'm good for about ten laps and I'm done. There are no two hours of constant riding all day, but I love having little kids bring their bikes over, play around. It is already bad enough that if you have a couple over, one's got to sit out because you can only have two at a time. You know, so, my biggest thing is where does it stop with, I mean that's the whole reason I moved to East Bethel, is for the freedom. I lived in Blaine. You know, you couldn't even fire one up in your garage and you had people calling on you all the time. How do you work with that? You look at East Bethel and you

go, 'I got the freedom to have a nice yard and just have a little freedom.' You know, I understand people don't want to sit next to noise but if I don't like your classical music do I call and complain? You deal with it, you know. And, the guy across the street wants to come home late on his Harley, I don't want to take that away from him. I don't want to put ordinances on. That's the whole reason that we are out here. That's all I got to say."

DeRoche, "Thanks Shayne. Dan Richardson?"

Dan Richardson, owner of Northway Sports, 21429 Ulysses Street NE, "I just want to address the Council and say that I was on the bi-partisan citizen committee that came up with the recommendations for Council on all that Noise Ordinance that you guys assed. And, we really did work hard on that. I mean we sat, fought for a couple months, on that whole deal, and I really don't want to see it all thrown away. I think we made some concessions in both directions. I do think it's kind of fair and I've got a concern because I have my own demo track and I don't want to see any tighter restrictions on that either. So, I just wanted to put that input in there."

Moegerle, "Can I ask you a question?" Richardson, "Sure." Moegerle, "It was referenced that the AMA testing standards, and I Googled that and there's a private motorized recreational ordinance promulgated by the American Motorcyclist Association. Did you take a look at that? It looks like it's been some time ago but it seems to track this but it has a little bit more 'soft' issues on it, landscaping, dust control, those kinds of things with it. Is that familiar to you? Or, do you have anything? Richardson, "Yes, well, if you are looking at the AMA regulations, and I don't race so, I don't totally know the exact decibels and all that. But, I do know they test at the racetracks. That is fairly new. It's only been in the last three or four years that I know of. So, when we were doing the committee, that wasn't even tested at racetracks at that time. But, I know we looked at everything back then." Moegerle, "Okay, thank you." Richardson, "Thanks."

DeRoche, "Thanks Dan."

Koller, "I should have asked earlier. Do you remember the timeframe when you guys all worked on that? Would you be able to back and look at some notes or something?" Richardson, "You know, I actually kept a file of it so I probably could take some of that out for you guys if you wanted to look at what we went over." Koller, "We'll check with you. Thank you."

DeRoche, "Mark on 238th?"

Mark Arends, 632 238th Lane NE, "Like the other guy said, our bikes are sound tested at AMA racing events. I see no reason to change what's good for our kids and all that. I guess I don't know, I don't have much to say."

DeRoche, "Thank you. Chris Sandman?"

Chris Sandman, "No comment."

DeRoche, "Paul Johnson?"

Paul Johnson, "It's been said."

DeRoche, "Well, this is going smooth. Jeff Thomas?"

Jeff Thomas, 23262 Kissel Street NE, "I'd just like to say that I think the Ordinance should stand the way it is because there was a considerable amount of work to have it be that way. My concerns, personally, would be, I have a chain saw that's way louder than any dirt bike you've ever heard. If I want to ride my snowmobile around my yard, what are the restrictions on that? These are the things that I work for and strive for and enjoy. On a larger idea, I've known Zach, that seems to be part of the discussion this evening, for a long time. I've seen him grow up from a young man, from a boy, to a responsible man. In a larger context, what would you have people do for a hobby? This is a hobby that he has had his whole life. I know he enjoys it thoroughly. What are some of the alternatives? Think of the alternatives of other young men in their teens, of what they decide to do that isn't a hobby and is destructive to our society and our City and our neighborhoods. I won't name names, but there are people that live across the street and their teenagers of that ilk. And, that would have been very sad if that had turned out that way for Zach because he has turned out to be a very responsible man and he enjoys his hobby and he should be allowed to do it. And, all of us should be allowed to do our hobbies. I think the key word in this whole proceedings would be 'tolerance.' Thank you for your time."

DeRoche, "Thank you Jeff. Anybody else? Will you sign this for me? That way when they do the minutes, they can make sure that things are right. Thanks sir."

Chad Gunderson, 1951 209th Lane NE, "I hear everybody bringing up what I believe to be valid points. But I don't think anybody's come to any type of conclusion. I know that the County offers mediation services. I've worked for the State, I'm poor, I'm the guy who has the muffler off the tractor and the snow blower that's, like, 20 years old. I'm too poor to afford the dirt bike, but I'm working on it. The point being is they are all going to make noise. And, ungodly amounts of it. I live right by the gun range. I hear the guns going 24/7 from sun up to sun down and it gets annoying. I think, though, that one of the things that we could do to address the problem is, there seems to be a few select tracks that are in question. And like you pointed out, we don't have the power to enforce a noise decibel. It's not going to happen. It's not even feasible. But, a mediation service is. The problem that you are having is the dirt bike riders and any people that they seem to be offending in that area. I mean, it only makes common sense to set people up to talk. If you're a dirt bike owner and you've got ten neighbors right around you and, for lack of better words, two out of ten are bitching and eight aren't, address the two people. But sometimes when we get 'hot headed,' nobody wants to hear what the other person has to say. We've all had that argument with a spouse or significant other and you say it and she doesn't want to hear it. If it comes from somebody else and it's, 'Oh, that's the best idea ever.' My suggestion would be to utilize the services of Anoka County and you can get a mediator."

DeRoche, "We can suggest that but we can't order it."

Gunderson, "No, you can't but if they want to remedy the situation and maybe come to more of a justifiable thing, maybe it's, it's usually the one thing that puts somebody over the edge. There's an underlying source. It's one thing that just makes somebody mad. You know, so if you can get to that underlying source and they can come to an understanding, I mean, you can't abolish bikes and you can't abolish noise. It's as simple as that."

Moegerle, "I have a question." Gunderson, "Yes?" Moegerle, "What is the possibility of there being a track, and this is creative, like around the ice arena which is somewhat

secluded, that you could all use. I know it's not in your back yard but could you point out why it wouldn't work if there were something like that?" Gunderson, "I believe that would be a possibility, but the thing that you're forfeiting if you're a person who already owns their house and took the time to do their track. It's kind of a double-edged sword. By no means do I feel that a dirt bike person should have free reign, and I'm using them in general." Moegerle, "Sure."

Gunderson, "Could be snow blowers, whoever, but they shouldn't be able to have free reign but as a person who lived in Blaine pointed out, most of us live out here for a reason, to be able to afford ourselves a couple of the privileges that the city doesn't. Putting up a general track would be great. But for guys who already have their tracks, it's going to be pretty hard to pull them from that. That's their 'babies' but for other younger riders or people who want to get out, I think it could be an avenue to approach."

Moegerle, "Well, I was just wondering if that could be something in discussion, maybe afterwards, to see what we could come up with on that."

DeRoche, "I would almost think, I don't think the City could do that. I think the liability would be way too much." Moegerle, "Right. And, I'm not suggesting that at all."

DeRoche, "I've spent a lot of time thinking about this and I do have a Harley and I do have a loud chainsaw, and I do have a lawnmower. And, we're still stuck in the middle of this. How do you balance it?"

Gunderson, "And, that's just it. With the Ordinance you already have at your dispense, it laid out a great guideline. You could tell the people put a lot of time into that." DeRoche, "Absolutely."

Gunderson, "With what the proponent is proposing, you can't 'chop off one hand to fee the other.' You can't condemn the 'X' amount of people who choose to have that hobby to some people it's a profession. Not that I'd take anything away from this lady. And, that's why I was saying, I've been in mediation for ten years and I know that it works as long as you can get the people at the table. Most of the time the people want to get to the table because we all think in our heads, 'Well, I don't care if that person likes me.' But we all know what pisses us off. You've got to do that fake wave every time you go by, you know. So, if you can get somebody in there to just sit them at a neutral place, you're not going to go to a house, and just, what is their main problem. Well, obviously, it's noise. Okay, well, and you work it from there. Is it the noise when you are trying to put your kid to bed at 7 o'clock? Or, are we talking it's noise as soon as the sun comes up? Or, you know, there has to be give and take on both ends. You can't say, 'Well, it's the noise from sun up to sun down. I don't want it at all.' Well, then you're going to be SOL. But, if you can come to an agreement somewhere in the middle of it, I think it would go a lot further."

DeRoche, "Well, anyone that's called me at home, and I've probably had more calls on this than anything I've had in three years. I pretty much explain what my thoughts are. It's one of those that, man, you're right, someone already put the Ordinance in place and that was why I fought so hard to get the ATV Ordinance in so that if you're an East Bethel resident, you can drive on the right-hand side of the road. I was one of the first ATV instructors in the State of Minnesota. And, there's so many rules that the DNR has and as soon as we passed our Ordinance, now Oak Grove has one, Ham Lake has one, Linwood has one. You know, they kind of followed in suit. Because, where I live on Coon Lake Beach, there's no

sidewalks, there's no ditches, there's small little paths I guess you could say. But, you're right, it's, I'm open to ideas because I don't like Ordinances to begin with. I think people should just be able to figure things out. But, that's not reality."

Gunderson, "It's not all the time but it can be something that's, you can get to a closer agreement. You're never going to be able to satisfy 100% of the people. It's just as simple as that but I think you can get to a closer agreement if you could actually, you're not going to take all the dirt, it's the people who consistently have a problem, which is fine, if that lady feels she can't eat a meal, I understand that. I live right by the range and it's in my back yard. So, I know how things can irritate you. When you've got two hot-headed people, who both feel they're right, and in their minds they both are, and I'm just using it for the example. They both feel that they're right. Nobody's going to nudge. But when you get another person involved where they can see through both party's eyes, usually you can come to a better understanding, usually."

DeRoche, "I would agree with that." Gunderson, "That's all I got." DeRoche, "Thank you Chad. Anybody else?"

Steven Easler, 22357 Xylite Street NE, "We went through this issue. I was with Dan on that bi-partisan committee, and we worked long and hard to come up with these ordinances. Which, frankly, I'm totally against. But, they are restrictive enough as they are. You know, you have people that have less than five acres, 1,000 feet from there is what? Nothing. It completely shuts it down. It doesn't even give them an opportunity to make noise. So, now you want to add 50 to 100, from 100 to 200, that's pretty restrictive on your own property what you can and cannot do. I completely understand about the noise. This last guy had a great idea. Get them together if they can possibly even tolerate the sight of each other after all of this. That is pretty much what it comes down to, them dealing with each other because everybody else will have to suffer the consequences if you guys get involved."

DeRoche, "That makes sense to me. Anybody else? Now's the time to speak."

Knisley, "I just want to clarify that the guys had said that they get their bikes tested, sound tested. I understand that and it's probably somewhere in the 90 to 100 or 110 decibels. But, the problem that there is, is when you read that our current Ordinance is not enforceable for the noise because we've adopted this Statute, the Minnesota Statute and it has the graphs on what's acceptable for motor vehicles and dirt bikes. And when they're measuring your decibel level a foot away versus 300 feet away, it's different. If you look at the Statute and where you are, we're approximately 300 feet away from that track. When you look at the Statute, it needs to be at 67 decibels or less. And, the issue is the Anoka County Sheriff is not going to come out and measure the decibel level for, according to this is how he's got to do it and chart it. He can't do that. You can get, you can purchase a sound meter at wherever, Radio Shack, wherever. I can download an app to my phone, it's not the caliber of what the Sheriff's is but when I download that app and I sit on my deck, the decibel level, sitting on my deck when the guys are riding is typically around 80 to 90 decibels 300 feet away. On my cheap cell phone app. So, does the City get a sound meter? I don't care, I'll pay for it. But, what's the acceptable level? And, when you read the Ordinance, it talks about, the Statute talks about lawn mowers, tractors, chainsaws, lawn equipment, snow equipment, and it says this is acceptable, here's their typical level, and there's an exception for those things. What I'm saying is, if we roll up the Ordinance and the Ordinance was, is a good one and that's what got adopted, but there is no way to enforce the noise portion of the Ordinance. That is where I believe that they are exceeding the noise portion of the

Ordinance. But, the Sheriff is not going to come out and monitor it for an hour. So, who's going to?"

DeRoche, "You know, that's a good question. I personally would not vote to have the Sheriff go out there and sit for an hour." Knisley, "No, I don't want him to either."

Moegerle, "Ms. Knisley, I'm looking at this document that I mentioned before which is the Private Motorized Recreation Ordinance, and it has a section that's called the Private Motorized Recreation Property Regulation which addresses what you are talking about. It says, 'as motorized recreation may occur on any private holding that does not exceed 65 decibels when measured at any point on the property line over a 30 minute property.' Which solves the 300 issue but it doesn't solve the measuring issue. But, so, at least there is a little step towards what, at the property line it should be. But, then that's arbitrary because somebody with a bigger lot, you know, isn't going to have that problem. Do you see where that would help if we could, is it the property line? See, it's again a decibel..."

Knisley, "No, it's like what I'm hearing from everybody here is that the Ordinance is fine. Don't change it. Okay? So, if you're not going to change the Ordinance, then I'm saying you have to figure out how to enforce the noise portion of the Ordinance. Because, there is a noise portion of the Ordinance and that's per the State of Minnesota." Moegerle, "Yeah."

Knisley, "And, in order to enforce that noise portion of the Ordinance, it requires another person to come and monitor with the sound meter for a length of time, which is a costly and unrealistic way to measure the amount of noise that is being generated. And, I don't know if it's because we're up higher and the sound is traveling, but you literally cannot sit at my table and have a conversation. You could not hear me, you could not, we couldn't do this when they're riding."

Moegerle, "This also talks about landscaping, so presumably there would be screening by trees and those kinds of things. Does that appeal to you as a possible part of the solution?"

Knisley, "I'm just looking for a solution."

Moegerle, "Right, right, right. So, I mean is it fencing? Do you see that might be a possible? Give us a clue on how to find a middle ground on this. I understand because I see both points." Knisley, "I'm looking for options. You might come up with an alternative because if I go to Radio Shack and buy a couple hundred dollar sound meter and I come back in here and I say, 'Look at this guys.' Okay, the next couple months, and the decibel level is exceeding what the Statute says, or I hire somebody to do this and say, 'This is exceeding what the Statute says,' what are you going to do? What are we going to do?"

DeRoche, "Let me address two things here. Number one, it could be legally challenged and so for us to just say, we want an independent to come in and do this, it would have to be someone probably appointed by a court. Now, second thing is, you and I had a conversation and since day one, to me it's not an ATV and a dirt bike problem. It is a noise problem." Knisley, "Correct."

DeRoche, "So, to change the ATV Motorcycle Ordinance because there is a noise problem, that is not going to take care of the issue." Knisley, "Exactly."

DeRoche, "We've had numerous discussions up here about noise. Tom used the example earlier, well you've got a baby crying all day long, maybe it's got issues, maybe one day it

doesn't bother you and the next day you come home and have had a bad day and it will just curl your butt. Right? Or, your neighbors, 6 o'clock in the morning, we had a couple storms and trees fell down and now he's out there running his chainsaw. Right? That's a noise issue. So, that's what we need to craft. But, and you're right, we have to follow the Minnesota Statute because we are a Statutory City. Some people don't understand we are a Statutory Class A City. So, whatever Statutes Minnesota has, whether it is Eagan or Apple Valley, we follow the same State Statutes they do. Now, we can be more restrictive, but we cannot back away from what the State says. That deals with the Noise Ordinance, the Building Ordinance, the Sewer, whatever. So, there's a lot of factors coming into this that I don't know, maybe Chad's recommendation of mediation. Have you even thought about mediation?" Knisley, "No, I have not."

