

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: August 6, 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 Presentations

A. Dangerous Dog Hearing

8:00 PM 5.0 Public Forum

8:10 PM 6.0 Consent Agenda

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

Page 18-22

A. Approve Bills

Page 23-58

B. Meeting Minutes, July 9, 2014, City Council Work Meeting

Page 59-80

C. Meeting Minutes, July 16, 2014, City Council Meeting

D. Deputy City Clerk - Letter of Resignation

Page 81

E. Resolution 2014-23, Check Signatories Resolution

Page 82

F. Resolution 2014-24, Domestic Violence Awareness Month

Page 83-112

G. CBDG Contract

Page 113

H. Resolution 2014-25, Designating Castle Towers WWTP Surplus Property

I. Acceptance of Quote for Culvert Replacement on Klondike Dr

Page 114-115

J. Resolution 2014-26, SCNA Grant Application

K. HRA Meeting

New Business

8:15 PM 7.0 Commission, Association and Task Force Reports

A. Planning Commission

B. Economic Development Authority

C. Park Commission

D. Road Commission

8:16 PM 8.0 Department Reports

A. Community Development

Page 116-117

1. Amendment to City Code, Chapter 10, Article V, Farm Animals and Rezoning of Property from B-2 and R-2 to I-1, PID #203323430001, 19801 Highway 65 NE, 33.5 acres

B. Engineer

C. City Attorney

Page 118

1. Verizon Cell Tower Lease

D. Finance

E. Public Works

- F. Fire Department
- G. City Administrator

8:30 PM

9.0

Other

- A. Staff Report
- B. Council Reports
- C. Other

9:00 PM

10.0

Adjourn



City of East Bethel City Council Agenda Information

Date:

August 6, 2014

Agenda Item Number:

Item 4.0

Agenda Item:

Potentially Dangerous Dog Hearing

Requested Action:

Conduct a Hearing to determine if a potentially dangerous dog determination assigned to this incident should be maintained, modified or removed.

Background Information:

The hearing requested by the filer of a complaint relates to a dog bite incident that occurred on June 6, 2014. The Anoka County Sherriff's office reported that a dog owned by Gayle Murphy, 814 Lakeshore Drive NE, Wyoming, MN 55092, bit Randy Jon Bohland, 445 Elm Road NE, Wyoming, MN 55092, at the address of 814 South Lakeshore Drive.

The investigating officer, Cullen Czech with the Anoka County Sheriff's Department, reported the incident as a Notice of a Potentially Dangerous Dog pursuant to Chapter 10 of the City Code. A copy of the incident report is included in the attachments for this item. A review of city records indicates that the dog is not licensed but is current on rabies vaccination.

On June 10, 2014, the City received a request from Mr. Bohland for a hearing before City Council. Pursuant to City Code Chapter 10, Section 10-72, a hearing is to be granted before the City Council. Ms. Murphy was notified of the hearing by certified mail dated June 27, 2014. Ms. Murphy, as of Friday, July 11, 2014, has not provided written notice of request for an appeal of the notification and decision that the dog in question is a potentially dangerous dog by virtue of the evidence provided in the police report.

The City Council pursuant to Section 10-72 has several obligations and options regarding this matter.

1. Conduct the hearing allowing the owner to present reasons why the potentially dangerous dog determination should be lifted or sustained.
2. If the potentially dangerous dog determination is sustained, identify the action to be taken:
 - a. dispose of the animal
 - b. allow the owners to keep the animal with restrictions.
3. If the potentially dangerous dog determination is not sustained, make a determination that the animal is to be released without further action from or by the City Council.

The requirements for maintaining the animal should the potentially dangerous dog determination be sustained are outlined as follows:

- a) **Requirements:** If a hearing is requested under Section 10 – 72, and if after the hearing, the City Council finds that the dog is potentially dangerous but does not order the destruction of the dog, the City Council shall order one or more of the following as the requirement(s) for the keeping of the dog in the city, which, beginning six months after the dog is declared a potentially dangerous dog, will be reviewed on an annual basis by the City Administrator. In reviewing the requirement(s) for keeping a potentially dangerous dog, if the owner has provided the evidence required under Minnesota Statutes, Sec. 347.51, Subd. 3a. and there have been no ordinance violations for a period of two years, the City Administrator may use discretion in determining whether one or more or none of the requirement(s) set forth below will still be required:
- 1) That the owner provide and maintain a proper enclosure for the potentially dangerous dog as defined in Section 10 - 70; and
 - 2) That the owner post the front and the rear of the premises with clearly visible warning signs, including a warning symbol, a copy of which will be furnished by the city, to inform children, that there is a potentially dangerous dog on the property in the manner specified in Minnesota Statutes Sec. 347.51. The owner must pay a reasonable fee to cover the cost of the warning symbol; and
 - 3) That an easily identifiable, standardized tag identifying the dog as potentially dangerous and containing the uniform dangerous dog symbol must be affixed to the dog's collar at all times as specified in Minnesota Statutes, Sec. 347.51 for a dangerous dog; and
 - 4) That the owner provides and shows proof annually of public liability insurance paid in full in the minimum amount of \$300,000.00. The insurance must insure the owner for any personal injuries inflicted by the potentially dangerous dog. The owner shall have 14 business days from the request to show proof of insurance, except that if the dog is impounded, proof of insurance must be demonstrated prior to the dog's release; and
 - 5) That if the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash (not to exceed six feet in length) and under the physical restraint of a person 18 years of age or older. The muzzle must be of such design as to prevent the dog from biting any person or animal but will not cause injury to the dog or interfere with its vision or respiration; and
 - 6) That all dogs deemed potentially dangerous by the City Council be registered with the City within 14 days after the date the dog was so deemed and provide satisfactory proof thereof to the City Administrator.
 - 7) That the dog must have a lifetime license and be up to date on rabies vaccination.
 - 8) That the owner must allow a compliance official on the owner's property to conduct a site inspection within 14 days of determination of potentially dangerous dog by the City Council.
- b) **Registration Fee:** The owner(s) of a dog that has been declared potentially dangerous shall pay an annual registration fee to the City of \$250.00 in addition to any regular dog licensing

fees and a reasonable fee to cover the City's administrative costs within 14 days of the declaration and again on or before the anniversary date of the declaration for the two year period. If the dog has been impounded, the fee must be paid prior to the dog's release. The animal control authority shall issue a certificate of registration to the owner of the potentially dangerous dog if the owner presents sufficient evidence of compliance with the requirements of this section.

This hearing was tabled at the July 16, 2016 Council meeting in order to allow documentation as to the placement of the animal in question. Gayle Murphy is listed as the owner in the sheriff's report but Ms. Murphy stated to me on July 29, 2014 that Joe Alvite is the owner of the dog. Mr. Alvite's address is also 814 Lakeshore Drive. According to Ms. Murphy, she is currently unaware of the whereabouts of the dog.

The City has no record that the dog is licensed to either Mr. Alvite or Ms. Murphy. As there has been no resolution as to the placement of the dog in question, Staff recommends that the Potentially Dangerous Dog Hearing be continued.

Attachment(s):

- 1) Incident Report #14118340 dated June 6, 2014
- 2) Letter to Dog Owner

Fiscal Impact:

Recommendation(s):

Staff seeks direction from Council regarding the potentially dangerous dog determination in this incident pursuant to City Code Chapter 10, Animals, Article II. Dogs, Division 3.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



NOTICE OF "POTENTIALLY DANGEROUS DOG"

Date of Notification: 08-06-2014

ICR: 14118340

Name of Owner: Gayle Roberta Murphy

Date of Birth: 09/25/1961

Address: 814 South Lake Shore Dr. East Bethel MN 55092

[Click here to enter text.](#)

Home Phone: [Click here to enter text.](#)

Cell Phone: 612-242-8550

Name of Dog: Gringo Breed: Schnauzer

Color: Gray Sex: M F Age: [Click here to enter text.](#)

Neutered/Spayed: Yes

No

Person or domestic animal was bitten by above dog

Person or domestic animal while on public property was chased or approached by the above dog in apparent attitude of attack without provocation

The above said dog has on the following dates in the past, attacked persons or other domestic animals without provocation:

Date: [Click here to enter a date.](#) Time: [Click here to enter text.](#) ICR: [Click here to enter text.](#)

Date: [Click here to enter a date.](#) Time: [Click here to enter text.](#) ICR: [Click here to enter text.](#)

Dated: 08/06/2016 Signed By: [Click here to enter text.](#) *Conan G. Franzen* Deputy

Name

Title

cc: City of *EAST BETHEL*

cc: Dog Owner

Anoka County Sheriff's Office

INCIDENT INFO

Agency Name: ANOKA COUNTY SHERIFFS OFFICE		ORI #: MN0020000	JCF: <input type="checkbox"/>	Add'l Pages: <input checked="" type="checkbox"/>	 * 1 4 1 1 8 3 4 0 *
Reporting Officer(s): 17214 CZECH, CULLEN				Total Value Stolen (Property): \$0.00	
Date Reported: 06/06/2014 08:03 PM	Assigned: 2003	Arrived: 2005	Cleared: 2133	Total Value Damaged (Property): \$0.00	
Earliest Date/Time Occurred: 06/06/2014 08:00 PM		Latest Date/Time Occurred: 06/06/2014 08:00 PM		Total Value Recovered (Property): \$0.00	
Location of Offense/Incident: 814 SOUTH LAKE SHORE DR NE EAST BETHEL, MN 55092-				Apt.:	Grid: L50000 - EAST BETHEL

OFFENSE(S)

MOC Code:	Classification:	Disposition:
09569	DANGEROUS ANIMAL	ASSISTED/ADVISED
09561	ANIMAL - DOG BITES	ASSISTED/ADVISED

NARRATIVE

Incident Narrative 1
DISPATCHED TO THE ABOVE LOCATION FOR A DOG BITE REPORT. SEE SUPPLEMENT.
NOTICE OF POTENTIALLY DANGEROUS DOG FORM COMPLETED.
DEPUTY CZECH
:KH 6/10/14

NAME CODES: A - Adult Arrested, AC - Arresting Citizen, C - Complainant, D - Driver, F - Family/Parent, G - Guardian, J - Juvenile Arrested, M - Mentioned, MP - Missing Person, I - Other Involved, O - Owner, P - Passenger, PT - Perpetrator, R - Reporter, S - Suspect, V - Victim, W - Witness

NAME(S)

<input checked="" type="checkbox"/> Person <input type="checkbox"/> Business	A/J/U: A	Code: V	Name: BOHLAND, RANDY JON	Alias:		
Address (Street, City, State, Zip): 445 ELM RD NE EAST BETHEL, MN 55092-			Apt.:	Date of Birth: 06/25/1963	Sex: MALE	Race: WHITE
Height:	Weight:	Hair Color:	Eye Color:	Home/Bus. Phone: 651-982-4867	Work/Bus. Cell:	Cell/Pager/Fax:
<input checked="" type="checkbox"/> Person <input type="checkbox"/> Business	A/J/U: S	Code: S	Name: MURPHY, GAYLE ROBERTA	Alias:		
Address (Street, City, State, Zip): 814 SOUTH LAKE SHORE DR NE EAST BETHEL, MN 55092-			Apt.:	Date of Birth: 09/25/1961	Sex: FEMALE	Race: WHITE
Height: 504	Weight: 158	Hair Color:	Eye Color: GREEN	Home/Bus. Phone:	Work/Bus. Cell:	Cell/Pager/Fax:
<input checked="" type="checkbox"/> Person <input type="checkbox"/> Business	A/J/U: A	Code: M	Name: BOHLAND, JEANETTE CATHLEEN	Alias:		
Address (Street, City, State, Zip): 445 ELM RD NE EAST BETHEL, MN 55092-			Apt.:	Date of Birth: 01/21/1974	Sex: FEMALE	Race: WHITE
Height:	Weight:	Hair Color:	Eye Color:	Home/Bus. Phone: 651-982-4867	Work/Bus. Cell:	Cell/Pager/Fax:

CASE

Supervisor:	Extra Copy To:	Related Case Number:
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Case Number:
14118340

MISSING PERSON

A/J/U:	Code:	Name:	Home Phone:			Work Phone:		
Address (Street, City, State, Zip):						Apt.:	Cell/Pager:	
Date of Birth:	Sex:	Race:	Height:	Weight:	Hair Color:	Hair Length:	Facial Hair:	Eye Color:
Alias/Nickname:			Clothing:					
Scars/Marks/Tattoos:								
Missing Person Circumstance:								

VEHICLE(S)

Code:	License Plate #:	State:	Year:	Veh. Type:	VIN:	Veh. Year:	Make:	
Model:	Veh. Style:	Color:	Value:	Earliest Date/Time Occurred:	Latest Date/Time Occurred:			
Description/Special Equipment:								

Code:	License Plate #:	State:	Year:	Veh. Type:	VIN:	Veh. Year:	Make:	
Model:	Veh. Style:	Color:	Value:	Earliest Date/Time Occurred:	Latest Date/Time Occurred:			
Description/Special Equipment:								

PROPERTY

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

Status:	Type Code:	Quantity:	Make, Model, Description:					
Serial #:	OAN:	Value:	Date/Time Recovered:			Property Recovery Code:		

AFFIDAVIT:

I certify the above information to be true and correct.	Signature:	Date:
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SUPPLEMENTARY INVESTIGATION REPORT

CASE NO. 14118340



OFFENSE: DOG BITE

COMPLAINANT:

ADDRESS:

ADDITIONAL DETAILS OF OFFENSE, PROGRESS OF INVESTIGATION, ETC.

On 06/06/2014 I was dispatched for a phone call dog bite report at 2003 hours. I made phone contact with the initial complainant who was identified as Jeanette Cathleen Bohland, DOB 1/21/1974. Upon speaking with Ms. Bohland, she stated that her husband was bit in the left leg by a dog at the address of 814 South Lake Shore Dr. in the City of East Bethel. Ms. Bohland stated that her husband went to the address to pick her daughter up who was identified as Kyrstin Lynn Bohland, DOB 8/31/04. When her husband went to pick Kyrstin up, the dog at the location lunged at him, biting him in the leg. Ms. Bohland stated that three days prior to this incident her daughter Kyrstin has also been bit in the left knee by the same dog.

Based on the information that Ms. Bohland was reporting I conducted follow-up at her residence of 445 Elm Rd. in East Bethel and made contact with her husband who was identified as Randy Jon Bohland, DOB 6/25/1963. I observed the injury to Mr. Bohland's left calf and conducted photographs. I also observed the injuries to Kyrstin's knee which appeared to be two small puncture wounds which were also photographed.

Upon speaking with Mr. Bohland, he stated that when he arrived to the address of 814 South Lake Shore Dr. he called out for his daughter to come. It was at that time the dog which was in the front yard began running towards him and approached him. Mr. Bohland stated that he was parked on the street and that he was on the edge of the property. Mr. Bohland stated that the dog appeared to be on a leash and it appeared that the leash had been broken and when the dog approached him he initially shrugged the dog off and at that time the dog bit him in the calf causing a light tear in the skin. I asked Mr. Bohland if he needed medical attention and he stated "No, not at this time." I advised Mr. Bohland to follow-up with a physician to prevent from any infection.

After receiving this information I arrived at 814 South Lake Shore Dr. and attempted to make contact with the dog owner who was identified as Gayle Roberta Murphy, DOB 9/25/1961. Upon speaking with Murphy, I asked her if she knew about the incident. Ms. Murphy stated yes and stated that she was the owner of a gray Schnauzer named Gringo. Ms. Murphy stated that Gringo was leashed to a tree and did have the ability to run to the edge of the property. Ms. Murphy stated that when Mr. Bohland arrived to her property he came onto her property and when the dog approached him he kicked at the dog which caused the dog to lunge at him. Ms. Murphy stated that her neighbor, who she identified as Don Steinke, witnessed the incident. I asked Ms. Murphy if she was aware of the previous incident reported by Ms.

THIS OFFENSE IS DECLARED:

- Unfounded
- Cleared by Arrest
- Exceptionally Cleared
- Inactive (Not Cleared)
- Refer to other Agency

SIGNED: _____
Investigating Officer

DATE: _____

SIGNED: _____
Chief or Commanding Officer

DATE: _____

Page Two
Case No. 14118340
Deputy Czech

Bohland that Kyrstin had been bit in the leg by Gringo a few days prior. Ms. Murphy stated that she was unaware of that incident.

Ms. Murphy stated that she did receive a phone call from the Bohlands at which time they requested that she pay them \$5,000 for the injuries. Ms. Murphy stated that she has no issue with taking care of any medical bills that have occurred; however, she felt harassed when they made money demands. I asked Ms. Murphy if Gringo's shots were up to date as well as the rabies vaccination. Ms. Murphy provided me a photocopy with current rabies vaccinations which were received from the Blue Sky Animal Hospital at 26850 Kettle River Blvd. in Wyoming, Minnesota. I asked to see Ms. Murphy's dog Gringo and she stated that because of the incident she took the dog to her friend's house and kenneled it there for the time being. Ms. Murphy escorted me to the address of 4740 Lexington Ave. NE. At this time I conducted photographs of Gringo. It should be noted that Gringo did not show any signs of aggression towards this deputy. I cleared at 2133 hours.

A Notice of Potentially Dangerous Dog Form was completed and a copy of Gringo's vaccinations were added to this case file. End of report.

Deputy Cullen Czech
 Anoka County Sheriff's Office
 :KH 6/10/14

THIS OFFENSE IS DECLARED:

- Unfounded
- Cleared by Arrest
- Exceptionally Cleared
- Inactive (Not Cleared)
- Refer to other Agency

SIGNED: _____
 Investigating Officer

DATE: _____

SIGNED: _____
 Chief or Commanding Officer

DATE: _____



26850 Kettle River Boulevard
 Wyoming, MN 55092
 Tel: 651-462-7387
 Fax: 651-462-4929

3509-5550
 oct 16 2013

www.blueskyanimal.com



" Put your pet in caring hands"

FOR: Joe Alvite
 814 Lakeshore Dr
 Wyoming, MN 55092

Printed: 10-17-13 at 12:02p
 Date: 10-17-13
 Account: 13667
 Invoice: 194624

Date	For	Qty	Description	Price	Discount	Net Price
Services by Andre K. Mormile, DVM						
10-17-13	Gringo	1	Annual Wellness Examination			20.00
10-17-13		1	Office Visit			15.00
10-17-13		1	Rabies 2- year			20.50
10-17-13		1	Attending DVM is Dr. Mormile			0.00

Thank you for entrusting Gringo's care to Dr Mormile and the Blue Sky health care team.

Services by Shannah Serres						
10-17-13		1	Your technician today was Shannah			0.00
Should you have any questions about your visit today, please call and ask for Shannah it was a pleasure serving you!						

Services to,						
10-17-13	#3609		Check payment			-55.50

Old balance	Charges	Payments	New balance
0.00	55.50	55.50	0.00

Reminders for: Gringo (Weight: 26.7 lbs - 4y)			Last done
04-15-16	Recommend Senior Wellness Plan		
10-17-15	Rabies, 2-yr.		10-17-13
10-17-14	Annual Wellness Examination		10-17-13

Doctor's Instructions

Rabies 2- year
 It is very important that Gringo receive the booster to provide immunity from this highly contagious disease.

Gringo's weight history (in lbs)	
10-17-13	26.70



June 27, 2014

Gayle Roberta Murphy
814 Lakeshore Drive
Wyoming, MN 55092

Dear Ms. Murphy:

This letter is in response to an issue documented by Anoka County Sherriff's office case number 14118340 on June 6, 2014 relating to your dog.

Facts

On June 6, 2014 it was reported that your dog Gringo bit Randy Jon Bohland as he was picking up his daughter, Kyrstin Lynn Bohland at 814 Lakeshore Drive.

The incident was reported as unprovoked and is sufficient to issue a "**Potentially Dangerous Dog Notice**" for the dog pursuant to City Code Section 10-75.

Notice of Potentially Dangerous Dog

A "potentially dangerous dog" means any dog that:

1. When unprovoked, inflicts bites on a human or domestic animal on public or private property;
2. When unprovoked, chases or approaches a person, including a person on a bicycle, upon the streets, sidewalks, or any public or private property, other than the dog owner's property, in an apparent attitude of attack; or
3. Has a known propensity, tendency, or disposition to attack, unprovoked, causing injury or otherwise threatening the safety of humans or domestic animals.

Your dog has displayed the behavior described above based on a police incident report. Once an animal displays these types of behaviors, the City is obligated to issue this notice.

Section 10-72 of the city code requires that the owner(s) of the dog shall be notified in writing or in person that the dog has been determined to be "potentially dangerous", or "dangerous".

This notice is a City matter and is in addition to any notices or citations the sheriff's office has issued or fines that have been paid.

You may request this decision be reviewed and have 14 days from the date of this letter to submit a written appeal. The appeal must be delivered to:

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

The written appeal is due on or before July 11, 2014. Should you file an appeal, that appeal would be heard at the July 16, 2014 East Bethel City Council Meeting.

An appeal hearing will be held within two weeks from the date the appeal is filed with the City. If you do not file an appeal on or before the time frame indicated in this notice, the City Administrator's determination will stand.

Hearing

If you, as the owner, request a hearing for determination as to the dangerous nature of the dog, the hearing shall be held before City Council not more than two weeks after you provide a written request for the hearing. Pending a hearing, the dog may be seized and kept at the City's place of impoundment unless you can show proof that the dog has a current city individual dog license, current rabies vaccinations and if required owner shall provide a copy of current kennel license. The city may waive the requirement for seizure and impoundment offsite, if owner submits a written statement allowing city staff to conduct a site visit, that the dog will not be permitted to be outside without being in a proper enclosure or must be muzzled and restrained by either a substantial chain or leash (not to exceed six feet in length) and under the physical restraint of a person 18 years of age or older. Muzzle must be of such design as to prevent the dog from biting any person or animal, but will not cause injury to the dog or interfere with its vision or respiration.

After considering all of the evidence pertaining to the temperament of the dog, the City Council shall make such order as it deems proper. Section 10-75 of the City Code lists the requirements for a dog that has been declared potentially dangerous.

Should you have any questions regarding this notice or your right to a hearing, please contact me. Should you fail to arrange for a hearing, the determination of the City Administrator shall stand.

Sincerely,

Jack Davis
City Administrator



City of East Bethel City Council Agenda Information

Date:

August 6, 2014

Agenda Item Number:

Item 6.0 A- K

Agenda Item:

Consent Agenda

Requested Action:

Consider approving the Consent Agenda

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, July 9, 2014 City Council Work Meeting

Meeting minutes from the July 9, 2014 City Council Work Meeting are attached for your review and approval.

Item C

Meeting Minutes, July 16, 2014 City Council Meeting

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

Item D

Deputy City Clerk - Letter of Resignation

Wendy Warren tendered her letter of resignation to City Council on July 21, 2014. Wendy has been employed by East Bethel since August 2002 and her name has become synonymous with that of the City. Wendy had a positive impact with all her public interactions and has left a legacy that really matters. It is requested that Council accept her resignation and authorize Staff to advertise for the position.

Item E

Resolution 2014-23, Check Signatories Resolution

The resolution for those employees/officials approved to sign checks is required to be amended to remove the former Deputy City Clerk as a signatory.

Item F

Resolution 2014-24, Proclaiming October as Domestic Violence Awareness Month

At the request of the Alexandra House, Resolution 2014-24 Proclaims October 2014 as Domestic Violence Awareness Month. Staff requests Council adopt Resolution 2014-24 Proclaiming October as Domestic Awareness Month.

Item G

CDBG Contracts

The City of East Bethel applied for Community Development Block Grant (CDBG) funds from the Department of Housing and Community Development (HUD) through a program administered by Anoka County authorized by Resolution 2013-72 as approved by City Council at the December 18, 2013 meeting. The amount requested in the application was \$300,000. The project was approved and notification of award of \$200,000 to the City for the program was made by the County on May 16, 2014. The funds will be used to assist Coon Lake Beach low and moderate income (LMI) households to upgrade or replace non-compliant or non-functioning septic systems. These are grant monies, and no City funds, will be used for the construction activities involved with this project. Coon Lake Beach was selected as the project area due to higher numbers of failed or non-compliant systems in this neighborhood and the concentration of population densities on small lots which intensifies the pollution problem. Attached are the contracts for this program for Council approval.

Item H

Resolution 2014-25, Declaring Castle Towers Wastewater Treatment Plant and Associated Lift Station Equipment Surplus Property

The City of East Bethel completed the construction of two new lift stations and a force main to convey wastewater from the Whispering Aspen Development and the Greystone Properties mobile home park to the newly operational Metropolitan Council Environmental Services Wastewater Treatment Facility. The system became operational on July 28, 2014. With the new system up and running, staff recommends declaring the Castle Towers Wastewater Treatment Plant surplus property and designating it for disposal. Some of the items including lift station pumps, blowers, and blower motors will have some salvage value and would be offered up for public sale. The unsold portions of the structure and facility will be decommissioned and appropriately disposed.

The City will keep the plant in operational status until at least September 1, 2014 and would begin the process of disposal after this date.

Item I

Acceptance of Quote for Culvert Replacement on Klondike Drive

Two culverts located east of TH 65 on Klondike Drive have corroded to the point where the road surface washes out after periods of heavy rainfall. The main culvert is too large for city staff to replace it with city equipment. Staff requested quotes for this project and Classic Construction provided the low quote of \$11,941.00. The next low bidder, Interstate Companies of Forest Lake, was \$18,300. Funding for this project would be provided from the Street Capital Fund.

Staff recommends acceptance of the low quote from Classic Construction for the replacement of two culverts on Klondike Drive.

Item J

Resolution 2014-26, SCNA Grant Application

In October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (PCA) entered into a Memorandum of Understanding (MOU) for the management of the 570 acre Sandhill Crane Natural Area (SCNA) located around Ned's and Deer Lake in the City of East Bethel.

The Minnesota PCA has introduced a new grant program, the Natural Resources Damage (NRD) Fund, which manages monies generated through the State's Landfill Cleanup Insurance Recovery Effort (IRE) for the purpose of mitigating natural resources damages near the locations where these incidents occurred. Due to the location of the former remediated East Bethel Landfill, which is located in the SCNA boundary, recovery funds are eligible to be applied within this site.

The City of East Bethel and Anoka County have determined that the NRD Program could be a potentially suitable source of funding for the development of outdoor recreation amenities and the restoration of natural resources within the SCNA. As proposed, a NRD Grant would be used for resource restoration, site access and trail construction.

The proposed grant request of \$1,060,000 would be 100% funded by the NRD Program and no City or County Funds would be required in the construction of the project. The City, Anoka County, DNR and MPCA will be required to enter into a Joint Powers Agreement that would detail and specify the shared maintenance responsibility of the facility. If submission of the application is approved by the City and the County the proposal would be submitted to the PCA in October 2014.

The proposed project was discussed and recommended to City Council for approval by the Parks Commission at their April 9, 2014 meeting.

Item K

HRA Meeting

Staff requests that an HRA meeting be scheduled for Wednesday, August 20, 2014 at 6:30 PM to discuss Council's interest in the disbandment of the City HRA and the potential use of HRA funds for bond and/or project payments.

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 August 6, 2014

Bills to be Approved for Payment	\$335,865.95
Electronic Payroll Payments	\$55,311.13
Payroll City Council - July 15, 2014	\$2,145.32
Payroll Fire Dept - July 15, 2014	\$7,967.57
Payroll City Staff - July 17, 2014	\$32,478.81
Payroll City Staff - July 31, 2014	\$39,239.38
Total to be Approved for Payment	\$473,008.16

City of East Bethel

August 6, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Electric Utilities	072114	Connexus Energy	615	49851	\$763.69
Arena Operations	Gas Utilities	420380842	Xcel Energy	615	49851	\$100.60
Arena Operations	Professional Services Fees	72	Gibson's Management Company	615	49851	\$3,864.19
Building Inspection	Motor Fuels	720982	Mansfield Oil Company	101	42410	\$456.18
Building Inspection	Motor Vehicles Parts	1539-303706	O'Reilly Auto Stores Inc.	101	42410	\$163.26
Building Inspection	Permit Refund	071014	Northside Septic Svc, LLC	101		\$240.00
Building Inspection	Telephone	332373310-152	Sprint Nextel Communications	101	42410	\$18.59
Central Services/Supplies	Information Systems	B140710J	Anoka County Treasury Dept	101	48150	\$225.00
Central Services/Supplies	Legal Notices	120034	ECM Publishers, Inc.	101	48150	\$60.00
Central Services/Supplies	Office Supplies	718089643001	Office Depot	101	48150	\$78.25
Central Services/Supplies	Office Supplies	720597791001	Office Depot	101	48150	\$51.25
Central Services/Supplies	Postage/Delivery	6599-01	Do-Good.Biz	101	48150	\$1,218.29
Central Services/Supplies	Printing and Duplicating	85383	Catalyst Graphics, Inc.	101	48150	\$572.92
Central Services/Supplies	Telephone	12185999	Integra Telecom	101	48150	\$209.46
City Administration	Telephone	332373310-152	Sprint Nextel Communications	101	41320	\$4.01
City Administration	Travel Expenses	073014	Jack Davis	101	41320	\$201.04
City Clerk	Professional Services Fees	183975	STS Staffing	101	41430	\$357.75
City Clerk	Professional Services Fees	185277	STS Staffing	101	41430	\$502.88
City Clerk	Professional Services Fees	186404	STS Staffing	101	41430	\$367.88
City Clerk	Professional Services Fees	M20652	TimeSaver Off Site Secretarial	101	41430	\$866.75
Civic Events	Professional Services Fees	14714	Norseman Awards	227	45311	\$163.00
Civic Events	Professional Services Fees	RG 1184194	Swank Motion Pictures, Inc.	227	45311	\$23.99
Elections	Legal Notices	121317	ECM Publishers, Inc.	101	41410	\$25.63
Finance	Travel Expenses	073014	Mike Jeziorski	101	41520	\$23.61
Fire Department	Electric Utilities	072114	Connexus Energy	101	42210	\$891.19
Fire Department	Gas Utilities	420380842	Xcel Energy	101	42210	\$86.56
Fire Department	Motor Fuels	720982	Mansfield Oil Company	101	42210	\$725.70
Fire Department	Motor Fuels	720985	Mansfield Oil Company	101	42210	\$406.50
Fire Department	Motor Vehicle Services (Lic d)	F-241960156	Allstate Peterbilt North	101	42210	\$71.77
Fire Department	Other Equipment Rentals	78319	Jimmy's Johnnys, Inc.	101	42210	\$580.00
Fire Department	Repairs/Maint Machinery/Equip	20181	Central Truck Service, Inc	101	42210	\$602.85
Fire Department	Safety Supplies	110018368	Allina Health System	101	42210	\$642.33
Fire Department	Safety Supplies	81488314	Bound Tree Medical, LLC	101	42210	\$531.00
Fire Department	Small Tools and Minor Equip	2431	Emergency Response Solutions	101	42210	\$52.95
Fire Department	Small Tools and Minor Equip	17147709	W.S. Darley & Co.	101	42210	\$445.95
Fire Department	Telephone	12185999	Integra Telecom	101	42210	\$130.92
Fire Department	Telephone	332373310-152	Sprint Nextel Communications	101	42210	\$38.43
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	479660	Ham Lake Hardware	101	41940	\$36.07
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	48257	Menards Cambridge	101	41940	\$48.07
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	59299	Menards Cambridge	101	41940	\$89.92
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-06-14	Premium Waters, Inc.	101	41940	\$32.45
General Govt Buildings/Plant	Electric Utilities	072114	Connexus Energy	101	41940	\$1,366.36
General Govt Buildings/Plant	Gas Utilities	420380842	Xcel Energy	101	41940	\$204.46
Park Maintenance	Bldg/Facility Repair Supplies	478245	Ham Lake Hardware	101	43201	\$52.17
Park Maintenance	Bldg/Facility Repair Supplies	480376	Ham Lake Hardware	101	43201	\$20.36

