

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:00 p.m.

Date: March 4, 2015



	<u>Item</u>	
7:00 PM	1.0	Call to Order
7:01 PM	2.0	Pledge of Allegiance
7:02 PM	3.0	Adopt Agenda
7:03 PM	4.0	Presentations
	Page 3-19	A. 2010A Bond Refinance Pre-Sale, Resolution 2015-14
7:20 PM	5.0	Public Forum
7:30 PM	6.0	Consent Agenda

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

- | | | |
|------------|----|---|
| Page 22-26 | A. | Approve Bills |
| Page 27-56 | B. | Meeting Minutes, February 18, 2015, City Council Meeting |
| Page 57-61 | C. | Meeting Minutes, February 10, 2015 City Council Special Meeting |
| Page 62 | D. | Approve Resolution 2015-15 Surplus Property Declaration |
| Page 63-67 | E. | Pay Estimate #10 Castle Towers Force Main Project |
| | F. | Authorization to Advertise for Office Intern |

New Business

7:35 PM	7.0	Commission, Association and Task Force Reports
	A.	Planning Commission
	B.	Economic Development Authority
	1.	February EDA Report
	2.	January EDA Minutes
	C.	Parks Commission
	1.	February Meeting Cancelled
	D.	Road Commission
	1.	February Roads Commission Report
	2.	January Roads Commission Minutes

7:50 PM	8.0	Department Reports
	A.	Community Development
	B.	Engineer
	C.	City Attorney
	1.	Verizon Cell Tower Lease
	D.	Finance
	1.	2014 Unaudited Financial Report
	E.	Public Works
	F.	Fire Department
	G.	City Administrator

8:15PM

9.0 Other

- A. Staff Report
- B. Council Reports
- C. Other
- D. Closed Session- Property Acquisition Minn. Statute § 13D.05 subd. 3 (c).

8:30 PM

11.0 Adjourn



City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 4.0 A

Agenda Item:

2010A Bond Issue Refinance

Requested Action:

Consider approving the proposed 2010A Bond refinance request as presented by Ehlers

Background Information:

City Staff and Ehlers continually look for refinancing opportunities for the City’s seven debt issues. The City currently has only one bond issue that is eligible for refinancing, the \$11,465,000 2010A RZED Bond. Ehlers has submitted a refinance prospectus for this bond that could potentially save \$996,483 with no City equity contribution.

Ehlers will provide a pre-sale report as the next step for the potential bond refinance opportunity for Council consideration. The sequence and approximate timeline of the bond refinance process would be as follows:

1. **Pre-Sale Review with the City Council by Ehlers – March 4, 2015**
2. Distribution of Official Statement – March 16, 2015
3. Bond Rating Determination – March 23, 2015
4. Taking and Award of Sale to Successful Bidder – April 1, 2015
5. Close on Bonds – April 23, 2015

The process takes approximately six to eight weeks. Keep in mind that due to the volatility of the bond market, the information contained in the attachment as to savings is only valid if the bond sale occurred on the date the forecast was presented and there were no changes in the assumptions of the analyst’s projection.

In addition, a refinancing would pay off the 2010A RZED bond and release the City from the uncertainty of the Federal Tax Credit associated with this issuance and eliminate the administrative and IRS compliance concerns that accompany this program. Also note that the potential exposure to the fluctuating rebate rates from this program could result in additional levy increases should the credits be further reduced.

Attachments:

1. 2010A Bond Refinance Pre-Sale Report
2. City of East Bethel Debt Summary at 2/20/15

3. Resolution Authorizing Sale

Fiscal Impact:

As described above

Recommendation(s):

Staff recommends Council consider proceeding with the refinance option presented and approving Resolution 2015-14, Resolution Providing for the Sale of \$11,815,000 General Obligation Refunding Bonds, Series 2015A.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



EHLERS
LEADERS IN PUBLIC FINANCE

March 4, 2015

Pre-Sale Report for

City of East Bethel, Minnesota

\$11,815,000 General Obligation Refunding Bonds,
Series 2015A



Prepared by:

Stacie Kvilvang
Senior Financial Advisor

And

Todd Hagen
Senior Financial Advisor



Executive Summary of Proposed Debt

Proposed Issue:	\$11,815,000 General Obligation Refunding Bonds, Series 2015A
Purposes:	<p>The proposed issue includes refinancing the 2010A RZDB Bonds. Debt service will be paid from utility revenues and a tax levy.</p> <p>Interest rates on the obligations proposed to be refunded are 4.5% to 7.00%. The refunding is expected to reduce interest expense by approximately \$996,483 over the next 25 years. The Net Present Value Benefit of the refunding is estimated to be approximately \$563,262, equal to 4.913% of the refunded principal.</p> <p>This refunding is considered to be a current refunding as the obligation being refunded is callable (pre-payable) at any time under the extraordinary call provisions provided due to reduction in payments from the Federal Government.</p>
Authority:	<p>The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475.</p> <p>The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.</p>
Term/Call Feature:	<p>The Bonds are being issued for a 25 year term. Principal on the Bonds will be due on February 1 in the years 2016 through 2040. Interest is payable every six months beginning August 1, 2015.</p> <p>The Bonds maturing on and after February 1, 2024 will be subject to prepayment at the discretion of the City on February 1, 2023 or any date thereafter.</p>
Bank Qualification:	Because the City is issuing, or expects to issue, more than \$10,000,000 in tax-exempt obligations during the calendar year, the City will be not able to designate the Bonds as “bank qualified” obligations.
Rating:	<p>The City’s most recent bond issues were rated “AA” by Standard & Poor’s. The City will request a new rating for the Bonds.</p> <p>If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.</p>
Basis for Recommendation:	Based on our knowledge of your situation, your objectives communicated to us, our advisory relationship as well as characteristics of various municipal financing options, we are recommending the issuance of general obligation utility revenue bonds as a suitable financing option because this option is the only viable option available to finance this type of project under State law.



<p>Method of Sale/Placement:</p>	<p>In order to obtain the lowest interest cost to the City, we will solicit competitive bids for purchase of the Bonds from local banks in your area and regional underwriters.</p> <p>We have included an allowance for discount bidding equal to 0.800% of the principal amount of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.</p> <p>If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to lower your borrowing amount.</p> <p>Premium Bids: Under current market conditions, most investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.”</p> <p>The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.</p> <p>For this issue of Bonds we have been directed to use the premium to reduce the size of the issue. The adjustments may slightly change the true interest cost of the original bid, either up or down.</p> <p>You have the choice to limit the amount of premium in the bid specifications. This may result in fewer bids, but it may also eliminate large adjustments on the day of sale and other uncertainties.</p>
<p>Review of Existing Debt:</p>	<p>We have reviewed all outstanding indebtedness for the City and find that, other than the obligations proposed to be refunded by the Bonds, there are no other refunding opportunities at this time.</p> <p>We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.</p>
<p>Continuing Disclosure:</p>	<p>Because the City has more than \$10,000,000 in outstanding debt (including this issue) and this issue is over \$1,000,000, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually as well as providing notices of the occurrence of certain “material events” to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC).</p> <p>The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.</p>



<p>Arbitrage Monitoring:</p>	<p>Because the Bonds are tax-exempt securities/tax credit securities, the City must ensure compliance with certain Internal Revenue Service (IRS) rules throughout the life of the issue. These rules apply to all gross proceeds of the issue, including initial bond proceeds and investment earnings in construction, escrow, debt service, and any reserve funds. How issuers spend bond proceeds and how they track interest earnings on funds (arbitrage/yield restriction compliance) are common subjects of IRS inquiries. Your specific responsibilities will be detailed in the Signature, No-Litigation, Arbitrage Certificate and Purchase Price Receipt prepared by your Bond Attorney and provided at closing.</p> <p>We recommend that you regularly monitor compliance with these rules and/or retain the services of a qualified firm to assist you.</p>
<p>Risk Factors:</p>	<p>Utility Revenue: The City expects to pay the Bond debt service with utility funds and a tax levy, since it is anticipated that utility connection fees will be inadequate to pay 105% of the debt service.</p> <p>Current Refunding: The Bonds are being issued for the purpose of current refunding prior City debt obligations. The new Bonds will not be pre-payable until February 1, 2023. This refunding is being undertaken based in part on an assumption that the City does not expect to have future revenues to pay off this debt and that market conditions warrant the refinancing at this time.</p>



<p>Other Service Providers:</p>	<p>This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, so their final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.</p> <p>Bond Attorney: Dorsey & Whitney LLP</p> <p>Paying Agent: Bond Trust Services Corporation</p> <p>Rating Agency: Standard and Poors</p>
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This presale report summarizes our understanding of the City’s objectives for the structure and terms of this financing as of this date. As additional facts become known or capital markets conditions change, we may need to modify the structure and/or terms of this financing to achieve results consistent with the City’s objectives.



Proposed Debt Issuance Schedule

Pre-Sale Review by City Council	March 4, 2015
Distribute Official Statement:	Week of March 16, 2015
Conference with Rating Agency:	Week of March 23, 2015
City Council Meeting to Award Sale of the Bonds:	April 1, 2015
Estimated Closing Date:	April 23, 2015

Attachments

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

Ehlers Contacts

Financial Advisors:	Stacie Kvilvang	(651) 697-8506
	Todd Hagen	(651) 697-8508
Disclosure Coordinator:	Jen Chapman	(651) 697-8566
Financial Analyst:	Alicia Gage	(651) 697-8551

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



Resolution No. _____

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

**Resolution Providing for the Sale of
\$11,815,000 General Obligation Refunding Bonds, Series 2015A**

- A. WHEREAS, the City Council of the City of East Bethel, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$11,815,000 General Obligation Refunding Bonds, Series 2015A (the "Bonds"), to refinance the 2010A Bonds (RZDB) in the City to reduce interest costs; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

- 1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
- 2. Meeting; Proposal Opening. The City Council shall meet at 7:00 p.m. on April 1, 2015, for the purpose of considering proposals for and awarding the sale of the Bonds.
- 3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 4th day of March, 2015.

City Administrator

City of East Bethel, MN

\$11,815,000 General Obligation Refunding Bonds, Series 2015A
Proposed Current Refunding of Series 2010A RZEDs
Assuming Current GO Non-BQ "AA" Market Rates

Sources & Uses

Dated 04/23/2015 | Delivered 04/23/2015

Sources Of Funds

Par Amount of Bonds	\$11,815,000.00
Total Sources	\$11,815,000.00

Uses Of Funds

Total Underwriter's Discount (0.800%)	94,520.00
Costs of Issuance	79,000.00
Deposit to Current Refunding Fund	11,639,722.07
Rounding Amount	1,757.93
Total Uses	\$11,815,000.00

City of East Bethel, MN

\$11,815,000 General Obligation Refunding Bonds, Series 2015A

Proposed Current Refunding of Series 2010A RZEDs

Assuming Current GO Non-BQ "AA" Market Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
04/23/2015	-	-	-	-	-
08/01/2015	-	-	103,576.47	103,576.47	-
02/01/2016	215,000.00	0.400%	190,242.50	405,242.50	508,818.97
08/01/2016	-	-	189,812.50	189,812.50	-
02/01/2017	120,000.00	0.700%	189,812.50	309,812.50	499,625.00
08/01/2017	-	-	189,392.50	189,392.50	-
02/01/2018	120,000.00	0.900%	189,392.50	309,392.50	498,785.00
08/01/2018	-	-	188,852.50	188,852.50	-
02/01/2019	120,000.00	1.100%	188,852.50	308,852.50	497,705.00
08/01/2019	-	-	188,192.50	188,192.50	-
02/01/2020	135,000.00	1.350%	188,192.50	323,192.50	511,385.00
08/01/2020	-	-	187,281.25	187,281.25	-
02/01/2021	135,000.00	1.600%	187,281.25	322,281.25	509,562.50
08/01/2021	-	-	186,201.25	186,201.25	-
02/01/2022	185,000.00	1.750%	186,201.25	371,201.25	557,402.50
08/01/2022	-	-	184,582.50	184,582.50	-
02/01/2023	155,000.00	1.900%	184,582.50	339,582.50	524,165.00
08/01/2023	-	-	183,110.00	183,110.00	-
02/01/2024	200,000.00	2.100%	183,110.00	383,110.00	566,220.00
08/01/2024	-	-	181,010.00	181,010.00	-
02/01/2025	230,000.00	2.300%	181,010.00	411,010.00	592,020.00
08/01/2025	-	-	178,365.00	178,365.00	-
02/01/2026	285,000.00	2.450%	178,365.00	463,365.00	641,730.00
08/01/2026	-	-	174,873.75	174,873.75	-
02/01/2027	340,000.00	2.700%	174,873.75	514,873.75	689,747.50
08/01/2027	-	-	170,283.75	170,283.75	-
02/01/2028	405,000.00	2.850%	170,283.75	575,283.75	745,567.50
08/01/2028	-	-	164,512.50	164,512.50	-
02/01/2029	465,000.00	3.000%	164,512.50	629,512.50	794,025.00
08/01/2029	-	-	157,537.50	157,537.50	-
02/01/2030	545,000.00	3.100%	157,537.50	702,537.50	860,075.00
08/01/2030	-	-	149,090.00	149,090.00	-
02/01/2031	650,000.00	3.250%	149,090.00	799,090.00	948,180.00
08/01/2031	-	-	138,527.50	138,527.50	-
02/01/2032	740,000.00	3.350%	138,527.50	878,527.50	1,017,055.00
08/01/2032	-	-	126,132.50	126,132.50	-
02/01/2033	760,000.00	3.450%	126,132.50	886,132.50	1,012,265.00
08/01/2033	-	-	113,022.50	113,022.50	-
02/01/2034	775,000.00	3.650%	113,022.50	888,022.50	1,001,045.00
08/01/2034	-	-	98,878.75	98,878.75	-
02/01/2035	800,000.00	3.700%	98,878.75	898,878.75	997,757.50
08/01/2035	-	-	84,078.75	84,078.75	-
02/01/2036	830,000.00	3.750%	84,078.75	914,078.75	998,157.50
08/01/2036	-	-	68,516.25	68,516.25	-
02/01/2037	860,000.00	3.750%	68,516.25	928,516.25	997,032.50
08/01/2037	-	-	52,391.25	52,391.25	-
02/01/2038	885,000.00	3.800%	52,391.25	937,391.25	989,782.50
08/01/2038	-	-	35,576.25	35,576.25	-
02/01/2039	915,000.00	3.800%	35,576.25	950,576.25	986,152.50
08/01/2039	-	-	18,191.25	18,191.25	-
02/01/2040	945,000.00	3.850%	18,191.25	963,191.25	981,382.50
Total	\$11,815,000.00	-	\$7,110,643.97	\$18,925,643.97	-

Yield Statistics

Bond Year Dollars	\$203,563.81
Average Life	17.229 Years
Average Coupon	3.4930787%
Net Interest Cost (NIC)	3.5395113%
True Interest Cost (TIC)	3.5224979%
Bond Yield for Arbitrage Purposes	3.4588985%
All Inclusive Cost (AIC)	3.5761889%

IRS Form 8038

Net Interest Cost	3.4930787%
Weighted Average Maturity	17.229 Years

Series 2015A GO Wat Rev R | SINGLE PURPOSE | 2/24/2015 | 8:42 AM

City of East Bethel, MN

\$11,815,000 General Obligation Refunding Bonds, Series 2015A

Proposed Current Refunding of Series 2010A RZEDs

Assuming Current GO Non-BQ "AA" Market Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2016	508,818.97	507,061.04	451,920.78	(55,140.26)
02/01/2017	499,625.00	499,625.00	451,920.78	(47,704.22)
02/01/2018	498,785.00	498,785.00	451,920.78	(46,864.22)
02/01/2019	497,705.00	497,705.00	451,920.78	(45,784.22)
02/01/2020	511,385.00	511,385.00	566,920.78	55,535.78
02/01/2021	509,562.50	509,562.50	568,871.92	59,309.42
02/01/2022	557,402.50	557,402.50	615,549.12	58,146.62
02/01/2023	524,165.00	524,165.00	579,940.40	55,775.40
02/01/2024	566,220.00	566,220.00	625,321.48	59,101.48
02/01/2025	592,020.00	592,020.00	649,052.92	57,032.92
02/01/2026	641,730.00	641,730.00	696,794.58	55,064.58
02/01/2027	689,747.50	689,747.50	746,263.54	56,516.04
02/01/2028	745,567.50	745,567.50	803,434.80	57,867.30
02/01/2029	794,025.00	794,025.00	852,925.42	58,900.42
02/01/2030	860,075.00	860,075.00	914,926.88	54,851.88
02/01/2031	948,180.00	948,180.00	1,003,864.78	55,684.78
02/01/2032	1,017,055.00	1,017,055.00	1,072,618.14	55,563.14
02/01/2033	1,012,265.00	1,012,265.00	1,067,593.58	55,328.58
02/01/2034	1,001,045.00	1,001,045.00	1,061,574.84	60,529.84
02/01/2035	997,757.50	997,757.50	1,059,561.90	61,804.40
02/01/2036	998,157.50	998,157.50	1,056,355.92	58,198.42
02/01/2037	997,032.50	997,032.50	1,050,682.90	53,650.40
02/01/2038	989,782.50	989,782.50	1,043,772.64	53,990.14
02/01/2039	986,152.50	986,152.50	1,040,625.18	54,472.68
02/01/2040	981,382.50	981,382.50	1,036,034.30	54,651.80
Total	\$18,925,643.97	\$18,923,886.04	\$19,920,369.14	\$996,483.10

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings.....	4,842,296.27
Effects of changes in Expenses.....	(4,280,791.80)
Net PV Cashflow Savings @ 3.459%(Bond Yield).....	561,504.46
Contingency or Rounding Amount.....	1,757.93
Net Present Value Benefit	\$563,262.39
Net PV Benefit / \$16,657,296.27 PV Refunded Debt Service	3.381%
Net PV Benefit / \$11,465,000 Refunded Principal...	4.913%
Net PV Benefit / \$11,815,000 Refunding Principal..	4.767%

Refunding Bond Information

Refunding Dated Date	4/23/2015
Refunding Delivery Date	4/23/2015

City of East Bethel, MN

\$11,465,000 Taxable G.O. Water Utility Revenue Bonds, Series 2010A
Recovery Zone Economic Development Bonds

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/23/2015	11,465,000.00	174,722.07	11,639,722.07	-	-	-	-
08/01/2015	-	-	-	-	-	383,536.25	383,536.25
02/01/2016	-	-	-	-	-	383,536.25	383,536.25
08/01/2016	-	-	-	-	-	383,536.25	383,536.25
02/01/2017	-	-	-	-	-	383,536.25	383,536.25
08/01/2017	-	-	-	-	-	383,536.25	383,536.25
02/01/2018	-	-	-	-	-	383,536.25	383,536.25
08/01/2018	-	-	-	-	-	383,536.25	383,536.25
02/01/2019	-	-	-	-	-	383,536.25	383,536.25
08/01/2019	-	-	-	-	-	383,536.25	383,536.25
02/01/2020	-	-	-	115,000.00	4.500%	383,536.25	498,536.25
08/01/2020	-	-	-	-	-	380,948.75	380,948.75
02/01/2021	-	-	-	120,000.00	4.700%	380,948.75	500,948.75
08/01/2021	-	-	-	-	-	378,128.75	378,128.75
02/01/2022	-	-	-	170,000.00	5.600%	378,128.75	548,128.75
08/01/2022	-	-	-	-	-	373,368.75	373,368.75
02/01/2023	-	-	-	140,000.00	5.600%	373,368.75	513,368.75
08/01/2023	-	-	-	-	-	369,448.75	369,448.75
02/01/2024	-	-	-	190,000.00	5.600%	369,448.75	559,448.75
08/01/2024	-	-	-	-	-	364,128.75	364,128.75
02/01/2025	-	-	-	220,000.00	5.600%	364,128.75	584,128.75
08/01/2025	-	-	-	-	-	357,968.75	357,968.75
02/01/2026	-	-	-	275,000.00	6.500%	357,968.75	632,968.75
08/01/2026	-	-	-	-	-	349,031.25	349,031.25
02/01/2027	-	-	-	335,000.00	6.500%	349,031.25	684,031.25
08/01/2027	-	-	-	-	-	338,143.75	338,143.75
02/01/2028	-	-	-	405,000.00	6.500%	338,143.75	743,143.75
08/01/2028	-	-	-	-	-	324,981.25	324,981.25
02/01/2029	-	-	-	470,000.00	6.500%	324,981.25	794,981.25
08/01/2029	-	-	-	-	-	309,706.25	309,706.25
02/01/2030	-	-	-	550,000.00	6.500%	309,706.25	859,706.25
08/01/2030	-	-	-	-	-	291,831.25	291,831.25
02/01/2031	-	-	-	660,000.00	6.750%	291,831.25	951,831.25
08/01/2031	-	-	-	-	-	269,556.25	269,556.25
02/01/2032	-	-	-	755,000.00	6.750%	269,556.25	1,024,556.25
08/01/2032	-	-	-	-	-	244,075.00	244,075.00
02/01/2033	-	-	-	780,000.00	6.750%	244,075.00	1,024,075.00
08/01/2033	-	-	-	-	-	217,750.00	217,750.00
02/01/2034	-	-	-	805,000.00	6.750%	217,750.00	1,022,750.00
08/01/2034	-	-	-	-	-	190,581.25	190,581.25
02/01/2035	-	-	-	835,000.00	6.750%	190,581.25	1,025,581.25
08/01/2035	-	-	-	-	-	162,400.00	162,400.00
02/01/2036	-	-	-	865,000.00	7.000%	162,400.00	1,027,400.00
08/01/2036	-	-	-	-	-	132,125.00	132,125.00
02/01/2037	-	-	-	895,000.00	7.000%	132,125.00	1,027,125.00
08/01/2037	-	-	-	-	-	100,800.00	100,800.00
02/01/2038	-	-	-	925,000.00	7.000%	100,800.00	1,025,800.00
08/01/2038	-	-	-	-	-	68,425.00	68,425.00
02/01/2039	-	-	-	960,000.00	7.000%	68,425.00	1,028,425.00
08/01/2039	-	-	-	-	-	34,825.00	34,825.00
02/01/2040	-	-	-	995,000.00	7.000%	34,825.00	1,029,825.00
Total	\$11,465,000.00	\$174,722.07	\$11,639,722.07	\$11,465,000.00	-	\$14,351,810.00	\$25,816,810.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	4/23/2015
Average Life	18.187 Years
Average Coupon	6.7989584%
Weighted Average Maturity (Par Basis)	18.187 Years

Refunding Bond Information

Refunding Dated Date	4/23/2015
Refunding Delivery Date	4/23/2015

Ser 2010A \$11.465M Recove | SINGLE PURPOSE | 2/24/2015 | 8:42 AM



City of East Bethel, MN

\$11,815,000 General Obligation Refunding Bonds, Series 2015A
Proposed Current Refunding of Series 2010A RZEDs
Assuming Current GO Non-BQ "AA" Market Rates

Detail Costs Of Issuance

Dated 04/23/2015 | Delivered 04/23/2015

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$51,000.00
Bond Counsel	\$13,500.00
Rating Agency Fee	\$13,500.00
Miscellaneous	\$1,000.00
TOTAL	\$79,000.00

Debt Service Schedule

	Bond Trust Callable 2/1/21	US Bank Not Callable	US Bank Callable 2/1/18	MN PFA Not Callable	US Bank Callable	Bond Trust Callable 2/1/23	US Bank Not Callable	Total
	2013A Feb/Aug	2005B Feb/Aug	2008A Feb/Aug	2010 Feb/Aug	2010A Feb/Aug	2014A Feb/Aug	2010C Feb/Aug	
	\$ 1,250,000	\$ 495,000	\$ 1,715,000	\$ 74,601	\$ 11,465,000	\$ 5,485,000	\$ 1,260,000	
	301	303	308	309	310	311	312	
Principal	-	-	-	3,000.00	-	-	-	3,000.00
Interest	17,625.00	1,140.00	19,542.50	282.95	383,586.25	93,837.50	20,866.25	536,880.45
Total 2015	17,625.00	1,140.00	19,542.50	3,282.95	383,586.25	93,837.50	20,866.25	539,880.45
Principal	90,000.00	60,000.00	135,000.00	3,000.00	-	-	695,000.00	983,000.00
Interest	33,900.00	1,140.00	36,722.50	535.90	767,072.50	187,675.00	30,612.50	1,057,658.40
Total 2016	123,900.00	61,140.00	171,722.50	3,535.90	767,072.50	187,675.00	725,612.50	2,040,658.40
Principal	90,000.00	-	140,000.00	3,000.00	-	-	565,000.00	798,000.00
Interest	31,200.00	-	31,560.00	505.90	767,072.50	187,675.00	9,746.25	1,027,759.65
Total 2017	121,200.00	-	171,560.00	3,505.90	767,072.50	187,675.00	574,746.25	1,825,759.65
Principal	95,000.00	-	155,000.00	4,000.00	-	-	-	254,000.00
Interest	28,425.00	-	25,660.00	475.90	767,072.50	187,675.00	-	1,009,308.40
Total 2018	123,425.00	-	180,660.00	4,475.90	767,072.50	187,675.00	-	1,263,308.40
Principal	100,000.00	-	170,000.00	4,000.00	-	-	230,000.00	504,000.00
Interest	25,500.00	-	19,160.00	435.90	767,072.50	184,225.00	-	996,393.40
Total 2019	125,500.00	-	189,160.00	4,435.90	767,072.50	414,225.00	-	1,500,393.40
Principal	100,000.00	-	175,000.00	4,000.00	115,000.00	230,000.00	-	624,000.00
Interest	22,500.00	-	12,260.00	395.90	764,485.00	177,325.00	-	976,965.90
Total 2020	122,500.00	-	187,260.00	4,395.90	879,485.00	407,325.00	-	1,600,965.90
Principal	110,000.00	-	125,000.00	4,000.00	120,000.00	180,000.00	-	539,000.00
Interest	19,350.00	-	6,260.00	355.90	759,077.50	171,175.00	-	956,218.40
Total 2021	129,350.00	-	131,260.00	4,355.90	879,077.50	351,175.00	-	1,495,218.40
Principal	110,000.00	-	10,000.00	4,000.00	170,000.00	185,000.00	-	479,000.00
Interest	16,050.00	-	3,525.00	315.90	751,497.50	165,700.00	-	937,088.40
Total 2022	126,050.00	-	13,525.00	4,315.90	921,497.50	350,700.00	-	1,416,088.40
Principal	115,000.00	-	10,000.00	4,000.00	140,000.00	200,000.00	-	469,000.00
Interest	12,675.00	-	3,055.00	275.90	742,817.50	159,925.00	-	918,748.40
Total 2023	127,675.00	-	13,055.00	4,275.90	882,817.50	359,925.00	-	1,387,748.40
Principal	120,000.00	-	10,000.00	4,000.00	190,000.00	200,000.00	-	524,000.00
Interest	9,150.00	-	2,585.00	235.90	733,577.50	154,575.00	-	900,123.40
Total 2024	129,150.00	-	12,585.00	4,235.90	923,577.50	354,575.00	-	1,424,123.40
Principal	120,000.00	-	10,000.00	4,000.00	220,000.00	210,000.00	-	564,000.00
Interest	5,550.00	-	2,115.00	195.90	722,097.50	149,337.50	-	879,295.90
Total 2025	125,550.00	-	12,115.00	4,195.90	942,097.50	359,337.50	-	1,443,295.90
Principal	125,000.00	-	10,000.00	4,000.00	275,000.00	220,000.00	-	634,000.00
Interest	1,875.00	-	1,645.00	155.90	707,000.00	143,425.00	-	854,100.90
Total 2026	126,875.00	-	11,645.00	4,155.90	982,000.00	363,425.00	-	1,488,100.90
Principal	100,000.00	-	10,000.00	4,000.00	335,000.00	225,000.00	-	574,000.00
Interest	1,175.00	-	115.90	115.90	687,175.00	137,025.00	-	825,490.90
Total 2027	-	-	11,175.00	4,115.90	1,022,175.00	362,025.00	-	1,399,490.90
Principal	10,000.00	-	10,000.00	4,000.00	405,000.00	230,000.00	-	649,000.00
Interest	-	-	705.00	75.90	663,125.00	130,200.00	-	794,105.90
Total 2028	-	-	10,705.00	4,075.90	1,068,125.00	360,200.00	-	1,443,105.90
Principal	10,000.00	-	10,000.00	3,589.20	470,000.00	245,000.00	-	728,589.20
Interest	-	-	235.00	35.90	634,687.50	122,462.50	-	757,420.90
Total 2029	-	-	10,235.00	3,625.10	1,104,687.50	367,462.50	-	1,486,010.10
Principal	-	-	-	-	550,000.00	255,000.00	-	805,000.00
Interest	-	-	-	-	601,537.50	113,712.50	-	715,250.00
Total 2030	-	-	-	-	1,151,537.50	368,712.50	-	1,520,250.00
Principal	-	-	-	-	660,000.00	265,000.00	-	925,000.00
Interest	-	-	-	-	561,387.50	104,612.50	-	666,000.00
Total 2031	-	-	-	-	1,221,387.50	369,612.50	-	1,591,000.00
Principal	-	-	-	-	755,000.00	280,000.00	-	1,035,000.00
Interest	-	-	-	-	513,631.25	95,075.00	-	608,706.25
Total 2032	-	-	-	-	1,268,631.25	375,075.00	-	1,643,706.25
Principal	-	-	-	-	780,000.00	295,000.00	-	1,075,000.00
Interest	-	-	-	-	461,825.00	85,012.50	-	546,837.50
Total 2033	-	-	-	-	1,241,825.00	380,012.50	-	1,621,837.50
Principal	-	-	-	-	805,000.00	310,000.00	-	1,115,000.00
Interest	-	-	-	-	408,331.25	74,425.00	-	482,756.25
Total 2034	-	-	-	-	1,213,331.25	384,425.00	-	1,597,756.25
Principal	-	-	-	-	835,000.00	320,000.00	-	1,155,000.00
Interest	-	-	-	-	352,981.25	62,600.00	-	415,581.25
Total 2035	-	-	-	-	1,187,981.25	382,600.00	-	1,570,581.25
Principal	-	-	-	-	865,000.00	255,000.00	-	1,120,000.00
Interest	-	-	-	-	294,525.00	51,100.00	-	345,625.00
Total 2036	-	-	-	-	1,159,525.00	306,100.00	-	1,465,625.00
Principal	-	-	-	-	895,000.00	265,000.00	-	1,160,000.00
Interest	-	-	-	-	232,925.00	40,700.00	-	273,625.00
Total 2037	-	-	-	-	1,127,925.00	305,700.00	-	1,433,625.00
Principal	-	-	-	-	925,000.00	280,000.00	-	1,205,000.00
Interest	-	-	-	-	169,225.00	29,800.00	-	199,025.00
Total 2038	-	-	-	-	1,094,225.00	309,800.00	-	1,404,025.00
Principal	-	-	-	-	960,000.00	295,000.00	-	1,255,000.00
Interest	-	-	-	-	103,250.00	18,300.00	-	121,550.00
Total 2039	-	-	-	-	1,063,250.00	313,300.00	-	1,376,550.00
Principal	-	-	-	-	995,000.00	310,000.00	-	1,305,000.00
Interest	-	-	-	-	34,825.00	6,200.00	-	41,025.00
Total 2040	-	-	-	-	1,029,825.00	316,200.00	-	1,346,025.00
Principal due in 2015	-	-	-	3,000.00	-	-	-	3,000.00
Principal due 2016 to 2040	1,175,000.00	60,000.00	980,000.00	53,589.20	11,465,000.00	5,485,000.00	1,260,000.00	20,478,589.20
Interest due 2015 to 2040	223,800.00	2,280.00	166,205.00	4,395.55	14,351,860.00	3,033,775.00	61,225.00	17,843,540.55
Rates	3%	2.95 - 3.8%	3.0 - 4.7%	1%	4.5 - 7.0%	3.0 - 4.0%	3.2 - 3.45%	

Resolution No. **2015-14**

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

**Resolution Providing for the Sale of
\$11,815,000 General Obligation Refunding Bonds, Series 2015A**

- A. WHEREAS, the City Council of the City of East Bethel, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$11,815,000 General Obligation Refunding Bonds, Series 2015A (the "Bonds"), to refinance the 2010A Bonds (RZDB) in the City to reduce interest costs; and
- B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent financial advisor for the Bonds and is therefore authorized to solicit proposals in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to solicit proposals for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 p.m. on April 1, 2015, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Official Statement. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an official statement for the Bonds and to execute and deliver it on behalf of the City upon its completion.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Dated this 4th day of March, 2015.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 6.0 A-F

Agenda Item:

Consent Agenda

Requested Action:

Consider approval of the Consent Agenda

Background Information:

Item A

Approve Bills

Item B

February 18, 2015 City Council Minutes

Meeting minutes from the February 18, 2015 City Council Meeting are attached for your review.