DeRoche, "Would you be open to something like that? To go in there and sit down with someone neutral and say, hey, you know, what do you think. Are we crazy? Or, are they crazy? Knisley, "Bob already knows I'm crazy, so, but it still does come down to the noise and what the State says is allowable. But, we have no way to monitor it."

DeRoche, "But, doesn't the State have a lot of things you can't monitor, or enforce, I'll say." Knisley, "Right, that's why we're here."

DeRoche, "My poll's open to anybody's suggestion. You want to e-mail me, you want to talk to me, whatever, I'm open because I'm kind of stymied on this. I really don't think, and I'm dealing with an issue in my own neighborhood where someone came up here, they used to party a lot, they had a baby, and now the other guy's bad because he plays his radio a little loud. And, he wound up calling the Deputies on him. I said, well, that was kind of a dumb thing to do. Maybe, you should have talked to him first? Or, tried to work it out. Because, I guess the way I explain to people, look, you may have a problem with this, but now you decide to have a family reunion and your family and friends are up and everybody is drinking and getting a little loud. Now this person goes, you called the police on me now I'm going to call them on you. I would rather try and avoid situations like that because I just think neighbor-against-neighbor, if you're both going to live there, it just isn't going to work. It really makes it tough to be there." Knisley, "I know that."

Ronning, "He mentioned mediation. That's almost too formal. If anybody would be interested, maybe a couple of us could listen to what the issues are. Not relating in one way, shape or the other, to the current thing. I have one of these cheap apps too. This conversation has been upper 40s to upper 50s. The quiet silent room was about 30. By the reviews, it was suppose to be fairly good. My experience, one thing that happens when people are disagreeing, the longer you disagree, the more you dig in. Then, after a while you are kind of in a rut and it's tough to get out. I'm saying this, my experience, not that it has anything to do with anybody here. We'd have to think about it, I think, beforehand, but something less formal as far as just airing complaints, airing the concerns. I don't say that's the answer."

Bob Jacobson, 20628 East Bethel Boulevard, "I used to live in Coon Rapids. Not very far from where the drag strip was. In the spring of the year, I'd hear it. I had some friends over in August. We were sitting round in the back yard. All of a sudden he jumped and said, 'What's that?' I had to actually stop and listen. I said, 'That's the race track.' I live by the gun club also. By the middle of summer I never hear it. I know she's had a problem, but is it actually the noise? I know most motorbikes are 2-cycle motors and they do have a kind of a 'sing' to them. And, is that what she's really hearing or is she actually hearing the

motor itself? The other thing is while on their track, is there any way they can put a little extra muffler on it to shut it down while they are playing on their track? That might be kind of a cure to that kind of problem also.”

DeRoche, “Anybody else? Come on up.”

Brandon Lund, 18510 Vermillion Street NE, “A few years back, Oak Grove had this problem and they came up with the Oak Grove Rider’s Club. I think Mike Revard ran it. They went, my sister has a track and their neighbor was complaining and they went around to the major problem areas where they were getting the most complaints and it was a voluntary group that organized on a Saturday with a sound meter. They’d go out there. The sound wasn’t the issue. The bikes were within spec. But, what my brother-in-law did was he ended up planting his own Pine trees, spent his own money, Mike Revard helped him out, and it knocked down the sound levels big time from the neighbor lady that was complaining. And, they came, like mediation, came to a resolution. They would meet a couple times, they would come up with a game plan, and they would say, okay, we’re going to be riding for three hours for 2-3 days a week. Okay, as long as it ain’t five. They came up with a good problem solving and from 4:30 to 7:30-8:00 p.m., they would ride. Neighbor wouldn’t have a problem with, they solved it, and it turned out really good. And, they still ride there today without the neighbor calling the cops every other day.”

DeRoche, “What was the name of that group?” Lund, “I think they formed Oak Grove Rider’s Club. You’d have to talk to some of the people that, Mike Revard, I’m pretty sure he ran, that he was the main guy on it.”

DeRoche, “We’ll have to get that other web site, huh Jack?”

Lund, “And it was all voluntary work, just people from the City. My sister was on it, she rode dirt bike, she loved riding dirt bike. And, it worked out good. And, they just went to those problem areas because it’s not everybody, it’s not everywhere. My kids ride in my yard. I talked to my neighbors. I’m slowly starting to build a small track. They think it’s fun to watch them out there ride. I’ve talked to them. I’ll be respectful of them, but just talking about it. Not being angry. Not being in a rut, not being able to get out of it. Just problem solving. So, thanks.”

Davis, “One thing, the City did check with surrounding cities to see what they did for noise ordinance standards and we found, with the exception of one city, every city has adopted the PCA 7840 Standard, which is the one we’re talking about, which is nearly unenforceable or if it is enforceable it is a very expensive way to enforce this. The only city that didn’t adopt it, that we discussed this with, was Oak Grove. But, Oak Grove has no standard. They send a Deputy out if there is a noise complaint and ask people to be quiet.”

Lund, “I don’t think they changed their ordinances, they just met on it and created something beyond their ordinance. They didn’t talk to the City all about it or change things so everybody had to deal with it. It was just a meeting, what can we do, between me and you. They spent \$1,000 on trees. It was really good.”

DeRoche, “But, there again, you can make all the ordinances in the world to get that ‘warm and fuzzy’ feeling but if it’s not going to be enforceable and you can’t do anything with it, and all of a sudden the problem goes away, well now you’re stuck with another ordinance that takes up more paper and you can’t do anything with it, and you’re more destructive.”

Ronning, "The official law, or whatever it is, says you take so many seconds, so many times an hour, and I think it's perceived, well all they've got to do is stop for a little bit and then you've got to start over. What that really should do is, it's not going to gauge, try to find one hour when everybody is making all kinds of racket. It's going to gauge how much sound there really is from beginning to end. Whether it's enforceable or not, I don't know. I don't think this one would be enforceable either, myself, this new suggestion."

Chad Gunderson, 1951 209th Lane NE, "The mediation service, it's not a who's right and who's wrong. An actual mediator doesn't give you the answer. All they do is direct you and help you for the two parties involved to help come to an answer as planting trees or whatever might be the..." Ronning, "They facilitate the discussion." Gunderson, "Exactly. But, I just want to make that clear so people don't think that it was a he said, or she said, or this is how it's going to be. It's not a law. They're literally the in-between body."

Gunderson, "Well, they don't figure it out. They sit with the people to help them figure it out. They don't give the party an answer."

DeRoche, "I can't even hear anybody." Davis, "If you have any comments, please wait until the speaker finishes and then come up and speak into the microphone." DeRoche, "With the video, a lot of people say things are kind of jumbled, so we, gotta..."

Gunderson, "I just wanted to make it clear to everybody about facilitating so they didn't think it was one person laying down the hammer and saying this is how it's going to be."

DeRoche, "Just to give you an idea, I'm on this data documentation for the sound, for the State. Date, time, location, noise source, one-speed direction, temperature, humidity, make, model, and serial number of measuring equipment, field calibration results, monitored levels and site sketch indicating noise source measurement location, directions, distances, and obstructions. That's part of the test. So, there again. Anybody else? Now is the time to talk. That is why we called the public meeting, to get people's input."

Ronning, "Before this is gone, while you're coming up, I, myself, and I can almost speak for the others, appreciate everybody's coming out and input. This shows, regardless of what your position is, it shows that it is real and it's important do this. It's meaningful to have these discussions and listen to what people have to say."

DeRoche, "If people see something coming up, you've got to come in and you have to let the City Council know what's going on because I tell people, look if you don't call me or write me, I have no clue what's going on. And, I'm sorry I'm not going around to every single household. Go ahead."

Tom Burns, 23218 Sunset Road NE, "I have to live between each group of these people. And, one thing Becky does not mention, I suffered also. Seven years ago, we lost a whole bunch of pine trees. If they were there today, this wouldn't be an issue. The boys, two of them don't live there any more so they are not an issue. The boys did go over to the house, they were told they could ride one day a month. So, don't wreck everybody's dirt biking. I've got to live between them. If they sit down, they can figure it out. I'm not perfect, the boys got to grow up, we've all got to live there. I don't care if they have to start riding at 2 o'clock in the afternoon. Maybe before they go racing, maybe they want to ride their bike."

Maybe they want to check out how it's running. Everybody has to get along. I got to live with them, they are not happy with me, I'm not happy about it. I planted more trees. Becky could plant more trees. I don't know. Good luck guys."

DeRoche, "Thanks. Anybody else?"

Shayne Wyatt, 20006 Austin Street NE, "I don't think there is a happy ending with any of this. I'll be 100% honest with you. Some people are just pissed and bitter and that is just how it is. They either hate dirt bikes or one or the other. She may not hate dirt bikes but I'll tell you right now, I've got a neighbor that does. I'd love to plant trees. Unfortunately, I would have to have you guys put an ordinance in for my neighbor to keep his dog in his yard because every time I plant trees, they come over and piss on it and they die."

DeRoche, "There already is an Ordinance." Wyatt, "Then enforce it, how do you do it? For the five seconds the dog is over doing it, I can't call, I won't call the Sheriff out to do that."

DeRoche, "Right, and I understand that but there again, it's the same thing. You make an ordinance, you can't enforce it. Somebody does something, you don't call the City, why doesn't the City enforce it? Well, number one the City doesn't know what's going on and number two, you don't want to start that thing going on of well, you did this and now you did that, and then you get back and forth."

Wyatt, "What it comes down to is you either accept it, you can deal with the people around you, you can take what's given you and you run with it, or you move. That's where I'm at. If I can't take the guys dog coming over ruining my stuff, I either will plant rocks, we're good there, or I'm going to move. I'm not going to get in a match with getting people upset with everyone. I don't see, maybe mediation will work for some people but there are others out there that just, they're not into what I'm into and it offends them. I don't see you guys, maybe, I mean, you are a lot smarter than I am. I hope you do, but I don't see it. I'm just telling you from my experience. I just have certain people in the neighborhood that, from what I've seen even growing up in Blaine and things like that, and moving here, they just don't like either who you are. It doesn't matter what hobbies you have. They don't like you or they don't like something about you. They are going to make your life suck. And, you've got to try and deal with that or move. And, it's been considered on my part numerous times but I try to make the best of what I'm given. I like where I live. You just have to deal with what you're given. I just wanted to point that out, that I don't think you guys are going to find a happy solution to this at all."

DeRoche, "That's encouraging." Wyatt, "Sorry, I hope you do, but thanks."

DeRoche, "Anybody else? Now's the time to speak. Well, again, I want to thank everybody for coming out here. Some cities don't even, they'll just pass an ordinance, don't give much thought to what people think. I personally don't like that. Maybe I'm wrong, but I think it's kind of important when people pay taxes, you own your own property, and you want to do what ever the heck you want. In our case, for five people to sit up here and dictate what's going to go on, this isn't a dictatorship. Maybe people don't have a lot of time to spend coming up to these meetings but I would recommend, once a month you look at the agendas and see what's coming up. If it's something that might affect you, or you think it might, come on in for that part of the meeting. You've got to speak your voice because if not, you're going to lose control of it."

Ronning, “The silent majority.”

DeRoche, “Anybody else? Anyone?”

DeRoche closed the public hearing at 8:06 p.m.

**4.0
Adjourn**

DeRoche declared the Public Hearing adjourned at 8:06 p.m.

Submitted by:

Carla Wirth

TimeSaver Off Site Secretarial, Inc.

DRAFT

EAST BETHEL TOWN HALL MEETING

APRIL 24, 2014

The East Bethel City Council met on April 24, 2014 at 6:00 PM for a Town Hall Meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
 Craig Jochum, City Engineer
 Nate Ayshford, Public Works Director
 Mike Jeziorski, Finance Director
 Colleen Winter, Community Development Director

1.0 The April 24, 2014 City Council Town Hall Meeting was called to order by Mayor DeRoche at 6:00
Call to Order P.M.

2.0 **Koller motioned to adopt the agenda, Harrington seconded; All in favor, motion carries**
Adopt Agenda **unanimously**

3.0 It was noted that the Council and staff had introduced themselves to those in attendance.

4.0 It was noted the Council and staff had met with members of the community in the Community
Center to hold individual discussions .

5.0 DeRoche, "Good evening, everybody. For those of you who weren't here when we opened the
Council meeting next door, it was called it to order, adopted the agenda, and moved on to 3.0. Now we're
Chambers on 5.0, Council Chambers Questions and Answers. The only thing we ask is that if you have a
Questions and question and you want to speak, come up to the microphone, identify who you are, where you live.
Answers And with that..."

Davis, "If I could, Mr. Mayor, I'd like to introduce the staff. There's some new people here that some of you may not have met. First, there's City Engineer, Craig Jochum, our Public Works Director, Nate Ayshford, and Finance Director, Mike Jeziorski, our Community Development Director, Colleen Winter. And we also have our Booster League Committee Director here, Denise Lashinski. And with that, as the Mayor said, this is open for any questions you wish to ask. Please come up to the microphone. As the Mayor stated, please state your name and address, and we're here to try to answer any questions you may have."

Mark Boujon, Tri Oak Circle on Coon Lake, "I'm Curious to get, perhaps, as a capsule summary of what progress has been made attracting new businesses to East Bethel. I know we have a business development effort that is ongoing, but what results have we seen, let's say, on a period of six months prior to tonight, roughly, you know, since the last open meeting that we had?"

Davis, "For the year 2013, there were an additional 125 new jobs that were brought into East Bethel, primarily by three employers, North Metro Concrete, Aggressive Hydraulics, and Tin Man. We have a current program that we're working with as to our Community Development Director that's ongoing to promote the City and do whatever we can to try to attract developers. We're currently still working with one developer for hopefully something will happen at the corner of 22 and 65. We've also worked with another developer who has announced intentions to do a 48-unit housing development on Viking Boulevard. We worked very closely, the City EDA is doing all kinds of activities to try to promote development. A new Chamber of Commerce has been formed whose activities and goals are the same as those of the City's and the EDA, so there's a variety of things.

We haven't hit the one yet where we have the large announcement, but we hope that will be coming very soon, and, you know, we'll continue our efforts to make those things that are necessary to attract those businesses."

Moegerle, "One of the things the EDA spoke about, and I think at the most recent meeting which was in March, was about how to get East Bethel residents to brag on East Bethel and say what's good about it. On the way here today on public radio, the mayor of Minneapolis, Betsy Hodges, has made the week of July 14th Brag on Minneapolis Day, so somebody had a 'mole' here and has stolen our idea. But, you know, seriously, word of mouth is very effective, and so we have to say good things and we have to experience good things in East Bethel so that good will, you know, is visible in our body language and what we talk about where we live. And so that's something that's something, you know, that's really important, and if there's ways and things that can be done to do that, I'm certainly interested in finding out what those things might be. So, you know, always feel free to contact me with that kind of information."

DeRoche, "Anybody else?"

Fe Mahler, 19651 Rochester Street NE, "Am I speaking right into the microphone? Okay. And I probably have more comments than I have a question, but my husband and I are interested in seeing the ordinances related to the accessory buildings revisited, so we contacted the City. We'd like to see East Bethel allow post-frame buildings on lots less than three acres and we'd like to see a minor increase on square footage allowed. So we brought our request to the City.

We, it came up at this week's planning commission, and the decision was put on hold to gather more data on what other local communities allow. And so we understand there's going to be a public hearing and then it will be addressed again at May 27th, so I guess this is one way of just kind of letting the community know that we have an interest.

We believe other residents have an interest in our request, as well, because we know you don't like to do one-all when it comes to ordinances. But we've heard that from vendors and we've heard from City staff that there's quite a few requests for post-frame buildings on properties that are less than three acres, so we do believe that.

We also just kind of want to comment, too, that, you know, we moved here in 2009. We came from the heart of the Twin Cities and we moved here because we wanted more space and we wanted to live in the country. And I have notes because I don't want to get too off track or whatever. But anyway, I think it's kind of a reasonable assumption, too, to say that a lot of people, when they move out here, they also probably want more garage space because you have more toys and more things like that.