City of East Bethel

August 6, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Park Maintenance	Bldg/Facility Repair Supplies	68924364	John Deere Landscapes	101	43201	\$2.84
Park Maintenance	Bldg/Facility Repair Supplies	58160	Menards Cambridge	101	43201	\$101.79
Park Maintenance	Bldg/Facility Repair Supplies	58686	Menards Cambridge	101	43201	\$48.23
Park Maintenance	Bldgs/Facilities Repair/Maint	200771-IN	Zahl Petroleum Maintenance Co.	101	43201	\$325.00
Park Maintenance	Chemicals and Chem Products	68861312	John Deere Landscapes	101	43201	\$601.56
Park Maintenance	Cleaning Supplies	2767672	Dalco	101	43201	\$61.28
Park Maintenance	Clothing & Personal Equipment	1132395978	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1132407358	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1132418648	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	072114	Kirk Thunberg	101	43201	\$49.94
Park Maintenance	Electric Utilities	072114	Connexus Energy	101	43201	\$599.84
Park Maintenance	Equipment Parts	4873	Hydraulics Plus & Consulting	101	43201	\$15.97
Park Maintenance	Equipment Parts	1539-305843	O'Reilly Auto Stores Inc.	101	43201	\$12.99
Park Maintenance	General Operating Supplies	9493661905	Grainger	101	43201	\$13.60
Park Maintenance	General Operating Supplies	479225	Ham Lake Hardware	101	43201	\$21.32
Park Maintenance	General Operating Supplies	479659	Ham Lake Hardware	101	43201	\$15.65
Park Maintenance	General Operating Supplies	480176	Ham Lake Hardware	101	43201	\$2.76
Park Maintenance	General Operating Supplies	58838	Menards Cambridge	101	43201	\$153.28
Park Maintenance	Motor Fuels	720982	Mansfield Oil Company	101	43201	\$622.03
Park Maintenance	Motor Fuels	720985	Mansfield Oil Company	101	43201	\$781.73
Park Maintenance	Other Equipment Rentals	78319	Jimmy's Johnnys, Inc.	101	43201	\$800.00
Park Maintenance	Other Equipment Rentals	78521	Jimmy's Johnnys, Inc.	101	43201	\$189.00
Park Maintenance	Park/Landscaping Materials	18496	Bjorklund Companies, LLC	101	43201	\$464.00
Park Maintenance	Park/Landscaping Materials	30070005	Federated Co-ops	101	43201	\$119.98
Park Maintenance	Park/Landscaping Materials	59364	Menards Cambridge	101	43201	\$122.64
Park Maintenance	Shop Supplies	1539-307465	O'Reilly Auto Stores Inc.	101	43201	\$3.97
Park Maintenance	Small Tools and Minor Equip	58160	Menards Cambridge	101	43201	\$8.96
Park Maintenance	Small Tools and Minor Equip	58160	Menards Cambridge	101	43201	\$129.99
Park Maintenance	Telephone	12185999	Integra Telecom	101	43201	\$48.00
Park Maintenance	Telephone	332373310-152	Sprint Nextel Communications	101	43201	\$65.92
Payroll	Insurance Premium	08 2014	Dearborn National Life Ins Co.	101		\$1,134.09
Payroll	Insurance Premium	08 2014	NCPERS Minnesota	101		\$112.00
Payroll	Insurance Premium	141980002353	PreferredOne	101		\$7,725.48
Payroll	Union Dues	07 2014	MN Public Employees Assn	101		\$468.00
Planning and Zoning	Legal Notices	119442	ECM Publishers, Inc.	101	41910	\$46.13
Planning and Zoning	Legal Notices	119443	ECM Publishers, Inc.	101	41910	\$87.13
Planning and Zoning	Professional Services Fees	858	Flat Rock Geographics, LLC	101	41910	\$650.00
Police	Professional Services Fees	S140710D	Anoka County Treasury Dept	101	42110	\$256,538.00
Recycling Operations	Electric Utilities	072114	Connexus Energy	226	43235	\$124.86
Recycling Operations	Gas Utilities	420380842	Xcel Energy	226	43235	\$25.00
Recycling Operations	Postage/Delivery	6599-01	Do-Good.Biz	226	43235	\$166.14
Recycling Operations	Printing and Duplicating	85383	Catalyst Graphics, Inc.	226	43235	\$52.08
Recycling Operations	Professional Services Fees	07 2014	Cedar East Bethel Lions	226	43235	\$1,200.00
Sewer Operations	Chemicals and Chem Products	3613837 RI	Hawkins, Inc	602	49451	\$30.00
Sewer Operations	Electric Utilities	072114	Connexus Energy	602	49451	\$48.65

City of East Bethel

August 6, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Sewer Operations	Electric Utilities	072114	Connexus Energy	602	49451	\$1,037.57
Sewer Operations	Safety Supplies	81492433	Bound Tree Medical, LLC	602	49451	\$436.74
Sewer Operations	Safety Supplies	9487603111	Grainger	602	49451	\$96.93
Street Maintenance	Bldg/Facility Repair Supplies	27876	St Francis True Value Hdwe	101	43220	\$26.71
Street Maintenance	Bldgs/Facilities Repair/Maint	1132395978	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1132407358	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1132418648	G&K Services - St. Paul	101	43220	\$9.17
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-06-14	Premium Waters, Inc.	101	43220	\$32.45
Street Maintenance	Clothing & Personal Equipment	072214	Aaron Folk	101	43220	\$50.00
Street Maintenance	Clothing & Personal Equipment	1132395978	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Clothing & Personal Equipment	1132407358	G&K Services - St. Paul	101	43220	\$63.35
Street Maintenance	Clothing & Personal Equipment	1132418648	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Electric Utilities	072114	Connexus Energy	101	43220	\$1,647.57
Street Maintenance	Equipment Parts	1-860100	Able Hose & Rubber, Inc.	101	43220	\$30.63
Street Maintenance	Equipment Parts	F-242040006	Allstate Peterbilt North	101	43220	\$50.78
Street Maintenance	Equipment Parts	F-242040095	Allstate Peterbilt North	101	43220	\$29.86
Street Maintenance	Equipment Parts	4880	Hydraulics Plus & Consulting	101	43220	\$29.46
Street Maintenance	Equipment Parts	8822	Plow World, Inc.	101	43220	\$396.45
Street Maintenance	Gas Utilities	420380842	Xcel Energy	101	43220	\$25.26
Street Maintenance	Motor Fuels	720982	Mansfield Oil Company	101	43220	\$269.54
Street Maintenance	Motor Fuels	720985	Mansfield Oil Company	101	43220	\$1,938.71
Street Maintenance	Motor Vehicle Services (Lic d)	78298	Hayford Ford	101	43220	\$884.90
Street Maintenance	Motor Vehicles	99525	Midway Ford Company	701	43220	\$33,395.00
Street Maintenance	Motor Vehicles Parts	1539-307549	O'Reilly Auto Stores Inc.	101	43220	\$78.72
Street Maintenance	Motor Vehicles Parts	1539-308680	O'Reilly Auto Stores Inc.	101	43220	\$103.65
Street Maintenance	Small Tools and Minor Equip	104365	James Ryan	101	43220	\$42.98
Street Maintenance	Small Tools and Minor Equip	104525	James Ryan	101	43220	\$231.98
Street Maintenance	Small Tools and Minor Equip	7101410366	Snap-On Tools	101	43220	\$17.35
Street Maintenance	Street Maint Materials	140715	Commercial Asphalt Co.	101	43220	\$448.30
Street Maintenance	Street Maint Materials	BL0000002086	TrueNorth Steel	101	43220	\$303.94
Street Maintenance	Telephone	12185999	Integra Telecom	101	43220	\$48.00
Street Maintenance	Telephone	332373310-152	Sprint Nextel Communications	101	43220	\$162.78
Water Utility Operations	Chemicals and Chem Products	3247	Larsco, Inc.	601	49401	\$110.90
Water Utility Operations	Electric Utilities	072114	Connexus Energy	601	49401	\$1,182.70
Water Utility Operations	Gas Utilities	071814	CenterPoint Energy	601	49401	\$15.41
Water Utility Operations	Gas Utilities	071814	CenterPoint Energy	651	49401	\$33.19
Water Utility Operations	Utility Maint Supplies	92499	Ferguson Waterworks #2516	601	49401	\$1,124.45
						\$335,865.95
Electronic Payroll Payments						
Payroll	PERA					\$11,181.71
Payroll	Federal Withholding					\$12,068.04
Payroll	Medicare Withholding					\$3,538.82
Payroll	FICA Tax Withholding					\$15,131.28
Payroll	State Withholding					\$4,920.37

City of East Bethel

August 6, 2014

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Payroll	MSRS/HCSP					\$8,470.91
						\$55,311.13

EAST BETHEL CITY COUNCIL WORK MEETING

JULY 9, 2014

The East Bethel City Council met on July 9, 2014 at 6:30 PM for the City Council Work meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
 Mike Jeziorski, Finance Director
 Anoka County Sheriff, James Stuart
 Mark DuCharme, Fire Chief
 Nate Ayshford, Public Works Manager
 Colleen Winter, Community Development Director

1.0 The July 9, 2014 City Council Work meeting was called to order by Mayor DeRoche at
Call to Order 6:30 p.m.

2.0 **Moegerle made a motion to adopt the July 9, 2014 City Council Work Meeting**
Adopt **agenda. Koller seconded; all in favor, motion carried.**
Agenda

3.0 Davis, "The proposed 2015 Budget will be presented for your consideration. Staff is in
2015 Budget attendance to answer department budget requests. Mike Jeziorski, Finance Director, will
Presentation present a budget overview prior to the presentation schedule. Mike, if you'd begin."

/ Review /
Discussion Jeziorski, "Thanks Administrator Davis. Mr. Mayor, members of the Council, I just have a
 brief presentation for you this evening. Essentially the agenda is going to be, I'll go over
 our levy and budget timeline, what we're up against as far as reporting back to the County,
 the State, and our stakeholders. I will get into what we're anticipating ending 2014 with as
 far as our fund balance is concerned. I will discuss, briefly, the 2015 proposed levy that is
 contained within your packet, the General Fund, the Debt Service Fund, and the EDA.
 Then I'll give a high-level look at our proposed General Fund budget and then we will have
 time for questions and answers as far as each one of the departments are concerned.

Again, our budget and levy timeline, we started this process back in April with a Finance
Committee to kind of set the tone for this 2015 budget cycle. That led us to where we are
tonight where you have been provided a copy of the proposed budget and levy. Again,
there's no constraints with anything we discuss tonight. The first real passage resolution
will come on September 3rd where you'll pass the preliminary budget and the levy. At that
point, the levy cannot be increased for the final budget in December. In November, the
stakeholders receive their proposed property tax bills based upon what we passed in
September for our preliminary levy. Finally, in December, we pass our final budget and
levy resolution.

As far as our General Fund balance, we're projecting to have about \$2.4 million at the end
of 2014, which is about 50% of our 2015 budgeted expenditures. The way you can look at
fund balance, from a simplified version, is that's just the money we have in the bank. Now,
again, it's not that simple but for our purposes here tonight, that's what we're going to be
looking at ending the year with, \$2.4 million. As you recall, we've had these presentations

2015 Budget
Presentation /
Review /
Discussion

in the past where we had 62% of budgeted expenditures. We took some of that excess and transferred it to some of our debt service in order to fund that without levying for it. We passed an updated resolution that, our policy is to have at least 40% of next year's expenditures.

The primary reason to have \$2.4 million in the bank to end the year is that we only get our tax settlement twice a year and we need to cash flow our operations for the first six month of the year. Instead of borrowing from an external source, we just fund it internally.

From the high-level look at our levy, for 2014 we had a \$4,050,450 levy. For 2015, we're proposing a levy of \$4,051,600, or just a very minimal change, 0% change as a percent. For 2014, we had a debt service levy of \$1,076,500. We're proposing an increase of 4% or \$1,124,000. Again, the question will come up, 'Do we really need that increase?' And, the answer to that is, 'No.' But, again it will leave you vulnerable in future years. Instead of hiking it up 15% like happened in 2014, we have proposed to incrementally increase it over time to minimize the impact. The EDA levy is proposed to remain the same.

You add up all the levies then and it is a 0.9% increase from 2014 to 2015. I think Jack actually did the math on that for a \$300,000 house. It comes out to 98 cents a month as far as an increase of property tax. Now, that's just for the City's portion.

One of the major parts of our budget, from an expenditure side, is our personnel. That really deals with our salaries. We have 19 full-time employees (FTEs). 12 FTEs are in the union. Their contract, actually, has been signed for 2014, 2015, and through 2016. In that contract, there is a 2% COLA increase for 2015. We have 4 FTEs that are eligible for step increases and there's a mandatory employer paid PERA increase from 7.25% to 7.5%. That's the employee's pension. We also have 7 FTEs that are non-union. We are proposing a 2% COLA increase for them as well. Four FTEs are eligible for step increases and, again, they fall in that same mandatory bracket for PERA increase from 7.25% to 7.5%.

Looking at it from a program standpoint, General Government covers Administration, Finance, City Clerk, Human Resources, Risk Management, things like that. We had, in 2014, \$1,090,400 in budgeted expenditures. In 2015, we're proposing \$1,086,500 or just a little slight increase of 0% as a percent.

Community Development covers our Building Inspections and Planning. In 2014, we had \$397,400 as a budget. In 2015, we have \$414,400 or a 4% increase. Again, Colleen Winters, our Community Development Director, will be here to answer any questions you have pertaining to that budget.

Public Safety captures our contract with Anoka County for police services and our Fire Department service. It also captures our Animal Control service. In 2014, we budgeted \$1,544,300. In 2015, we're proposing a budget of \$1,590,000 or a 3% increase.

Our Engineering expenses are any expenditures that cannot be billed back to their specific project funds. These are general in nature. In 2014, we budgeted \$40,000. In 2015, we're budgeting \$35,000, or a 13% decrease.

Public Works, again that captures our Park Maintenance and our Street Maintenance budgets. In 2014, we budgeted \$1,181,700. In 2015, we're budgeting \$1,207,800, or a 2%

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increase.

Transfers to other funds includes transfers to our Street Capital Fund and our Building Replacement Fund. In 2014, was budgeted at \$545,000 and in 2015, at \$525,000, or a decrease of 4%. The only change in that category is we're eliminating a transfer to the Debt Service Fund.

So, overall, I'll just touch on the 2015, and show that we have a balanced budget. In 2015, we are proposing \$4,861,200 in revenue, or a 1.7% change. In 2015, we're proposing the same amount in expenditures of \$4,861,200, or 1.2% change. Again, one of the things to note on the revenue side of things, one thing we did change is that we directed the cell tower lease revenue to the General Fund instead of the Arena Fund. That is one of the major changes in the revenue classification.

With that, I will open it up for questions. I think the first budget we wanted to look at is the Anoka County Sheriff's Department."

Davis, "In your budget workbook, you'll see the proposal from the Anoka County Sheriff's Department to continue our current coverage of 36 hours per day plus a Community Service Officer (CSO) 20 hours per week. The proposed budget for that is \$1,016,071 as compared to \$981,312 for last year, a 3% increase. In most of these, costs are due to medical increases, PERA increases, and the data service agreement that we entered into with Anoka County, and also some vehicle expenses. Sheriff Stuart is here tonight to go over and answer any questions.

There are four options that we can consider, though, for 2015. One is to continue this service as we currently have it, and that's with 36-hour coverage and 20 hours a week for the CSO. The second option is for the 36-hour coverage and 10 hours a week for the CSO. The third option is for 36-hour coverage and no CSO service. And, the fourth option is for 32-hour coverage per day plus 20 hours per week for the CSO. You can see those options can present savings of up to \$100,000, depending on which one is chosen.

Again, our calls for service are down but we don't have any evidence to show that the reason the calls for services are down is because of our current coverage. With that, I'll let Sheriff Stuart explain, in detail, these options and to answer any questions you may have."

Stuart, "Thank you very much. Mayor and Councilmembers, I guess I'm going to, right on the front end say, do you want the 'full meal deal' or the 'express version?' Because, I recognize not everyone has heard all of the perspectives. I like to often times share the benefits of contracting with the Sheriff's Office (versus Department) versus maybe some of the other options that are out there. If you'd like me to be concise, I know you've got a full agenda here, I'd be happy to do that. But, I certainly don't want you to feel slighted that I skipped over anything. So, I guess, I would defer to you."

DeRoche, "I would recommend, I would like to hear the whole deal seeing as you've got some new people on here."

Stuart, "Thank you. I appreciate that. For the record, my name is James Stuart and I'm privileged to be your Sheriff here in Anoka County and certainly to be your partner. I'm excited to say this is actually our fortieth year of providing a contract service for the City of East Bethel. And, we've been good partners over the course of that time. I hope that can

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continue for many, many, decades to come as well.

There's a lot of benefit to contracting with the Sheriff's Office and I appreciate the opportunity to share that with you. Some of it comes down to experience. As I said, we've been contracting and providing those types of services for over 40 years in a wide variety of areas. Staff-wise, we have a real varied professional group of staff that possesses a lot of different backgrounds and areas of expertise. We do a lot of cross training in specialty areas that make the minutia within your community every single day. Examples being, the current and former canine handlers, SWAT members, dive team members, rescue team members, there's a lot of different training and specialization as well as investigative processes that we make sure we have a cross section of training with staff. But, their full-time jobs are as Patrol Deputies. So, they are working within your community and supporting your community as backup Deputies. Again, which you are not going to find in other arenas.

Another benefit with our contracts is that we ensure that you have, as you see before you, a set budget at the start of the year so you are not having any surprises as the year unfolds. If a car crashes, you don't get a bill for that. If the gas prices go 'through the roof,' you don't see bills for that. We try to use realistic averages and our resource manager always tries to err on the low side to ensure that the cities are always getting the best 'bang for their buck' and that there are no hidden or surprise fees over the course of the year.

In addition to the dedicated City cars that you have in your community each day that you are contracting for, you also have the additional support services of the Sheriff's Office. Meaning, if your two cars are tied up on a personal injury accident and you get a medical, we are going to send another car. If you get another injury accident, we are going to send more cars. If you have a large-scale event, an incident which unfortunately does happen pretty regularly, we'll send whatever resources it takes to get the job done. That's one of the nice things of buying into our collaborative effort. I'll take a step back. Our infrastructure is supported by 21 communities and our patrol division is supported by 8 communities where we are the exclusive law enforcement providers of the 21 communities of Anoka County. So those eight entities are really a model, I'd like to say. As you look nationally, as a lot of police departments are folding and closing their doors and going with contracts because of the value in cooperative efforts and collaboration. You've been living that model for 40 years. You are able to reap those benefits by saying, 'We'll reallocate resources where they're needed.' And, ultimately, like I said, if you have something that erupts and we need 20 cars up here, you will have 20 cars up here. If we need to page up more or detectives or the crime scene unit, or whomever else, we'll make sure that business gets taken care of in the City of East Bethel.

Additionally, the ability to summon those resources. As an example, if a surrounding police department needs SWAT or dive team, they will have to contact the Duty Sergeant with the County. The County will then determine if it meets the criteria and page out the team. Whereas, our Deputies and our supervisors are immediately aware of the criteria and have the authorization to immediately page those things out. It might not sound like a big deal. But even if it's only 90 seconds, if you're the one in the water or you're the one on the other end needing that specialty team response, 90 seconds can be a real long time. Unfortunately, 90 seconds would be highly optimistic.

Another thing we include with the contract is investigative services. We have patrol investigators as well as our Criminal Investigative Division. Any crimes that are occurring

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in the City of East Bethel, we're going to do the necessary follow up and pursue it as aggressively as we can in order to ensure, to be cliché, that 'justice prevails.' Also, our records, our supporting unit is included as part of our contract. I often describe them as the backbone of our organization. The Deputies are out here writing reports and transcribing things but they are the ones who put it into the system and often times marry-up the different reports and elements and tying photos into cases, and things like that. Pulling it all together.

We also offer the Crime Prevention Unit's services, our Victim Services Unit, certainly the Reserve Unit and Explore Unit, Chaplain Corps for specialty programs, and special events. There are things they are needed for as well as our background investigators for City employees or Fire Department personnel, things like that.

In the economy of scale, it is probably, in my opinion, one of the single biggest things is that there's the benefit of seamless transition. Should a Deputy blow out a knee or a squad gets damaged, and unfortunately that's also a fairly regular occurrence in the real world, you will have a new Deputy and a new squad before the end of the shift and you will never notice a 'hick-up' in the system because we will make sure that continues to flow without any specific issues. This past year, unfortunately, we had several occurrences where that became kind of our reality. We had a Deputy out on administrative leave for a long time. We had several Injured On Duties (IODs) in which the contract, if it was a three- to five-person department or even a 12-person department, they would have been incurring some major overtime costs as a result. We're happy to say that we, again, don't pass those on to the City but we consider it part of the service that we provide.

Some other areas that would have an impact. I mentioned the illness and the injury but even court testifying, taking squads off the street, if two squads are on the street and one is tied up in court for six hours, sadly not uncommon, we're going to make sure we backfill and you're not running short. Vacation, training, and all those other things, as examples. FMLA has really taken a bite out of us this past year, as well. Something you don't have to worry about.

I also have found in talking with the citizens, I have heard time and time again that the citizens acknowledge that the City leadership, they feel when they are buying into a collaborative model like this and recognizing the value in the economy of scale, then the citizens say, 'Well, if it makes us feel good we think our City leaders have a good grasp on what's good and a good financial decision as well as related to public safety.'

Some of these other things I already touched on so excuse me while I make sure I don't miss any of my bullet points. Some of the other things, another big advantage is the information sharing in addition to our eight cities that are sharing information back and across City lines. Because we know, the criminals don't care about 181st Avenue or any of the other boundaries, the university, etc. We're also sharing with our other divisions within the office, with the court security, with the jail, with our criminal investigative division, with our E-forensics teams, computer forensics, etc. And, just by having that open communication and that open dialog, there is a lot more crime analysis capabilities and a lot more processing of data that is going to be done. And, ultimately, everyone's going to benefit as a result.

Cost analysis benefit. You know, Washington County sent me some data at the beginning of June. I looked at that and thought, 'That's really interesting. I'm going to make it a

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point to mention it.' We've factored in some of our contract communities for comparison. Ultimately, to cut to the chase, I have some data that you're certainly welcome to look at. The contract cities, we found on average, pay about one-half to one-third of what other similar demographic communities are paying who have their own police department. So that, again, just speaks to the value we are able to pay because of the economy of scale and the sharing of resources. We don't have to have eight different Chiefs. We don't have to have eight different pools of record text, eight different groups of Sergeants, Lieutenants, etc., because we are able to share those. Supervisory is a big part of it. The supervision. Then everybody takes a little 'bite of the pie' and shares with it.

Liability, that's another huge one. The Sheriff's Office retains all liability for any law enforcement actions taken within the City of East Bethel. The unfortunate thing is, even when we do everything right, law suits are a realistic part of our line of work. So we make sure we play 'clean up' on that from start to finish.

The contract also includes all of the Human Resources (HR) issues from union negotiations to hiring, firing, disciplines. Certainly, the medical and the injuries, things related to that. All the training mandates, payroll, licensing, all of those little things that you don't want to have to think about? You don't have to think about. We'll make sure it's all inclusive.

I touched before on our diversely trained staff and the multi-levels of supervision. I can't overstate those enough because they really do benefit our citizens to have those resources available. I can tell you a lot of our neighboring communities often times run without supervision. Sometimes they'll reach out if they are in a real 'pinch,' they'll reach out to the Sheriff's Office for some direction or guidance. But, for me as a resident who lives within our patrol area, within the Sheriff's Office patrol area, it gives me a lot of peace of mind knowing we always have supervision out there on the streets to kind of direct the Deputies and make sure they are doing the right things and making sure the citizens are being cared for. Quite honestly, if in a smaller agency there isn't a supervisor on, I cringe to think that human nature, at some point in time, takes place and things that shouldn't be happening are probably happening. Although we hire the best and train the best, I'm still relieved knowing we have supervision out there.

As you know, you have a dedicated liaison within your City. In this case, it is Commander Orlando. She regrets that she was not able to be here tonight. I also regret that she wasn't able to be here tonight. In case you hit me with any hard questions, she was kind of my 'go to' person. Our liaisons act as our dedicated chiefs for the City. They are your contacts if you should need anything. If you don't have my cell number, I will be happy to give that to you as well. When I say we are available 24/7, I mean it. I actually got a late night call when I was in Ft. Worth at the national conference, a week or so ago, from one of our other contract communities for something that was going on. 'Oh, I didn't realize you were out of town. I'm very sorry.' When I tell you I want to be available, I absolutely mean it and I know that's the same for all of our staff. So please, if you don't have my number, see me and I'll get that to you.

I'm not going to go into a whole lot of notes here on the lowered administrative costs and the command structure, but I'll touch real quickly on the local control. What that means to me, is your priorities are our priorities. Over the past few years, since I've been privileged to become Sheriff, we reached out and said, 'What can we do to help our communities better reach their goals?' We knew that these are difficult financial times and, hopefully, we're starting to come out of them.

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But, having said that, our contracts are based on calls for service. Your last full year, so in this case 2013 because we won't know 2014 on time. So 2013 numbers were used to calculate your 2015 needs. Historically, we look at the number of calls. The number of calls that require, maybe, two Deputies. The number of minutes or hours, the amount of time it takes to process each call, write reports, average number of jail transports, all of that stuff is thrown into the 'blender.' We hit 'spin' and come up with the number of bodies it takes to perform the job for East Bethel.

Historically, we used to recommend a 60% proactive time, and I'll explain what that means in a second, and 50% minimum standards or minimum proactive time. The proactive time is basically free time, down time, non-committed time. Our reactive time is the Deputies get a call, somebody calls 911, they get a call, they're driving to the call, they're gathering information, they're writing a report, that's their reactive, or dedicated time. The proactive time, that's when we're responding to, we get citizen complaints about speeding vehicles, about suspicious vehicles, pulling doors in the middle of the night to make sure our businesses are secure, looking for suspicious activity. The great thing about the Deputies having that proactive time, as they are driving around, they know what looks out of place. 'That garage door is never open this time of day.' Those kind of things. So, it gives them the ability to go out and be proactive, to get those things done.

We have those minimum standards in place but in order to meet the financial needs of the cities, one of the things we did through negotiation was to lower the minimum standards by that 10%. So, rather than 60% being the suggested, 50% minimum, we went to 50% recommended and 40% minimum. We haven't seen any negative ramifications, as yet, as a result, but we were able to keep coming back to the cities and saying, 'You need more bodies, you need more bodies.' Now, through luck of the draw, calls for service are actually declining. So, I'm happy to report. I'd like to think that has something to do with the number of cars that East Bethel has chosen to have on hand. Was I clear on that aspect of it? Thank you.

As you recall, the independent auditor that came through and gave you your report not too long ago made comment that you were able to enjoy lower costs for your law enforcement when compared to similar demographic communities because of the contract with the Sheriff's Office being a better value. And, because it happened right here, I felt the need to share that. It made me pretty happy when Shelly came back and said, 'Hey, guess what they said up there.'

Similarly, I wanted to share with you. Andover just recently conducted a survey with an independent firm. As a result, as it related to police protection, it covered a wide variety of different areas, but as it related to police protection, 93% of the respondents rated the Sheriff's Office service as 'excellent' to 'good.' They conducted this same survey back in 2006 and at that time, it was 78% was 'excellent' to 'good.' So, I'm real proud to say that as an organization, when I tell people we are trying to raise the bar, we are trying to do better, we keep trying to improve our services, to me that's a tangible way to show that we're accomplishing it. Hopefully, that will continue to improve. I'd love to see, I know we're never going to please everybody, but I'd be real happy to see a 99% 'excellent' to 'good' ratio before I leave office. Less than 2% felt there was any need to explore their own police department. Again, we have found very similar feedback when we are out in the community as well.

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The Administrator reviewed your coverage options so I am not going to dissect them in great detail. You can kind of see them before you. The details of the contract are as he said. Anything that was within our control, we work diligently to make sure we absorb them. For example, there were some small increases in equipment costs, there were some small increases in fleet costs. I advised our Resource Manager not to put those in the contract, that we would find a way to get those covered. The increases that you are going to see are, in fact, the union contract settlements, the Deputy Union settled for 2%, the PERA increase that goes along with that was about a .9%, and the Public Safety Data System is a fairly significant change. That was, again, in process for, I want to say about a year and a half ago when we came around and made the rounds to all 21 communities of Anoka County. At that time, all of the City Councils said, 'Yes, we want to move forward with this and we know that there will be some implications.' So, we just tied that into the contract for ease. The insurance premiums, again things that are beyond our control, are the only costs that you are going to see increased within the contract.

I believe that brings me pretty close to the end here. In a nut shell, the numbers are what you see before you. I talked about our flexibility in trying to meet your needs. Generally speaking, in the past, we've come in and said, 'Here's the contract.' We know that these are unique times and in an effort to be transparent and, quite honestly, straight forward, if you were below the lines we'd be coming in and saying, 'We need more bodies, we need to do something differently.' Because the costs for service have gone down, I wanted to be able to come in here and say, 'If you choose, I don't recommend, but if you choose, we can look at reductions in service either through the Deputy coverage or through the CSO overage.' Again, that's, in my mind's eye, having some options and being able to offer that just speaks to my appreciation for this partnership. Certainly, we want to be transparent.

Throughout our office, we have our mission statement posted and it is to protect and serve the community in a manner that preserves the public trust. I really tried to change the focus. I didn't change the mission statement when I took office, but I changed the focus because everybody was always focused on 'to protect and serve.' Well, that's pretty standard and been there for a long time. In my mind's eye, it is 'to maintain the public trust.' Because without the public trust, there is not reason for us to exist. I believe that with all my heart and I'm happy to say that in a pretty short period of time, we've seen, I've seen the mindset of our staff, some of our community outreach programs, the charitable things we are doing within our organization, and really that concept of being ambassadors 24 hours a day instead of call takers for 8 or 10 or 12. It's really been contagious. So, for me, it's been a real privilege to lead the organization and hopefully you're also seeing some of those benefits as a community. If you're not, I'd like to know that as well and we'll continue to try to get better. It's been a pleasure to serve you as a partner. You have my assurance we're going to try and raise the bar and if you have any questions, I'd be more than happy to try and answer them."

DeRoche, "One question that I have, and I get asked quite a bit, is why the Deputies don't stop at some of the small grocery stores, Mom and Pop shops, introduce themselves, 'Hi, I'm so and so, I'm patrolling this area.' Is there any reason for that? Or, are they just..."

Stuart, "I would say, yes and no. Certainly, I would encourage that and I'm going to write that down because it's something I do encourage. You know, there's an old school, they called it 'community policing.' They actually trained everybody in it an then, and I'll tell you from my own experience. I think some of it depends on the age of the Deputy and how long they've been around because good cops just do that. You know, you talk to people.

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That is how you find out what the community needs are and you find out what's going on. But, additionally, I'm going to date myself a little bit here, but I want to say in the mid-90s they sent everybody through community policing training and that was one of the things, 'Get out of your cars, go in, and talk to businesses.' Good, bad, or indifferent, we did a lot of that. Well, it didn't take too long before we had Deputies being disciplined for, 'All you do is go from Tom Thumb to SuperAmerica, to...you know...you are just bouncing from business to business, having a cup of coffee.' Well, yes. There is a fine balance. Okay, at what point are you screwing off versus information gathering because there is a lot of information to be gained by talking to a business owner over a cup of coffee. So, there is an interesting balance. Some of those Deputies, I'm sure, shared their stores with the junior Deputies going, 'Don't spend too much time in there. You know, maybe stop at SA, or make it a one-stop night.' But, it is a priority and there is that balance. It's one thing to stop in for 15-20 minutes and another thing to spend 90 minutes at Tom Thumb. I will certainly pass that on. I do agree with you. I think there is a lot of value in communication that comes from that."