Item C

February 10, 2015 City Council Special Meeting Minutes

Meeting minutes from the February 10, 2015 City Council Special Meeting are attached for your review.

Item D

Surplus Property Declaration

The City of East Bethel Fire Department owns an older mobile home that has been used minimally for Fire Training. This structure is 16' X 70' and has been installed professionally with anchors, blocks and steps. The mobile home was donated, and accepted by the City Council, September 5, 2007. The mobile home is located in the back lot of the Recycle Center on Viking Boulevard. The value at the time of the donation was less than \$ 2,000 and, most likely, is less than \$ 2,000 now.

Staff proposes the City Council declare the mobile home as “Surplus Property” and direct the Fire Chief to offer for sale the mobile home on MinnBid. If there are no bidders, Council is requested to direct Staff to dispose of the trailer in the most economical way possible.

Item E

Pay Estimate No. 10 for Castle Towers/Whispering Aspen 2013 Forcemain Project

This item includes Pay Estimate No. 10 to LaTour Construction, Inc. for the Castle Towers/Whispering Aspen 2013 Forcemain Project. This pay estimate includes payment for all work completed to date less a 3 percent retainage. This project is substantially complete and is

fully operational and in use by the City. All outstanding punch list items will be addressed this spring. It is anticipated that this project will be recommended for final payment in May. Staff recommends partial payment of \$54,965.50. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 1,942,496.90
Less Previous Payments	\$ 1,829,256.48
Less Retainage	\$ 58,274.92
Total payment	\$ 54,965.50

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate No. 10 is attached.

Item F

Authorize the Advertisement for an Intern Position

Amy Norling, Administrative Assistant for the Community Development and Building Department, will be on approved unpaid leave beginning approximately June through August 2015. In order to address this staffing issue, Council is requested to authorize the advertisement for an intern position to cover Ms. Norling's absence. The rate of pay would be \$12/hr. and there would be no benefits provided. It is anticipated that applications for this position would be received, evaluated and submitted to Council, no later than May 6, 2015 for approval. Funds are available for this position from the unpaid portion of the personnel budget line item for this position.

Fiscal Impact:

As noted above.

Recommendation(s):

Staff recommends approval of the Consent Agenda as presented.



Payments for Council Approval March 4, 2015

Bills to be approved for payment	\$46,182.83
Electronic payroll payments	\$25,674.56
Payroll - City Staff -February 26, 2015	\$33,496.16
Total to be Approved for Payment	\$105,353.55

City of East Bethel

March 4, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Arena Operations	Bldg/Facility Repair Supplies	J19677	Fairchild Equipment	615	49851	\$630.66
Arena Operations	Bldg/Facility Repair Supplies	9650429716	Grainger	615	49851	\$48.96
Arena Operations	Bldgs/Facilities Repair/Maint	W229809	Herc-U-Lift	615	49851	\$135.00
Arena Operations	Gas Utilities	446031080	Xcel Energy	615	49851	\$2,671.32
Arena Operations	General Operating Supplies	163267	Class C Components	615	49851	\$57.08
Arena Operations	Legal Notices	190232	ECM Publishers, Inc.	615	49851	\$32.25
Arena Operations	Motor Fuels	1086295519	Ferrellgas	615	49851	\$301.80
Arena Operations	Professional Services Fees	10007	Gibson's Management Company	615	49851	\$9,000.00
Arena Operations	Repairs/Maint Machinery/Equip	U50132	Fairchild Equipment	615	49851	\$173.34
Arena Operations	Repairs/Maint Machinery/Equip	396454	Jorson & Carlson Co., Inc	615	49851	\$125.37
Arena Operations	Telephone	332373310-159	Sprint Nextel Communications	615	49851	\$11.55
Building Inspection	Conferences/Meetings	022615	Minnesota's Bookstore	101	42410	\$831.00
Building Inspection	Conferences/Meetings	022015	Nick Schmitz	101	42410	\$260.00
Building Inspection	Conferences/Meetings	022015	Steve Lutmer	101	42410	\$85.00
Building Inspection	Electrical Permits	030115	Brian Nelson Inspection Svcs	101		\$191.25
Building Inspection	Motor Fuels	273283	Mansfield Oil Company	101	42410	\$247.23
Building Inspection	Telephone	332373310-159	Sprint Nextel Communications	101	42410	\$5.60
Central Services/Supplies	Office Supplies	IN0726621	Innovative Office Solutions	101	48150	\$59.49
Central Services/Supplies	Professional Services Fees	021715	Anoka County	101	48150	\$1,649.63
Central Services/Supplies	Telephone	12753255	Integra Telecom	101	48150	\$210.00
City Administration	Professional Services Fees	M21109	TimeSaver Off Site Secretarial	101	41320	\$1,029.38
City Administration	Telephone	332373310-159	Sprint Nextel Communications	101	41320	\$84.00
City Administration	Travel Expenses	022415	Jack Davis	101	41320	\$161.58
Fire Department	Clothing & Personal Equipment	3488	Emergency Response Solutions	101	42210	\$305.52
Fire Department	Dues and Subscriptions	2015	MN State Fire Chiefs Assoc.	101	42210	\$264.00
Fire Department	Dues and Subscriptions	2015	MN State Fire Dept Assn	101	42210	\$315.00
Fire Department	Gas Utilities	446031080	Xcel Energy	101	42210	\$2,293.45
Fire Department	Motor Fuels	273283	Mansfield Oil Company	101	42210	\$393.28
Fire Department	Motor Fuels	273286	Mansfield Oil Company	101	42210	\$319.55
Fire Department	Motor Vehicles Parts	191648	Advanced Graphix Inc.	101	42210	\$40.00
Fire Department	Motor Vehicles Parts	506572	Ham Lake Hardware	101	42210	\$8.20
Fire Department	Motor Vehicles Parts	273989	S & S Industrial Supply	101	42210	\$8.00
Fire Department	Professional Services Fees	16184	Classic Construction	101	42210	\$580.00
Fire Department	Safety Supplies	110019114	Allina Health System	101	42210	\$642.33
Fire Department	Telephone	12753255	Integra Telecom	101	42210	\$131.27
Fire Department	Telephone	332373310-159	Sprint Nextel Communications	101	42210	\$38.70
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	9650429716	Grainger	101	41940	\$197.44
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	9658829685	Grainger	101	41940	\$17.18
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	1901202001253	Interstate All Battery Center	101	41940	\$19.99
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	3	Metro Plus Turnover Cleaning	101	41940	\$380.00
General Govt Buildings/Plant	Gas Utilities	446031080	Xcel Energy	101	41940	\$948.30
Park Maintenance	Clothing & Personal Equipment	1182735716	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1182747146	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1182758532	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1182769989	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Equipment Parts	5702	Hydraulics Plus & Consulting	101	43201	\$99.28

City of East Bethel

March 4, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Park Maintenance	Equipment Parts	5712	Hydraulics Plus & Consulting	101	43201	\$115.84
Park Maintenance	Equipment Parts	02-262591	Lano Equipment, Inc.	101	43201	\$47.56
Park Maintenance	Equipment Parts	02-263694	Lano Equipment, Inc.	101	43201	\$74.69
Park Maintenance	Equipment Parts	20C164544	Ziegler Inc.	101	43201	\$139.50
Park Maintenance	General Operating Supplies	508459	Ham Lake Hardware	101	43201	\$19.08
Park Maintenance	General Operating Supplies	P29612	MN Equipment	101	43201	\$5.79
Park Maintenance	Motor Fuels	273283	Mansfield Oil Company	101	43201	\$337.10
Park Maintenance	Motor Fuels	273286	Mansfield Oil Company	101	43201	\$614.53
Park Maintenance	Other Equipment Rentals	85955	Jimmy's Johnnys, Inc.	101	43201	\$70.00
Park Maintenance	Telephone	12753255	Integra Telecom	101	43201	\$48.12
Park Maintenance	Telephone	332373310-159	Sprint Nextel Communications	101	43201	\$38.70
Payroll	Insurance Premiums	03 2015	Dearborn National Life Ins Co.	101		\$1,251.44
Payroll	Union Dues	02 2015	MN Public Employees Assn	101		\$429.00
Planning & Zoning	Fee reimbursement	022315	Beaverbrook Tri Cty Sportsmen	101		\$20.00
Recycling Operations	Bldgs/Facilities Repair/Maint	B022428	Braun Intertec Corporation	226	43235	\$6,044.75
Recycling Operations	Gas Utilities	446031080	Xcel Energy	226	43235	\$253.69
Recycling Operations	Other Equipment Rentals	85955	Jimmy's Johnnys, Inc.	226	43235	\$70.00
Recycling Operations	Professional Services Fees	03 2015	Cedar East Bethel Lions	226	43235	\$1,200.00
State Surcharges	Service Connection Fees	2015	MN Dept of Health	601		\$330.00
Street Maintenance	Bldgs/Facilities Repair/Maint	1182735716	G&K Services - St. Paul	101	43220	\$9.17
Street Maintenance	Bldgs/Facilities Repair/Maint	1182747146	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182758532	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182769989	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Clothing & Personal Equipment	526477	Chet's Shoes, Inc.	101	43220	\$310.99
Street Maintenance	Clothing & Personal Equipment	1182735716	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Clothing & Personal Equipment	1182747146	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Clothing & Personal Equipment	1182758532	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Clothing & Personal Equipment	1182769989	G&K Services - St. Paul	101	43220	\$19.40
Street Maintenance	Equipment Parts	5676	Hydraulics Plus & Consulting	101	43220	\$302.33
Street Maintenance	Equipment Parts	1539-351477	O'Reilly Auto Stores Inc.	101	43220	\$27.49
Street Maintenance	Gas Utilities	446031080	Xcel Energy	101	43220	\$1,289.97
Street Maintenance	Lubricants and Additives	11876	DB Koppy	101	43220	\$80.09
Street Maintenance	Motor Fuels	273283	Mansfield Oil Company	101	43220	\$146.07
Street Maintenance	Motor Fuels	273286	Mansfield Oil Company	101	43220	\$1,524.05
Street Maintenance	Safety Supplies	9650429716	Grainger	101	43220	\$99.28
Street Maintenance	Safety Supplies	9667490016	Grainger	101	43220	\$235.60
Street Maintenance	Shop Supplies	1539-350526	O'Reilly Auto Stores Inc.	101	43220	\$13.98
Street Maintenance	Shop Supplies	1539-350527	O'Reilly Auto Stores Inc.	101	43220	\$13.98
Street Maintenance	Small Tools and Minor Equip	S17267	Tri State Bobcat	101	43220	\$4,301.24
Street Maintenance	Snowplow Cutting Edges	FP158696	Crysteel Truck Equipment	101	43220	\$577.19
Street Maintenance	Telephone	12753255	Integra Telecom	101	43220	\$48.12
Street Maintenance	Telephone	332373310-159	Sprint Nextel Communications	101	43220	\$183.01
Tax Increment District No. 1-1	Professional Services Fees	021715	Anoka County	435	43500	\$459.83
Water Utility Operations	Gas Utilities	021615	CenterPoint Energy	601	49401	\$104.82
Water Utility Operations	Gas Utilities	021615	CenterPoint Energy	601	49401	\$173.26
						\$46,182.83

City of East Bethel

March 4, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount

City of East Bethel

March 4, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Electronic Payroll Payments						
Payroll	PERA					\$6,185.00
Payroll	Federal Withholding					\$5,406.77
Payroll	Medicare Withholding					\$1,528.62
Payroll	FICA Tax Withholding					\$6,536.04
Payroll	State Withholding					\$2,208.55
Payroll	MSRS/HCSP					\$3,809.58
						\$25,674.56

EAST BETHEL CITY COUNCIL MEETING

FEBRUARY 18, 2015

The East Bethel City Council met on February 18, 2015, at 7:30 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Ron Koller Tim Harrington
Brian Mundle Tom Ronning

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

1.0 Call to Order The February 18, 2015, City Council meeting was called to order by Mayor Voss at 7:30 p.m.

2.0 Pledge of Allegiance The Pledge of Allegiance was recited.

3.0 Adopt Agenda **Harrington stated I'll make a motion to adopt tonight's agenda. Under the Consent Agenda, I'd like to add line I, Supplement Payment Summary. Koller stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated opposed? Hearing none motion passes. Motion passes unanimously.**

4.0 Presentation Davis stated at this time, we will have Sheriff Stuart and Commander Orlando introduce the Anoka County Deputies for 2015 and have the January Sheriff's Report.

4.01 Sheriff Stuart Comments Sheriff Stuart stated well, thank you very much. Mr. Mayor, Council, nice to see everybody again. For the record, my name is James Stuart and it's my privilege to serve as the Sheriff at Anoka County. If you'll indulge me, I'd like to begin with kind of a quick overview of what we've been up to the last few months. I don't get to see your faces that often so it's nice to be able to get back up here and share some of the things that we've been up to as a Sheriff's office. As you can see, certainly, we have our East Bethel team here tonight and Commander Orlando will be addressing some of the specifics of your monthly report as well as introducing the 2015 East Bethel team shortly.

We've had another busy year with the Sheriff's Office, over the past 12 months and through 2014. We'll have our annual report, which I've reinstated recently, completed in the near future and we'll make sure and get those in your hands as well. Please don't hesitate if you have any questions upon receiving those. If you have any questions, please just give me a call or talk to Shelly.

You may or may not have heard, but we're excited about the receiving of an Achievement Award from the National Association of Counties for our anti-heroin initiatives within Anoka County, which have included our forums as well as our community outreach and our efforts and our prescription drug take back programs. We now have six boxes located throughout Anoka County at various law enforcement facilities. To date, we've taken over 5,000 pounds of prescription medications off the streets of Anoka County. The reason we have tried to aggressively go after that additional direction with our anti-heroin initiatives is because of the absolute distinct link between the prescription drug use then abuse into heroin. We see this as just another way that we can help teens keep their lives on a

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Sheriff Stuart

Comments

healthier track.

We've also partnered more aggressively on the human trafficking front. We have not only continued to partner with our regional law enforcement partners but within Anoka County we have developed an ad hoc Anti-Human Trafficking Task Force. A lot of people think, 'Boy, is that really an issue? Is that necessary in Anoka County?' And the tragic reality is yes, it is necessary in Anoka County. What opened my eyes to it was the detective that approached me a few years back, about two-and-a-half years back, and explained to me the depth of the issue and the fact that we have 11- to 14-year-old girls being sold like cans of soup repeatedly, every day, for the enjoyment of some individuals who have no value on them as humans. So, we have collectively come together. We've ramped up our efforts. We're also working with prosecution on our federal partners as well to say, 'Not here and not on our watch.'

We've also partnered with a variety of different youth programs. We're getting heavily engaged at the Sheriff's Office with youth intervention as well as the homeless youth efforts. We're partnering with Hope for Youth and some of those other entities to make sure that, again, if we can play any part in a positive path for the future of these kids to help them understand there is still such a thing as hope. There is still such a thing as an opportunity for your future. It's exciting for me to be able to be a part of that. In fact, over Christmas, I was able to partner with a couple of others and with the support of a lot of donations and volunteers from the community, we hosted a Christmas Remembered. That was open for homeless youth in Anoka and we brought them in and allowed them an opportunity within a gymnasium environment, which they don't typically have. We allowed them an opportunity for a warm meal. We let them hang out for a while and then everybody left with a variety of clothing, blankets, as well as gold bags with gift cards from the local stores that they could walk to. We knew they were staying outdoors, if you can imagine as we all shivered walking from our car here tonight. There are minors that are outdoor sleeping in this weather. So, we're trying to take a very aggressive stance in partnering with whomever we can to help these kids get their lives back.

Mental health is also a large-scale issue that we're seeing undiagnosed and untreated. It challenges across our communities but also in our jails across our nation. Up to 60% to 65% of an average jail population are individuals who have mental health challenges and, typically, undiagnosed issues. So, we're trying to figure out how to better address that as well.

Even on the national level, we've been privileged with going to the National Sheriff's Association level and I'm on the Youth Programs Committee, the Domestic Violence Committee, as well as the International Policing Committee for the National Sheriff's Association. The reason I really enjoy that is that it allows me to be able to stand with Sheriffs all over the nation as we stand shoulder-to-shoulder to make sure that we are all collectively standing together. To make sure we are providing and pursuing the best interest for all of the citizens that we proudly protect and serve.

On a local level, we have been engaged in numerous community outreach efforts. I'm excited to say our staff continues to bring fresh ideas. Some of these I've shared with you in the past and we also have some new faces so I appreciate the opportunity to talk again. We have done everything from hockey games for Cystic Fibrosis to softball games for the food shelf. We do the Feed My Starving Children nights and, of course, we do the Cast Event, which is designed to take under privileged, or it's open to any kid, but we're really

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Sheriff Stuart
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focused that we reach out to the under privileged kids from around the County and take them out for a fun day of fishing and boating and lots of prizes. Things like that. We've also been partners with Special Olympics for many years, as you may or may not know.

Four years ago, I'm proud to say that we began as one of the host sites for the Polar Bear Plunge. For those who might know Sergeant Blummel, when she was a Deputy, she had approached me and said, 'Sheriff, you know we're engaged in a lot of things. We know this is the direction you want to go as far as being ambassadors. What do you think about hosting this Polar Bear Plunge in Anoka County?' And, I said, obviously, 'I need to know a little bit more about it.' And, she came back with a 'laundry list' of things. It was a much bigger undertaking than I originally thought but I said, 'Yeah. You know what, I think it's a great activity and it brings the community together. Let's do this.' So what I said was, 'Yes, we'll host the Polar Bear Plunge.' What she heard was, 'Yes, I will take the plunge.' So, I'm now here to tell you that this will be my fourth plunge on February 28th. I would like to 'throw out the gauntlet' for anybody who cares to join me. Anyone at all. There's always room on the platform for more plungers. So, we would love to have you join our team.

On a more serious note, I wanted to just touch briefly on the fact that these are definitely challenging times for law enforcement and our nation. It concerns me in some of the things we see in the news and we see on tv. Collectively, I mentioned as I've worked with regional folks and even across our nation, I've had opportunity to meet law enforcement officers from all over our country. And, I can tell you that the vast, vast majority of law enforcement officers who step up, raise their hand, and swear an oath to protect and serve, are good people. They're good men and women who do it for the right reasons and it's because they want to work hard and strive to protect and serve.

The reason it concerns me is because when hate mongers strive to create division in our nation or make enemies of our protectors, then I'm concerned about the long-term ramifications. Specifically, as we think and as we're all taught, think that bigger picture long-term effects, I begin thinking about the 2-, 5-, and 10-year ramifications of making enemies of our protectors. It concerns me because I know that the men and women who do this job now, as I said, they have that good heart. Well, when the good-hearted people no longer want the job because it's not necessarily, and I look out to the East Coast and I see a few years ago they were throwing parades for their police officers and now they're literally spitting in their faces on the public streets. I can't imagine who would want that job in the East Coast. So, having said that, I'm very privileged to live in an area, we're all very privileged to be in an area, where law enforcement, I feel, has been an active part of our communities and really working hard to create positive relationships. We're very fortunate to live in this environment.

Tonight you see behind me a team of individuals but they collectively form a team who really are dedicated to the pursuit of excellence and exceeding your expectations both as a Council and as citizens of East Bethel. We will continue to serve. We will continue to strive to serve you and the citizens with pride and honor and never forget the ultimate reason that we're here, which is our mission and that is to protect and serve the community in a manner that preserves the public trust. We recognize that without the public trust, there's no reason for us to be here. And, we see that in other parts of the country right now where the public trust has been affected negatively. Obviously, that's a concern of mine. We collectively, as the Anoka County Sheriff's Office, embrace the role of ambassador. We appreciate your partnership. We appreciate your support and we will continue to do

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Sheriff Stuart

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whatever we can do to earn that trust and that respect and that support and your partnership.

On a quick side note, I want to thank all of our Deputies for their service. They work a lot of weird hours. They're out working in this kind of weather. I heard of a bad crash earlier tonight in which I know those Deputies were out there for extended periods of time. Again, I was miserable going from my car to come in here. So, I remember those days and I'm kind of glad on these nights I'm not out there any more. Just as we were preparing to start the meeting tonight, there was also a pursuit that went out along Viking Boulevard and I know that those that are involved in that are going to be tied up for many hours as well. So, the situations they are put in are often times those situations where a lot of us would rather think don't really exist, especially not in little Anoka County. But, unfortunately, we are the fourth largest County in the State and we do encounter everything that everybody else does. So, without further ado, and I know I'm starting to digress a little bit, but I do appreciate your time. I want to open it up if you have any questions of me. Otherwise, I will certainly turn it over to your City Liaison Commander Orlando to introduce your team.

Mundle stated I do have one question. You mentioned the heroin a little earlier and a couple years ago there was a couple big articles that came out from the mishaps that happened over at St. Francis High School with some of the students. Can you address how, or give us an update on has heroin decreased? What's been going on there?

Stuart stated I can tell you that there's good news and there's bad news, and they're both the same sentence. St. Francis got good coverage over that. St. Francis was not unique to the County. For those who hadn't heard, northern Hennepin and throughout Anoka County, we were experiencing a couple years back, the purest heroin in the nation. That was because we were an untapped market. We were seeing heroin levels up to 92% pure, which is why people were trying it the very first time. It was the last stupid mistake they were allowed to make. So, it was an absolute tragic situation. If I asked everybody to close their eyes and picture what a heroin user looks like, everybody gets that mental image in their head, perhaps. But, that's not who we were losing. We were losing a lot of high school kids, college kids, people who had their life going on the right path. But, again, they might have experimented with prescription drugs and that's a whole other side conversation.

But, we're in a society that tells kids, if you have a headache, take a pill. If you can't sleep take a pill. If you want to wake up, take a pill. If you're 'distracted by butterflies' take a pill, whatever that is. So, they get accustomed to taking pills. And, they'll even go to parties, you know for those who may have ever participated in a wapatoolie, you know everybody would bring your bottle, pour it in, and start taking sips. Well, nowadays, they're doing that. Everybody brings pill bottles, throws them into the bowl, and everybody takes a handful to see where you end up. It is mind-numbing for me to try and wrap my brain around it. Cutting back to the chase, Councilman, we have seen, again, we've done some pretty aggressive approaches on this. We have seen a decline in heroin. To my dismay, we're seeing an increase in meth again, all imported across the border.

Up until a week and a half ago, I was actually, if you can see the top of this, I actually scribbled out a line that was on here. That was because until just a couple of weeks ago, actually, the rest of the nation has been seeing an increase in their heroin and opiate-related deaths. They've been seeing about a 30%, on average. Across the nation they've been seeing a 30% increase. Well, I was prepared to be too proud and say that we've seen a 40% decline in Anoka County. Unfortunately, in the past couple of weeks, we've had several more overdoses occur so I don't know what the updated numbers are and that's why I

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Sheriff Stuart
Comments

scribbled it out. I don't want to give you bad information. We were making some solid strides. I think we're seeing a decline of it on the streets. We had been seeing a solid decline in the deaths as well. We are also prepared much more than we had been in the past to respond to the situations medically and we're much more aggressive in the prosecution pursuits as well. In fact, now if we know somebody supplies anybody who then ends up dying, it's no longer an 'accident.' It's second-degree murder. I don't know if that answered your question completely or not but probably went a little longer than you were hoping.

Ronning stated last year, my recollection anyhow, is that you brought this human trafficking, which was a shock. If I'm representative of anybody out there, we don't know about it. We don't know how bad it is. But if I recall, you were actively engaged at the time and I thought you had some success stories. Have you been able to report that sort of thing again?

Stuart stated we've had, and I don't recall which story or which cases we may have discussed. We have very limited resources, which is why we implored with our local law enforcement agencies to say, 'If you give us some ad hoc Detectives, we'll train them. We'll provide the services.' As the largest-scale cases come up, we're going to go after them. We have had three Detectives that work the human trafficking elements within the Sheriff's Office not exclusively, unfortunately, because we don't have that luxury. But as these cases are identified, as we're still seeing them come through, I would guess on average, once a week. Again, those are just the ones we are getting notified of so I would hazard to say we've barely 'scratched the surface' on what's going on out there.

Unfortunately, sometimes when we get the tip, we respond to the scene and often times it might be a hotel. As an example, we had a report come through, I believe it was Monday morning. We had a report come through, suspicious situation. It definitely sounded like there was trafficking going on in the hotel. Just by the time the officers got there, they were already gone. That's part of the challenge we're seeing is they're using the prepaid credit cards and throwaway phones. Today they're in East Bethel, tomorrow they're in Iowa, the following day they're up in North Dakota, and then they're in Los Vegas.

When we have these cases, the one that comes to my mind, we had two Detectives working a case for ten straight months. And when I say 'working the case' I mean they're working a case and it was long days throughout that entire period and they were dedicated to this one case. Well, the good news is there were over 40 girls that were being trafficked by these two bottom-feeding dirt bags, I'm sorry... 'inside voice.' But, both of those individuals have since been federally indicted so that's good. The girls are hopefully on the path to getting their lives back. But, again, that's ten months we're taking these two Detectives and doing nothing else.

We have a limited number of resources for our collective pool of Detectives who investigate every major crime for Anoka County whether they have a police department or not. So that means, typically, the rapes, the robberies, the homicides, some of these other things are going to get pushed onto other 'plates' while these two Detectives work this exclusively. It becomes a real 'juggling act' to figure out what are today's priorities because obviously, when we've got people being, kids being trafficked, it's a priority. But so are the rapes. So are the robberies. So are the other felony assaults, etc.

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Sheriff Stuart
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We continue to have success stories. I can tell you that when our Detectives 'sink their teeth in' they've been very successful. They definitely have the 'heart' for it. They understand what's at stake and I'm very proud of our team because they don't take 'no' for an answer. They're going to keep going after these people knowing, again, what's at stake and trying to get these kids their lives back. Two of our Detectives co-received Sex Crime Investigator of the Year Awards last year for one of the human trafficking cases that they had worked.

Voss stated you mentioned the prescription drop off boxes. It just happens that Ridgedale Library, there's a box right there. I was surprised. I hadn't seen these before. How many do we have throughout the County? Stuart answered we have six.

Voss asked can you share with us where they are? Stuart answered yes. We have one at the main Sheriff's Office. That was the first one we established. Then, because from our perspective, knowing what's inside of them and they're going to be prone to tampering and we wanted to make sure they were in a secure environment, lockable at night, and under camera, so typically we've put them in law enforcement agencies. I'll try to get them right, so it's our office, St. Francis, Fridley, Centennial, Blaine, and Columbia Heights. So we've got them kind of smattered around the County trying to make them as accessible as possible. Just, again, to make it convenient for people to get the stuff out of their medicine cabinets. Just about every house has them and it's not who you think it's going to be. It's going to be friends of kids or neighbors stopping in and it will be a theft of opportunity that you might never even miss because you don't use them. So, we're just encouraging everybody, 'Please gather them up. Bag them up. Bring them to us and get them out of the hands of kids.'

Voss stated okay and just for those who are watching, contact the Sheriff's Office and they can get you in touch with the closest box. Stuart stated absolutely, or check our website. Everything is on there as well. Voss asked any other questions? Any questions from the audience for the Sheriff?

Stuart asked any 'plungers' in the audience? Voss stated Sheriff Stuart, thank you for being here tonight. Stuart answered thank you very much.

4.01

ACSO
Deputy
Introductions

Commander Orlando stated on a little bit lighter note, I have your East Bethel Deputy lineup for the year. We'll start out with our day shift Deputies. They work from 6 a.m. until 6 p.m. so they are on 12-hour shifts. Our first Deputy we have here is Eric Denarski. This is his tenth year with the office and his sixth year working the East Bethel contract so, obviously, there's something about East Bethel that he continually likes and wants to bid this shift.

Next to him we have Rollie Sorenson. He is also working the day shift and this is his 12th year with the office and he did have six years of law enforcement experience in one of our cities in Anoka County before we were able to snatch him up. This is Rollie's third year working in East Bethel and he is also a Field Training Officer and an Explorer Advisor so he's kept busy and sometimes has a partner who's 'learning the ropes.'

We next have a power shift, which is 2:30 in the afternoon until 2:30 in the morning. The first Deputy that is working that is Chris Fahey. He has been with the office for nine years and this is his first year in East Bethel so, hopefully, he'll find a home that he's comfortable with here. Chris is an Honor Guard member. He's Armor and also a SWAT Negotiator so

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ACSO

Deputy

Introductions

he's kind of a good guy to have around in the 'heat of the battle' that might happen during those hours.

Following Chris we have Justin Nelson and this is Justin's third year with the office. He was a Mille Lacs County Deputy for five years prior to coming to us. And, this is also his first year in East Bethel. He's learning the 'hot spots' and the problem areas and where to be.

Following him we have Tom Kvam and he's working the night shift, which is 6 at night until 6 in the morning. This is Tom's seventh year with the office. His fourth year working East Bethel. Tom is a Use of Force Instructor, a Firearms and Taser Instructor. He is also a Field Training Officer so there might be times that you have a couple extra Deputies that you're not even paying for.

Then, finally, we have Ryan Rokitz who goes by Rocky. This is his eighth year with the office. His fifth year with the East Bethel contract and I know that he and Jack enjoy a very good relationship where Jack is in early enough before Ryan is done working and is able to catch up on things even with our night shift. So, that's nice to have that connection.

So there are your Deputies for the year and they've been busy. So, I'm going to go into the report.

Voss asked Shelly, could you real briefly explain the different shifts and coverages we have as a City? Orlando stated sure. Obviously, there's 24 hours in a day but our Deputies are working 12-hour shifts so on any given day, you have three Deputies working. So, you have somebody 6 a.m. to 6 p.m., then you have the power shift that comes on at 2:30 p.m. So, from 2:30 in the afternoon to 2:30 in the morning you always have two cars on. Then from 2:30 in the morning until 2:30 in the afternoon you have the one car. So, the night shift comes on at 6 p.m. while the power shift is still there. So, at any given time, you have at least one car that is covering the City and depending on what time of the day, two cars.

We also have a CSO who works five days a week and they kind of do some stuff for the City. The Community Service Officer is not a licensed person. They are typically students who are in school for law enforcement. So, they will do like motorist's assist. If a car's stopped on the roadway, they'll stop and see if everything is okay, if they need help. They'll do some of the animal complaint things that come in and they'll help out with ordinance complaints and follow up on those types of things. Voss stated thank you.

4.01

Sheriff's

Department

Monthly

Report

Commander Shelly Orlando presented the January 2015 Sheriff's Report of custodial arrests and significant events.

DWI's: There were six DWI arrests in January. Two arrests stemmed from driving violations. One stop was due to the Deputy recognizing the driver as having a revoked license. One stop was due to a report of suspicious activity and one stop was the result of a domestic assault report were the driver had been drinking prior to driving. The final arrest came from a head-on collision that occurred. One driver, the one who had crossed into the on-coming traffic lane, was found to be intoxicated and tested at a .23 (which is almost three times the legal limit). Thankfully, the other driver sustained only minor bruising and soreness, which could have obviously been a horrific fatal accident.