And so we believe that increasing the square footage on as little as 6/10 to 1 percent of a lot size would make a lot of people happy and it would have minimal impact on the landscape. I mean, you really, with that much of a change, you really—things wouldn't look that different.

So we are just—I guess we're here to say that, you know, we're interested in this. We feel that there's been a lot of development with post-frame materials, and now you can make it look like a house or you can match it to kind of look like your house because that's some of our requirements. We love our neighborhood and we really like our neighbors and we would not want to put up a building that would offend them or, you know, upset anyone in the community. We do care about that as well.

So we ask that the City Council and the Planning Commission keep an open mind. This is a little different than maybe we've thought of in the past, but we hope that people will think about it and maybe, you know, think favorably on maybe making these changes. And we also encourage people in the community who are interested when we do have the public hearing that you'll come forward and we can discuss it."

Moegerle, "Could you explain for people who are watching the appeal of a post-frame building versus a regular stick-frame or another?"

Mahler, "Post-frame, people think of it—they used to call it a pole barn, and it's really called post-frame, but I think in the past, pole barns had very limited materials and that sometimes they were ugly or, you know, very few colors, whatever. And now it's amazing. You look at what's offered out there and it's—I mean, you can do any kind of building.

I mean, you can build a house, although we're not recommending that. We're just thinking for accessory buildings, that this should be another option for residents. We're not saying that they shouldn't build stick building if they want to, but we just feel that this would be a good option.

They go up faster, they cost less because there's less labor, less concrete required, so that might be attractive to some people, and especially if we have people who have too many toys in their—or too many things in their yard, and they're getting complaints or fines or whatever. They could put one up in a few days and then that issue would be resolved. And so—whereas a stick building, you've got to—you've got to lay out the concrete, you've got to let it cure, you know, and then there's the labor in putting it up. So it's just a different way of building it."

DeRoche, "Well, there's been—I've had quite a few calls on that, as a matter of fact, and I don't quite understand why you can't. Like you say, nowadays, a pole building you can make it look as good, if not better, than some garages." Mahler, "Yeah."

DeRoche, "And move up here, you have a lot of toys now, and your neighbors don't want to see them, but, you know, if your hands are tied, you can't make a bigger building. You're kind of stuck."

Mahler, "Yeah. Colleen is looking up some of the details and stuff, but we were looking just kind of in neighboring communities and it's—everybody does it a little bit different in the area. I mean, you know, some are very generous in what they allow, and then some are a lot more restrictive. So I guess we just need to decide for our community what is best for our community."

Davis, "I think one thing that Fe mentions is very important is when this ordinance was drafted and this section was adopted, I believe in 2007, the options for post-frame buildings were very limited in terms of colors, materials, architectural trim and design, but the industry's come a long way and you can get so many things now that you can put up a post-frame building that looks like a stick building or even better. And, you know, I think it may be time to take another look at this due to the change in the industry and the products and everything that are available."

DeRoche, "Well, I don't think there's any ordinance that's carved in stone. They can be made, they can be changed to accommodate the time, and again, I—it's kind of like when we changed the wall height on structures. Now is everyone going to put a 14-foot wall up? Probably not. I don't think most people put a building up just to tee off with the neighbors. I think they're doing it for their reasoning. If it doesn't look right, then they don't do it. That's not to say somebody won't ever do it, but, you know, again you've got to work with the change in times and what people want and I mean if your neighbors don't really care—of course, they may not always be your neighbors, but there's just a lot of things you have to consider when you do it."

Moegerle, "Thank you."

Mahler, "Thank you."

Lorraine Bonin, 1950 209th Avenue, "I want a grocery store." Moegerle, "Was that your note out there?"

Bonin, "That's my note. One of them was mine is my note. I talked to the manager at Festival Foods and they had considered coming out here before we ever got water and sewer, before the downturn, but I don't know if they're interested anymore. You said they were going—he was going to bring it up at another meeting, but we need a grocery store, and I think to expect a Cub or something of that size is probably out of the question, but I think Festival is just about the right size for this area and I would like to see that in here.

I also would like to see some consideration to easing up the ordinance for the size of lots, where we could have some smaller lots with some open land as part of the development. You could still have a minimum for, like, say, a 10-acre area, but you could divide up the lots differently. I think we need to have more flexibility there."

DeRoche, "Thanks, Lorraine."

Moegerle, "Jack, or Colleen, would you like to address the issue of what we know, if anything, currently about the grocery store issues?"

Davis, "We don't have any new information to add at this time, except that there has been communication between the City and the developer. The developer is a very, very conservative individual and they're completing some additional market studies. And we don't want to be pestering him daily, but think it's probably about six or eight weeks since we've had any contact with him. And we'll be still following up with them. We just want to make sure that we're not doing it incessantly and creating a bad situation, so it's still under discussion and there still may be a possibility that it will happen. We just don't know when."

Ronning, "This might be almost whining a little bit. We had Soderquists, and they went out because we weren't frequenting—we weren't supporting them. They just couldn't make it anymore. Walmart was the last straw in the—tipped them over. If we get something, I know I'd preach to my family, you've got to shop there. I don't care what Cub does. You've got to shop it locally. Support your City, your community. And, yeah, absolutely. You can't force anybody to it. You have the freedom to do whatever you want, but that's one way to get somebody and keep them."

Moegerle, "Oh, and, you know, the thing of it is that Soderquists was a little more pricey and, you know, the question is price versus convenience, and by the time you drive down to Cub, have you saved enough money as well as the cost of your time. You know, it's a savings, and so, you know, I think it's an ideal market now that Soderquists is gone, but, you know, we just—everything I hear from when we did the feasibility or the market studies and things that Ady Voltage did, you know, talk about where are we going to go has been, you know, job one is a grocery store. So I'm sure they've heard that message. They've just got to feel comfortable to act on that message."

DeRoche, "Anybody else? Pretty quiet. No questions?"

Moegerle, "Doug, come on. You've got some comment."

Doug Tierney "Only comment I got is, the report on 'CCO was erroneous. I did not see one inch of snow.'" Moegerle, "Today, right?" Doug Tierney, "Put me right back in 1984."

Diane Jacobson, 20628 East Bethel Boulevard, "You didn't think you'd get through a meeting without me, did you?" Moegerle, "Not at all." DeRoche, "I was going to ask how you did in Bingo last night."

Jacobson, "I was sorry that I couldn't watch your last Council meeting. Has that technical problem been solved?" Davis, "It has."

Jacobson, "Okay. Now, on to the ice arena. What do we have for the liquid coolant that goes in our floor? Is that the one that has to be replaced?"

Davis, "It is not. We have ethyl glycol, which is not the R22. Ours does not need to be replaced."

Jacobson, "Oh, okay. I was just kind of curious on that one. And also, you know, when our City trucks are out plowing, why did I see a City truck in a, granted, it was in a turn lane, over by Marathon spreading salt and plowing the turn lane? Maybe they're going back to plow out the rest of the development by the theater and that."

Moegerle, "Your response here, back here."

DeRoche, "Hang on."

DeRoche, "Can Mark respond to that, Diane?"

Mark DuCharme, "Was that over—"

Jacobson, "Well, that was one of our past snowstorms."

Mark DuCharme, "Okay. We did have a fuel spill over at the gas station over on Viking Boulevard that we used City equipment to build a dike." Jacobson, "Oh, no, it wasn't that time. No." Mark DuCharme, "Okay."

Jacobson, "It was about around nine o'clock in the morning, and I just thought..."

DeRoche, "Where was that at?"

Jacobson, "In front of Marathon." Davis, "Was it the deceleration lane going into 187th Avenue, 187th Lane?" Jacobson, "Was it?"

Audience Member, "Yeah."

Davis, "Generally, MnDOT does not plow those until the very end, and if our trucks were there, I've said, 'you know, if you want to lower the blade because it improves safety at that intersection, 221st up here, they never plow the deceleration or the turn lanes until they've got everything else done. They pile the snow up there first. It just makes for a terrible traffic situation, so we're just trying to do our little part to help out."

Jacobson, "Okay. Also, another thing is when you have meetings over on the Coon Lake Beach area, how come they're never taped and shown on TV?" Davis, "We have no ability or facilities to record over there."

Jacobson, "They have plug-ins over there that they have microphones. I mean, we should, at least the rest of the community should be able to hear what goes on at those meetings over across the lake. They should not be private meetings held with just that area, and I'm referring to the one where you held a private meeting with, concerning the grant for their sewer. Now, if they qualify for a sewer grant, why can't some of the areas that are around here that are, oh what do you call them, eligible for grants, the low income, why can't they get the grants to have sewer put in over here, instead of just Coon Lake?"

DeRoche, "That's being looked into. It was not a grant specifically for that. It was to get low-income people so they could upgrade their systems. If I'm not mistaken. Colleen?"

Jacobson, "Because I heard it was just for Coon Lake."

Davis, "It is, but we can do a Citywide program. The reason we chose the Beach area is because we have 120-some noncompliant septic systems, I believe, over there. And also, in a neighborhood like

that where you have a defined area, you only have to do one environmental study. If we did it Citywide, then for every applicant, we'd have to do an environmental study."

Jacobson, "And maybe you better look into that then. I'd at least like to know what goes on. I mean, if you at least publish minutes from the meeting or whatever, but don't hold them secret anymore."

Moegerle, "Was there a Council report on that?"

Jacobson, "Also, you know, when you talk about these buildings, you want to put them up high, whatever, do we have anything in our ordinance where you can sue somebody because they blocked your sight? I know down, like, in the Cities and whatever, there is where you can sue your neighbor because you block their sight. So when you're building your high buildings, and like you, Heidi, with your house, you just blocked somebody with a view of the Lake."

Moegerle, "And I don't even know that, you know, Gary and I were married then, but that was compliant with the laws as they existed now—or then, and as they exist now. So I understand and I don't, I,"

Jacobson, "I don't care if it's...." Moegerle, "I agree. I agree with you." Jacobson, "It's just that way. Okay." Moegerle, "I agree with you."

Jacobson, "And what's the County's view on repairing our County roads out here?"

Davis, "I wish I could really tell you. I think you'd probably have to address that question to them."

Jacobson, "And so where are they tonight? You know, I tried to go on their line, and it's like a big jigsaw puzzle to get to complain about a pothole. But first of all, they did not continue, not vote to continue, taking five or ten dollars every time you registered your car yearly to earmark it for road repair because they said, 'Oh, we got plenty of money.'

Well, with this plenty of money, they better start driving down East Bethel Boulevard, they better drive 74, they better drive 26 because those roads have to go and the rest of 22. I mean, if they think they got that much money. So I'm asking the Council also to contact our—and I will be too—our representatives to say, 'Hey, if you got that much money, let's see it in the roads.'"

Harrington, "Diane, I know one of the big ones. They're going to do a complete overlay around Coon Lake, the Coon Lake. They're going to do a—that's what they've got scheduled. I looked up on their, on the Internet, and they're going to do a complete overlay all the way around the Lake and—."

DeRoche, "At the beach, the County beach?" Harrington, "Yeah."

Jacobson, "Oh, that's why, the County beach." Harrington, "Yeah, all the way around from 22 all the way..." Jacobson, "That's been scheduled for years." Harrington, "Yeah, well, they're going to do it this year. It's on the website, so..."

Jacobson, "Oh. So when are they going to put, did they say when they're going to put the lights up on Lexington and Crosstown?" Harrington, "The lights are there, aren't they? The lights are there." Jacobson, "Yeah, but they're not working."

Harrington, "They're not working, but I think they're supposed to have it all done this year."

Moegerle, "Yeah."

Jacobson, "So we have until December 31st." Harrington, "Well..." Jacobson, "Very good."

DeRoche, "You know, that's Ham Lake, number one. Number two, we can call the County and ask them, but they're going to say who are you? We're the County. We're going to do it. Now, they cemented the pools in, they got all the wiring in, they did all the ditch work. It's just a matter of putting, the lights are, from what I've seen, sitting there. They need to be mounted."

Jacobson, "Yeah, that's why I asked." DeRoche, "Right, but that's—they won't give us..."

Kathy Ronning stated that because of the work on Lexington farther to the south from Main Street up to Bunker Lake Blvd is why it didn't get completed last year. So it is the first project to be done this spring."

Jacobson, "Well, they better hurry up because we're almost back into winter. Okay. Thank you."

Moegerle, "Thank you."

Doug Tierney, 4610 Viking Boulevard NE, "When she talked about the website, I've been, anything to do with lake issues, I watch, and over in Plymouth it's been in the paper, it's in the paper today where they sold a five-foot strip of land. The guy's trying to put a dock on it. Well, I went to the Plymouth website. Instead of having to wait two or three days after a Council meeting, they live stream it. You can watch it on the computer live. It will buffer, it will stop, you'll have to wait a bit, but you can see it right away.

And when I look to see the Council meetings in East Bethel, it comes on maybe Friday morning sometimes, sometimes later. There's been times when it's been quite late where it's been taking several days. I wonder, granted, Plymouth is more affluent than East Bethel by a long ways. I should trap in Plymouth. But it would be nice to see if we could have live streaming or have something like that or have, to know that if the meeting is on Wednesday, that it's going to be posted on your computer whenever time, say it's Thursday at noon or whatever, so you would know when to look and not have to keep coming back looking it over and over again. Just a thought."

Davis, "The broadcast of the Council meetings are generally posted between 11:00 a.m. and 1:00 p.m. on Thursday following the meetings. This is a fact because we review these every time to go over the minutes, so they are posted the following day."

Tierney, "Yeah, but I've went to look at there, and it's, sometimes it's taken longer. Sometimes I'm surprised it was earlier, and when I seen Plymouth had it regularly live streamed where you could watch it while it was happening, I thought that was really, really nice. I don't know how much more it costs."

Moegerle, "Did they Skype and take in real live questions from...no? Okay."

Tierney, "You click on it. You click on the meeting and it starts and then it will, like anything, it's like—you'll see a little deal on there, buffering, and then you'll wait, and then they'll—you can—they'll start talking again, and then it will be buffering, and they're froze right there." Moegerle, "Sure."

Tierney, "But it's still live. You get to hear everything. You can click on full screen. You can have full screen." Moegerle, "Yeah." Tierney, "It's nice."

Moegerle, "You know, and we have had so much trouble with the system. You know, we lost the meetings from the 16th, we've lost other meetings, you know. It's, if this system worked well, I think that would be a great step and consistently. And so..."

Tierney, "You had one where you had no video but you had audio. Who cares? I mean, I'd like to

have video. I like to see who's up there, but I was happy just to get the audio." Moegerle, "Yes."

DeRoche, "Well, I'm not going to sit here and beat up on the audio visual in here, Doug." Tierney, "No, I'm just asking, just asking."

DeRoche, "Right, but hear me out here, okay? Sometimes it's not even us. It's the server that has issues." Tierney, "Yeah."

DeRoche, "And sometimes on Channel 10 if there's an issue, if I call Jack and say, 'Hey, Jack, it's not showing.' Wendy has checked on Monday when she was here. It wasn't our issue. Now, we did look into the streaming things, but with some of the financial things that were put out there, okay, in the last year and a half or so, things have been put into a priority.

And if you have an opportunity, I would encourage anybody to read what the auditor had to say about East Bethel and their finances. Are we out of debt? No, but we got a really good start. We refinanced the bonds. We had to come up with a levy, like it or not, but what a lot of people misunderstood was that the 15.2 percent levy was spread out over all the households. It wasn't a 15 percent increase in your taxes alone, okay. There's been a lot of strides and a lot of time in meeting put in.

So the video streaming would be nice. There's a lot of things that would be nice, but once certain financial commitments were made, that has to be a priority.

Moegerle, "Doug, more to the point."

Tierney, "I saw that. Can I just say one thing?" Moegerle, "Sure."