DeRoche, "Well, I think it builds more trust." Stuart, "Absolutely." DeRoche, "Because it's, if the first time somebody sees a Deputy is when he's being pulled over, it's kind of a bad experience. We had one of your Deputies showed up at a day care center and talked with the kids. I thought he did a great job. He explained what goes on and between them and the fire fighters. People need to understand that it's not always writing tickets. I think a lot of times it's an education stop." Stuart, "Absolutely." DeRoche, "And if that doesn't work, then there is always the alternative." Stuart, "Right."

DeRoche, "But, I think that's part of the trust thing. 'Well, why don't they ever stop in? What's the matter with them?'" Stuart, "I totally agree and think some of that is personality. I can also tell you that historically, cops were a lot more outgoing. We're seeing a lot more cops that are just kind of quiet by nature and they're happy to go out and do their job but at the same time, I'll take some of that responsibility. Maybe I haven't been real clear that that is an expectation. But, we'll fix that." DeRoche, "It's just something to think about." Stuart, "Absolutely."

Moegerle, "Can you tell us the drops in calls that you have? I know we're mid-year right now, but generally, how are the trends and how do our trends particulate?" Stuart, "Over the last few years, they have trended, nationally, downward, which is a great thing. I can't speak words of wisdom. Nobody's been able to seem to say, there are a lot of theories, a lot more police presence makes a difference. I think crime analysis has played a part in it. Let's be honest. Most criminals, they don't go out and commit one crime and then call it a year. They are going to move from house to house to house, from city to city to city. I will say, crime analysis has really been effective. We are part of, I was privileged to be a part with the Metro Sheriffs. We all partnered. It's called the MRIC, the Metro Regional Information Collaboration. Most of the metro sheriffs sent somebody down at least part-time. A lot of us are full time. It's housed out of Hennepin County. Basically accessing our data bases, bringing it all together, and some of the software technology they have down there with the facial recognition, this seems to match the physical description of a house invasion/home invasion we had in, you know, I'll pull out a city, maybe Fridley. But, it also sounds like the same person over here in Brooklyn Park, sounds like the person in Maple Grove. Well, we've got video from the SuperAmerica at Maple Grove, feed that into the system, suddenly we've got a license plate and we're able to start tying things back together. Fast forward, I think we are really able to catch key criminals a lot faster than we used to because of that information sharing. It's that information sharing that, I think, is

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making a big difference. And, I think it's those repeat offenders that are going on to continue victimizing. That's what's making a huge difference. I think that is making a big impact. I don't have anything to back that up because they don't usually tell us, 'Boy, I was going to do another 15 burglaries this month.' But, that's some of my perspective on it. The trends are that seems to be continuing."

Moegerle, "Is it 5%, 3%, generally? And then, for East Bethel particularly? Do you have those kinds of statistics? Or, could you get those to us?" Stuart, "I can get them. I do not have them right now." Moegerle, "That would be great." Stuart, "Absolutely." Moegerle, "Thank you."

Ronning, "With the charges we see, considering the economy of scale, if less participation was out there with other communities, would that effect the cost very much? If you're able to answer that?" Stuart, "I'm sorry, I was partially distracted. I don't want to answer the wrong question. I think I heard you, but if you would repeat it please?"

Ronning, "With the amount of participation from the communities, does it help keep the costs down? Or, does it make any difference at all?" Stuart, "Are you talking about the economy of scale with the multiple communities?" Ronning, "Yes." Stuart, "Oh, absolutely, absolutely. As an example, and I'll look at your average, just for comparison's sake. I do have some of these. Like I said, if we have a population of 11,500, some of the closer ones are, Buffalo has 15,000. They are paying \$2,040,000 plus some change. St. Francis, nearby, half the population, they are paying \$1.4 million annually. Cambridge, again they have a little over 8,000 people and are paying \$1.6 million, and the list goes on and on. You get into Robbinsdale, 14,000, different dynamics but they are paying \$3.7 million. The list that Washington County put together, they ranked them from lowest, it was cost per capita is how they broke it down. And the lowest eight were all contracts with different Sheriff's Offices all over the metro. Then it jumped into the police departments who ranged greatly but some of them were exponentially higher. I think a big part of that is exactly that, the collaboration, the economy of scale. Because, going back, every department doesn't have to have Record Technicians, support staffs, Secretaries, Sergeants, Line Staff, buildings, cars. But, we're sharing all those resources and if everybody takes a little piece of that 'pie,' it's much cheaper. I shouldn't say 'cheaper.' I like to say we provide the 'Cadillac' for 'Chevy' prices. It's a much more economical and efficient way to get things done."

Ronning, "Allegedly, anyway hearsay, the Oak Grove Mayor was overheard saying, 'Well, we cut back on hours because if we need somebody, East Bethel would just send someone over.' True or not, I don't know. If that was happening, would that show up over time? Do you think?" Stuart, "They are not cutting back. I don't know. I won't say it wasn't accurate that it was said, but at least at this point, there's not 'wiggle room' for them to cut back so we're not. That's really not an option. And, he didn't express that to me the last time I spoke with him."

Ronning, "Hearsay has it." Stuart, "Hearsay is what it is. I understand that. But, having said that, I will say they are above our minimum standards and as long as communities are above minimum standards, we do continue to allow cars to float back and forth. If it's ongoing, that's again going back to our Sergeants, Lieutenants, would be catching that type of abuse and they would be addressing that. I have not been made aware of any of those types of issues other than we try to be fairly guarded in the communities. We have some communities that want to have a higher level of law enforcement presence. I'll use

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Andover as an example, they want heavy coverage, well beyond our minimums. That's fine and well. We try to make sure we never take all of their cars away, that kind of thing. But that comes back to supervision and we do try to balance that very closely. No, I'm fairly confident in saying Oak Grove won't be taking advantage of East Bethel."

DeRoche, "Sheriff, actually those statements were made to the Minneapolis paper by Mark Korin. Probably a year, maybe a little more, that..." Stuart, "Hopefully he's come around since then." DeRoche, "Well, I haven't talked to him recently, but, I think I addressed that with Jack when I read that. I thought, well, whatever."

Moegerle, "Last night, they were repeating it by one of their council people. But, they are paying 50% of what we'll pay. And, they were quite pleased." Stuart, "Again, it's hard to say, and we have a couple different contracts where it's only eight hours a day. Well, their eight hours might have a little different impact. Or, I shouldn't say eight hours, but their calls for service cost different because one community could be very similar in size and structure but if you have twice as many calls for service, they're going to be paying a bigger piece of the pie. Because, again, it's all usage driven. So, I can assure you they are paying their fair share. I don't know if that's the right term to use or not, but they are paying their fair share and we try to ensure that everybody does. I had a different presentation last night in which they weren't real excited about paying their fair share. But, I assured them there were other options out there if they didn't like our services. Again, for us to provide a 24-hour 'Cadillac' for an 8-hour 'Chevy' cost, I just can't. Not everybody wants to hear logic. I guess I've learned that over the years."

Moegerle, "Well, and what they were saying last night was that they didn't have a new car and those kinds of things, and those had some cost benefits that they considered were important. It was interesting to hear their insight into how their contract came, which may not be the same insight you have." Stuart, "I would guess that's not the case. I would also guess, and I'm just making a prediction, but I would guess that's not all accurate because with the number of hours they have, they're getting a new car every year."

Ronning, "Without some, at least minimal data, there is no way to know if any of it, how much of it, and it's unlikely we're going to find that out. If I may, a question about equipment. That million dollars, does that include buying vehicles?" Stuart, "That is a total package. That is, we give you the car fully equipped, everything in it, the Deputy and everything that they go through. That covers their annual mandated training. That package gives you 7.6 and in this case we actually make it 8 because we can't hire 7.6. We cover that difference even to that 8th body. We make sure all of the equipment is included in that package. Quite honestly, from that side of the table, I think it really comes down to, that's your liability coverage, that's your vehicles, that's your law enforcement protection. All we got to do is, you know, say, 'Yes, we're interested,' and we take care of all the headaches and nuisances for you. All included."

Ronning, "Kind of a cheapskate question but when the equipment is retired, if it's sold or anything, what happens with the money?" Stuart, "Typically the equipment isn't salvageable, I guess would be the way to say it. For an example, like the tasers, we run them, I don't know what the rotation is, I'm going to say five years. I don't know for sure but I'm going to 'pull that number out of the air.' At the end of the five years, we try to trade them back to the manufacturer for discounted new equipment, whenever possible. For most of the equipment, that's the case. But, like in the case of, I'm trying to think of an example..."

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Ronning, "I was thinking more of like vehicles." Stuart, "Vehicles go to auction. The revenue is tied back into our averages. Like you said, when our vehicle costs go up and the light bars go up and things like that, the reason we are able to not pass that on is because the revenue coffers offset our squad builds. Because, honestly, our squad builds the last couple of years have really gone 'through the roof' on us, for some reason. It's the new fleet."

Ronning, "It would be fair to say that the end result is all those considerations?" Stuart, "Yes, absolutely." Ronning, "Thank you."

Moegerle, "With regard to what I'm seeing in, it's Page 105 of the packet, which is, I'm not sure where that relates to this one. In red print it says, 'State Aid will be reduced in 2016 due to this reduction in full-time employees.' It seems to be only with regard to the 32-hour coverage, 20 hours per week CSO coverage total amount. Cost is \$906,504. So, that's the only place where I saw that. But, that applies across-the-board for whatever that we're going to have, that reduction? Or, what does that mean?" Stuart, "The Police State Aid is reimbursed to us annually based on the number of full-time bodies we had the year before." Moegerle, "Okay."

Stuart, "And, again, as part of being up front, we give that money back to the contracts. If you're paying for those bodies, we put it back. So, it's reduced from your following year contract. So, that's why it's saying in 2016, your Police State Aid would be reduced if you chose to go with the reduced coverage."

Moegerle, "I just wanted to be sure that it applied to just that one." Stuart, "Absolutely." Moegerle, "Okay, very good, thank you." Stuart, "Yeah, only the reduced coverage."

DeRoche, "Tim?" Harrington, "No, I'm good." DeRoche, "Anybody else?" Moegerle, "Thank you." Stuart, "Yes, my pleasure. If you think of a question later on, you now where to find me."

DeRoche, "Absolutely. Have a good night and thanks for coming in."

Stuart, "Also, before I leave, we have our 2013 Annual Reports. We got those completed and I wanted to hand deliver a copy. I've also asked Kelly, my secretary, to make sure you each got an e-copy so if you haven't received it, you should be receiving it soon. I wanted to leave a hard copy here for City Hall as well. If you have any questions on that, also, please call."

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Davis, "At this time, Mark DuCharme is available to answer any questions on the Fire Department budget. The Fire Department budget and the proposal submitted to you is projected to increase from \$554,300 to \$566,000, an increase of 2%. This increase is due primarily to increased fuel cost, repairs of equipment, and some training issues. As far as the Fire Department budget goes, wages and benefits comprise 57% of this budget with the remainder being devoted to those supplies and materials necessary to run the Department. You have before you the line items of each of the requests for this budget. At this time, I'll make Mark available to answer any questions you may have."

DeRoche, "What do we have as a contingency? I know some of our fire fighters are getting up to the point in time where they are going to be able to retire. Whether it's 20 years, I think we have some up around 20-25 years, and one of my concerns, and I kind of talked to

Jack and he said you'd be the guy to ask about it. We're at a certain level of fire fighters. We have 35, is that correct?" DuCharme, "That's correct."

DeRoche, "Okay, so my concern is if we had four or five, ten guys that are qualified to retire, or even four, how can we make up that difference. Part of this came with the Oak Grove house fire and there were a lot of questions asked about the response and, 'Well, they're volunteers.' And, 'Well, you need more.' Stuff like that. If I understand it, we're at 35 and we can't, well I guess as a Council we can vote to put in more." DuCharme, "Yes."

DeRoche, "More people that we could train now and have on staff. Because, there are, I'm not quite sure of the exact number but I know there are some guys that could retire tomorrow, if they wished." DuCharme, "With your permission, Mr. Mayor, I can hand out a pie chart that I did that I keep for my own information. This deals with years of service on fire fighters."

Ronning, "To qualify for the retirement, is it an age? Years? Points for age and service?" DuCharme, "To qualify for the Relief Association pension, the fire fighters must have obtained ten years of good service time. So, ten years of service. You are looking at our pie chart. In reality, we have, what I did was look at years of service. So, right now fire fighters with years of service from zero to ten years. We're at 59% of our staff fits in that category. In fact, you can look at that, it's 21 of them. Fire fighters that are able to go and actually retire or leave the Department with a pension after ten years. Those are the other three categories, the 11- to 20-year people. There's nine of those that could retire. The 20 to 30 category, we've got two fire fighters there. Then we've got three fire fighters that are 30 years plus. So you are absolutely right. We try to work the numbers, so to speak, so that when we say we have 35 fire fighters, we try to keep the level at 35. All right? But, sometimes that number will seem to drift higher, to 38 because we know we might have some attrition coming up. I know that we have some attrition coming up this year." DeRoche, "Absolutely."

DuCharme, "So, it is a concern. Now, getting back to your question Mr. Mayor, what do we do. We continually try to recruit and interview and things like that. Right now, we have applications that have been turned in to us throughout the past six months. Right at this time, we are going through those to see if, you know, we might be able to recruit some of those people and look at getting them aboard this fall for Fire Fighter 1, Fire Fighter 2 classes." DeRoche, "Sure."

DuCharme, "So, that's what we look at. Now, recruitment in the Fire Department, I'll tell you right now is problematic on our Station 3 site, in Coon Lake Beach. You know, there's no question about that. We have two people over there. One's a newer person and another one is an experienced person who's on leave and won't be back until October 1st. All right? So, it is problematic and it has been a challenge recruiting over there."

Moegerle, "What's the solution to that?" DuCharme, "I think we keep recruiting. I think we're making progress where our fire fighters over there and fire fighters around are recommending and suggesting to residents, especially on that side of the City, that, you know, call us and maybe look into it. We have made that progress. We've probably handed out more applications to residents in that area than probably in the past couple of years." Moegerle, "Good."

DuCharme, "But, the Council is right to be concerned about that. We try to maintain a staff of 35. In the past years, that seems to give us an average turnout of fire fighters per incident of somewhere around nine fire fighters. Incidentally, East Bethel has half, just about half the population of Ramsey and we actually respond to more calls according to 2012 data, than Ramsey does. So, we're a pretty busy Fire Department. No doubt about it. One of the things, also, is we pay our fire fighters a little bit lower than the average of the County. Our average pay, when you take into the range of pays, is about \$10.50 an hour. That's a little bit on the low side compared to the average. That's not a reason for recruitment not being where we would like it on the Coon Lake Beach side, Station 3 side. But, that is one piece of information. Our average age, right now, is 37.5 years of age of our fire fighters. But you've also got to remember we've got a large amount of younger people there.

East Bethel ranks the best in the County as far as attrition. Our attrition is less than a half a fire fighter per year. That's well below the average of other Fire Departments in the County. So, people tend to stay here, especially the experienced people. Where we have more of our attrition is in that first category, that 59%, those 22 fire fighters from zero to ten years. Because, those are the ones who are trying to figure out if they really want to do this. There are a lot of demands that we put on them. So, naturally, that's what we do. So, we'll be looking at coming to the Council, probably within the next four to six weeks and we'll ask the Council to recommend that we bring on probably somewhere around five to six fire fighters. Okay? We know those five to six fire fighters, not all of them are going to be here in two years. So, we have to play a little bit of that number game plus we also know that we have attrition coming up from our regular staff, just normal attrition. Those are the numbers that we look at and it's constant. We're constantly doing that."

DeRoche, "Well, I talk to people from other Fire Departments and they seem to think our equipment is pretty nice." DuCharme, "We have very, very good equipment. We've got a very, very well-trained staff. We've got a very, very good staff. And, it's an honor to work with these men and women."

DeRoche, "When you look around at some of the other stations and talk to some of the other fire fighters, they think pretty highly of East Bethel guys." DuCharme, "Right." DeRoche, "That says a lot."

Moegerle, "Several years ago, there was discussion about combining Fire Departments and JPA-type of relationships or others. Has that sort of died away and not worked out? I know that Circle Pines, Lino Lakes, and I think Centerville, their partnership, I think those are the three parties that are breaking up. That was part of that conference that I went to, where there was a lot of discussion about that impact." DuCharme, "Well, there's certain things that happened when you look at a JPA, a Joint Powers Agreement, for a Fire District. Part of that is control of your Fire Department. A lot of municipalities don't want to lose that control of the Fire Department. I think what's happened with Centennial, and I'm 'speaking out of school,' because I'm not their consultant." Moegerle, "I'm sorry if I misspoke on identification of those parties."

DuCharme, "The Centennial Fire Department, there's the larger city of that organization, I think has the feeling that they are paying, the amount that they are paying is subsidizing maybe somebody else, you know, the other ones. So, you know, it's hard to sit down and say this is how much it cost per person for fire protection, or per household. You can't really take that number and compare it to other cities. Even other cities within the County

because there are certain things that show up in a Fire Department budget that may not show up in a neighboring Fire Department budget. Number one, Relief Association. Number two, equipment transfers. Some cities have those built into departments and some people don't. So, we have to be careful when we compare to see if the efficiencies are there. Now, Councilor, getting back to what your question is, what about this combination and this consortium-type of thought. Well, we do practice that even now. We practice that with our Mutual Aids and we practice that with knowing what other departments might buy for equipment that we might not go and duplicate that. We might buy another piece of equipment. So, we work together that way. Anoka County, both law enforcement and fire and emergency management, work extremely well together. We meet together, talk about these issues, and try to come out to the best solution that we can. I would say as far as combinations, what's going on here. Even Isanti Fire District, our neighbors just north of here, are having discussions with their members about cost allocation and things like that. I think that's really where it's going. I don't think the Fire District idea is going the way of the regionalization. I think a lot of entities are having soul searching going on to make sure that they are getting their benefit."

DeRoche, "If a person were to listen to a fire radio at some of the bigger fires, and how, from a law enforcement standpoint or a fire standpoint, how all of the departments show up from all over the place. And, there's kind of a mutual respect and they all seem to pretty much know what's going on, who needs what. Like you said, we don't need a ladder truck because I'm sure there's one available somewhere." DuCharme, "Yes, there is."

DeRoche, "There are some things, I guess, that people probably don't listen to it so to see the orchestration of something of a large fire or in law enforcement, maybe SWAT called out. It's different than it is on TV. The reality is there are some real serious things going on. I've said to people, 'Look, you're taking somebody, a fire fighter, who probably may not even know you and they are law enforcement and they are going to risk their life to save your stuff, maybe your family, and that's their job.' Now, you may not look at it that way. You may look at it, 'Yeah, well, that guy gave me a ticket.' Or, 'The Fire Department gave me a ticket for an illegal burn.' Well, why did he give you a ticket for an illegal burn? Maybe it was a bad time for you to be doing that and anybody that was in the Coon Lake Beach area ten or so years, when that Carlos Avery fire went through, had that wind shifted, Coon Lake Beach could have been a memory." DuCharme, "That's right." DeRoche, "So, you know, the training is there. Hopefully you don't need it but if you do, you got it."

Davis, "One of the things about the Fire Districts, the most recent attempt, and it still may be on-going was with Andover, Oak Grove, Bethel, and St. Francis. Oak Grove has dropped out of that request to be part of that. So, those things are much more difficult to negotiate and work out all the details than some of our other typical JPAs." DeRoche, "Oh, absolutely."

Moegerle, "Chief, I have a question. This is Page 42 of 106, and I'm not sure what it is in the packet we have here. You have 'type of call' and 'number of calls' and you have 'all station calls,' which, I would imagine would be all three: Station 2, Station 1, and then day calls. I wondered if day calls is a subset of the preceding all station, Station 2, and Station 1?" DuCharme, "We actually identify our calls this way. We have all calls, all station calls, which is different than the day calls. The reason why, is during the day, even though it is what we call an 'all call' it is a little different category, especially for looking at performance of fire fighters and in making sure that they're active. Basically, what we are saying, Monday through Friday on the average through a given year, the Fire Department

will go from 5 o'clock in the morning to 5 o'clock at night, will answer 129-130 calls during that period of time throughout the year."

Moegerle, "Because that says that there's 410 calls and then what percentage of those are fires versus medicals?" DuCharme, "I can tell you right now that our medicals average about 52-53% and then 47%. I just had a conversation before I came in here with the Isanti Fire Chief. Our numbers kind of mirror his numbers. When you really look at fire, we're talking about car fires, we're talking about structure fires, it's probably about, nearly 10% of the calls."

Moegerle, "Right. So what does that mean for you as a Department Chief? When you plan? When 52% of them are medicals and the population is getting older? When you're looking 10-15 years down the road, are you seeing it will be more medical than fire at some point?" DuCharme, "Well, there will be."

Moegerle, "Consider, not just 3%, I mean..." DuCharme, "Well, it's interesting because in the past eight years, it doesn't look like the numbers have skewed that much from that 52% to 53% to 47% range. So, I anticipate that we would keep it. The medical part of it is a service that I think is valuable for the community because, you know, we are highly trained. Most of us, or at least half of us, are EMTs now and very good with patient care. But, the reality is, that's the way the fire service is moving. We've done our job as far as fire prevention, which includes teaching the kids, teaching the parents, teaching them how to get out of a house, smoke detectors, everything else. Now, that's the benefit. On the other part of the fire service, the medical part, that's something that's going to be on-going. There's no doubt about it."

DeRoche, "That's kind of been that way for years." DuCharme, "Right." DeRoche, "Because, the more the City develops and the more houses you get, the more potential for fires. I mean, to try and plan, well in ten years there's going to be 'x' amount of medicals, 'x' amount of fires, I don't think it's a plausible thing." DuCharme, "It would be easy to say, 'Okay, 55% of our time we've got to train for medicals.' But, it doesn't quite work that way."

Moegerle, "Well no, but, I mean, it's just as far as materials, supplies, that kind of stuff. And, you know, the Baby Boomers are getting older by the day." DuCharme, "What do you mean?" Moegerle, "Oh that's right, we quit at a certain age, do we? And so, that's a concern." DuCharme, "It is. Also, with the generations getting older and aging, they tend to be more home care and that type of thing. And, we see a lot of that. Unfortunately, especially on end of life type cases that we see, that's where we get into the multiple calls."

DeRoche, "And, you mentioned that the fire fighters are pretty high on medical. I've been at a few where law enforcement is a lot better equipped, both mentally and from an equipment standpoint. Because, generally, they are the first ones there." DuCharme, "They are, yes. They almost always are the first ones there. We were on a medical today and as we got there, the Deputies were carrying out the lady. So, it worked out very well."

DeRoche, "There again, that's things people don't see." DuCharme, "Mr. Mayor, also what makes everything work is that we're able to work together. We have a high degree of trust in our Sheriff's Department and they return that trust to us. We know each other when we get there and kind of know each other's limitations and each other's training. So, that helps."

Fire

Department

DeRoche, "You got anything Ron?" Koller, "No." DeRoche, "Tim?" Harrington, "No, I'm good." DeRoche, "Tom?" Ronning, "No, I'm set. Thank you." DeRoche, "Thanks Chief." DuCharme, "Thank you."

Public Works

Davis, "The Public Works budget is presented for your review. It's composed of essentially two parts: the Parks Department; and, the Streets Department. In the Parks Department, there's a proposed increase of 1% over the previous year's budget from \$393,700 to \$399,600. The Parks Department has been reduced for the past three years. This is the first increase that they've received on the maintenance side since 2011. Comprising the Parks Department budget, 77% of that budget is for wages and benefits. The increases were due primarily, again, to the COLA increases and step increases that employees are eligible for and for increases in fuel costs. I might add that these increases in fuel costs are not monetary. We have historically under budgeted fuels in previous budgets and we're just bringing those up to try and reflect what our actual expenditures are. Nate is here to answer any questions you might have about any of the line item issues in the Parks Budget.

DeRoche, "All right. How are we doing on flooding, streets flooding?" Ayshford, "The water has gone down on most of our issues we've had so far. There are some culverts we'll have to replace this fall, hopefully, later this summer or this fall."

DeRoche, "How is Klondike doing?" Ayshford, "We have quotes out right now. We're trying to get some quotes for replacing two culverts on there. We've been filling it in. The bottom half of one of the pipes has eroded away." DeRoche, "Sure." Ayshford, "It's not going to collapse but it washes out when we get heavy rainfalls."

DeRoche, "So, salt and sand, how did we do?" Ayshford, "We actually came out okay this year. We had a little bit of an excess to start off next year. We came in under budget." DeRoche, "Do you think we need to order more?" Ayshford, "Well, we always put in an order late in the fall. Our salt contract is bid for the entire plow season. It starts on July 1st and we put in a purchase order for the same amount that we had last year, so 650 tons. Of that, we have to purchase up to 80% of that now. We can either go over by 20% or under by 20%."

DeRoche, "I didn't see anything in here about trying to add onto that building. I know it's been a discussion for a couple years." Davis, "We've talked about it and looked at several alternatives. If that's something we want to consider, we can definitely do that. But, I would recommend probably we're going to need an architect to do some things. The expansion of the building has been severely limited by the construction and location of the cold storage building. So, we'd probably have to incorporate either that as part of the expansion plans or refurbish it and build a new cold storage building. Or, just look at some minor expansion areas of that structure."

Public Works

DeRoche, "We have a lot of money in equipment. You've got to maintain it or it's going to fall apart. And, that's not to say it's neglect. It's, you know you get salt and sand, you got to wash the stuff down. I've gone over to Ham Lake's and taken a little tour. That's pretty impressive and it's all angles and they got a nice room, they got a room to wash the equipment. With the chemicals that are on the road, whether we're dumping it or the County's dumping it, the chemicals are there." Davis, "We're able to get all of our equipment inside to store it but it's like working a Rubik's Cube sometimes to get it out."

Ayshford, "Right, to get one vehicle a lot of times you have to move three-four vehicles. We wash in there too and we've had problems with moisture building up on the block walls in there."

DeRoche, "Wasn't there a conversation a year, year and a half ago? I know there was, about taking that salt shed and moving that to the northeast corner. Then taking that building and making it maintenance or storage or something. That just kind of fizzled. I'm not saying it fizzled on your part." Ayshford, "We brought it up before the Road Commission. It was a little over a year ago, I think it was last fall actually."

DeRoche, "Well, I don't know if the Roads Commission, dealing with a Public Works building. I think I was at that meeting and heard some of the comments. But yet, when we have to go and buy a new piece of equipment, then you also hear, 'Well, gee whiz.' Well, I don't know, maybe from a safety standpoint, do we have to look at that? Because, you do have to jog things around. Tim, I think you've been down there. Ron, you ever been down there? Tom?" Ronning, "No."

DeRoche, "That's pretty tight." Ayshford, "This time of the year it's a little bit nicer. When we have all the plow equipment on it's pretty tough. A lot of dings and scratches on our vehicles happen trying to squeeze stuff in and out of there. It's a safety concern too, walking around the vehicles sometimes too."

Ronning, "What's the discussion about more facility? People are more talented than we realize, often times. Would there be a cost savings on just our self maintenance that you could...that's kind of a tough thing to answer." Ayshford, "As far as?" Ronning, "Well, some things you're going to maintain. You take it into a shop someplace because you don't have the space. People might know how to fix it, but they don't have the space. So, in the long run, would there be cost savings to try to do something like that?" Ayshford, "Most of the repairs, the space isn't an issue. We do have two employees that are really good at working on equipment and do whatever we can there. Mainly, the space issue comes to just storage, parking, and then the evenings. We keep them inside so they're not rusting out in the weather and things like that."

Moegerle, "Nate, I have a question about the overtime for the roads and street maintenance. Nobody could have anticipated how much we went over, it looks like about 30% or something like this. As far as budgeting for next year, previous years don't predict the following year's and I understand that. But, you know, as we're looking at weather and climate change and those kinds of things, I see that the increased budget is up to \$10,000 which is not quite what our overtime has been so far for this year. I guess my question really goes to, does the overtime really come during January through March or April? Is that how that really works out?" Ayshford, "Well, yeah, we don't have over time hardly at all for the rest of the year. We have an on-call employee who takes a lot of the small stuff. Once in a while, if we have a big summer storm, we'll get some over time. But, definitely all the over time comes, we do get some in December too of the following year and maybe November sometimes. Last year we had 13 major events we had to plow a full plow." Moegerle, "Right." Ayshford, "Typical for the Twin Cities area, they use an average of eight or nine per year. Then we had 30 times where we had to actually go out and either push back snow drifts or scrape mains, things like that. So, it was quite a bit more this year."

Moegerle, "And I've heard a lot of compliments about the work that you did. And, that was really appreciated. I just wondered, you know, are you confident that budget for overtime is going to be sufficient?" Ayshford, "Confident? If I could predict the weather." Moegerle, "You'd be a very rich man." Ayshford, "Yes. Usually we can, you know, try and absorb that someplace else in the budget, which we've done in the past."

Davis, "One thing to remember about overtime is that there's 168 hours in the week. There's only 40 of those that are regular time. So, the chances of having excessive overtime with a lot of snow are 72% as opposed to 28%. Overtime is a guess. We want to try to use as realistic a figure as possible. But, still, we don't want to put in another 50% on there and not use it because then it skews the budget the other way."

Ronning, "Some of the things affect, over time, as well as the weather, are absence, medical, vacation. You can plan for that, somewhat, but it's going to 'catch you' some times." Ayshford, "Yes. During the plow season, we try and limit how many employees are gone on vacations, things like that. You know sickness and things like that we can't control."

Ronning, "And, actually, overtime is a lot cheaper than having the extra bodies just for filling in." Ayshford, "When we get a snowfall event, we'll try and plow at midnight so it falls on that following day and limits the amount of overtime, when it's possible. It all depends on when the storms are ending on a lot of the snowfall events."

Street
Department

Davis, "Let me just add, because apparently we've gone over into the Street budget. I want to give you a few facts on it. The proposal on the Streets budget is to increase it from \$788,000 to \$808,200. That's a 3% increase. Of this total budget, wages and benefits comprise 52% of it. This is due, again, to mainly the step and COLA increases, budgeting for actual fuel costs, and electrical utilities cost increases. We also, keep in mind that the electrical utilities in Public Works, we pay for all the electrical use for all the traffic signals in the City. That's where a majority of these costs comes from."

Koller, "I got a question on, like, Klondike. How often do they grade the dirt roads?" Ayshford, "We try and do that one-two times a week." Koller, "A week?" Ayshford, "Yeah." Koller, "How many miles of dirt road do we still have?" Ayshford, "We have 16 miles of gravel road. And Klondike is a mile and three-quarter."

Koller, "Okay, that's a lot of time." Ayshford, "Yes, it is. We typically try and do it on Tuesday and maybe, like a Friday. They get a lot of traffic over there at the gun club and the disc golf course over the weekends. And, they have shooting on Tuesday nights and Wednesday nights that are big nights over there. It depends, kind of, on the weather sometimes too. If it is real dry, grading the road doesn't do much. It turns back to washboard almost the following day."

Street
Department

Moegerle, "How long will that continue to be cost effective relative to paving it a little bit at a time? I know that's an MSA road. It seems like it is a lot of labor. It's a lot of equipment that goes out there. I mean, I assume we'd be doing it, we'd be paving it, if it was cost effective to do so?" Ayshford, "Yes, it's been an issue the City's been dealing with for a long time. And, we've talked about it at the Road Commission meetings. It's always been that some other roads come up that need to get fixed. The number of houses on that road, too, are, it kind of limits. We've never really done an assessment on an MSA road, but it may be something to do on that road."

Moegerle, "Well, you know the thing of it is, while I understand there are limited houses, you know, that Blue Ribbon in there, we've got the Sportsman Club. If it were paved, I think it would get much more traffic. That's one of those roads that I avoid because it's, like the way it is."

Harrington, "But the price for paving it, too, weren't we discussing? It was between \$1.5 million and \$2 million." Ronning, "Yeah, probably over \$2 million." Harrington, "And, you've got to spread that out between the businesses there."

