

**City of East Bethel**  
**City Council Agenda**  
City Council Work Meeting – 6:00 p.m.  
Date: April 22, 2015



		<u>Item</u>	
<b>6:00 PM</b>		<b>1.0</b>	<b>Call to Order</b>
<b>6:01 PM</b>		<b>2.0</b>	<b>Adopt Agenda</b>
<b>6:02 PM</b>	Page 2-57	<b>3.0</b>	<b>Ice Arena Management Services Proposal Presentations</b>
<b>7:00 PM</b>	Page 58-74	<b>4.0</b>	<b>Rental Ordinance</b>
<b>7:20 PM</b>	Page 75-99	<b>5.0</b>	<b>MCES Wastewater Services Agreement</b>
<b>7:40 PM</b>	Page 100	<b>6.0</b>	<b>Booster Day</b>
<b>8:00 PM</b>		<b>7.0</b>	<b>Adjourn</b>



# City of East Bethel City Council Work Meeting Agenda Information

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**Date:**

April 22, 2015

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**Agenda Item Number:**

Item 3.0

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**Agenda Item:**

Ice Arena Management Contractor Selection

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**Requested Action:**

Consider approval to negotiate a management contract for the East Bethel Ice Arena with a contractor to be selected by City Council

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**Background Information:**

The City of East Bethel managed and operated the City Ice Arena with City Staff until 2006. From 2006 to 2008 the City contracted with the National Sports Center for management services for this facility. The National Sports Center declined to exercise their option to extend their contract at the end of the 2008 season. As a result, the City solicited other management proposals for operation of the facility and awarded a contract to Gibson Management Company, LLC. Gibson Management has operated the Arena for the past seven years.

The City Ice Arena operates as an enterprise fund. The fund had a cash balance deficit of \$134,835 in 2011 but currently has a positive cash balance of \$134,254. City levies are not used to support the Arena, however, revenues from the cell tower on site were allocated to the Arena Fund prior to and through 2014. The goal of the City, at minimum, is to operate this facility with all costs paid through user fees. This position was made abundantly clear to all those who have submitted RFP's.

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

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

The major issue with leasing is protecting the City's investment in the facility and establishing responsibilities for maintenance and use of the equipment and property. Directly contracting the management as a City function, while a consideration, could create a position and role that has the potential to expand well beyond its anticipated purpose and produce an additional level of management and possible expense. Staff is of the opinion that contracting with an independent management company is the most efficient and economical means to operate the facility at this time.

A Request for Proposals (RFP) for the Arena Management Contract was advertised in the Anoka Union, City Website and with the League of Minnesota Cities. There were two submittals for the Management Services Contract:

Gibson Management, LLC-Rochester, Minnesota; and  
Victory Management – Isanti, Minnesota

The City Council received and reviewed presentations of the management proposals from these two firms at a Work Meeting on March 25, 2015.

**Attachments:**

- Attachment 1- 2014 Ice Gibson Proposal
- Attachment 2- 2014 Gibson Contract
- Attachment 3- 2015 Gibson Management Proposal
- Attachment 4- 2015 Victory Management Proposal

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**Fiscal Impact:**

The City has budgeted \$79,000 for this service for the 2016 Budget. Both proposals exceed this amount and it is recommended that the contractor selected be open to negotiate their quote for services. Staff recommends that a contract award be provided for a term of not less than 2 nor more than 3 years.

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# **Business Proposal**

## **City of East Bethel**

Gibson's Management Company, LLC  
PO Box 18  
East Bethel, MN 55011  
[www.gibsonsmanagementcompany.com](http://www.gibsonsmanagementcompany.com)

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## **1.0 Executive Summary**

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

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

## **1.1 Objectives**

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

## **1.2 Mission**

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

## **1.3 Keys to Success**

Keys to a successful City - company partnership will include:

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

4. Ambitious recruitment of new advertisers for the facility.

## **2.0 Company Ownership and History**

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

### **2.1 Company Ownership**

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

### **2.2 Company History**

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

### **2.3 Previous Experience**

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

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

## **East Bethel Ice Arena**

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

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

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

### **2.4 Bank Information**

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

### **3.0 Qualifications**

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

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

### **3.1 Service Philosophy**

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

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

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

### **3.2 New System Timeline**

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

### **3.3 Services Provided**

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

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

regarding Arena happenings

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

### **3.3.1 Potential New Business**

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

Ideas for dry floor events:

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

- Pool or dart tournaments
- MMA events
- Pageants

Ideas for new Ice Sports groups

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

**3.4 Lead Contact**

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

**4.0 Pricing Structure & Proposed Fees**

Financial obligation will not increase with a renewed contract.

**4.1 Past Fee Structure**

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

- GMC operational fee \$83,000

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

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

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

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

#### **4.2 Proposed Fees**

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

#### **5.0 Conflicts of Interest**

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

#### **6.0 Previous Engagements with City of East Bethel**

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

#### **7.0 Marketing and Web Based Services**

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

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

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

## **8.0 Management Team**

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

### **Arena Manager: Derrick Orman**

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

### **Marketing and Social Media Director: Pilar Gibson**

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

### **Scheduling and Finance Director: Todd Gibson**

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

### **Part Time Staff Members**

- Operations Specialist: Matthew Hanchulak

## East Bethel Ice Arena

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

### 9.0 References

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

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

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

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

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

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



April 27, 2014

To whom it may concern;

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

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

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

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

Sincerely,

Pete Carlson  
National Sports Center / Schwan Super Rink  
Director of Operations and Programming  
763-717-3881  
[pcarlson@superrink.org](mailto:pcarlson@superrink.org)

# State of Minnesota

## SECRETARY OF STATE

### Certificate of Organization

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

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

Name: Gibson's Management Company LLC

Charter Number: 2951324-2

Chapter Formed Under: 322B

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



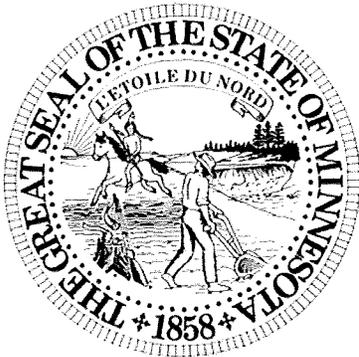
*Mark Ritchie*  
Secretary of State.

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

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

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

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



*Mark Ritchie*

Mark Ritchie  
Secretary of State  
State of Minnesota

**CONTRACT AGREEMENT BETWEEN  
THE CITY OF EAST BETHEL  
AND GIBSON MANAGEMENT COMPANY, LLC.**

This Agreement ("Agreement") is effective the 1st day of August, 2014 to July 31, 2015, is between the City of East Bethel, 2241-221st Avenue NE, East Bethel, Minnesota 55011, a Minnesota municipal corporation, hereinafter called the "City," and Gibson Management Company, LLC, PO Box 18, East Bethel, Minnesota 55011, a Minnesota corporation, hereinafter called the "Contractor." City and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

**ARTICLE 1. The Agreement**

1.1 The Contractor will perform the following management services for the City:

The Contractor agrees to furnish management services for management of the East Bethel Ice Arena and perform the following functions, duties, and obligations in connection therewith:

- Provide an on-site manager, all necessary operational part time staff, and provide worker's compensation insurance covering all its employees.
- Ensure that the manager will be at the Arena full time September 1 through March 31. The manager will be at the Arena as necessary for the adequate performance of this Agreement April 1 through August 31.
- Market, sell, schedule, invoice, and ensure collection of all payments for all ice rental and dry floor events. All payments will be made directly to the City. Copies of all invoices will be provided to the City immediately upon preparation by the Contractor. All executed contracts, insurance paperwork, and payments must be provided to the City at least 10 days before a client is allowed to enter the Arena.
- Provide commercial general liability insurance coverage in the amounts of \$500,000.00 per claim, \$1,500,000.00 for any number of claims per occurrence, with the City of East Bethel named as an additional insured on the policy.
- Manage all concessions activities, including purchasing all concession merchandise and supplies.
- Market, sell, manage and ensure display of all advertising including interior and exterior signage. All executed contracts and payments will be forwarded to the City before signage is installed.
- Manage the budget for all operations, revenues, and costs.
- Assist in the preparation of the annual budget with assistance from the City.
- Manage all short term maintenance projects and activities.
- Provide guidance and planning to the City for current and planned capital improvements.
- Maintain the interior of the Arena, the ice surface, and the exterior walkways; all emergency exits must be kept clear of ice and snow.
- Secure and protect the artificial turf from the elements in a visually attractive manner when it is not installed in the arena. When the turf is installed, all protective tarps and lumber will be stored in a visually attractive manner.