Tierney, "I saw that was very clear on—I said I had watched the meeting. I thought it was nice. I wasn't hammering. I wasn't accusing anybody of having a secret. I just wanted at least know when she brought up that I seen something and what it was, and then I also added into it that the Plymouth is quite—I shoot over at the Plymouth Gun Club. It's quite an affluent area. And I wasn't trying to demean anybody here. I just said that that is a very, very nice system."

Moegerle, "We have franchise fees from the cable station, and that is what, that's what pays for this. And so as that comes in, that is earmarked for audio visual and that kind of communication things. So it's different than, from your levy unless we start spending more than that. So, you know, there are monies for that and something we'll think about."

Tierney, "It's just something I seen and I didn't want to—I didn't—you misunderstood what I said. I didn't want to hammer on anybody. I was just complimenting them on a very nice system."

DeRoche, "Doug, just for the record, I wasn't addressing you. I was addressing a Councilmember that was making some comments about our system, and we've had missed a lot of meetings. Part of the problem we've had, Doug, is to get a tech in here that can show up at the meetings, right? Either we hire somebody from our staff and put more hours in than the union allows and pay them overtime, or we get an audio visual tech. Now, if we get a tech that doesn't show up, okay, then we have to start the meeting and still be in here and run it, and hope the heck that it's being done. Now, we have taken steps to hire another gentleman. He was here Wednesday night, I believe, and as far as I know he did a good job."

Tierney, "Did I say anything against you? I'm just saying that..." Moegerle, "Nobody said anything against anybody."

Tierney, "No, that's all. That's all I was trying to do."

Ronning, "If I may, we've all had comments about the audio video. At the last meeting that goofed

up, I made a comment at the end of the meeting that just to acknowledge to people that we're paying attention, at least. There have been some meetings, I guess, on Channel 10, you can't hear the audio, but you can hear it on the web, a number of different things. So, but, we are paying attention. It's not a, do we, or could we report back by the next meeting if we have the capability to do what Doug's describing?"

Davis, "We do have the capability technically to do streaming live. The only thing is we have to make sure we've got the person back there that has the capability to operate it to make sure it happens."

Tierney, "Okay. I just seen something that would be nice. That's all I want to do. I was really impressed at how nice it was, and I've been following this. This has been in the papers, this has been going on for a couple years, where they were making money. I hear something positive."

Moegerle, "Thank you."

DeRoche, "Yeah, Lorraine, you can come up twice."

Lorraine Bonin, 1950 209th Avenue, "I have another comment to make."

Moegerle, "Pull the microphone a little closer. Yes, thank you."

Bonin, "I had a complaint this winter about snowplowing and I called the City and complained, and I just want to make a public statement of how happy I am with the way they corrected it. It was just really great. That's all."

Moegerle, "They are very responsive. Yeah, yeah, very good at that."

DeRoche, "Anybody else? Sure? Now's the time. Well, I guess you can bring it up next door also, but—all right, well, that being said, I move that we go back next door where there's coffee, cookies, and.."

Koller, "Thank everybody for coming out for this."

Moegerle, "Appreciate your questions and your concerns, and we'd like to see more of you more frequently."

DeRoche, "Just for the information, last night there was a public hearing on ordinance, or possibly ordinance changes, I'll put it that way, relating to dirt bike noise and so we took quite a bit—there was quite the crowd in here last night and it was kind of standing room only. And it was really good to see that that many people came out. It was very civil, no one got upset, nobody got into any name calling, yelling and screaming. It was really, it was a good meeting where people got out what they thought."

Moegerle, "And I encourage you to look at that and watch that. I think it's very revealing about how the community works together to solve problems."

Ronning, "Oh, it's too easy for a small group of people to make decisions that affect everybody, and what we were seeing last night was good input, good information, very helpful as far as understanding what people do think about the issue. And if those things come up again, please participate."

DeRoche, "Well, that's it. Let's go back next door?"

Jacobson, "I do have one more comment."

DeRoche, "Okay, all right. That's all right."

Jacobson, "This is in response to a grocery store. Where Bob grew up, up in northern Minnesota, there was this neat little restaurant that we, every time we go up there, that was our Saturday morning go-to for breakfast and sometimes supper, lunch. Well, not enough people were frequenting it. Guess what? It closed and it's been closed probably two, three years now. New owners came in. Now you can't even get in the door. So it goes to show if you don't frequent the local business, they're going to go away."

DeRoche, "Absolutely."

Jacobson, "And it's not to say that their food before was bad. It was good. And we'd walk in and they knew exactly what we were going to eat. So that's how you keep business."

Moegerle, "And that's not isolated. I'm over at Anoka all the time and Hans' Bakery is back, and you can't get in the door."

Jacobson, "I know."

Moegerle, "That, we need to follow you where you go to eat. You know the good places. So we're adjourned?"

6.0 At 7:35 p.m., DeRoche invited attendees to join the Council and staff in the Community Center for coffee and to continue individual discussions.

7.0 **DeRoche motioned that the Town Hall Meeting adjourn, Moegerle seconded. DeRoche, Moegerle and Harrington voted in favor; motion to adjourn carries 3-0 (Councilpersons Koller and Ronning had previously departed). Meeting adjourned at 8:20 PM.**

Submitted by:

Lynn Kneeland-Adams

TimeSaver Off Site Secretarial, Inc.



April 17, 2014

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

We appreciate the opportunity to work with you and the staff at the City of East Bethel (the City) over the past 3 years to conduct your annual financial audits. This has been a successful working relationship because we have spent a great deal of time understanding how your city operates and you have a good understanding of how we complete our audit. As a result, we have been able to achieve a process that is mutually beneficial and efficient to both parties.

We also understand that because of the very challenging economic conditions, cities and towns are expected to do more with less. As a result, we are proposing a flat fee over the next three years, which is under a two percent increase over this year. This will allow us to continue a relationship that has provided both parties with outstanding results.

Our fee for these services will be as follows:

Current Contract	Audit
2014	\$ 20,000
2015	20,000
2016	20,000

The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Factors that may affect the above fees would be if a Single Audit were required or if new audit or accounting standards are issued that add significant time to the process.

Attached to this proposal is our “People + Process = Going Beyond the Numbers” message. Through our processes, we strive in making our audits better each year through improving audit efficiency, while maintaining the highest quality service throughout the audit. This starts in the planning stages of the audit through the presentation to Council. In addition, we are available throughout the year for questions that arise without additional charges.

We appreciate the opportunity to continue service with the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return a copy to our office. If you have any questions, please contact me at 952-715-3004.

Very truly yours,

ABDO, EICK & MEYERS, LLP
Certified Public Accountants & Consultants



Brad J. Falteysek, CPA
Governmental Services Partner

RESPONSE:

This letter correctly sets forth the understanding of the City of East Bethel, Minnesota.

Signature: _____
City Administrator

Date: _____

Welcome to ABDO, EICK & MEYERS, LLP

“The investments into our People and Process make a difference for you, our valued client. We focus on the challenges and needs that are relevant to your business or government agency. This allows us to be thoughtful in our approach in providing you with the best solutions, and leaves you assured in the value of our deliverable.”



Steve McDonald - Managing Partner

**People
+ Process**[®]
Going
Beyond the
Numbers

People

Hire

We focus recruiting efforts on Minnesota state colleges and universities. Innovative recruiting strategies, including a strong social media presence, allow us to attract top talent.

Train

We've invested in a state-of-the-art, on-site training facility and a full-time Learning Director to ensure our team is prepared to exceed your expectations.

Reward

We focus on client results and reward our team based on specific goals, not hours billed.



Process

Listen

Our process begins with listening. We invest time to better understand your goals and challenges.

Engage

Active engagement with DFK International and domestic industry associations allows us to provide maximum value to your organization.

Listen

Combining our internal expertise and technological resources with what we've learned about you allows us to deliver a solution that exceeds your expectations.



Going Beyond the Numbers

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

RESOLUTION NO. 2014-16

**RESOLUTION ACKNOWLEDGING THE DONATION FROM
ECKBERG, LAMMERS, BRIGGS, WOLFF & VIERLING, PLLP**

WHEREAS, the City of East Bethel has received a donation of four Minnesota Twins Tickets valued at \$192.00 from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP to be used towards the Family Fun Night scheduled for Friday, July 18, 2014.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel acknowledges and accepts the Minnesota Twins Tickets valued at \$192.00 from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP.

BE IT FURTHER RESOLVED THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP for the Minnesota Twins Tickets for Family Fun Night.

Adopted this 7th day of May, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Robert H. DeRoche, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel CITY COUNCIL Agenda Information

Date:

May 7, 2014

Agenda Item Number:

7.0 A.1

Agenda Item:

Zoning Map Amendment to the Official Map of the City of East Bethel

Requested Action:

Recommend Approval for the Rezoning of three different, separate parcels of land and noticed as follows:

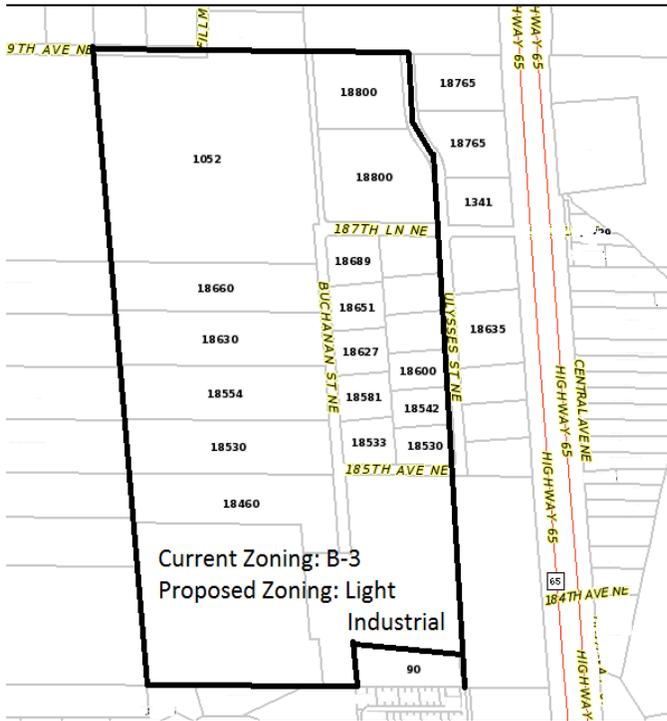
- Parcel of Land west of Ulysses St NE, South of 189th Avenue NE, Current Zoning B-3 and R-2, proposed change to I – Light Industrial including properties listed as PID #'s 32332322002, 323323230008, 323323230006, 323323230009, 323323230010, 323323320003, 32332310004, 323323210013, 323323210014, 323323210003, 323323240003, 323323240004, 323323240005, 323323240006, 323323240007, 323323240008, 323323240009, 323323240010, 323323240011, 323323210004
- Parcel of Land North of Viking Blvd NE, approx. ½ mile east of Hwy. 65, Current Zoning R-1 and R-2, proposed change to B3, Highway Commercial including properties listed as - PID #283323230009, PID #283323230015 and PID#283323230011
- Parcel of Land east of Highway 65 and North of Klondike Dr NE, Current Zoning R-2, proposed change to B-3 – Highway Commercial including properties listed as PID # 203323130001 and 203323140001

Background Information:

The need to rezone the Classic Commercial Park was the catalyst for requesting the zoning changes. The other two areas were ready for rezoning and are attached to the request for the change for the Classic Commercial Park to minimize the number of submissions to MET Council for approval of rezoning requests. Future rezoning of the Hwy. 65 and County Road 22 Corridor are intended to be in one submission at a date to be determined.

The Planning Commission reviewed and recommended City Council consider rezoning changes to the parcels listed above and described below at their April 22, 2014 Meeting.

Parcel of Land west of Ulysses St NE, South of 189th Avenue NE, Current Zoning B-3 and R-2, proposed change to I – Light Industrial
PID #'s-32332322002, 323323230008, 323323230006, 323323230009, 323323230010, 323323320003, 32332310004, 323323210013, 323323210014, 323323210003, 323323240003, 323323240004, 323323240005, 323323240006, 323323240007, 323323240008, 323323240009, 323323240010, 323323240011, 323323210004



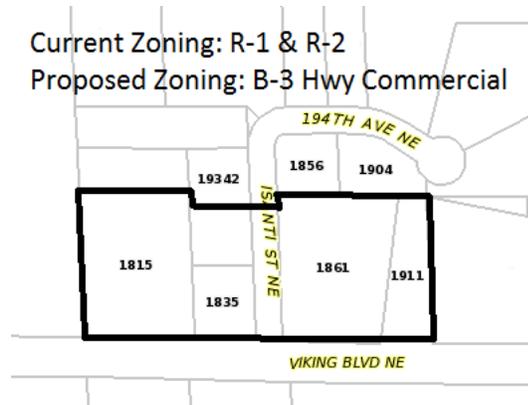
The first proposed rezoning area is in the Classic Commercial Park and adjoining area to the west and south of this development. This area has been discussed as a priority for rezoning for the past two years and the land use within this boundary consists of primarily construction, trades, service and manufacturing companies. The EDA has discussed this area as a potential “shovel ready” site for industrial type activities and there are 60 acres within this proposed zone that are developable.

Properties in this area are more suited and more likely to be marketed for manufacturing, warehousing, and other trade related companies. The current zoning, B-3 and R-2, limits the flexibility for the use of this area and rezoning to Light Industrial would permit a continuation of those types of uses to which would be currently standard to this zone, while at the same time permitting B-2 and B-3 business location. The portion of the Park that fronts Hwy. 65 would remain B-3 to maintain its utilization for commercial/retail uses.

The parcel at 1052 189th Ave. is zoned R-2 but there is only one residence at this address.



Parcel of Land North of Viking Blvd NE, approx. ½ mile east of Hwy. 65, Current Zoning R-1 and R-2, proposed change to B3, Highway Commercial

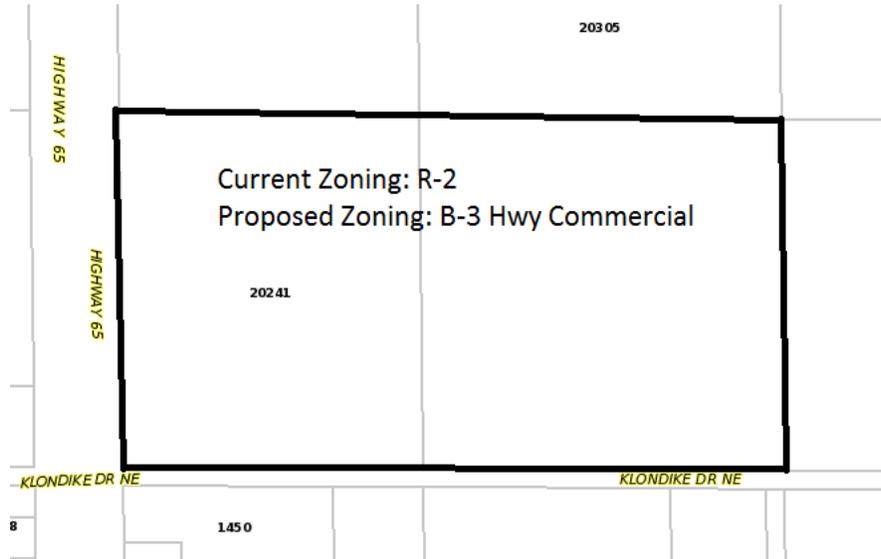


The second area proposed for rezoning is on Viking Blvd. NE approx. ½ mile east of Hwy. 65 and adjacent to both sides of the intersection with Isanti Street. Currently there are three businesses located in this area and the property immediately to the west is zoned business. This area was previously zoned business and it is recommended that this area revert to that zoning classification as all of these businesses are currently nonconforming uses. The impact to the residential area is minimal and having these businesses be designated as B-3 provides better screening standards between the businesses and the residents.