Davis, "And to give you an example, I don't know, it's been a couple years, but we spend anywhere in the neighborhood of \$30,000 to \$40,000 annually grading the roads. When you look at just the price of paving Klondike, it's still more cost effective to maintain as a dirt road unless we have more development on there."

Moegerle, "Right, but, isn't this the 'chicken and the egg' kind of thing? If it were paved, we'd get more development?" Davis, "Well, I don't know. You'd have to look and see. The landowners there, most of it is sod farms so they're not real ready to develop at this point. And, then there's a couple of other farms that are located even just a little bit east of Palisade. And, then there's the 40 acres that the DNR now has a permanent easement on. So, as far as development on Klondike, I don't foresee much happening along that road even if it were paved, in the short term." Moegerle, "In the short term, yes, I could agree with that."

DeRoche, "And, I would think that's one of those roads that if you're going to do it, you can't piecemeal it. It's got to be the whole thing done at once. Otherwise, you'd patch it in."

Ayshford, "And I think it would be an issue with traffic. We'd definitely increase in some high speed traffic on that road." Koller, "Very high speed traffic."

Harrington, "Say Nate, on those three projects for the parks this year. Are those all estimates for that outdoor rink, and Bonde Park, the irrigation, and the skateboard?" Ayshford, "Yeah, are you looking in the Park Capital Fund?" Harrington, "Yeah, right. Are those just estimates?" Ayshford, "Yeah. For 2015, yeah."

Moegerle, "Jack, you mentioned that the street lights account for the electrical bill, which is 381 Electrical Utilities. We also have Street Light Utility at 389 that is left blank. Does Electrical Utilities 381 incorporate what would be at 389, the Street Light Utility?" Davis, "389, Street Light Utilities is the program that the City had and discontinued funding because they had met their goal, I think three years ago and that was for installing street lights at certain key intersections, like at Palisade and 221st and one at the Public Works building. We committed \$5,000 to \$6,000 a year annually to that to get five to six street lights installed per year over a five year period. Once the goal was met on that, I believe in 2010 or 2011, the Roads Commission actually recommended that we do no more unless it was considered on a case-by-case basis. I think the Council agreed on that too."

Street
Department

Moegerle, "So, that's not the traffic light. But, that reminds me. Something came up at the League of Minnesota Cities about the reflectivity of the signs. Is that going to be coming up in this budget year? Or, is that going to be next budget year where we have to comply with the reflectivity?" Ayshford, "I can't remember what the date is on that but we've kind

of been working on that already. We've been replacing a lot of our signs, just on a blanket replacement now. It's something that we're going to have to do."

Davis, "It was originally scheduled to begin, I believe, in 2014 and they extended it out to either 2016 or 2018. But, they gave quite a bit of leeway on complying with those rules and regulations. You know, like Nate said, all of the signs that we're installing now meet those standards.

Moegerle, "Yeah, it was kind of a convoluted requirement on that, how to figure that." Ayshford, "We have a program set up. I think it was January 1 of 2012 and the Council actually reviewed it and then they postponed the time on it. So, we do have a program that's pretty much in place. Once the time comes, we can 'dust it off' and pull it back out." Moegerle, "Great, thank you."

DeRoche, "Anybody else have any questions? Thanks Nate."

Community
Development

Davis, "The Community Development budget consists of two parts: Planning and Zoning; and, Building Inspection. The Planning and Zoning component of the Community Development budget is projected to increase from \$166,400 to \$172,200. The Building Inspection budget is projected to increase from \$231,000 to \$242,200. The Planning and Zoning budget represents a 3% increase. The Building Inspection budget represents a 5% increase. In both of these, increases are based primarily and almost exclusively on step increases, wages and benefits. As far as the breakdown goes, in the Building Department budget, 94.1% of that budget is salaries and benefits. In Planning and Zoning, 91.6% of that is salaries and benefits. The other portion of the Planning and Zoning budget consists, of a substantial nature, are professional services, which we pay for GIS and things like that. That's 6.4%. When you take those things away from those two budgets, there's \$100 for office supplies here and there. There's very little left. Wages and benefits comprise, essentially, both of those budgets. Colleen is here to answer any questions you may have about any particular line item issue in any of those budgets."

Moegerle, "Colleen, I have a question. And, I didn't see it this year, that Laserfiche was not proposed, that we begin doing that. I noticed that Coon Rapids had a really functional system that was really speedy to get information from. When do you think that will become a part of our Planning Department's customary way of doing business? And, when do we need to implement that?" Winter, "I actually think that's something we would talk about Citywide. So, I don't know as it necessarily would come out of the Planning budget. It may be more of a Central Services type of line item. It is not something that we have talked about internally as a staff to determine when the timeline would be on that. I do know it is a very nice system.

Community
Development

Winter, "I can tell you with the abilities that we have now, with just being able to scan and do the things we can with our copy machine, we're able to meet the needs of folks that are out there right now for, if they want plans and that type of thing. I do think that we are meeting the demand. It's sort of like the credit card thing, you know, how much do you want to spend in order for people to be able to have their stuff processed to be on a credit card. At this point, it doesn't seem like the cost really supports the demand at this time."

Davis, "One of the things on that too, the biggest component or expense of that is the scanning of the information. We had talked previously about doing this and hiring some interns. In doing some research on it, I've found out that some people who have done this

using interns have been less than satisfied with the results because unless you have somebody there to totally supervise them almost constantly, you may not get exactly what you need, and everything scanned and coded right. There are some companies that offer this service; however, they are a little bit more expensive. We really haven't included that in this part of the budget in trying to keep all of our costs down as much as possible." Moegerle, "Well, and I know that early adoption is very expensive and that if you wait a little while, that it goes down. But, just wanted an update on that. Thank you."

Ronning, "Which subjects are fair questions?" Winter, "It's wide open." Ronning, "All right. I was looking at the Building Inspection. Revenues are \$110,000 forecast for 2015. Winter, "Yes." Ronning, "And, the expenses are \$242,200. It's about a 200%..." Davis, "That revenue projection is for Oak Grove and that's a low-side estimate. We anticipate receiving more than that. You also have to add in the East Bethel portion of it too. Last year, revenues exceeded expenditures in this department. A lot of that's going to be totally driven by the economy and how much we derive from bid issuance."

DeRoche, "Haven't the permits in Oak Grove gone down? If I remember reading right in the last packet?" Davis, "They are down a little bit. Oak Grove and East Bethel both. We took in very little permit revenue in January and February, mainly due to a brutal winter and no construction going on. The Oak Grove revenues are now on target to meet, or hopefully exceed, the budget projections for 2014. Our permit revenues for East Bethel have also picked up too on the revenue side."

Winter, "Just based on what we've seen in the last two weeks, now that it's actually stopped raining, based on what is coming in, I believe we are going to be on target for what our revenue stream should be for this area."

Ronning, "I looked at this by year, as well. 2013, we had a revenue of \$194,840 versus an expense of \$174,941. So, we came out \$20,000 ahead. 2014, actual revenue through the end of May, the actual was \$39,647.32. The actual expenses were \$88,615.86." Winter, "But, again, that's just one line item so that's not all our revenue Tom. That's just what we're collecting from Oak Grove. That doesn't take into account the building permits that are coming in for the City of East Bethel, which is a line item above that. So, it's in addition to the \$39,000. You also have \$41,000 coming in from the City of East Bethel as well as other licenses and fees."

Ronning, "I was looking at the General Fund summaries. I didn't see any other, myself." Davis, "If you look at that General Fund summary, you'll see the line above that Building Inspection and Permits from the City of East Bethel, we've received \$41,888.61." Ronning, "What page are you on?" Davis, "This is Page 3 of your book. And, the line below that represents the amount we receive from Oak Grove which is \$39,647.32. So, we've generated approximately \$80,000 in income from permits, at this point. That was through the end of May. We'll have the June numbers here, probably next week and they'll be out in your update. We anticipate that half the year's gone we'll be over 50% income versus what we projected for costs for Oak Grove, which was \$100,000. Our ones for East Bethel, we project that we'll be probably even with those in terms of income versus revenues as a percentage basis, probably in August. So, we got a slow start this year, as everybody did because January and February were zero, almost zero, revenue months for any type of building permits for anything."

Community
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DeRoche, "I'm looking, oh, go ahead Tom."

Ronning, "I want to catch up with the Building Inspection thing and how the..." Winter, "One of the things, while you're looking for that Tom, I also want to point out that the City of Bethel, we provide Building Inspection Services for. It's not a lot, we maybe do five a year. But, for the last couple of years that we've done it, their contract wasn't consistent with what we were doing in Oak Grove. So, we just had them sign a new contract. So, they're at the same level as Oak Grove. We're now capturing 80% of that where before it was just a flat rate."

DeRoche, "So Jack, I'm looking on Page 31. There's about \$11,200 increase in employee wages?" Davis, "That's due, both employees in the Building Department are eligible for step increases and both got a 2% COLA raise, and that represents a 9, I think Steve Lutmer, actually, because of six month and the one year, got the 2. So, that's what reflects that cost."

DeRoche, "So, they get the step increase and close to 2% COLA?" Davis, "That's correct." DeRoche, "And, the step increase, what, I mean it's the same title, correct? Or, is it just, how far up are we going to go here?" Davis, "A step increase is based on what payroll grade you are and I can furnish you that. I don't have that in front of me. But, in this case it probably, and correct me if I'm wrong Mike, it's probably going to represent somewhere around \$1,800, \$1,500 to \$1,800. Would that be correct for those categories? Also, half of Carrie's. All three employees there are still owed those step increases."

DeRoche, "That's something that I don't quite get. Probably because I don't understand where the time is. It's not really kept track of. Is one-half of an employee, I mean, if you are saying now Carrie does building inspection, planning, she does community development. But there is no system, in my mind, of how much time she spends in each department. So, how can we say that a certain amount of money is allocated to this department for this person?" Davis, "We arbitrarily broke her time up 50% to each department. It could be 70%/30%. We can keep that record. In the end, it's all going to be the same in both of those when you add them together, Planning and Zoning and Community Development. Her salary is going to be the same. It's going to be the same whether it's 70%/30%, 60%/40%, in one or the other. If it's something important that you think we need to do, we can definitely keep track of her time and break it out on a more accurate percentage basis."

DeRoche, "One of the questions I'm asked is why isn't it detailed out, the budget. I mean, we go down so far but then, or maybe some of that information just isn't open." Davis, "This is generally the way budgets are detailed. If you want more detail, just let us know and we can provide you with whatever you want."

DeRoche, "Well, I don't need to give out, necessarily, names. I just need to be able to explain to people how the money breaks out." Davis, "I'm not sure that I follow. We assign Carrie's cost 50% to Planning and Zoning, 50% to Building. Does she actually spend exactly 50% of that time in each department? Probably not. But, it's just a way to track it and more equalize the cost. Previously, she was assigned to the Planning Department and did a lot of stuff in the Building Department but no cost were assigned to that. This is just a way to more accurately reflect what is going on in each one. We could have her monitor her time and say, if it comes up she's doing 37% in Planning and 63% in Building, which would change these number around in each of these categories. But, the whole thing, her salary, would still remain the same."

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DeRoche, "Wasn't there, at one point, that she allocates 'x' amount of time for the EDA? Isn't that part of what the EDA discussion was?" Davis, "Part of that funds a lot of salaries. It funds part of Colleen's, it funds part of mine, it funds part of Mike's, it funds part of Carrie's. She does the EDA packets. So, you know, it's put in there for that. If you want those breakdowns to that level, we can certainly start tracking those. But, again, the whole thing adds up that it doesn't exceed her base salary."

Moegerle, "A question I have is that in 2013, we went from five full-time employees between Planning and Zoning and Building Inspection. Now, for the past two years, 2013 and 2014, we've been down to four full-time employees. Can you tell us what you foresee as far as the need to increase back to five? I know that there's been some talk about having a Planning Technician." Winter, "Actually, Jack and I just had that conversation this morning. I don't know as a Planning Technician is really the route that you want to go. Nor do I think you need to bring that back up to the level of another full-time person. I do believe that there is an opportunity, if Code enforcement is a priority for the Council, that we look at doing a seasonal Code enforcement position. I think that would be something that would be very helpful. It would free up the time of both the Building Inspector and the Building Official to be doing other things. It would also free up some of Carrie's time. Because, in addition to what Carrie has been doing in the Community Development Department, there's some other duties that she's taken on as well. So, I do believe that is something that would make some sense. We have talked about it. I believe it is something that once you're done with the Website Intern this year, I'm not necessarily thinking that you need a person after that, after this year, because I think we're going to pretty much have everything on track relative to the website. It could be something that you look at for next year. And I definitely think, if the Council feels that Code enforcement is something that is a priority. Again, I will remind you that Code enforcement isn't something where the Building Official or anybody is going out looking for this. It is complaint generated. Right now I can tell you it is a lot of complaints and it takes a lot of time."

DeRoche, "Well, I understand that. So, all of a sudden now, we're having all this big increase in complaints and we're just having to devote all this time? I mean, for how many years, I'm sure there were some complaints, but it wasn't that...I don't want us to focus strictly on Code enforcement." Winter, "No. And, I guess I'm not saying that Mr. Mayor."

DeRoche, "If it's petty stuff, that's one thing. If it's major things, that's something else. But, I don't want to get into a position where we have to hire somebody just so we can enforce things and 'drop the hammer down.' I can't put in my mind why the big increase now in complaints or the need that we have to go out. If people have been violating these Codes that bad for so long, and we just let it go? Or, is it something that we're now just jumping on?" Winter, "You know, I think it's a combination of a couple things, actually. I think that there was a period of time where the Code stuff wasn't really necessarily taken care of. I do also think there's been an increase in calls. I do think that people are also utilizing the website to register complaints that way. We have actually seen a physical increase in the number of calls of complaints from people, especially in the last year. I can't attribute to why that is. I just can tell you that we have gotten a lot more complaints than we had a year ago."

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Davis, "And it could be, who knows, it could be just a trend. Again, though, these aren't things that we generated. These are call-ins that we had. If we get a complaint we are obligated to at least investigate it. Some of them turn out to be nothing that we can do

anything about. They are more of a neighbor versus neighbor issue. In the Council packet for the next meeting, we'll have a Code enforcement report so you can see what all has happened. Again, it may be just a trend. I don't see a reason for it either. We just have to wait and see if it continues and then we'll have to address it from there."

DeRoche, "If neighbors are bickering with each other and they get into this thing of, 'Well, I'm going to call the City on you, I'm going to call the City on this and that and this.' Not that people's issues aren't important because they are, but there are a lot 'bigger fish to fry.'" Davis, "Absolutely. If we go out and we see that's the case, then we certainly don't try to adjudicate their issues. We just tell them, you know, that's something they're going to have to work on themselves."

Winter, "We certainly, as staff, it's not something that we see as a win-win for us at all. Obviously, it generates no revenue for the City. It's one of those things where we certainly, it's not one of the favorite jobs that we have. It's just that we have an obligation because we have the ordinances, to respond. I certainly agree with you, Mr. Mayor, that there's much better ways for staff to be spending their time."

DeRoche, "To me, the Building Official should have some discretionary powers. I mean, if it's just strictly 'black and white,' well maybe if there's enough of the same thing keeps coming up, maybe that's something that we need to address and say, well kind of like some of the building stuff. Enough people say, 'Jez, this is constantly coming up and this is an issue.' I didn't write the original ordinances and one of my first statements when I saw the ordinance book was, 'There's way too many.' And, at some point, you've got to put a little bit of common sense in there. You know, to me, the Building Official should be able to use his discretion and not just so 'black and white.' Because if it were me and he showed up, I'd say, 'Okay, you show me in the book where it says that. I think you're pulling my leg here.' But, a lot of people are intimidated."

Winter, "And, I do believe that when, whether it's our Building Official or Inspector, whomever, or myself who answers those calls, or a CSO at times will have to go out and answer those calls as well, that we do definitely say, you know common sense has to enter into the equation here. It's obvious if it's a neighbor dispute. I had a situation two weeks ago where that's exactly what it was. I simply said, 'I'm not getting involved in this. This is between you and your neighbor. There's not an ordinance here and you're not going to take our time to deal with this.' So, I do think that we try and exercise common sense to the best of our ability with some of this. It's just that, again, because the ordinances are there and people call in, we do have an obligation. We do have to go out there and at least initially take a look at it."

DeRoche, "Well, you know, and Staff needs to understand here, you guys see it or hear it. We don't. Okay? So, when we hear it, or I'll say 'me' because I can't speak for everybody else. It's 'Why is it this way?' Well, I'm not really sure why it happened that way. And, I learned that maybe the complaint didn't quite happen the way the person is describing it. So, you know, you need to kind of do a little investigative work. Now I've looked at Ham Lake and they do a report, I think, every month, of the people being complained on and what the complaints are. I guess, that I wouldn't really need to know names but to have an idea of how many dog complaints that we have, how many neighbors, I don't know, putting up a fence when they shouldn't complaints. For me, personally, I don't have any idea what the complaints are about other than, well, there's a lot of complaints. Okay, well, what's the complaints?" Winter, "And, we are actually tracking, we do track that."

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Davis, "You'll have that information next Wednesday." Winter, "Yes, we track that. It's in our Permit Tracking System."

Ronning, "Does that include the disposition, if there is one?" Davis, "Yes, it does."

Winter, "Now, as far as the dog complaints go, I can tell you that's not something we, as staff, really deal with. We send those directly to the Sheriff's Department to deal with. Very seldom do we deal with the dog stuff. It's junk vehicles, primarily, that seems to be a lot of the complaints. A lot of tires in yards, tall grass, just people not taking care of their yards, debris blowing into neighbor's yards. Those are the main complaints that we get."

Ronning, "Is this the last budget meeting?" DeRoche, "No."

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DeRoche, "What do you think Ron? You guys have been pretty quiet tonight." Davis, "He's saving his for the end."

Koller, "No, I read through all this over the last couple of days. I think we run a pretty 'tight ship.' I don't see a whole lot of cutting anywhere that needs to be done."

Davis, "Well, again, I've mentioned this to probably all of you individually, we're at the point now where if there are substantial reductions to be made, it has to be done in either reductions of wages and salaries or layoffs because that's essentially all that there is left to look at."

DeRoche, "That's kind of what we looked at in the last two years." Davis, "Or transfers." DeRoche, "Right." Davis, "That's the only thing left. We appreciate the fact that you recognize this and we do try to run a very 'tight ship.' We try to be very efficient. Again, currently now we are down four employees from where we were three years ago and are doing the same amount, or more, work."

DeRoche, "Tim?"

Harrington, "I'm the same way as Ron. We've got outstanding staff and, like you said, Fire Department, Police Department, Street Maintenance, everybody's cut right to the end. I don't want to see anything else cut. Like Jack said, I don't want to see people get cut in salaries or people getting laid off."

DeRoche, "Again, that, we've talked about that for the last two, three years, as things were dwindling." Harrington, "Right. It's lean."

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DeRoche, "Tom?" Ronning, "What?" DeRoche, "What do you think?" Ronning, "That's a pretty broad question. There are things that don't meet the 'eye.' This might not be the first time this things been looked at that Jack goes back and forth with the departments and has them trim things. I don't know if that's the case with this one. You look at one or two of them, can you trim a little, trim a little. And, we're pretty much in line with, what are we a percent, half a percent, or something below last year for general operating? That was Mike's." Davis, "Somewhere along there."

Davis, "The big thing, this year, is the expenditure. The general levy stuff, we're about the same. The difference is we're budgeting about an extra \$50,000 or \$60,000 for debt service."

That's where the 9/10^{ths} of a percent comes in. Again, the process is Mike and I met with the Finance Committee which is Bob and yourself (Ronning), the first of May and set some parameters and goals for the budget. We developed the general budget and requested staff to submit their department request and gave them some guidelines on what they should do. They all did a commendable job.' I've seen some places where you have people with unrealistic attitudes and they think they are entitled to 10% budget increases a year. Our staff recognizes the problems we have and are working within those constraints. Mike and I took it and reviewed that and made some additional cuts from that point. We had some further discussions with staff and then we went back and made a few more cuts. There's three areas that have other obligations besides wages and benefits. There's the Public Works budget, there's the Public Safety budget, and there's transfers. Those are the only things that involve extra increases in non wage and benefits. Mark's got a budget that's got about \$200,000 worth of non-salaried issues in there. But, those are pretty critical things as far as keeping and maintaining equipment, fuel costs, training, everything that goes along with running the Fire Department. With Nate's budget, Public Works, there are several hundred thousand dollars in those for supplies for roads maintenance projects. We think those are critical too. With the transfers, if we start getting behind on our roads projects, it's going to be very difficult to catch up. Once you cut those transfers to a certain point, unless there's a huge improvement in the local economy in which the tax base is going to increase, it's very hard to catch up on those things too. So, it comes to a point where you have to say we can cut further but then there's going to be more consequences if we do."

DeRoche, "But, I think we kind of discussed that last year. We could cut some of these funds but it's a one and done and then the next time we're scrapping, trying to come up with money to buy equipment or do parks or do roads or do whatever. There's a lot of cities that don't have those funds set up."

Ronning, "I was just going to mention that. There's kind of a, it's not hidden, but it's not really visible. All the Capital Funds we have. Not everybody maintains Capital Funds. We're able to maintain our Capital Funds without 'going nuts' on the levies. When it comes time to replace something, we don't have to go back and ask for more. We have it pretty well covered." Davis, "That's correct and that's what those are there for, so that you are covered when you need to do that and you don't have to come and either borrow money from some source or bond for it to cover basic equipment replacement cost."

Ronning, "One question I think I would have but I don't expect an answer here, maybe later or whatever you can bring it back. How many employees are eligible for overtime and how many are not?" Davis, "There are 12 that are eligible for overtime. Those are the union employees and there are 7 non-union employees who are not eligible for overtime. Again, the overtime costs are basically with the Public Works Department. They comprise, probably 99% of all overtime cost. Of that overtime cost, approximately 90% % is due to snow plowing."

Ronning, "Yeah. Most of the other things you can pretty much schedule or work around." Davis, "Yes. As Nate described too, he's careful on shift schedule so you don't have days that overlap. For certain event planning things, we change the work week up, maybe from Monday to Friday to Tuesday to Saturday, in an effort to do our best to control those overtime costs."

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DeRoche, "One question I know I had was the \$43,362 contingency in the EDA. Why is there a Contingency Fund?" Davis, "The Contingency Fund is there to have monies to fund

things that may come up during the year that we don't anticipate. It may be that there's somebody that wants to locate here that we may need to do some extra TIF work on or there may be a few little things that we need to do to make that project happen. That's money that's there to cover those kinds of costs. It's also money that's not spent. It just rolls over into the next year."

DeRoche, "I'm going from 2014 was \$17,908. That's quite a bump. On Page 70." Davis, "One of the things, the EDA budget is somewhat different than the other budgets in that if you'll look, there is also \$34,000 in 2014 budgeted in professional services. We felt that was categorized wrong so we switched it down to contingency for 2015 and reduced that budget, that line item, down to \$5,000. The EDA budget, \$123,000, does not include the maximum levy. Last year, we reduced this budget by \$10,000, which reduced that levy, probably, by 5% or 6%."

Moegerle, "Well, I have a question. It would be very interesting for me to track our salaries and how that's increasing because that is something that's going to continue to increase. It would be valuable for me to see trends from, say, 2011 through here on the number of full-time employees, part-time employees, and how that's gone up and how that will continue to go up. Not only the salaries, but all the associated costs with benefits and those kinds of things. It's sort of here on Page 2. But I would really like to see the hard numbers on how that's trending up. Because, inflation is always going to effect what we purchase but salaries are also going to continue to go up. So, I think that would be valuable trending information to know. The other thing is that it would be valuable for me to know, and this may be something for the update, on what our balances are in our Capital Funds. Obviously that's not something that we're going to 'raid' but what it does say is 'planning.' I know that we get those projections on what we are going to do with our funds but to see that we are covered out to, I think some of them are for 30 years planning, or however long Ronning, "Were you a Boy Scout?" Moegerle, "He's a numbers guy through and through."

Davis, "we can provide that information on salaries. That's no problem but, our total salary base now is less than what it was in 2010." Moegerle, "Well, it was reduced, we've reduced staff too, sure."

Ronning, "I think you said we are operating with four less people?" Davis, "Right now. That's counting the Deputy City Clerk's absence." Ronning, "That's a minus?" Davis, "That's correct." Ronning, "So otherwise it would be three. Take a long time to catch up to three compensations with today's..." Davis, "But, if you look at it by position, with the exception of one person, everyone is making less than people that had those positions in 2010." Moegerle, "That would be good to know." Ronning, "Can you cut the City Council off?"

Moegerle, "So, that is our current balance, or through May 31st?" Jeziorski, "This is actually to today."

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Moegerle, "And, if we continue as we are, I know that we have capital projects planned out, three to five years. But, obviously, we don't spend down to zero and continue. I mean, how's our cash flow looking for ten years or fifteen years at his point?" Jeziorski, "Each one of these would have to be analyzed individually. But, when we talk about our fund balances, we'll end the year with about 50% of the next year's expenditures. The rest of these have those CIPs that actually track that all the way through for five years. Those should mirror what we anticipate happening as far as those cash balances are concerned."

DeRoche, "Now that Street capital, is that with or without the Lincoln?" Ayshford, "That's covered in the MSA fund."

Jeziorski, "The only funds that I show here are the ones that are not restricted by an outside agency. These funds are just restricted by this governing body. When we have a rating call, this is what they really try to 'drill down' into, how much actual cash do you have to use in case you need to use some of these funds to pay down debt or to make bond payment. Any of these funds you could, theoretically, transfer to the Debt Service Fund in order to pay debt."

Davis, "Right. There's one of the funds, the Parks Development, that is funded by developer fees and it has to be used for park purposes only. The Trail capital projects will be funded now by developer fees. But, the others are funded by transfers so as far as the cash flow goes, it's dependent on what Council's policy is to transfer funds to those accounts."

DeRoche, "Well, for the last couple of years we kind of held off. But, I think that at a couple meetings ago we okayed the capital improvement for some of the park stuff, or loosened some of the money up. But, you know, at the time we had to get control of stuff." Davis, "And, you know, there's still been transfers in the Parks and we agreed for 2014 because of the situation we're in, to not do any Parks capital projects. You did approve for three of the projects to be done for 2015, which are much needed. I think that as long as we have a group like this to work with, there's a lot of things that go on here that, people realize the situation we are in and everybody's cooperative from both sides, the Council side and the staff. We all realize what the predicament is and we're all working towards the same goal."

Moegerle, "Another question I have comes from Page 82, which is the Ice Arena. This is strictly a budget question although it says that our budget is based on 1,148 prime hours sold at \$192 per hour. But, have we had any contact with Gibson to find out how they are proceeding in selling these hours? Or, is it too soon?" Davis, "We have a meeting scheduled for next week with Gibson and St. Francis Youth Hockey Association to sit down and start working these things out. Again, on the Arena, that's strictly an Enterprise Fund so it's not part of the General Fund levy." Moegerle, "Right."

DeRoche, "Well, it looks like they cleaned it up and are utilizing the sign so people know what's going on."

Ronning, "You asked our individual opinion. I'm done. Heidi?"

Moegerle, "Well, I think I'd like some more information but there's not much room. The one thing I'd asked Jack was, because the plan was that in 2015 we would refinance the A or B Fund. Many times, what I get from residents is, 'Well, why didn't you just pay off all the bonds?' And, it's like, 'Well, we couldn't have paid it off without you paying another \$2,100 in 2011 or some such number.' So, it's in the minutes from February 19 of 2011 to that effect. You know, there's something to be said for addressing their concerns by saying, 'Okay, we can prepay on that debt when we refinance.' So, I think that there may be some interest from the people who say, 'Why don't we just prepay?' Let's see what it would cost us if we prepaid some of that debt and the savings over the long term. I think it's more informative and it's probably more of a paper thing to look at as opposed to something we

might want to do but we might find something that we'd like to do. So, what do you have there?"

Jeziorski, "This is just an illustration that shows all the bond issues that we currently have and when they're actually able to be called. As you can see, most of these are not callable in the near future so it wouldn't even be an option to pay down the debt. The only real option we have to refinance are our 2010A, which we kind of discussed in the past and, Ehlers, run those models all the time. They ran one in May and they just recently ran a model for us on Monday. At this point, it is not advantageous for us to actually refinance because we'd actually lose money."

Moegerle, "Well, we can't refinance because it would be more than \$10,000 in 2014. Wouldn't it? Isn't that part of the issue? That we can't refinance until 2015 because, I'm sorry, it's \$10 million." Jeziorski, "You put yourself in a different 'stratosphere' as far as, the amount we'd be refinancing. It wouldn't be bank qualified at this time because it's more than \$10 million. That kind of plays into it also." Moegerle, "Right."

Davis, "And what we'd have to do is find enough money to pay down that debt to get it below the limit. We don't have a source to do that unless we completely raided all of our funds."

Moegerle, "No, I'm not saying prepay, not pay it off, but you can prepay a portion of the debt. Say we're going to pay down \$100,000 now and over the term we'll save this much in interest, therefore, it is cost advantage to do that." Jeziorski, "And those are options we have looked at for 2005A. As you'll recall, we actually took some money right off the top. We said, 'Okay, we've got this excess money, let's pay some of this principle down right off the top and then save on the interest costs.' We did the same thing with 2010B, which is now 2014A. We paid \$670,000 right off the top and saved money. For this issue, for whatever reason, where the interest rates are right now, it doesn't work unless you bring a lot of money to the table."

Moegerle, "Right. And that's why, at that time, we talked about waiting until 2015 because of the \$10 million threshold. So, the question is, if we could see, assuming, you know because this is the budget for next year, if we paid that down and of course there are a lot of variables, but all things being the same, what that would be if we paid down \$50,000. And, where would it come from, and that kind of thing." Jeziorski, "\$50,000 would not be enough to actually make it cost." Moegerle, "I understand that and finding out what that number is would be valuable to me." Jeziorski, "Okay."

DeRoche, "Well, I think we have to be careful of, when we're talking about paying things down. We're going to have to be paying, we've somewhat got the bonds figured out through 2015. But the next year, we're still going to have to make payments and payments after that. To keep as much as we do in these funds makes sense to me because that's a contingency. If we don't get the development, if we don't raise enough other monies, we're going to have to use some of that to make payments. If that money's gone, what are you going to pay with?"

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Davis, "Again, one other important factor to remember in all of these situations that we've developed for these bond payments is that they assume that there are no connections. So, if there was never any connections to the sewer system or the water system in East Bethel from now to infinity, with the plan we have in effect, which is minimal increases a year,

which would be in that \$50,000 to \$60,000 range for debt service, we can pay the bonds off. Now, if we have development, that's going to factor that we can, hopefully, decrease some of that. But, we did this with this scenario that there would be no development."

DeRoche, "Right, but I remember the feasibility reports, I remember Bolton & Menk's figures, I remember Metropolitan Council's numbers. You know, as referenced, February 19, 2011, you would have had to pay \$2,100. Actually, the statement from Bob Schunicht was that he had talked to some acquaintances of his for the numbers, the \$7 million to \$9 million payback. That data has never been brought forth of anything. I could say all kinds of things but unless there's documented numbers to say this is how I figured it would cost \$7 million to \$9 million not to do this project, and then the \$2,100 per resident to pay out immediately, that wasn't true either. In fact, he never said that because that would have been spread out over how many years? So, you have to be careful up here when we're throwing that stuff out there."

Moegerle, "Well, and let's do the math. There are 5,000 taxable parcels in East Bethel and \$9 million dollars. You do the math and it's about \$2,100 depending. He did say the \$7 million to \$9 million. If you're not satisfied that you've got the documentation, that's a different issue. But, it was said and based upon what was said, what I said was factual and accurate. So, you may disagree that you didn't get sufficient documentation, but in fact, that is what was said on February 19, 2011."