- Secure all buildings when not in use. Contractor will be liable for any damages, thefts or costs resulting from failure to lock the compressor building or from failure to arm the Arena alarm system when the Arena is unoccupied. Contractor will take full responsibility for the actions of clients that are allowed unsupervised access to the Arena.
- Provide maintenance and mechanical staff on an as-needed basis.
- Ensure that any costs incurred for maintenance of the outdoor rink are fully covered by related revenues or approved in advance by the City.
- Meet monthly or as needed with City staff to discuss and resolve any issues.
- Engage and meet with the St. Francis Hockey Association, currently the Ice Arena's largest customer, to facilitate greater levels of use by them, accommodate their reasonable needs and engage them as a marketing resource.
- Establish and maintain a web site for Arena information, operations and scheduling as approved by the City.
- Maintain reasonable accounting practices and software with books of record that will allow the city to audit and review all financial transactions of the Ice Arena operations called for within this contract.

1.2 The City will be responsible for the following:

- Maintain the building exterior and the property grounds including snow plowing the parking areas and mowing the grassy areas adjacent to the facility.
- Finance reasonable capital improvements necessary to ensure continued, uninterrupted operation of the Arena for all user groups.
- Provide space in the City newsletter and city reader board for Arena advertising.
- Maintain insurance coverage at the statutory limits for property, boiler, machinery, business interruption, and commercial general liability.
- Assist the Contractor with preparation of an annual operating budget.
- Pay all necessary Arena operating expenses except items used/consumed in the Concession Area.

## **ARTICLE 2. Contract Price and Payment**

2.1 The amount to be paid for the Contractor's management fee, all wages, payroll taxes, worker's compensation costs and any other payroll-related costs, including all travel, meeting and training expenses will be \$79,000 (\$9,000 per month for August through March and \$1,750 per month for April through July) for the contract year August 1, 2014 to July 31, 2015. Ice rental revenue will be shared 50/50 after \$220,500 is secured for the calendar year. Advertising revenue must be secured in amount of \$2,000 for each calendar year with a revenue share of 50/50 occurring after that amount is met.

2.2 The Contractor will rent and operate the concession area in the Arena for \$2,000 per contract year and is due by December 15<sup>th</sup>. Contractor will be responsible for purchasing all products consumed and used in the Concession area.

Rental includes use and maintenance of concession equipment as follows:

- Cash Register-with point of sale software
- Refrigerator
- Microwave
- Pizza oven
- Popcorn Machine

- Nacho Cheese Machine

Should equipment listed need replacement, as deemed necessary by the City; Contractor will be responsible for 50% of the replacement cost. Equipment will remain property of the City.

The City will obtain the Food Establishment License from Anoka County and will be reimbursed from the Contractor for the License fee.

### **ARTICLE 3. Term**

- 3.1 The term of this Agreement is August 1, 2014, to July 31, 2015. This Agreement may be extended for an additional time period subject to performance of the Contractor and with the written agreement of the City.

### **ARTICLE 4. Contractor's Representations**

- 4.1 In order to induce the City to enter into this Agreement, the Contractor makes the following representations:
- 4.1.1 The Contractor has visited the East Bethel Ice Arena and become familiar with and is satisfied as to the Arena conditions that may affect performance of this Agreement.
- 4.1.2 The Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect performance of this Agreement.

### **ARTICLE 5. Fair Employment Practices Required**

- 5.1 The Contractor will comply with Section 103 and 107 of the "Contract Work Hours and Safety Standards Act" (40 USC 327-333) as supplemented by Department of Labor Regulations contained in 29 CFR Parts 3, 5 and 5a.
- 5.1.1 Section 103 of the Act provides that laborers or mechanics of the Contractor will receive compensation on the basis of a standard work week of forty hours. Work in excess of the standard work week is permissible, provided the worker is compensated at a rate not less than one and one-half times the basis rates of pay for all hours worked in excess of forty hours in any work week.
- In the event of a violation, the Contractor will be liable to any affected employee for unpaid wages as well as to the appropriate government agency for liquidated damages.
- Section 5 of the Federal Labor Standard Provisions, Housing and Urban Development Form 4010 sets forth in detail the Section 103 requirements.
- 5.1.2 Section 107 of the Act provides that laborers or mechanics of the Contractor will not be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to their health and safety, as determined under construction, safety, and health standards promulgated by the Secretary of Labor.

- 5.2 The Contractor will comply with all Federal and State anti-discrimination laws. To this end the Contractor agrees to comply with Section 202 of Executive Order 11246 of September 24, 1965, in which the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action will include, but is not limited to the following: employment, upgrading, demotion, or transfer; recruitment; advertising; layoff or termination; rates of pay or other compensation; and selection of training, including apprenticeships.
- 5.2.1 The Contractor will send each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' representative of the Contractor's commitment under Section 202 of Executive Order 11246 of September 24, 1965, and will post copies of the notice in conspicuous places, available to employees and applicants for employment.
- 5.2.2 The Contractor will state, in all solicitations or advertisements for employment placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

## **ARTICLE 6. Miscellaneous**

### **6.1 Assignment of Agreement**

No assignment by a party hereto of any rights under or interests in this Agreement will be binding on another party without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

### **6.2 Successors and Assigns**

The City and the Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained this Agreement.

### **6.3 Severability**

Any provision or part of this Agreement held to be void or unenforceable under any Law or Regulation will be deemed stricken, and all remaining provisions will continue to be valid and binding upon the City and the Contractor, who agree that the Agreement will be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

#### 6.4 Insurance

The Contractor will maintain during the entire term of this Agreement the following insurances with at least the indicated amounts of coverage and provide the City a certificate of insurance showing such coverage's before providing any services under this Agreement: (1) commercial general liability insurance coverage with a policy limit of at least \$500,000.00 per claim and \$1,500,000.00 for any number of claims arising out of a single occurrence; and (2) worker's compensation insurance. The Contractor's insurance provider shall provide the City with written notice at least 30 days in advance of any changes to the insurance coverage as provided for in the Certificate of insurance provided by the Contractor including but not limited to termination of such coverage by the Contractor for any reason.

#### 6.5 Independent Contractor

The Contractor acknowledges and agrees that it is an independent contractor and that nothing herein will be construed to create the relationship of employer and employee between the City and the Contractor. No employee related withholdings or deductions will be made from payments due the Contractor. The Contractor will not be entitled to receive any benefits from the City and will not be eligible for workers' compensation or unemployment benefits. The Contractor will at all times be free to exercise initiative, judgment, and discretion in how best to perform or provide the services identified herein.

#### 6.6 Default

The occurrence of any of the following will constitute default by the Contractor and, if not corrected within ten days after the City provides the Contractor notice of the default, will allow the City to terminate the Agreement: (1) failure to adequately perform or deliver the required services; (2) failure to follow the specifications or standards established by this Agreement; (3) failure to perform or complete the services in a timely fashion as established by the City; (4) bankruptcy; (5) making a material misrepresentation; (6) persistently disregarding laws, ordinances, rules, regulations, or orders of any public authority having jurisdiction; (7) failure to satisfactorily perform this Agreement; or (8) failure to perform any other material provision of this Agreement. The City may lawfully terminate the Agreement if, after providing the Contractor ten days notice of the default, the Contractor does not correct the situation. Upon default of this Agreement by the Contractor, the City may withhold any payment due the Contractor for purposes of set-off until such time as the exact amount of damages due are determined. Such withholding will not constitute default or failure to perform on the part of the City.

#### 6.7 Remedies

6.7.1 Default or breach of this Agreement by the Contractor will entitle the City to seek remedies under law and as provided by this Agreement. In the event this Agreement is terminated by reason of default by the Contractor, the City may recover the necessary costs of termination, including but not limited to, administrative, attorneys' fees, and legal costs, from the Contractor. Except when caused by circumstances beyond the parties' control, if the Contractor fails to perform in accordance with the specifications, terms, and conditions of this

Agreement, the City will have the right to purchase the services from other sources on the open market. The City may deduct as damages from any money due or coming due to the Contractor the difference between the Contractor's price and the higher price or the costs of replacement services.