4.01

Sheriff's
Department
Monthly
Report

January 9, 2015 – 2nd Degree Assault

Deputies were called to a residence on a family domestic involving a knife. Upon arrival, Deputies learned that a stepfather had been trying to kick his stepson out of the residence as he is a drug user. The stepson was not willing to leave. A scuffle ensued where the stepfather had the stepson in a chokehold. The stepson grabbed a knife and threatened the stepfather with it. Other siblings were able to get in between the two and took the knife away. The stepson claimed he grabbed the knife in self-defense as he had been choked by the stepfather. The stepson was initially arrested at the scene but the County Attorney declined to pursue charges.

January 12, 2015 – Possession of a Stolen Vehicle/ Unauthorized Use of Motor Vehicle

Deputies were called to a theft from vehicle that had just occurred in Ham Lake at a local business. The victim was following the suspect's vehicle. Deputies were able to stop the suspect and found that the vehicle he was driving had been stolen from Route 65. Left at that business was a vehicle that had been stolen in Blaine earlier in the afternoon. The suspect advised the vehicle he was driving was owned by his friend, Darrell, which was incorrect. The male was charged with motor vehicle theft and possession of a stolen vehicle.

January 15, 2015 – 2nd Degree Assault / Terroristic Threats.

Deputies were called on an altercation involving an assault with a knife. The victim reported he had been in an altercation with his ex-wife's current boyfriend, whom she had asked her ex-husband to remove from her residence. The boyfriend, who was described as heavily intoxicated, had a knife and stabbed the ex-husband in the back. The victim sustained superficial wounds to his back. The boyfriend was found passed out in a bedroom and taken into custody. The knife was located by an ACSO K9.

January 17, 2015 – 5th Degree Controlled Substance / Warrant Arrest

Deputy Kvam stopped a vehicle where the registered owner showed 'suspended.' He recognized a male in the passenger seat and knew him to have two warrants for his arrest. Upon taking the male into custody, a search was conducted of the suspect. Deputy Kvam located a baggie containing a crystal like substance that field tested positive for methamphetamine. The substance weighed 12.6 grams.

January 18, 2005 - Burglary

Deputies were called to a business regarding an audible alarm. Upon arrival, Deputies found the front door glass to have been shattered and a hammer was lying near the cash register. There were lottery tickets scattered about and it appeared two boxes of lottery tickets were missing. A manager arrived and video surveillance shown a male suspect wearing a ski mask and camouflage jacket kick the glass in the front door, then take a hammer out of his bag, breaking the rest of the glass so he could gain entry. The video showed the male taking two trays of lottery tickets and heading to the back of the store. The male is then seen running to the north. A Deputy went to re-trace the male's escape route and located a wallet containing a driver's license. The manager identified the burglary suspect as an ex-employee of the store. The manager advised that the jacket that the suspect is wearing is one that he wore when he worked at the store a few years prior. She advised he still comes in on a regular basis and wears that jacket. Criminal Investigation Division and Crime Scene Unit were contacted. Deputies responded to the suspect's address and found him as he was leaving. The male denied being involved in any burglary. He advised that an acquaintance of his had stopped over early this morning with a bag of lottery tickets. The suspect further claimed his wallet had been stolen a few weeks

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Sheriff's
Department
Monthly
Report

prior. A search warrant was executed and lottery tickets were collected, along with a jacket that appears to be the same one as in the video. Charges are being pursued.

Arrest Breakdown: We had 8 felony arrests: 2 were for 5th Degree Controlled Substance; 1 was Burglary; 2 were for 2nd Degree Assault; 1 was for Terroristic Threats (which was same incident as one of the 2nd Degree Assault arrests); 1 was for Vehicle Theft; and, 1 was for Possession of a Stolen Vehicle (which was the same incident as the Vehicle Theft).

We had 9 Misdemeanor Arrests: 2 for Small Amount of Marijuana in Motor Vehicle; 1 for Possess Drug Paraphernalia (which was the same incident as 1 of the small amount arrests); 2 arrests were for Thefts (which was from the same incident); 1 was a Juvenile Alcohol Offender for Possess/Consumption; 1 was an under 21 Alcohol Consumption; and, 2 were arrests for 5th Degree Assault.

Voss stated thank you. Any questions from Council? Any questions from the audience for our Sheriff's Department? Orlando stated and I'm not plunging either.

4.02
Fire
Department
Officer
Introductions

Davis stated Chief DuCharme will introduce the East Bethel Fire Department Officers for 2015, give a January Fire Department Report, and as part of this agenda item, there will be a CPR/AED demonstration to treat a cardiac arrest situation. This is a demonstration only and is not a life-threatening incident on a real live person.

DuCharme stated thank you Jack. First of all, I'd like to present to you, introduce to you, my officer staff and your Fire Department officer staff for 2015. First up, I'll start with our Station 2 personnel. Dan Berry is our District Chief. Dan's been around for 16 years on the Fire Department. He runs Station 2 and does a remarkable job. His Captain is Rodney Sanow. Rod has been with us for a decade and a half, or 15 years. Tammy Gimpl is our Lieutenant. Her call sign is Lieutenant 21. Tammy's been with the Fire Department for ten years now. Our Station 1 officers, Todd Bennett is our District Chief. He's 18 years. In May he'll be celebrating his 19th anniversary with the Fire Department. Mark Prachar is our Captain. Captain 11. He's been with the Fire Department 13 years. Adam Arneson is not here. He's one of our Lieutenants at Station 1 and he's been with us nine years. Gary Schultz is our Lieutenant 12. He's been with us 15 years and in May that will make it 16. Right Gary? Schultz answered yes.

DuCharme stated we have two other out here that I classify as our general staff. The first one, which all of you know is Ardie Anderson. He's our Deputy Chief. Chief 2. Artie's been around for 33 years and had a remarkable career with our Fire Department. Mark DuChane is our Inspector. His call sign is Inspector 11 and he's been with us 11 years. So, this is your staff for 2015. *Those present responded with a round of applause.*

DuCharme asked any questions for any of them? Look good, don't they? Voss stated thank you. Hope to see all of you here next year too. Thank you. DuCharme stated yes.

4.02
HeartSafe
Program and
Demonstra-
tion

DuCharme stated the next thing I'd like to do is I'd like to have Troy Lachinski come up. Troy is heading up our HeartSafe Community Program and he has a quest to train everybody in East Bethel, in the City of East Bethel. Actually, you know what, he tells me that and I think he might do it because he's, I mean he's, how many have you done so far? A couple hundred? Lachinski responded 130. We've only had eight sessions so far but we're getting started. DuCharme stated with that, I'm going to turn it over to Troy.

4.02

HeartSafe
Program and
Demonstra-
tion

Lachinski stated okay, thanks a lot for having me come in to talk about the HeartSafe initiative. It's been three months since we started the program. What the program of HeartSafe is, is to increase sudden cardiac arrest awareness, CPR use, and AED use by laypeople in the community and encourage businesses to install AEDs. After we do so many of those activities, we can get the designation of 'HeartSafe' and we don't want it to stop just there. I don't care to start this program just to get a sign that hangs on Highway 65. You know, this is something we want to keep going forever and ever because sudden cardiac arrest is a real issue. In the United States, it's one of the top killers of Americans. One thousand people die per day. It's the number one killer in the home. The number one killer in the workplace. So, if somebody that you know happens to have a sudden cardiac arrest, it's most likely going to be a loved one or a co-worker. Somebody that you know very well. I feel it's very important to bring this knowledge to the people so they feel the confidence to act when one of these situations occurs.

Just last weekend, when we talk about putting AEDs in the community, we were luck enough to receive a free AED from the Minnesota NHL Alumni Association. They came down last Saturday, on February 7th, and we did a nice little presentation at center ice and Brad Maxwell, former Minnesota North Star, was on hand to sign autographs and chat with the hockey players. We installed that AED right at the Ice Arena. It's available to use today. That's one of just a few AEDs that we have to locate in our community. We will be reaching out to the local businesses. I'm already scheduled to meet with the Chamber in May this year.

We want to make sure that everybody in the community knows that we're willing to come out and do training for anybody in the City of East Bethel. If a business wants to come out, we'll come out and do training there. If the business would rather send people to the Fire Station, we'll do it there. We're willing to meet with the groups in our community, with the Boy Scouts, with the Lions, with the Seniors. Whoever would have us come out, we'd love to do the training.

We're also going to be hosting an open house at the Fire Station on the fourth Thursday of every month starting this month. Anybody that wants to come in and learn more about this and actually perform CPR and use an AED in a training session can do that. That's what we're getting geared up to do. We're about 24% complete with our goal for the year but, like I said, I'm not in this just to do it as a one-year deal. I want to make sure that this is a sustainable program that goes on and on forever. Our goal for this year is to train 10% of the population of the City. But, as Mark said, my real goal is to make sure that everybody is trained. So, it's going to take us some time but we will get there.

At this point, I was lucky enough to come in before the meeting. We trained everybody that you see up here in the front of the room. I'm going to put one of the members, Brian, is going to do a live demonstration of CPR and AED right now. Before we start, I'm going to start my stopwatch here. You can see with his training, he's already going to be feeling comfortable enough to perform the CPR and get the AED going. You can see how quick and easy it is. So, go ahead Brian. Let's just say this 'person' right here is suffering from a sudden cardiac arrest. Tim, would you like to get the AED? It's right there.

Mundle approached the 'person' and stated this person has fallen down. You want to okay there is no response. Do a chest rub, see if they're faking perhaps. There isn't, there's no breathing, the chest is not moving, you'd say, 'Somebody go get an AED device' if there is one in the building. Then I start CPR right away with just your chest compressions. About

4.02
HeartSafe
Program and
Demonstra-
tion

100 beats per minute. At that point, you'd want someone to call 911. *Mundle demonstrates doing CPR as described.*) The AED device is here. *(The AED gives audible instructions to call for help and remove all clothing from the patient's chest.)*

Mundle stated the beauty of the AEDs is there's many different models and makes out there but they all will do the same general job. *(Mundle removes all clothing from the 'patient's' chest as instructed by the AED.)*

Mundle stated they all tell you exactly what to do so all you have to do is listen to the prompts. *(AED states to pull the red handle to open bag.)* Mundle stated actually the 911 operators now are also trained on what to do in these situations and they will actually help walk you through it over the phone as well. *(AED states to peel one pad off the plastic. Apply pad to bare skin exactly and do not touch patient. Evaluating heart rhythm. Stand by. Preparing to shock. Everyone clear. Press flashing button.)* At this point, Mundle pushes the flashing button. *(AED states shock delivered.)*

Lachinski stated awesome job. So, in less than two minutes, we were able to identify that this person was suffering from sudden cardiac arrest. We were able to start chest compressions, get an AED connected, and provide a shock that could save this person's life.

Lachinski stated I think this is something that anybody can do and we really want to train as many people as possible. With sudden cardiac arrest, 95% of the people die today. 95%. Most of those people die while they're waiting for an ambulance to arrive or for help to arrive. If a bystander starts doing CPR within the first two minutes, that person has an 85% chance to live. That's why it's so important for us to get this message out there and get this training completed in our community. So, we can save the lives of our friends, our family, our neighbors, our co-workers. That's why I feel this is so important. So, thanks for your time.

If anybody in the community wants to learn more about this program, if they would like us to come out for training, if they would like to come to the Fire Station for training, or if they'd just like to hear more about the program they can contact the City and Jack will get them in contact with me or they can call me. My cell phone number is (763) 350-9060. My e-mail address is HeartSafeEastBethel@gmail.com. We're willing to do whatever it takes to get the community HeartSafe. Thank you.

Mundle asked is there open training every month, I believe? Lachinski answered every month, the fourth Thursday there will be an open house at East Bethel Fire Station 1 at East Bethel Boulevard and Viking Boulevard starting at 7 p.m.

Voss asked does that require any kind of pre-registration? Lachinski answered no. Voss asked if folks can just show up. Lachinski stated we'll let people show up. Voss stated Troy, thanks again. Harrington stated thanks Troy. Ronning added yes. DuCharme stated thank you Troy. Pretty remarkable, isn't it.

4.02
Fire
Department
Monthly
Report

DuCharme stated what I'd like to do now is I'd like to go over the January Fire Report. In January 2015, the Fire Department responded to 53 calls, a significant increase from the month before. Of those calls, 40 of them were EMS, or medical related. As far as the calls go, a couple I'd like to point out.

On January 28th on Klondike Drive, I list a passenger car fire, a vehicle fire. That vehicle

4.02
Fire
Department
Monthly
Report

fire was unattended and the person, the occupants of the property that live right off of Klondike there, actually called it in. It was not their car. It was right on Klondike unattended. We put the fire out. The car was a total loss. We did work with the Sheriff's Department, which we have a very good relationship, and the Anoka County FIT Team just to take a look and make sure that we get all the information we could. Turns out the car was stolen. The case is still under investigation. It was stolen from Ham Lake, a car lot up in that area. They do have a possible person of interest that they're taking a look at.

Another fire call I'd like to point out was also on the 28th. It's listed as a building fire and it was up in the old Castle Towers, as we call it, Greystone. The building fire was actually an old fish house on a trailer. The fish house was handmade, so to speak, with parts that were found off the highway and things like that. That burnt up pretty good.

We did have one other building fire on the 18th of January, I'll point out. That was an unattached garage fire that, it's listed as a garage fire. Actually, it was a very small fire inside. No damage to the building, just a few contents caught fire. The residents caught the situation very early and, obviously, it was a very good outcome.

As I said in January 2015, of those 53 calls, 40 were medical calls from what I could tell in trying to track everything. Every one of those medical calls, those patients were transported to hospitals. You can take a look at the list.

Once again, the flu, we've been talking about this for a couple months now. The flu season continues and we have seen our share of flu in East Bethel, I'll guarantee you that. Any questions on the call reports?

Ronning asked, on the medical transfers, did, I always ask this, did we lose anyone? DuCharme answered no, it was a good month. Ronning stated okay, thank you.

Harrington stated I've got a question Mark. With that Joint Powers Agreement, I had a little conversation a couple weeks ago about them wanting to take money away from the East Bethel Fire Department. Should we be concerned about that?

DuCharme stated well, that's the next part of my report so this fits in real well. Brian and I did attend the Joint Powers Agreement annual meeting, which was at the end of January, the last Thursday of the month. That was the first meeting, kind of the organizational meeting. At that meeting, there were two budgets that were approved. The first one was the 2015 budget, which East Bethel's share is exactly what's in the budget. About \$550 is what we'll owe on the Records Management System plus the dues that we pay that has been budgeted. The 2016 budget was also discussed and approved. The reason why is because we need that figure once the cities start working on the 2016 budget, which is actually in April and May. That's coming up very quick. That budget was approved and East Bethel's share of that was almost exactly what we had talked about, \$3,100 for the Records Management System plus the dues.

Brian and I have had meetings, one-on-one meetings, to talk about it. I think the consensus is that, you know, so far I think it's going to work okay. We just have to keep our 'eye' on what type of programs are being proposed and what those costs are to East Bethel. Then we can talk about it.

4.02
Fire
Department
Monthly
Report

I guess what I'm saying is it looks like, to me, and maybe Brian is going to talk about it in his Council Report, it looks like to me that through 2016, there are no major items out there of concern. I feel comfortable on that.

Mundle stated they did state they might bring back an addendum to the budget. They broached that at the meeting. DuCharme stated right, and I think our, we would rather have had a whole budget, not that we might have to come back if there's some added costs there.

DuCharme stated there were a couple other things, if I could just mention them, in my papers here. That deals with a couple things that we have on going with the Fire Department and it also deals with the Joint Powers Agreement. We do have six of our newest recruits in the Anoka County Fire Academy. Nathan Fish, Kyle Howard, Ron Lammert, Harley Lot, Jim Sager, and Justin Samata are our newest people that were approved by the Council and their moving along very well. They are very committed to the job at hand and so far, they're working out real good. They're about a third of the way through their Fire Fighter 1 Training.

I do want to mention that we did sell two of our old trucks that had been declared surplus. The 2003 Ford 250 was a four-door pick-up truck and that sold for \$9,100. That was sold on MnBid on line through the State of Minnesota. Then also on MnBid, we sold a 1989 Chevrolet 2500 pick-up truck that Council declared surplus some months ago. That sold for about \$8,200 on MnBid. Voss stated for a 26-year-old truck, that's a pretty good price. DuCharme stated yeah.

DuCharme stated the last thing I'll report is we did have our group of Fire Fighters finish up an EMT refresher course. We have about 16 EMTs on the Fire Department and it's about half-and-half each year that have to go through the refresher. The reason why I bring up this group is because they're the first ones to go through the new approved DOT curriculum. Although the EMT class itself, the refresher part of it is 24 hours plus every month we do training. I talked to a couple of them. They said literally they had to put in 50 hours extra of study. It's a concern on my part that, you know, we don't want to stress out our people too much. I'm hoping for the opportunity to speak with what we call the EMSRB, which is the State Board that controls and licenses EMTs. Just to express my opinion.

Every one of them, Tammy Gimpl, Mark DuChane, Ryan Henry, Wade Hoffman, Jeremy Shierts, Dan Meinen, Chad Fish, Bill Fluroskey, and Doug Dolbert all passed on their first time through. They did a great job. Any questions? Voss stated hearing none, thank you. DuCharme stated thank you.

5.0
Public
Hearing
5.0A
On Sale/
Sunday Liq.
License and
Off Sale
Intoxicating
Liq. License
for Double H

Davis presented the staff report, indicating staff is recommending the Council conduct a public hearing to take comments from the public regarding an On Sale/Sunday Liquor License and an Off Sale Intoxicating Liquor License for Double H Entertainment, LLC, doing business as Hunter's Inn located at 20454 Highway 65 NE, East Bethel, Minnesota, as required by East Bethel City Code, Article III, Intoxicating Liquors, Section 6-55. This notice was published in the *Anoka County Union Herald*, as required by law.

Once the hearing is closed, staff is recommending Council consider approval of an On Sale/Sunday Liquor License and Off Sale Intoxicating Liquor License for Double H Entertainment, provided no reasons for denial come forth at the public hearing. All application materials and fees have been submitted for the On Sale/Sunday Liquor License

and Off Sale Intoxicating Liquor License.

Approval of the License shall be contingent on the following:

1. Approval of State Commissioner of Public Safety;
2. Approval of completion of all Open City Building Permits; and,
3. Certificate of Liquor Liability be provided prior to issuance of an On Sale/Sunday Liquor License.

Voss stated I'll open the public hearing for the On Sale Sunday Liquor License and Off Sale Intoxicating Liquor License for Double H Entertainment, also known as Hunter's Inn at 8:21 p.m. Is there anyone here tonight that would like to speak before the Council on this matter? Voss stated seeing none, we will close the public hearing at 8:22 p.m.

Davis stated at this time staff would recommend Council consider approval of an On Sale/Sunday Liquor License and an Off Sale Intoxicating Liquor License for Double H Entertainment, LLC, doing business as Hunter's Inn located at 20454 Highway 65 NE, East Bethel, Minnesota subject to and approval of the State Commissioner of Public Safety, submission of a Certificate of Liquor Liability Insurance and completion of all open City Building Permits.

Ronning stated I'll move to approve an On Sale Sunday Liquor License and an Off Sale Intoxicating Liquor License for Double H Entertainment. Koller stated I'll second. Voss stated any discussion?

Voss asked Jack, we receive any written comment from the public at all? Davis answered none at all. Voss stated okay. All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

**6.0
Public
Forum**

Voss asked is anyone here tonight to speak before Council? If not, we will close Public Forum.

**7.0
Consent
Agenda**

Item A Approve Bills

Item B February 4, 2015 Council Work Meeting Minutes

Item C January 28, 2015 Council Work Meeting Minutes
Meeting minutes from the January 28, 2015 City Council Work Meeting are attached for your review.

Item D Approve Advertisement for Seasonal Public Works Positions

These positions are limited to 67 days for each seasonal employee. Funding for one position in the amount of \$6,000 is provided for in the 2015 General Fund under the Parks Department budget. The other seasonal position is the amount of \$6,000 is provided for in the 2015 General Fund under the Street Department. First year seasonal employees are proposed to be paid \$10.00/hr. and seasonal employees with previous employment with the City would be paid \$11.00/hr. There will be no benefits paid for these positions.

Staff is recommending approval to advertise for two seasonal employees for the period of mid-May to the end of August, 2015 with each position not to exceed 536 hours per employee.

7.0
Consent
Agenda

Item E Approve Application to Conduct Excluded Bingo for St. Francis High School Dance Team – March 22, 2015

The Parent Booster Club for the St. Francis High School Dance Team has applied for a one-day permit to conduct excluded bingo on March 22, 2015 at Hidden Haven Golf Club. The application form has been submitted and is complete. Staff is recommending Council approve the one day permit for the SFHS Dance Team to conduct excluded bingo on March 22, 2015 at Hidden Haven Golf Club.

Item F North Metro JPA Amendment

The Coon Rapids City Council approved the Sixth Amendment to the Joint Powers Agreement for the North Metro Street Maintenance Program at their meeting on February 3, 2015. The amended JPA provides for a 30-day opting out period instead of the 60-day period as in the original agreement. Staff has no objections to this change and recommends approval of Amendment Six to the North Metro Street Maintenance Program JPA.

Item G Roads Commission Member Appointment

At the February 10, 2015 Roads Commission meeting, two applicants for the Roads Commission vacancy, Daniel Nowack and David Behm, were interviewed. As a result of the interviews, the Roads Commission recommends that Daniel Nowack be appointed to serve out the remainder of the open position vacated by Tim Harrington. The term of this appointment runs until January 31, 2016.

Item H Fire Department Medical Direction Contract

Allina Health currently provides Medical Direction to the East Bethel Fire Department as well as most of the communities in Anoka County. The proposed contract is a two-year term, 2015 and 2016. Although Allina Health has provided these services in the past, they have not asked for a contract since 2008. Although the cost is approximately \$ 1,000 more than 2014, items are included for additional education and medical supplies. The overall effect on the 2015 budget will be neutral since these items have been included in the budget. Medical Direction Contract has been budgeted for in the 2015 Fire Operating Budget Staff recommends approval of Contract.

Item I Supplemental Payment Summary

Voss asked if there's a motion on tonight's Consent Agenda? **Koller stated I'll make a motion to approve the Consent Agenda.** Mundle stated I'd like to pull Item B. Ronning asked which one? Pardon? Mundle stated Item B, the meeting minutes from the last meeting. Voss asked is there a second to the motion? **Mundle stated I'll second.** Voss stated any other discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

February 4,
2015 Council
Work
Meeting
Minutes

Mundle stated the meeting minutes for February 4, the City Council meeting, Page 17 of 19, the sixth paragraph down, 'Mundle stated Tuesday, Wednesday, and Thursday, was the first meeting.' It should read: 'Mundle stated Thursday was the first meeting.' So, striking Tuesday and Wednesday. There was only one meeting. Voss asked that it? Mundle answered that's it. Voss asked would you like to make a motion?

Mundle stated I'll make a motion to approve Item B as amended. Harrington stated I'll second. Voss stated any other discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

8.0

Commission Association and Task Force Reports

New Business

8.0A
Planning
Commission
8.0A.1
IUP Major
Mining
Permit for
Martin
Johnson and
Classic
Construction
Company

Davis presented the staff report indicating the area proposed for the IUP/Mining Permit is located at 1965 Briarwood Lane and create a pond approximately two acres in size. Total excavation would be approximately 11,000 cubic yards. The proposed excavation would commence as soon as possible and be completed in twelve months.

Excavated soils and sand will be removed from the site. Classic Construction will be the only company transporting the material and their proposed route would follow Briarwood Lane west to the Highway 65 service road and then north to 187th Lane where they would deliver the fill to a vacant lot owned by Classic Construction in the Classic Commercial Park. All hauling activities on City streets will be subject to Spring road restrictions or other restrictions and routes as directed by Council.

Erosion control both at the excavation site and stockpile site is a condition of the permit and is included in their plan. The applicant has completed their Joint Application Form for Activities Affecting Water Resources in Minnesota and has received a Notice of Decision from the City and the Army Corps of Engineers and have been permitted through that process. The City Engineer has also reviewed the projects and provided comments. The applicant has responded to those comments.

The Planning Commission met on Tuesday, February 10, 2015, to review and consider the IUP/Major Mining Permit for Classic Commercial, Inc. and Martin Johnson to permit the excavation and transport of materials under Section V – Excavation, East Bethel City Code of Ordinances at 1965 Briarwood Lane subject to the following conditions:

1. All permits from jurisdictions under the Joint Application Form are required before any work can begin.
2. All comments of the City Engineer shall be addressed.
3. Property Owner and Applicant shall meet City, State, and Federal regulations for the protection of air quality, erosion control, dust control, and noise.
4. Hours of operation shall be 7 a.m. to 5 p.m., Monday through Friday, and Saturday 8 a.m. to 1 p.m. only.
5. Truck Hauling signs shall be posted on the site.
6. An NPDES permit is required.
7. Erosion control shall be required at the stockpile site.
8. Stockpile site is allowed on Outlot A, Commercial Park 3rd Addition, for a period of one year.
9. Property Owner or Applicant shall provide a Letter of Credit or an escrow in an amount determined by the City Engineer.
10. There will be a Mining Performance Agreement with the City of East Bethel executed with the Applicant.
11. The Applicant shall comply with all road restrictions and transport routes imposed by either Mn/DOT and/or the City of East Bethel.

The Planning Commission recommends the City Council consider the approval of the IUP/Major Mining Permit for Classic Construction with the conditions noted above.

8.0A.1
IUP Major
Mining
Permit for
Martin
Johnson and
Classic
Construction
Company

Ronning stated move to approve the IUP for Major Mining Permit for Classic Construction, Inc. with the conditions noted. Harrington stated I'll second. Voss stated any discussion?

Voss stated Jack, you handed out tonight the construction route, the hauling route. I see Curt's in the audience. Would you mind coming up to the mic? Thanks. I'm going to ask a question and I'm sure you're going to have a response. If you could state your name and address first? Curt Strandlund, Classic Construction, 18542 Ulysses Street NE.

Voss stated thanks Curt. The route that you have, the concern I have is you're going north off Briarwood, up basically along our service road, and going out on the stub onto Highway 65 at 184th. Strandlund stated 187th. Voss stated 184th at the bottom here, right in front of the car dealership. Right? And, Pub & Grub? Davis stated no, they'll be going north on the service road to 187th Lane and then west across Highway 65. Voss stated oh, there's a jog in here. It looks like that's where you're entering 65 and then going across. So, you're looking at going straight across? Strandlund answered yes, I think it would be kind of tough to get up to speed and change lanes to do that. So, I think it would be safer for us to go right to 187th and straight across. Voss stated okay, that makes more sense now. I was going to suggest you go down to 181st so you at least have more time to switch lanes.

Voss stated the only other question I have then is, when you are hauling, how many trucks a day do you think you'll be hauling? Strandlund stated you know, there will probably only be three trucks in rotation. I guess I've never really figured out how many a day that would be. We'd probably have upwards of 100 loads a day between the three trucks.

Voss stated okay, and in the motion and staff's recommendations, are the hours of operation of 7 to 5. Is that your hauling hours too? 7 to 5? Strandlund answered yes. I believe, didn't Planning and Zoning recommend that to go to 7 because of the City ordinance? I might be wrong. We had told, we had said 7 to 5 and I think they recommended to go with whatever the City ordinance was. Davis stated the City does permit 7 to 7. Strandlund stated that was a recommendation of theirs.

Voss stated I'm only thinking, I understand what you're doing and don't have any issues at all, it's just getting across 65 in the morning and then at night. Strandlund stated I think we would stop probably by 3:30 just because it wouldn't be productive on our end to try to wait to cross. The bulk of the hauling would be in the middle part of the day. Voss stated okay and going up the service road satisfies my concern on that. Strandlund said all right, thank you.

Voss asked any other questions for Curt? Ronning stated I don't know if we should know this or be advised of this. This is a lot of work. Thank you guys for going through all these 'hoops of fire.' Strandlund agreed it has been a bit of a project. Voss stated well we appreciate it.

Harrington asked are you going to start right away? Strandlund answered yes, you know, I got the letter of credit to bring in tomorrow morning and sign that stuff. We'll probably start Friday because we need to do it during the cold temperatures also to make it productive. Hopefully, it does warm up here soon.

Voss stated one of my 'pet peeves' on these types of project is tracking onto the roads. Strandlund stated that's what the cold temperatures will help there too. Once it gets too

8.0A.1 warm we'll be done for a while so we're going to try to really make some time right away.
IUP Major Voss stated okay because I'm sure that's where the neighborhood complaints will come
Mining from too, especially on Briarwood. Davis stated that's addressed in the Erosion Control
Permit for Plan also. Voss stated all right, thanks Curt.

Martin

Johnson and **Ronning stated I'd like to amend my motion to include hours until 7 p.m. as
Classic communicated by Mr. Strandlund at the recommendation of the Planning and Zoning.
Construction Harrington stated I'll second.** Voss stated any other discussion? All in favor say aye?"
Company **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes
unanimously.**

8.0B None.

Economic
Development
Authority

8.0C None.

Park
Commission

8.0D Davis presented the staff report indicating the Council, Roads Commission, and staff have
Road been exploring options for the development of frontage/backage road in the area served by
Commission water and sewer service along Highway 65 between Viking Boulevard and 185th Avenue.
8.0D.1 Staff and the Roads Commission began this process in February 2014 and identified several
Service Road proposals for these roads on the west side of Highway 65. The provision of a secondary
Project access route to the Classic Commercial Park was the priority that resulted from these
discussions. This access and additional street connections are necessary to address safety
issues, increased and increasing traffic flow, access, and as a tool for the stimulation for
growth and development of the area.

Staff presented several options for potential routes to access the Classic Commercial Park and surrounding area to the Roads Commission at their May 13 and June 10, 2014 meetings. The Roads Commission recommended that the 189th Street alignment as the location for the secondary access. This recommendation is based on the lower costs and minimal impact of right-of-way acquisition of this alternative as means to provide the access.

Roger Virta, Roads Commission Member along with Council Members Mr. Koller, Mr. Ronning, and Mayor DeRoche expressed reservations relating to this recommendation at a City Council Work Meeting on July 23, 2014. Their concerns were the potential for the increase of truck traffic on Jackson Street and related safety matters. Even though Jackson Street is an MSA street and a 9-ton design street, land use along this route is Rural Residential and Institutional. The Commission Member and Councilpersons were of the opinion that the potential for this street as a truck route would be disruptive to the neighborhood and increase the possibility of vehicular and pedestrian conflict.

As a result, staff re-evaluated the proposals and considered as an additional criteria, not only the secondary access to the Classic Commercial Park area, but the value that the options would provide as part of a frontage/backage road system for the water and sewer district. Based on this additional standard, staff presented the options to the Roads Commission at their February 10, 2015, meeting. The Roads Commission, after deliberation of the matter, voted 3-1 to recommend that an alignment that would begin at

8.0D.1
Service Road
Project

the intersection of Buchanan Street and 187th Avenue, follow Buchanan Street north to 189th Avenue, then follow 189th Avenue west to Taylor Street, then follow the approximated grid location of Taylor Street north to Viking Boulevard, as the proposed location of the service road. The recommendation of this location was based on its enhancement of the overall frontage/backage road plan and its value to foster economic development and commercial and residential growth within this area.

Based on this recommendation by the Roads Commission, staff is requesting that Council approve this alignment concept and authorize staff to prepare preliminary plans, engage in right-of-way discussions with affected property owners, identify funding sources, and upon completion of these activities, present findings to Council for consideration of approval of this project to bid.