Ronning, "Whenever these conversations come up, I listen to the words and it's always been, 'We were told.' Told by nobody in particular, but just that we were told." Moegerle, "We were told by Landform, Mr. Schunicht." Ronning, "Well, they should have had some numbers to show you as well if they're going to tell you \$8 million, \$9 million, something to back it up besides 'bottle caps.'"

DeRoche, "Well, let's save this for another night."

Moegerle made a motion to adjourn at 8:40 p.m. Motion failed for lack of a second.

Ronning, "One other question I had. If we were to go into some of these bonds, if I recall the auditor's comments, typical cities like to be 35%. And, we were at 60-some percent? So, 35% versus we're at 60-some percent? So, we're running a 'good tight ship' to be able to say that. If we were to try to, well, we were 60-some percent, we went on record as 50% maintaining. If we were to get into some of these funds to make a difference some place, and this is an awfully wide question, the only place we could get it, is the Capital Funds, I think."

Jeziorski, "You could liquidate the Capital Funds. You could liquidate your General Fund. But, again, if you liquidate your General Fund..." Moegerle, "Or we could levy for it." Jeziorski, "Or, you could levy for it and then, there are some options, I guess. There's also consequences, obviously." Ronning, "It would take extreme caution to look very hard at something like that."

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Moegerle, "And, one of the things I think is critical for residents to understand is that the principle and interest total for 2014 is \$535,000. 2015 is \$1,366,000 and change and in 2016 we're going to be paying \$2 million unless we refinance that bond and find some cost savings, and whether we 'kick it down the road a little bit.' But, that's a significant challenge coming up." Jeziorski, "The one thing our Debt Management Plan does take into

effect, I'll just illustrate that with our budget, is these first four bond issues are kind of on 'auto pilot.' Their levies just stay the same, we just have them out there until the bonds are paid out in full. This 2010C one is the one we are taking funds from other sources, our General Fund, perhaps our capital projects, and making sure that one has cash flow in order to meet its needs. These are the two, the 2010A and now the 2014A, are the ones where, this 2010A we are levying at \$487,000 just to prime it. That's the one that will grow 3.5% a year in order to meet the obligations every year. That's a manageable thing instead of going from zero, which we had in 2013, all the way up to \$470,000 in 2014. Now we are raising it 3.5%, you'll raise it 3.5% next year, 3.5% the year following, all the way until the bonds are paid off." DeRoche, "Right."

Jeziorski, "The 2014A, we just put it up from \$300,000 to \$330,000 and that's where you're going to keep it so there will be no increases every year. That's just where it's going to be until the bond is paid off. The thing that Jack mentioned earlier, I think, is key. This is all based upon no connections to your sewer/water system. As those come in, then these numbers will obviously start with probably 2010A and have to be raised up to 3.5% every year. You just reduce that down gradually. Now, are there opportunities to refinance 2010A? Not in the current market unless you are going to bring a significant amount of money to pay the debt down."

Ronning, "So, we're prepared for the worst case. We're prepared for the worst and hope for the best." Jeziorski, "Now, there is even a worst case scenario and that involves this 2010A where there's a Federal credit. We are reliant on \$320,000 coming back from the Federal government and, as you know, they've reduced that down and if they reduce it any more from where it was. This is where it is now but there's always the potential where they could lower that even more. But, at this point, this is what they've told us. So, for every dollar of interest we pay, we get this much back. So we're paying \$767,000, we're going to get credits of \$320,000 back. I think the plan, before 2013, was, or before 2014, was there's no levy in here and then we're going to hope that the connections happen." DeRoche, "Which wasn't a real viable solution."

Jeziorski, "And then, obviously, to get this thing recalibrated, we had to jump the levy out from zero to \$470,000 and now for 2015, we're jumping it up only 3.5%. When we look at the whole schedule, that's what will allow us to actually cash flow this thing through the life of the bond with no connections."

Davis, "And, the 3.5% is not 3.5% of the levy, it's just 3.5% of \$470,000." Jeziorski, "As you saw in this, the overall impact to the overall levy was 0.9%." DeRoche, "Well, the thing was voted on and passed, so we have no choice but to pay it." Jeziorski, "Yes."

2015 Budget Discussion

Finance
Department
Mayor and
Council

Davis, "Before we move on, there's several other budget items that still remain to be discussed. DeRoche, "Sure."

Davis, "They're all, essentially, about like the last ones we've discussed. They're basically

departments. There's the Finance Department, Mayor and Council, the City Administrator, Clerk's. Generally, they all consist of primarily wages, salaries, and benefits. The only increases were in those categories. There was one, the Clerk's budget I think, has been reduced slightly. There's an increase, 3%, in the City Administrator's budget. 4% in the Finance Department budget. Other categories, especially for Risk Management, we need to go over briefly and touch on a few things on that."

DeRoche, "How much time, do you think, to do this?" Davis, "Ten minutes." DeRoche, "Oh, we've got that."

Risk Management

Davis, "If you'll turn to Page 56 to 58 in your booklet. Risk Management is essentially what we pay for insurance. There is a projected increase of 4.6% in those budget categories. That covers all the insurance and liability, property, automotive, and bond fees for agents. Those are things that we are at the mercy of the market. The only thing we could do, you could say to shop around for other sources but we probably don't really have that option. I don't think we're going to find it any cheaper than what we've got it through here."

Transfers

Davis, "The other category, if you don't want to spend any more time on this are the transfers, which is a fairly significant part of the budget. We are proposing to do a \$50,000 transfer to the Building Capital Fund; \$425,000 to the Roads Capital Fund; and, \$50,000 to the Parks Capital Fund. This actually is going to represent a 3.1% decrease from what we allocated last year. We think that those should be maintained because, again, once we fall behind in those, it's very, very difficult to catch up. And, we're always going to have roads demands. The \$425,000 is essentially just enough to keep us somewhere where we ought to be. The Parks, again, has been cut from a \$100,000 transfer to a \$50,000 transfer over the last two years. And, we're going to start seeing some more needs for building capital needs. Especially, we talked about having to do some things with handicapped accessible issues. So, I would recommend that we keep those funds the same. Those are the two primary things that I just wanted to bring up to see if anyone had any questions on, the transfers and the Risk Management.

DeRoche, "Well, like you said, I'm looking here, it's \$545,000 last year and \$525,000 this year." Jeziorski, "The only difference on that is we actually needed \$20,000 from our General Fund transferred into our Debt Service Fund to make the payment. So, that actually goes away in 2015. We just levied for what we needed instead of doing a transfer from the General Fund."

2015 Budget Discussion

DeRoche, "Anybody got any questions?" Koller, "No."

Davis, "If there are no further questions from anything in the budget, we're just seeking direction as to where we want to go from here with the budget. What kind of timelines we want to set for further meetings, and get you that information back and meet with you at your convenience."

2015 Budget Discussion

Moegerle, "I don't see that much change needs to be done. I don't see that there is anything that can't be done during a regular scheduled meeting on this."

Ronning, "I was looking at one of the categories, Professional Services Fees." Davis, "Under what budget was that Tom?" Ronning, "All of them. For 2014 budget, there's \$1,276,879. Of that \$1,030,000 is Police and Engineering. But, it still leaves \$286,000

professional fees.” Davis, “The other part would be \$150,000 of that would be legal.” Ronning, “No, none of it’s legal.”

Davis, “What page are you on?” Ronning, “It’s my own, I did this. I just took the numbers from the packet.” Jeziorski, “Did you include Assessing too?”

Davis, “Yeah, there’s \$53,000 for Assessment Services. In the Mayor and Council’s budget there’s fees for what we pay for our…” DeRoche, “Mayor’s Association?” Davis, “Well, the Mayor’s Association, there’s also the Boards, the Commissions, the Watershed, the WMOs. Under Planning there’s professional service fees we pay for our GIS services.”

Moegerle, “This doesn’t seem to include the legal fees.” Ronning, “No. That’s…” Moegerle, “Is that different some how?” Ronning, “It doesn’t have a category ‘professional fees.’”

Davis, “Let me just go through these real quick. Under Council’s budget, we have \$10,000 for professional services and that includes, that’s what we pay Municode for quarterly updates and their ordinances. In the City Administrator’s budget, we have nothing for professional services. In the City Clerk’s budget, we have professional services fees, we budgeted \$200 for that.”

Ronning, “I’m just pointing out as an area to look at. I’m not complaining or whining a bit. I didn’t bring any cheese.” Davis, “Under Finance, too, it also includes audit fees which are about \$20,000. So, when you start adding it all up, you’ve got \$20,000 for audit fees, \$10,000 for Municode, \$50,000 for assessment. It’s going to add up fairly quickly. We also have, in the HRA budget, \$5,000 for legal fees and I believe there’s the same amount in the EDA budget for legal fees.”

DeRoche, “There’s no legal fees for the HRA. There was in 2014 but not this year.” Davis, “Okay, we cut that back then.”

Ronning, “I think this is, I hope I’m not off too much, close to 5% of the overall budget. No, that seems too high.” Ayshford, “The Ice Arena management is in there.”

Davis, “Again, you’ve got \$11,000 under Planning but most of that is GIS functions.”

Moegerle, “Is the solution to break out professional service fees into more smaller groupings? Is that what you’re interested in?”

Ronning, “I’m not sure how, in Planning and Zoning, for instance, 2013 actual is \$9,236, 2014 is \$12,000, and 2015 is \$11,000.” Winter, “2014 went up because we have a one-time fee that we had to pay. We had to contract with Anoka County to get our area photography that we needed as part of GIS.”

2015 Budget Discussion

Ronning, “GIS, yes, I read that. But, that’s one year. Let’s see, Engineering ends up more than what the budget is but that’s because it’s part of a project. Right?” Davis, “Well, we have two engineering costs. We have the engineering costs that are associated with projects that aren’t part of the budget and then we have the basic engineering service fees if we call up Craig and say we need ‘x’ number of maps made or we need you to do this little quick study, some cost projections. That’s where those costs come from.”

DeRoche, "Are we done paying Bolton and Menk?" Davis, "Yes." Moegerle, "What, February?" Davis, "Yes, we paid them their last payment in February."

Ronning, "That HRA is \$5,000 in professional services fees." DeRoche, "For 2014. This year there's not anything in the budget." Ronning, "There's none this year." Davis, "In the professional services fees for that, that was a category for a housing study and we just transferred all of that stuff to the transfers to accommodate the extra costs we'll be having for the administration of the Community Development Block Grant."

Ronning, "Economic Development went from \$35,265, to a 2014 budget of \$34,454, 2015 is only \$5,000. For the last two years, it's an 85.49% reduction. Davis, "Again, it's just a matter of, you know, which item did you put that in. We just took that professional services fees, we're not going to hire any consultants out of there. We felt that money would be more appropriately dedicated to the Contingency in case we needed, something comes up, to fund an economic development project."

Ronning, "The Arena has actually come down."

DeRoche, "Now, that money from the new cell tower, that's not..." Davis, "We haven't entered into that contract yet so, when we do, that'll be assigned to the General Fund. And then, at the end of the year, we can see what the balances are and assign that to wherever it is most needed." DeRoche, "Sure."

Davis, "As far as the professional services fee for, and that's what probably makes up a lot of that difference, the Ice Arena stuff is not part of the general levy though. It's an Enterprise Fund."

Ronning, "Right, but it's part of the overall budget." Davis, "Correct. So, there's what, \$78,000 for that." Moegerle, "\$79,000." Ronning, "For 2015. \$84,000 this year, \$79,000 next year, a 5.9% reduction."

Ronning, "Sewer Utility Operations, it's a 142.86% increase. Goes from \$7,000 this year to \$17,000 next year? Some of this stuff, I don't expect anybody to have an answer for. I'm just suggesting there are some simple categories." Jeziorski, "That one is totally predicated on the Metropolitan Council's fee that we're actually going to start accruing in 2015. Actually, I haven't gotten the final notice. It could be \$15,000 or it could be \$16,000 at this point. Their flow charges are for treating our waste water. We haven't had any since."

Ronning, "You mean we've got to give them more money?" Davis, "Yes." DeRoche, "We're working on it." Ronning, "They should wear 'masks' when they come by the cities. We get problems with them."

2015 Budget
Discussion

DeRoche, "Any questions there Ron?" Koller, "No, the only thing I came up with was on Page 83. Just a change under Capital Outlay, it says, 'The replacement schedule is part of this budget item. With approval of this budget, the replacement program is also approved.' It sounds like we're already approving all of the vehicles listed there if we approve the budget." Davis, "You're approving, essentially, a dollar amount. Again, as we discussed prior to the meeting, there is never going to be an equipment purchase that we make without Council approval."

Koller, "That's all I wanted to make sure of." Davis, "We will never purchase a piece of

Jeziorski, “I think your Capital Improvement Plan gets approved three times. It’s essentially, the first time is through the Capital Improvement Plan, and then through the budget process, and then actually when we go out to purchase it we bring the quote to the Council. So, it’s covered three different times.”

Davis, “And, that final approval is the critical one. That’s that you approve and authorize and direct us to make the purchase.”

Ronning, “What’s your motion?” DeRoche, “You all done?” Ronning, “What’s Heidi’s motion?” Moegerle, “It failed for lack of a second.”

Ronning, “Are you done with what you were interested in?” Davis, “Unless you have any more questions, I just wanted to bring those two categories up just because of their higher cost and significance.”

**4.0 Ronning made a motion to adjourn at 9:01 p.m. Harrington seconded; all in favor,
Adjourn motion carried unanimously.**

Submitted by:
Carla Wirth
TimeSaver Off Site Secretarial, Inc.

EAST BETHEL CITY COUNCIL MEETING

JULY 16, 2014

The East Bethel City Council met on July 16, 2014 at 7:30 PM for the regular City Council meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
 Mark Vierling, City Attorney
 Mark DuCharme, Fire Chief
 Craig Jochum, City Engineer

1.0 The July 16, 2014 City Council meeting was called to order by Mayor DeRoche at 7:30
Call to Order p.m.

2.0 The Pledge of Allegiance was recited.

**Pledge of
Allegiance**

3.0 **Harrington made a motion to adopt the July 16, 2014 City Council agenda. Moegerle
Adopt** **seconded. All in favor, motion carries unanimously.**

Agenda

4.0 Davis, "We had a hearing scheduled for tonight for an issue with a potentially dangerous
Presentation dog. In contact with the owner and the complainant, the owner has indicated that the dog
 was placed in an animal rescue. I informed the owner that if they can provide
4.0A. documentation for that, then we could recommend that this be dismissed. Without that
Dangerous documentation, it would be my recommendation we table this until the next meeting."

Dog Hearing

**DeRoche made a motion to table consideration of the Dangerous Dog Hearing to the
August 6, 2014 City Council meeting, pending documentation that the potentially
dangerous dog owned by Gayle Murphy, 814 South Lakeshore Drive NE, Wyoming,
MN 55092, has been placed in an animal rescue. Moegerle seconded. All in favor,
motion carries unanimously.**

4.0B Commander Shelly Orlando presented the June 2014 Sheriff's Report.

Sheriff's
Report

DWI's: There were three DWI arrests in June. Two arrests were the result of driving
conduct. One suspect was driving at 91 mph in a 65 mph zone. This suspect refused to take
the test, resulting in a gross misdemeanor test refusal charge as well as the DWI charge.
The third arrest was the result of driving conduct being called in. The male driver failed
field sobriety tests and tested at a .11 blood alcohol content (bac).

Thefts: There were 19 theft reports. Three reports were for financial transaction card
fraud. Two incidents involved internet purchases being fraudulently made. One report
involved a fraudulent charge to a realty company. There were five gas no pays. Two were
resolved. Three are inactive due to lack of suspect or vehicle information. There was one
reported identity theft. This involved a fraudulent tax return being filed. Three reports
involved the theft of license plates, and we do see a rise in those when gas prices start to go
up. Typically, one license plate is stolen off your vehicle, either the front or the back. So,

4.0B
Sheriff's
Report

just be aware if you are parking out in your driveway or out in a business. Walk around your vehicle before you get back in. One victim became aware of his license plate being stolen after receiving a letter regarding a gas drive off. He then noticed he was missing one of his license plates. There was a theft of a bicycle from a garage, a theft of prescription medicine, and two reports of cell phones being taken from a party. There was one report of copper tubing and wiring being taken from a house under construction.

Burglaries: There were four reports of burglary. One report involved a home that was entered with no forced entry. No items were missing from the home but a potted plant had been tipped over and dirt spread throughout the home. The victim suspected an acquaintance of hers. The second report involved the victim's grandson breaking into his locked room and taking items, as well as taking and forging a check to gain money. The suspect confessed to doing these things as he is addicted to heroin and was trying to get money. On June 19th, a male came to the Sheriff's Office to report a burglary/vehicle theft from September 2013. The male reported that he had been in a crash and hospitalized for two months. The male stated he had several thousand dollars of high-end electronics property stolen from his house. The vehicle he tried to report as stolen did not register to him so he was not able to report that as stolen. The last report involved a juvenile male who was left home for the weekend, while his parents went out of town. When the parents came home, they found several items taken from their residence and damage. The son reported having parties on Friday and Saturday night with a lot of people he did not know. Coin cases were taken out and emptied of their contents. Paint was opened and walked through in the garage, leading into the home. The case is pending any suspect information.

Damage to Property: There were five reports of damage to property. One report involved a home that is in foreclosure having eight windows broken by someone throwing rocks. There are no suspects. One report involved a mailbox being smashed. The homeowner heard what she thought were shots and it turned out to be her mailbox being struck. One report involved water being put into a mail drop slot in a building. The mail that had been placed there was wet. Juveniles were suspected. The other two reports involved damage to homes that were reported under the burglary category.

5th Degree Controlled Substance: There was one arrest for 5th degree controlled substance. The arrest was a result of a traffic stop on a vehicle that had left a residence known for narcotics activity. The male passenger had a warrant for his arrest and during a search, a baggie containing a white powdery substance was located on his person. The substance did test positive for methamphetamine. A pipe was also located in the vehicle.

Disorderly Conduct: There was one arrest for disorderly conduct that was the result of a property damage crash. A male attempting to pass four cars and a school bus on Viking Boulevard ended up striking the school bus on the driver's side. The male then got out of his vehicle and began hitting the bus, yelling, and swearing. The school bus was filled with children. No one was injured. The male did not have a valid driver's license or insurance. The male was charged with disorderly conduct, driving after suspension, illegally passing, and driving without insurance.

Fatal Crash: Deputies were called to a crash on Highway 65 at 237th Avenue. A male traveling northbound fell asleep while driving and struck a commercial vehicle that was stopped waiting to turn westbound. The vehicle then spun around and struck another vehicle. The male driver suffered critical injuries and died at the hospital. The male's wife suffered minor injuries.

4.0B
Sheriff's
Report

Arrest Breakdowns: We had two felonies, one for the fifth degree controlled substance, one for burglary. We had 13 misdemeanor arrests, one incident resulted in a damage to property, possession of stolen checks, possession of hypodermic needle, which was three charges. One incident resulted in a burning prohibited materials and having an unattended fire, which was two charges. There was an additional burning of prohibited materials arrest, one fifth degree assault, one minor consumption, one RV trespass, which is when you take your vehicle and drive it off the road onto somebody's property and you don't have permission to be doing that. Just in case you were wondering what that charge would be. One for disorderly conduct and then one incident that resulted in three charges: possession of a small amount of marijuana; possession of drug paraphernalia; and, possession a dangerous weapon, which happened to be brass knuckles.

Moegerle, "I have a question, Shelly." Orlando, "Okay." Moegerle, "You said that there were 13 misdemeanors and then you listed out things including possession, burning permits, minor consumptions. Was that an itemization of those misdemeanors? Or, were those in addition to the misdemeanors?" Orlando, "That was an itemization of the misdemeanor arrests." Moegerle, "Okay."

Moegerle, "When we get to the point where we have budget review, I think I've asked this question every year. Of those cases where we have thefts and those kinds of things, what percentage of those cases result in closure through charges being filed?" Orlando, "Well, all of the arrests that take place typically are charges. If it's a misdemeanor, a citation is issued." Moegerle, "Sure, but when there is a report, somebody, I have a B&E, how many of those reports of a crime turn around and result in charges? What's your closure rate on files? Do you know?" Orlando, "That I don't know. We don't track that. A lot of times with something like that, it would depend, obviously, if there is any kind of suspect information or if there is evidence left at the scene to be processed. Like with that juvenile house party, the coin cases were taken to be finger printed and there was some other evidence that was collected in hopes of gaining suspect information that way. That's not really something that we track or that would even be easy to track."

Moegerle, "How many of these things are getting resolved and people are serving their time?" Orlando, "once we do our portion of it and then turn it over to the City Attorney or County Attorney, that's pretty much the end of our involvement of knowing what happens with it. Obviously, if it goes to trial then the Deputies go in to testify, or things of that nature, but we typically don't know the ending result of, say if they were charged with three different counts or charges, we don't know if they do a plea agreement where they plead guilty to one and they dismiss the other two, or what that final end result is."

Moegerle, "Right, and I'm really interested in those end results. So far, I've come up against a blank wall on that in a variety of different ways. But, I think that residents are very interested in that kind of knowledge because they feel more secure, 'Oh, gee, they've got this guy.' You brought up about the party. Is that where the medication was stolen?" Orlando, "No, that was a completely different, the medication one was a gal who thought her acquaintance had taken medication from her."

Moegerle, "The other thing is that you sent me an e-mail, may have gone through Jack, with regard to the trending down of the number of crimes. I think in 2005 there were 6,100 reports and for last year, it was down to 4,438." Orlando, "The calls for service?" Moegerle, "Yes, the calls for service. So, that's very encouraging news." Orlando, "Yes,

4.0B
Sheriff's
Report

that is significant decrease.” Moegerle, “Yes, nearly 30%. I think that is reassuring for all of the residents. Thank you.” Orlando, “That’s the result of having more Deputies visible and deterring. Unfortunately, that’s something that you can’t really measure, like, ‘Did you not commit a burglary because you saw a squad down the road?’ You know, that’s something that’s very difficult to measure.”

Moegerle, “It’s a nice trend.” Orlando, “Yes, and it’s a good trend to have. Yes, we hope to continue.” Moegerle, “Very good, thank you.”

DeRoche, “Shelly, just a quick question.” Orlando, “Yes.” DeRoche, “How many police departments do you suppose even bother to track things? If it’s like a paramedic trying to track a patient they pick up. They just don’t. They go out, they do their job, and they move on to the next one. Isn’t that pretty much the way it is?” Orlando, “I don’t know if maybe Mark would be a better one to answer how to track it.”

DeRoche, “I’m not interested in tracking it. If you guys do your thing and it’s turned over to them, I don’t see why the Sheriff’s Department should be busy tracking what happens to what. You’re out trying to get the next one.” Orlando, “I don’t really have a good answer for that. I know that with some cases we do get, with some of the felony cases or where evidence is being held, we will get a disposition that this was, you know, ‘He pled guilty and this was his sentence and you can dispose of any evidence.’ We do get those kinds of things but those are on an individual case-by-case basis.”

DeRoche, “Can we get the legal opinion first?” Vierling, “Well, it’s going to be very difficult to track because they don’t go in one direction. Once the Sheriff does their report, as the officer indicated, it could go to the County Attorney, it could go to the City Attorney, it could go to the Court Administrator. The person could come to the window and try to pay a fine, which would involve neither legal department of the County or of the City.” Orlando, “Right.”

Moegerle, “I understand that and what happens is that with all of the criminal procedurals on TV, everyone wonders. ‘Well, does Anoka County have cold cases?’ So, it’s derived from that.” Orlando, “Yes, we do have cold cases.”

Moegerle, “‘Is it from the B&E that occurred in East Bethel on such and such a day?’ So, it’s a question that comes up from time-to-time because people just wonder after they see those procedurals.” Orlando, “Sure.”

Moegerle, “It’s an interesting statistic for them to know.” Orlando, “Right,” Moegerle, “I appreciate it is difficult for a Sheriff to do that. But, I’m sure you know where your cold cases are and those kinds of things.”

Ronning, “If an officer is involved with something like that, unless they report to court to be available to testify or to testify, would there be any follow up of any kind?” Orlando, “No, not once it’s...you know if it’s the initial arrest is made, or...” Ronning, “Your part’s done.” Orlando, “Yeah, once our part’s done we’re pretty much done with the majority of whatever we’ve handled.” Ronning, “Thank you.”

DeRoche, “Thanks Shelly.” Orlando, “Thank you.”

**Public
Forum**East Bethel
Booster Days

year, East Bethel Booster Days. The 'weather gods' have been on our side, I put our order in right, it's going to be 80 and sunny on Saturday. Friday night there's not supposed to be any rain. Our movie in the park for Friday night is, 'The Lego Movie.' The East Bethel Fire Department Explorers are going to do a water ball event so that should be a good time. Saturday, we've got our turtle races. We've got 22 turtles recruited and there will be a dollar charge per race this year, per person racing because there was food purchased to keep these turtles going. And, then, they will be released after the races. We've got a karate association coming in to do a live demonstration. Tribute for the Troops contacted me today. They'd like to do a little booth and hand out some information. They've got a motorcycle they are raffling off for some troops' child's education, that's what they use the donations for.

Of course, we've got our big parade. The kiddie parade is before the parade. We've got the 5k, the 1k, Dan Dobbs working on our car show, a vintage snowmobile show with people coming all the way from Duluth to attend. We've got vendors, food, Minnesota Fresh is going to be doing a farmer's market on Saturday. So, we're looking forward to it. I don't think you guys will have any questions. You'll all be there, I'm sure, at some point.

The dance, we have 'Uncle Chunk' coming in to do the music. Once again, the Lions will be doing the beer and plenty of people are going to be attending. The community has been good to us this year. We have been hearing some good things. We got a lot of large donations this year from a couple of, the Lions Clubs and also the Ham Lake Chamber have given us a huge donation this year to keep us going. So, we are really looking forward to it.

The East Bethel Chamber will also be having a golf tournament on Friday. I don't know if they are still accepting teams or not, but they were trying to get some." Harrington, "Yes, there are still openings."

Lachinski, "So, they will be at Viking Meadows. Even if you don't want to be part of a team, I think they are looking for sponsors for holes and also this year they want people to come out and enjoy the day. So, that's what we've got going this year at East Bethel Booster Days. So, I hope everyone can attend and like I said, it's going to be a beautiful day."

DeRoche, "Great, it sounds like a good time." Lachinski, "So, we look forward to seeing you all there." Moegerle, "Thank you for your work." DeRoche, "Thanks Denise."

Route 65
Update on
Tent Sale

Brad Slawson, Route 65, 18407 Highway 65 NE, "I was approved for a permit about a month ago for a tent sale at my discount liquor store and a permit at Route 65, at the restaurant, for bands. I just wanted to give a report on how it went. The tent sale at the liquor store went great. Our goals were to attract some new customers and we did just that. There was a lot of traffic from Andover, we heard from Ham Lake, from Centennial, from way up north. So although there were some people in the store to just see the store, it was a good event for us. I was very pleased with it.

At the bar and restaurant, we had a band called 'Good for Gary' on Friday. I'd say at about 11 p.m. that night, 80% of the customers that were still there were all first-time customers. So, for us, that was a nice change of venue and there wasn't any problems there, that night, with the new faces. Saturday was a band called 'Austin Healy.' Some of you may have heard of that band, it's a band that has been around for a lot of years. There was a nice turnout there as well. Sunday we had our bike show. It went from 11 a.m. to 3 p.m. and the

band started at 1 p.m. that day.

So, all in all, the weather was great, there were no problems, there were no issues. There was just a great event. If you drove past, you saw that we were pretty full for three days. If I had a tent party every weekend, I can pay for the sewer and water.” Moegerle, “That’s a persuasive argument.” Slawson, “Right.

Slawson, “So, it was a great event. I do know that the Sheriff’s [Deputies] stopped out on Friday. They were just in the area and wanted to see how it was going. It was good to have them there. They did say that they had two calls on Friday that it got noisy. Saturday night they had a few calls too, they said. Our goal isn’t to disrupt people’s lives at home, and that’s why we are trying real hard to have just one a year. That way, if they do get phone calls, it is one time a year. We try to do it where we’re not disrupting everyone’s lives at home. If you did get some calls on that, we apologize for that but heard that it was just a few calls. I live two miles away and my wife said that she could hear it on Friday night but not on Saturday. So, maybe it’s the wind directions. Either way, it was a great weekend and hopefully everyone can understand that we tried to, we don’t ask for tent parties all the time to disrupt the Council and the Sheriff’s Department. It was a great event, though.

I just wanted to show up here and say, “Thank you.” I put in for a permit, you said ‘yes’ to it, and as a result we got some new customers and faces. It helps the whole process work. My message is, ‘Thank you and I appreciate it.’”

Moegerle, “Thank you.” Ronning, “Thanks for the offer on the sewer and water too.” Koller, “We’ll forward the bill.” Moegerle, “Thanks for the report.” Harrington, “Thanks Brian.”

Property
Compliance at
103 Sims
Road

Steve Eliason, 103 Sims Road NE, “I’ve got a problem with compliance with my property. Nick Schmitz said this is an on-going situation for over two years. It is not. I’ve got documentation here from my lender. I tried to get a reverse mortgage so I can continue with my business of used cars out on the corner of Sims and Highway 65. I keep getting all these little notes that they send over to the City Attorney for prosecution. They came by on the 2nd of July and nothing had been done. Well, I’ve got news for them, it has been done and it’s ready for a re-inspection for about the last month. All I keep getting is these threatening letters from all different sides, through Nick. One of them here says that, ‘It’s been turned over to the City Attorney. Also spoke to the City Administrator upon ordinance violation and it is being pursued as not being resolved as of 7-2 of this year.

All you have to do is come out and look at it and get off my case. This has been going on for two years. I did have a lot of cars there and I did end up going to court and I got a small fine for it. It’s been cleaned up. It started getting back to a point where I was showing my cars there. I’m done with that. I’m all done with that. But, I want to get this reverse mortgage straightened away.”

DeRoche, “Right, I was going to ask you about that. I’m not quite sure, what’s the reverse mortgage and can you kind of...” Eliason, “FHA has involvement in the backing of the mortgage. DeRoche, “Okay.” Eliason, “They have to have the property in compliance, which means the City has got to pass on whatever their ordinances are. My problem is, I had some tires stored there, which are all gone. I had barrels of drain oil there, which are all gone. I had about 30 cars there and I’m down to a minimum number. I’ve got a motor home there that is not moveable. The motor is apart. It’s just small things like that. Nick

Property
Compliance at
103 Sims
Road

keeps telling me he'll work with me but it never happens. Now I get this thing saying that he was out there on the 2nd of July, which he wasn't or he would have seen. I don't know what to do about it.

DeRoche, "I would suggest, Jack?" Davis, "How many cars do you have on your property now? Eliason, "Do what?" Davis, "How many cars are on your property now?" Eliason, "probably five or seven." Davis, "You can't keep more than five." Eliason, "Right, but two of them are storage facilities. It's a van." Davis, "As far as that, we'll send somebody out for a re-inspection and I would like to add that I think we have tried to work with you and we've been very patient. You have made progress on occasion on cleaning things up and we certainly appreciate that."

Eliason, "I can't hear you." Davis, "I said we have worked with you. This has been a problem for quite a while. You have made progress on certain occasions on getting things cleaned up. We really appreciate that but, you know, to say point blank that the Building Official is not working with you, I don't think that is an accurate statement because..."

Eliason, "Do you think that is fair that you hold my mortgage back because of the fact that I've got a couple extra cars there?" Davis, "If you are not in compliance..." Eliason, "Your ordinance doesn't agree with what the FHA says?" Davis, "If you are not in compliance with the ordinance, that's what we are supposed to uphold. We did refer this matter to the City Attorney because it has been an on-going issue for over a year and a half."

Eliason, "It has been on-going and I've made tremendous progress." Davis, "That's true but you haven't got the issue straightened up yet. And, we will continue to work with you. Like I said, if everything is done, I'll send them out for a re-inspection tomorrow and if everything is fine, then you can get cleared and you'll be good to go."