6.7.2 Any remedies available to the City are cumulative and not exclusive. The seeking or exercising by the City of a remedy does not waive its right to seek or exercise any other remedy available to it at law, in equity, by statute, or under this Agreement.

## 6.8 Indemnification

The Contractor will indemnify and hold harmless the City and its agents and employees from and against all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from the performance of this Agreement, provided that any such claim, damage, loss, or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting there from, and (2) is caused in whole or in part by any negligent act or omission of the Contractor, anyone directly or indirectly employed by the Contractor, or anyone for whose acts the Contractor may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder.

## 6.9 Record Availability and Retention

The Contractor agrees that the City or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the Contractor and invoice transactions relating to this Agreement.

Contractor agrees to maintain these records for a period of three (3) years from the date of termination of this Agreement.

7.0 This Agreement is subject to the Minnesota Government Data Practice Act, Minnesota Statutes Chapter 13 (Data Practices Act). All government data, as defined in the Data Practices Act Section 13.02, Subd 7, which is created, collected, received, stored, used, maintained, or disseminated by Contractor in performing any of the functions of the City during performance of this Agreement is subject to the requirements of the Data Practice Act and Contractor shall comply with those requirements as if it were a government entity.

## 7.1 Processing of Payments

Prior to processing of any and all payments to the Contractor pursuant to this Contract, compliance with East Finance Department regulations on the completion and filing of W-9 forms and other IRS and MN Department of Revenue taxing forms is required.

7.2 Nondiscrimination

During the performance of this Agreement, the Contractor agrees to the following:

No person shall, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, criminal record, creed or national origin be excluded from full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

7.3 Possession of Firearms on Ice Arena Premises

Unless specifically required by the terms of this contract, no provider of services pursuant to this contract, including but not limited to employees, agents or subcontractors of the Vendor or Contractor shall carry or possess a firearm on City premises or while acting in service of this contract with the City pursuant to the terms of this agreement. Violation of this provision shall be considered a substantial breach of the Agreement; and, in addition to any other remedy available to the City under law or equity are grounds for immediate suspension or termination of this contract.

IN WITNESS WHEREOF, the City and the Contractor have signed this Agreement in duplicate, One Counterpart each has been delivered to the City and the Contractor.

**City of East Bethel**

By: \_\_\_\_\_  
Bob DeRoche, Mayor

**Gibson Management, LLC**

By: \_\_\_\_\_  
Todd Gibson, Owner

By: \_\_\_\_\_  
Jack Davis, City Administrator



**Proposal  
for  
City  
of  
East Bethel**

Gibson's Management Company, LLC  
PO Box 18  
East Bethel, MN 55011  
[www.gibsonsmanagementcompany.com](http://www.gibsonsmanagementcompany.com)

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## **1.0 Executive Summary**

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

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

## **1.1 Objectives**

1. Have an accessible staff, with a clearly indicated manager on site for both common days and all major events.
2. Implement new communications policy to quickly resolve any questions or concerns by City or customers.
3. Improve customer satisfaction with the facility as a whole. Update and upgrade fixtures and common areas.

## **1.2 Mission**

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

## **1.3 Keys to Success**

Keys to a successful City - company partnership will include:

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

4. Partnering with the youth hockey association to help them find more advertising customers.

### 1.3.1 New Ice Rental Procedures

For the upcoming 2015-16 season, Gibson's Management Company will be implementing new procedures to rent ice at the East Bethel Ice Arena. Potential users must follow the following steps in order to rent ice at EBIA.

#### Priority 1: St Francis High School (ISD 15)

The Athletic Director of SFHS must submit a tentative schedule to the arena manager for GMC to review. If there are any changes required, the arena manager will make any necessary changes and send the updated schedule back to the AD. Once these changes are made, the Athletic Director will submit a final draft of the schedule to the arena manager and GMC for final review. Once this schedule is agreed upon, an invoice, contract, and schedule will be sent to the Athletic Director. This process will start in April and end no later than June 30. A signed contract, proof of insurance and first payment must be turned in a minimum of ten days prior to the first scheduled ice date.

#### Priority 2: Youth Hockey (SFYHA / Rum River Stars)

The SFYHA ice scheduler will receive a copy of the open hours that remain after the high school programs have selected practice times and game slots. This list of open hours will be emailed to the SFYHA ice scheduler at the beginning of July. The SFYHA ice scheduler will select all the hours that he / she feels the association will use for the upcoming season and return the desired ice times list to the arena manager in a timely manner. GMC will review these requests for approval. Once no changes are needed, the final schedule will be emailed to the SFYHA ice scheduler, along with a contract and invoice. This process should be completed by September 1 annually. A signed contract, proof of insurance, and first payment will be required to be returned a minimum of ten days prior to the first scheduled ice time.

#### Priority 3: Other outside user groups

Once the schedules for the top two user groups have been finalized, the schedule will be posted on the eastbethelicearena.com website. From that point, the arena manager will be pursuing leads to sell the remaining ice slots.

If at any point in the ice season either of the top two priority user groups wish to purchase more ice hours, they will need to call the arena manager to make such arrangements. If there is ever an event that requires a change in billing, i.e. school snow dates, the originally responsible party will need to refer to the ice contract and contact the arena manager with any required changes in billing.

## **2.0 Company Ownership and History**

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

### **2.1 Company Ownership**

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

### **2.2 Company History**

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

GMC was awarded the contract following the last RFP for a one year bid (2014-15).

### **2.3 Previous Experience**

GMC owner, Todd Gibson, has experience working at a variety of ice sports and

recreational venues in a multitude of roles.

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

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

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

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

#### **2.4 Bank Information**

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

#### **3.0 Qualifications**

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

Management of an ice arena can be a huge endeavor. Whether it's managing staff and payroll, or trying to keep up with new ice making technology and strategies, it's a big job for anyone. GMC has assembled a skilled team of industry professionals in the key functional roles of ice hockey trades and recreation management. This GMC team functions as a cohesive unit that provides current skills and experienced guidance to the facilities' on-site part time staff. We give City leaders their time

back, by assuming the responsibility of operating the day to day scheduling, management, and daily up keep of your municipal ice arena location. Our primary goals are to provide quality customer service to all user groups, and effectively communicate with City officials.

### **3.1 Service Philosophy**

Good leaders develop through a series of trial and error events, self reflection, training, education, and naturally, experience. GMC has team members with extensive experience in venues both smaller and larger than the East Bethel Ice Arena. The goal of GMC here is to inspire our staff to higher levels of customer service and teamwork, rather than being content to maintain a baseline.

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

### **3.2 System Timeline**

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

#### **3.2.1 Future Upgrades**

- Restrooms upgrades - paint all walls, update flooring, add tile, new fixtures
- Lobby improvements - TV viewing, schedule monitor, general facelife / painting
- Live arena streaming: 48" monitor, live broadcast of arena activity (including PC, 3 cameras, TV, internet link)
- Improved GMC - StFrancis scheduling communication, including a 24 hour view-only accessibility

- Concessions & vending upgrades

### **3.3 Services Provided**

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

- Provide a full time, on site Arena Manager, as well as all necessary part time staff during all ice sports months, as well as during major off season events
- Supply, staff, and manage the concessions area, while adhering to all health code requirements
- With the assistance of the City, manage an annual budget
- Manage all minor mechanical maintenance, small projects, and service fixtures as needed
- Advise the City regarding potential improvements to the facility
- Maintain a website, Facebook page, Twitter account, Google+ page, email account
- Attend monthly meetings with City officials with updates and information regarding Arena happenings
- Provide uniforms for GMC employees that will clearly indicate them as such, so that they may be easily identified
- Maintain detailed log books for cleaning tasks and routine maintenance schedules so that the staff is always accountable for keeping the arena clean, safe and presentable for all visitors
- Sell, schedule, and invoice all user groups and submit payments to the City
- Maintain the ice surface at an appropriate thickness and temperature
- Secure the building during all times when the facility is not in use
- Effectively move and store the artificial turf in a visually acceptable manner
- Implement a new communication policy that will ensure all questions and concerns are addressed in a timely manner

#### **3.3.1 Potential New Business**

Efforts will continue to be made to establish a stronger dry floor rental business. Meetings and relationships will be sought with local event planners, show

representatives, etc, An attractive, informative brochure will be distributed that highlight facility rental options.