Ronning asked, before we do this, can you clarify what the reference to Taylor Street is here? Does it mean what it says? Davis answered Taylor Street is the route that would go north from 189th. Taylor Street is only a grid on the map at this point. It's not an existing street. Ronning stated oh, I've got the wrong 'ballgame, right string, wrong yoyo.'

Voss asked Jack, with this proposed alignment, are we also looking at closing off the connection? Davis asked on 189th? Voss stated yeah. Davis stated that's something that would be considered. In all probability, we probably wouldn't close it off. The reason to consider closing it off would be it would still offer a link back to Jackson Street for other traffic. There is one property on there that is served, the driveway off there, where he does have access to Jackson Street. It would be one of the things we'd have to evaluate and then come to Council for recommendations.

Voss asked do we have the ability to label that road as 'Not a Truck Route' to eliminate truck traffic on it? Davis stated we can put signage up, 'This is Not a Truck Route' or trucks larger than certain sizes could be prohibited. Whether or not that would be followed, I don't know. But, we could do that, with signage. It's just a matter of how effective it is. Voss stated right.

Davis stated as I've stated before, this has been quite a lengthy process. There were actually six alternatives considered along with using 189th to Jackson. There were routes to the south. There was a proposal to extend 185th Avenue directly to Highway 65, which would have been the shortest extension. This would involve a right-in/right-out only. Mn/DOT would not permit us an entrance at that point. Also, too, this would be more of a 'band-aid' solution to the problem, that route. We also looked to going north, extending Buchanan Street to Viking Boulevard. This would be through some rather difficult soils to construct a road and increased the cost quite a bit. Also, too, as part of this proposal we'll be looking at utility costs on this. All the streets that we build in the Water and Sewer District in the future, utilities will have to be a part of it. So, we'll be coming up with some plan in the proposal for servicing the area with utilities and a source of funds and a cost for that also.

Ronning stated move to approve this alignment concept, authorize staff to prepare preliminary plans and necessary related plans for the proposed service road alignment. Harrington stated I'll second.

Harrington stated I have a couple questions. That cul-de-sac coming up, would it be safe to say that probably would have to be blacktopped too as long as we're going to blacktop that?

8.0D.1
Service Road
Project

Davis stated that's correct. We've had that discussion. It's Fillmore Street. It serves six houses in there. It's a dirt road. It's about 500 feet in length to the cul-de-sac, maybe 600, so we would propose to blacktop that. And, also, we'd probably propose some consideration of just the utility extension up that street to make it available. It wouldn't be required for connection but it's something we'll take a look at and make part of our cost estimate.

Harrington stated I don't know about the rest here but on 22, about a stoplight or stop sign of some kind from getting on to 22. Because you're going to have Viking Preserve right across the road and I would imagine once that gets going, that's going to be a busy intersection. Davis agreed it will be. It still wouldn't meet the requirements of Anoka County for a traffic light at this point. Their basic standard is based on an eight-hour count and by their standards, we're probably going to have to approach something like about 4,000 crossing that intersection in an eight-hour time period. We did talk with the Highway Department and they said there would be no requirement for a light at that intersection at this time. If there is ever a requirement for lights, the funding formula for that is the City is responsible for all the costs of their 'legs,' which would be Taylor Street north and south. Then the County pays 50% of the cost of their 'legs,' which would be Viking Boulevard east and west. So, that comes up to 75% City share, 25% County share.

Ronning stated the 4,000 vehicles, there's four directions on that, north/south, east/west. Do they all count? Davis stated this would be more the north/south on Viking Boulevard. In that section right now, there's about 7,000 vehicles per day.

Voss stated any other discussion? Just a quick question. On Fillmore, if we pursue paving Fillmore, that probably wouldn't be eligible under MSA funds then right? Davis answered no, it wouldn't be. It doesn't satisfy their requirements. Number 1, it's not an MSA street designate. We could designate it an MSA street, but the cost of doing Fillmore is not going to be much. I went down there again and looked the other day. It's pretty well graded now.

Voss stated their looking to shape and pave that? Davis stated there's good ditches. That's correct. There wouldn't be a lot of work to prepare it to pave. Voss stated right.

Voss stated hearing no more discussion, all in favor of the motion say aye?" **All in favor.** Voss stated any opposed? Hearing none motion passes. **Motion passes unanimously.**

Voss asked Jack, what timing do you think we'll see it again? Davis answered we'll probably bring this back to you some time in April. Voss asked April? Davis answered yes. Voss stated thanks Jack.

9.0
Department
Reports

9.0A
Community
Development

9.0B
Engineer

9.0C
City Attorney

None.

None.

None.

9.0D Davis presented the staff report indicating the Council is asked to consider approving
Finance Resolution 2015-13 – Permanent Fund Transfer.

9.0D.1

Fund Balance The City of East Bethel adopted their current Fund Balance Policy on April 16, 2014. This
Policy stipulates a minimum fund balance of 40% of the following year's budgeted
Policy expenditures be maintained as a carryover to the General Fund for the subsequent year and
Permanent that the City Administrator report on the condition of General Fund balance annually. The
Fund Transfer previous fund balance had been set at 35% and our ultimate goal is to establish a fund
balance of 50%.

The City is projecting to have \$2,725,901 in the General Fund balance at fiscal year-end 2014, which is 56% of the 2015 General Fund budget of \$4,848,700. The State Auditor recommends a minimum balance of 35% as a partial means to provide for the first six months of expenditures of the new budget year. If no other revenues are available, a 50% balance is needed to cover the City's cash flow needs as the first property tax settlement payment isn't received until July.

Staff is recommending that the current Fund Balance Policy remain unchanged at this time and be reevaluated in 2016, at which time it can be considered to increase the balance minimum to 45%. This recommendation is based on our obligations to satisfy the 2010C 2017 bond payment.

The \$1.2 million 2010C Bond is non-callable and was structured with interest only payments for 2012-2015 and principle and interest payments due in 2016 and 2017. The 2010C Bond was secured to provide interest payments for the 2010A and B Bonds, which financed the City's costs for the Municipal Utilities Project.

In April 2014, City Council approved Resolution 2014-15 authorizing a General Fund Transfer in the amount of \$585,000 and a transfer of \$142,000 surplus from the 2005B Debt Service Fund to apply to the 2010C 2016 payment. Currently, the City has not been able to generate the necessary revenue from the Municipal Utility Project to pay its 2017 2010C debt service principal and interest payments of \$565,000 and \$9,746, respectively. Staff is, therefore, recommending that \$431,000 of the 2014 General Fund balance is permanently transferred to the 2010C Debt Service Fund in order to assist in making the final payment on this bond. If the \$431,000 transfer is approved, it is projected that the City will end 2015 with a fund balance of \$2,294,901, or approximately 47% of 2015 budgeted expenditures, which will still meet the existing Fund Balance Policy threshold of 40%.

Staff is also recommending that the City transfer \$144,186 from the Trail Capital Fund to the 2010C Debt Service Fund. The Trail Capital Fund balance was created by transfers from the City General Fund and not from fees generated by development.

These two transfers will provide sufficient funding to cover our 2017 2010C principal and interest payment. The 2010C debt commitment would have sufficient funds with approval of this transfer request to completely satisfy the debt. Approving the General Fund transfer from the 2014 balance would also assist with our audit as we would not need to create and prepare a separate entry from the 2015 General Fund to account for this transfer. Approval of Resolution 2015-13 would allow us to close the 2014 Budget with a simple transfer, provide the final amount of funding for the 2010C Bond payment, and still meet the requirements of our Fund Balance Policy.

9.0D.1
Fund Balance
Policy
Permanent
Fund Transfer

Staff is recommending that Council consider approving Resolution 2015-13 authorizing a one-time permanent fund transfer of \$431,000 from the 2014 General Fund to the 2010C Debt Service Fund and authorizing a one-time permanent fund transfer of \$144,186 from the Trails Capital Fund to fund the 2010C Debt Service Fund. These funds will then be available for the final payment of the 2017 2010C debt service principal and interest. These fund transfers would be entered and recorded against the 2014 Budget.

Davis stated one other item that we don't have an answer to yet but that we're trying to get some information on, if we could pay this off if these transfers would be approved, we could possibly save a year and a half interest on this. The chances of this are a little on the slim side because this is a non-callable bond with principle payments scheduled at the very end of it. But, Ehlers is checking this out to see if that's going to be a consideration that we could apply for. But if we approve this transfer, we can take care of the 2010C bond and it will be totally off the books.

Voss stated okay, anybody willing to make a motion on this? **Koller stated I'll make a motion to approve Resolution 2015-13, permanent fund transfer. Harrington stated I'll second.** Voss stated any discussion?

Ronning stated yes. The Trail Capital Fund, what does the expenses of that Fund look like? What's the available money? What's the total now? What's the recent activity? Davis answered the total is the \$144,000. The recent activity is zero. That Fund was created either in 2008 or 2009. It was funded by transfers from the General Fund for two years. One year was at \$62,000 and I think it was reduced another year down to about \$48,000. And, there were three subsequent transfers in following years that give us that balance. There is a development fee cost for new projects, I think, of \$500 per lot for trails fees. Since we enacted the Trails Fund, though, there have been no plats that have been filed. The Viking Preserve Plat, which has not been finalized, is going to do a trail so we let that apply for his Trails Fund requirement. There have been no expenditures for trails out of that Fund. There actually, even though no plans for it, the City did a plan in 2007 called a Trails and Open Space Plan, which probably needs to go back and be revisited to make sure everything is current. But, we have no Capital Improvements Plan like we do with the rest of our parks projects. So, there are no plans for any trails projects currently at this time.

Ronning asked how does the Parks Capital Funds dovetail into this thing? Or, how does that work? Davis explained they are totally separate. We have two Parks Funds. We have a Parks Capital Fund and a Parks Development and Acquisition Fund. The Capital Fund is funded by transfers from City Council from the General Fund. The Development and Acquisition Fund is funded by developer's fees for projects. Due to the lack of development in the past four or five years, that Fund probably has a balance of about \$20,000 in it. We currently do a transfer of \$50,000 to the other Fund. We have identified some parks projects to do this year. That's the first ones we've done, probably, in about three or four years. With the anticipation of new development, we hope to be able to increase the Development and Acquisition Fund to address our other park needs.

Ronning asked what was the purpose of this Capital Fund? Davis explained the purpose at the time was to address some of the proposals in that Trails and Open Space Plan, which may be a little bit ambitious. That's why we've had some discussion at the Parks Commission level about going back and taking a look at that and making sure they meet our current goals. Again, that was done eight years ago so it's time to kind of look at and revise that to make sure it's up to date.

9.0D.1 Ronning asked does this close that Fund out? Davis stated it would close the money out.
Fund Balance We'd still have, the Fund would be available because any future development we have,
Policy there would be a Trails Development Fee that would be paid into that. Now when we get to
Permanent that portion of it, then those funds can actually only be used for trails construction. We
Fund Transfer wouldn't have the ability to transfer those out. Since these were just General Fund
transfers, they are not subject to those restrictions.

Voss asked anything else? Ronning asked how far this goes towards, the goal was the 2010C. We have four something, whatever it is, towards the bond. Do we know we can use these funds yet for that purpose? Davis answered yes, we can use these for those purposes. Ronning asked but just pay all the way through the end and then be done, not an early pay off? Davis stated we're going to see. If Ehlers comes back and says yes, we can pay off early and achieve an interest savings, then that will be our recommendation to do. If they don't what we've done, we've done a permanent transfer into another account. So, we have these funds available to satisfy the 16 debt and now the 17 debt. If we don't get any advantage for an early payoff, we'll keep that money and earn a mere pittance of interest on it ourselves. Or, have it available for something else that could possibly come up for an emergency situation. Ronning stated thank you.

Voss stated Jack, or Tim, the fact that we're using essentially Park Funds, was that brought up to Parks at all so that they're aware of it. Davis stated it was discussed with the Parks Commission on several occasions. As you would probably expect, the Parks Commission has reservations about this. I think they feel that they've kind of been the subject of several 'hits' in budget cuts, which is true. They have been but it's kind of been across-the-board. Public Works and the Fire Department went through the same thing. We had a transfer of \$200,000 from the Equipment Replacement Fund. So, a lot of it's been spread around and I certainly appreciate the Parks concern over this. I am going to the next Parks Commission meeting to explain this. But, they have had discussions on this issue in several past meetings.

Voss stated so this is, if I understand this correctly, the funds came from fund transfers. The funds have been in the account for quite a while. Davis stated correct. Voss stated and Parks hasn't pushed forward any trails projects to expend those funds so the money's just sitting in the Fund. Davis stated that's correct. Voss stated so, the way I look at it, we'd be putting that money to use and if Parks did come forward with projects, the Council then has the decision, or could decide then at the next budget level to make a fund transfer into Trails to do a project. Davis stated that's correct. With any new development, we'll be receiving funds into that account. There was one trails project they looked at that was a short connection from John Anderson Park to 235th Avenue, I believe. The City has an easement between two lots. There's a little crossing of a stream. This way you can walk from John Anderson Park onto 235th and then out to Jackson Street down to Bonde Park. Currently, that easement is still there. There's access. It's just not developed, it's just not paved. We looked at the cost of that and it was about \$30,000. Voss stated I was going to say, that wouldn't deplete the Trails Fund if they want to push that. Davis stated no, that's correct and if that is a priority and something that needs to be done, then there's other ways that we can look at funding that. Voss stated okay.

Voss stated is there any other discussion? Then to Resolution 2015-13, all in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

9.0D.1 Davis stated thank you and we'll report back to you as soon as we hear word from Ehlers.
Fund Balance So, if that's possible to achieve any interest savings on this with an early payout, we'll
Policy come to you for approval on that.

Permanent
Fund Transfer
9.0D.2
2010 A Bond
Refinance

Davis presented the staff report indicating staff is asking Council to consider moving forward with a Pre-Sale Review conducted by Ehlers for March 4, 2015 Meeting

City staff and Ehlers continually look for refinancing opportunities for the City's seven debt issues. The City currently has only one bond issue that is eligible for refinancing and that's the \$11,465,000 2010A RZED, which is Recovery Zone Economic Development Bond. Ehlers has submitted a refinance opportunity for this bond that could potentially save \$875,419 with no City equity contribution.

Ehlers previously provided a refinance opportunity that could potentially save \$1.6 million, but this would require a City contribution of \$750,000 as a buy down on the bonds to make them more attractive. If that opportunity were pursued, the most likely source of the City contribution would require the disbandment of the City HRA or the transfer of those funds to the EDA to be used for debt buy down.

Should Council desire to proceed on this matter, there are multiple steps the City would need to complete in order to refinance the bond. The sequence and approximate timeline of the bond refinance process would be as follows:

1. Pre-Sale Review with the City Council by Ehlers
2. Distribution of Official Statement
3. Bond Rating Determination
4. Ehlers have the Taking and Award of Sale to Successful Bidder
5. The City Council would ask to Close on the Bonds and Approve Sale

The process takes approximately six to eight weeks. Keep in mind that due to the volatility of the bond market, the information contained in the attachments as to savings is only valid if the bond sale occurred on the date the forecast was presented and there were no changes in the assumptions of the analyst's projection.

Both of the attached proposals provide for principal payments to begin in 2016. The current situation on this bond is the principle payments don't begin until 2020. The interest savings available through a bond refinancing, creates the opportunity for a reduction of the projected annual levy increase for the 2010A Bond payment from 3.4% per year to 3.0% for refinancing with no debt pay down or 2.4% for a \$750,000 debt pay down.

In addition, a refinancing would pay off the 2010A RZED bond and release the City from the Federal Tax Credit associated with this bond and the exposure of its fluctuating rebates which could result in additional levy increase should the credits be further reduced.

The option of refinancing and continue the postponement of principal payments until 2020 is available but would result in less savings than a plan that advances the principle to 2016.

Staff is seeking direction from Council regarding this new refinance option presented and any direction as to a timeline to initiate this process should a decision be made to proceed with bond refinancing.

9.0D.2
2010 A Bond
Refinance

Voss stated Jack, jump into your summary page, which I think is the last page of our packet. On the far right, in the box, you've got listed savings, the net of interest, and the finance fees. Now if I'm looking at that right, if you really want to do 'apples-to-apples' comparison for Option 1, which would require the City contribution of \$750,000. Shouldn't that be deducted from the \$1.6 million of savings? Davis stated it can be. There's two ways to look at it. It's either a buy down to make it more attractive or you just take it off there.

Voss stated well, it's like, with Option 1 if we put in \$750,000 and we save \$1.6 million. Davis stated you have to spend \$750,000 to save \$1.6 million, that's correct. Voss stated yeah, so it's a net/net then would be actually less than the Option 2 savings. Davis stated a net/net would but we're still spending \$750,000 to reduce the bond payments. So, it just depends on how you want to characterize it. If you're talking about total savings, it would be \$900,000-some dollars. It's a savings but we're still reducing the bond debt by the \$1.6 million. From what we're looking at, my recommendation if you want to consider this, would be Option 2 because it still leaves us with that \$770,000 in hand to use that for projects or other things that we need to use it for.

Voss stated well, I think we had that discussion too that we wanted to preserve the HRA funding. Ronning stated yup, a couple of times.

Harrington stated and we can back out on this if the interest rates go up? Or, you know, when they come back with the report if things are 'sour?' We're just going to pay for a credit check? Davis explained what we would do, we would authorize this process to go forward and then at the time of the sale then Ehlers would come to us to approve the sale. The only cost we would be out would be for the credit rating, which would cost probably around \$15,000.

Voss stated we would owe Ehlers for advertising? Davis stated no. Voss stated really? So they get a commission off the bond sale, basically? Davis stated that's correct. So, we would be 'on the hook' for approximately \$15,000 for the credit rating. And, as you recall, we had a real attractive offer about three years ago. We were looking at a refinancing thing where we could save almost \$2.5 million. And, this was done in like the first of May. When they came back to us with the approval for the bond sale around mid-June, it was going to cost us something like \$300,000. That's when the bond market just 'went in the tank' for about two or three months.

Voss stated then your question, I think, is timely too because according to my financial advisor, the bond market's going to change real soon. Davis stated yeah, we've heard that interest rates are probably going to go up so if we're looking at doing this, now's the time to proceed with it. I was told that, for whatever it's worth, that we could probably get this through and still maybe be able to achieve these types of savings. But, if we wait very long, things are going to change and these opportunities won't present themselves to us for a while.

Ronning stated we're having discussion without really having a 'vehicle.' For discussion purpose at least, follow with the recommendation on the refinancing option with regular updating of any progress including interest rates, etc. and a final approval down, this is not a final approval. Davis stated if you're authorizing to do this, the first step at the next meeting, we would have Ehlers here to outline the process and they will further be able to

advise us as to what they foresee as the condition of the bond market on March 4th. We may get them here and say, you know, let's not proceed with it now. But, if we could and you do approve it, we'll have Stacie Kvilvang from Ehlers at the March 4th meeting to outline the process and give us a projection on where we stand at that time.

Voss asked Jack, at this time you're asking if Council wants staff to pursue this action? Davis stated that's correct. Ronning stated they're looking for a 'green light.' Voss asked is anyone willing to make that motion? Mundle stated I think Tom started that motion. **Ronning stated to approve the recommendation from staff providing regular updates as they occur to the Council and any final disposition or action as subject to future Council direction. Koller stated I'll second.**

Voss asked Jack, did you say at the next meeting that Ehlers would be here for that? Davis stated correct. Voss stated so there's no action until after she presents the package to us? Davis stated that's correct and also at the next meeting, too, we will have a complete financial report for 2014 and this will be the kick-off for some of our budget sessions we'll have after that. Voss stated okay.

Ronning stated there's some different, on the Ehler's page, on savings, interest savings. They show \$875,419.97 and we have listed as, well Option 1 would be \$1.60 million. The numbers don't mix, put it that way. The one with no City contribution is a savings of \$875,419.97. Davis stated the reason for the difference in the numbers is the summary sheet is our calculations. So, whatever little fine-tune assumptions are made, there's some differences in there. That's within \$13,000 and on the larger savings, Ehlers projects \$1.606 million. We're at \$1.616 million. So, that's the difference, the source and the way the computations were made. Ronning stated okay, ballpark anyway. On that first one, \$800,000 sounds like a lot of money. I sure wouldn't mind it. \$875,420, using their estimate for 25 years equals \$35,016.80 per year. We have roughly 4,400, 4,500 homes in the City? Davis stated yeah, that would be somewhere around in there.

Ronning stated using conservative numbers, I used 4,225 with no business contributions, that's \$8.29 a year per house. Just to kind of put it into perspective, if there's another use for the money, we might get more out of it than, that's not even a pizza. Davis stated on that one, there's no City contribution. We don't have to do anything to buy the bonds down to make them more attractive. And, the other thing we discussed, too, it creates a new bond, which gets us out of the RZED business, which eliminates the tax credit. It was originally set at 45% on this bond. Three years ago, they reduced it to 42%. So, it's held steady but it's always like 'the Sword of Damocles' that's held over your head all the time and you never know from year-to-year what the rates on that may be. Or, even that the program can be eliminated.

Ronning stated yeah, I know my earlier position was if we can get out of it just by breaking even, we're money ahead because the gamble is. Davis stated and again, too, this bond will be callable in ten years. So, you know, if you want to look at that savings on the ten-year basis rather than the 25-year basis, you could make some assumptions that there could be some potential further savings after ten years and it brightens that picture a little bit more.

Ronning asked have they indicated what the City contribution is built into the note of the bond? Davis stated that's correct. Ronning asked how much that is? Davis stated that would be the bond cost and what you see, this reflects whatever our costs are to do the refinancing. That's already included in that. It's going to cost us about \$160,000 either

9.0D.2

2010 A Bond
Refinance

way to do the refinancing. But, the figures you see in that block are net of that so they include all of that already being accounted for.

Ronning stated this is more or less a curiosity look. Davis stated this is just to give you some basic information and, hopefully, we can go ahead and get Stacie here. This will start the process and she will make the presentation next month and then you can really decide what the call is.

Ronning stated we have a motion. Voss stated yeah, you made it. Ronning stated right. Voss stated is there any other discussion to the motion? Hearing none, all in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

9.0E

Public Works

None.

9.0F

Fire
Department

None.

9.0G

City
Administrator

None.

10.0 Other10.0A
Staff Report

Davis stated remember that the new time for City Council meetings changes to 7 p.m. for the March 4th meeting. Voss stated tonight was kind of a test to make sure we got here. Davis stated yeah, we often show up at 7.

Voss stated also, too, I'd just like to reiterate what Troy said. If there's anybody that's interested in the HeartSafe training, if you didn't get Troy's information, just contact City Hall and we'll put you in contact with him.

Voss stated and there's an article in the newsletter on the first page, I think. Davis stated that's correct. Voss stated that came out today. I got mine today so, hopefully, everyone has the information right in front of them. Davis stated we'll be glad to put you in contact with Troy whether it's an individual or a group. Just let us know. That's it.

10.0B

Council
Report –
Member
Mundle

Mundle stated I went to the first meeting of the Fire Fighters, their staff meeting, last Monday. Not a whole lot was brought up. It was just kind of housekeeping things and it was a year in review so they went over some of the call times and some particular calls. Just kind of housekeeping items. And, afterwards I did get a chance to talk with Troy and get some training in with the AED device. I do want to say that City Hall does have an AED device here. I believe it's in the Senior Center in the coatroom. If you ever have to go get it while the Senior Center is closed, you can go into the Senior Center but the door locks behind you. So, be careful of that.

Ronning stated you'd have to go out the front door and go around. Mundle stated yeah. Davis stated you can go through the back hallway here and if you unlock the door, it will open in both directions then. Mundle stated okay. But, there is one here at City Hall.

- 10.0B
Council
Report –
Member
Mundle
- Mundle stated just questioning, is there, or would we be getting a map of where the AED devices are located? Whether on the website or? Davis stated that's going to be part of their program and all that information too, if anybody calls in to 911, once this data system that they're working on is completed, it will tell you the location of the nearest one also. Mundle stated okay, that's all I have.
- Council
Member
Koller
- Koller stated I was at the Planning Commission and we had the public hearing for Classic Construction's excavating. That was covered tonight. That's about it.
- Council
Member
Harrington
- Harrington stated Nate, Jack, and myself, last week met with the new director of the Cedar Creek Ecosystem Science Reserve. Nate and Forrest Isbell are working on some changes in the Memorandum of Understanding. Hope to have those changes done in the near future.
- Harrington stated Booster Days Beach Party for March 21st has been cancelled for this year. Denise is busy so no Beach Party.
- Mundle asked what the name of the new director was. Harrington answered Forrest Isbell.
- Ronning stated Annette will be disappointed.
- Council
Member
Ronning
- Ronning stated I didn't know you were so valuable Tim. His opening has been almost a year, they filled it at this last meeting, and I don't really recall the guy's name. They had a discussion on the service road exit, egress means from the Classic Park and that's what we looked at this afternoon.
- Ronning stated there's some unknown peripherals, maybe. The church owns five acres that would be cut off through there. They are in talks with Presbyterian for that senior center. I'm not sure if you're aware of that or not. I think Jack is. But, those five acres would be an ideal location for senior townhousing, less than assisted living type thing. That might turn out, the opportunity's there. Whatever happens with results. That's it.
- Mayor Voss
- Voss stated when the Sheriff was here talking about the prescription drop off, like I said earlier today, at the Ridgedale Library I saw one of the boxes and it was very clear. They said it's alarmed, there's cameras on it, and so I can appreciate that. That is something that I have actually had in the past year two instances where I had to basically clean out someone's house and it's like, 'What do I do with this stuff?' For my business, I know you don't flush it, you don't want to flush it. Don't flush your prescription drugs, really, because we're going to end up drinking it sooner or later. But, it is an important service for really a couple different aspects. I'm just wondering if we couldn't, maybe it's there already, I didn't notice, but on our website. It would have been nice to have it in our newsletter, to have a notice like that so people know that they have an option for this. I think as the Sheriff is mentioning it, it's the awareness of the importance of prescription drugs on youth, is amazing. I got two kids in school and I've learned a lot over the past few years about it. Us, as adults and older adults, we wouldn't think about that but that's just the way youth is these days. So, I think it would be good if we could do what we can to help educate our public on that.
- Voss stated the other item and it's something that comes up every once in a while from year-to-year, is our microphones. Jack, if you can convey that to the Commissions too? The two Commission meetings I was at in the past month, it was difficult at times in the

- Mayor Voss audience to hear people up here. And, it's really easy to step back and all of a sudden, we can't hear. Even with these big signs in front of us, I think, don't notice that. Because I think when people watch on tv, it's going to be hard for them to hear that. Voss stated that's really all I have.
- 10.0C Davis stated I've got one other question. We have our standing Work Meeting scheduled for next Wednesday. Are there any items that we need to address on there? I did send out a bit of information today regarding the Work Meeting schedule for March. At that time, I'd like to have the presentations made by the firms or persons that will be presenting proposals for the Ice Arena contract. But, do we want to go ahead and schedule one for this next Wednesday?
- Other
- February Voss asked next Wednesday or next month? Davis answered the 25th of February. We have a standing Work Meeting scheduled for the fourth Wednesday. As of now, we have nothing on that agenda and I'm just checking to see if there's anything we want to add to an agenda to have that Work Meeting.
- Work Meeting
- Voss stated I'm confused. The Ice Arena? Davis answered the Ice Arena will be in March. Voss stated in March, okay, I thought that's what you said. Davis stated but for February, we haven't discussed any specific items to have on the Work Meeting so I'm just requesting to see if there's anything we wish to add and have the meeting? Or, if we want to go ahead and cancel it at this point?
- Goal Setting
- Voss stated hearing none, there's nothing pressing right now. Mundle stated no, nothing pressing. Whenever we do have the next scheduled one that has more than just this item, I would like to discuss possibly having, deciding, some goals for our Council. But, I don't think we need to have a Work Meeting just for that.
- Ronning asked, could you repeat that? To have what for the Council? Mundle answered setting some goals. I brought it up in my last Council report. So, it was just, well coming up with one or two goals that we would all be in agreement of working together on.
- Conduct Policy
- Davis stated as part of that we'd also discussed a Conduct Policy and reviewed Woodbury's policy and requested that if you had any comments on that, to get those to me. We could make that also part of the discussion. I've received one so far. I'm assuming that everybody's still working on theirs or there are no comments on it.
- Rental Ordinance
- Voss stated honestly, I don't have any comments on it. I think we could go right to, for me at least, we could go right to the discussion on it. One thing I did want to ask about. With the previous Council, there was discussion on a rental ordinance. Is there any movement on staff about bringing anything to Council on that yet? Davis stated we're just waiting for direction from Council on whether or not they want us to proceed. We looked at several options back in the fall. At that time, we basically just reviewed it and there was no direction given as to how they wanted to proceed on it. So, if it's something that you want to bring back up to reintroduce that to Council, we'll put that on the next agenda or whenever you want to see it.
- Voss asked should we do it on the agenda? Davis stated it would probably be better as a Work Meeting the first time. Voss stated yeah, does it make sense to put it on the March Work Meeting? Davis stated we could add that to the March one.

Rental

Voss asked is there a desire to do it next week? Mundle stated March sounds fine to me.

Ordinance

Voss stated I'm fine with March. Koller stated March will be okay. Davis stated okay.

Harrington stated if you're going to do that, could you get that information from the different cities? Brian might want that because he wasn't on the Council, so he can see what the different cities have for rental. Davis stated yeah, we'll send that out early, a couple weeks. We'll have plenty of time to work on it so I'll send you some of those examples that we'd looked at previously and then we'll make that part of the agenda.

Voss asked with the last Council, was there any direction or preference for any of the examples? Ronning stated there was some discussion about the 'horror stories' is what my recollection is. Voss stated I could add a few. Harrington stated they wanted some feedback too if there were things we wanted in there.

Voss stated I'm just wondering if it makes sense, because it is a little over a month before we have that Work Meeting, for staff to try to maybe draft a framework. Not necessarily an ordinance, but a framework of what staff would like to see in it. Because, ultimately, it's going to be up to staff to enforce and we can still have discussion about what we want to add to it. But, from an enforcement standpoint, I'd be interested in hearing what staff would like to see in it.

Davis stated we'll have a draft ordinance prepared based on the samples that we looked at before and we can use that as a base to go from.

Ronning stated my recollection of the last discussion on these is that we're not looking to 'handcuff' and encumber every rental owner but look at some minimum standards to protect people. Davis stated I think that from our standpoint, we want to start out with something that fits our situation. We looked at four different ordinances, one that was just like two pages, which basically required people with rental property to register and state they would comply with all the Building Codes, is essentially what it stated. Maybe too simple and we may want to add a few more things. I think that's where we'll start looking at it and see what we need to add to make it fit our situation.

Voss stated okay and maybe, perhaps, when we have that meeting for Nick to be here because I'm assuming that Nick will be the one that will be the most involved with that. It might be worthwhile.

11.0 Adjourn

Harrington stated I'll make a motion to adjourn. Koller stated I'll second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

Meeting adjourned at 9:25 p.m.

Submitted by:

Carla Wirth

TimeSaver Off Site Secretarial Inc.

EAST BETHEL CITY COUNCIL MEETING

FEBRUARY 10, 2015

The East Bethel City Council met on February 10, 2015, at 6:00 p.m. for the special City Council meeting at City Hall.

MEMBERS PRESENT: Steve Voss Ron Koller Tim Harrington
 Brian Mundle Tom Ronning

ALSO PRESENT: Jack Davis City Administrator

1.0 The February 10, 2015 City Council special meeting was called to order by Mayor Voss at
Call to Order 6:00 p.m.

2.0 **Harrington stated I'll make a motion to adopt tonight's agenda. We have one special**
Adopt **item to put on there. It's Supplemental Payment Summary/Water Utility Operations.**
Agenda Davis explained this is something we need to get approved so we can get it in for two
 individuals to take the training. It has to be prepaid so they can go to their class on
 February the 18th. **Koller stated I'll second.** Voss stated any discussion? All in favor say
 aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes**
 unanimously.