Eliason, "The inspector wants to come out there to view the property again, not the inspector, but the appraiser for the mortgage wants to come out and look at it again. But he keeps getting told that it's in non-compliance and that there are 30 cars in the driveway. I called the other day and talked with Ronnie Braastad and said that there's...I've still got 50 cars in my driveway. What? I don't know what his problem is, if he's got a vendetta to pick on me or what it is. There's a lot of other people that's got the same, too many cars and junk in their yard. It's not just me. I'm being singled out and I don't appreciate it."

Davis, "I disagree with that. I will have him out there tomorrow to do a re-inspection to see if everything is taken care of. If it is, then we'll notify you immediately either way and we'll continue to work with you to resolve the issue."

Eliason, "So, when is it all going to be covered on this end? Is it going to be re-inspected?" Davis, "They'll be out there tomorrow." Eliason, "Tomorrow?" Davis, "That's correct." Eliason, "Okay, sounds good." Davis, "All right. Thank you."

Ronning, "I'd kind of like to know when it is. I would like to go out there as well. His mortgage was turned down, was rejected, because of Nick's communications."

Moegerle, "Jack, it seems to me that, I'm not finding it in the Municipal Code, off hand. Isn't there a requirement that all outdoor stored or parked vehicles have to have an active registration?" Davis, "They have to be licensed, that's correct."

Property

Compliance at
103 Sims
Road

Moegerle, "And doesn't the registration have to be up to date?" Davis, "That's correct." Moegerle, "Where is that located because I'm not finding it under 'zoning.'" Davis, "Are you looking under motor vehicles?" Moegerle, "No, I'm looking at off-street parking and loading requirements." Vierling, "Look under nuisance."

DeRoche, "Is this something that we can discuss because it's not on the agenda right now." Vierling, "We have an on-going prosecution in place here too. So, Nick is coordinating with our office on the matter. After they do the re-inspection tomorrow, we'll certainly take a look at it. All these pieces have got to come together."

Ronning, "Well, I know we work with people on their problems." Moegerle, "And, we do a good job of it so I'm kind of surprised that there is this concern. But, he did state that some of them were not registered or up-to-date on that, I think, licensed."

Ronning, "I hope we are enforcing that somewhat universally." Davis, "We enforce everything universally and if there is ever an issue, that will be dealt with immediately by me."

DeRoche, "All right, let's move on. We are not going to go down this 'road' right now."

6.0
Consent
Agenda

Item A Bills/Claims

Item B Meeting Minutes, June 25, 2014, City Council Special Meeting
Meeting minutes from the June 25, 2014, City Council Special Meeting are attached for your review and approval.

Item C Meeting Minutes, June 25, 2014, City Council Work Meeting
Meeting minutes from the June 25, 2014, City Council Work Meeting are attached for your review and approval.

Item D Meeting Minutes, July 2, 2014, City Council Meeting
Meeting minutes from the July 2, 2014, City Council Meeting are attached for your review and approval.

Item E Approve Andover Raffle, Resolution 2014-21
Staff is recommending that Council adopt Resolution 2014-21 approving the application with no waiting period for Andover Center Ice Club to hold a raffle on Saturday, September 27, 2014.

Item F Resolution 2014-22, Night to Unite
The Council has traditionally adopted a resolution recognizing Night to Unite.

Item G Pay Estimate #2, Lift Station No. 1
Staff is recommending authorization of partial payment of \$255,413.92 to LaTour Construction, Inc. for the Lift Station No. 1 Reconstruction Project.

Item H Pay Estimate #7, Whispering Aspens Castle Towers Forecmain
Staff is recommending authorization of partial payment of \$90,225.78 to LaTour Construction, Inc. for the Castle Towers/Whispering Aspen 2013 Forecmain Project

Item I Recording Secretary One Month Contract Extension

Staff is recommending that Council extend the existing contract for Recording Secretary Services for Commissions until August 31, 2014.

Item J Senior Bingo Application

Staff is recommending that Council approve the one-day permit for the East Bethel Seniors to conduct excluded bingo on July 19, 2014, at the East Bethel Senior/Community Center.

Item K Supplemental Payment Summary

Harrington, "I would like to add Item K, Supplemental Payment Summary."

Harrington motioned to approve Items A, B, C, D, E, F, G, H, I, J, and K. Koller seconded. All in favor, motion carries unanimously.

7.0 Commission, Association and Task Force Reports

New Business

7.0A None.
Planning
Commission

7.0B None.
Economic
Development
Authority

7.0C None.
Park
Commission

7.0D None.
Road
Commission

8.0 Department Reports Davis presented the staff report, indicating the City Building Official is responsible for the inspection of properties for compliance with the East Bethel City Code to ensure safe, orderly, and sanitary living conditions for all residents within the City.

8.0A The City of East Bethel encourages residents to unite in providing safe, attractive neighborhoods and sanitary living conditions for all citizens. The City recommends that residents cooperate with each other in a "neighbor to neighbor" manner to resolve minor problems before contacting the City for assistance concerning potential Code violations.

8.0A.1 Code enforcement actions must allow due process to occur when requiring abatement of violations. Upon verification that a violation exists, an official may give a verbal warning to the occupant, issue a written notice or send a letter of notification, all with specific compliance dates. Upon re-inspection, if the violation still exists, the City will make all efforts to work with the property owner to correct the problem. If sufficient progress has been made to remedy the violation, an extension can be granted and a new compliance date could be issued. However, continued non-compliance can result in judicial remedies or administrative actions.

8.0A.1 Code enforcement activities require a considerable investment in time by City staff.

Depending on the number of inspections and the complexity of the issue, a single violation can take over eight hours of staff time from the report of the violation to the final resolution of the matter. This average time is based on a minimum of four hours of a Building Officials/Inspector's and Administrative Assistant's time and in certain cases an undetermined amount of the City Administrator's and/or City Planner's time.

Since April 2, 2014, we have received 40 complaints of Code violations, which have required 59 hours of inspection and report time. A minimum of 30 re-inspections will be needed to resolve these violations.

Since August 2012, we have investigated 136 Code complaints and have resolved 56, or 41% of the total. Of the 136 complaints, 16 were, upon investigation, found to involve no Code violations and 4 citations have been issued or are pending. The 60 remaining cases are in varying phases of completion as the City is attempting to work with the property owners to rectify these matters.

The number of complaints between August 2012 and the end of March 2014 was 96 or an average of 4.8 per month. The number from April 2014 to June 2014 was 40, or an average of 13.3 per month. We will continue to monitor the increases of reports of Code violations to determine if this recent increase is an anomaly or is an emerging pattern of concerns for unkempt properties.

Davis, "In your packet, attached, is the report of all Code violations that have occurred since August 2012. Those highlighted in yellow are the ones that have occurred since April 2 and there is a list in there. We have redacted the addresses so that those are kept private at this time. If you have any questions on any of them, I'll be glad to attempt to answer those."

Moegerle, "I have a question on the very first page because I called you and said, 'What does the highlighted information mean?' You explained to me that those have occurred this year. The highlighted report for Quincy Street, that shows date of first inspection as October 23, 2012, I don't see that it was reported in 2014. I went through and there are quite a few that don't seem to have been initiated in 2014. I was wondering if maybe you want to refine what that means. I'm looking at Page 3, there's still, in 2013. On Page 4, they start with complaints starting in 2014. I'm sure it's highlighted for, because they are important. And, some of them in 2014 are not highlighted. So, I was puzzled." Davis, "I'm not sure. I would have to look at that again. But, they were supposed to denote those that were instituted after April 2, 2014. But, I see there are a few prior to that."

DeRoche, "Well, is this something that we could do in a Workshop? Just kind of go over them and try and have Nick there and whoever else is involved with Code violations? And, just say what are we doing, what's going on? Anybody else got any ideas? Ron?"

Moegerle, "Frankly, I think this is something that should be resolved in a Regular Meeting, or discussed in a Regular Meeting. The fact that this came up on the agenda this time is kind of coincidental because I got a report from a resident who was very concerned that Councilmembers and City employees were 'patrolling,' looking for violations. I was asked, 'Is this what happens? Is this true and I said, 'Well, you know what you saw. I don't know what you saw, but that's not how violations are handled. That's not how they are reported and Councilmember's 'patrolling' is really not within our responsibility or jurisdiction.' So, I think it would be helpful for Jack to explain to the residents now, how violations are

reported, how they are investigated, who reports, and so forth. I think that would go a long way.”

Ronning, “I would like to make a comment on that. Unless there is some better information to come out on that, I have strongly objected to this type of ‘insult’ of the entire Council. If you want to campaign, get some banners and go outside.”

Moegerle, “No, you know, this is not a campaign. This is a...” Ronning, “We asked for this information and we have it.” Moegerle, “Residents have this question. They are...” Ronning, “Who?” Moegerle, “I will tell you.” Ronning, “How many?” Moegerle, “One. When residents call me with this question, I bring them up here so they can be resolved because I just don’t think that one resident would have this question. And, since it is, I don’t think that this has happened. I think it is a perfect time for Jack to ‘clear the air’ so people understand that does not happen. I don’t believe it happens.”

DeRoche, “All right, I received...hey Tom, Heidi.” Moegerle, “Because residents believe it happens and we don’t want that kind of rumor to grow and become a real problem.”

DeRoche, “All right, I received a call from staff yesterday with that concern because they were driving around with Kate from Anoka County doing the parts for the CDBG (Community Development Block Grant) funds and their concern was, ‘Don’t be surprised if you get calls because we’re going to be out in the neighborhood driving around.’ If that’s the case, then the residents do need to know that. If you’re going to make accusations that people are ‘patrolling,’ which you have directed at me in the past, then you need to have some better facts behind you.”

Moegerle, “I follow Mr. Vierling’s advice and I repeated what was said to me by a person that said, ‘I believe this happened and is this true.’ You have just supplied the information to say that there was kind of a ‘patrol’ but it was in...” DeRoche, “No, it was not a ‘patrol.’” Moegerle, “...by Anoka County with regard to the grant.” DeRoche, “No, no, no, no.” Moegerle, “It just goes to show...” DeRoche, “You know what...” Moegerle, “There is a little bit of truth in this and it’s time to clarify it.”

DeRoche, “Yes, absolutely. You call a staff person and an Anoka County representative going around talking to people trying to get these grants filled out as ‘patrolling,’ then that’s a real issue. That is an issue.”

Moegerle, “You know what, no, it’s not because I’m repeating what was reported to me and I said that very clearly in the preface to my argument that this is what was reported to me. I didn’t see this.”

Ronning, “If I was approached like that, I wouldn’t use this avenue. I would do it a little more quietly and a little more, I would ask some questions before throwing an accusation out.” Koller, “What would you have done?”

Moegerle, “I didn’t, I did not make any...” Ronning, “What would you do Tim?” Moegerle, “I did not make any accusations, I asked staff to clarify what happens.”

DeRoche, “All right, Heidi, you’ve had more than enough time, let someone else speak. What would you do Tim?” Harrington, “As far as?” DeRoche, “In this situation, would you be a little more discrete or would you just bring it to Council?” Harrington, “I would

be more discrete. I'd get more information."

DeRoche, "Ron?" Koller, "I would probably be more discrete."

Moegerle, "Again, my view is to put an end to gossip."

DeRoche, "Jack, can you explain, now, please, the process for the residents to call in, what kind of happens?" Davis, "City staff does not go out and look for Code violations. Number one, we don't have the time nor the resources to do so. Code violations are complaint driven. The only time we go out for Code violations is when we receive a call from a resident or, if somebody does drive by and see, in a particular case, somebody's got 30 vehicles parked in their yard, we will stop for that. But, 99% of the things we do are based on call ins. The Building Official, the Building Inspector will go out and investigate the complaint. As I said previously, sometimes they go out and investigate the complaint and there is no violation. After that's done then the Building Official or Inspector will contact the property owner and inform them of what violation there is and give them a certain compliance time to get the matter cleared up and also tell them that we'll work with them and be very understanding in their problem. You know, sometimes the time of year is going to dictate too on what we can do. If somebody has a Code violation, it occurs in November, we'll be particularly sensitive to that because there is going to be weather issues. It may prevent them from doing anything until Spring. Again, we're not here to act as the 'Gestapo' on this. We're going to work with people and be very understanding of their situations. As long as they are willing to work and make progress in the situation, we're going to work with them."

Moegerle, "Thank you. That is exactly the answer I expected. I think that will allay the fears of a lot of residents."

DeRoche, "Anyone else have any comments they'd like to put in?"

Harrington, "I've driven through the Beach over there but I've been looking at the playground equipment, things like that. So if they've seen that, I'm just looking at the equipment. But, I have driven through a couple times."

Moegerle, "And, I drove down Jackson Street and talked to a couple people as well. But, you know, the way that the complaint was said to me with the 'patrolling' aspect of it, I think that's something we need to squelch right away. It's our duty to go and look at these things, absolutely."

Ronning, "Did you ask what kind of vehicle they were driving?" Moegerle, "Yes." Ronning, "What was it?" Moegerle, "I'll say that, I'll tell you privately." Ronning, "You will." Moegerle, "Yes, I will." Ronning, "Is it pertinent at all?" Moegerle, "You asked the question." Ronning, "I did ask the question and you're withholding it because it isn't us." Moegerle, "It was a pick-up truck." Ronning, "Well, there are a couple pick-up trucks out there." Moegerle, "Yeah, and the colors were some that they thought it was the Mayor's truck. I said I don't know."

DeRoche, "So what. I drive around the neighborhood every day." Moegerle, "Okay."

Ronning, "He lives there." DeRoche, "That's where I live." Moegerle, "Well, you know what? I can only tell you what I was told." DeRoche, "Yeah, well." Moegerle, "And people, the reporter was a very nervous person."

Enforcement
Report

DeRoche, "You know what, enough of the campaigning. We're done with this subject. All you're doing is putting things out there that you're not validating. Sorry about that, but..."
Moegerle, "I will tell you privately who it was because you yourself said we don't use names up here."

Ronning, "I do respect that. I don't expect you to say that but I will ask the question. You'd do the same thing." Moegerle, "I'll send it to you right now."

8.0B
Engineer

None.

8.0C
City Attorney

None.

8.0D
Finance
8.0D.1
2015 Budget
Discussion

Davis presented the staff report, indicating Council and Staff met on July 9, 2014, for a Work Meeting to discuss the 2015 proposed budget. Staff presented the overall 2015 budget and levy. Each department was represented by their respective department heads to answer any questions from the Council.

The goals and objectives that were set during this budget process included maintaining the current level of City services, maintaining an adequate General Fund Balance, maintaining transfers to the Capital Project Funds, and funding the Debt Service Levies that ensures current and future needs are met.

The City General Fund and Debt Service Funds are proposed to increase from \$5,126,950 to \$5,175,600 or a 0.9% increase. The EDA levy is proposed to remain the same as the 2014 level, which was \$123,022. The preliminary budget / levy is set to be approved at the September 3, 2014, Council meeting for submission to Anoka County. It is important to note that the preliminary levy will then be the maximum levy for 2015 and no further increases can be considered for the Final Levy, which will be submitted to Council for approval on December 3, 2014.

Davis, "Staff is recommending that Council consider confirming the proposed 2015 Budget Levy as their Preliminary 2015 Budget or provide direction to staff as to budget modifications."

Moegerle motioned to confirm the proposed 2015 Budget Levy as the Preliminary 2015 Budget Levy. Harrington seconded for discussion.

8.0D.1
2015 Budget

DeRoche, "Well, my comments would be I did a lot of calling around to different cities and looked at different things, I still have issues with this \$43,000 in Contingency for the EDA. I think if the EDA needs money, they can come to the Council. But, to just have it there in Contingency doesn't make any sense. I checked Oak Grove, I checked Ham Lake, I checked Forest Lake, I checked Blaine. None of them have it so why do we need \$43,000 in Contingency?" Davis, "My recommendation would be to leave that because we have a different and unique set of situations than those cities do. Also, we're going to be in a position where we may get requests to do certain special projects or activities to recruit or retain new business. One of the things that we've discussed recently is trying to see what we can do about getting a redetermination of some of our flood plain maps, which would require some expenditure and some potential survey work. This could be something that we could use to pay for that. It will also be very valuable if we get a prospect or a project in

here and get them started and find out, all of a sudden, from the Corps of Engineers, 'It's going to take us two years to give you a permit' and they say, 'We're going to go somewhere else.' So, hopefully, if we can get some things done like that to get some information straightened up beforehand, it will certainly help us in our efforts to recruit and retain business. If there's a concern with the Contingency, and I'm sure there is and I understand there is a certain matter of perception about that, I would recommend that if you retain it, you could put a cap on this.' If it rolls over into next year, then we won't increase it any at all. But, I think it would be advantageous on our part to at least have something there to draw upon should we have the need for it to attract a major prospect, any prospect, or retain an existing business."

DeRoche, "Well, we already have \$133,000 in the EDA." Davis, "We do but most of that is designated for a transfer to the General Fund to support staff's salaries for EDA activities." DeRoche, "I, my personal opinion, I don't think it's a good idea to have \$43,000 in Contingency."

Moegerle, "My personal opinion with regard to this is that while the EDA budget is associated with the Economic Development Authority, as a practical matter, this Council retains the right of approval on spending of those dollars. So, you know, the statement to that, 'We don't want them to spend that money.' Well, there is no 'them.' The spenders of those dollars, if at all, is this Council. So, it's not like there is a 'throttle' on the spending. That 'throttle' is in our 'hands.' If we're going to argue about spending as if it's uncontrolled, then we need to look at this Council. We have the ability to control that and respond to needs and requests of businesses coming to the City."

Ronning, "I'm like this. With regard to the approval by the Council, probably 99.9999% of the time, we approve money that's already been spent. Not future money. So, I don't have an opinion one way or the other but I don't see how we're going to be able to say that none of this is going to be spent until we say so. We approve stuff after the fact."

Moegerle, "Jack, would you address that please?" Davis, "You're correct in a certain part of that Tom. We approve those things that have been budgeted for, line items for operation and maintenance in departments. For any project or services, we always bring that to the Council for approval and that would be one of those things that would have to come before you before we expended any dollars. Also, because of the sensitive nature of the budget of this department, we would never expend anything without Council approval. I wouldn't even order a box of pencils without bringing it before you."

Moegerle, "And, we have not done that." Ronning, "If that's the case, I stand corrected." Moegerle, "And, we have not done that." DeRoche, "Ms. Moegerle, will you let other people talk?" Moegerle, "Nobody was speaking when I..." DeRoche, "Jack finished, Tom was trying to talk and..."

Ronning, "I just say, Jack, if that's the case, I stand corrected. I'm in error." Davis, "I would have no objection if you wanted to make it policy that any EDA expenditures, whether it was a dime or a thousand dollars, come before the Council for approval."

Moegerle, "Hasn't that been, in fact, what's happened though?" Davis, "The monies that we have spent, all of them have been approved before Council prior to contracting for services."

DeRoche, "But if that's the case, then why do you need the money in the Contingency? If the EDA is going to come before the Council anyway and ask for the money, then why do you need it in the Contingency?" Davis, "You could roll it over into the General Fund."

DeRoche, "Which would make more sense but then what would that put the EDA budget at?" Davis, "That would cut it to approximately \$80,000. The only issue with that is the EDA is a separate levy. So, if you reduce that levy and you find out you need to increase it in the future for some reason, whatever it is, it is much harder to do, to add that addition back in. But, again, I would recommend that you consider, and this is something you don't have to decide tonight, I mean this budget can be adjusted downward until we approve the Final in December. As a starting point, that we do keep a certain amount, whatever it is, whatever you feel comfortable with, as a Contingency in the EDA budget. Put a 'cap' on it to say, 'we won't exceed this unless we approve raising it.' If it rolls over next year and we don't spend any of it, then we'll reduce the next year's budget appropriately. If you want to make certain that any expenditures, no matter what they are, be brought to Council before anything is contracted or purchased, we can add that in there also."

Moegerle, "That's an excellent idea."

Ronning, "It seems very inefficient to have to do that all the time. The point I was making is that we don't always, most of the money that comes through here is already spent." Davis, "That's true but it's essentially for different purposes. It's for budgeted items that you've already approved. A Contingency is something that would be only specific upon the time of purchase and that way you would need to approve the whole thing." Ronning, "The Contingency is contingent on the contingents." Davis, "That's true."

Ronning, "Being the second year with this budget stuff, that just makes me a second year rookie. Last year we were into this until the end of September, was it? Or, October?" Davis, "Well, we had several meetings before our Preliminary Budget approval and then we discussed bits and pieces of it until the Final Budget approval in December."

Ronning, "As we are discussing this, this is by no way a 'done deal' to just go to December? If there's no approval, there's no action." Davis, "No, we don't have to do anything at all tonight. What we would like, if you want to give us some direction to go back and look at things, we can do that and have another meeting. Or, if you like what's been presented to you, we can say this is the Preliminary Budget and unless somebody comes up with some changes before September 3, then this is what we'll consider presenting to the County."

DeRoche, "Other than the EDA Contingency, I didn't have any issues. I know there were some comments made about Police and Fire before, but I think if people do some digging around, we're getting the best 'bang for the buck' here. You just can't cut it."

Moegerle, "Well, I'll reserve comment."

Ronning, "There is a motion on the table. The second was described as for discussion purposes." DeRoche, "Well, if we're not going to do anything with it, then why make a motion to accept it?" Ronning, "The motion is still there." Vierling, "The motion is to allow it as the Preliminary Levy. Now remember, as these levies go forward Council, you can always reduce them, you just cannot increase them."

Moegerle, "Right. That sends a strong message that, a good sign on the future levy."
Ronning, "Would you phrase, for clarification, would you phrase that as we recognize this as the Preliminary?"

Moegerle, "I used the exact terms taken from the Council, or, I'm sorry, the staff recommendation to, I made a motion to confirm the Proposed 2015 Budget Levy as the Preliminary 2015 Budget Levy. So, that covers that, I believe. And, the affect of that is we can't raise the Levy from this amount."

Ronning, "Oh, is it?" Moegerle, "No, we can't." Davis, "We can until September 3. Once the Preliminary Levy is passed, we cannot increase it any further but we can decrease it." DeRoche, "Right, in September." Davis, "Yeah."

Ronning, "What's the 'lock date' on action in either direction? More or less?" Davis, "The 'lock date,' and I think the deadline for submission to the County is September 15. Although this year, I think it's been pushed back to September 30. I don't see any point in deliberating past the 3rd. We have a meeting on the 3rd and the 17th. If everybody is confident that we're in good shape on the 3rd, we just ought to go ahead and pass the Preliminary Levy on the 3rd. On the Final Levy, the date due from the County is actually, probably December 30th. Traditionally, we've always done that the first meeting in December. Last year, we had some considerations about carrying it forward. But, we should be able to reach our Preliminary and Final by that September 3rd and December 3rd goals, in my opinion."

DeRoche, "I would recommend taking the Contingency and putting it into the General Fund. That's what he said, right?" Davis, "Well, my recommendation is to leave it in the Contingency but put a 'cap' on it."

Harrington, "Could we reduce that \$43,000? Then put a 'cap' on it of whatever amount?" Davis, "Whatever amount."

DeRoche, "What's Mike's thoughts on that? I mean, he's the Accountant." Davis, "Well, this really isn't an accounting question. This is more of a policy question."

DeRoche, "Well, I don't know. The question in my mind, why doesn't any other city do a Contingency?" Davis, "Again, the only answer I would have to that is we are in a little more unique position than they are. You know, each city is different. Again, we don't have to do the Contingency. If there's things you want to keep some extra, or just take it from the General Fund should something come up. Sometimes, it is much more difficult to take it from the General Fund. If it's already in the EDA budget, when you need something, if something comes up, it's already 'earmarked' for that purpose. For the General Fund, it's 'earmarked' for a multitude of uses and it may be that somebody may have issues with taking money from the General Fund for a certain project."

DeRoche, "Well, I guess in light of what I saw happen prior to coming in to this office and the way some of the decisions were, the political climate can change at any time. And, if it does, that's just my concern. There's four other people here." Davis, "And I appreciate all those and they're all legitimate. Sometimes it's just a matter of what you want to call it or where you want to put it. It's my opinion that it may be better left there. But, again, I just make the recommendations and you do the vote."

Koller, "I wouldn't have a problem leaving the money there. It's still under the control of the Council so it can't be spent without our approval."

Moegerle, "We're in a really unique situation where we're trying to get businesses here. If we have to use that money to secure a major business, it's better to have it than to get a loan from the General Fund and then do the shifting of monies later. I'd rather have that buffer that lets this Council welcome in a new businesses if it has to give some kind of incentive or whatever. There are so many potential ways that the money could be used. I think it just provides us extra options that we need at this time."

Ronning, "Mr. Vierling, would it be fair to say that we've kind of 'beat this to death' and we can talk about this as many times as we want in the future?" Vierling, "I think the Council, if you find value in the discussion, certainly that's fine I think, in many respects. Your total budget line item is going to be the same whether you have it there or someplace else. It's a good discussion for your purposes in terms of what you want to do. Some people would say it's a difference without a distinction. You can certainly call it where you will." Ronning, "Yes, thank you."

DeRoche, "That being said, I call the question."

Harrington, Koller, Moegerle, and Ronning-Aye; DeRoche-Nay, motion carries.

8.0E
Public Works

None.

8.0F
Fire
Department
8.0F.1

DuCharme, "Good evening Council, Mayor. Tonight I'll go over the, excuse my pager, my firefighters are talking. Tonight I'll go over the June 2014 report. Actually, as far as fire goes, it was a rather busy month for our Fire Department.

June Report

On June 30th, I think I reported this last week also at our budget Workshop, we had a pole barn fire. Unfortunately, the pole barn was a total loss. About \$30,000 in building and probably about \$70,000 in contents, is what we're estimating. That fire was actually started, we believe, by the property owner's son doing some cutting on some metals and some sparks actually got into some combustibles and started that fire. Actually, we were at three or four other fires on a Mutual Aid-type situation. The most serious was in Oak Grove where a structure was a total loss. We had one other fire in East Bethel, which was a shed fire, about 10' by 20' shed. Probably had a loss of about \$20,000 in building and contents there.

A couple other fire calls that would be worth noting. We did go out on what I call a hazardous materials investigation and it was reported of possible dumping of meth lab materials. Although taking a look through it, we didn't think that it necessarily was that of a meth lab.

We had one serious accident with a motorcycle crash that we actually air lifted one patient out. As far as I know, the injuries were non-life threatening. In the month of June, we had a total of 46 calls and 24 of those were medicals. Of those 24 medical calls, 21 of those were actually patients that were transported to the hospital. We continue our inspections of buildings. We did get through six of them in June.

8.0F.1
June Report

Then, of course, the Fire Department is, as Ms. Lachinski stated, working on the Booster Day Celebration this weekend. Starting Friday for us, Friday evening, we'll have the Explorers out there. They are going to challenge Bethel Fire Department in a water ball contest. I think Linwood might show up also. Are there any questions?"

Ronning, "One of these fires involved a guy that had a couple GTOs or something?" DuCharme, "Yeah." Ronning, "Which one was that?" DuCharme, "That was the pole barn fire. He had two GTOs inside the pole barn that he was working in." Ronning, "And they were good and now they're gone?" DuCharme, "They were going to be good and now they're gone. I think they were works in progress." Ronning, "What street was that on?" DuCharme, "Durant."

DeRoche, "I guess I'd like to sit down with you and kind of chat about, I watched the Oak Grove Council meeting regarding the fire that went on." DuCharme, "Yes. I actually attended the Oak Grove Council meeting this past Monday night. Is that the one you are talking about?" DeRoche, "Right." DuCharme, "And, neighboring Chiefs did help out the Oak Grove Chief as far as information to present and things like that."

DeRoche, "There's just some things that I saw that I'd like to 'bounce' off you. Listening to some of the residents, I don't think they really understand that all the cities around here are volunteer fire fighters. Unfortunately, the media didn't put out everything that really happened." DuCharme, "No and it was sad that Channel 5 reported that there might have been a jurisdictional issue, which was totally false."

DeRoche, "And, I guess, one thing that I did get out of it was the Deputies did, in fact, kick out the doors and the windows in the hope that maybe if someone or something was in there, it could get out." DuCharme, "Exactly. And in talking to the Deputies, when they went to the back of that house, and this house was totally engulfed in fire when the fire units showed up, when the Deputies went to the back of the house and kicked in that door, they were calling for the dogs. There were four dogs in the structure that, unfortunately and sadly, did not make it but they did call for the dogs. They could hear the dogs, but they couldn't get to the dogs."

DeRoche, "Right. And, I guess I wouldn't have expected them to go in there and look around." DuCharme, "No." DeRoche, "Maybe they have training, maybe they don't, but they sure as heck didn't have the equipment." DuCharme, "Not only that, Mr. Mayor, the Incident Commander had made the decision that was going to be a defensive fire fight from the start." DeRoche, "Right." DuCharme, "Which means there was going to be no one entering that structure until things got under control. That decision was made after everybody was accounted for." DeRoche, "Okay."

DuCharme, "Okay? And, the one thing that gets lost in the story, also, is that second house, the neighbor's house actually caught fire and was burning. That house was saved. They had very, very little smoke damage as far as inside. Now, the outside of the house, the siding, was burnt. But, the firefighters did an excellent job in protecting that exposure." DeRoche, "Right, and another thing I don't think people understand that came up, was the protocols. Certain things that have to happen, I would encourage anyone to watch that Council meeting. If nothing else, just that part because there's a lot of questions that can be answered."

happened Monday night where we actually went through, helped the Fire Chief prepare a presentation. It was unfortunate, very unfortunate. Our residents, hopefully, are getting the message that when you have a fire in a fireplace or in a fire pit, don't put those ashes in a plastic garbage can, especially right next to a house. We've had this happen in our City also." DeRoche, "Yes." Moegerle, "Yes." DuCharme, "It is just so dangerous."

DeRoche, "Thanks Mark." DuCharme, "No problem, thank you." Moegerle, "Very good, thank you." Harrington, "Thanks Mark."

8.0G
City
Administrator

None.

9.0 Other
9.0A
Staff Reports

Davis, "The Anoka County Commissioners are holding their annual tent at the 3M Championship Tournament July 31 through August 3. If anyone wants tickets to their hospitality tent, they will have some agendas and presentations and programs going on that involve economic development activities, let me know and I'll get you registered for that."

9.0B
Council
Report –
Member
Koller

Koller, "Well, not a whole lot there. I attended the Fire Department's meeting Monday and we ended up going out and watching them flush hydrants out. They had a little problem with reaching some of them because of the high water and tall grass. Hopefully, the City took care of some of the grass." Davis, "We can't do anything with the water but the grass issue has been taken care of."

Koller, "There's a couple of them with plenty of water around them. We went to the Booster meeting yesterday and you all heard from Denise. It's this weekend and she put in a lot of work and so did the other people. I think it should be pretty good. The weather's going to be nice. That's about it."

Council
Member
Moegerle

Moegerle, "Thank you. I have quite a few things. Last week, I attended the Upper Rum River Water Management Organization (WMO) meeting. It's the second one I attended. At both of the meetings, a representative from the Board of Water and Soil Resources (BWSR) was there, mainly with regard to the review of the WMO's progress on the March 2007 Plan. The representative of BWSR was diplomatic but not satisfied with the progress that the WMO has been making and, in fact, has suggested that the Upper Rum River WMO disband and, perhaps, join with the Lower Rum River WMO. So, while this is not the final result, it was a cautionary tale, to be diplomatic, and there's much concern that if we don't follow the Plan that the Upper Rum River WMO could be disbanded and be replaced by a District, which is extremely costly, as we were advised. So, something to keep in mind. I will be following. Basically, no work was done because I think the long-term members were a bit stunned by that news."