Ideas for dry floor events:

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

Ideas for new Ice Sports groups

- North Branch Area Youth Hockey - We will be in contact with NBYHA regarding purchasing ice for the 2015-16 season. They currently purchase ice as far away as Princeton, which is a longer drive for them for ice time.
- Adult Hockey Groups or open hockey

### **3.4 Lead Contact**

Lead contacts between GMC and City of East Bethel officials will be Todd Gibson and Jon Barry. Mr Barry will be the Arena Manager. He will be on-site on a full time basis, typically 5-6 days per week during the prime ice season. He will also be on site during all major off season dry floor events. He will be provided with a cell phone and email so that user groups and City representatives can access him when necessary. The Arena phone will be carried by the manager while he is both on and off site, as the arena phone is now a cellular rather than a land line.

#### **4.0 Pricing Structure & Proposed Fees**

Invoicing from GMC to the City will remain the same as the 2014-2015 contract, with higher billing amounts being submitted during higher periods of Arena activity, and lower amounts during the non-peak summer months.

#### **4.1 Past Fee Structure**

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

- GMC operational fee \$83,000

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

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

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

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

#### **4.2 Proposed Fees**

GMC, LLC is proposing a negotiable fee of \$83,000. The addition in fees will help offset the costs of updating and upgrading the facility, as previously mentioned in "future upgrades".

#### **5.0 Conflicts of Interest**

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

## **6.0 Previous Engagements with City of East Bethel**

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

## **7.0 Marketing and Web Based Services**

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

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

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

## **8.0 Management Team**

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

### **Arena Manager & Scheduling Liaison: Jon Barry**

- Direct the daily operations of the facility, including supervision of building, outdoor rink, and ice resurfacer
- Oversee the scheduling and documentation of daily work assignments and staff work schedules
- Communicate with City officials on an on-going basis via phone, email, and personal visits to City Hall
- Be readily available for communication with primary user groups.
- Maintain a quality level of cleanliness in the lobby, referee room, locker rooms, shower areas, bleachers, concessions areas, as well as all other common areas
- Responsible for putting together orders for rink supplies and concessions supplies
- Oversees and supervises game management as needed for all youth and high school contests, as well as for special events and off season dry floor events.
- In charge of small projects and upkeep of basic fixtures

## East Bethel Ice Arena

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- Supervise the secure opening and closing of the facility
- Keep accurate data logs and maintain the facility's machinery, including basic ice resurfacers maintenance
- Maintain a safe, welcoming, presentable environment for customers and visitors
- Primary daily roles are to maintain a safe ice sheet and ensure arena cleanliness as top priorities
- Arena manager will be a full time, salaried position with a minimum of 45 hours on site per week during the ice season
- Assumes any additional responsibilities as required by the Owner of GMC, LLC
- Jon has attended USA Hockey STAR classes and is educated on proper ice making. Maintaining proper ice depth is essential to keeping utility bills lower.
- Work closely with SFYHA, St Francis HS boys and girls teams, as well as other user groups to efficiently and fairly schedule both prime and non prime hours.
- Seek out new users to fill additional hours, including adult groups, North Branch Area YHA, broomball groups, try-outs for off-season hockey programs, etc
- Invoice user groups in a timely manner
- Will send weekly updates to City of East Bethel, regardless of whether it is a high or low activity time of year

### **Marketing and Social Media Director: Pilar Gibson**

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

**Finance Director: Todd Gibson**

- Prepare an annual budget with assistance from the City
- Holds certifications as a Certified Ice Technician (CIT), Certified Rink Administrator (CRA) and as a Certified Ice Rink Manager (CIRM) through the Serving the American Rinks program

**Operations Consultant: Bob Montrose**

- GMC administrative team / lead consultant
- 26 years experience in arena management (13 years Graham Arena Complex - Rochester, MN; 10 years Bud King Ice Arena - Winona, MN; 3 years Heartland Sports Complex - Deerwood, MN)
- B.S. Degree in Management at University of Wisconsin, River Falls
- Currently manages the second largest arena complex in Minnesota and oversees all staffing, budget, marketing, scheduling, programming, and facilitates maintenance

**Part Time Staff Members**

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

**9.0 References**

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

Steve Howarth - Arena Manager, Dodge County Ice Arena (Kasson, MN)

**East Bethel Ice Arena**

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507-269-1674     [smncig@gmail.com](mailto:smncig@gmail.com)

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

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

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

March 14th, 2015

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

RE: In Response to the RFP for the Management of the East Bethel Ice Arena

Dear Mr. Davis,

Victory Management Services LLC is submitting this proposal in response to the RFP for the Management of East Bethel Ice Arena for the City of East Bethel.

Victory proposes some solutions to ongoing problems and to satisfy the need for the Ice Arena to show profitability. We are also concerned with the community and would like to see the East Bethel Ice Arena conform to a more multi-purpose facility. Our management team wants to market and increase the revenue of the business while improving customer satisfaction.

The St. Francis Youth Hockey Association and Victory Management Services have teamed up to make a turnaround in growth of the arena and to improve the community that it resides in. We are focusing on:

- Targeting other potential ice users to maximize ice time and grow revenue
- Marketing to increase our dry floor sales and unleash the capabilities of a year round facility
- Providing a clean, organized, and friendly atmosphere for the hockey associations and the community
- Increase the income of the Ice Arena to be profitable

If you have any questions or concerns on our proposal please feel free to contact Victory Management and we will happy to assist. Please contact Nicole Koller at any time to discuss.

Thank you,

Nicole Koller  
Owner  
Victory Management Services LLC  
1865 297th Ave NW  
Isanti, MN 55040



## **A. Firm History and Experience**

### **1) Brief History of Firm Including Size and any Specialty Areas**

Victory Management Services LLC was officially founded in February of 2013 as a Minnesota Limited Liability Corporation, prior to it's foundation the company was operated as a sole proprietor since 2008. The purpose of Victory Management is to provide businesses in the North Metro with a resource for all the tools required to increase operations and efficiencies.

VMS can contribute an array of skills including accounting, bookkeeping, new business startup, social media design and updating, marketing, event coordination and management. We have two full time employees, along with working closely with LJ Creative for our marketing strategies and Banquets of MN for our event coordination. Our use of employees and subcontractors is key to keeping efficient cost management while having our high quality of workmanship . We have also teamed up with the St. Francis Youth Hockey Association on this project so we can blend our experience to benefit the City of East Bethel, the East Bethel Ice Arena and the general hockey experience.

### **2) Background Company Data, Including Financial References**

Victory Management is located in Isanti, MN and primarily works locally in the Twin Cities Metro area, as well as a few clients nationwide. Our interest in the East Bethel Ice Arena is to help grow the business and bring more of a community atmosphere to the area. We service a wide variety of clients and always make sure we are able to fulfil their needs along with assisting in producing goals and profits. We have been growing since our inception and currently work with approximately 20 companies ranging from small companies to multi-million dollar corporations. We are skilled in taking underutilized business operations and building them up into successful niche industries.

Our financial references include:

Village Bank - 18770 Highway 65 Northeast, East Bethel, MN 55011 - (763) 398-8050  
US Bank - 3990 Main St NW Coon Rapids, MN 55448 -(763)-422-6610

### **3) Particular Expertise or Involvement in Ice Arena Management**

Our expertise and involvement with the ice arena management comes from our collaboration with the hockey associations and implementing a software/website that is designed for a sports/banquet setup. We are willing to get the proper certifications and ice classes completed before the ice gets put in. We also have a reliable network for getting in dry floor events and if our bid is accepted currently have clients already wanting to use the space.

### **4) Municipality Experience**

We have primarily focused on private sector business and have currently not had municipality experience.

## **B. Qualifications**

### **1) Description of Service Philosophy**

What creates the basic foundations of success for most businesses? Is it money or inventory...maybe, but I would think it is more the employees that are the building blocks. What is the process to get a business fine tuned to enhance the overall foundation. A solid team that has a diversification of skills with the motivation to get it done. Victory Management Services team is the the "Pit Crew for your Business". Our team creates and holds premium standards for communication, efficiencies, project fulfilment and outstanding customer service. We strive to be able to offer the resources to assist any business with any circumstance. We offer dedicated highly trained staff and subcontractors who are specialized in their industries to enhance and provide the best benefits of each specialization. Our "pit crew" knows how to create an atmosphere to fit the market, enhancing the customers experience, and building solid relationships to further grow the company. We use our extensive marketing techniques and alternative ideas to create a network of long-term customers. We focus on diversification and using our resources to build a business from within and then expand to further potential areas. We are always trying new marketing techniques, creating events for customers, and getting a positive and active atmosphere.