3.0 Davis presented the staff report, indicating the Council is asked to consider approving a
Viking request to begin excavation on the Viking Preserve Project prior to the approval of the Final
Preserve – Plat and Developers Agreement.

Phase 1
Grading Plan Mr. Don Shaw filed and received approval for a Preliminary Plat for the Viking Preserve
 Project from City Council on December 4, 2013. However, on January 9, 2014, a reversal
 of the Army Corps of Engineers initial decision on Mr. Shaw's permit required additional
 requirements to be placed on his project. Consequently, Mr. Shaw was forced to amend his
 site plan and reduce his projected number of building sites from 60 to 49. Appeals were
 presented to the Army Corps Office in St. Paul for modification to their directives but the
 Corps did not reverse their decision. Senators Franken and Klobuchar were informed of the
 issue but were unable or did not intervene in the matter.

As a result, Mr. Shaw revised his development plan to meet the standards of a less restrictive permit and re-submitted a request for approval of the preliminary plat/concept plan to City Council on January 22, 2014. Council approved the plan and the Planning Commission subsequently approved the revised Preliminary Plan and Final Plat on July 22, 2014. Mr. Shaw placed his project on hold, due to the issues with the Corps and market issues, and requested an extension for consideration of the Final Plat submission to the City Council.

Mr. Shaw met with City Staff last Thursday, February 5, 2015, and requested approval to perform excavation activities on the Viking Preserve Project, Outlot A, on the southwest corner at the intersection of Taylor Street and Viking Boulevard. The area to be disturbed is indicated on the attached grading plan and is a proposed pond and stockpiling of the excavated materials on site. The stockpiled materials would be used in the construction and finish of proposed building pads on the site. The amount of excavation is estimated to be approximately 40,000 cubic yards and the excavation site is denoted as 2.96 acres. The excavated material would be moved approximately 1,000 feet west of the pond location and

3.0

Viking

Preserve –

Phase 1

Grading Plan

stockpiled on the site. The primary stockpile site is indicated on the grading plan and would cover approximately 1.5 acres with a height of 15 feet. A secondary stockpile site, if required, would be located at the northeast corner of Outlot A.

The stockpile area would be in place for up to two years, be seeded, and all required erosion and sediment control measures would be provided as per direction of the City Engineer. Mr. Shaw's request to approve this activity upon short notice is due to the need to perform the excavation while frost depths are sufficient to allow on-site trucking of the material to the stockpile site. Mr. Shaw has received his NPDES permit for this portion of the project and it was submitted on Friday, February 6, 2015. He and has all other required permits for the grading work.

In order to approve Mr. Shaw's request, a Memorandum of Understanding (MOU) that would protect the City's interests and address the following should be considered:

1. Submission of a grading and erosion and sediment control plan;
2. Submission of all the permits necessary for the project;
3. A timetable and schedule for the work;
4. A requirement that all excavated materials remain on site; and,
5. Provide an escrow or letter of credit equal to 125% of the restoration costs should there be a failure to fulfill the obligations of the MOU.

Absent a Developer's Agreement, and in order to continue to assist Mr. Shaw in his efforts to proceed with the project, Staff recommends that Council consider granting permission to conduct the excavation activities as proposed be approved subject to the conditions of the attached Memorandum of Understanding.

Davis stated the MOU, which is in your attachment, was prepared by the City Attorney and staff recommends its approval. If you have any questions, up on the screen is just a basic indication of the activities that would be performed. You can see in the center of the property that it shows a road just to the right a bit as the pond site. There's an existing haul road that they would use to stockpile the material on the far western portion of the proposed residential site. This is the first phase of anything being done here. Although, Mr. Shaw has indicated that he's not sure when he'll be able to be started with the rest of his development, this material will be used for the construction and finish of the building pads on the project.

Ronning stated for discussion, at least, I'll move that we accommodate Mr. Shaw's request based on the staff recommendation. Harrington stated I'll second. Voss stated I'm not sure what kind of a motion that is. You're moving to approve the MOU? Ronning stated yeah. You have to have something to have discussion.

Voss stated discussion? Ronning stated I went through this stuff. It's interesting to say the least. There's a lot of money in paper here. It's one thing to cut out the pie shapes on the paper but it's a whole different thing to see the horizontal elevations for the different properties. Something we've been interested in helping him with. He came to us the first time and we were supportive from then on, I believe.

Davis stated yeah, certainly, and we believe this is a key component in the whole process of developing the corridor and may actually provide some stimulation for other activities.

Ronning stated I've mentioned to you before, I see this almost as a cornerstone for getting a

jump start on, the intention of it anyhow. Davis stated we've all talked about this and we've all recognized that there's several people looking at things. Sometimes, I think, everybody's just waiting for somebody else to start. So, we're certainly appreciative of Mr. Shaw's efforts and his desire to develop this project on this property.

Voss asked is there someone here representing? Could you come up for a couple questions? State your name and address.

Tom Kane stated I actually live in North Branch. I'm with Shaw Trucking. Voss asked you're with Shaw Trucking? Kane replied yes.

Voss stated the only question I have is with what's depicted as the stockpile area, is basically the homestead that's still there? At the corner? Kane answered it will be just back to the east of that. Voss stated so you're not taking down any of the buildings yet? Kane replied no. Voss stated it kind of almost shows it on top of the house, the way it's depicted. I know it's not an engineered drawing there, but the idea is to have it in that area? Kane replied yup, pretty much where that berm was before.

Ronning stated I think it's implied in here about choosing or suggesting a different housing value than initially. Do you have any information about that? Kane stated I don't. Don would be the one to ask on that but I know it has been a discussion we've talked about. Ronning asked you've got to do a study, market study or some such? Kane answered correct.

Ronning asked are you able to say whether he'd had a chance to get any of that at all? Kane stated he's in the process. It is started because he's an anxious as, I think, anyone to get it rolling. There's been, like you said, quite a bit of money put into this and, obviously, very little return right now.

Voss stated so in terms of the excavation area, are we looking at mitigation then this summer? To finish off that pond area? Davis stated they'll provide a timetable. I was told that this would be probably completed in the next three to four weeks. Would that be accurate? Kane replied correct. We need to get in there with the frost that's in the ground now to get the off-roaders back and forth.

Voss stated but in terms of, the wetlands you're creating, your excavation area, are you looking to finish that off this summer? Replant and get all the planning done? Kane replied yes. Davis stated that would be a requirement that would be done as soon as the weather permitted, which would be in the spring.

Voss stated okay, it won't take long for that canary grass to come back. Kane stated the same with the erosion control on the stockpile. It would be immediately, once we've completed the stockpile, it will be, an erosion mat put on it. Voss stated all right.

Ronning stated that's in the Memorandum of Understanding, I think. Davis stated that's correct.

Mundle stated I've got a question on Sheet G3. On the upper right-hand area, it says 'stockpile area.' I'm assuming that has nothing to do with stockpiling any of the material that will be excavated. Voss asked what's G3 look like? Mundle stated it's the grading, drainage, and erosion control plan. Here you go Steve. Voss stated I've got it

3.0

Viking

Preserve –

Phase 1

Grading Plan

electronically, just finding which one it is. Mundle stated it's the highlighted, right there. Voss stated okay.

Mundle stated it says, 'stockpile area.' I just want to make sure it has nothing to do with. Kane answered no. Mundle stated okay. And, what kind of soils are you expecting to get out of this area? Kane answered pretty much black and peat for the most part. Mundle stated okay.

Davis stated Mr. Shaw informed me that they expected the majority of it to be black dirt and if they did encounter any sand, it would be separated from the black dirt so it could be used actually as fill material for the pads. The black dirt would be used for finish material. Kane stated yeah.

Ronning stated when they de-mucked the road for 22, they went like 30 to 50 feet, I think, down. Does he have any guesstimate? He dug that pond in there, does he know what kind of depth he'll have for mining this soil? Kane stated I believe you'd have to check with him on that but the grading plan does show that it's only a depth, I think, of approximately 40 feet. Ronning asked 40? Kane answered at the maximum. Ronning stated nice pile of dirt. Kane answered yeah.

Mundle stated Jack, I've got a couple questions on the Memorandum. A couple letters state that these particular items will be done before any work starts. Item 1F and Item 3 do not specify that. Is it assumed that those items will be done before work starts? Davis stated in regard to Item 1F, Mr. Shaw will be here tomorrow to sign the agreement and he will bring his Letter of Credit with him at that time.

Mundle stated okay, so it would be. Davis answered that's correct. Mundle asked and Item 3, would that be submitted to the City before? Davis answered that's correct. Mundle stated okay. Davis stated we would have to be in receipt of all those before we'd turn over the signed MOU. Mundle stated yeah, some of the items state that they would be done before work and others didn't.

Harrington stated I've just got one comment. I'd like to thank Mr. Shaw for moving forward with this development. I know he's had to go through some issues and he could have put a stop to this development real quick so I just want to say, thanks for moving forward with this. Kane responded thank you.

Voss asked anything else? If not, to the motion, all say aye? **All in favor.** Voss stated any opposed? Hearing none motion passes. **Motion passes unanimously.**

Heart Safe Training

Davis stated before we entertain a motion to adjourn, I would like to request if all City Councilmembers could be approximately 20 minutes early to the next meeting to do some HeartSafe training, Troy Lashinski is going to be here and provide that. It's part of our effort to be recognized as a HeartSafe City so if you could do that, we'd certainly appreciate it.

Ronning asked where would it be? Davis responded here in Council Chambers. Voss stated let's just say 7 o'clock. Davis stated that's fine.

**Supplemental
Payment
Summary/
Water Utility
Operations**

Davis stated the Supplemental Bill List presented to you is for fees for the training of two of our employees to get their Water License Certificates. We have to have that payment in, it has to be prepaid before they can attend the class. We were just able to get these two people enrolled recently. That's why the rush is on this. I would request that you approve the \$64 for their class fee for this instruction.

Voss asked is there a motion? **Koller stated I'll make a motion to approve the \$64. Mundle stated I'll second.** Voss stated is there any other discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

**4.0
Adjourn**

Harrington stated I'll make a motion to adjourn. Koller stated I'll second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Hearing none motion passes. **Motion passes unanimously.**

Meeting adjourned at 6:18 p.m.

Submitted by:
Carla Wirth
TimeSaver Off Site Secretarial Inc.

DRAFT

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

RESOLUTION NO. 2015-XX

RESOLUTION DESIGNATING SURPLUS PROPERTY

WHEREAS, the City of East Bethel owns a 16' x 70' Mobile Home for Fire Training; and

WHEREAS, the 16' x 70' Mobile Home for Fire Training has come to the end of its useful service life as a fire training piece of equipment; and

WHEREAS, the City of East Bethel will sell 16' x 70' Mobile Home for Fire Training on State Auction;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the 16' x 70' Mobile Home for Fire Training is designated as surplus property and placed for sale.

Adopted this 4th day of March, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

ATTEST:

Jack Davis, City Administrator

PAY ESTIMATE #10
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project

February 24, 2015

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

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

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

Base Bid Schedule "A" - Removals

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	Clearing	0.80	ACRE	\$4,200.00	1.26	\$ 5,292.00
2	Grubbing	0.80	ACRE	\$4,200.00	1.26	\$ 5,292.00
3	Clearing	32	TREE	\$105.00	26	\$ 2,730.00
4	Grubbing	32	TREE	\$105.00	26	\$ 2,730.00
5	Remove Sidewalk	51	SQ YD	\$6.25	0	\$ -
6	Remove Watermain and Forcemain	60	LIN FT	\$5.00	0	\$ -
7	Remove Concrete Curb and Gutter	85	LIN FT	\$5.05	183	\$ 924.15
8	Remove Bituminous Pavement and Bituminous Curb	749	SQ YD	\$4.00	1,182	\$ 4,728.00
9	Cap Existing Forcemain Pipe	1	LUMP SUM	\$630.00		\$ -
10	Sawing Bituminous Pavement (Full Depth)	312	LIN FT	\$3.25	276	\$ 897.00
11	Mill Bituminous Surface	81	SQ YD	\$10.45	60	\$ 627.00
12	Salvage Metal Flared End Section and Grate	1	EACH	\$130.00	1	\$ 130.00
13	Salvage Storm Sewer	20	LIN FT	\$7.50	20	\$ 150.00
14	Salvage Signs	20	EACH	\$90.00	5	\$ 450.00
15	Salvage Chain link Fence	141	LIN FT	\$6.25	635	\$ 3,968.75
16	Salvage Gate	3	EACH	\$128.00		\$ -
17	Salvage Valve Box	2	EACH	\$90.00		\$ -
Total Bid Schedule "A"						\$ 27,918.90

Base Bid Schedule "B" Forcemain and Gravity Sewer

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
18	Stabilizing Aggregate (LV)	100	CU YD	\$36.00		\$ -
19	Granular Borrow (CV)	400	CU YD	\$16.50	98	\$ 1,617.00
20	Aggregate Backfill (CV)	550	CU YD	\$36.50	67	\$ 2,445.50
21	Geotextile Filter Type IV	2,200	SQ YD	\$2.45	134	\$ 328.30
22	Ductile Iron Fittings	3,330	POUND	\$5.60	6,390	\$ 35,784.00
23	8" PVC Sanitary Sewer - SDR 35	38	LIN FT	\$78.50		\$ -
24	10" PVC Sanitary Sewer - SDR 26	20	LIN FT	\$98.00	20	\$ 1,960.00
25	12" PVC Sanitary Sewer - SDR 26	92	LIN FT	\$114.00	80	\$ 9,120.00
26	12" DIP Sanitary Sewer - Class 52	20	LIN FT	\$173.00		\$ -
27	10" PVC Plug	1	EACH	\$185.00		\$ -
28	12" PVC Plug	1	EACH	\$190.00	1	\$ 190.00
29	4" PVC Sewer Forcemain (DR 18)	22	LIN FT	\$24.00		\$ -
30	6" PVC Sewer Forcemain (DR 18)	1,590	LIN FT	\$19.00		\$ -
31	8" PVC Sewer Forcemain (DR 18)	6,997	LIN FT	\$20.50		\$ -
32	10" PVC Sewer Forcemain (DR 18)	9,133	LIN FT	\$24.25	9,043	\$ 219,292.75
33	Steel Casing Pipe - Jacked - 8" Carrier Pipe	120	LIN FT	\$264.00		\$ -
34	Steel Casing Pipe - Jacked - 10" Carrier Pipe	120	LIN FT	\$282.00	120	\$ 33,840.00
35	6" PVC Sewer (DR 18) - Directional Drill	70	LIN FT	\$51.75		\$ -
36	8" PVC Sewer (DR 18) - Directional Drill	1,869	LIN FT	\$45.75		\$ -

**PAY ESTIMATE #10
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project**

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

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
37	10" PVC Sewer (DR 18) - Directional Drill	400	LIN FT	\$57.30	490	\$ 28,077.00
38	Meter Manhole -4" Meter	1	EACH	\$12,150.00		\$ -
39	Meter Manhole -8" Meter	1	EACH	\$19,400.00		\$ -
40	Forcemain Cleanout Type 1 - 8" Forcemain	2	EACH	\$8,755.00		\$ -
41	Forcemain Cleanout Type 1 - 10" Forcemain	3	EACH	\$9,775.00	3	\$ 29,325.00
42	Forcemain Cleanout Type 2 - 8" Forcemain	1	EACH	\$8,345.00		\$ -
43	Forcemain Cleanout Type 2 - 10" Forcemain	1	EACH	\$10,500.00	1	\$ 10,500.00
44	Air/Vacuum Release Valve Manhole - 8" Forcemain	6	EACH	\$11,100.00		\$ -
45	Air/Vacuum Release Valve Manhole - 10" Forcemain	3	EACH	\$12,125.00	3	\$ 36,375.00
46	8" Gate Valve and Box	7	EACH	\$1,610.00		\$ -
47	10" Gate Valve and Box	8	EACH	\$2,285.00	8	\$ 18,280.00
48	Tracer Wire	21,959	LIN FT	\$0.35	18,941	\$ 6,629.35
49	Access Boxes For Tracer Wire	22	EACH	\$91.00	7	\$ 637.00
50	Passive Electronic Markers	122	EACH	\$26.50	40	\$ 1,060.00
51	Marker Posts for Access Boxes and Structures	22	EACH	\$130.00		\$ -
52	4" Polystyrene Insulation	504	SQ FT	\$6.00	256	\$ 1,536.00
53	Connect to Existing Manhole	1	EACH	\$2,000.00		\$ -
54	Connect to Existing Pipe	8	EACH	\$1,500.00	3	\$ 4,500.00
55	Clean and Video Tape Pipe Sewer	112	LIN FT	\$5.25	100	\$ 525.00
56	Construct Sanitary Structure Design 48-4007	6	LIN FT	\$450.00		\$ -
57	Construct Sanitary Structure Design 48-4007 - Drop Manhole	28.5	LIN FT	\$465.00		\$ -
58	Casting Assembly - Sanitary Sewer	2	EACH	\$860.00		\$ -
59	Dewatering	1	LUMP SUM	\$176,000.00	1	\$ 176,000.00
Total Bid Schedule "B"						\$ 618,021.90

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

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
60	Fiber Optic Cable With Schedule 40 Conduit	1,650	LIN FT	\$18.00	1,700	\$ 30,600.00
61	Tracer Wire for Buried Fiber Optic Cable	1,680	LIN FT	\$0.01	1,730	\$ 17.30
62	Access Boxes For Tracer Wire	4	EACH	\$0.01	3	\$ 0.03
63	Marker Posts for Access Boxes and Structures	3	EACH	\$129.00	3	\$ 387.00
64	84" Diameter Valve Manhole Structure and Appurtenances	1	EACH	\$21,000.00	1	\$ 21,000.00
65	96" Diameter Sanitary Sewer Lift Station Structure and Appurtenances	1	EACH	\$62,300.00	1	\$ 62,300.00
66	Portable Davit Crane With Power Winch	1	EACH	\$3,350.00	1	\$ 3,350.00
67	Trash Basket With Ladder	1	EACH	\$3,850.00	1	\$ 3,850.00
68	Submersible Lift Station Pump and Discharge Elbow	2	EACH	\$12,250.00	2	\$ 24,500.00
69	Pump Rails, Chains, Guide Brackets and Appurtenances	1	LUMP SUM	\$3,075.00	1	\$ 3,075.00
70	Control Panel, Level Floats and Transducer	1	LUMP SUM	\$38,600.00	1	\$ 38,600.00
71	Generator	1	LUMP SUM	\$29,000.00	1	\$ 29,000.00
72	Electrical and Startup	1	LUMP SUM	\$16,000.00	1	\$ 16,000.00
73	Dewatering	1	LUMP SUM	\$50,000.00	1	\$ 50,000.00
Total Bid Schedule "C"						\$ 282,679.33

**PAY ESTIMATE #10
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project**

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

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
74	12" RC Pipe Sewer Design 3006 CL V	91	LIN FT	\$44.30	91	\$ 4,031.30
75	15" RC Pipe Sewer Design 3006 CL V	41	LIN FT	\$53.00	41	\$ 2,173.00
76	15" RC Pipe Apron	1	EACH	\$640.00	1	\$ 640.00
77	Construct Drainage Structure Design H (27")	1	EACH	\$1,400.00	1	\$ 1,400.00
78	Construct Drainage Structure Design 48-4020	1	EACH	\$1,900.00	1	\$ 1,900.00
79	Aggregate Base Class 5	490	TON	\$26.00	441.9	\$ 11,489.40
80	Bituminous Material for Tack Coat	77	GALLON	\$4.15	192	\$ 796.80
81	Type SP 9.5 Wearing Course Mixture (2,B)	179	TON	\$100.00	150	\$ 15,000.00
82	Type SP 12.5 Non Wearing Course Mixture (2,B)	148	TON	\$97.00	134.12	\$ 13,009.64
83	Concrete Curb & Gutter Design Surmountable	71	LIN FT	\$18.25	26	\$ 474.50
84	Concrete Curb & Gutter Design B618	205	LIN FT	\$18.75	343	\$ 6,431.25
85	4" Concrete Walk	459	SQ FT	\$5.25		\$ -
86	6" Concrete Pavement	846	SQ FT	\$5.75	1,062	\$ 6,106.50
87	Bollard	12	EACH	\$562.00	11	\$ 6,182.00
88	Coniferous Tree, 6' HT B&B	20	EACH	\$236.00	20	\$ 4,720.00
89	Deciduous Tree 2.5" CAL B&B	20	EACH	\$300.00		\$ -
90	Random Riprap Class II	3	CU YD	\$190.00	3	\$ 570.00
91	Floatation Silt Curtain Type Moving Water	200	LIN FT	\$16.25	50	\$ 812.50
92	Silt Fence Type Machine Sliced	5,000	LIN FT	\$1.60	3,000	\$ 4,800.00
93	Temporary Rock Construction Entrances	10	EACH	\$810.00	4	\$ 3,240.00
94	Topsoil Borrow (LV)	2,000	CU YD	\$13.35	450	\$ 6,007.50
95	Turf Establishment	27	ACRE	\$3,050.00	34.90	\$ 106,445.00
96	Erosion Control	1	LUMP SUM	\$3,600.00	1.00	\$ 3,600.00
Total Bid Schedule "D"						\$ 199,829.39

Bid Schedule "E" - Watermain

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

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

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
103	Mobilization	1	LUMP SUM	\$61,400.00	1	\$ 61,400.00
104	General Construction Allowance	1	LUMP SUM	\$40,000.00	1.03	\$ 41,295.70
105	Private Utility Allowance	1	LUMP SUM	\$50,000.00	0.15	\$ 7,265.37
106	System Integrator Allowance	1	LUMP SUM	\$50,000.00	0.78	\$ 38,850.00
107	Traffic Control	1	LUMP SUM	\$9,300.00	1	\$ 9,300.00
Total Bid Schedule "F"						\$ 158,111.07

**PAY ESTIMATE #10
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project**

Alternate Bid No. 1

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	Connect to Existing Lift Station	1	EACH	\$4,500.00	1	\$ 4,500.00
2	8" PVC Sanitary Sewer - SDR 35	547	LIN FT	\$72.00	549	\$ 39,528.00
3	8" PVC Sanitary Sewer - SDR 26	965	LIN FT	\$73.00	959	\$ 70,007.00
4	10" PVC Sanitary Sewer - SDR 26	125	LIN FT	\$77.50	105	\$ 8,137.50
5	Clean and Video Tape Pipe Sewer	1,637	LIN FT	\$1.30	1,613	\$ 2,096.90
6	Construct Sanitary Structure Design 48-4007	142.9	LIN FT	\$211.00	165.24	\$ 34,865.64
7	Construct Sanitary Structure Design 48-4007 - Drop Manhole	25.9	LIN FT	\$314.00	25.93	\$ 8,142.02
8	Casting Assembly - Sanitary Sewer	8	EACH	\$860.00	8	\$ 6,880.00
9	Dewatering	1	LUMP SUM	\$46,100.00	1	\$ 46,100.00
Total Alternate Bid No. 1						\$ 220,257.06

Alternate Bid No. 2

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	10" PVC Sewer Forcemain (DR 18)	6,997	LIN FT	\$24.00	7,249	\$ 173,976.00
2	Steel Casing Pipe - Jacked - 10" Carrier Pipe	120	LIN FT	\$182.00	120	\$ 21,840.00
3	10" PVC Sewer (DR 18) - Directional Drill	1,869	LIN FT	\$56.75	1,919	\$ 108,903.25
4	10" Gate Valve and Box	7	EACH	\$2,300.00	8	\$ 18,400.00
5	Meter Manhole -8" Meter	1	EACH	\$20,100.00	0	\$ -
6	Forcemain Cleanout Type 1 - 10" Forcemain	2	EACH	\$9,835.00	2	\$ 19,670.00
7	Forcemain Cleanout Type 2 - 10" Forcemain	1	EACH	\$10,445.00	2	\$ 20,890.00
8	Air/Vacuum Release Valve Manhole - 10" Forcemain	6	EACH	\$12,000.00	6	\$ 72,000.00
Total Alternate Bid No. 2						\$ 435,679.25

Bid Schedule "A"	\$ 27,918.90
Bid Schedule "B"	\$ 618,021.90
Bid Schedule "C"	\$ 282,679.33
Bid Schedule "D"	\$ 199,829.39
Bid Schedule "E"	\$ -
Bid Schedule "F"	\$ 158,111.07
Alternate Bid No. 1	\$ 220,257.06
Alternate Bid No. 2	\$ 435,679.25
TOTAL WORK COMPLETED TO DATE	\$ 1,942,496.90
Less 3% Retainage	\$ 58,274.91
Less Pay Estimate #1	\$ 160,298.01
Less Pay Estimate #2	\$ 614,735.88
Less Pay Estimate #3	\$ 617,961.46
Less Pay Estimate #4	\$ 122,542.22
Less Pay Estimate #5	\$ 26,295.61
Less Pay Estimate #6	\$ 84,016.67
Less Pay Estimate #7	\$ 90,225.78
Less Pay Estimate #8	\$ 58,747.81
Less Pay Estimate #9	\$ 54,433.04
WE RECOMMEND PAYMENT OF:	\$ 54,965.50

**PAY ESTIMATE #10
CITY OF EAST BETHEL
Castle Towers/Whispering Aspen 2013 Forcemain Project**

APPROVALS:

CONTRACTOR: LATOUR CONSTRUCTION, INC.

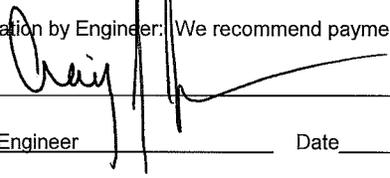
Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: _____

Title: _____ Date _____

ENGINEER: HAKANSON ANDERSON

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

Signed:  _____

Title: City Engineer Date 2/24/15

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____



City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 7.0 B.1

Agenda Item:

February Economic Development Authority Report

Requested Action:

Information Item

Background Information:

February 23, 2015 EDA Meeting- Staff presented Anoka County’s Open to Business Program to the EDA. There is no cost to participate in the program for 2015 but continuation into 2016 will require a contribution yet to be determined. The EDA and Staff will determine costs, evaluate the benefits of the program and make a recommendation to City Council prior to passage of the preliminary budget for 2016.

A presentation of the City Service Road Plan in the Municipal Utilities District was presented to the EDA. This plan is part of the infrastructure improvements designed to address traffic issues and enhance the development potential of this area.

Attachments:

Fiscal Impact:

Recommendation(s):

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING

January 26th, 2015

The East Bethel Economic Development Authority (EDA) met for a regular meeting on January 26, 2015 at 7:00 PM at City Hall.

MEMBERS PRESENT: Dan Butler* Brian Bezanson Steve Voss Julie Lux
Brian Mundle Doug Welter

MEMBERS ABSENT: John Landwehr – excused

ALSO PRESENT: Colleen Winter, Community Development Director
Jack Davis, City Administrator

* Chairperson

Call to Order Mr. Butler called the meeting to order at 7:00 pm.

Introduction of New Members Mayor Steve Voss and Council Member Brian Mundle Jr. were introduced and welcomed as new members of the Economic Development Authority.

Oath of Office Dan Butler and Brian Bezanson repeated the Oath of Office.

Adopt Agenda **Mr. Bezanson motioned to adopt the January 26, 2015 agenda. Ms. Lux seconded; all in favor, motion carried unanimously.**

Elect President, Vice President, and Treasurer At the February 24, 2014 EDA meeting, EDA officers were elected effective until January 2015. A new President and Vice President need to be elected to serve from January 31, 2015 through January 31, 2016. It should be noted that under the current EDA by-laws the Treasurer should also be elected. This position, by definition, is the City Administrator.

Mr. Bezanson nominated Mr. Butler to remain as President and Ms. Lux to remain as Vice President. Mr. Welter seconded the nomination. No other members were nominated. All members were in favor. Motion carried.

Appoint Assistant Treasurer and Secretary According to the EDA by-laws the Assistant Treasurer and Secretary should be appointed. These are staff positions. The Assistant Treasurer is the Finance Director, and the Secretary is the Recording Secretary. The current Finance Director is Mr. Mike Jeziorski and the City has contracted with Sue Irons as Recording Secretary.

Mr. Butler made the motion to appoint Mr. Jeziorski as Assistant Treasurer and Ms. Irons as Secretary. Mr. Bezanson seconded the motion and all members were in favor. Motion carried.

Approval of Meeting Minutes - November 17, 2014 **Mr. Bezanson motioned to approve the minutes as written. Mr. Mundle seconded; all in favor with Mr. Voss and Mr. Mundle abstaining due to not being a member of the EDA at that time. Motion carried to approve the minutes.**

**Presentation by
Michael Darger –
Business Retention
and Expansion
program**

Mr. Michael Darger from the University of Minnesota Extension Service gave a presentation on the Business Retention and Expansion (BR&E) program. Informational material is attached.

Financial Impact:

The cost of the program is \$12,000.00. Connexus Energy will pay up to \$5,000.00 for a community BR&E program, and they are very interested in working with us on this program. The remaining funds - \$7,000 would need to come out of the EDA project budget and/or the East Bethel Chamber can be asked to participate. Besides the financial commitment, it is important that there be a strong volunteer commitment in order for the program to be successful.

Mr. Bruce Sailor from Connexus Energy shared that his company fully supports the BR&E program. They have provided funding to help locations that they serve with economic development assistance. Connexus would be willing to assist with funding for East Bethel as well.

Our program (established 1990) is a proven approach for involving the community and building consensus to move forward. University of Minnesota Extension provides facilitation, technical assistance, training, and applied research to help communities assess business concerns, understand the structure of the local economy, set priorities, and implement projects that will help make communities more vibrant.

Resources offered through the program include coaching sessions, facilitated meetings, and trainings. Research services, Web resources and a BR&E Course are also available to assist communities in the process.

A Leadership Team introduces and promotes the program in the community, coordinates task force meetings, and organizes immediate follow-up. A Local Task Force engages a broad-based group of local leaders, including representatives of economic development organizations, chambers of commerce, business, government, and educational institutions. Business Visitation Teams are leaders from the task force and community. Each team has two members and visits two to four businesses.

Steps in the program:Research

- Community leaders form a team that plans and conducts the BR&E Strategies project.
- Visitation Teams learn how to use a proven survey instrument to interview businesses in order to learn about their needs, concerns and plans.

Prioritize

- Surveys are reviewed, and trustworthy individuals respond to businesses' immediate needs, including linking businesses to economic development programs and services.
- A panel of University faculty and other economic development experts offer suggested projects to address business needs identified in the survey.
- Survey results are analyzed and documented in a written research report.
- The Task Force uses the report and their knowledge of the community to develop a strategic action plan.
- Implement
- Local teams carry out priority projects identified in the strategic plan.

- Task Force evaluates results and decides how to sustain BR&E work.

Members viewed a video of the program and were given the chance to ask questions. Other communities already participating include Blaine, Roseville, Faribault and Belle Plain.

Ms. Winters stated that there are other groups who offer their own BR&E programs such as the Greater MSP group, Grow Minnesota and DEED.

Mr. Mundle asked if the program had been implemented in a community like East Bethel. Mr. Darger stated that they have had several fairly small communities as well as Hugo who received an award for their program. He described the program implemented in Columbus for comparison.

Mr. Bezanson noted Mr. Darger's comment that one community did not do well due to lack of resources. He questioned what type of resources these might be and noted that he did not notice citizen involvement in the program. Mr. Darger stated that there is a high correlation of success with the number of public staff involved.

Mayor Voss commented that he liked the program idea to help the city move forward without forgetting what has been accomplished in the past. He felt the interview with business owners was a very valuable part of the program. Mr. Voss asked what might be warning flags that business owners might be unhappy in the community. Mr. Darger related that some companies have been considering moving out of the state but decided to stay due to the program's influence.