The businesses located in this area are:

1. Builder's by Design – 1815 Viking Blvd., - PID #283323230009
2. RL Automotive – 1835 Viking Blvd., - PID #283323230015
3. Gordy's Cabinet Shop – 1861 Viking Blvd., - PID#283323230011

**Parcel of Land east of Highway 65 and North of Klondike Dr NE, Current Zoning R-2,
 proposed change to B-3 – Highway Commercial
 PID # 203323130001 and 203323140001**



The property located at 20241 Hwy. 65 is in an area that is currently zoned residential and has a Significant Natural Environment overlay on the east section of it. This property is currently being used for agri-business by Minnesota Fresh LLC. The business use of this property was discussed at a previous Planning Commission meeting (11/26/13) and an Interim Use Permit was approved by City Council with the consideration that the zoning in this area would be evaluated and changed to a more appropriate zoning designation at some point in the future. This property is adjacent to Hwy. 65 and the property both to the north and to the south is zoned business. A business zoning next to Hwy. 65 is appropriate for future growth pattern along Hwy 65.

The need to rezone the Classic Commercial Park was the catalyst for requesting the zoning changes. The other two areas were ready for rezoning and are attached to the request for the change for the Classic Commercial Park to minimize the number of submissions to MET Council for approval of rezoning requests. Future rezoning of the Hwy. 65 and County Road 22 Corridor are intended to be in one submission at a date to be determined.

Recommendation:

Planning Commission recommends City Council consider the approval of Zoning Map Amendments to the Official Map of the City of East Bethel for the properties as described above.

1. Final approval of the Zoning Map Amendments to the Official Map of the City of East Bethel is contingent of the final approval of the land use amendment to the City of East Bethel’s 2030 Comprehensive Plan by the Metropolitan Council. The 2030 Comprehensive Plan Amendment will be submitted to Metropolitan Council for review upon approval by City Council.

Attachments:

1. Location Maps
2. Public hearing notice

City Council Action

Motion by: _____

Second by: _____

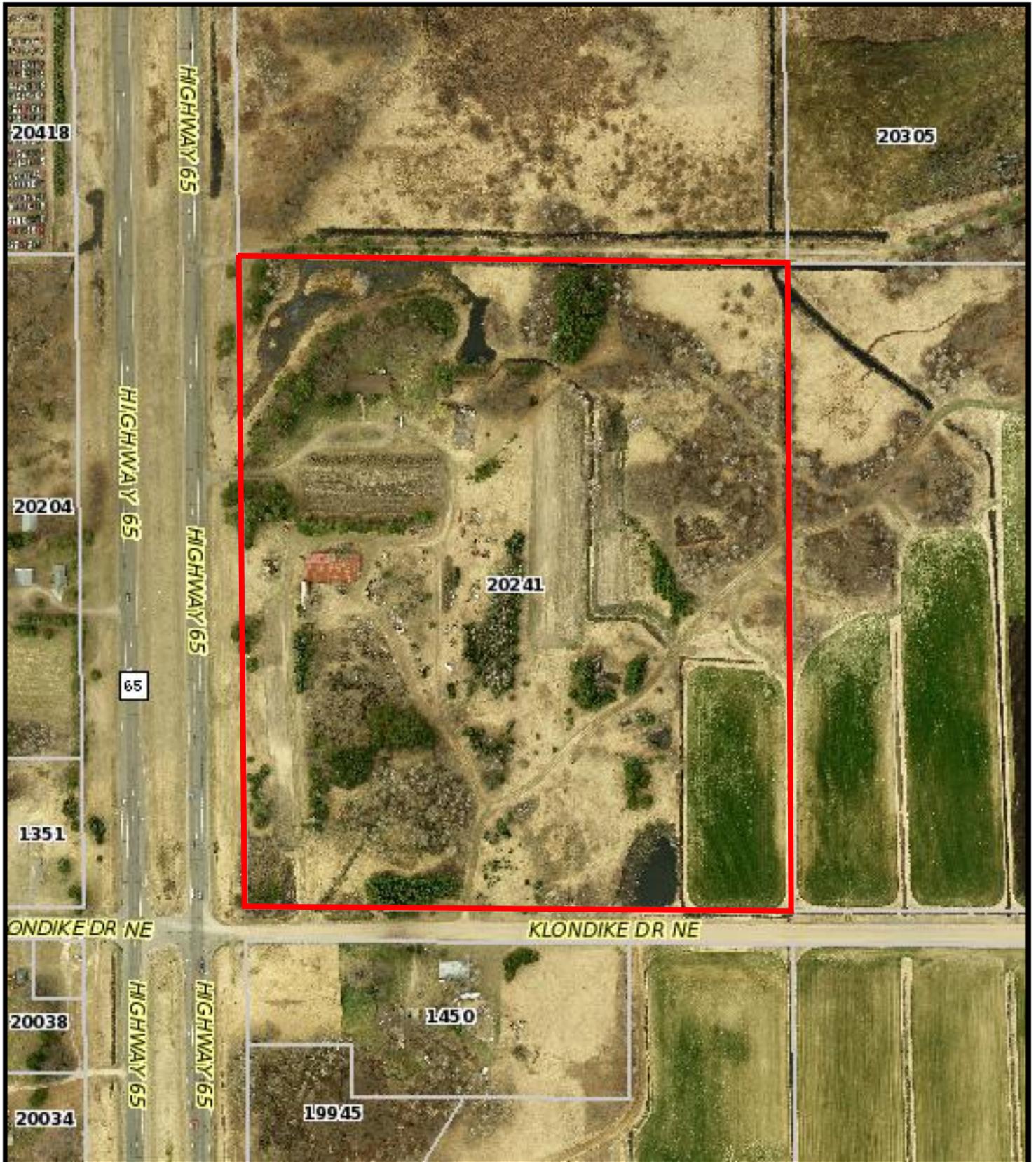
Vote Yes: _____

Vote No: _____

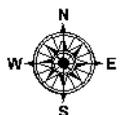
No Action Required: _____



R2 to B3 Hwy Commercial



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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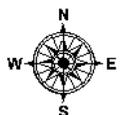




B3 to I (Light Industrial)

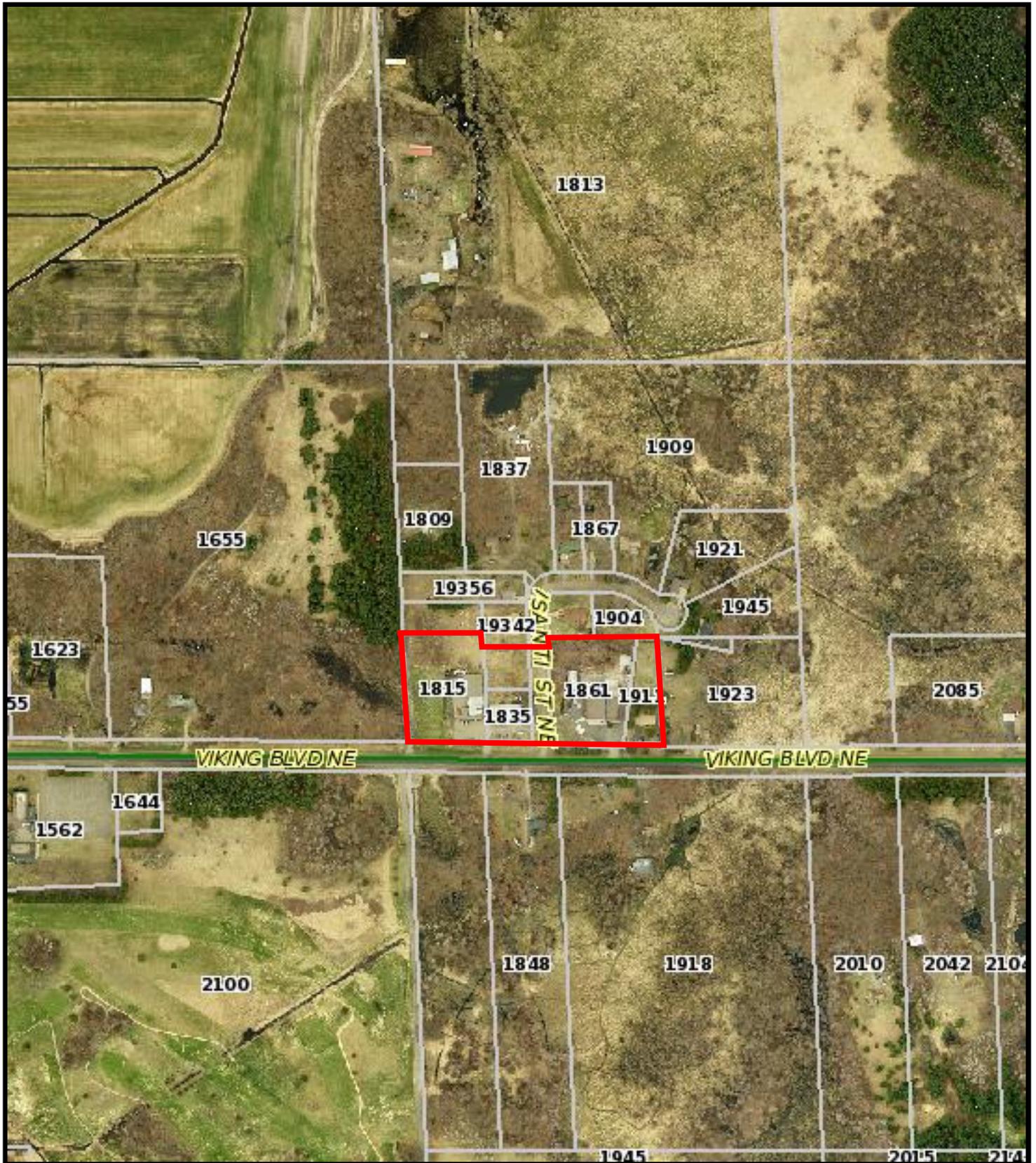


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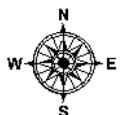




R1 & R2 to B3 Hwy Commercial



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**NOTICE OF PUBLIC HEARING
CITY OF EAST BETHEL PLANNING COMMISSION
COUNTY OF ANOKA
STATE OF MINNESOTA**

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of East Bethel will hold a public hearing for a Comprehensive Plan Amendment on Tuesday, April 22, 2014, 7:00 p.m. at the City Hall, 2241 221st Avenue NE, East Bethel, MN. The hearing will be to consider multiple proposed land use changes in the City of East Bethel (please see attached maps).

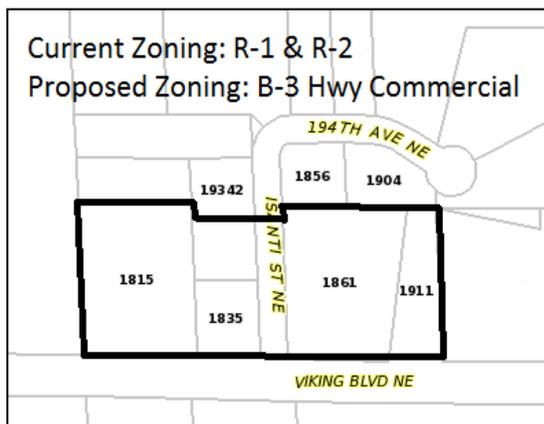
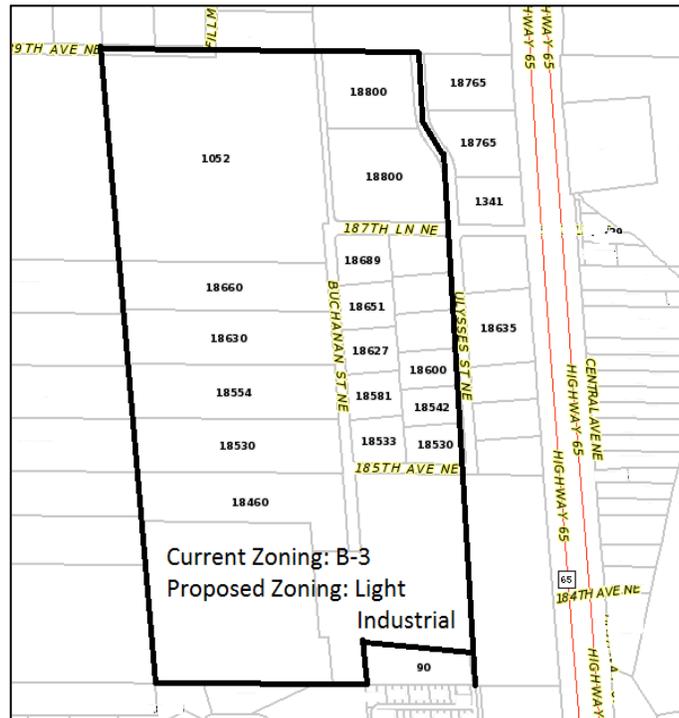
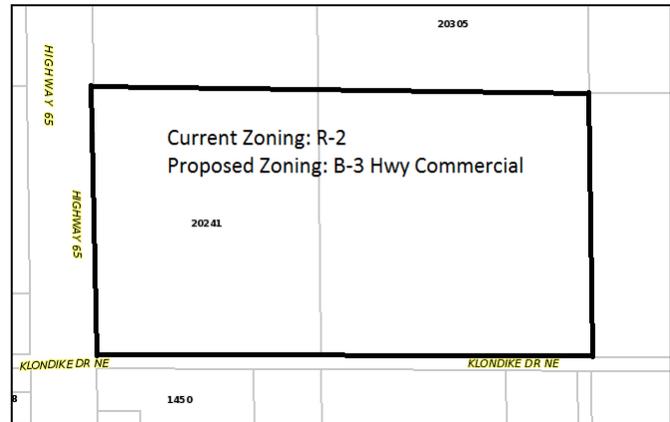
The hearing of this request is not limited to those receiving copies of this notice. If you know of any neighbor or interested property owner who for any reason has not received a copy, it would be appreciated if you would inform them of this public hearing.

Published in the Anoka County Union April 11, 2014.

Colleen Winter, Community Development Director

Subscribed and sworn to me this 8th day of April 2014.

Carrie Frost, Notary Public





City of East Bethel City Council Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 8.0 A.1

Agenda Item:

Valder's Vehicles IUP Renewal

Requested Action:

Council is requested to consider an IUP renewal for Valder's Vehicles at 18805 Highway 65 NE, Suite A, PIN 32-33-23-12-0009

Background Information:

On May 2, 2012 City Council approved an Interim Use Permit (IUP) for Tim Chies and Jordan Valder for an Automotive and/or Motorcycle Internet Distribution Sales business known as Valder's Vehicles at 18805 Highway 65 with the following conditions:

- 1) At least ninety-five (95) percent of all sales shall be initiated and secured through internet communication between buyer and seller;
- 2) Exterior storage area for vehicles and/or motorcycles is limited to 4,000 square feet and shall not interfere with access to required parking spaces. Exterior storage is limited to no more than twenty (20) vehicles and/or motorcycles for a maximum of forty-five (45) days;
- 3) Parking areas must be identified, striped, and sized according to city code, Appendix A, Zoning, section 22.4, including accessible parking stalls;
- 4) Exterior storage of inoperable vehicles and/or motorcycles, equipment, parts, or materials used in the conduct of the business is prohibited;
- 5) Minor vehicle and motorcycle maintenance is permitted as an accessory use as to vehicles and/or motorcycles awaiting sale and delivery only, within a structure. All vehicles awaiting maintenance must be stored inside the principal structure. Body work is prohibited;
- 6) Life and safety inspection by the city building and fire departments must be completed and satisfactorily addressed by Applicant. A Certificate of Occupancy must be issued by the city building department;
- 7) Vehicle and/or motorcycle storage area shall be surfaced with concrete or bituminous and shall meet required parking setbacks. Vehicles and/or motorcycles must not be stored in the right-of-way;

- 8) All necessary state and city licenses shall be obtained prior to operation and displayed for public view during business hours;
- 9) Business owner must submit records of sales type as requested by city staff within (14) days of request
- 10) An Interim Use Permit is limited to no more than two (2) years duration, upon initiation or renewal. Expiration date is May 31, 2014;
- 11) An Interim Use Permit Agreement must be executed no later than May 31, **2012** and all conditions must be met no later than July 1, 2012;
- 12) All signs associated with the use shall be in compliance with the East Bethel Sign Ordinance.