### **2) Conceptual program structure and pricing**

Our Goal with the program structure and pricing is based on three principles:

1 - Generate quick funds by maximizing ice time by decreasing price for non-prime time hours, while keeping premium prices on prime time hours.

2 - Generate income during the dry floor events by creating an environment with a multi purpose floor space and maximizing usage during non-ice months..

3 - Reinvest profits into growing an overall community center atmosphere as opposed to a single purpose facility.

With this three step program, we intend to increase cash flow and generate more consumers based on more available options instead of just an Ice Arena.

We have already been out generating dry floor sales and have had interest from particular parties including:

- Soccer
- Lacrosse
- Weddings/Banquets (Banquets of MN would like to be able to offer all available weekends to their clients)
- Ascension Fitness would like to put on a wrestling camp in the fall
- ATV/Sportsman Expo below have expressed interest
  - Larson's Cycle
  - Northway Sports
- Adult Hockey Leagues
  - MN Wild Adult Hockey League
  - Minnesota Owls
- Batting Cages
- Youth Camps
- Group Fitness
- Ice Fishing Expo
- Brew Fest
- Business Expo
- and many more.

Part of our program will be to communicate with the hockey associations once a week to go over any concerns and will offer multiple channels of communication. We will be making a presentation to the city council once a month to discuss upgrades, improvements, achievements, and anything else that may present itself.

Another part of our program is constant marketing, we already have been out talking and checking on the interest in the arena. With the bid we will also plan on implementing social media marketing, having LJ creations make a few highly visible signs to cover the existing board, we will also be using specifically targeted websites and promotions to drive traffic to the arena during all seasons. A few examples would be Groupons, Facebook, WeddingWire, The Knot, Caringbridge, and more. We strive for local businesses and local marketing so we can create growth internally in our community instead of outsourcing our funds to non-beneficial parties

### Suggested Ice Time Pricing

The suggested pricing up for negotiation with the city for the ice time will be as follows:

*Prime Time Ice - Full Rate*

*Non-Prime Time Ice Pre-Purchased* - Reduced per hour in set increments as it gets further from prime time.

*Non-Prime Time Ice* - Reduced further as the open dates get closer.

This is similar to a dutch auction and by offering this method it will increase cash flow and increase the number of Ice sports on the ice which in future years should end up having prices increase as more users come for slightly lower prices.

### Dry Floor Event Pricing

*Prime Time Friday through Sunday* - \$600.00/day

\*Provide incentives for multi-bookings

*Weekdays:*

Depending on the event amount of time, it can be prorated, the use towards the community should be taken into account at many time during dry event floor space.

### **3) Introduction of the Account Team, by Name with Specific Roles, Qualifications, and Experience, and distribution of responsibilities.**

The owner of Victory Management Services, Nicole Koller, has worked with private industries for the past 7 years and has a degree in Business Management from St. Cloud State University. Nicole will be on full time during the winter months and part time (24 hours during the summer months). Nicole will be able to be reached at the office, by email, or after hours on an emergency line that transfers from the office line.

Elizabeth Gust is an employee with Victory and she works with the business management, social media management and bookkeeping for her clients. Elizabeth will be on part-time during the entire year and she will process the event coordination, setup, and collaborate with the hockey association. She will be running social media promotions, website updates and scheduling.

Luke Johnson of LJ Creative is a marketing specialist who designs, implements, and prints our advertising and marketing campaigns for our clients. He works with many different companies over the past 5 years designing logos, marketing campaigns and can do print advertising as well.

We also work with Banquets of MN as a subcontractor for banquets, weddings, benefits and other events they currently operate 4 premier banquet halls and a sports complex, they were recently awarded the 2015 The Knot Best of Weddings and 2015 Weddingwires couples choice awards. They are interested in renting the dry floor space for their specified causes.

We will be hiring 2-3 part-time zamboni drivers and will hold workers compensation insurance on them. We will also take on part-time support staff to fill in when needed for the concessions, etc, if a hockey association volunteer is not available.

Our core competencies from our “pit crew” will enhance the culture and create a strategic and successful growth plan for the East Bethel Ice Arena and its stakeholders. Our skills blend and benefit each other and create a solid structure to build a business up with.

#### **4) Action Plan and Timetable for Assuming Responsibilities of as well as Future Design/cost Containment Plan**

Our short term plan(less than one year) consists of:

- Gaining our STAR certifications for operating the Ice Arena
- Working with the St. Francis Youth Hockey Association on four primary upgrades
  - Bathroom Remodel
  - Website Creation
  - Dry Land Practice Area
  - Upgrading the entryway and concession areas to make a better atmosphere for an all around community friendly event building
  - Paint and Repair the walls
  - Deep cleaning of the rink
- Implementing a solid website through NGIN, a website that supports sporting centers, league implementation, scheduling, and event management.
- Design and implement inexpensive upgrades to enhance the visual impact of the Ice arena.
- Create a prorated ice time price system with the City of East Bethel to help maximize ice usage and increase revenue.
- Marketing plan to gain more usage of other parties of the open ice time available.
- Marketing plan for off peak dry event floor space, We already have quite a few interested parties.
- Getting a Pro-Shop in the building to increase convenience for the consumers

Our long term plan (greater than one year) includes:

- Generating profits to reinvest in structural improvements such as:
  - Air Conditioning to increase usability during summer months
  - Removable boards and retractable bleachers to increase floor space for dry floor events such as weddings and expos
  - New turf for soccer, lacrosse and other indoor non-ice sports
  - Locker Room enhancements/creation of more locker rooms
  - Zamboni upgrade
  - Athletic gym and dry land workout area
  - Scoreboards

Victory Management will be overseeing the cost containment issues as well. We specialize in finding efficiencies and operate conservatively. We will operate, maintain, and budget as we go in efforts to gain the most benefit to the arena and to the city. Regular cleanings and maintenance are key to keeping costs reduced, while minor improvements for efficiencies will be found and implemented.

## **5) Detail of Services that will be Provided to the City**

The following services will be included in our management contract and may be negotiable:

- Operations
  - We currently are above the minimum insurance requirements by the city, we currently and will minimally carry commercial general liability insurance coverage in the amounts of \$1,000,000.00 per each claim, \$2,000,000.00 for any number of claims per occurrence, and have the City of East Bethel named as additional insured on the policy.
  - Full-time on-site arena manager and all necessary staff to operate the arena. We also have and will have workers comp insurance covering all of our employees
  - Ice in, maintaining ice using city machinery, and ice out.
  - Clean and maintain lockers, lobby, entrance, kitchens, offices, seating and common areas daily.
  - Maintain the basic maintenance for the facility.
  - Manage all maintenance projects, manage subcontractors, general contractors, and maintenance workers. Coordinate billing with the city.
  - Meet with the City Council once per month to go over rink operations, improvements, upgrades, etc.
  - Provide business cards and signs with rink contact information to make sure communication is flowing with consumers.
- Accounting
  - Manage and control the budget, prepare the annual budget for the city council, and provide monthly financial statements to the city.
  - Provide Accounts Payable and Accounts Receivable data to the city.
- Marketing and Sales
  - Create a website with NGIN, sports dedicated website. Maintain schedule, update events, and other related features daily.
  - Update social media marketing, roadside marketing, update the City's electronic board weekly with new information.
  - Develop marketing strategies to get more usage from off peak hours and from dry floor events.
  - Assist hockey association in selling advertising and in management of concessions.
- Accountability

- Provide excellent customer service to our customers with fast responses, multiple communication channels, and physical being involved in arena operations.
- Attend and meet with the City Council once a month to provide status updates, and key information that is necessary for operations.
- Keep staff on specific days during the summer to allow for communication during the off season of hockey and to enhance the ability to sell dry floor events.
- Assist with setup, takedown, and operations of dry floor events.