Mr. Welter asked about long term monitoring and communication once the program is completed. Mr. Darger related a study they had done to follow up with communities from several years ago and found that most reported positive ongoing results. Mr. Welter asked about common goals for communities using the program noting that networking seemed to be frequently addressed. Mr. Darger stated other goals include city and business community interaction, workforce issues, increased outreach.

Ms. Lux asked for examples of how the funding is used. The U of M program charges fees for their program because of the time and effort they put into working with the community. They bring in experts in many areas to assist.

Next steps include recommendation of funding for the project and completion of the application. Ms. Winter suggested the information be shared with the Chamber at the meeting of the Board and the general membership meeting as well. The City Council will need to be made aware. There are currently funds available for the program.

The application requires the identification of a task force to show community readiness to participate in the program. Mr. Darger stated that they are short staffed and if the City decides to move forward with the program it would not begin until 2016. There are some preparation steps that could be done this year. The next BR&E course will be next year. It is helpful if a community can send more than one person to attend the course as well as less cost per person to attend.

Mr. Butler thanked Mr. Darger for his presentation.

Mr. Butler made a motion to recommend approval to City Council to fund the BR&E program for the City of East Bethel to commence in FY2016 in partnership with the East Bethel Chamber of Commerce.

Mr. Davis commented that the funding should be requested for the FY2016 budget. He suggested making this part of the motion. Mr. Bezanson stated that he felt most members wanted to move forward with the program and that Mayor Voss and Mr. Mundle would present the program to the City Council in a positive manor. Mr. Davis stated that there are two goals for the EDA – to attract new business and to keep and expand the businesses currently operating in the city. Although the first goal is important, he felt it is also very important to ensure that current businesses felt their best interests were a priority for the City.

Mr. Voss stated he thought it would be helpful to get response from the Chamber before making a funding decision.

Mr. Butler withdrew his motion.

City Council Report

Mayor Voss stated there have been two Council meetings in January and a date has been set for the spring town hall meeting on April 23rd. They approved a change in the GIS for community development. Nordin Estates is still a topic with some funding for the resolution of the drainage problem.

Mr. Mundle reported that the Council meetings will begin at 7pm starting in March. East Bethel received an award for water fluoridation – one of only 119 cities in 2013.

Other Business

Ms. Winter reported that the City Council approved a Geographic Information System (GIS) system which she will present to the EDA when it goes live. She anticipates that it will be a tremendous economic development tool for East Bethel. It will give people the ability to go to the website and see property with multiple layers to see where wetlands are and zoning. There will be information on septic systems as well as a better complaint tracking system.

Chamber of Commerce Report

Mr. Butler reported that there is a board meeting of the Chamber on January 27th and a membership drive on February 3rd. The Board members will gather at Aggressive Hydraulics to engage in a telephone drive for membership. On February 12th the monthly meeting for membership will be at the Senior Center with a presentation from the City Finance Director and the new Mayor. Another meeting will also occur with MnDOT and Anoka County Highway Dept. as a result of the previous meeting they had with the Chamber last November. This meeting will occur on January 29th.

Adjournment

Mr. Welter made a motion to adjourn the meeting at 8:30 p.m. Mr. Bezanson seconded; all in favor, motion carried.

Submitted by:
Susan Lori Irons
Recording Secretary



City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 7.0 D.1

Agenda Item:

February Roads Commission Report

Requested Action:

Information Item

Background Information:

February 10, 2015 Roads Commission Meeting

In addition to approving the Taylor Street alignment for the service road project the Roads Commission was updated on the Interagency meeting with MnDOT, MET Council, Anoka County, City of Ham Lake and the City on January 29, 2015. Among the items discussed were service road projects on both the east and west side of Highway 65, traffic lights, need for the upgrade of the intersection of Viking Boulevard and Hwy. 65 and an updated study for Hwy. 65.

The Roads Commission was also provided an update on the status of the Reconstruction Project for Lincoln Drive, Laurel Road, and 185th Avenue. Residents from the Coon Lake Beach area were in attendance and provided comments on the project. Currently the City is still in the right of way acquisition process and as of this date there is only one property owner that has not come to agreement on their property. Staff will continue to work with the City Attorney to secure the final piece of right of way required before the project can be released for bid.

Attachments:

Fiscal Impact:

To be determined

Recommendation(s):

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

out for bids separately later this spring. Once the spring thaw has occurred there may be additional repairs that will be added as needed.

Mr. Murphy questioned if the estimates had been decreased related to the decrease in fuel costs. Mr. Ayshford stated the estimates are about the same as last year but that the bids received usually are lower than the budget estimates.

Mr. Jensen made a motion to submit to the City Council the quantities stated to be bid as part of the 2015 North Metro Street Maintenance Program. Ms. Paavola seconded the motion. All in favor, motion carried unanimously.

Klondike Drive Class 5

The 2015 Street Maintenance Budget calls for \$35,000 to be used on gravel road maintenance. The City has been rotating improvements to the City's sixteen miles of gravel roads over a seven year cycle. For 2015, staff is recommending the Class 5 improvements be used on the 1¾ mile gravel road portion of Klondike Drive. Before the Class 5 is placed, the Public Works Department will shape and grade the road surface to allow for better drainage and to return the road to its original width.

Because of the traffic volume and vehicle speeds on Klondike Drive, the road surface dries out rapidly and washboard conditions quickly arise. Some of the property owners have requested that an application of chloride be used to harden the road and reduce the amount of dust generated. Staff has researched costs for the application and discussed possible funding options including having the residents pay for the application, funding it from the street maintenance budget, or a cost share between the City and the property owners.

The City applied magnesium chloride in 2012 during the construction of Viking Blvd when traffic levels increased on Klondike by 400-500%. The road held up nicely and required little or no grading. The cost for the application at that time was approximately \$4,500.

Currently the Public Works Department grades Klondike Drive twice a week for a total of 5 hours. Using the current rate of \$95.00 an hour for the John Deere 770BH, the weekly equipment costs are approximately \$500.

Last year the Beaver Brook Gun Club suggested they might help fund putting chloride on the road but this never occurred. The same topic has been discussed with Blue Ribbon Pines Disc Golf. These are the two main generators of traffic on Klondike Drive. The staff does recommend the addition of chloride to help control dust and reduce washboard conditions. Mr. Ronning noted that Hoffman Sod is another heavy user of Klondike Drive and would also benefit from its improvement.

Mr. Jensen noted that the \$35,000 is almost half of the budget for street maintenance.

Mr. Ayshford related that it is the same as in previous years. He stated that the outside neighborhoods that have been done with gravel are in pretty good shape with Klondike being the worst one. Members discussed possible ways to decrease the cost of this project.

The project cost estimate would cover approximately 1¾ miles. There are no materials that can be saved for recycling from the project. Members agreed that the project does

need to be done and discussed the possibility of having the businesses affected by the project contribute to funding it.

Ms. Paavola made a motion to recommend to the City Council that Klondike Drive be identified for the 2015 Class 5 resurfacing project and the application of chloride to control dust and reduce washboard conditions. Mr. Murphy seconded the motion. All other members were in favor except for Mr. Jensen who requested further discussion.

Further discussion by the members ensued regarding the possibility of requesting a portion of funding for the project from the businesses that would benefit from this improvement.

Mr. Jensen made a motion to recommend to the City Council that Klondike Drive be identified for the 2015 Class 5 resurfacing project and the application of chloride to control dust and reduce washboard conditions and that business owners who would benefit from this improvement be asked by staff to contribute funding for the project. Mr. Thunberg seconded the motion. All in favor, motion carried unanimously.

**Council
Report/Other
Business**

Ms. Paavola welcomed new City Council member and liaison to the Road Commission, Mr. Tom Ronning. Mr. Ronning related that he felt the Road Commission members were the most continuously connected to community members through daily use of the roads of East Bethel. He looks forward to working with the Commission.

Mr. Ayshford reported that the Council approved the Anoka County Street Lighting Project with the Road Commission's requested change moving the light planned for Lexington Avenue to 195th Avenue. The proposed locations for rain gardens to be established and funded by the Anoka Conservation District were also approved.

Mr. Jensen related his experience with rain gardens in the course of his career. They have had a large number of rain gardens that are coming up on the ten year point when the city becomes responsible for the maintenance of the gardens. He stated that this is the point at which the gardens start to require sediment removal thereby costing the city money. There has been a fair amount of property owner turnover with the new owners not willing to care of the gardens. They have attempted to subcontract the care of the gardens. Mr. Jensen stated the city does not have enough time or staff to care for the gardens. He agrees that the gardens are good for the environment but they require extensive time and effort to establish and maintain.

Mr. Thunberg questioned the status of the Nordin Estates project. This item will be addressed at the next City Council meeting according to Mr. Ayshford.

Ms. Paavola noted that Bryant Ln that is paved in the East Bethel limits but that it is not paved in Columbus Township and it is almost unusable during rain and snowy weather. She questioned if there is a process for communicating concern to Columbus asking them to address this problem. Mr. Ayshford noted that problems with unpaved roads like this are common. East Bethel puts chipped rock on roads when they become slippery but potholes are very difficult to deal with. Mr. Harrington noted that with the Lincoln & Laurel project this spring, Bryant Ln may have increased use with Lincoln and Laurel

being almost closed to traffic. This may encourage the Township to improve maintenance of the road.

Mr. Harrington thanked the members for his time as City Council liaison with the Road Commission. He stated he enjoyed his time at meetings and learned a great deal. Members thanked Mr. Harrington as well.

Mr. Murphy and Ms. Pierson-Kolodzienski were approved by the City Council for an additional three year term as members of the Road Commission. They will be sworn in next month.

No change is anticipated in the current meeting schedule for the Road Commission on the second Tuesday of the month at 6:30pm. Other groups may still change their schedules.

At the next meeting members will interview two candidates for the open position on the commission. This is a change from previous intentions for the City Council to interview and appoint new members but has been established as the new process. Following the interviews, members will vote and recommend their selection to the Council for appointment to the commission. Members will also vote for and recommend a new chairperson for the commission to the Council.

Adjourn **Ms. Pierson-Kolodzienski motioned for adjournment. Mr. Jensen seconded; all in favor, motion carried. Meeting was adjourned at 7:00 p.m.**

Respectfully submitted,
Susan Lori Irons
Recording Secretary

Attachments:

- 2.0) Agenda for January 13, 2015 Road Commission Meeting
- 3.0) Minutes of December 9, 2014 Road Commission Meeting
- 4.0) Fiscal Year-to-date Financial Reports
- 5.1) 2015-2019 Street Capital Improvement Plan



City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 8.0 C.1

Agenda Item:

Verizon Cell Tower Lease Agreement

Requested Action:

Consider direction to Staff relating to negotiations with Verizon Wireless for a cell tower lease

Background Information:

The City of East Bethel was contacted by Verizon Wireless in February 2014 requesting a cellular tower site lease adjacent to our Public Works Building and an IUP for this location. Staff presented this proposal to the Parks Commission on March 12, 2014 for discussion and recommendation for City Council. The Parks Commission evaluated several site options and recommended this site having the least impact on Booster Park and the surrounding residential areas. On June 4, 2014 City Council approved the location and provided direction to the Planning Commission to hold hearings for an IUP for this site.

On June 24, 2014 the Planning Commission reviewed the Verizon Wireless request for the site and endorsed Staff's recommendation of an IUP.

The IUP request, as approved by the Planning Commission, was presented to City Council on July 2, 2014 and approved subject to the terms and conditions as set forth in the recommendation.

The City Attorney commenced negotiations on the lease agreement with Verizon Wireless on or about July 12, 2014. At this time and after numerous exchanges of draft agreements and conference calls, an acceptable agreement with Verizon that addresses the Cities concerns has not been concluded. Staff concurs with the City Attorney's position as indicated in the redline comments on Attachment 2, on this matter. The City Attorney, along with staff, cannot support or recommend proceeding further with negotiations with Verizon unless acceptable compromise positions on co-location and interference studies can be considered. The provisions within the agreement critical to the city's interests were fully discussed and made clear to Verizon. As proposed by Verizon, the City's risk exposure is not minimized and critical needs to secure public services on our site are impaired if Verizon's proposed agreement were accepted.

These negotiations have been ongoing for 7 months and we are seemingly at an impasse in this discussion. Items 5 and 7 in the most recent draft proposal contained in Attachment 2 are the

principal items of contention. The City Attorney will provide Council with additional comments related to this matter.

Attachments:

Location Map – Attachment 1

Redline Lease Agreement – Attachment 2

Fiscal Impact:

Recommendation(s):

The City Attorney will provide Council with additional comments related to this matter.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



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 Web: www.ulteig.com

PHOTO SIMULATION

SITE: MINC COOPER

CARRIER: VERIZON WIRELESS

SITE ADDRESS: 221ST AVENUE N.E., EAST BETHEL, MN 55011



SITE LOCATION MAP NOT TO SCALE





View Type: Original Photograph - View 1
Site Address: 221st Avenue N.E.
City: East Bethel **State:** MN
Site Name: MINC COOPER
View Description: Looking northwest at location of proposed monopole and ground equipment.



Disclaimer: This picture is an artist's rendition of the completed site layout prior to construction. The completed construction may vary in layout, dimension, and color from the above picture.

View Type: Simulated Photograph - View 1
Site Address: 221st Avenue N.E.
City: East Bethel **State:** MN
Site Name: *MINC COOPER*
View Description: Looking northwest at location of proposed monopole and ground equipment.



View Type: Original Photograph - View 2

Site Address: 221st Avenue N.E.

City: East Bethel **State:** MN

Site Name: *MINC COOPER*

View Description: Proposed monopole and ground equipment not seen from this view.

Cover page and Table of Contents removed pending final version agreement

DRAFT

ATTACHMENTS:

- Exhibit A** Landlord's Property Legal Description
- Exhibit B** Leased Premises Legal Description
- Exhibit C** Plans and Specifications
- Exhibit D** Memorandum of Lease
- Exhibit E** Survey
- Exhibit F** Interim Use Permit (IUP)

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DRAFT

SITE LEASE AGREEMENT

THIS SITE LEASE AGREEMENT (“Lease”), made this ___ day of _____, 2015 (“Effective Date”) between City of East Bethel (“Landlord”), and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, a limited liability company organized and existing under the laws of Delaware (“Tenant”), with its principal offices located at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920. The Landlord and Tenant are at times collectively referred to hereinafter as the “Parties” or individually as the “Party”.

For good and valuable consideration, the Parties agree as follows:

1. **Leased Premises.** Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of Landlord’s property, containing approximately ___ square feet, including the non-exclusive access to the air space above such ground space for the placement of Tenant’s monopole, radio cabinets and/or equipment shelter, located at 2241-221st Avenue N.E., City of EAST BETHEL, County of Anoka, State of Minnesota, legally described in Exhibit A attached hereto, subject to any and all existing easements (“Landlord’s Property”) together with non-exclusive easements for utility lines, poles, conduits, cable lines, and non-exclusive ingress and egress, seven (7) days a week, twenty-four (24) hours a day, for necessary vehicle and pedestrian access, including trucks, over or along a _____(___’) wide non-exclusive license or right-of-way extending from the nearest public right of way, _____ to the Leased Premises, as defined below. In the event any public utility is unable to use the rights of way granted under this Lease, the Landlord hereby agrees to grant an additional non-exclusive license or right-of-way either to the Tenant or to the public utility at no additional cost to the Tenant. The ground space, the non-exclusive ingress and egress easement and the utility easements are collectively referred to herein as the “Leased Premises”, and is more particularly shown in Exhibit B attached hereto. The same will consist of, among other things, the following:

Transmission lines, monopole and mounting and grounding hardware.

A concrete pad and a communications equipment shelter ("Communications Equipment Shelter") containing, without limitation, telecommunication equipment consisting of base stations(s), wireless communication equipment, switch(es), power supply(ies), battery(ies), and accessories.

An emergency generator shall be located within the Communications Equipment Shelter, adjacent to the Communications Equipment Shelter, or within a separate shelter adjacent to the Communication Equipment Shelter. The fuel for the generator (gasoline, diesel, butane, propane, LPG or other) shall be located inside the shelter(s) unless otherwise dictated by applicable building codes, state and federal law.

Landlord also hereby grants to Tenant the right to survey the Landlord's Property and the Leased Premises, and said survey, if approved by Landlord, shall then become part of Exhibit "E" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies. Cost for such survey work shall be borne by the Tenant.

2. **Rent.**

(a) **Amount, Adjustments.** As consideration for this Lease, commencing ~~on~~ on the 1st day of the month following the date that Tenant commences installation of equipment on the Leased Premises (the "Rent Commencement Date"), Tenant shall pay Landlord an annual rent in the amount of \$24,000.00 (the "Rent") for the initial year, which shall be increased each year on January 1, by three percent (3%) of the previous year's annualized Rent. Any future wireless carrier seeking to collocate on the monopole must obtain a separate non-exclusive lease with the Landlord. The Commencement Date shall be acknowledged in writing by the Parties.

(b) **Rental Documentation.** Landlord hereby agrees to provide to Tenant certain documentation (the "Rental Documentation") evidencing Landlord's interest in, and right to receive payments under, this Lease, including a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form reasonably acceptable to Tenant, for any party, other than Landlord, to whom rental payments are to be made pursuant to this Lease. From time to time during the Term of this Lease and within thirty (30) days of a written request from Tenant, Landlord agrees to provide updated Rental Documentation in a form reasonably acceptable to Tenant. The Rental Documentation shall be provided to Tenant in accordance with the provisions of and at the address given in Paragraph 21. Delivery of Rental Documentation to Tenant shall be a prerequisite for the payment of any rent by Tenant and notwithstanding anything to the contrary herein, Tenant shall have no obligation to make any rental payments until Rental Documentation has been supplied to Tenant as provided herein.

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Within fifteen (15) days of obtaining an interest in the Landlord's Property or this Lease, any assignee(s), transferee(s) or other successor(s) in interest of Landlord shall provide to Tenant Rental Documentation in the manner set forth in the preceding

paragraph. From time to time during the Term of this Lease and within thirty (30) days of a written request from Tenant, any assignee(s) or transferee(s) of Landlord agrees to provide updated Rental Documentation in a form reasonably acceptable to Tenant. Delivery of Rental Documentation to Tenant by any assignee(s), transferee(s) or other successor(s) in interest of Landlord shall be a prerequisite for the payment of any rent by Tenant to such party and notwithstanding anything to the contrary herein, Tenant shall have no obligation to make any rental payments to any assignee(s), transferee(s) or other successor(s) in interest of Landlord until Rental Documentation has been supplied to Tenant as provided herein.

(c) Time of Payment. The annual Rent shall be payable by Tenant in advance on or before January 1st of each year. For the first year, the Rent shall be prorated through December 31 and shall be paid to Landlord in full within forty-five (45) days after the Rent Commencement Date. If the Tenant does not meet the requirements referenced in Subparagraph 3(a) below within sixty (60) days following the Effective Date, Landlord shall refund the Tenant any Rent payment made, and this Lease shall terminate.

(d) Taxes. Tenant shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Landlord's Property which Landlord demonstrates is the result of Tenant's use of the Leased Premises and/or the installation, maintenance, and operation of the Tenant's improvements, and any sales tax imposed on the rent (except to the extent that Tenant is or may become exempt from the payment of sales tax in the jurisdiction in which the Landlord's Property is located), including any increase in real estate taxes at the Landlord's Property which Landlord demonstrates arises from the Tenant's improvements and/or Tenant's use of the Leased Premises. Landlord's production of a statement from the taxing authority that it has computed and assessed any tax, levy, assessment or charge as a result of Tenants operations on the site shall be presumptive evidence that the tax or fee is due and owing under this lease. Tenant shall be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the Tenant at the Landlord's Property. Notwithstanding the foregoing, Tenant shall not have the obligation to pay any tax, assessment, or charge that Tenant is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Landlord's Property. Under no circumstances shall Tenant allow the land to forfeit to the State for non-payment of taxes.

Tenant shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which Tenant is wholly or partly responsible for payment. Landlord shall reasonably allow Tenant at Tenant's expense to file, prosecute and perfect any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, or other similar document. In the event that as a result of any appeal or challenge by Tenant, there is a reduction, credit or repayment received by the Landlord for any taxes previously paid by Tenant, Landlord agrees to promptly reimburse to Tenant the amount of said reduction, credit or repayment. In the event that Tenant does not have the

standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, Landlord will pursue such dispute at Tenant's sole cost and expense upon written request of Tenant.

3. **Governmental Approval Contingency.**

(a) **Tenant Application.** Tenant's right to use the Leased Premises is expressly made contingent upon the suitability of the Leased Premises and Landlord's Property for Tenant's Permitted Use and upon its obtaining, at its own expense, all the certificates, permits, zoning and other approvals that may be required by any federal, state, or local authority. ~~This shall include the engineering study specified in Subparagraph 5(a)3(b) below on the Structure to be conducted at Tenant's expense.~~ Landlord shall cooperate with Tenant in its efforts to obtain and retain such approvals and shall take no action which would adversely affect the status of the Leased Premises with respect to the Tenant's proposed use thereof. In addition, Tenant shall have the right to initiate the ordering and/or scheduling of necessary utilities at its own expense.

(b) **Non-approval.** It is understood that Tenant's ability to use the Leased Premises is contingent upon its obtaining after the after the execution date of this Lease all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any Federal, State or Local authorities as well as satisfactory soil boring tests which will permit Tenant use of the Leased Premises as set forth above. Landlord shall cooperate with Tenant in its effort to obtain such approvals and shall take no unreasonable action which would adversely affect the status of the Landlord's Property with respect to the proposed use thereof by Tenant unless the same is reasonably required to protect or further another legitimate function of Landlords business. In the event that: (i) any application necessary under Subparagraph 3(a) above is finally rejected or any certificate, permit, license, or approval issued to Tenant is cancelled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (ii) Tenant reasonably determines that such Governmental Approvals may not be obtained in a timely manner; (iii) Tenant reasonably determines that any soil boring tests are unsatisfactory for its intended use; (iv) Tenant reasonably determines that the Leased Premises is no longer technically compatible for its intended use, or (v) Tenant, will be unable to use the Leased Premises for its intended purposes, Tenant shall have the right to terminate this Lease and be reimbursed for any Rent payment made. Notice of Tenant's exercise of its right to terminate shall be given to Landlord in writing as provided in Section 21 below Except as required under Subparagraph 13(d) below, upon such termination, this Lease shall become null and void and the Parties shall have no further obligations to each other.

(c) **Compliance with IUP.** Lessee agrees to comply with all conditions of the IUP as originally approved on July 2, 2014, ~~5~~ and as subsequently amended on January __ 2015. A copy of the IUP conditions has been attached hereto as Exhibit F.

4. **Term and Renewals.** The "Initial Term" of this Lease shall commence on the Effective

Date and end on December 31st of the fifth calendar year of the Lease. Subject to the terms and conditions of this Lease, Tenant shall have the right to extend this Lease for four (4) additional five (5) year renewal periods (“Renewal Term”) commencing on January 1 following the expiration date of the Initial Term or of any subsequent Renewal Term. This Lease shall be automatically renewed for each successive Renewal Term unless Tenant sends written notice of non-renewal to Landlord no later than ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, such notice to be provided in accordance with Paragraph 21 of this Lease. If, at least ninety (90) days prior to the end of the final Renewal Term, either Landlord or Tenant has not given the other written notice of its desire that the term of this Lease end at the expiration of the final Renewal Term, then upon the final Renewal Term, this Lease shall continue in force upon the same covenants, terms and conditions for a further term of one (1) year, and for annual terms thereafter (“Annual Term”) until terminated by either Party by giving to the other written notice of its intention to so terminate at least six (6) months prior to the end of any such Annual Term. Monthly rental during such annual terms shall be equal to the rent paid for the last month of the final Renewal Term. The Initial Term, any Renewal Terms and any Annual Terms -are collectively referred to as the “Term.”

5. **Interference.**

(a) With Premises. Tenant shall not interfere with Landlord’s use of the Property and agree to cease all such actions which unreasonably and materially interfere with Landlord’s use thereof no later than three (3) business days after receipt of written notice of the interference from Landlord. In the event that Tenant’s cessation of action is material to Tenant’s use of the Leased Premises and such cessation frustrates Tenant’s use of the Leased Premises, within Tenant’s sole discretion, Tenant shall have the immediate right to terminate this Lease for cause and without payment of a termination fee or any other damage.

(b) Interference Study – New Occupants. Upon written notice by Landlord that it has a bona fide request from any other party to lease an area including or in close proximity to the Leased Premises (“Leased Premises Area”), Tenant agrees to provide Landlord within sixty (60) days the radio frequencies currently in operation of each transmitter or receiver installed and operational on the Leased Premises at the time of such request. Landlord may then have an independent, registered professional engineer of Landlord’s choosing perform the necessary interference studies to determine if the new applicant’s frequencies will cause harmful radio interference to Tenant’s current facilities. Landlord shall require the new applicant to pay for such interference studies.

(c) Interference – New Occupants. Landlord agrees that it will not grant a future lease in the Leased Premises Area to any party if such parties use is reasonably anticipated to interfere with Tenant’s operation of its Antenna Facilities. Landlord agrees further that any future lease of the Leased Premises Area will prohibit a user from interfering

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Commented [MV1]: City’s 5a= Interference and Structural Study. Within thirty (30) days following the Effective Date, Tenant must deposit an amount of Three Thousand Dollars (\$3,000.00) with the Landlord to pay for the reasonable cost of the following: (i) a radio frequency interference study carried out by an independent and qualified professional retained by the Landlord showing that Tenant’s intended use will not interfere with any existing communications facilities on Landlord’s Property, (ii) legal fees directly incurred by the Landlord in association of the Antenna Facilities installation. Landlord may apply the deposit against any or all of the expenses incurred in the studies and expenses specified above in (i), (ii) and (iii) and will remit any excess funds to Tenant. If the study finds that there is a potential for interference that cannot be reasonably remedied or the Monopole structure cannot reasonably accommodate the Antenna Facilities, Landlord may terminate this Lease immediately and refund the initial Rent to Tenant

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Tenant agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of Landlord or other lessees of the Landlord’s Property which existed on the Landlord’s Property prior to the date this Lease is executed by the Parties. In the event any after-installed Tenant’s equipment causes such interference, and after Landlord has notified Tenant in writing of such interference, Tenant will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, powering down such equipment and later powering up such equipment for intermittent testing. Landlord agrees that Landlord and/or any other tenants of the Landlord’s Property who currently have or in the future take possession of the Landlord’s Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of Tenant however, this provision shall not apply to equipment of Landlord or other tenants providing police, fire or other civil defense emergency services. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

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with Tenant's current Antenna Facilities. Landlord agrees that it will require any subsequent occupants of the Leased Premises Area to provide Tenant these same assurances against interference. Landlord shall have the obligation to eliminate any interference with the operations of Tenant caused by such subsequent occupants. If such interference is not eliminated, Tenant shall have the right to terminate this Lease for cause and without payment of the termination fee, or any other damages, or seek injunctive relief against the interfering occupant, at Tenant's expense.

(a) ~~Interference and Structural Study.~~ Within thirty (30) days following the Effective Date, Tenant must deposit an amount of Three Thousand Dollars (\$3,000.00) with the Landlord to pay for the reasonable cost of the following: (i) a radio frequency interference study carried out by an independent and qualified professional retained by the Landlord showing that Tenant's intended use will not interfere with any existing communications facilities on Landlord's Property; (ii) legal fees directly incurred by the Landlord in association of the Antenna Facilities installation. Landlord may apply the deposit against any or all of the expenses incurred in the studies and expenses specified above in (i), (ii) and (iii) and will remit any excess funds to Tenant. If the study finds that there is a potential for interference that cannot be reasonably remedied, or the Monopole structure cannot reasonably accommodate the Antenna Facilities, Landlord may terminate this Lease immediately and refund the initial Rent to Tenant.

(b) ~~No Interference.~~ Tenant agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of Landlord or other lessees of the Landlord's Property which existed on the Landlord's Property prior to the date this Lease is executed by the Parties. In the event any after installed Tenant's equipment causes such interference, and after Landlord has notified Tenant in writing of such interference, Tenant will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, powering down such equipment and later powering up such equipment for intermittent testing. Landlord agrees that Landlord and/or any other tenants of the Landlord's Property who currently have or in the future take possession of the Landlord's Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of Tenant however, this provision shall not apply to equipment of Landlord or other tenants providing police, fire or other civil defense emergency services. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

(c) ~~Interference Study - New Occupants.~~ Upon written notice by Landlord that it has a bona fide request from any other party to lease space on Landlord's Property or the Monopole Structure, Tenant agrees to provide Landlord, within sixty (60) days, the

Commented [MV3]: (b) Their 5c exposes the city to risk and damages...our paragraph is : Interference - New Occupants. Landlord agrees that it will not grant a future lease on Landlord's Property or Structure to any party who is of equal or lower priority to Tenant, if such party's use is reasonably anticipated to interfere with Tenant's operation of its Antenna Facilities. Landlord agrees further that any future lease of Landlord's Property or Structure will prohibit a user of equal or lower priority from interfering with Tenant's Antenna Facilities, will require that future lessees correct or modify any future equipment which results in technical interference problems with existing equipment and that future lessees shall be responsible for correcting interference problems which may arise with existing users. Tenant agrees to cooperate with all future lessees to correct interference problems which may arise. Landlord agrees that it will require any subsequent occupants of Landlord's Property or Structure of equal or lower priority to Tenant to provide Tenant these same assurances against interference. Landlord shall have the obligation to eliminate any interference with the operations of Tenant caused by such subsequent occupants within forty-eight (48) hours after receiving Tenant's written notice of the interference. If such interference is not eliminated, Tenant shall have the right to terminate this Lease or seek injunctive relief against the interfering occupant, at Tenant's expense. If Tenant terminates this Lease, Landlord shall reimburse Tenant for unused pre-paid rent on a pro-rata basis.