On Friday, I attended the DNR's Northeast Groundwater Advisory Committee meeting. Last year, Minneapolis indicated that it wanted to tack 30 wells into the Mount Simon aquifer as a backup water supply to water that it takes from the Mississippi. It was also organized because of White Bear Lake's problems with its low water levels. This was the first time I attended the meeting and there's some progress to making a plan but what was clear was it's still possible, probable, that, and this comes from Kathy Tingelstad from Anoka County who's attended all the meetings, that Minneapolis will pay for those wells itself as opposed to seeking other monies. Since water seeks its own level and flows downhill, if those wells go on line and not kept as back up, it's going to affect our water resources as well. As a practical matter, the area covered by this Northeast Groundwater

Council
Member

Advisory Committee goes to the western border of Columbus. So, that affects people in the Coon Lake Beach area but, again, this was rather arbitrary.

I think that this is going to be something that we really need to follow because as the Twin Cities area increases in population and they need more demand for water, they are going to want to tap those wells. We only have water from lakes and groundwater. So, if they take our groundwater, our wells are going to be deeper. There's lots of consequences, which are costly to us. I think this is another cautionary tale of pay attention to what's going on outside of the City's limits.

I had not been at Coon Lake for the previous two 4th of July celebrations and it was spectacular. If you weren't there, you missed the flotilla out on the lake, fireworks were going off from the lake, fireworks were going off on Lakeshore Drive, and it went on for hours, thousands and thousands of dollars of fireworks. Spectacular. Don't miss it. The boat parade was a great event as well and lots of people got wet and had a great time. The only thing that would have made it better was actually a street fair-type of blocking off of Lakeshore so the celebration could continue.

The EDA meeting for Monday has been canceled; however, it's my understanding that members of the EDA will be at Booster Days and will be there to answer questions. If any resident has any questions, feel free to come up, ask me questions, and we'll try to set straight gossip and rumor and get some facts. So, that's all I have."

Council
Member
Ronning

Ronning, "I don't have a whole lot. I was at that meeting with Ron last night with Booster Days. We all know this, but it doesn't hurt to bring it up again and just repeat it. These people do a lot of work. It was a Fire Department guy going through my subdivision last and it's all on their own time. It's all on their own time and there's a lot of dedication to it. There was some changes, almost last minute changes, and they responded to it really well, I thought. I figure we at least owe them a hand for all the work they've done, because they want to."

Council
Member
Harrington

Harrington, "I've got a letter I'd like to read. It's from Holly Schoephoerster, I hope I didn't 'butcher' that last name. It was sent Tuesday, July 8th, to Karen White. Subject: Thank you Bob DeRoche.

It says: 'Hi Karen, I'm not sure what's the best way to send out my thanks would be, but I thought I would start with you. I wanted to say thank you to you, the Mayor of East Bethel Bob DeRoche. A few weeks ago, the motor went out on my car while I was driving down Highway 35 enroute to visit my family. Bob immediately pulled over in front of my car to see if I needed help. He patiently and knowledgeably assessed the damage and told me he would help tow my car off the freeway. He got my car safely off the freeway after back-towing it two miles. My family wasn't answering their phones so he stayed with me and helped me make arrangements to keep my car at a nearby gas station.

He had shown me his credentials and was honest, kind, generous, helpful, throughout the whole stressful endeavor. He even offered to drive me 45 minutes to a cabin my family was staying at. In the end, I got a hold of my family and they picked me up. But, I could not have been more impressed and thankful for the wonderful Mayor of East Bethel.

Council
Member

I'm not sure if you'll be able to post my thanks to a community site, newspaper, etc., but I want to make sure Bob is able to know how appreciated his civil service to me was. You

*just don't meet many great genuinely good, kind folks these days.
Thank you. Holly Schoephoerster.*

Mayor
DeRoche

Moegerle, "Campaign speech." DeRoche, "No, actually I think it's kind of nice for the City of East Bethel because it shows that maybe there are people up here that are kind and generous." Moegerle, "There's never been a question of..." DeRoche, "Your Council Report is done." Moegerle, "Were you starting your Council report? I'm sorry I didn't understand that." DeRoche, "Is that all right?"

DeRoche, "I'm not going to do a long, drawn-out Council report. This weekend is Booster Days, there's quite a bit planned. I plan on being there, I know. I plan on being in the parade. Never done it, not quite sure what to do. I plan on being, at least initially, the MC at the Pageant Scholarship Program. Then I'll turn it over to Jack because I think he probably has a little more experience with that stuff. I think it would be kind of nice, though, if the Mayor introduces the City, thanks them. I think they do a great job. From what I hear, it's quite a bit of work. I think the one night that they were doing the applications is one night we had a meeting and I think they wound up staying even longer than we did. So, it's quite the process.

Fourth of July, yes, it was a good time. A lot of fireworks and as far as I know, no one got hurt.

I think the ATV situation in the neighborhood has somewhat been addressed. Don't see quite so many of them racing around with kids any more. I hate to be a killjoy but, you know what, all it's going to take is when there's three or four little kids on a 4-wheeler that's bigger than all of them, and something happens. As a matter of fact, today there was one call that I'm not going to say the city but there were three young kids on a 4-wheeler that went off and two of them wound up going to the hospital in an ambulance. They were under age, no helmets. I don't know, you've got to wake up parents. You can't be letting your kids do that. That's all I got."

Ronning, "One quick thing. For what it's worth, that communication came from, I'm not going to pronounce her last name, Holly something, from Proctor & Gamble Target Team, 33 South 6th Street, Suite 4030. Hey, that's a nice comment. It's a very nice comment. It's not unique. A lot of people, everybody I know would stop and help somebody. And, it's nice that you were able to do that Bob."

DeRoche, "I think anybody would. I would hope. In this day and age, some people are afraid to." Ronning, "Yes." DeRoche, "Some people are in too big of a hurry. But, whatever."

9.0C
Other

None.

9.0D
Closed
Session

Vierling, "We'd note for the benefit of the record and for the public at this time that the Council is about to go into Closed Session, under authority of Minnesota Statutes 13D.05, to discuss possible acquisitions by purchase of two real properties within the City of East Bethel. For the purposes of the record, we would note the properties to be identified for purposes of the discussion are those identified by Anoka County Property Identification Numbers 36.33.23.13.0015 and 36.33.23.33.0019. Council will go into Closed Session and after having concluded the Closed Session will come back out into Open Session and

9.0D

Closed
Session

announce or summarize any actions that have been taken during the course of the Closed Session. The Closed Session will be recorded as is required by Statute with the tape for a period of two years. With that being said, Mr. Mayor, I would suggest that you entertain a motion to close the Session for the purposes indicated in the announcement.

Moegerle made a motion to go into Closed Session at 8:51 p.m. for the purposes indicated by Attorney Vierling. Koller seconded. All in favor, motion carries unanimously.

Reconvene
Open Session

Vierling, "For the members of the public and for the record, we would note that the City Council is back into Open Session after having concluded the Closed Session meeting under Minnesota Statutes 13D.05. The City Council's Closed Meeting was attended by all members of the Council including the Mayor, was also attended by staff members Jack Davis, City Administrator, Craig Jochum, City Engineer, and myself, the City Attorney. Council reviewed issues with two properties for possible acquisition by purchase. They are parcels 36.33.23.13.0015 and 36.33.23.33.0019. Council reviewed matters with staff on strategies and issues with regard to the parcels, took no specific motions, or made any specific actions but gave staff direction with regard to continued negotiations and discussions with the property owners. With that being said, Mr. Mayor, that concludes the summary report required by Statute."

DeRoche, "We have to make a motion to do the warranty deed." Vierling, "No, we do not."

**10.0
Adjourn**

Moegerle made a motion to adjourn at 9:10 p.m. Koller seconded. All in favor, motion carries unanimously.

Submitted by:
Carla Wirth
TimeSaver Off Site Secretarial, Inc.

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

RESOLUTION NO. 2014-23

WHEREAS, the City of East Bethel must approve those City officials designated to sign checks for the City's Peoples Bank of Commerce Checking Account;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the following persons are designated official signatories for the City of East Bethel's Peoples Bank of Commerce Checking Account:

Mayor:	Robert DeRoche
Acting Mayor:	Tom Ronning
City Administrator:	Charles Davis

Adopted this 6th day of August, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Robert DeRoche, Jr., Mayor

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2014-24

**RESOLUTION PROCLAIMING OCTOBER 2014 AS DOMESTIC VIOLENCE
AWARENESS MONTH**

WHEREAS, the community problem of domestic violence has become a critical public health and welfare concern in Anoka County and the City of East Bethel; and

WHEREAS, domestic violence is a crime, the commission of which will not be tolerated in Anoka County and the City of East Bethel, and perpetrators of said crime are subject to prosecution and conviction in accordance with the law; and

WHEREAS, over thousands of women and children have and will continue to access assistance from Alexandra House, Inc., a domestic violence service provider; and

WHEREAS, domestic violence will be eliminated through community partnerships of concerned individuals and organizations working together to prevent abuse while at the same time effecting social and legal change; and

WHEREAS, October is National Domestic Violence Awareness Month; and

WHEREAS, during National Domestic Violence Awareness Month, Anoka County and the City of East Bethel organizations will inform area residents about domestic violence, its prevalence, consequences and what we, as a concerned community can do to eliminate its existence.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL, MINNESOTA THAT: October 2014 is proclaimed Domestic Violence Awareness Month.

Adopted this 6th day of August, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Robert DeRoche, Jr., Mayor

ATTEST:

Jack Davis, City Administrator

ANOKA COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

AGREEMENT

between

THE COUNTY OF ANOKA,
a Political Subdivision of the State of Minnesota,
by and Through the Anoka County Housing & Redevelopment Authority,
a Public Body Corporate and Politic

AND

CITY OF EAST BETHEL

This Agreement is entered into this 1st day of July, 2014, between the County of Anoka, a political subdivision of the State of Minnesota, by and through the Anoka County Housing and Redevelopment Authority, a public body corporate and politic (hereinafter referred to as the "HRA"), and City of East Bethel (hereinafter referred to as the "Agency"):

RECITALS

- A. The County of Anoka (hereinafter "County") is an urban county applicant for block grant funds under the Housing and Community Development Act of 1974 (the Act), Pub. L. 93-383 as amended, and will receive block grant funds for the purpose of carrying out eligible community development and housing activities under the Act and under regulations promulgated by the Department of Housing and Urban Development (HUD) at 24 CFR p. 570 and CFDA 14.218.
- B. An Urban County Consortium has been established by a Joint Cooperation Agreement between the County and municipal corporations within the County, the terms of which specify allocation of block grant funds to those participating jurisdictions for use in accordance with the County Housing Assistance and Community Development Plans accepted by participating jurisdictions and reviewed by HUD;
- C. The County has entered into a joint powers agreement with the HRA to administer the Community Development Block Grant Program and delegated to the HRA the rights, duties and obligations to disperse, monitor and administer funds under the Community Development Block Grant program, in a manner consistent with terms and conditions imposed on the County by agreement, County resolution, HUD regulations, and the Community Development Block Grant Plan;
- D. The HRA desires to have certain services performed by the Agency as described within this agreement, and as authorized by County resolutions for the purpose of implementing eligible activities under the Act and HUD regulations;
- E. It is appropriate and mutually desirable that the Agency be designated by the HRA to undertake the aforementioned eligible activities, so long as the requirements of the Act, HUD Regulations, state law and local law are adhered to, as provided for herein;
- F. The purpose of this Agreement is to provide for cooperation between the HRA and the Agency, as the parties in this agreement, in implementing such eligible activities in the manner described above;
- G. The parties are authorized and empowered to enter into this Agreement by the Laws of the State of Minnesota.

H. The attached exhibits as listed below are hereby incorporated in this agreement and made a part hereof:

- PART I. GENERAL CONDITIONS
- PART II. FEDERAL AND LOCAL PROGRAM REQUIREMENTS
- PART III. EVALUATION AND RECORD KEEPING
- Exhibit A HUD Project Activity Sheet
- Exhibit B Objectives of CDBG Funds
- Exhibit C Anoka County Board Resolution No. 85-23
- Exhibit D Anoka County Board Resolution No. 85-42
- Exhibit E Anoka County Board Resolution No. 86-70
- Exhibit F Certification
- Exhibit G Equal Employment Opportunity Certification
- Exhibit H Federal Labor Standards Provisions
- Exhibit I Section 3 Clause as set forth in 24 CFR Part 135.38

I. In consideration of payments, covenants, and agreements hereinafter mentioned, to be made and performed by the parties hereto, the parties mutually covenant and agree as provided for in this agreement.

ANOKA COUNTY

CITY OF EAST BETHEL

DUNS Number: 96-286-7438

By: _____
Karen Skepper, Director
Community and Government Relations

By: _____
(signature)

Name: _____
(print)

Date: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Christine Carney, Assistant County Attorney

By: _____
(signature)

Name: _____
(print)

Date: _____

Title: _____

Date: _____

Hereinafter, references to the "County" shall be deemed to be references to the Anoka County Housing and Redevelopment Authority.

PART I. GENERAL CONDITIONS

1. SCOPE OF AGREEMENT

The Agreement between the parties shall consist of the signature page, the general conditions; the federal, state and local program requirements; the evaluation and record keeping requirements, each and every project exhibit incorporated into the Agreement; all matters and laws incorporated by reference herein; and any written amendments made according to the general conditions. This Agreement supersedes any and all former agreements applicable to projects attached as exhibits to this Agreement.

2. SCOPE OF SERVICES

The Agency shall perform and carry out in a satisfactory and proper manner the services set forth in the Exhibit(s) attached hereto. In the case of multiple projects, each project shall correspond to a separate exhibit. This Agreement may be amended from time to time, in accordance with the general conditions, for the purpose of adding new projects, amending the scope of work, or for any other lawful purpose.

3. COMMENCEMENT AND TERMINATION OF PROJECTS

Upon release of project-related funds by HUD pursuant to federal regulations, the County shall furnish the Agency with written notice to proceed. No work on the project shall occur prior to the notice to proceed without written approval from the County. Termination dates for individual projects shall be specified in the appropriate exhibits and be in compliance with County Board Resolution #85-23, attached as Exhibit C. Costs incurred after the termination date will not be reimbursed. The termination date may be changed through amendment of this Agreement.

4. ADMINISTRATION

A. The Agency shall appoint a liaison person who shall be responsible for overall administration of block grant funded project(s) and coordination with the County Housing and Community Development Program. The Agency shall also designate one or more representatives who shall be authorized to sign the Disbursement Request Form. The names of the liaison persons and representatives shall be specified in the Exhibit A.

B. For all agencies that are presently parties to Joint Cooperation Agreements with the County covering planning, distribution of funds, and program execution under the Act, the Agency remains subject to the provisions of such agreement.

5. COMPENSATION AND METHOD OF PAYMENT

A. The County shall reimburse the Agency for the services specified in the Exhibits in an amount specified on Exhibit A. Reimbursement shall be based on a Community Development Disbursement Request Form submitted with supporting documents and signed by the Agency's authorized representative.

B. The Agency must submit a properly executed Disbursement Request Form to the county. The County will make payment to the Agency not more than ten (10) working days after said invoice is received and approved by Anoka County. The County will issue a statement of correction voucher in the event that the voucher request is erroneous. Payment does not constitute absolute approval.

C. As the County must pass HUD's annual timelessness test for spending funds each May 1st, the County requires Agency reimbursement requests be submitted as specified in Exhibit A and below:

- Public Service Activities: The Agency must spend at least 50% of its allocated funds by December 31st of this Agreement's program year. All funding requests and HUD-required beneficiary data are to be submitted on a quarterly basis during the program year with Quarter 1 due September 30, Quarter 2 due December 31, Quarter 3 due March 31, and Quarter 4 due June 15. **Any allocated funds not spent by the end of this Agreement's term will be recaptured by the County.**

- Project Activities: The Agency must complete a partial draw within six to nine months of contract date. The Agency must spend 100% of allocated funding by no later than the end of this Agreement's term. The Agency's final reimbursement request and accomplishment data must be submitted to the County prior to Exhibit A's Completion Date. **Any funds not spent by the end of this Agreement's term will be recaptured by the county.**

6. **OPERATING BUDGET**

The Agency shall apply the funds received from the County under this Agreement in accordance with the requirements of the Exhibit(s) attached hereto.

7. **FUNDING ALTERNATIVES AND FUTURE SUPPORT**

- A. The Agency shall report all program income revenues generated under this Agreement for the purposes specified herein or generated through the project(s) funded under this Agreement. **All program income shall be forwarded to Anoka County, except as provided in Exhibit D.**
- B. The County makes no commitment to future support and assumes no obligation for future support of the activities contracted for herein, except as expressly set forth in this Agreement.
- C. Should anticipated sources of revenue not become available to the County for use in the Community Development Block Grant Program, the County shall immediately notify the Agency in writing and the County will be released from all contracted liability for that portion of the Agreement covered by funds not received by the County.

8. **AMENDMENTS**

Either party may request modifications in the scope of services, terms, or conditions of this Agreement. Proposed modifications that are mutually agreed upon shall be incorporated by written amendment to this Agreement. A written amendment may affect a project or projects authorized by this Agreement or may be of general application. It shall be expected that an amendment may trigger the Substantial Amendment process to be completed with citizen notification.

9. **ASSIGNMENT AND SUBCONTRACTING**

- A. The Agency shall not assign any portion of this Agreement without the written consent of the County, and it is further agreed that said consent must be sought by the Agency not less than fifteen (15) days prior to the date of any proposed assignment.
- B. Any work or services assigned or subcontracted hereunder shall be subject to each provision of this Agreement and proper bidding procedures contained therein. The Agency agrees that it is as fully responsible to the County for the acts and omissions of its subcontractors and of their employees and agents, as it is for the acts and omissions of its own employees and agents.

10. **HOLD HARMLESS AND INDEMNIFICATION**

- A. The Agency further agrees that it is financially responsible (liable) for any audit exception that occurs due to its negligence or failure to comply with the terms of the Agreement.
- B. The Agency agrees to protect and save the County, its elected and appointed officials, agents, and employees while acting within the scope of their duties as such, and agrees to hold them harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Agency's employees or third parties on account of personal injuries, death or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Agency and/or its agents, employees, subcontractors or representatives under this Agreement.

11. **INSURANCE**

For all agencies that are not municipal corporations organized under the laws of the State of Minnesota, the following insurance requirements shall apply:

A. **Public Liability Insurance**

The Agency shall obtain and maintain continuously public liability insurance necessary to protect the public on the subject premises naming the "County of Anoka, Minnesota" and the "Anoka County Housing and Redevelopment Authority" as additional insureds to the extent of One Million Five Hundred Thousand and no/100 Dollars (\$1,500,000.00) General Liability Insurance including bodily injury and property damage or a combined policy with umbrella excess liability of One Million Five Hundred Thousand and no/100 Dollars (\$1,500,000.00) and provide proof of Worker's Compensation Insurance pursuant to the Statutes of the State of Minnesota.

B. **Building Risk Insurance**

If the funds granted herein are used for new construction then the Agency shall cause to be maintained, during the period that contract work is in progress, All Risk Builder's Insurance, (including fire, vandalism, malicious mischief and extended coverage) in an amount not less than the value of destructible contract work in place.

C. **Proof of Insurance**

The Agency shall provide certificates of insurance required under this section, or, upon request of the County, duplicates of the policies as evidence of the insurance protection afforded. Such insurance policies shall not be reduced or canceled without thirty (30) days prior written notice to the County.

12. **CONFLICT OF INTEREST**

A. **Interest of Officers, Employees, or Agents** - No employee, agent, consultant, officer, or elected or appointed official of the Agency who exercises any functions or responsibilities with respect to Block Grant Program activities assisted under this Program or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

B. **Interest of Subcontractor and Their Employees** - The Agency agrees that it will incorporate into every subcontract required to be in writing and made pursuant to this Agreement the following provisions:

The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Block Grant Program has any personal financial interest, direct or indirect, in this Contract. The Contractor further covenants that he presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services hereunder. The Contractor further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. Any interest on the part of the Contractor or his employees must be disclosed to the Agency and the County.

13. **DATA PRIVACY**

All data collected, created, received, maintained, or disseminated, or used for any purposes in the course of the Provider's performance of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes 2003, Section 13.01 et seq. or any other applicable State statutes and any State rules adopted to implement the Act, as well as State statutes and Federal regulations on data privacy. The Provider agrees to abide by these statutes, rules, and regulations and as they may be amended.

14. TERMINATION

- A. This Agreement is subject to termination upon thirty (30) days written notice by the County should:
- (1) The Agency mismanage or make improper or unlawful use of Agreement funds;
 - (2) The Agency fail to comply with the terms and conditions expressed herein or the applicable regulations and directives of the Federal Government, State, or County;
 - (3) The Agency fail to provide work or services expressed by this Agreement; or
 - (4) The Agency fail to submit reports or submit incomplete or inaccurate reports in any material respect.
- B. This Agreement may be terminated by the County immediately upon the receipt by the County of notice of the loss of federal funding for the Community Development Block Grant Program or any project of the Agency.
- C. This Agreement is subject to termination upon thirty (30) days written notice by the Agency should:
- (1) The County fail in its commitment under this Agreement to provide funding for services rendered, as herein provided; or
 - (2) Block Grant funds become no longer available from the Federal Government or through the County.
- D. Otherwise this Agreement shall terminate on the latest termination date specified on the Exhibit(s) attached hereto and shall be subject to extension only by mutual agreement and amendment in accordance with the General Conditions of this Agreement except the County may terminate the agreement if funds are not expended as required by Exhibit C.
- E. Upon termination of this Agreement any unexpended balance of Agreement funds shall remain in the County Block Grant fund.
- F. In the event that termination occurs under paragraph A (1) of this section, the Agency shall return to the County all funds which were expended in violation of the terms of this Agreement.

15. USE AND REVERSION OF ASSETS

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which included but are not limited to the following:

- A. The Agency shall transfer to the County any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation or termination. Such payment shall constitute program income to the HRA.
- B. Real property under the Agency's control which was acquired or improved in whole or in part using CDBG funds accumulated in excess of \$25,000 shall apply standards set forth in 570.505. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement of CDBG program or, with respect to other recipients until five years after the closeout of the grant from which the assistance to the property was provided. The Agency may not change the use or planned use of any such property including the beneficiaries of such use from that for which the acquisition or improvement was made. If the Agency fails to use CDBG assisted real property in a manner that meets a CDBG National Objective, sells, transfers title or there is a change in use, the Agency shall pay the HRA an amount equal to the current fair market value of the property less any portion of the value attributable to the

expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the HRA.

- C. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income to the HRA. Equipment not needed by the Agency for activities under this Agreement shall be (a) transferred to the HRA for the CDBG program or (b) retained after compensating the HRA, an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment. The Agency agrees that any nonexpendable personal property, purchased wholly or in part with agreement funds at a cost of Five Hundred and no/100 Dollars (\$500.00) or more per item, is upon its purchase or receipt the property of the County and/or federal government. Final ownership and disposition of such property shall be determined under the provisions of the U.S. Office of Management and Budget Circular No. A-102 or A-110 as appropriate. The Agency shall be responsible for all such property, including its care and maintenance.

1. The Agency shall meet the following procedural requirements for all such property:
 - a) Property records shall be maintained accurately and provide for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; source of the property; percentage of block grant funds used in the purchase of property; and location, use, and condition of the property.
 - b) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two (2) years to verify the existence, current utilization, and continued need for the property.
 - c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft to the property. Any loss, damage, or theft of the property shall be investigated and fully documented.
 - d) Adequate maintenance procedures shall be implemented to keep the property in good condition.

16. **DISPOSITION OF PROGRAM INCOME**

Upon the expiration or termination of this agreement, any unexpended program income or program income that has not been spent on the project, shall be returned by the Agency to the County.

PART II. FEDERAL AND LOCAL PROGRAM REQUIREMENTS

1. **GENERAL REQUIREMENTS**

The Agency shall comply with the Housing and Community Development Act of 1974, Public Law 93-383 as amended, and Implementing Regulations at 24 CFR p. 570.

2. **PROCUREMENT STANDARDS**

In awarding contracts pursuant to this Agreement, the Agency shall comply with all applicable requirements of local and state law for awarding contracts, including but not limited to procedures for competitive bidding, contractor's bonds, and retained percentages. In addition, the Agency shall comply with the requirements of the U.S. Office of Management and Budget Circular A-102 or A-110 as appropriate, relating to bonding, insurance and procurement standards; and with Executive Order 11246 regarding nondiscrimination bid conditions for projects over Ten Thousand and no/100 Dollars (\$10,000.00). Where federal standards differ from local or state standards, the stricter standards shall apply. The federal standard of Ten Thousand and no/100 Dollars (\$10,000.00) for competitive bidding shall apply only if the applicable state or local standard for competitive bidding is less strict than Ten Thousand and no/100 Dollars (\$10,000.00).

3. **ENVIRONMENTAL REVIEW**

- A. National Environmental Policy Act - The County retains environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act as implemented by HUD

Environmental Review Procedures (24 CFR pt. 58). The County may require the Agency to furnish data, information and assistance for the County's review and assessment in determining whether an Environmental Impact Statement must be prepared.

- B. State Environmental Policy Act - Agencies that are branches of government under Minnesota Law, retain responsibility for fulfilling the requirements of the State Law regarding environmental policy and conservation, and regulations and ordinances adopted thereunder. If the agency is not a branch of government under Minnesota Law, the County may require the agency to furnish data, information and assistance as necessary to enable the County to comply with the State Environmental Policy Act.
- C. Satisfaction of Environmental Requirements - Project execution under this Agreement by either the County or the Agency shall not proceed until satisfaction of all applicable requirements of the National and State Environmental Policy Acts. A written notice to proceed will not be issued by the County until all such requirements have been met.

4. NON-DISCRIMINATION

A. General

The Agency shall comply with all federal, state and local laws prohibiting discrimination on the basis of age, sex, sexual orientation, marital status, race, creed, color, national origin or the presence of any sensory, mental or physical handicap or any other basis now or hereafter prohibited by Law. These requirements are specified in Section 109 of the Housing and Community Development Act of 1974; Civil Rights Act of 1964, Title VI; Civil Rights Act of 1964, Title VII; Executive Order 11063; Executive Order 11246; and Section 3 of the Housing and Urban Development Act of 1968. Specifically, the Agency is prohibited from taking any discriminatory actions defined in the HUD Regulations at 24 CFR 570.602 Section 109 and shall take such affirmative and corrective actions as are required by the Regulations at CFR 570.602. These requirements are summarized in the following paragraphs:

B. Program Benefit

The Agency shall not discriminate against any resident of the project service area by denying benefit from or participation in any block grant funded activity on the basis of race, color, sex, sexual orientation, or national origin. (Civil Rights Act of 1964, Title VI; Civil Rights Act of 1964, Title VII; Section 109, Housing and Community Development Act of 1974).

C. Fair Housing

The Agency shall take necessary and appropriate actions to prevent discrimination in federally assisted housing and lending practices related to loans insured or guaranteed by the federal government. (Civil Rights Act of 1964, Title VII; Executive Order 11063)

D. Employment

(1) In all solicitations under this Agreement, the Agency shall state that all qualified applicants will be considered for employment. The words "equal opportunity employer" in advertisements shall constitute compliance with this section.

(2) The Agency shall not discriminate against an employee or applicant for employment in connection with this Agreement because of age, marital status, sexual orientation, race, creed, color, national origin, or the presence of any sensory, mental or physical handicap, except when there is a bona fide occupational limitation. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training. (Executive Order 11246 as amended)

- (3) To the greatest extent feasible, the Agency shall provide training and employment opportunities for lower income residents within the area served by block grant assisted projects (Section 3, Housing and Community Development Act of 1968, as amended). See Exhibit I – “Section 3”

E. Contractors and Suppliers

- (1) No contractor, subcontractor, union or vendor engaged in any activity under this Agreement shall discriminate in the sale of materials, equipment or labor on the basis of age, sex, sexual orientation, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical handicap. Such practices include upgrading, demotion, recruiting, transfer, layoff, termination, pay rate, and advertisement for employment. (Executive Order 11246 as amended.)
- (2) All firms and organizations described above shall be required to submit to the Agency certificates of compliance demonstrating that they have, in fact, complied with the foregoing provisions; provided, that certificates of compliance shall not be required from firms and organizations on contracts and/or yearly sales of less than \$10,000.
- (3) To the greatest extent feasible, the Agency shall purchase supplies and services for activities under this agreement from vendors and contractors whose businesses are located in the area served by block grant funded activities or owned in substantial part by project area residents. (Section 3, Housing and Community Development Act of 1968, as amended.)

F. Notice

- (1) The Agency shall include the provisions of the appropriate preceding subsections A, B, C, D, and E of this section in every contract or purchase order for goods and services under this Agreement and shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the said labor union or worker's representative of the commitments made in these subsections.
- (2) In advertising for employees, goods or services for activities under this Agreement, the agency shall utilize minority publications in addition to publications of general circulation.

5. LABOR STANDARDS

The Agency shall require that project construction contractors and subcontractors pay their laborers and mechanics at wage rates in accordance with the Davis-Bacon Act, as amended (40 USC sections 327-333); provided that this section shall not apply to rehabilitation of residential property designed for residential use by fewer than eight families.

A copy of the current Federal Prevailing Wage rate and HUD forms 4010 and 92010 must be included in all construction bid specs and contracts.

6. ACQUISITION AND RELOCATION

- A. Any acquisition of real property for any activity assisted under this Agreement shall comply with Title III of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (hereinafter referred to as the Uniform Act) (42 USC section 4601) and the Regulations at 24 CFR pt. 42.
- B. Any displacement of persons, business, nonprofit organizations or farms as the result of acquisition of real property assisted under this Agreement shall comply with Title II of the Uniform Act as amended by the Uniform Relocation Act as amended Title IV of the Surface Transportation and Uniform Relocation Assistance Act as amended (Pub. L 100-17, 101 Stat. 246-256) and the Regulations at 49 CFR pt. 24. The Agency shall comply with the Regulations pertaining to costs of relocation and written policies, as specified by 24 CFR section 570.606 (a) & (b).

- C. In any activity assisted under this agreement which results in demolition or conversion to another use of low/moderate income housing, the agency will follow the requirements set forth in the revised section 104(d) of the Housing and Community Development Act of 1974, as amended, and implementing regulations.

7. **HISTORIC PRESERVATION**

The Agency shall meet the historic preservation requirements of Public Law 89-665 and the Archeological and Historic Preservation Act of 1974 (Pub. L. 93-291) and Executive Order 11593, including the procedures prescribed by the Advisory Council on Historic Preservation in the Regulations at 36 CFR pt. 800. Activities affecting property listed in or found to be eligible for inclusion in the National Register of Historic Places will be subject to requirements set forth in HUD Environmental Review Procedures at 24 CFR pt. 58.

8. **ARCHITECTURAL BARRIERS**

Any facility constructed pursuant to this Agreement shall comply with design requirements of the Architectural Barriers Act of 1968 (42 USC section 4151 et. seq. & 24 CFR 40, et. seq.).

9. **NONPARTICIPATION IN POLITICAL ACTIVITIES**

The Agency shall comply with the provisions of the Hatch Act (5 USC Chapter 15).

10. **CONDITIONS FOR RELIGIOUS ORGANIZATIONS**

The Agency agrees that funds provided under this contract will not be utilized for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the Federal regulations specified in 24 CFR 570.200(j).

11. **NATIONAL FLOOD INSURANCE**

The Agency may not receive Community Development Block Grant funding for acquisition or construction for use in any area that has been identified as having special flood hazards and is not participating in the National Flood Insurance Program, as provided by Section 3(a) of the Flood Disaster Protection Act of 1973 (Pub. L. 93- 234) and the Regulations thereunder (24 CFR Ch. 58.6, sub chap. B). The Agency shall comply with the Regulations at 24 CFR section 570.605.

12. **AIR AND WATER POLLUTION**

The Agency shall comply with the provisions of the Clean Air Act, as amended (42 USC section 1857 et seq.) and the Federal Water Pollution Control Act, as amended (33 USC sections 1251 et seq.) and the regulations issued thereunder (40 CFR pt. 15).