This approval was the culmination of the following meetings and discussions;

- January 24, 2012- Planning Commission Meeting heard Ryan DiMuzio and Jordan Valder of Valder Vehicles make a presentation discussing open sales lots. As a result of the presentation, Planning Commission recommended that City Council direct staff to propose a zoning text amendment that would allow for open sales lots for internet based sales with regulations.
- February 1, 2012-City Council Meeting to consider amending the B3- Highway Business District through a Zoning Text Amendment to Permit Internet Based Open Sales Lots with an Interim Conditional Use Permit.
- February 15, 2012-City Council Meeting to continuation of the February 1st meeting discussion for a Zoning Text Amendment with Mr. Dimuzio being no longer associated with the request.
- February 28, 2012-Planning Commission On February 28, 2012, Planning Commission discussed the proposed language and directed staff to make some modifications. On March 27, 2012, comments.
- March 27, 2012-Planning Commission conducted a public hearing was held at the Planning Commission for the Zoning Text Amendment.
- April 4, 2012-City Council approved Ordinance 36, Second Series, Amending Appendix A of the City of East Bethel Zoning Code – Zoning Text Amendment – Automotive and/or Motorcycle Internet Distribution Sales.
- May 2, 2012-City Council approved the IUP for an Internet Distribution Sales for Valder's Vehicles.

The current IUP was granted for only two years due primarily to:

- The request of the applicants, and
- The City's concern that additional planning needs to be completed in the area served by municipal utilities to maximize land use potential

During the term of Valder's Vehicles IUP, Staff has requested, on at least two occasions, that Mr. Valder re-arrange his vehicles on his lot in a manner that would not resemble an open sales car lot and requested an audited report of his sales to determine if he was meeting the 95% requirement of sales being internet based. Attached is Mr. Valder's report that was requested on December 3, 2012, an e-mail chain of the discussions between Mr. Valder, the City Administrator and the City Attorney and his most current report that details the sale of his vehicles. It should be noted that Mr. Valder's reports of sale do not, in Staff's opinion, provide the documentation required to substantiate that at least ninety-five (95) percent of all sales shall be initiated and secured through internet communication between buyer and seller.

Mr. Valder has requested a six (6) month extension on the IUP that is set to expire on May 31, 2014. Based on the experience with this type of business operation, more restrictive or additional provisions could be added to the IUP as considered necessary, should Council contemplate an extension of the IUP.

Attachments:

- Attachment # 1- Valder's Vehicles Request for an IUP Renewal
- Attachment # 2- E-mail communication chain, City of East Bethel/Valder Vehicles
- Attachment # 3- Report of Sales
- Attachment # 4- February –May 2012 City Council Minutes Relating to this issue
- Attachment # 5- IUP expiration notification letter

Fiscal Impact:

None at this time

Recommendation(s):

Council is requested to consider the submittal of the Valder's Vehicles IUP renewal and provide a response appropriate to this issue.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

----- Original message -----

From: Jordan <Jordan@valdersvehicles.com>

Date: 04/30/2014 2:47 PM (GMT-06:00)

To: Colleen Winter <colleen.winter@ci.east-bethel.mn.us>

Subject: Re: IUP renewal

I Jordan Valder, owner of Valder's Vehicles LLC. need to request the renewal of my IUP for internet distribution sales of motor vehicles. I would like to request for it to be no shorter than 6 months as I need to find, secure financing and move to a new building. I appreciate your consideration.

Sincerely,

Jordan Valder

E-Mail Communications between Valder's Vehicles, City Administrator and City Attorney

Jack,

All Vehicles are only advertised through the internet. Every vehicle that sells, we track what site it was initiated through. The Records I had given you are based on the records I keep to track all my vehicles to see what Internet site is working best for my business. The records I provide to the State motor vehicle department have all the customers personal information, under the state of Minnesota I'm not authorized to give out any records with customers information. Please let me know if there's anything else I can do.

Thanks again,

Jordan Valder

From: [Jack Davis](#)
Sent: Friday, December 14, 2012 2:08 PM
To: [Jordan Valder](#)
Subject: FW: Records request

Jordan,

Would you respond to the type sales request based on the comments below. Thanks.

Jack

From: Mark Vierling [<mailto:MVierling@eckberglammers.com>]
Sent: Friday, December 14, 2012 2:02 PM
To: Jack Davis
Subject: RE: Records request

He would have records that he provided to the State motor vehicle department to record and document the sale. The issue appears however to be the aspect of the internet sale vs. on-site sales. I presume he should have contact records from the prospective buyers facilitated through a website media that would record the nature of the transactions. You might want to ask for those along with any supporting documentation he has on the internet sale aspect.

Mark J. Vierling, Esq.
Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P.
From: Jack Davis [<mailto:jack.davis@ci.east-bethel.mn.us>]
Sent: Friday, December 14, 2012 12:23 PM
To: Mark Vierling
Subject: FW: Records request

Mark,

What specific records can we legitimately request from Jordan Valder to prove his compliance with the ordinance below? Thanks.

Jack

Since Valder's Vehicles has been open in East Bethel, we have sold 56 vehicles to date. Out of those 56, 2 have been sold by customers off the street and 54 have been sold through the internet.

Thanks!

Jordan Valder

From: [Jack Davis](#)

Sent: Monday, December 03, 2012 12:39 PM

To: [Jordan Valder](#)

Subject: Records request

Jordan,

Per Section 19.5 (7) of the City Code as listed below, would you submit your record of sales types to substantiate your percentage of internet sales. If you have any questions, please let me know. Thanks.

Jack

19.5. - Motor vehicle and/or motorcycle internet distribution sales.

A.

An interim use permit is required and is limited to no more than two years in duration, upon initiation or renewal.

(1)

At least 95 percent of all sales shall be initiated and secured through internet communication between buyer and seller.

(2)

Exterior storage area for vehicles and/or motorcycles is limited to 4,000 square feet and shall not interfere with access to required parking spaces. Exterior storage is limited to no more than 20 vehicles and/or motorcycles for a maximum of 45 days.

(3)

Exterior storage of inoperable vehicles and/or motorcycles, equipment, parts, or materials used in the conduct of the business is prohibited.

(4)

Minor vehicle and motorcycle maintenance is permitted as an accessory use as to vehicles and/or motorcycles awaiting sale and delivery only, within a structure. All vehicles awaiting maintenance must be stored inside the principal structure. Body work is prohibited.

(5)

Vehicle and/or motorcycle storage area shall be surfaced with concrete or bituminous and shall meet required parking setbacks. Vehicles and/or motorcycles must not be stored in the right-of-way.

(6)

All necessary state and city licenses shall be obtained prior to operation and displayed for public view during business hours.

(7)

Business owner must submit records of sales type as requested by city staff within 14 days of request.

(8)

All signs associated with the use shall be in compliance with the East Bethel Sign Ordinance.

2013 Record of Sales

10/8/2013 #1143 2004 Chev K1500 Automotive Concepts
10/7/2013 #1144 2004 Chev K1500 Automotive Concepts
9/12/2013 #1125 2005 GMC Yukon Denali Automotive Concepts
4/17/2013 #1044 2003 Chev K1500 Automotive Concepts
1/25/2013 #1045A 2003 Chev Tahoe Automotive Concepts
11/25/2013 #1145 2003 Chev K1500 Automotive Concepts
3/5/2013 #1056A 1995 Chev K1500 Automotive Concepts
11/16/2013 #1112B 2003 Ford Taurus Automotive Concepts
3/21/2013 #1058 1999 Ford F250 Automotive Concepts
3/18/2013 #1058 2000 Chev K1500 Automotive Concepts
2/7/2013 #1062C 2006 Toyota Sequoia Automotive Concepts
4/2/2013 #1065 2007 Chev K1500 Automotive Concepts
2/4/2013 #1039A 2002 Chev K1500 Automotive Concepts
3/1/2013 #1066 2007 Ford F150 Automotive Concepts
2/18/2013 #1070 2000 Ford F350 Automotive Concepts
4/5/2013 #1074 2002 Dodge Ram Automotive Concepts
5/29/2013 #1083 2003 Dodge Ram Automotive Concepts

4/27/2013 #1085 2002 Ford F150 Automotive Concepts
4/27/2013 #1089A 2005 Jeep Grand Cherokee Automotive Concepts
7/8/2013 #1098A 2002 Chev K1500 Automotive Concepts
7/10/2013 #1101 2004 Chev Tahoe Automotive Concepts
7/1/2013 #1107A 2003 GMC Yukon XL Automotive Concepts
4/12/2013 #1089 2001 Ford F350 Automotive Concepts
11/19/2013 #1165 2004 Chev K1500 Automotive Concepts
1/7/2013 #1032A 2009 VW Rabbit Bedrock
5/4/2013 #1074A 1997 Ford F150 DMZ Auto
1/22/2013 #1043A 1994 Jeep Cherokee DMZ Auto
4/13/2013 #1086 2002 Ford F150 Craigslist
6/7/2013 #1064 2001 GMC Sierra K1500 Craigslist
8/2/2013 #1071 2005 GMC Sierra K2500 Internet
10/26/2013 #1141 2003 GMC Yukon Internet
7/27/2013 #1035A 2000 Chev Blazer Craigslist
12/28/2013 #1179 2005 Chev K1500 Carsoup
9/19/2013 #1108 2005 Ford Mustang Internet
10/26/2013 #1146 2001 Ford F150 Craigslist
8/30/2013 #1115 2000 Chev K1500 Craigslist
11/21/2013 #1160C 2013 Chev Cruze Internet
1/7/2013 #1035 1998 Dodge Ram Craigslist
9/4/2013 #1128 1997 Ford F150 DMZ Auto
10/25/2013 #1150 2004 Chev K2500 Craigslist

11/21/2013 #1159 2006 Chev K2500 Internet
8/24/2013 #1123C 2001 Ford Excursion Craigslist
7/12/2013 #1099A 2005 Chev Trailblazer Internet
7/13/2013 #1095 2001 Ford F250 Internet
3/15/2013 #1075 2001 Chev K1500 Craigslist
5/14/2013 #1082A 2007 Chev Monte Carlo Craigslist
5/6/2013 #1067B 1997 Chev K1500 DMZ Auto
4/13/2013 #1080 2003 Chev K1500 Internet
3/25/2013 #1078 2003 Ford F250 Internet
11/30/2013 #1147 2003 Chev K2500 Craigslist
1/4/2013 #1042A 1997 Chev Suburban DMZ Auto
6/12/2013 #1097C 2004 Chev 4500 Internet
9/3/2013 #1090B 2005 Chev Colorado Internet
9/7/2013 #1129 2008 Chev Express Internet
6/29/2013 #1100 2002 Chev Tahoe Craigslist
9/5/2013 #1113 1996 Chev K1500 DMZ Auto
9/6/2013 #1096A 1992 Chev K1500 Internet
3/19/2013 #1038A 2002 Dodge Ram Craigslist
3/30/2013 #1079C 1999 GMC Sierra Internet
11/14/2013 #1153 2001 Chev K1500 Carsoup
9/17/2013 #1063C 2004 Chev Tahoe Internet
3/15/2013 #1060 1999 GMC Sierra Craigslist
6/8/2013 #1097A 2000 Chev K1500 Craigslist .

3/27/2013 #1063C 2001 Mazda Tribute Internet
7/26/2013 #1105 2002 Chev K1500 Carsoup
7/27/2013 #1109 2000 Ford F250 Internet
3/8/2013 #1073A 2002 Chev K2500 Carsoup
2/21/2013 #1056 2000 Chev K1500 Internet
9/20/2013 #1106B 1995 Dodge Ram DMZ Auto
8/6/2013 #1096AA 2001 Olds Alero Craigslist
5/15/2013 #1088A 2003 GMC Sierra 1500HD Internet
10/4/2013 #1140 2004 Chev C2500 Internet
3/8/2013 #1038 2002 Chev K2500 Carsoup
12/9/2013 #1136 2000 GMC Sierra Walk-in
7/3/2013 #1108B 1999 Olds Intrigue Jacks Auto Sales
7/27/2013 #1091 2002 Chev K1500 Internet
4/23/2013 #1072 1996 Dodge Ram 3500 Craigslist
12/11/2013 #1126A 1999 Dodge Ram Craigslist
10/5/2013 #1124 2001 Chev K2500 Carsoup
9/20/2013 #1069 2001 Ford Ranger Internet
11/6/2013 #1140B 2004 Chev K2500 Carsoup
9/3/2013 #1112A 2011 Chev Impala Internet
9/28/2013 #1132 2002 Chev K2500 Craigslist
8/21/2013 #1090A 2006 Chev Colorado Carsoup
5/1/2013 #1081 2004 Chev Tahoe Internet
6/5/2013 #1099 2004 Chev Tahoe Carsoup

5/6/2013 #1093 2005 Chev K1500 Craigslist
12/4/2013 #1126 2000 Chev K1500 Craigslist
11/29/2013 #1161 2004 Dodge Ram Internet
2/6/2013 #1068 1999 Ford F550 Internet
7/30/2013 #1085A 2006 Chev Impala Walk In
12/26/2013 #1177 2002 Chev K1500 Carsoup
3/4/2013 #1004C 2003 Chev Suburban Internet
8/22/2013 #1122 2003 Chev Trailblazer Internet
8/3/2013 #1106A 1997 Chev Suburban DMZ Auto
12/28/2013 #1175A 2010 Dodge Charger Long's Auto Place
12/17/2013 #1167 2003 Chev 1500HD Internet
5/17/2013 #1087 2008 GMC Sierra NMI Funding
9/7/2013 #1091A 1997 Dodge Ram Internet
2/12/2013 #1040 2003 GMC Sierra K2500 Carsoup
9/4/2013 #1102A 1994 Olds Regency Manheim
9/21/2013 #1130 2001 Chev K1500 Craigslist
3/5/2013 #1073 2004 GMC Sierra K2500 Internet
9/12/2013 #1111C 1999 Chev Blazer Craigslist
6/26/2013 #1062A 2002 Chev Venture Craigslist
11/9/2013 #1134 2001 Ford F150 Craigslist
9/17/2013 #1127 2005 Chev Tahoe Carsoup
7/22/2013 #1106AA 1982 Kawasaki Craigslist
2/14/2013 #1061 2001 GMC Sierra Walk-in

11/11/2013 #1151 2000 Ford F350 Craigslist
10/26/2013 #1157 2004 Chev K1500 Internet
1/3/2013 #1041A 2002 Ford Ranger Craigslist
10/15/2013 #1121 2003 Ford E250 Internet
11/9/2013 #1135 2000 Chev K1500 Carsoup
5/24/2013 #1089 2003 GMC Sierra 2500 Carsoup
4/8/2013 #1078A 2006 Dodge Ram Carsoup
8/6/2013 #1055 1998 Dodge Ram Craigslist
11/27/2013 #1162 2004 Dodge Ram 2500 Internet
12/10/2013 #1166 2003 Chev K2500 Carsoup
12/10/2013 #1149 2004 Chev K2500 Carsoup
11/12/2013 #1131A 2000 Ford F250 Craigslist
3/25/2013 #1076 2001 Chev K1500 Craigslist
9/4/2013 #1116 2002 Honda Passport Internet
8/10/2013 #1119 2003 Dodge Ram Craigslist
3/15/2013 #1077 1999 Chev Silverado Craigslist
5/20/2013 #1097 1999 GMC Sierra 1500 Craigslist
11/6/2013 #1150 2002 Ford F150 Carsoup
2/28/2013 #1067 2004 Chev C2500 Internet
9/30/2013 #1140 2004 Chev K2500 Internet
11/14/2013 #1183CA 1998 Nissan Altima Skyline Automotive
10/4/2013 #1120 2000 Chev K1500 Craigslist
6/7/2013 #1096 2002 Chev K1500 Carsoup