~~radio frequencies currently in operation or to be operated in the future of each transmitter and receiver installed and operational by Tenant on the Leased Premises at the time of such request. Landlord may then have an independent, registered professional engineer of Landlord's choosing perform the necessary interference studies to determine if the new applicant's frequencies will cause harmful radio interference to Tenant. Landlord shall require the new applicant to pay for such interference studies.~~

~~(d) Interference – New Occupants. Landlord agrees that it will not grant a future lease on Landlord's Property or Structure to any party who is of equal or lower priority to Tenant, if such party's use is reasonably anticipated to interfere with Tenant's operation of its Antenna Facilities. Landlord agrees further that any future lease of Landlord's Property or Structure will prohibit a user of equal or lower priority from interfering with Tenant's Antenna Facilities, will require that future lessees correct or modify any future equipment which results in technical interference problems with existing equipment and that future lessees shall be responsible for correcting interference problems which may arise with existing users. Tenant agrees to cooperate with all future lessees to correct interference problems which may arise. Landlord agrees that it will require any subsequent occupants of Landlord's Property or Structure of equal or lower priority to Tenant to provide Tenant these same assurances against interference. Landlord shall have the obligation to eliminate any interference with the operations of Tenant caused by such subsequent occupants within forty eight (48) hours after receiving Tenant's written notice of the interference. If such interference is not eliminated, Tenant shall have the right to terminate this Lease or seek injunctive relief against the interfering occupant, at Tenant's expense. If Tenant terminates this Lease, Landlord shall reimburse Tenant for unused pre-paid rent on a pro-rata basis.~~

~~(e) User Priority. Tenant agrees that the following priorities of use, in descending order, shall apply in the event of communication interference or other conflict while this Lease is in effect, and Tenant's use shall be subordinate accordingly:~~

- ~~1. Landlord;~~
- ~~2. Public safety agencies, including law enforcement, fire, and ambulance services, that are not part of the Landlord;~~
- ~~3. Other governmental agencies where use is not related to public safety;~~
- ~~4. Tenant; and~~
- ~~5. Other government regulated entities whose antennae offer a service to the general public for a fee, in a manner similar to a public utility, such as long distance and cellular telephone, not including radio or television broadcasters.~~

6. **Emergency Facilities.** In the event of a declared City Emergency or a natural or man-

made disaster, in order to protect the health, welfare, and safety of the community, Tenant may erect additional Antenna Facilities and install additional equipment (including a cell-on-wheels) on a temporary basis on the Leased Premises or other mutually acceptable location on Landlord's Property to assure continuation of service. Such temporary operation shall not exceed 90 days unless Tenant obtains written approval from the Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

7. **General provisions**

(a) **Purposes.** Tenant may use the Leased Premises for the transmission and reception of its communications signals and the installation, construction, maintenance, operation, repair, replacement and upgrade of its communications fixtures and related equipment, cables, accessories and improvements, which may include a suitable support structure (monopole), associated antennas, equipment shelters or cabinets and fencing and any other items necessary to the successful and secure use of the Leased Premises (collectively, the "Antenna Facilities"); Tenant further has the right but not the obligation to repair, add, modify and/or replace Antenna Facilities equipment and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, as long as the alterations do not conflict with Landlord's operations, communications equipment and frequencies during the Term, ~~all with Landlord's consent, which shall not be unreasonably withheld,~~ in order to be in compliance with any current or future federal, state or local mandated application, including, but not limited to, emergency 911 communication services, at no additional cost to Tenant or Landlord (collectively, the "Permitted Use"). If Exhibit B or Exhibit C includes drawings of the initial installation of the Antenna Facilities, Landlord's execution of this Lease will signify Landlord's approval of Exhibits B and C. For a period of ninety (90) days following the start of construction, Landlord grants Tenant, its subtenants, licensees and sublicensees, the right to use such portions of Landlord's contiguous, adjoining or surrounding property (the "Surrounding Property") as may reasonably be required during construction and installation of the Antenna Facility as long as they do not interfere with Landlord's operations. Tenant shall be liable for any damage it causes to the Surrounding Property or persons or property thereon during the ninety (90) days following the start of construction and shall return the Surrounding to its original or better condition. Tenant has the right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from Landlord's Property's main entry point to the equipment shelter or cabinet ("Tenant Changes"). Tenant has the right to perform routine maintenance, repairs, replacements, and upgrades as necessary. Tenant changes include the right to construct a fence around the Leased Premises at Tenant's expense. Tenant shall use the Leased Premises only for the purpose of installing, maintaining, and operating the Antenna Facilities and uses incidental thereto. Tenant's use of the Monopole Structure shall be non-exclusive, and Landlord specifically reserves the right to allow the Landlord's Property to be used by

other parties and to make additions, deletions, or modifications to its own facilities on the Landlord's Property. Tenant shall comply with all laws, orders, rules, ordinances, statutes and regulations of local, state and federal government agencies ("Laws") applicable to Tenant's use of the Antenna Facilities on Landlord's Property. Landlord agrees to comply with all Laws relating to Landlord's ownership and use of Landlord's Property and any improvements on Landlord's Property.

~~(b) Construction. Tenant may erect and operate a monopole and antenna array for its business purposes of with up to _____ antennas in accordance with its approved construction drawings attached as Exhibit C and associated cables, appurtenances and accessory building or cabinets. Tenant may not increase the number of antennas beyond _____ without first securing the approval of Landlord by written amendment to this Lease. Tenant shall also construct its facilities so as to have the capability of adding not less than 5 additional antenna from non-affiliated users in the future.~~

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~~(be) Operation. Tenant shall have the right, at its sole cost and expense, to operate and maintain the Antenna Facilities on the Leased Premises in accordance with good engineering practices, with all applicable FCC rules and regulations. Tenant's installation of all Antenna Facilities shall be done according to plans attached hereto as Exhibit C. Any damage done to the Leased Premises or other Landlord property during installation or during operations, shall be repaired at Tenant's expense within 30 days after notification of damage. The Antenna Facilities shall remain the exclusive property of the Tenant, unless otherwise provided in this Lease.~~

~~(cd) Maintenance, Improvement Expenses. All modifications to the Leased Premises and all improvements made for Tenant's benefit shall be at the Tenant's expense and such improvements, including antenna, facilities and equipment, shall be maintained in a good state of repair and secured by Tenant.~~

~~Prior to commencement of the initial construction and installation of equipment on the Leased Premises, Tenant shall provide Landlord with a one-time deposit of \$3,500.00 for use by Landlord to apply to the costs of the evaluation, review, oversight, and inspection of plans and construction on the Leased Premises. Funds shall not be used to cover any legal fees incurred by Landlord or to cover the cost of any interference studies carried out by the Landlord. Landlord shall apply the funds remitted against the expenses incurred and Landlord will remit any unused portions of the deposit to the Tenant or bill for any excess fees incurred over the deposit within 30 days of the completion of the same.~~

~~Tenant shall pay for the evaluation and review of any plans to improve or modify their equipment on the Leased Premises pursuant to Section 5 (c) (i), by an outside consultant selected by the City of EAST BETHEL. Tenant shall pay any additional legal fees incurred by the City of EAST BETHEL in review of the Lease. Tenant shall pay for construction over sight and inspection by an outside consultant selected by the City of EAST BETHEL. A deposit of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) shall be collected at the time of submittal of the plans and may be used by the~~

~~City to pay these costs. An additional deposit of Five Thousand and no/100 Dollars (\$5,000.00) shall be made prior to start of construction to apply to construction and inspection costs. Upon final installation completion to City of EAST BETHEL standards, any unused moneys or additional costs shall be adjusted and paid to the Landlord or returned to the Tenant within 45 days.~~

~~(e). Replacements. The Tenant may update or replace the Antenna Facilities or related equipment provided that Tenant may not make significant external changes to any equipment on the Leased Premises without the prior written consent of Landlord. Tenant shall submit to Landlord a detailed proposal for any such replacement facilities on the Structure together with any other information reasonably requested by Landlord regarding such requested update or replacement, including but not limited to a technical study, all of which will be carried out at Tenant's expense. Landlord may not unreasonably withhold approval.~~

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~~(d#) Ground Leases of Future Collocators. Lessee acknowledges that for purposes of collocation, any future lessee collocating on Lessee's tower must negotiate and enter into a separate ground lease with Lessor.~~

~~(e#) Drawings. Tenant shall provide Landlord with as-built drawings of the equipment and improvements installed on the Leased Premises, which show the actual location of all Antenna Facilities. These drawings shall become Exhibit C to this Lease.~~

~~(f#) Payment of Utilities. Tenant shall separately meter charges for the consumption of electricity and other utilities associated with its use of the Leased Premises and shall promptly pay all costs associated therewith.~~

8. **As is:** Tenant acknowledges that it has made an independent investigation of the condition of the Leased Premises and accepts the Leased Premises in an "as is, where is, and with all its faults" condition, subject to Landlord's obligations to maintain Landlord's Property and to comply with applicable law, and no warranties or representations have been made by Landlord regarding Leased Premises, including any warranties or representations regarding the physical condition of the Leased Premises or the suitability of the Leased Premises for the Tenant's Purposes, except as expressly provided herein. Tenant shall make commercially reasonable efforts to provide Landlord with the results of these tests and reports, subject to Landlord's execution of a confidentiality agreement regarding same.

9. **Additional Buildings.** Tenant acknowledges that Landlord may permit additional buildings to be constructed on Landlord's Property. At such time as this may occur, Tenant will permit said buildings to be placed immediately adjacent to Tenant's building. Said attachments will be made at no cost to Tenant and will not compromise the

structural integrity of Tenant's building, the operation of the Antenna Facilities or Tenant's rights hereunder.

10. **Defense and Indemnification.**

(a) **General.** Subject to Paragraph 11 below, each Party agrees to defend, indemnify and hold the other harmless from and against any and all claims, costs, losses, expenses, demands, actions, or causes of action, including reasonable attorneys' fees and other costs and expenses of litigation arising directly from any claim of negligence or willful misconduct of the Indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to the negligence or willful misconduct of the Party, or its employees, contractors or agents.

(b) **Hazardous Materials.** Without limiting the scope of Subparagraph 10(a) above, Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its agents, and employees harmless from and against any and all claims, costs, and liabilities, including attorney's fees and costs, arising out of or in connection with, the cleanup or restoration of the Leased Premises resulting from Tenant's use of Hazardous Materials in violation of applicable law. For purposes of this Lease, "Hazardous Materials" shall be interpreted broadly and specifically includes, without limitation, asbestos, fuel, batteries or any hazardous substance, waste, or materials as defined in any federal, state, or local environmental or safety law or regulations including, but not limited to, CERCLA.

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(c) **Tenant's Warranty.** Tenant represents and warrants that its use of the Leased Premises will not generate and Tenant will not store or dispose of on the Leased Premises, nor transport to or over the Leased Premises in violation of applicable law, any hazardous materials. The obligations of this Paragraph 10 shall survive the expiration or other termination of this Lease. Tenant will be solely responsible for any and all claims, costs, and liabilities, including reasonable attorney's fees and costs, arising out of or in connection with the cleanup or restoration of the Leased Premises associated with the Tenant's use of hazardous materials. To the extent permitted by applicable law, Tenant agrees to hold harmless and indemnify Landlord from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Tenant for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding, to the extent arising from subsurface or other contamination of Landlord's Property with hazardous substances from and following the Effective Date or from such contamination caused by the acts or omission of Tenant during the Initial Term or any Renewal Term of this Lease.

(d) **Landlord's Warranty.** Landlord represents that (1) that neither Landlord nor, to Landlord's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any hazardous material on, under,

about or within Landlord's Property in violation of any law or regulation, and (2) that Landlord will not, and will not permit any third party to use, generate, store or dispose of any hazardous material on, under, about or within Landlord's Property in violation of any law or regulation. Landlord will be solely responsible for any and all claims, costs, and liabilities, including reasonable attorney's fees and costs, arising out of or in connection with the cleanup or restoration of the Leased Premises associated with the Landlord's use of hazardous materials. To the extent permitted by applicable law, Landlord agrees to hold harmless and indemnify Tenant from, and to assume all duties, responsibilities and liabilities at the sole cost and expense of Landlord for, payment of penalties, sanctions, forfeitures, losses, costs or damages, and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding, to the extent arising from subsurface or other contamination of Landlord's Property with hazardous substances prior to the Effective Date or from such contamination caused by the acts or omission of Landlord during the Initial Term or any Renewal Term.

11. **Insurance.**

~~(a) Workers' Compensation. The Tenant must maintain Workers' Compensation insurance in compliance with all applicable statutes. The policy shall also provide Employer's Liability coverage with limits of not less than Five Hundred Thousand and no/100 dollars (\$500,000) Bodily Injury each accident, Five Hundred Thousand and no/100 dollars (\$500,000) Bodily injury by disease, policy limit, and Five Hundred Thousand and no/100 dollars (\$500,000) Bodily Injury by disease, each employee.~~

~~(b) General Liability. The Tenant must maintain commercial general liability coverage with limits of liability not less than One Million Five Hundred Thousand and no/100 Dollars (\$1,500,000) each occurrence; One Million and no/100 Dollars (\$1,000,000) personal and advertising injury; and Two Million and no/100 Dollars (\$2,000,000) general aggregate, and Two Million and no/100 Dollars (\$2,000,000) products and completed operations aggregate. These limits may be satisfied by the commercial general liability coverage or in combination with an umbrella or excess liability policy, provided coverage afforded by the umbrella or excess policy is no less than the underlying comprehensive general liability coverages.~~

~~(c) Automobile Liability. The Tenant must carry Commercial Automobile Liability coverage. Coverage shall afford total liability limits in the amount of One Million and no/100 Dollars (\$1,000,000) per accident. The liability limits may be afforded under the Commercial Policy, or in combination with an Umbrella or Excess Liability Policy provided coverages afforded by the Umbrella Excess Policy are no less than the underlying Commercial Automobile Liability coverage.~~

~~Coverage shall be provided for Bodily Injury and Property Damage for the ownership, use, maintenance or operation of all owned, non-owned and hired~~

automobiles.

The Commercial Automobile Policy shall include at least statutory personal injury protection.

~~(d) Adjustment to Insurance Coverage Limits. The coverage limits set forth herein shall be subject to reasonable increases as mutually agreed to by Tenant and Landlord. The Parties agree to reasonably cooperate with each other in determining coverage limits.~~

~~(eg) Additional Insured Certificate of Insurance. The Tenant shall provide, prior to tenancy, evidence of the required insurance in the form of a Certificate of Insurance issued by a company (rated A or better) by Best Insurance Guide, authorized to do business in the state of Minnesota, which includes all coverages required in this Paragraph 11. Tenant will include Landlord as an Additional Insured on the General Liability and Commercial Automobile Liability Policies. Tenant shall provide Landlord with at least thirty (30) days' prior written notice of any required policy that is cancelled or non-renewed and is not replaced. Such additional insured coverage:~~

~~(i) shall be limited to bodily injury, property damage or personal and advertising injury caused, in whole or in part, by Tenant, its employees, agents or independent contractors;~~

~~(ii) shall not extend to claims for punitive or exemplary damages arising out of the acts or omissions of Landlord, its employees, agents or independent contractors or where such coverage is prohibited by law or to claims arising out of the gross negligence of Landlord, its employees, agents or independent contractors; and~~

~~(iii) shall not exceed Tenant's indemnification obligation under this Lease, if any.~~

~~Notwithstanding the foregoing, Tenant shall have the right to self insure the coverages required in subsection (a). In the event Tenant elects to self insure its obligation to include Landlord as an additional insured, the following provisions shall apply (in addition to those set forth in subsection (a)):~~

~~(i) Landlord shall promptly and no later than thirty (30) days after notice thereof provide Tenant with written notice of any claim, demand, lawsuit, or the like for which it seeks coverage pursuant to this Section and provide Tenant with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit, or the like;~~

~~(ii) Landlord shall not settle any such claim, demand, lawsuit, or the like without the prior written consent of Tenant; and~~

(iii) Landlord shall fully cooperate with Tenant in the defense of the claim, demand, lawsuit, or the like.

(a) Workers' Compensation. The Tenant must maintain Workers' Compensation insurance in compliance with all applicable statutes. The policy shall also provide Employer's Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) Bodily Injury each accident, Five Hundred Thousand Dollars (\$500,000.00) Bodily Injury by disease, policy limit, and Five Hundred Thousand Dollars (\$500,000.00) Bodily Injury by disease, each employee.

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(b) General Liability. The Tenant must maintain occurrence form commercial general liability coverage. Such coverage shall include but not be limited to bodily injury, third party property damage, and personal injury, for the hazards of Premises/ Operation, broad form contractual, independent contractors, and products/completed operations.

The Tenant must maintain aforementioned commercial general liability coverage with minimum limits of liability not less than One Million Dollars (\$1,000,000.00) each occurrence, One Million Dollars (\$1,000,000.00) personal and advertising injury, Five Million Dollars (\$5,000,000.00) general aggregate, and Two Million (\$2,000,000.00) products and completed operations aggregate. These limits may be satisfied by the commercial general liability coverage afforded by the umbrella or excess policy are no less than the underlying comprehensive general liability coverage.

Tenant will maintain Completed Operations coverage for a minimum of two (2) years after the construction is completed.

(c) Automobile Liability. The Tenant must carry Commercial Automobile Liability Coverage. Coverage shall afford minimum liability limits for Bodily Injury Liability and Property Damage Liability in the amount of One Million Dollars (\$1,000,000.00) per accident. The liability limits may be afforded under the Commercial Automobile, or in combination with an Umbrella or Excess Liability Policy provided coverage afforded by the Umbrella or Excess Policy are no less than the underlying Commercial Automobile Liability Coverage. Coverage shall be provided for Bodily Injury and Property Damage for the ownership, use, maintenance or operation of all owned, non-owned and hired automobiles. The Commercial Automobile Policy shall include at least statutory personal injury protection, uninsured motorists and underinsured motorists coverage.

(d) Tenant Property Insurance. The Tenant must keep in force for the duration of the Lease a policy covering damages to its property at the Leased Premises. The amount of coverage shall be sufficient to replace the damaged property, loss of use and comply with any ordinance or law requirements.

(e) Additional Insured – Certificate of Insurance. The Tenant shall provide, prior to tenancy, evidence of the required insurance in the form of a Certificate of Insurance issued by a company (rated A minus or better), licensed to do business in the state of Minnesota. Which includes all coverage required in Paragraph 11. Tenant will name Landlord as an Additional Insured on the General Liability and Commercial Automobile Liability Policies. The coverage required herein may not be canceled without at least thirty (30) days prior written notice to Lessor.

12. **Damage or Destruction.** If the Leased Premises is destroyed or damaged, without contributory fault of the Tenant or its agents, so as, in Tenant's judgment, to hinder its effective use of the Antenna Facilities, Tenant may elect to terminate this Lease upon 30 days' written notice to Landlord. In the event Tenant elects to terminate the Lease, Tenant shall be entitled to reimbursement of prepaid rent covering the period subsequent to the date of damage to or destruction of the Leased Premises.

13. **Lease Termination.**

(a) **Events of Termination.** Except as otherwise provided herein, this Lease may be terminated upon sixty (60) days written notice to the other Party as follows:

(i) by either Party upon sixty (60) days prior written notice if the other Party remains in default under Section 30 hereof after applicable cure periods;

(ii) by Tenant for cause if it is unable to obtain or maintain any license, permit or other governmental approval necessary for the construction and/or operation of the Antenna Facilities or Tenant's business;

(iii) by Tenant for cause if the Leased Premises is or becomes unacceptable for technological reasons under Tenant's Antenna Facilities, design or engineering specifications or the communications systems to which the Antenna Facilities belong;

(iv) by Landlord, upon one (1) year's prior written notice to Tenant at any time following the conclusion of the first 5 year term of this lease, if its City Council decides, for any reason, to redevelop the Leased Premises in a manner inconsistent with continued use of the Leased Premises by Tenant;

~~(v) by Landlord if it determines by professional engineering analysis that the Structure is structurally unsound, including, but not limited to, consideration of age of the Structure, damage or destruction of all or part of the Structure on the Leased Premises from any source, or factors relating to condition of the Leased Premises;~~

~~(vii) by Landlord if it determines that a potential user with a higher priority under Subparagraph 5(e) above cannot find another adequate location, or the Antenna~~

~~Facilities unreasonably interferes with another user with a higher priority, regardless of whether or not such interference was predicted in the initial interference study that was part of the application process, provided that, Landlord shall not, at any time over the balance of the then existing Term and all unexpired Renewal Terms, lease the Leased Premises to another party with equal or lesser priority for the same use as that of Tenant, unless such other party would not cause or contribute to the type of interference giving rise to the Antenna Facilities' interference with a higher priority.~~

(b) Notice of Termination. The Parties shall give notice of termination in writing as provided in Section 21 hereof. Such notice shall be effective upon receipt as evidenced by the return receipt, or such later date as stated in the notice. All Rent paid for the Lease prior to said termination date shall be retained by Landlord, but Landlord shall reimburse Tenant for periods following the effective date of termination.

(c) Tenant's Liability for Early Termination. If Tenant terminates this Lease other than of right as provided in this Lease, Tenant shall pay to Landlord as liquidated damages for early termination, 150% of the annual rent for the year in which Tenant terminates, unless Tenant terminates during the last year of any Term under Paragraph 3 and Tenant has paid the annual Rent for that year.

(d) Site Restoration. In the event that this Lease is terminated or not renewed, Tenant shall have 90 days from the termination or expiration date to remove its Antenna Facilities, and related equipment from the Leased Premises. In the event that the Antenna Facilities and related equipment are not removed, they shall be deemed abandoned and become the property of the Landlord and Tenant shall have no further rights thereto. Landlord agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of Tenant shall remain the personal property of Tenant and Tenant shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable laws. If such time for removal causes Tenant to remain on the Leased Premises after termination of this Lease, Tenant shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed. If the Antenna Facilities and related equipment are not removed by Tenant under this Paragraph 13(d), Landlord may remove the Antenna Facilities or related equipment. In such case, Landlord must give written notice to Tenant at the addresses provided in Section 21, informing them that Antenna Facilities or related property have been removed and will be deemed abandoned if not claimed and the storage fees and other reasonable costs paid within thirty (30) days.

(e) Holdover. Tenant has no right to retain possession of the Leased Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 13(d) herein, unless the Parties are negotiating a new lease or lease extension in good faith. In

the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith. If Tenant holds over in violation of Paragraph 13(d) and this Paragraph 13(e), then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 13(d) shall equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

Commented [MV6]: An elusive standard

14. **Limitation of Liability.** If Landlord terminates this Lease other than as of right as provided in this Lease, or Landlord causes interruption of the business of Tenant or for any other Landlord breach of this Lease, Landlord's liability for damages to Tenant shall be limited to the actual and direct costs of equipment removal, relocation or repair and shall specifically exclude any recovery for value of the business of Tenant as a going concern. Except for the indemnity obligations set forth in this Lease, and otherwise notwithstanding anything to the contrary in this Lease, the Parties, their respective agents, representatives, and employees waive any claims that each may have against the other with respect to consequential, incidental or special damages, however caused, based on any theory of liability. Neither Party, their respective agents, representatives, and employees, shall be liable to the other for future expectation of profits, loss of business or profit or related damages, incidental, punitive, indirect, special or consequential damages, loss of date, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

15. ~~**INTENTIONALLY DELETED**Temporary Interruptions of Service. If Landlord reasonably determines that continued operation of the Antenna Facilities would cause or contribute to an immediate threat to public security, health and/or safety (except for any issues associated with human exposure to radio frequency emissions, which is regulated by the federal government), Landlord may order Tenant to discontinue its operation. Tenant shall immediately comply with such an order. Service shall be discontinued only for the period that the immediate threat exists. If Landlord does not give prior notice to Tenant, Landlord shall notify Tenant as soon as possible after its action and give its reason for taking the action. Landlord shall not be liable to Tenant or any other party for any interruption in Tenant's service or interference with Tenant's operation of its Antenna Facilities, except as may be caused by the willful misconduct of the Landlord, its employees or agents. If the discontinuance extends for a period greater than three days, either consecutively or cumulatively, Tenant shall have the right to terminate this Lease within its sole discretion without the payment of any damages. Upon such termination, Landlord shall reimburse Tenant for the unused pre-paid Rent on a pro rata basis.~~

Commented [MV7]: !!!

16. **INTENTIONALLY DELETED**

17. **Assignment.** This Lease, or rights thereunder, may not be sold, assigned, or transferred at

any time by Tenant except to Tenant's Affiliate, any party that merges or consolidates with Tenant or any entity which acquires substantially all the assets of Tenant in the market as defined by the Federal Communications Commission in which the Leased Premises is located, with notice to Landlord. As to other parties, this Lease may not be sold, assigned, or transferred without the written consent of the Landlord, such consent not to be unreasonably withheld. For purposes of this paragraph, "Affiliate" means with respect to a party to this Lease, any person or entity that (directly or indirectly) controls, is controlled by, or under common control with, that party. "Control" of a person or entity means the power (directly or indirectly) to direct the management or policies of that person or entity, whether through the ownership of voting securities, by contract, by agency or otherwise. Landlord hereby consents to the assignment by Tenant of its rights under this Lease as collateral to any entity, which provides financing for the purchase of the equipment to be installed at the Leased Premises.

18. **Condemnation.** In the event the whole of the Leased Premises is taken by eminent domain, this Lease shall terminate as of the date title to the Leased Premises vests in the condemning authority. In event a portion of the Leased Premises is taken by eminent domain, Tenant, in Tenant's sole discretion, shall have the right to terminate this Lease as of said date of title transfer, by giving thirty (30) days' written notice to the Landlord. In the event of any taking under the power of eminent domain, Tenant shall not be entitled to any portion of the reward paid for the taking and the Landlord shall receive full amount of such award. Tenant hereby expressly waives any right or claim to any portion thereof. Although all damages, whether awarded as compensation for diminution in value of the leasehold or to the fee of the Leased Premises, shall belong to Landlord, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant's business and any costs or expenses incurred by Tenant in moving/removing its equipment, personal property, Antenna Facilities, and leasehold improvements. If Tenant does not terminate this Lease in accordance with the forgoing, this Lease shall remain in full force and effect as to the portion of the Leased Premises remaining, except that the rent shall be reduced in the same proportion as the rentable area of the Leased Premises taken bears to the total rentable area of the Leased Premises.
19. **Alternative Dispute Resolution.** Any claim, controversy or dispute arising out of this Lease not resolved within thirty (30) days following notice of the dispute, shall be submitted first and promptly to mediation or non-binding arbitration conducted by the American Arbitration Association (Minneapolis Minnesota) unless the parties agree to another provider. Each Party shall bear its own costs of mediation and shall share equally the common costs of mediation. If mediation or non-binding arbitration does not result in settlement within forty-five (45) days after the matter was submitted to mediation, or if the nature of the dispute reasonably requires immediate resolution to avoid irreparable harm or emergency action to preserve public emergency services, either Party may

pursue all available remedies in any court of competent jurisdiction.

20. ~~**INTENTIONALLY DELETED Enforcement and Attorneys' Fees.** In the event that either party to this Lease shall bring a claim to enforce any rights hereunder, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees incurred as a result of such claim.~~
21. **Notices.** All notices hereunder must be in writing and shall be deemed validly given if delivered personally or if sent by certified mail, return receipt requested, or by a nationally recognized overnight courier, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):
- If to Landlord, to: City of EAST BETHEL
 221st Avenue NE
 EAST BETHEL, MN 55011
 Attn: City Administrator
- If to Tenant, to: Verizon Wireless (VAW) LLC
 d/b/a Verizon Wireless
 180 Washington Valley Road
 Bedminster, New Jersey 07921
 Attention: Network Real Estate
22. **Quiet Enjoyment, Title, & Authority.** Each of the individuals executing this Lease on behalf of the Tenant or the Landlord represents to the other Party that such individual is authorized to do so by requisite action of the Party to this Lease. Landlord covenants and warrants to Tenant that Landlord has authority over Landlord's Property; execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease, or other agreements binding on the Landlord; and Tenant's quiet enjoyment of the Leased Premises shall not be disturbed.
23. **Binding Effect.** This Lease shall run with Landlord's Property. This Lease shall extend to and bind the heirs, personal representatives, successors and assigns of the Parties hereto.
24. **Complete Lease: Amendments.** This Lease constitutes the entire agreement and understanding of the Parties and supersedes all offers, negotiations, and other agreements of any kind. There are no representations or understandings of any kind not set forth herein. Any modification of or amendment to this Lease must be in writing and executed by both Parties.
25. **Governing Law.** This Lease shall be construed in accordance with the laws of the State of Minnesota.

26. **Limitation of Liability.** Nothing in the Lease shall be deemed a waiver of any limitation of liability or defenses under Minnesota Statutes Chapter 466 or any other provision of law.
27. **Severability.** If any term of this Lease is found be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
28. **Memorandum.** The Parties agree to promptly execute and deliver a recordable Memorandum of this Lease substantially in a form attached hereto as Exhibit D, which shall be recorded by the Tenant.
29. **Waiver of Landlord's Lien.**
- (a) Landlord waives any lien rights it may have concerning the Antenna Facilities which are deemed Tenant's personal property and not fixtures, and Tenant has the right to remove the same at any time without Landlord's consent.
- (b) Landlord acknowledges that Tenant has entered into a financing arrangement including promissory notes and financial and security agreements for the financing of the Antenna Facilities (the "Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Landlord (i) consents to the installation of the Collateral; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.
30. **Default and Right to Cure/Remedies.**
- (a) The following will be deemed a default by Tenant and a breach of this Lease: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after receipt of written notice from Landlord of such failure to pay; or (ii) Tenant's failure to perform any other term or condition under this Lease within forty-five (45) days after receipt of written notice from Landlord specifying the failure. No such failure, however, will be deemed to exist if Tenant has commenced to cure such default within such period if the nature of the cure is such that it reasonably requires more than forty-five (45) days and Tenant commences the cure within the forty-five (45) day period and thereafter continuously and diligently pursues the cure to completion. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to exercise any and all rights and remedies available to it under law, equity, and this Lease.
- (b) The following will be deemed a default by Landlord and a breach of this Lease: Landlord's failure to perform any other term or condition under this Lease within forty-five (45) days after receipt of written notice from Tenant specifying the failure. No such

failure, however, will be deemed to exist if Landlord has commenced to cure the default within such period if the nature of the cure is such that it reasonably requires more than forty-five (45) days and Landlord commences the cure within the forty-five (45) day period and thereafter continuously and diligently pursues the cure to completion. If Landlord remains in default beyond any applicable cure period, Tenant will have the right to exercise any and all rights and remedies available to it under law, equity, and this Lease.

31. **Waiver.** It is agreed and understood that this Lease contains all agreements, promises and understandings between Landlord and Tenant and that no verbal or oral agreements, promises or understandings shall be binding upon either Landlord or Tenant in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Lease shall be void and ineffective unless made in writing signed by the Parties. In the event any provision of this Lease is found to be invalid or unenforceable, such finding will not affect the enforceability of the remaining portions of the Lease. The failure of either Party to this Lease to insist upon the performance of any of the terms and conditions of this Lease, or the waiver of any breach of any of the terms and conditions of this Lease, shall not be construed as thereafter waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred
32. **Casualty.** If any portion of the Landlord's Property is damaged by any casualty and such damage adversely affects Tenant's use of Landlord's Property, this Lease shall terminate as of the date of the casualty if Tenant gives written notice of the same within thirty (30) days after Tenant receives notice of such casualty. If Landlord undertakes to restore Landlord's Property or if this Lease is terminated, Landlord agrees to permit Tenant to place temporary transmission and reception facilities on Landlord's Property at a mutually agreeable location for no additional Rent until such time as Tenant is able to activate a replacement transmission facility at another location, as applicable but not to exceed 90 days. Any such notice of termination shall cause this Lease to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Lease and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Lease. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which Tenant's use of the Leased Premises is impaired.
33. **INTENTIONALLY DELETED**
34. **INTENTIONALLY DELETED**
35. **Title.** Landlord represents and warrants to Tenant as of the execution date of this Lease, and covenants during the Term that Landlord is seized of good and sufficient title and

interest to the Landlord's Property and has full authority to enter into and execute this Lease³⁶.

37. **Submission of Lease.** The submission of this Lease for examination does not constitute an offer to lease the Leased Premises and this Lease becomes effective only upon the full execution of this Lease by the Parties.
38. **Applicable Laws.** During the Term, Landlord shall maintain the Landlord's Property in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). Tenant shall, in respect to the condition of the Leased Premises and at Tenant's sole cost and expense, comply with (a) all Laws relating solely to Tenant's specific and unique nature of use of the Leased Premises (other than general office use); and (b) all building codes requiring modifications to the Leased Premises due to the improvements being made by Tenant in the Leased Premises.
39. **Survival.** The provisions of the Lease relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Lease. Additionally, any provisions of this Lease which require performance subsequent to the termination or expiration of this Lease shall also survive such termination or expiration.
40. **Captions.** The captions contained in this Lease are inserted for convenience only and are not intended to be part of the Lease. They shall not affect or be utilized in the construction or interpretation of the Lease.

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LANDLORD:

CITY OF EAST BETHEL, a municipal corporation

By _____
Date January ____, 2015
Steven Voss - Its Mayor

By _____
Date January ____, 2015
Jack Davis - Its City Administrator

Approving the Agreement as to form

By: _____
Date January ____, 2015

Print Name: _____

Its: City Attorney

TENANT:

Verizon Wireless (VAW), LLC
d/b/a Verizon Wireless

By _____
Date January ____, 2015
Name: Lynn Ramsey
Title: Area Vice President Network

City of East Bethel
City Hall Verizon Tower Site

STATE OF MINNESOTA)
)SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this day of _____, 2015, by Steven Voss and Jack Davis, the Mayor and City Administrator respectively of the City of East Bethel, a Minnesota Statutory City, on behalf of the City.

Notary Public

STATE OF ILLINOIS)
)SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, the _____ of _____, the Manager Area Vice President Network of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, a Delaware limited liability company on behalf of the company.