**6) Indicate Current Responsibilities of Person Designated to Serve as Lead Contact for the City**

Nicole Koller will be the lead contact for the City. She is the owner of the business and is very organized and pushes hard for excellent communication. She will be on-site full time and have the knowledge or information when the city needs it. Elizabeth Gust(Betsy) will also serve as a contact for the city. She will be there as well between 15 and 32 hours a week and will be kept up to date and informed.

**C) References**

**1) Provide the Contact Names and Telephone Numbers of 3 clients in the State of Minnesota with whom you have had a working relationship, as a reference for the city.**

“To whom it may concern:

We here at RoadSknz a Custom Mirror Finish Stainless Steel Fabricator hired Nicole Koller and Victory Management about two years ago as our new record, marketing and bookkeeping company. We are all impressed by the way she has turned around and streamlined our systems.

Niki has brought our company to a new level and gotten us up to speed with the latest technologies available. She is constantly aware of the latest changes to the tax and reporting requirements that seem to change on a monthly basis. I have recommended her to other companies that we do business with as we feel that they too could benefit from her expertise. She is constantly learning and applying that knowledge to help our business. We are now on Facebook and marketing at trade shows.

Niki’s organizational skills allow us to concentrate fully on our business and not have to worry about if we are keeping our books properly and reporting on time.

We count on our relationship with Victory and consider Niki an important part of our future plans and expansions.

Please feel free to contact me with any questions.”

Steven Pearson, President of RoadSknz Custom Truck Accessories  
612-867-9226

Jeff Nelson, President of Lind-Nelson Construction and Isanti Storage LLC  
612-282-3006

Greg Comer, CEO of Home Safety Solutions, Inc. and Amain Investments LLC  
612-685-9999

Angela Sauro, Owner of Coon Rapids Dairy Queen and Gelbman Investments  
651-206-9205

**D) Conflicts of interest**

**1) Disclose any conflicts or perceived conflicts of interest**

The owner of Victory Management Services is a relative of one of the City Council Members.

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

The family member of the owner of Victory Management Services has agreed to abstain from any voting involving the Ice Arena and the Ice Arena Management until his term expires in less than 2 years. This allows the conflict of interest to be alleviated and to allow a fair and equal business partnership. Victory Management Services along with the St. Francis Youth Hockey Association have a mutual goal of enhancing the Arena to better the community and feel that the conflict of interest is minimal compared to the qualifications, ideas and effort that will be put into the Arena Management.

**E) Previous Engagements with the City of East Bethel**

Our company has had no previous engagements with the City of East Bethel.

**F) Proposed Fee for Services**

Proposed Compensation:

Term: Three(3) year term starting on August 1st, 2015, with the option to renew the contract after 3 years for an extended time period.

Budgeted Base:

Ninety Four Thousand Seven Hundred Dollars (\$94,700.00) paid at a monthly rate of \$7891.67 dollars

Rink Manager Salary Apr - Jul	\$33000 Based on 40+Hrs/Wk Aug-Mar, 24 hrs/week
Event Coordinator Salary 15hrs/Week	\$12000 Based on Year Round Part Time Avg.
Zamboni Driver Wages	<u>\$25000</u> based at maximum 77 hours/Week
Total Wages	\$70000
Marketing	
In House Print	\$550.00
Roadside Signage	\$3250.00
Website -Sports NGIN	\$6525.00
Social Media	\$5000.00
Dry Event Advertising	<u>\$5000.00</u>
Total Budgeted Marketing	\$20325.00
Upgrades & Maintenance	
Ex)Paint, Drywall, Supplies	
Deep Cleaning Supplies	\$4375.00
Total Budgeted Base	\$94700.00

\*\*\*Please note that I would suggest that the City of East Bethel "Own" the website so when and if the contract changes the City does not lose money invested in the website. If the City of East Bethel is interested in having our management company "Manage" their website, the website can be taken out of my above base compensation. I just feel this will benefit the city with cost efficiencies in the long run while not having to remake/design/purchase a website every renewal.

Incentive Compensation:

Revenue Incentives:

- After \$210,000.00 in ice rental revenue has been secured, the additional amount shall be split 30% Management Company, 20% Hockey Associations and 50% to the city with requirements that the city must reinvest 30% back into the ice arena improvement funds.
- After \$2000.00 in advertising revenue is secured, the additional amount shall be split 10% Management Company, 40% Hockey Associations, and 50% to the city with requirements that the city must reinvest 30% back into the ice arena improvement funds.

- Concessions to be operated by the Hockey Association.
- Dry Floor Rental after \$1500.00 shall be secured in a year will be split 50% to the management company and 50% to the city with requirements that 30% of the cities portion must be reinvested into the ice arena improvement funds.
- Pro Shop Rental, if privately ran, after \$1500.00 shall be secured in a year will be split 50% to the management company and 50% to the city with 30% of the cities portion being reinvested in the ice arena improvement funds.

**G) Copies of the following items shall be furnished with the submittal**

**1) Errors and Omissions Coverage**

Our insurance is in its annual renewal, I do not have a copy of the certificate of insurance yet, we copied the insurance policy and included it, and will submit the certificate of insurance when we receive it.

**2) Business License**

Will Secure a business license in East Bethel upon approval of contract.

**3) Statement of compliance with federal and state laws**

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

2702 Ireland Grove Road  
Bloomington, IL 61709-0001

**Named Insured**

AT2

000476 3125

V-05-7350-FAB9 F U

KOLLER, NICOLE  
1865 297TH AVE NW  
ISANTI MN 55040-6912

**Policy Number** 93-B5-S734-1

Policy Period	Effective Date	Expiration Date
12 Months	MAR 3 2015	MAR 3 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

**Agent and Mailing Address**

STEVE RIEBEL INS AGENCY INC  
12688 BASS LAKE RD  
MAPLE GROVE MN 55369-6380

PHONE: (763) 559-8956



**Office Policy**

**Automatic Renewal** - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: Individual

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

To obtain a copy of your policy, please contact your State Farm Agent.

0107-ST-1-1001

**RENEWAL DECLARATIONS (CONTINUED)**

Office Policy for KOLLER, NICOLE  
 Policy Number 93-B5-S734-1

**SECTION I - PROPERTY SCHEDULE**

Location Number	Location of Described Premises	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property	Seasonal Increase-Business Personal Property
001	1865 297TH AVE NW ISANTI MN 55040-6912	No Coverage	\$ 8,200	25%

\* As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

**SECTION I - INFLATION COVERAGE INDEX(ES)**

Cov A - Inflation Coverage Index: N/A  
 Cov B - Consumer Price Index: 238.3

**SECTION I - DEDUCTIBLES**

Basic Deductible \$1,000

**Special Deductibles:**

Money and Securities	\$250	Employee Dishonesty	\$250
Equipment Breakdown	\$1,000		

Other deductibles may apply - refer to policy.

Prepared  
 JAN 15 2015  
 CMP-4000

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Office Policy for KOLLER, NICOLE  
 Policy Number 93-B5-S734-1

**SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH DESCRIBED PREMISES**

The coverages and corresponding limits shown below apply separately to each described premises shown in these Declarations, unless indicated by "See Schedule." If a coverage does not have a corresponding limit shown below, but has "Included" indicated, please refer to that policy provision for an explanation of that coverage.

COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	\$50,000
On Premises	\$15,000
Off Premises	\$5,000
Arson Reward	\$15,000
Back-Up Of Sewer Or Drain	Included
Collapse	Coverage B Limit
Damage To Non-Owned Buildings From Theft, Burglary Or Robbery	25% of covered loss
Debris Removal	Included
Equipment Breakdown	\$5,000
Fire Department Service Charge	\$5,000
Fire Extinguisher Systems Recharge Expense	\$10,000
Forgery Or Alteration	Included
Glass Expenses	\$5,000
Money And Securities (Off Premises)	\$10,000
Money And Securities (On Premises)	\$1,000
Money Orders And Counterfeit Money	\$100,000
Newly Acquired Business Personal Property (applies only if this policy provides Coverage B - Business Personal Property)	\$250,000
Newly Acquired Or Constructed Buildings (applies only if this policy provides Coverage A - Buildings)	Included
Ordinance Or Law - Equipment Coverage	Included

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**RENEWAL DECLARATIONS (CONTINUED)**

Office Policy for **KOLLER, NICOLE**  
 Policy Number **93-B5-S734-1**

Outdoor Property	\$5,000
Personal Effects (applies only to those premises provided Coverage B - Business Personal Property)	\$5,000
Personal Property Off Premises	\$15,000
Pollutant Clean Up And Removal	\$10,000
Preservation Of Property	30 Days
Property Of Others (applies only to those premises provided Coverage B - Business Personal Property)	\$2,500
Signs	\$2,500
Unauthorized Business Card Use	\$5,000
Valuable Papers And Records	\$50,000
On Premises	\$15,000
Off Premises	
Water Damage, Other Liquids, Powder Or Molten Material Damage	Included

**SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - PER POLICY**

The coverages and corresponding limits shown below are the most we will pay regardless of the number of described premises shown in these Declarations.