8/28/2013 #1117 2002 Chev Avalanche Internet
5/15/2013 #1092 1999 Chev K1500 Craigslist
2/9/2013 #1068A 2006 Honda CRV Internet
8/15/2013 #1112 2004 Ford F150 Carsoup
4/6/2013 #1082 2002 GMC Sierra Craigslist
6/1/2013 #1094 2002 GMC Sierra Craigslist
2/21/2013 #1039B 1995 Chev K1500 Craigslist
5/30/2013 #1090 1999 Chev K1500 Craigslist
10/10/2013 #1131 2000 Chev K1500 Internet
3/26/2013 #1053 1999 Chev K1500 Craigslist
4/6/2013 #1067A 2004 Chev C2500 Internet
2/19/2013 #1046 2008 Dodge Ram 2500 Carsoup
4/26/2013 #1088 2007 Ford Edge Internet
5/27/2013 #1088B 1997 Chev K2500 Craigslist
4/24/2013 #1084 1999 Chev K1500 Craigslist
5/31/2013 #1098 1999 Chev K1500 Craiglist
1/15/2013 #1057 2004 Ford F250 Carsoup
5/8/2013 #1093A 2003 Acura CL Internet
1/25/2013 #1054 2001 Chev K1500 Craigslist
12/24/2013 #1175 2009 GMC Sierra Carsoup
3/15/2013 #1073B 1999 Cadillac Deville Internet
6/27/2013 #1106 2000 Ford F350 Craigslist
10/12/2013 #1114C 1996 Olds Cutlas DMZ Auto

7/17/2013 #1104 2003 Chev K1500 Carsoup

11/6/2013 #1142 2000 Chev K2500 Craigslist

8/3/2013 #1110 2000 Chev K1500 Craigslist

8/10/2013 #1103 2000 GMC Sierra Walk-in

Vehicles Sold: 156

Internet/Wholesale: 152 (97.5%)

Walk-In: 4 (2.5%)

City Council Minutes 2-1-12

Motor Vehicle Sales – Ryan DiMuzio & Jordan Valder– 18803 Hwy.65 NE

Davis explained Ham Lake Motors has an active Motor Vehicle Dealer's License from the state, however, it has not operated an open sales lot in East Bethel for at least the last three years. Since City Code does not allow this type of use, an Open Sales Lot is considered non-conforming. City Code Appendix A, Zoning, Section 5.2 states that "nonconforming uses may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion, unless the nonconforming use or occupancy is discontinued for a period of more than one year." This language is in conformance with Minn. Statute 462.357, Subd.1e. Nonconformities.

The only possible way for an Open Sales Lot to operate from the property would be with a Zoning Text Amendment to allow this type of use in the B3 – Highway Business district. Staff has approached the City Attorney asking for options to address the issue. **The City Attorney stated that the City Council could amend the Zoning Code to allow an interim conditional use permit for such uses that would terminate as the property is transitioning to another use and to put a timeframe on the permit.** Zoning Text Amendments require the formal process of a public hearing at Planning Commission and approval of City Council. The process is typically 8 – 12 weeks.

This particular issue has been in discussion among Staff and the tenants of the property since the Fall of 2011. In September of 2011, staff sent a letter to the property owner, Tim Chies. The letter explained the Zoning Text Amendment (ZTA) process. Mr. Chies, being the property owner, could apply for a ZTA. Staff recommended he submit a letter to the City Administrator with the request. Staff has not had contact with Mr. Chies.

Mr. DiMuzio would like to present his proposal of operating an open sales lot at 18803 Highway 65. Again, an Open Sale Lot would only be allowed with an approved ZTA and permit.

This item was presented at the January 24, 2012 Planning Commission meeting; at which time the Planning Commission made a recommendation to City Council to request staff to move forward with a Zoning Text Amendment to amend the B3 – Highway Business District to allow open sales lots with an Interim Conditional Use Permit.

Planning Commission has some concerns such as limiting the number of automobiles on the lot. If directed to continue with the ZTA, staff will work with the City Attorney on the amendment language and to address the concerns. If directed to continue, staff plans to have a draft for review at the February 28, 2012 Planning Commission meeting.

Staff and Planning Commission have the following requests:

A request to allow Mr. DiMuzio and Mr. Valder to present their concept for an open sales lot at 18803 Highway 65, East Bethel, and Planning Commission requests City Council direct staff to move forward with a Zoning Text Amendment to amend the B3 – Highway Business District to allow open sales lots as an Interim Conditional Use Permit.

DiMuzio said, "We do understand that the property will be sold when the City moves forward." Moegerle said, "You made a presentation to the Planning Commission on what you

are anticipating. Can you repeat that here?" DiMuzio said, "It is not going to be an Open Sales Lot. We are a broker, get the vehicles for people. So it looks like a regular store. Unfortunately, we have to float some of these, so we might have up to 20 vehicles on the lot. But it is a regular store, trying to get away from the used car lot image. Not open to 9:00 p.m. Sign can be inside. We need to differentiate between the businesses." Voss asked, "Are you planning on having signage on highway?" DiMuzio said, "We just need an address sign, to make it seem more professional. We have revamped it on the inside." Davis said staff met with Ryan and Jordan and discussed this possibility. "We did discuss that this property is in the sewer district and will probably have a higher use or value in the future. So we explained that we would probably put a specific time limit on this or when the property is sold it would go away. That way, if there were other uses for that property that were more beneficial in terms of our sewer project, they would be able to proceed along those lines."

Boyer asked, "Was a building permit pulled on the improvements? Did staff inspect the improvements?" He said because in the past there have been issues with this building with the Fire Marshall. Moegerle said, "The City Planner did go through this building and she has been through there also." Davis said, "He would have to check on that." DiMuzio said, "We had a certified electrician come in and redo the wiring. We have done quite a bit of work on it." DiMuzio said, "We would like to move to the other side of the highway, to the business district in a pole building and keep all the cars inside."

" Voss asked, "So this is a new endeavor? And you would be utilizing a property that is underused right now, but that would have a different use in the future. What kind of time frame or period of IUP would you be comfortable with? And more importantly, what kind of transition period would you need, as a business, if the city decides at some point it is time for a different use for this property? How much time would you need?" DiMuzio said, "We could be out in 60 days." Voss said because if there is a way to keep you in the city we would like to do that. DiMuzio said, "We do have plans. We have talked to others that lease space because we just found out that we are looking at maybe a one or two year window. And we are at the Council's mercy. If we just have an opportunity to recoup the money that we put into the building so we can stay in business to provide for our families and then move forward, that is all we are asking." Moegerle said, "You might also advise council of your respective experience in car sales." DiMuzio said he has 14 years with the Luther Group as a manager, 5 years as a salesman. Lawrence asked, "A Zoning Text Amendment, would this open it up to all categories, all businesses under the B-3 zone?" Davis said, "That is correct." Lawrence asked, "Do they all have to have an IUP to get the license to operate?" Davis said, "No, if we did a Zoning Text Amendment, then it would allow Open Sales Car Lots." Voss said it would be a permitted use. He said we don't have a zoning map in front of us to understand the effects of this. Davis explained where B-3 zoning is. Boyer said he thinks everything south of Klondike is B-3. Moegerle said, "In our zoning ordinance we don't allow open car lot sales. So can they request a variance or is the Zoning Text Amendment their only alternative?" Vierling said, "There is no variance from a prohibited use. You can't vary from uses, you can vary from dimensional requirements." DiMuzio said, "A brighter note is for the area we are talking about is we know it is all filled up. A conventional car lot wants to be right along the Highway, so there is not a spot left to put it." Voss said, "It seemed that the point here, was it

was a non-conforming use and it hadn't been used for more than a period of a year, at least in the staff write up that is what it says, state statute." Vierling said, "It was both a common provision in the state statute and your ordinance with regard to discontinuance of that use,

once it has gone dormant for over a year, that use is gone." Voss said, "Given what we have gone through in the economy, can the City change that to a longer period? Vierling said, "But we can't make it effective to a prior date." Moegerle asked, "If we make a Zoning Text Amendment, can we later vacate it?" Vierling said, "You can always amend your Zoning Code, but property rights do accrue. Even though you would choose to amend, delete or modify your Zoning Code with regard to a permitted use in an area, to say make it nonpermitted in an area, you could not take away the real estate rights that had been acquired by people that were in place."

Davis asked, "What amount of outside storage space would you require?" DiMuzio said, "Just enough room for what we handed out to you. And we do park a maximum two cars out back." Moegerle asked, "Can we say internet sales?" Vierling said, "You ultimately have car sales." Voss said, "The purpose is not to sell cars, it is the product. This is wholesale, not retail." Vierling said, "It is retail, because the sale hasn't happened until the customer comes in and makes a payment." Boyer asked, "If we tabled this for two weeks would it really be a big deal for you?" Valder said his license expires next month in Spring Lake Park and he doesn't really want to renew it there because then he would have to get in a lease with that guy and he is already in a lease with this guy. Boyer said he is saying for two weeks. Valder said, "That is fine."

Voss made a motion to table the Zoning Text Amendment to amend the B3 – Highway Business District to allow open sales lots to allow staff to work with the applicants to find a create alternative to the Zoning Text Amendment with the understanding of the consequences that could happen for two weeks. Moegerle seconded; all in favor, motion carries.

City Council Minutes 2-15-12

Motor Vehicle Sales – Ryan DiMuzio & Jordan Valder 18803 Hwy 65 NE

Davis explained that this item was presented at the January 24, 2012 Planning Commission meeting; at which time the Planning Commission made a recommendation to City Council to direct staff to move forward with a Zoning Text Amendment to amend the B3 – Highway Business District to allow open sales lots with an Interim Conditional Use Permit.

In order to consider a Zoning Text Amendment that would allow motor vehicle sales in the B-3 District and Zoning Code, Mark Vierling, City Attorney, has submitted additional criteria that could identify that this business is unique from others either in the manner of sale, point of sale, technical aspects of the sale or otherwise. Vierling's information provides justification that the business practices of Valder Motors are a different business model that has unique characteristics and objectively separates it from other car dealerships and it may qualify for other conditions under the City codes.

Vierling's definition, recommendations and conditions for this use as an Internet Distribution Sales are as follows:

Definition for Internet Distribution Sales: A business predicated on internet communication elements which consist of the following: 95% of sales are initiated and secured through internet communications between the buyer and seller with minimal or no need for on-site business negotiations between the buyer and seller. Pre-sale required inventory. All sales are substantially completed before the product is delivered to the customer. There is little or no need for business signage with the exception of basic identification signage. And there is no need for on-site advertising signage. There is minimal need for product storage on-site, with the exception of a product awaiting customer pick-up. There is limited need for outside storage and no product being stored on site will require storage for more than 45 days. No product repair is conducted on-site unless it is required as a condition of the sale (this item is a staff recommendation, Vierling's original recommendation was that there be no product repair on site.) Mr. Valder has requested this be amended to permit product repair on-site as is required as a condition of the sale. As a condition of the above definition the following conditions may be considered to provide other controls for this use.

1. Outside storage space is limited to 5,000 square feet;
2. No more than 20 vehicles can be placed in outside storage at any time;
3. Arrangement and location of outside storage area would have to be approved by the City;
4. All ICUP permits would be issued for two (2) year periods upon issuance and renewal.
5. Any ICUP's issued as a result of this change would be subject to all other City Ordinances.

These definitions and conditions are presented for your consideration agenda item 8.0 B.2 Motor Vehicle Sales. Vierling's approach would allow Council to give this a different use designation in the B-3 zone and exercise a more protective set of controls for this use. Staff is seeking direction on proceeding with the zoning text amendment for this item. Moegerle asked, "With regard to the six items listed on page 52 for us, in the conditions, number 2 says "No more than 20 vehicles can be placed in outside storage at any time". Is that "can" or "may?" Vierling explained that is a staff recommendation and that is can. That is a limit; there is not an opportunity to exceed it. What we have here is not for automobile use or sales, but think beyond that to any type of business that uses the internet to fundamentally complete their transactions and the site is simply a pick-up for their product. Moegerle commented with regard to number four, she was wondering if we should put and cannot return to lot after thirty days (30) days. She said so they can't go away for five days and then come back. Vierling said "I don't know if that will be feasible for this type of product, as well as other types of products that do have warranties. They would have to be monitored; even a used car could have a warranty for a certain period of time." Moegerle commented that for the sales lot, if it doesn't sell after thirty (30) days, then it goes to a different lot and then comes back. Vierling said, "The intent of the other provision was that there is no outside storage beyond forty-five (45) days for any outside vehicles." DeRoche has concerns about setting a precedent. You call this an internet business, but Saxton Ford advertises on the internet; any dealership, does that mean they can also do that? Once we do this, you can bet there will be more than one other person that will want to do this. Voss commented that this question is pointed at Vierling; he is the one that is going to have to defend this. Vierling said, "The key to that is the demonstration that the sale is

initiated and substantially completed through electronic media. The preclusion, if you will, of any advertising signage on the property with exception of identification signage only distinguishes that type of retail sale from any other sale. Is it a fine line that can be crossed from time to time? Certainly. But you have this under an Interim Conditional Use Permit (ICUP) and under a time limit. The fundamental premise, of which we are going on, is this is a business that could well, and should well, grow off the site. If it does, that is fine. In the meantime, this is a temporary time permit for the business to be there, which is fundamentally operating as an internet business. If it grows beyond that, then they need to look for another site. With the ICUP on a two year renewal, where the Council is going to hold discretionary authority in terms of whether or not it renews and to determine whether or not the business is fundamentally compliant. You have the significant leverage you will need to make sure the business hasn't grown beyond what they represented it is or what it will be."

DeRoche asked, "We have had discussions about possibly getting (sewer and water) connections off of the east side of Highway 65. So if we do that, how will this affect any ERUs?" Voss said, "That is why it is a two year." DeRoche commented that hopefully the EDA continues on the course it is on and we get more people to come up here and look and grab at that. If they were to hook up, what would the ERUs be two? Davis said, "No, they would be one, but from a timeline standpoint, by the time we could get service established on the east side of Highway 65 it would be a year from now. That would put this ICUP halfway through its expiration. Especially on a vacant piece of property like that, by the time you do a deal and complete all the negotiations to acquire property, go through all the permitting processes, and actually do construction, you are probably looking at another year. The two years would probably not prevent or preclude any that property for a higher use in his opinion."

Voss said, "Really it comes down to this piece, it is not us, it is the property owner, which is their landlord. So if their landlord decides that now it is time to build, it is their relationship with the business that is there. They have a lease and if they cancel the lease, it is not us stopping any development. We are not saying they have to be there. Whoever owns the land wants to develop it, that is their decision, not ours."

DeRoche asked, "So why aren't they the ones going for the ICUP, being as they are the legal owners of the property?" Davis explained because they are not the ones running the business. This is related to the business. Your point is well taken though about the ERUs and that is why we are looking at this with the very limited time on it. This is in the sewer district, and we want it to be used to its maximum use in terms of market potential and what it can do to generate the income to finance the sewer project.

Moegerle was very concerned about setting a precedent as well. When she looks at this situation, while she is understanding and sympathetic to it, she is also concerned about setting precedent. So if we have code enforcement, have zero tolerance to some of our other nuisance ordinances (where things are usually followed for a period of time), that would make her feel more confident that this is not setting a precedent. This is being business friendly in an extremely limited situation.