Notary Public

City of East Bethel
City Hall Verizon Tower Site

Exhibit A

Landlord's Property Legal Description

All those parts of the Northwest Quarter of the Northwest Quarter (NW ¼ of NW 1/4) of Section Four (4), Township Twenty-Nine (29) North, Range Twenty (20) West, Anoka County, Minnesota, described as follows, to wit:

Commence at the Northeast corner of the Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4) of said Section Four (4); thence South along the East line of said Northwest Quarter of the Northwest Quarter (NW ¼ of NW 1/4) of Section Four (4) for Five Hundred Fifty-Five and Sixty-Two Hundredths (555.62) feet to the point of beginning of this description; thence continuing South along said East line for Six Hundred Fifty-Two (652) feet to the Southeast Corner of said Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4) of said Section Four (4); thence West along the South line of said Northwest Quarter of Northwest Quarter (NW 1/4 of NW 1/4) of Section Four (4) for Eight Hundred Ninety-Two and Seven Tenths (892.7) feet to a line drawn parallel and Four Hundred Twenty-Nine (429) feet East of the West line of Section Four (4); thence North and parallel with said West line of Section Four (4) for Five Hundred Fifty (550) feet; thence East and parallel with said North line of Section Four (4) for Two Hundred Four (204) feet; thence North and parallel with said West line of Section Four (4) for One Hundred and Nine Tenths (100.9) feet; thence East and parallel with said North line of Section Four (4) for Six Hundred Eight-Eight and Five Tenths (688.5) feet to the point of beginning. SUBJECT, however to easements of record to the Northern States Power Company as granted by Alvin H. Mooney, Irving A. and Jane K. Underwood and Albert Peter Klein and Mable A. Klein.

Exhibit B

Leased Premises Legal Description

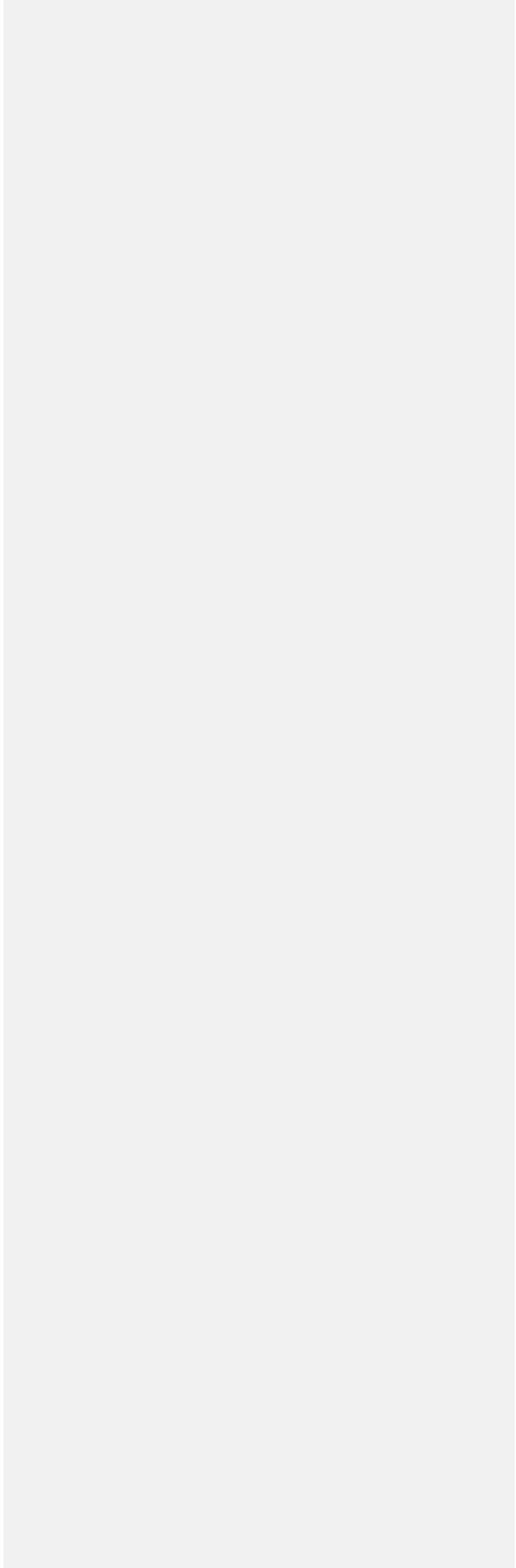


Exhibit C

Plans and Specifications

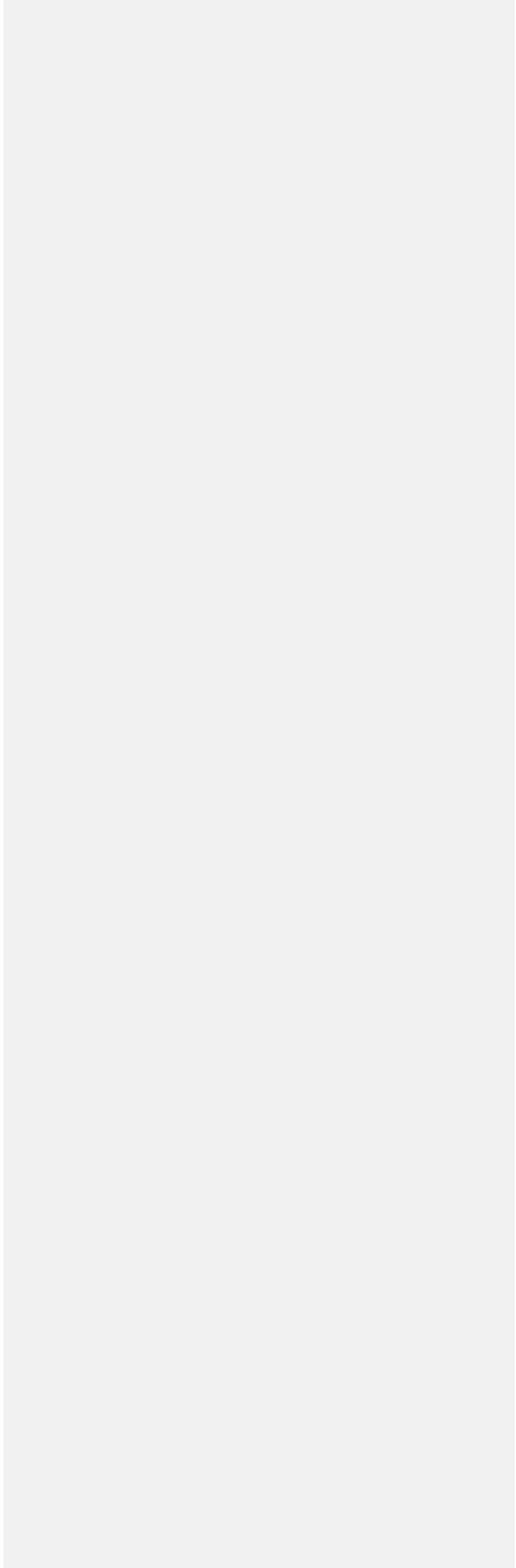


Exhibit D

**FORM OF
MEMORANDUM OF AGREEMENT**

DRAFTED BY
AND RETURN TO:
Mark J. Vierling
Eckberg, Lammers, Briggs Wolff & Vierling PLLP
1809 Northwestern Ave
Stillwater MN 55082

(Space above this line for Recorder's use.)

MEMORANDUM OF SITE LEASE AGREEMENT

THIS MEMORANDUM OF SITE LEASE AGREEMENT is made this _____ day of _____, 2015, between the City of East Bethel, a Minnesota municipal corporation, with a mailing address of 2241- 221st Ave NE, East Bethel, Minnesota 55011, hereinafter referred to as (“LESSOR”), and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, with its address for notice located at 180 Washington Valley Road, Bedminster, New Jersey 07921, hereinafter referred to as (“LESSEE”). LESSOR and LESSEE are at times collectively referred to hereinafter as the “Parties”.

1. LESSOR and LESSEE entered into a Site Lease Agreement (the “Agreement”) on _____, 2015, for an initial term expiring on December 31, _____ (the “Primary Term”).
2. Pursuant to the Agreement, LESSOR leased to LESSEE a portion of that certain parcel of property (the entirety of LESSOR’s property is referred to hereinafter as the “Property”) located at _____, in the City of East Bethel, County of Washington, State of Minnesota and being legally described on Exhibit “A”, together with the non-exclusive right for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along a right-of-way extending from the nearest public right-of-way, _____, to the demised premises. The demised premises and right-of-way are referred to as the “Premises.” In the event any public utility is unable to use the aforementioned right-of-way, LESSOR has agreed

City of East Bethel
City Hall Verizon Tower Site

to grant an additional right-of-way either to the LESSEE or to the public utility at no cost to the LESSEE.

3. This Agreement shall be effective as of the date of execution by both Parties.
4. The terms, covenants and provisions of the Agreement, the terms of which are hereby incorporated by reference into this Memorandum, shall extend to and be binding upon the respective executors, administrators, heirs, successors and assigns of LESSOR and LESSEE.

IN WITNESS WHEREOF, hereunto and to a duplicate hereof, LESSOR and LESSEE have caused this Memorandum to be duly executed on the date written herein below.

LESSOR:

City of East Bethel,
a Minnesota municipal corporation

By: _____

Its Mayor

By: _____
Jack Davis
Its City Administrator

Date: _____

LESSEE:

Verizon Wireless (VAW) LLC
d/b/a Verizon Wireless

By: _____
Lynn Ramsey
Its: Area Vice President Network

Date: _____

ACKNOWLEDGMENTS
LESSOR ACKNOWLEDGMENT

STATE OF MINNESOTA)
) ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this _____day of _____, 2015, by Steven Vossand Jack Davis, the Mayor and the City Administrator, respectively, of the City of East Bethel, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

LESSEE ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this ____ day of _____, 2015, before me, the undersigned, a Notary Public in and for the State of Illinois, duly commissioned and sworn, personally appeared Lynn Ramsey, to me known to be the Area Vice President Network of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

Print or Type Name: _____
Notary Public in and for the State of Illinois
My appointment expires: _____

City of East Bethel
City Hall Verizon Tower Site

Exhibit E

Survey

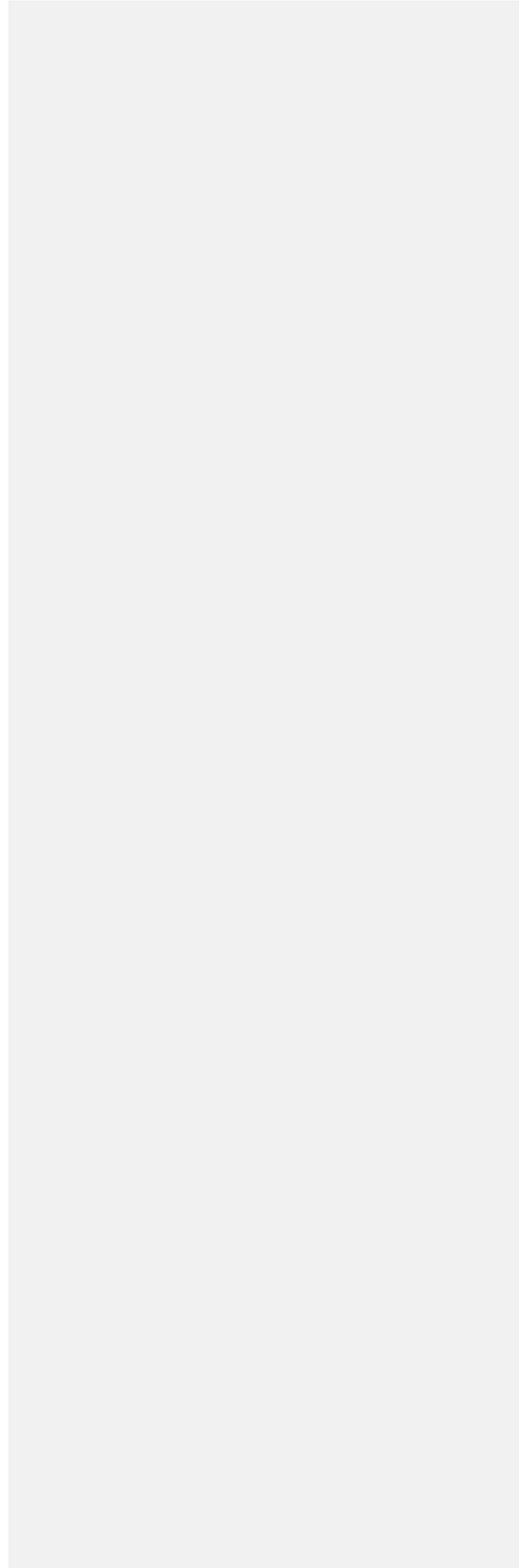


Exhibit E

Interim Use Permit (IUP)

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City of East Bethel City Council Agenda Information

Date:

March 4, 2015

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

Unaudited 2014 Financial Update

Requested Action:

Informational

Background Information:

The 2014 Financial Activity is attached for your review. The 2014 audit field day was conducted on February 26th and 27th by Abdo, Eick and Meyers. The auditors plan on presenting the audited 2014 financial report and analysis at our April 1, 2015 City Council meeting. A general summary of the City's fund balance position at fiscal year-end 2014 is as follows for your reference and review.

2014 Beginning Fund Balance	2,982,715.34
2014 Operation Surplus	328,385.73
Resolution 2014-15 – Transfer to fund 2010C's 2016 Bond Payment	(585,000.00)
Resolution 2015-13 – Transfer to fund 2010C's 2017 Bond Payment	(431,000.00)
2014 Ending Fund Balance	2,295,101.07

Fiscal Impact:

As described above

Recommendation(s):

None at this time

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel

December 2014 Financial Statement Analysis

The summary below was derived from observations related to the City of East Bethel's monthly financial statements, which should be read in conjunction with the analysis below. The City of East Bethel utilizes a fund accounting system consisting of a General Fund, Special Revenue Funds, Debt Service Funds, Other Governmental Funds and Enterprise Funds. This financial analysis was done using unaudited data and is subject to change.

Balance Sheet

Assets

Cash and Cash Equivalents: The City of East Bethel ended the month of December with \$7,676,292 in reconciled bank balances. A summary of the City's cash account holdings is chronicled on the attached bank reconciliation sheet. The city also holds \$150 in petty cash and is reconciled on a daily basis.

Taxes Receivable: The City has tax receivables of roughly \$166,849—delinquent taxes derived from balances remaining from 2000 through 2014 and \$74,338 from the final 2014 settlement received in January.

General Receivables: The City has receivables of roughly \$32,354 at month's end—primarily comprised of utility bills billed at 12/31/14 and not yet received.

Special Assessments Receivable: The City has special assessment receivables from various sources in the amount of \$1,889.

Special Assessments Deferred: The City has future special assessment principal balances from various sources in the amount of \$332,291. These are outstanding principal balances with annual payment schedules, which are then used to assist in the payment of their respective bond issues.

Due from Other Governments / Entities: The City is due \$76,128 from other government units at year end and is primarily made up of funds do from Anoka County SCORE funds.

Land/Other Fixed Assets: The City had roughly \$46,079,423 in capitalized infrastructure and other fixed assets (net of depreciation) at the end of fiscal year 2014.

Liabilities

Accounts Payable: The City accrued roughly \$153,132 in accounts payable—expenditures incurred before year end, but not yet paid until 2015. The City also accrued roughly \$132,634 in contract retainage at year end in relation to capital projects not yet completed.

Salaries Payable: The City accrued roughly \$69,404 in salaries and benefits payable—salary expenses earned by employees prior to year end, but not paid until 2015.

External Debt: The City of East Bethel has seven outstanding bond issues as of 12/31/14—2013A, 2005B, 2008A, 2010, 2010A, 2014A, and 2010C. The total short term / long term debt is \$20,766,589 at year end.

Escrows: The City requires escrow accounts for various purposes to ensure City guidelines are followed and fulfilled. Escrow amounts totaled \$56,812 at the end of December.

Fund Balance

Fund Balance: The City of East Bethel began fiscal year 2014 with a General Fund balance of \$2,982,715 and has since (1/1/14 through 12/31/14) incurred an excess of expenses over revenues of 687,614—leaving the City with a total General Fund balance of \$2,295,101 at year end.

Revenue / Expense Statement – General Fund

Revenue

Property Tax and State Grants: The City received roughly \$4,048,832 in property tax revenue or 100% of the 2014 year to date budget through December.

Franchise Taxes: Franchise tax revenue consists of franchise fees administered by Midcontinent Communications. The City has received \$56,160 in this revenue source or 137% of the 2014 budget.

Licenses and Fees: Licenses and Fee revenue consists of mostly fees derived from the selling of liquor licenses. The City has received \$38,710 in this revenue source or 108% of the 2014 budget.

Building Inspection: Building inspection revenues are comprised of the various permits associated with building projects—plumbing, building, and mechanical. The City received roughly \$153,580 in Building inspection revenue or 132% of the 2014.

Building Inspection (Oak Grove / Bethel): Building inspection revenues from the City's of Oak Grove and Bethel total roughly \$141,259 or 141% of the 2014 budget.

State Aid: State Aid revenue is mostly comprised of street maintenance aid and fire relief aid. The City has received roughly 279,540 or 110% of the 2014 budget.

Fines and Forfeits: The City has received \$50,264 in this revenue source or 91% of the 2014 budget.

Interest Earnings: The City has received \$1,160 in interest revenue or 58% of the 2014 budget.

Overall, General Fund Revenues were \$4,973,840 or 104% of the 2014 budget.

Expenses

General Government: General Government expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the Mayor, four City Council Members and City Administration / Finance team. Expenditures for Legal and Assessing services are also captured in this classification. General Government expenditures totaled roughly \$991,041 or 91% of the 2014 budget. The savings was primarily due to the City Clerk position being vacant for most of 2014.

Community Development: Community Development expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the departments Director, Building Official, Building Inspector and Administrative support personnel. Community Development expenditures totaled roughly \$385,233 or 97% of the 2014 budget.

Public Safety: The City of East Bethel contracts with Anoka County to provide law enforcement services and has an in-house fire department. Public Safety expenditures totaled roughly \$1,541,582 or 100% of the 2014 budget.

Public Works: Public Works expenditures include salaries / benefits associated with the departments full and part time employees. This classification captures expenditures of supplies and purchased services that are used to maintain the city parks and streets. Public Works expenditures totaled roughly \$1,146,869 or 97% of the 2014 budget.

Civic Events: The civic events classification totaled \$2,500 or 100% of the 2014 budget.

Other: The other classification captures all transfers to other funds. This classification totaled \$1,561,430 or 287% of the 2014 budget. Again, this variance was caused by two permanent fund transfer resolutions passed that were not part of the 2014 budget.

Overall, General Fund Expenditures totaled roughly \$5,661,454 or 118% of the 2014 budget.

**City of East Bethel
Bank Reconciliation
Fiscal Year 2014
12/31/14**

<i>Institution</i>	<i>Instrument</i>	12/1/2014	<i>Deposits</i>	<i>Expenditures</i>	<i>Transfers</i>	<i>Interest</i>	12/31/2014
Peoples Bank	Main Checking	109,351.09	100,680.75	400,191.55	350,000.00	9.30	159,849.59
	Gopher Account	491.49					491.49
	DDA Account	1,161,304.26			(81,041.33)	246.12	1,080,509.05
		<u>1,271,146.84</u>	<u>100,680.75</u>	<u>400,191.55</u>	<u>268,958.67</u>	<u>255.42</u>	<u>1,240,850.13</u>
Village Bank	Money Market	212,361.29				28.80	212,390.09
		<u>212,361.29</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28.80</u>	<u>212,390.09</u>
4M Fund	Money Market	3,023,243.57	2,500,940.96		(200,000.00)	140.33	5,324,324.86
	CD - Ally Bank	225,000.00					225,000.00
	CD - GE Capital Bank	225,000.00					225,000.00
	Money Market - Water/Sewer	543,307.70			(68,958.67)	7.02	474,356.05
		<u>4,016,551.27</u>	<u>2,500,940.96</u>	<u>-</u>	<u>(268,958.67)</u>	<u>147.35</u>	<u>6,248,680.91</u>
Total Cash per Statements		5,500,059.40	2,601,621.71	400,191.55	-	431.57	7,701,921.13

G xxx-10100	BDS	7,676,291.75
	Outstanding	25,629.38
	Total	7,701,921.13
	Unreconciled	-
	OK	
	PB Collateral	1,382,930.36

**City of East Bethel
Balance Sheet
Fiscal Year 2014
12/31/14**

Fund Name	General Fund	Special Revenue		Other Governmental		All Funds
		Funds	Debt Service	Funds	Enterprise Funds	
G xxx-10100 Cash	2,366,680.38	802,856.67	1,548,525.82	3,086,229.53	(128,000.65)	7,676,291.75
G xxx-10200 Petty Cash	150.00	-	-	-	-	150.00
G xxx-10500 Taxes Receivable	57,282.10	1,687.18	15,368.24	-	-	74,337.52
G xxx-10700 Taxes Receivable-Delinquent	163,060.00	3,789.04	-	-	-	166,849.04
G xxx-11500 Accounts Receivable	7,104.50	-	-	-	-	7,104.50
G xxx-11501 Accounts Receivable (Utility)	245.83	-	-	1,638.70	23,365.13	25,249.66
G xxx-12200 Special Assess Rec - Delinquent	-	-	962.31	926.88	-	1,889.19
G xxx-12300 Special Assess Rec-Deferred	4,785.41	-	322,424.69	-	5,080.80	332,290.90
G xxx-13100 Due from Other Funds	-	49,680.00	-	2,921.59	-	52,601.59
G xxx-13200 Due from Other Governements	14,459.68	61,668.16	-	-	-	76,127.84
G xxx-13300 Due from Other Entities	-	49,680.00	-	-	-	49,680.00
G xxx-15500 Prepaid Expenditures	68,476.79	-	-	-	1,736.47	70,213.26
G xxx-16300 Fixed Assets	-	-	75,215,177.97	2,873,505.31	5,743,929.84	83,832,613.12
G xxx-16310 Depreciation	-	-	(34,789,454.34)	(982,506.86)	(1,981,229.03)	(37,753,190.23)
Total Assets	2,682,244.69	969,361.05	42,313,004.69	4,982,715.15	3,664,882.56	54,612,208.14
G xxx-20200 Accounts Payable	86,459.41	5,569.78	-	29,048.19	32,054.90	153,132.28
G xxx-20400 Sales Tax Payable	416.56	-	-	-	-	416.56
G xxx-20600 Contract Retainage	-	-	-	132,634.32	-	132,634.32
G xxx-20700 Due to other funds	-	49,680.00	-	2,921.59	-	52,601.59
G xxx-20810 State Surcharges	1,411.40	-	-	-	399.24	1,810.64
G xxx-21600 Salaries Payable	68,075.62	-	-	-	1,328.50	69,404.12
G xxx-21601 Benefits Payable	10,537.26	-	-	-	234.44	10,771.70
G xxx-217xx Payroll Liabilities	12,210.60	-	-	-	-	12,210.60
G xxx-22200 Deferred Revenues	167,845.41	53,469.04	(222,241.33)	926.88	-	0.00
G xxx-22500 Bonds Payable Current	-	-	288,000.00	-	-	288,000.00
G xxx-23110 Bonds Payable Non Current	-	-	20,478,589.20	-	-	20,478,589.20
G xxx-21500 Accrued Interest Payable	-	-	451,244.00	-	-	451,244.00
G xxx-23200 Bond Premium	-	-	169,522.00	-	-	169,522.00
G xxx-23900 Compensated Absences Payable	-	-	-	127,212.30	-	127,212.30
G xxx-24500 Escrow	40,187.36	-	-	16,625.00	-	56,812.36
Total Liabilities	387,143.62	108,718.82	21,165,113.87	309,368.28	34,017.08	22,004,361.67
Fund Balance						
G xxx-25300 Unreserved Fund Balance at 12/31/13	2,982,715.34	846,500.59	19,762,735.16	5,994,463.20	678,445.43	30,264,859.72
Excess of Revenues over Expenses (1/1/14 to 12/31/14)	(687,614.27)	14,141.64	1,385,155.66	(1,321,116.33)	2,952,420.05	2,342,986.75
Total Fund Balance	2,295,101.07	860,642.23	21,147,890.82	4,673,346.87	3,630,865.48	32,607,846.47
Total Liabilities and Fund Balance	2,682,244.69	969,361.05	42,313,004.69	4,982,715.15	3,664,882.56	54,612,208.14

City of East Bethel
Revenue / Expense Statement (Summary)
Fiscal Year 2014
1/1/14 to 12/31/14

General Fund	Account Description	Actual - 12/31/14	FY 2014 Budget	% Change
Revenues				
	Property Tax	4,048,831.95	4,050,450.00	100%
	Franchise Taxes	56,159.60	41,000.00	137%
	Licenses and Fees	38,710.46	35,900.00	108%
	Building Inspection Permits	153,580.39	116,000.00	132%
	Building Inspection Permits (Bethel / Oak Grove)	141,258.59	100,000.00	141%
	State Aids	279,539.71	254,000.00	110%
	Fines and Forfeits	50,263.83	55,000.00	91%
	Intergovernmental Charges	121,392.69	73,000.00	166%
	Other Fees	3,652.67	6,450.00	57%
	Cemetery Revenue	4,800.00	6,000.00	80%
	Other / Gambling Proceeds	74,490.50	41,500.00	179%
	Interest Earnings	1,159.91	2,000.00	58%
Total Revenues - General Fund		4,973,840.30	4,781,300.00	104%
Expenditures				
General Government				
	Council	73,050.02	83,800.00	87%
	City Administration	210,339.60	212,900.00	99%
	Elections	9,477.15	13,400.00	71%
	City Clerk	65,652.69	101,400.00	65%
	Finance	226,028.97	226,550.00	100%
	Assessing	52,118.52	51,700.00	101%
	Legal	133,898.36	150,500.00	89%
	Human Resources	-	3,250.00	0%
	Government Buildings	32,299.88	43,800.00	74%
	Risk Management	110,807.00	105,150.00	105%
	Central Services	77,368.38	97,950.00	79%
Total General Government		991,040.57	1,090,400.00	91%
Community Development				
	Planning and Zoning	156,919.35	166,400.00	94%
	Building Inspection	228,314.02	231,000.00	99%
Total Community Development		385,233.37	397,400.00	97%
Public Safety				
	Police Protection	986,329.35	990,000.00	100%
	Fire Protection	555,252.24	554,300.00	100%
Total Public Safety		1,541,581.59	1,544,300.00	100%
Engineering				
	Engineering	32,798.23	40,000.00	82%
Total Engineering		32,798.23	40,000.00	82%
Public Works				
	Public Works - Parks Maintenance	369,140.51	393,700.00	94%
	Public Works - Streets	777,729.32	788,000.00	99%
Total Public Works		1,146,869.83	1,181,700.00	97%
Civic Events				
	Civic Events	2,501.00	2,500.00	100%
Total Culture and Recreation		2,501.00	2,500.00	100%
Other				
	Transfer to Building Capital	50,000.00	50,000.00	100%
	Transfer to Street Capital	425,000.00	425,000.00	100%
	Transfer to Parks Capital	50,000.00	50,000.00	100%
	Transfer to Debt Service	20,000.00	20,000.00	100%
	Transfer to Debt Service - Resolution 2014-15	585,000.00	-	N/A
	Transfer to Debt Service - Resolution 2015-13	431,000.00	-	N/A
	Transfer to Capital Project	429.98	-	N/A
Total Other		1,561,429.98	545,000.00	287%
Total Expenditures - General Fund		5,661,454.57	4,801,300.00	118%
Excess of Revenues over Expenditures - General Fund		(687,614.27)	(20,000.00)	

City of East Bethel
Revenue / Expense Statement (Summary)
Fiscal Year 2014
1/1/14 to 12/31/14

		Actual - 12/31/14	FY 2014 Budget	% Change
Special Revenue Funds				
Revenues				
	Recycling	74,964.84	33,500.00	224%
	HRA	966.27	-	N/A
	Grants / Donations	1,003.82	-	N/A
	EDA	122,952.86	123,022.00	100%
	CDBG	19,640.75	-	N/A
Total Revenue - Special Revenue Funds		219,528.54	156,522.00	140%
Expenses				
	Recycling	69,351.67	33,500.00	207%
	HRA	15,270.00	22,900.00	67%
	Grants / Donations	4,930.78	-	N/A
	EDA	96,193.70	123,022.00	78%
	CDBG	19,640.75	-	N/A
Total Expenditures - Special Revenue Funds		205,386.90	179,422.00	114%
Excess of Revenues over Expenditures - Special Revenue Funds		14,141.64	(22,900.00)	N/A
Debt Service				
Revenues				
	2013A, 2005B, 2008A, 2010, 2010A, 2014A, 2010C	3,889,686.08	1,609,650.00	242%
	2010 B Refunding	5,485,000.00	-	N/A
Total Revenue - Debt Service		9,374,686.08	1,609,650.00	582%
Expenses				
	2013A, 2005B, 2008A, 2010, 2010A, 2014A, 2010C	1,765,683.27	1,589,813.00	111%
	2010 B Refunding	6,100,000.00	-	N/A
Total Expenditures - Debt Service		7,865,683.27	1,589,813.00	495%
Excess of Revenues over Expenditures - Debt Service		1,509,002.81	19,837.00	
Other Governmental Funds				
Revenues				
	Other Governmental Funds	1,291,717.13	784,700.00	165%
Total Revenue - Other Governmental Funds		1,291,717.13	784,700.00	165%
Expenses				
	Street Project State Aid	39,391.93	-	N/A
	Street Project Non-State Aid	353,348.77	-	N/A
	Other Government Funds	197,711.51	5,000.00	3954%
	Bond Proceed Use	1,538,350.82	-	N/A
	Equipment Replacement	484,030.43	-	N/A
Total Expenditures - Other Governmental Funds		2,612,833.46	5,000.00	52257%
Excess of Revenues over Expenditures - Other Governmental Funds		(1,321,116.33)	779,700.00	
Enterprise Funds				
Revenues				
	Water Operations	87,736.96	43,400.00	202%
	Sewer Operations	90,100.31	78,000.00	116%
	Arena Operations	245,178.79	248,500.00	99%
Total Revenue - Enterprise Funds		423,016.06	369,900.00	114%
Expenses				
	Water Operations	191,199.10	61,250.00	312%
	Sewer Operations	78,153.90	97,150.00	80%
	Arena Operations	233,557.87	248,500.00	94%
Total Expenditures - Enterprise Funds		502,910.87	406,900.00	124%
Net Income - Enterprise Funds		(79,894.81)	(37,000.00)	

City of East Bethel
March 4, 2015
Supplemental Payment Summary

This is a supplemental listing of invoices that were received after the creation of the Council packet. Due to the invoice deadline and the timing of the next Council meeting, they could be deemed as late payments which could possibly accrue late fees and/or finance charges if not paid by the due date.

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Arena Operations	Electric Utilities	022015	Connexus Energy	615	49851	\$4,423.22
Central Services/Supplies	Information Systems	03 2015	Midcontinent Communications	101	48150	\$1,278.00
Fire Department	Electric Utilities	022015	Connexus Energy	101	42210	\$854.32
General Govt Buildings/Plant	Electric Utilities	022015	Connexus Energy	101	41940	\$1,009.73
Park Maintenance	Electric Utilities	022015	Connexus Energy	101	43201	\$174.65
Payroll	Insurance Premiums	03 2015	NCPERS Minnesota	101		\$144.00
Recycling Operations	Electric Utilities	022015	Connexus Energy	226	43235	\$148.31
Sewer Operations	Electric Utilities	022015	Connexus Energy	602	49451	\$2,032.14
Water Utility Operations	Electric Utilities	022015	Connexus Energy	601	49401	\$1,386.77

\$11,451.14