COVERAGE	LIMIT OF INSURANCE
Dependent Property - Loss Of Income	\$5,000
Employee Dishonesty	\$10,000
Utility Interruption - Loss Of Income	\$10,000
Loss Of Income And Extra Expense	Actual Loss Sustained - 12 Months

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 JAN 15 2015  
 CMP-4000

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Office Policy for KOLLER, NICOLE  
Policy Number 93-B5-S734-1

0307-ST-1-1001

**SECTION II - LIABILITY**

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	\$1,000,000
Coverage M - Medical Expenses (Any One Person)	\$5,000
Damage To Premises Rented To You	\$300,000
AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	\$2,000,000
General Aggregate	\$2,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

**FORMS AND ENDORSEMENTS**

- CMP-4100 Businessowners Coverage Form
- FE-6999.1 \*Terrorism Insurance Cov Notice
- CMP-4819 Unauthorized Business Card Use
- CMP-4223 Amendatory Endorsement
- CMP-4705 Loss of Income & Extra Expnse
- CMP-4710 Employee Dishonesty
- CMP-4709 Money and Securities
- CMP-4899 Back-Up of Sewer or Drain
- CMP-4704 Dependent Prop Loss of Income
- CMP-4703 Utility Interruption Loss Incom
- FD-6007 Inland Marine Attach Dec
- \* New Form Attached

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RENEWAL DECLARATIONS (CONTINUED)

Office Policy for KOLLER, NICOLE  
Policy Number 93-B5-S734-1

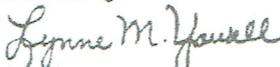
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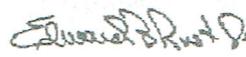
This policy is issued by the State Farm Fire and Casualty Company.

Participating Policy

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

  
Secretary

  
President

---

**NOTICE TO POLICYHOLDER:**

For a comprehensive description of coverages and forms, please refer to your policy.

Policy changes requested before the "Date Prepared", which appear on this notice, are effective on the Renewal Date of this policy unless otherwise indicated by a separate endorsement, binder, or amended declarations. Any coverage forms attached to this notice are also effective on the Renewal Date of this policy.

Policy changes requested after the "Date Prepared" will be sent to you as an amended declarations or as an endorsement to your policy. Billing for any additional premium for such changes will be mailed at a later date.

If, during the past year, you've acquired any valuable property items, made any improvements to insured property, or have any questions about your insurance coverage, contact your State Farm agent.

Please keep this with your policy.

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JAN 15 2015  
CMP-4000

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Continued on Next Page

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# City of East Bethel City Council Work Meeting Agenda Information

\*\*\*\*\*

**Date:**

April 22, 2015

\*\*\*\*\*

**Agenda Item Number:**

Item 4.0

\*\*\*\*\*

**Agenda Item:**

Rental Ordinance Discussion

\*\*\*\*\*

**Requested Action:**

Review a draft Rental Ordinance and, provide direction to Staff as to Council’s preferences for addressing this matter.

\*\*\*\*\*

**Background Information:**

Council has previously discussed the need for Rental Ordinance. As more rental properties have become available instances have arisen that may require an ordinance that would cover issues of the concerns and protections of renters and lessees.

In addition to a Rental Ordinance, Council may wish to include in the discussion an Ordinance amendment that would enable the City to secure services to perform property maintenance activities on abandoned, cited or unkempt vacant properties to prevent neighborhood blight and eliminate situations that create public nuisances or unsanitary conditions.

The adoption of a Rental Ordinance would serve as a protection to renters and could establish minimum dwelling standards related to health and safety. Additional Staff time would be required for inspections and tracking of rental properties.

\*\*\*\*\*

**Attachments:**

- 1. Draft Rental Ordinance
- 2. Isanti County News article, Cambridge Rental Housing Ordinance

\*\*\*\*\*

**Fiscal Impact:**

To be determined

\*\*\*\*\*

**Recommendation(s):**

\*\*\*\*\*

# PROPOSED ORDINANCE NO. XX

## AN ORDINANCE REGULATING RENTAL PROPERTIES IN THE CITY OF EAST BETHEL

The City Council of the City of East Bethel, Minnesota ordains as follows:

**INTENT:** The Rental Housing Ordinance is intended to protect the public welfare and improve the City's housing stock by inspecting every rental dwelling. The inspection will not only be of the inside and outside of the rental building, but also any accessory buildings and the rental property. If the property has a septic system, the septic system shall pass a compliance inspection and be current on the pumping of the septic tank. Septic tanks must be pumped every three years.

### Section 1. - License required; definitions.

- (a) License. No person shall allow to be occupied or let to another for occupancy a unit or units in a rental dwelling for which a license has not been granted by the city.
- (b) Definitions. Unless otherwise expressly stated, the following terms shall, for the purposes of this article, have the following meanings:
  - a) Rental dwelling means any structure or portion thereof which is designated or used for residential occupancy by one or more persons who are not the owner or a member of the owner's family. For the purpose of this ordinance, family is defined as follows: Family means those persons legally related to each other in a linear relationship such as spouses, grandparents, parents, children, grandchildren and siblings. Family does not include branching relationships such as aunts, uncles or cousins.
  - b) Rental dwelling includes commercial living facilities, not governed by state licensing requirements.
  - c) A permanent rental is never used as living quarters for the owner or any dependents he/she claims on his/her federal tax return. A permanent rental is a house, duplex or apartment complex that serves full time as a rental and is not used by a nonprofit organization. (IRS definition)

### Section 2. - Application.

- (a) Before any license shall be issued or renewed, the owner of the rental dwelling shall complete an application. The following persons shall be authorized to sign and submit the application:
  - (1) If the owner is a natural person, by the owner thereof.
  - (2) If the owner is a corporation, by an officer thereof.
  - (3) If the owner is a partnership, by a partner thereof.
- (b) The application shall be made on a form prescribed by the city and shall include:
  - (1) The name and address of the owner of the rental dwelling.
  - (2) The name and address of any operator or agent actively managing the rental dwelling.
  - (3) If the operator or agent is a business entity, the application shall include the names, telephone numbers and addresses of individuals who will be involved in such management, together with a description of the scope of services and manner of delivering these services by the manager.
  - (4) If the applicant is a corporation, the name and address of all officers.
  - (5) If the applicant is a partnership, the name and address of all partners.
  - ~~(6) If the rental dwelling is being sold on a contract for deed, the name and address of the vendees. — by definition this is still a rental property. Notice would go to vendor and vendee.~~
  - ~~(7)~~ The legal address of the rental dwelling.
  - ~~(8)~~ Owner, agent or manager that notices of violation should be directed to pursuant to this article.

### Section 3. - License issuance.

- (a) The city may issue a license in its discretion if the building and the application are found to be in

compliance with the provisions of this article and with the Property Maintenance Code, ~~Article VI~~Article VI set forth in the East Bethel City Ordinances, provided that all real estate taxes and municipal utility bills for the premises have been paid. Real estate taxes will not be considered to be unpaid for purposes of this section while a proper and timely appeal of such taxes is pending.

- (b) No license shall be issued or renewed for a nonresident owner of a rental dwelling, unless such owner designates in writing to the city inspector the name of such owner's resident agent, who is responsible for maintenance and upkeep and who is legally constituted and empowered to receive service of notice of violation of the provisions of the city ordinances, to receive orders and to institute remedial action to effect such orders and to accept all service or process pursuant to law. The city inspector shall be notified in writing of any change of resident agent. This requirement may be waived if, in the city inspector's determination, the owner not living in one of the above specified counties is nonetheless sufficiently accessible for the purposes of this article.