13. **LEAD-BASED PAINT POISONING**

The Agency shall comply with the HUD Lead-Based Paint Regulations (24 CFR pt. 35) issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 USC sections 4831 et seq.) requiring (1) prohibition of the use of lead-based paint (whenever funds under this Agreement are used directly or indirectly for construction, rehabilitation, or modernization of residential structures); (2) elimination of immediate lead-based paint hazards in residential structures; and (3) notification of the hazards of lead-based paint poisoning to purchasers and tenants of residential structures constructed prior to 1978.

All work performed on lead-containing surfaces must conform to lead-safe practices and be completed by workers who are either supervised by an EPA-certified abatement supervisor or be performed by workers trained in lead-safe work practices. If abatement options are specified in the work write-up, the contractor must hire an EPA-certified and state-licensed abatement contractor and submit proof of their current state license and insurances.

14. **ENERGY STANDARDS**

To further affordable housing goals, Anoka County requires the use of Energy Star products for HUD assisted new construction and rehabilitation projects. Energy Star products include washers, dryers, and

refrigerators, windows, heating and cooling equipment as well as light fixtures and bulbs. This standard applies to commercial and industrial and both single-family and multi-family housing units.

15. **NON-DISCRIMINATION BASED ON DISABILITY**

When and where applicable, the agency shall comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794) and Title II of the Americans with Disabilities Act as amended, Public Law 101-336 (1990), to ensure that no otherwise qualified individual with a disability in the United States shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance under this agreement.

16. **NON-SUBSTITUTION FOR LOCAL FUNDING**

The Block Grant Funding made available under this Agreement shall not be utilized by the Agency to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of funds under this Agreement.

17. **PUBLIC OWNERSHIP**

For Agencies which are not municipal corporations organized under the laws of the State of Minnesota, it may become necessary to grant the County a property interest where the subject project calls for the acquisition, construction, reconstruction, rehabilitation, or installation of publicly-owned facilities and improvements. The Agency shall comply with current County policy regarding transfer of a property interest sufficient to meet the public ownership requirement.

18. **PUBLIC INFORMATION**

- A. In all news releases and other public notices related to projects funded under this Agreement, the Agency shall include information identifying the source of funds as the Anoka County Community Development Block Grant Program.
- B. For all construction projects the Agency shall erect a sign to County specifications at the construction site, identifying the source of funds, except that this requirement may be waived for construction projects of Ten Thousand and no/100 (\$10,000.00) Dollars or less.

19. **APPLICABLE UNIFORM ADMINISTRATIVE REQUIREMENTS**

- A. An Agency (recipients and subrecipients) that is a governmental entity (including public agencies) shall comply with the requirements and standards of OMB Circular No. A-87, "Cost Principles for State, Local and Indian Tribal Governments"; OMB Circular A-128, "Audits of State and Local Governments (implemented at 24 CFR part 44); and with the following sections of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or the related CDBG provision, as specified in this paragraph:
 - (1) Section 85.3, "Definitions";
 - (2) Section 85.6, "Additions and Exceptions";
 - (3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";
 - (4) Section 85.20, "Standards for financial management systems," except paragraph (a);
 - (5) Section 85.21, "Payment," except as modified by § 570.513;
 - (6) Section 85.22, "Allowable costs";
 - (7) Section 85.26, "Non-federal audits";
 - (8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
 - (9) Section 85.33, "Supplies";
 - (10) Section 85.34, "Copyrights";
 - (11) Section 85.35, "Subawards to debarred and suspended parties";
 - (12) Section 85.36, "Procurement," except paragraph (a);
 - (13) Section 85.37, "Subgrants";
 - (14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);

- (15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);
- (16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;
- (17) Section 85.43, "Enforcement";
- (18) Section 85.44, "Termination for convenience";
- (19) Section 85.51, "Later disallowances and adjustments" and
- (20) Section 85.52, "Collection of amounts due."

B. An Agency (subrecipient), except agencies that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-profit Organizations" or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the following provisions of Uniform Administrative requirements of OMB Circular No. A-110 (implemented at 24 CFR part 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-profit Organizations") or the related CDBG provision as specified in this paragraph:

- (1) Subpart A – "General";
- (2) Subpart B – "Pre-Award Requirements," except for § 84.12, "Forms for Applying for Federal Assistance";
- (3) Subpart C – "Post-Award Requirements," except for:
 - (i) Section 84.22, "Payment Requirements." Grantees shall follow the standards of §§ 85.20 (b) (7) and 85.21 in making payments to subrecipients;
 - (ii) Section 84.23, "Cost Sharing and Matching";
 - (iii) Section 84.24, "Program Income." In lieu of § 84.24, CDBG subrecipients shall follow § 570.504;
 - (iv) Section 84.25, "Revision of Budget and Program Plans";
 - (v) Section 84.32, "Real Property." In lieu of § 84.32, CDBG subrecipients shall follow § 570.505;
 - (vi) Section 84.34(g), "Equipment." In lieu of the disposition provisions of § 84.34(g), the following applies:
 - (A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
 - (B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;
 - (vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), "Monitoring and Reporting Program Performance";
 - (viii) Section 84.52, "Financial Reporting";
 - (ix) Section 84.53(b), "Retention and access requirements for records." Section 84.53(b) applies with the following exceptions:
 - (A) See the retention period referenced in § 84.53(b) pertaining to individual CDBG activities; and
 - (B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;
 - (x) Section 84.61, "Termination." In lieu of the provisions of §84.61, CDBG subrecipients shall comply with § 570.503(b)(7); and
 - (4) Subpart D – "After-the-Award Requirements," except for §84.71, "Close-out Procedures."

PART III. EVALUATION AND RECORD KEEPING

1. EVALUATION

The Agency agrees to participate with the County in any evaluation project or performance report, as designed by the County or the appropriate Federal agency, and to make available all information required by any such evaluation process.

2. AUDITS AND INSPECTIONS

The Agency shall obtain an independent audit for any calendar year during which the agency expended at least \$500,000 of Federal funds. Qualified individuals who are sufficiently independent of those who authorize the expenditure of Federal funds shall make such audit. The audit report shall state that the audit was performed in accordance with the generally accepted governmental audit standards for financial and compliance audits of the U. S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and the provisions of OMB A-110. When applicable, the Agency shall also comply with the audit requirements of revised OMB Circular A-133 dated June 24, 1997.

The records and documents with respect to all matters covered by this contract shall be subject at all times to inspection, review or audit by the County, Federal or State officials so authorized by law during the performance of this contract and during the period of retention specified in this Part III.

3. RECORDS

As required by HUD Regulations, 24 CFR pt. 570, the Agency shall compile and maintain the following records:

- A. Financial Management - such records shall identify adequately the source and application of funds for activities within this Agreement, in accordance with the provisions of the U.S. Office of Management and Budget Circular A-102 or A-110 as appropriate. These records shall contain information pertaining to grant awards and authorizations, obligations, un-obligated balances, assets, liabilities, outlays, and income.
- B. Citizen Participation - Narrative and other documentation describing the process used to inform citizens concerning the amount of funds available, the ranges of project activities undertaken, and opportunities to participate in funded block grant projects.
- C. Relocation - Indication of the overall status of the relocation workload and a separate relocation record for each person, business, organization, and farm operation displaced or in the relocation workload.
- D. Property Acquisition - Agency files must contain (a) invitation to owner to accompany appraiser during inspection, (b) at least one property appraisal, (c) statement of basis for determination of just compensation, (d) written offer of just compensation, (e) all documents involving conveyance, (f) settlement cost reporting statement, and (g) notice to surrender possession of premises.
- E. Equal Opportunity - The Agency shall maintain racial, ethnic, and gender data showing the extent to which these categories of persons have participated in, or benefited from, the activities carried out under this Agreement. The Agency shall also maintain data which records its affirmative action in equal opportunity employment, and its good-faith efforts to identify, train, and/or hire lower-income residents of the project area and to utilize business concerns which are located in or owned in substantial part by persons residing in the area of the project.
- F. Labor Standards - Records shall be maintained regarding compliance of all contractors performing construction work under this Agreement with the labor standards made applicable by 24 CFR 570.603.

G. Determinations of Condition of Slum and Blight - The agency will submit:

- (1) An attorney's opinion that an area designated as slum or blighted for the purpose of qualifying a CDBG activity meets the State or local definition of same;
- (2) The boundary of the area so designated;
- (3) A list of the conditions the CDBG-funded activity is intended to address. In the event that a single property is designated as blighted, the community must submit a certified building inspector's report on the conditions leading to that determination.

H. Economic Development - The agency will maintain copies of financial statements that indicate the historical and projected income of a company approved for CDBG assistance. Those records will include three years of profit and loss statements, balance statements and projected income statements. The agency will also keep records indicating the amount and terms of assistance provided together with an explanation of how the assistance provided meets the "necessary and appropriate" requirements communicated in the June 2, 1987 Stokvis memorandum.

I. Such other records as may be required by the County and/or HUD.

4. RETENTION OF RECORDS

Records documenting this CDBG funded project shall be retained by the Agency for five (5) years after completion with all HUD requirements, except as follows: (1) Records that are the subject of audit findings shall be retained for five (5) years after such findings have been resolved. (2) Records for nonexpendable property shall be retained for five (5) years after its final disposition. Nonexpendable property is defined in the U.S. Office of Management and Budget Circular No. A-102 or A-110 as appropriate.

5. REPORTS

The Agency shall submit such reports as required by the County on a monthly and annual basis and also prior to project execution.

Exhibit A
2014 PY CDBG Activity

Jurisdiction Name: Anoka County

Priority Need: High

Activity Title: **City of East Bethel:** Septic System Update and/or Replacement
AC Contract: C0003553

Project Description: The CDBG funds will be used to assist LMI households with bringing their septic systems into compliance. Homeowners would have to own their homes, be year-round residents, have adequate room on property to replace drain fields if necessary, and income qualify.

Location: Several city blocks located in SE corner of East Bethel – “Coon Lake Beach” area

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

HUD Matrix Code: 14A – Rehabilitation: Single-Unit Residential	CDBG Citation: 570.202
Recipient Type: Grantee/Sub-recipient	CDBG National Objective: Low-Mod Housing
Start Date: 07/01/2014	Completion Date: 12/31/2015
Performance Indicator: 10-Housing Units	Annual Accomplishment: 12
DUNS Number: 96-286-7438	Activity Administered by: City of East Bethel

Funding Sources:	
CDBG	\$200,000.00
HOME	\$0
Total Formula	\$0
Prior Year Funds	\$0
Assisted Housing	\$0
PHA	\$0
Other Funding PI	\$0
Total	\$200,000.00

The subrecipient has up to 18 months to spend \$200,000 in allocated funding. The subrecipient must submit its final reimbursement request and all accomplishment data to the County’s Community Development Department by no later than December 21, 2015. The subrecipient agrees to abide by all HUD regulations, including but not limited to, Davis-Bacon requirements as set forth by HUD.

Failure to spend funds, abide by HUD regulations, or submit required accomplishment data within the 2014 deadlines will result in either repayment of funds to HUD or the recapture of unspent funds.

By signing below, an authorized representative of the subrecipient acknowledges that this Exhibit A document has been read and the project description and terms understood.

Signature

Date

Exhibit B

Urban Anoka County CDBG 2010 Statement of Community Development Objectives of Funds

Pursuant to Community Development Block Grant regulations, Anoka County has made available to the public the following statement of final use of 2010 - 2014 Anoka County CDBG funds. Citizens, non-profit groups, and other interested persons are invited to comment upon this statement and upon Anoka County's performance of the CDBG program by contacting Anoka County Community Development Department, Government Center, Suite 700, 2100 Third Avenue, Anoka, Minnesota 55303, telephone number 763-323-5709, Attention: Karen Skepper.

SPECIFIC OBJECTIVES FOR 2010 - 2014 ANOKA COUNTY CDBG PROGRAM

The following objectives have been established for assisting communities and citizen groups in the formulation of specific program activities.

1. *Provide Decent Housing*
 - Assist homeless persons obtain affordable housing
 - Assist persons at risk of becoming homeless
 - Retention of affordable housing stock
 - Make available permanent housing that is affordable to low-income residents without discrimination

2. *Provide a Suitable Living Environment*
 - Improve the safety and livability of neighborhoods
 - Increase access to quality facilities and services
 - Reduce the isolation of income groups within an area through decentralization of housing opportunities and revitalization of deteriorating neighborhoods
 - Restore and preserve properties of special historic, architectural or aesthetic value
 - Conservation of energy resources

3. *Expand Economic Opportunities*
 - Job creation and retention
 - Establish, stabilize and expand small businesses
 - Provision of public services concerned with employment
 - Provision of jobs to low-income persons living in areas affected by those programs, or resulting from activities under programs covered by the plan
 - Available mortgage financing for low-income persons at reasonable rates
 - Access to capital and credit for development activities that promote long-term economic and social viability of the community
 - Empower low-income persons to reduce generational poverty in federally assisted housing and public housing

The above objectives were developed in cooperation with the communities in Anoka County and are based on need as illustrated by statistics drawn from 2000 Census data. Overall, they are a continuation of past CDBG programs, and many communities sustaining efforts begun in those years.

Exhibit C

**BOARD OF COUNTY COMMISSIONERS
Anoka County, Minnesota**

DATE February 21, 1985

RESOLUTION NO. 85-23

OFFERED BY COMMISSIONER Langfeld

TIMELY EXPENDITURE OF C.D.B.G. FUNDS

WHEREAS, Anoka County is an Entitlement County and therefore receives annual Community Development Block Grant (CDBG) allocations from the U.S. Department of Housing and Urban Development; and,

WHEREAS, the Anoka County Board of Commissioners makes these CDBG funds available to municipalities in Anoka County for eligible projects; and,

WHEREAS, Anoka County, as the grantee, is responsible for the timely expenditure of CDBG funds; and,

WHEREAS, Anoka County's performance is measured in part by such timely performance; and,

WHEREAS, Anoka County may be subject to HUD fiscal sanctions for failure to expend CDBG funds within a reasonable period of time;

NOW, THEREFORE, BE IT RESOLVED that the Anoka County Board of Commissioners adopts the following Policy Regarding Schedule for Expenditure of Community Development Block Grant Funds by Anoka County Subgrantees:

**POLICY REGARDING SCHEDULE FOR EXPENDITURE OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
BY ANOKA COUNTY SUBGRANTEES**

Community Development Block Grant Funds will be reserved for eligible budgeted subgrantee activities for up to 18 months after notice of availability of such funds for expenditure. If a community fails to expend CDBG project funds within that time limit, the Anoka County Board of Commissioners will withdraw the allocation for that project.

In order that communities may have adequate notice of the impending withdrawal, County CDBG staff will notify those communities which have not committed CDBG project funds within 12 months after the start of the applicable CDBG program year of that condition. Such notice will enable those communities to re-evaluate projects and to program the funds if necessary.

Those communities which are in violation of the 18 month rule at the time of adoption of this policy will be given six months from the date of the County Board Resolution referencing this policy, to expend their CDBG project funds. At the end of the six month period, the funds will be subject to withdrawal.

The Anoka County Board may on an individual case basis, elect to waive the 18 month rule if the Board should determine that the project delay is caused by forces outside the control of the community and that project completion is feasible within a reasonable amount of time.

Funds which revert to Anoka County shall be reallocated at the discretion of the County Board to either other projects submitted by communities or to County-wide activities.

Any community based groups or other subgrantees of communities must be notified of this policy when they are considered for CDBG funding.

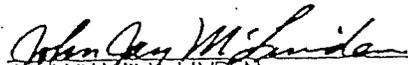
RESOLUTION #85-23 (Continued)

	YES		NO
District #1 - Haas	<u> X </u>	Haas	<u> </u>
District #2 - Burman	<u> X </u>	Burman	<u> </u>
District #3 - Langfeld	<u> X </u>	Langfeld	<u> </u>
District #4 - Kordiak	<u> X </u>	Kordiak	<u> </u>
District #5 - Cenaiko	<u> X </u>	Cenaiko	<u> </u>
District #6 - McCarron	<u> X </u>	McCarron	<u> </u>
District #7 - Erhart	<u> X </u>	Erhart	<u> </u>

State of Minnesota)
 County of Anoka) SS

I, John "Jay" McLinden, County Administrator, Anoka County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office, Anoka County, Minnesota, as stated in the minutes of the proceedings of said Board at a meeting duly held on February 21, 1985, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said Board at said meeting.

Witness my hand and seal this 21st day of February, 1985.



 JOHN "JAY" MCLINDEN
 COUNTY ADMINISTRATOR

Exhibit D

**BOARD OF COUNTY COMMISSIONERS
Anoka County, Minnesota**

DATE April 23, 1985 RESOLUTION NO. 85-42

OFFERED BY COMMISSIONER Langfeld

**COUNTY BOARD POLICY -
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME
AMENDING RESOLUTIONS 81-107 AND 82-53**

WHEREAS, Title I of the Housing and Community Development Act of 1974 as amended provides for a program of Community Development Block Grants; and,

WHEREAS, the Anoka County Board of Commissioners has been designated as an "Urban County" by the Federal Housing and Urban Development Department and consequently is eligible to participate in the National Community Development Block Grant Program; and,

WHEREAS, the Anoka County Board of Commissioners has directed the preparation of a plan under the Community Development Block Grant Program in concert with the municipalities of Anoka County; and,

WHEREAS, as a portion of said plan, municipalities as the sub-grantee of Community Development Block Grant funds may utilize said funds in various program forms to benefit low and moderate income persons, to aid in the prevention or elimination of slums or blight or to meet other community development needs having a particular urgency because of threat to health and safety; and,

WHEREAS, "program income" means gross income earned by the sub-grantee from the grant supported activity such as: proceeds from the sale of real or personal property, interest earned on escrow accounts, revolving rehabilitation accounts or lump sum rehabilitation accounts, income from service fees, sale of commodities, usage or rental fees, loan proceeds from rehabilitation or economic development loans, and interest earned on revolving loans and proceeds from special assessments levied to recover the cost of constructing a public works or facility to the extent that such cost was initially paid with the Community Development Block Grant funds; and,

WHEREAS, in accordance with Federal regulations, Anoka County as the Community Development Block Grant recipient must receive all program income. The County then may use said funds for any eligible Community Development Block Grant activity and the County must expend revenues generated by program income before further drawdown requests will be authorized; and,

WHEREAS, payments of interest and principal due on economic development loans to private industry, which are made to a revolving loan account which was approved as a C.D.G.B. grant to a State-certified local development corporation are not considered by HUD to be "program income";

NOW, THEREFORE, BE IT RESOLVED that the Anoka County Board of Commissioners does hereby establish as a matter of policy that:

- 1) All income from CDBG-funded activities which meets the above definition of program income, shall be promptly forwarded to Anoka County.
- 2) Each LDC which has a CDBG revolving loan account for economic development will retain loan repayments within the account for continued use for economic development and that the County or the city will execute an agreement with the LDC which will include:
 - a) Prohibition of conflict of interest as provided in HUD Regulation 24CFR Part 570.611.
 - b) Compliance with Title VI of the Civil Rights Act of 1964.
 - c) Requirement for the LDC to submit quarterly reports to the Anoka County Community Development Director regarding the use and results of expenditure of funds from the revolving loan account for so long as Anoka County remains an entitlement county.
 - d) Any other provisions required by State or Federal law or regulation.

**BOARD OF COUNTY COMMISSIONERS
Anoka County, Minnesota**

DATE August 12, 1986 RESOLUTION NO. 86-70
Haas Steffen
OFFERED BY COMMISSIONER _____

**COUNTY BOARD POLICY -
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME
AMENDING RESOLUTION 85-42**

WHEREAS, Title I of the Housing and Community Development Act of 1974 as amended provides for a program of Community Development Block Grants; and,

WHEREAS, the Anoka County Board of Commissioners has been designated as an "Urban County" by the Federal Housing and Urban Development Department and consequently is eligible to participate in the National Community Development Block Grant Program; and,

WHEREAS, the Anoka County Board of Commissioners has directed the preparation of a plan under the Community Development Block Grant Program in concert with the municipalities of Anoka County; and,

WHEREAS, as a portion of said plan, municipalities as the sub-grantee of Community Development Block Grant funds may utilize said funds in various program forms to benefit low and moderate income persons, to aid in the prevention or elimination of slums or blight or to meet other community development needs having a particular urgency because of threat to health and safety; and,

WHEREAS, "program income" means income earned by the sub-grantee from the grant supported activity such as: proceeds from the sale of real or personal property, interest earned on escrow accounts, revolving rehabilitation accounts or lump sum rehabilitation accounts, income from service fees, sale of commodities, usage or rental fees, loan proceeds from rehabilitation or economic development loans, and interest earned on revolving loans and proceeds from special assessments levied to recover the cost of constructing a public works or facility to the extent that such cost was initially paid with the Community Development Block Grant funds; and,

WHEREAS, in accordance with Federal regulations, Anoka County as the Community Development Block Grant recipient must receive all program income, to be used for any eligible Community Development Block Grant activity and the County must expend revenues generated by program income before further drawdown requests will be authorized:

NOW, THEREFORE, BE IT RESOLVED that the Anoka County Board of Commissioners does hereby establish as a matter of policy that:

- 1) All CDBG program income meeting the above definition, except payments to a County-approved LDC revolving loan account, shall be promptly forwarded to Anoka County.
- 2) Each LDC which has a CDBG revolving loan account for economic development will retain loan repayments within the account for continued use for economic development subject to all CDBG regulations, and that the County or the city will execute an agreement with the LDC which will include:
 - a) Prohibition of conflict of interest as provided in HUD Regulation 24CFR Part 570.611.
 - b) Compliance with Title VI of the Civil Rights Act of 1964.
 - c) Requirement for the LDC to submit quarterly reports to the Anoka County Community Development Director regarding the use and results of expenditure of funds from the revolving loan account for so long as Anoka County remains an entitlement county.
 - d) Any other provisions required by State or Federal law or regulation.
- 3) Anoka County has established as of May 1, 1985, a revolving loan account for deposit of all economic development loan payments received by Anoka County.

BE IT FURTHER RESOLVED that, all program income received by Anoka County from activities funded in total or part from a municipality's CDBG project will increase that community's budget for eligible CDBG activities and shall therefore be available to the community for future expenditure pursuant to the Joint Cooperation Agreement in effect at the time of expenditure.

	YES		NO
District #1 - Haas Steffen	<u> X </u>	Haas Steffen	<u> </u>
District #2 - Burman	<u> X </u>	Burman	<u> </u>
District #3 - Langfeld	<u> Absent </u>	Langfeld	<u> </u>
District #4 - Kordiak	<u> X </u>	Kordiak	<u> </u>
District #5 - Cenaiko	<u> X </u>	Cenaiko	<u> </u>
District #6 - McCarron	<u> X </u>	McCarron	<u> </u>
District #7 - Erhart	<u> X </u>	Erhart	<u> </u>

State of Minnesota)
County of Anoka) SS

I, John "Jay" McLinden, County Administrator, Anoka County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office, Anoka County, Minnesota, as stated in the minutes of the proceedings of said Board at a meeting duly held on August 12, 1986, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said Board at said meeting.

Witness my hand and seal this 12th day of August, 1986.



JOHN "JAY" MCLINDEN
COUNTY ADMINISTRATOR

Exhibit F

CERTIFICATION

The Undersigned, on behalf of the Agency, certifies, to the best of his or her knowledge and belief, that:

(1) No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1332, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AGENCY:

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Equal Employment Opportunity Certification
Excerpt From 41 CFR §60-1.4(b)

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

Department of Veterans Affairs

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin, such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
- (3) The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

- (6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work:

Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally-assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed

Firm Name and Address	By
	Title

upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Excerpt from HUD Regulations

200.410 Definition of term "applicant".

- (a) In multifamily housing transactions where controls over the mortgagor are exercised by the Commissioner either through the ownership of corporate stock or under the provisions of a regulatory agreement, the term "applicant" as used in this subpart shall mean the mortgagor.
- (b) In transactions other than those specified in paragraph(a) of this section, the term "applicant" as used in this subpart shall mean the builder, dealer or contractor performing the construction, repair or rehabilitation work for the mortgagor or other borrower.

200.420 Equal Opportunity Clause to be included in contracts and subcontracts.

- (a) The following equal opportunity clause shall be included in each contract and subcontract which is not exempt:

During the performance of this contract, the contractor agrees as follows:

- (1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.

- (2) The contractor will in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard race, creed, color, or national origin.

- (3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notices in conspicuous places available to employees and applicants for employment.

- (4) The contractor will comply with all provisions of Executive Order 10925 of March 6 1961, as amended, and of the regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

- (5) The contractor will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended, and by the regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by HUD and the Committee for purposes of investigation to ascertain compliance with such regulations, and orders.

- (6) In the event of the contractor's non-compliance with the nondiscrimination clause of this contract or with any of the said regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked provided in the said Executive Order or by regulations, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

- (7) The contractor will include the provisions of Paragraphs(1) through (7) in every subcontract or purchase order unless exempted by regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to Section 303 of Executive Order 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase orders as HUD may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by HUD, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

- (b) Except in subcontracts for the performance of construction work at the site of construction, the clause is not required to be inserted in subcontracts below the second tier. Subcontracts may incorporate by referenced to the equal opportunity clause.

200.425 Modification in and exemptions from the regulations in this subpart.

- (a) The following transactions and contracts are exempt from the regulations in this subpart:

- (1) Loans, mortgages, contracts and subcontracts not exceeding \$10,000.

- (2) Contract and subcontracts not exceeding \$100,000 for standard commercial supplies or raw material;

- (3) Contracts and subcontracts under which work is to be or has been performed outside the United States and where no recruitment of workers within the United States is involved. To the extent that work pursuant to such contracts is done within the United States, the equal opportunity clause shall be applicable;

- (4) Contracts for the sale of Government property where no appreciable amount of work is involved; and

- (5) Contracts and subcontracts for an indefinite quantity which are not to extend for more than one year if the purchaser determines that the amounts to be ordered under any such contract or subcontract are not reasonably expected to exceed \$100,000 in the case of contracts or subcontracts for standard commercial supplies and raw materials, or \$10,000 in the case of all other contracts and subcontracts.

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) **Minimum Wages.** All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR-5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conforming under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Admin-

istration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. **Withholding.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations

have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) **Payrolls and basic records.** Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OM B Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. Apprentices and Trainees.

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance

with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) **Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be

resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is greater.

(2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat 96).

(3) The Contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

Exhibit I

Section 3 Clause as set forth in 24 CFR Part 135.38

- A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

Any questions regarding Section 3 should be directed to:
Barb McKusick, Administrative Coordinator, 763-323-5722 or barb.mckusick@co.anoka.mn.us.

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

RESOLUTION NO. 2014-25

**RESOLUTION DESIGNATING THE CASTLE TOWERS WASTEWATER
TREATMENT PLANT AND ASSOCIATED LIFT STATION EQUIPMENT SURPLUS
PROPERTY**

WHEREAS, the City of East Bethel owns building and infrastructure for the conveyance and treatment of wastewater; and

WHEREAS, the City of East Bethel has newly constructed two lift stations and a force main to convey wastewater to the Metropolitan Council Environmental Services Treatment Facility; and

WHEREAS, the City Council of East Bethel will salvage and offer some of the existing equipment for sale through public auction; and

WHEREAS, the City of East Bethel will decommission and dispose of the Castle Towers Wastewater Treatment Plant.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the Castle Towers Wastewater Treatment Plant and associated lift station equipment are hereby declared as surplus property and approved for disposal.

Adopted this 6th day of August, 2014 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Robert DeRoche, Jr. Mayor

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2014-26

**RESOLUTION OF SUPPORT FOR AN APPLICATION TO THE MINNESOTA
NATURAL RESOURCES DAMAGES GRANT PROGRAM FOR IMPROVEMENTS TO
THE SANDHILL CRANE NATURAL AREA**

WHEREAS, since October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (PCA) have been working under a Memorandum of Understanding (MOU) for the management of the Sandhill Crane Natural Area (SCNA) in East Bethel; and

WHEREAS, the SCNA is a 570 acre public open space area of ecological significance, containing a variety of lake, prairie, wetland, and forest resources, including habitat, plant and animals of statewide importance; and

WHEREAS, it has long been the desire of the MOU partner agencies to undertake the development of ecologically sensitive and sustainable recreation amenities to increase the public use and benefit of the SCNA, including walking trails, boardwalks, observation areas, and carry-in water access; and

WHEREAS, the managing agencies also desire to expand and improve the quality of natural resources restoration and habitat management activities in the SCNA, consistent with the overarching goals of the SCNA Management Plan; and

WHEREAS, the Minnesota DNR and PCA have jointly introduced a new grant program referred to as the Natural Resources Damages (NRD) Fund, which manages funds generated through the State's Landfill Cleanup Insurance Recovery Effort (IRE), for the purpose of mitigating natural resources damages near the location(s) where the damages occurred; and

WHEREAS, the former East Bethel Landfill, which is included in the SCNA boundaries and has been remediated and restored to a native prairie, was the third highest ranking site for the amount of money recovered statewide under the IRE program; and

WHEREAS, the City of East Bethel and Anoka County have determined that the NRD Program could be a potentially suitable and advantageous source of funding for the development of outdoor recreation amenities and the restoration of natural resources at the SCNA consistent with the state's NRD priorities; and

WHEREAS, the City of East Bethel and Anoka County are best positioned to move forward with the development and management of the outdoor recreation facilities and natural resources at the SCNA, in partnership with financial assistance provided under the State's NRD Grant Program.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel hereby authorizes an application to the Minnesota Natural Resources Damages Grant Program for outdoor recreation facility development and natural resources restoration at the Sandhill Crane Natural Area in East Bethel; and

BE IT FURTHER RESOLVED THAT: if the NRD Grant Program application is successful, the City Council of the City of East Bethel agrees to negotiate in good faith towards the establishment and execution of a Joint Powers Agreement with the appropriate SCNA partnering agencies, specifying the roles and responsibilities of each agency in the management of recreational amenities and natural resources at the SCNA.

Adopted this 6th day of August, 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:

August 6, 2014

Agenda Item Number:

Item 8.0 A.1

Agenda Item:

Amendment to City Code, Chapter 10, Article V, Farm Animals

Rezoning Request-19801 Hwy 65 NE

Requested Action:

Consider scheduling a work meeting to discuss changes to City Code, Chapter 10, Article V, Farm Animals and a Rezoning Request for 19801 Hwy. 65 NE, Central Wood Products-Rivard Industries.

Background Information:

City Council has been considering amending City Code as it relates to the keeping of chickens. The following is a timeline of meetings that have discussed this subject:

- June 4, 2014, City Council Meeting - Council directed Staff to survey the policies of other Cities in regards to the keeping of chickens;
- June 18, 2014, City Council Meeting - Staff presented a report to City Council as to the policies of other Cities in regards to the keeping of chickens. As a result of this meeting and discussion, Council scheduled a work meeting for June 25, 2014 for further consideration of this matter;
- June 25, 2018, City Council Work Meeting - This matter was discussed and Council was requested to forward recommendations to the City Administrator for inclusion in a revised draft ordinance to be presented to Council at a later date.

Two options for the ordinance will be ready for discussion by Friday, August 8, 2014.

The Planning Commission has approved a request for rezoning 19801 Hwy 65 NE, Central Wood Products, from a split zoning of B-2 and R-2 to Light Industrial. The property is 33.5 acres in size and the need for the action is to correct a split zoning issue and address the land use of this area of the Corridor.

It is recommended that both these matters be scheduled for a work meeting for 6:30 PM on Wednesday, August 13, 2014.

Attachments:

Fiscal Impact:

To be determined

Recommendation(s):

See above

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

August 6, 2014

Agenda Item Number:

Item 8.0 C.1

Agenda Item:

Verizon Cell Tower Lease

Requested Action:

Information Item

Background Information:

The City Attorney will update the Council on the status of the Verizon Cell Tower Lease

Attachments:

Fiscal Impact:

To be determined

Recommendation(s):

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____