DeRoche explained that he is all for being business friendly and he doesn't think coming in they had all the information on what they needed to do. For whatever reason that just didn't happen. He asked, "Has Valder been using the building for this now, while he is working with staff?" Valder explained that he still has his license in Spring Lake Park. It is still current, because when you move your license carries with you until the expiration. Valder said, "But the vehicles that have been there have been sold off the internet site using the license from Spring Lake Park. So in all honesty, yes." Since he has moved there, (the sales) haven't been noticeable; he doesn't have a sign up. It is hard for people to find him, but he cannot sit and do nothing, this is his income, this is his business.

Voss asked Davis, "In condition number seven it talks about repair, can you explain what types of repair we are talking about?" Davis explained that Valder is stating if they take a vehicle in for internet resale, there are certain things they have to check on it and there might be some minor repairs they have to do on it before it goes out the door to their customers, such as oil changes, minor repairs. Voss asked, "Are these repairs done indoors?" Valder said, "There is a shop and I think it was actually built for that. These are used vehicles, not new. So it might be brakes, he has to do a safety inspection for all of his customers as soon as I get the vehicle."

Voss said, "To the extent that we augment the recommendation that it is designated to indoors, that would satisfy him. And one suggestion he has and he thinks it would help on tracking and enforcement, is they obviously keep records of sales. Is there a way that on some periodic basis, that you can share the records of how cars coming in, cars going out and how they are being sold? That is one way to make sure it is not being used as a traditional car lot."

Valder said, "It is more like networking of car sales." He doesn't want that look; he doesn't want that style of a regular used car lot. He worked at Friendly Chevrolet when he was 15 years old, did sales since he was 17 years old. When he left he said if he can build a client base and find them a vehicle that they want, and feel very comfortable selling them the vehicle that they want and then they would be coming back. And then their family members, their friends, their kids, they come back and it is kind of like a network. Plus he has the internet as well. The reason why he would sell to public would be he would say he thinks they would like it, but guess what they come back and say, "I really don't like that color Jordan, I just can't spend that money on it". So, guess what. Now he has that vehicle, he has to clean it up and sell it on the internet. He won't advertise it on the street, that is what the storage would be for. There would be no hang tags in it, there would be no banners, flags, writing in the window, nothing like that, because it doesn't look clean and presentable in his opinion.

Voss explained what he is suggesting at least showing staff your breakdown of sales for the month, our building inspector will be by from time to time. In terms of the sales and how the sales are going. It is an easier way for staff to track. Such as you had 20 cars sold that month and 16 were prearranged and four crashed and you had to sell otherwise. Voss asked Valder, "Are you familiar with the conditions that are laid out here?" Valder said, "Yes, they were e-mailed to me this morning."

Moegerle made a motion to direct staff to proceed with the Zoning Text Amendment. Vierling suggested what you want to do is direct staff to formalize the zoning text amendment and bring it back for the public hearing process. **Moegerle amended her motion to direct staff to proceed with the Zoning Text Amendment and bring it back for the public hearing process. Voss seconded with the suggestion that the repairs be done indoors.** Moegerle was fine with the amendment. DeRoche asked, “Is this changing the Zoning text or is this just a one time amendment?” Vierling explained this is a text amendment that would be there until and unless the Council amends it or takes it out in the future. An ICUP authorized under this zoning text change would be a two (2) year limited permit. Davis explained and this does apply to all the B-3 zones in the City.

DeRoche commented that he thinks we are opening a can of worms. Voss said, “If this turns out to be a good use for the City, then we have two or three more business come in and do the same thing.” DeRoche said, “But it is the changing of the text being permanent.” Voss explained but it is very specific. Vierling said, “**If the Council has this out there on a trial basis, finds you don’t like it and you repeal it and the ICUPs go away at the end of their two year period.**” Voss commented that you can’t envision every situation that is going to happen, but if all a sudden someone wants to do the same business with an off-road 20 yard dump trucks and park them we are going to have another discussion about it. There are other internet businesses but they are not going to have outdoor storage. **All in favor, motion carries.**

City Council Minutes, 4-4-12

Ordinance 36, Second Series, Amending Appendix A of the City of East Bethel Zoning Code Zoning Text Amendment –Automotive and/or Motorcycle Internet Distribution Sales

City Council discussed this same matter at their regular scheduled meeting on February 1 and again on February 15. It was the consensus of City Council, City Attorney, and Staff that the proposed business can be defined as “Internet Distribution Sales.” The City Attorney drafted a definition for “Internet Distribution Sales” and Staff and the City Attorney have developed draft language to regulate the use. The draft language was provided to City Council at the February 15 meeting. City Council directed staff to proceed with the zoning text amendment. On February 28, 2012, Planning Commission discussed the proposed ZTA and directed staff

to make some modifications. On March 27, 2012, a public hearing was held at the Planning Commission in which the public had an opportunity to comment on the proposed changes. There were no public comments.

The proposed Zoning Text Amendment as approved by City Council and amended by

Planning Commission is in your write-up attachment.

Planning Commission recommends City Council approves the ZTA known as Ordinance XX, Second Series.

Voss made a motion to adopt Ordinance 36, Second Series, Amending Appendix A of the City of East Bethel Zoning Code – Zoning Text Amendment – Automotive and/or Motorcycle Internet Distribution Sales as amended. Lawrence seconded. DeRoche, “Are Valder and DiMuzio both doing this? It was his understanding one of these gentlemen was no longer doing this.” Jordan Valder of 180 184th Lane NE, East Bethel, explained that it is just him now. DeRoche asked “**What the chances are that there will be twenty (20) vehicles sitting out front of the business?**” Valder explained that it is not very likely right now. Lawrence, “Have you seen this Zoning Text Amendment? Can you live with this?” Valder, “He has and yes, he can.” DeRoche, “What kind of lease do you have with the property owner, Mr. Chies?” Valder, “Right now it is a year lease. He knows it is going to be redeveloped. After that we can re-sign for five years or whatever.” DeRoche asked the City Attorney for his thoughts and any concerns on the lease. Vierling, “The maximum term he can have on this is two years until renewal. Valder can certainly schedule his lease for his own term.” Boyer, “He was confused because he figured this going to be dead. Didn’t we have a problem with the number of vehicles?” Davis explained there was a limit placed on number of vehicles.

Moegerle, “With regard to definition of motorcycles. I think it impinges on the definition of ATV. So at the end of definition of motorcycles I would like to add after “tractors” insert: **vehicle designed and regulated by the State of Minnesota for operation on Highways** or in a place that makes it read well.” Boyer asked, “Along those lines aren’t we using the State Motor Vehicle definition of what a Motorcycle and ATV are? That has historically been our practice.” Moegerle, “I think that would be a good practice, but I didn’t see a reference to that in here.” Vierling explained this particular section has a separate definition for motorcycles so if you are not happy with this definition we need to refine it. Boyer commented that wouldn’t be a stronger ordinance if we used the State Motor Vehicle definition. Voss asked, and Moegerle’s concern is that it doesn’t include ATVs? Moegerle, “That is correct.” Voss read: not designed with more than three wheels and has contact with the ground, wouldn’t that do it? He asked do they still manufacture three-wheel ATVs? DeRoche said “No, those are illegal, you can’t sell them, not as a dealer.” Moegerle, “If you look at our ordinance, 3-wheel ATVs are included.” Moegerle asked, “What would the City Attorney’s recommendation be on the definition of motorcycle?” Vierling explained he has no problem if you want to add in the reference to the state statute on the motorcycle. If we include definition to the statutory reference of motorcycle should do what you want to do. DeRoche, “A lot of people are driving three-wheel trikes now.” **Voss amended his motion adding the reference to the state statute to the definition of motorcycle. Lawrence seconded the amendment. Boyer, nay; DeRoche, Lawrence, Moegerle and Voss, aye; motion carries.**

Summary of Ordinance 36, Second Series and Direction to Publish

Davis explained that after the adoption of ordinances, the ordinance or a summary of the ordinance must be published in the City newspaper. Attached is the summary for Ordinance 36, Second Series.

Staff recommends Council adopt Ordinance 36, Second Series summary and give direction to publish.

Voss made a motion to adopt the Summary of Ordinance 36 Second Series and direction to publish. Lawrence seconded; all in favor, motion carries.

City Council Minutes, 5-2-12

Tim Chies & Jordan Valder, 18805 Highway 65 NE, Interim Use Permit for Automotive and Motorcycle Internet Distribution Sales

Davis explained that Mr. Jordan Valder has rented a portion of the building located at 18805 Highway 65 to conduct business from the site. The business is known as Valder's Vehicles which is defined as a motor vehicle and motorcycle internet distribution sales. This type of use is allowed in the B3 – Highway Business district with an IUP that is limited to no more than two (2) years, at which time the property owner and applicant will be required to reapply for an IUP.

Valder's Vehicles is an internet based business that sells used cars and new scooters. Most of the clientele will contact Mr. Valder to find a specific vehicle or they can look at vehicles on the business website. Once Mr. Valder finds a vehicle he brings it to the site to clean it up and makes an appointment for the client to look at the vehicle. Most times the client will purchase the vehicle; however, there are occasions when the vehicle is not purchased. If this is the case, Mr. Valder will place the vehicle on the website and will have it for sale on the lot.

The site will need a designated parking area for customers and for parking of stored vehicles. City Code Appendix A. Zoning, Section 22 regulates the number of parking stalls required. Mr. Valder is required to submit the size of the rented space so staff can calculate parking requirements. Areas where vehicles are parked or stored must comply with code requirements pertaining to size, striping, and identification.

According to state building and fire codes, a Certificate of Occupancy is required when the occupancy of a commercial building is changed. Mr. Chies and Mr. Valder are required to comply with state building and fire codes. Satisfactory compliance will be determined by the fire and building safety departments.

This type of business is regulated by city code, Ordinance 36, Second Series (Attachment 4). Mr. Valder will be required to meet all requirements of the code. Failure to comply will result in the revocation of the IUP.

Planning Commission recommends approval to City Council for an Interim Use Permit in the B-3 Highway Commercial District for Automotive and/or Motorcycle Internet Distribution Sales. The business being located at 18805 Highway 65 NE, Suite A with the recommendations as included in your packet.

Lawrence made a motion to table the request for an Interim Use Permit (IUP) for an Automotive and/or Motorcycle Internet Distribution Sales business at 18805 Highway 65 NE for two weeks, (until the next regular City Council meeting). Lawrence, "He

would like some more information on this.” Moegerle, “What information are you lacking?” Lawrence, “I would like to talk to Mr. Chies personally. I would like to see what is going on there, how it is going to be run.” Jordan Valder, “I am the one taking care of the building, Mr. Chies is never there. What information do you need?” Lawrence, “I would like to do a site inspection and see what is going on there.” **Motion fails for lack of a second.**

Moegerle made a motion to approve the request of Tim Chies and Jordan Valder for an Interim Use Permit (IUP) for an Automotive and/or Motorcycle Internet Distribution Sales business known as Valder’s Vehicles at 18805 Highway 65 with the following conditions: 1) **At least ninety-five (95) percent of all sales** shall be initiated and secured through internet communication between buyer and seller; 2) Exterior storage area for vehicles and/or motorcycles is limited to 4,000 square feet and shall not interfere with access to required parking spaces. Exterior storage is limited to no more than twenty (20) vehicles and/or motorcycles **for a maximum of forty-five (45) days**; 3) Parking areas must be identified, striped, and sized according to city code, Appendix A, Zoning, section 22.4, including accessible parking stalls; 4) Exterior storage of inoperable vehicles and/or motorcycles, equipment, parts, or materials used in the conduct of the business is prohibited; 5) Minor vehicle and motorcycle maintenance is permitted as an accessory use as to vehicles and/or motorcycles awaiting sale and delivery only, within a structure. All vehicles awaiting maintenance must be stored inside the principal structure. Body work is prohibited; 6) Life and safety inspection by the city building and fire departments must be completed and satisfactorily addressed by Applicant. A Certificate of Occupancy must be issued by the city building department; 7) Vehicle and/or motorcycle storage area shall be surfaced with concrete or bituminous and shall meet required parking setbacks. Vehicles and/or motorcycles must not be stored in the right-of-way; 8) All necessary state and city licenses shall be obtained prior to operation and displayed for public view during business hours; 9) **Business owner must submit records of sales type as requested by city staff within fourteen (14) days of request**; 10) **An Interim Use Permit is limited to no more than two (2) years duration, upon initiation or renewal. Expiration date is May 31, 2014**; 11) An Interim Use Permit Agreement must be executed no later than May 31, 2014 **2012** and all conditions must be met no later than July 1, 2012; 12) All signs associated with the use shall be in compliance with the East Bethel Sign Ordinance. *(Moegerle noted a typo in condition 11).* **DeRoche seconded.**

DeRoche, “Can we make this contingent on Lawrence having an opportunity to do a walk through the place?” Lawrence, “Any questions I have can be resolved any way.” **All in favor, motion carries.**



February 28, 2014

Jordan Valder
18805 Highway 65 NE, Suite A
East Bethel, MN 55011

Re: IUP for Valder Motors, 18805 Highway 65, Suite A

Dear Mr. Valder:

Your Interim Use Permit to allow an Automotive and Motorcycle Internet Distribution Sales known as Valder's Vehicles at 18805 Highway 65, Suite A, East Bethel, Minnesota will be expiring on May 31, 2014.

If you wish to reapply for your Interim Use permit, please provide me with the following information no later than Monday, March 31, 2014:

- One of the conditions of your IUP was that at least ninety-five (95) percent of all sales shall be initiated and secured through internet communication between buyer and seller. Please provide us with an audit that breaks down financial transactions by sales type. If you do not have an audit, then please provide us with financial statements or proof of internet sales.
- Please provide us with copies of all applicable state and local licenses
- Please schedule a time to have our Building Official, Nick Schmitz, meet with you on or before March 31, 2014 for an inspection of the premises

If you have any questions, please feel free to contact me at 763-367-7855. Thank-you and have a great day.

Sincerely,

Colleen J. Winter
Community Development Director

cc: Timothy Chies, Property Owner



City of East Bethel City Council Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

2013 Annual Financial Report-Review of Findings

Requested Action:

Information Item

Background Information:

The 2013 Annual Financial Report (AFR) has been prepared, audited and approved by City Council on April 23, 2014. A summary of the report is as follows:

- The City received a clean and unqualified opinion from the Auditors
- There were no material weaknesses detected within the City’s internal controls
- The City has improved its bond rating to AA which enables the City to receive better interest rates for bond re-financing
- The General Fund ended 2013 with 62% of 2014 budgeted expenditures fund balance or \$2,982,714. An adequate fund balance provides the following:
 - 1.) The cash flow required to fund City expenditures between the semi-annual receipts of property tax payments from Anoka County
 - 2.) A buffer against state aid adjustments
 - 3.) A means to finance unanticipated expenditures which are not covered within the budgeting process
 - 4.) Assists the City in securing better interest rates for future bond refinancing or sales.
- The City’s debt per capita is lower than our peer group of Cities in the 10,000 to 20,000 population range (3rd Class Cities)
- The City’s taxes per capita are lower than our peer group of Cities
- Current expenditures per capita are lower than our peer group of Cities.

Fiscal Impact:

As listed above

Recommendation(s):

While there are no recommendations or actions requested, the City’s overall financial status, in spite of the indebtedness for the Municipal Utilities Project, is healthy and sound due to management practices adopted and consistently implemented by City Council and Staff.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

May 7, 2014

Agenda Item Number:

Item 9.0 D

Agenda Item:

Closed Session, Attorney-Client Privilege, Minn. Stat. § 13D.05, subd. 3 (b).

Requested Action:

Staff requests Council hold a Closed Session per Minn. Stat. § 13D.05, subd. 3 (b). *****

Background Information:

Staff will provide background information on two Code Enforcement Issues under separate copy.

Fiscal Impact:

Recommendation(s):

Staff requests Council hold a Closed Session per Minn. Stat. § 13D.05, subd. 3 (b).

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____