#### **Section 4. - Term of license.**

Licenses will be issued for a two year period, and the license term shall commence on January 1, XXX or the date issued and expired on December 31, XXX

#### **Section 5. - License fees.**

- (a) The license fees shall be established by resolution. The license fee shall be collected for each building and unit in a rental dwelling.
- (b) Except in the first year of the program, if an application for a license is made after January 1, XXX a late fee as established by resolution, will be added to the initial license fee. For each subsequent 30-day period an additional late fee will be imposed.

#### **Section 6. - Posting of license.**

The licensee shall post a copy of the license in the dwelling in the kitchen or garage or other place that can be viewed at the time of inspection.

#### **Section 7. - Transfer of license.**

A license is transferable for a fee to any person who has actually acquired legal ownership of the rental dwelling. The transfer shall be effective for the unexpired portion of the license period, provided that a transfer application is filed with the city prior to the actual change of legal ownership and that the transferee is not disqualified from holding the license. A license shall terminate upon an owners failure to apply for a transfer prior to change of legal ownership. The fee for the license transfer shall be established by resolution.

#### **Section 8 – Prior to Issuance of Residential Rental License**

1. The septic system must pass a compliance inspection.
2. The septic tank must have been pumped in the past three years.
3. A permit application must be completed by the owner or owner's agent.
4. The permit fee must be paid.
5. The house, accessory buildings and the property must pass the residential rental inspection that is conducted by the City of East Bethel Building Department and meet all applicable State and City codes.

#### **Section 9 – Inspections on Rental Units**

The City will conduct rental inspections every two years. ~~In addition to meeting the~~ Inspections will be conducted by the City of East Bethel's building department using the Residential Rental Housing Inspection form which is hereby attached and referenced as Appendix A.

## **Section 10 - Conduct on licensed premises.**

- (a) Disorderly premises. The licensee shall be responsible for ensuring that persons occupying or present at the rental dwelling conduct themselves in such a manner as not to cause the premises to be disorderly as regulated under Minnesota Statutes.
- (b) Notice of violation. Upon determination by the city that a rental dwelling was deemed to be a disorderly premises, notice of the violation shall be given to the licensee or designee. The notice shall include a directive for the licensee to take steps to prevent further violations. All notices given by the city under this section shall be served on the licensee or designee, sent by mail to the licensee's last known address, or, by posting the notice in a conspicuous place at the rental dwelling.
- (c) Evidence of disorderly premises. A determination of disorderly premises shall be made upon substantial evidence. It shall not be necessary that criminal charges be brought in order to support a determination of disorderly premises. Moreover, a dismissal or acquittal of any such criminal charge will not operate as a bar to license action under this article.
- (d) Council action not exclusive. Enforcement actions provided in this article shall not be exclusive. The city council may take any action with respect to a licensee, a tenant, or the licensed premises as is authorized by the City Code or state law.

## **Section 11. - Suspension, revocation, denial, nonrenewal.**

- (a) Hearing. An action to deny, revoke, suspend, or not renew a license under this article shall be initiated by the city by giving written notice to the licensee of a hearing before the city council to consider such denial, revocation, suspension or nonrenewal. The written notice shall specify all violations and shall state the date, time, place and purpose of the hearing. The hearing shall be held no less than ten days and no more than 30 days after giving the notice. In such hearing the city council shall give due regard to the frequency and seriousness of violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply with city requirements. Following the hearing, the city council in its sole discretion may deny, revoke, suspend, or decline to renew the license for all or any part or parts of the rental dwelling, or may grant a license upon such terms and conditions as it deems necessary to accomplish the purposes of this article. Further, an action to deny, revoke, suspend, or not renew a license based upon violations of this article may be postponed or discontinued at any time if it appears that the licensee has taken appropriate measures which will prevent further instances of disorderly use. The city council shall issue its decision upon written findings.
- (b) Reason for action. The city council may revoke, suspend, deny or decline to renew any license issued under this article upon any grounds it deems appropriate including, but not limited to, the following:
  - (1) False statements on any application or other information or report required by this article to be given by the applicant or licensee.
  - (2) Failure to pay any application fee, penalty, re-inspection, or reinstatement fee required by this article and resolutions.
  - (3) Failure to correct deficiencies noted in notices of violation in the time specified in the notice.
  - (4) Any other violation of this article.
- (c) Reinstatement of license. Upon a decision to revoke, deny, or not renew a license, no new application for the same rental dwelling will be accepted for a period of time specified in the written decision of the city council, not exceeding one year. Any such new application must be accompanied by a reinstatement fee, as specified by resolution, in addition to all other fees required by this article.
- (d) No new rentals. A written decision to revoke, suspend, deny, or not renew a license shall specify the part or parts of the rental dwelling to which it applies. Thereafter, and until a license is reissued or reinstated, no rental units becoming vacant in such part or parts of the rental dwelling may be re-let or occupied. Revocation, suspension or nonrenewal of a license shall not excuse the owner of a rental

dwelling from compliance with the terms of this article for any other unit or units in the rental dwelling which remain occupied.

- (e) Failure to comply. Failure to comply with any term of this article during a period of revocation, suspension, or nonrenewal is a misdemeanor and is also grounds for extension of the term of such revocation or suspension or continuation of nonrenewal, or for a decision not to reinstate the license, notwithstanding any limitations on the period of suspension, revocation or nonrenewal specified in the city council's written decision.

**Section 12. - No retaliation.**

No licensee shall evict, threaten to evict, or take any other punitive action against any tenant by reason of good faith calls made by such tenant to law enforcement agencies relating to criminal activity, suspected criminal activity, suspicious occurrences, or public safety concerns. This section shall not prohibit the eviction of tenants from a dwelling unit for unlawful conduct of a tenant or invitee or violation of any rules, regulations or lease terms other than a prohibition against contacting law enforcement agencies.

DRAFT



## RESIDENTIAL RENTAL HOUSING INSPECTION FORM

Date of Inspection \_\_\_\_\_ Time of Inspection \_\_\_\_\_

Address \_\_\_\_\_

Owner \_\_\_\_\_ Phone \_\_\_\_\_

All items will be noted as (not apply, acceptable, needs repair or hazardous)

### BASEMENT

Electrical Box, Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)

Stairs, Handrails and Guardrails (not apply, acceptable, needs repair or hazardous)

Foundation (not apply, acceptable, needs repair or hazardous)

Evidence of Dampness or Staining (not apply, acceptable, needs repair or hazardous)

Mold (not apply, acceptable, needs repair or hazardous)

Beams & Columns (not apply, acceptable, needs repair or hazardous)

Egress Window or Door & Condition (not apply, acceptable, needs repair or hazardous)

Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)

Note \_\_\_\_\_

### BUILDING INTERIOR

Electrical Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)

Roof Structure (not apply, acceptable, needs repair or hazardous)

Ceiling Condition (not apply, acceptable, needs repair or hazardous)

Ceiling Height (not apply, acceptable, needs repair or hazardous)

Walls (not apply, acceptable, needs repair or hazardous)

Evidence of Dampness or Staining (not apply, acceptable, needs repair or hazardous)

Mold (not apply, acceptable, needs repair or hazardous)

Window and Door Sizes & Condition (not apply, acceptable, needs repair or hazardous)

Floor Condition (not apply, acceptable, needs repair or hazardous)

Stairs, Handrails and Guardrails (not apply, acceptable, needs repair or hazardous)

Smoke Detector(s) (not apply, acceptable, needs repair or hazardous)

An approved Fire Extinguisher (not apply, acceptable, needs repair or hazardous)

Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)

Note \_\_\_\_\_

**BEDROOM(S)**

Electrical Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)  
Walls & Ceilings (not apply, acceptable, needs repair or hazardous)  
Ceiling Height (not apply, acceptable, needs repair or hazardous)  
Evidence of Dampness or Staining (not apply, acceptable, needs repair or hazardous)  
Mold (not apply, acceptable, needs repair or hazardous)  
Egress Window Sizes and Condition (not apply, acceptable, needs repair or hazardous)  
Floor Condition (not apply, acceptable, needs repair or hazardous)  
Smoke Detector inside & outside each bedroom (not apply, acceptable, needs repair or hazardous)  
C/O Detector within 10 feet of each bedroom (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

---

**BATHROOM(S)**

Electrical Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)  
GFI Outlets in Hazardous Locations (not apply, acceptable, needs repair or hazardous)  
Walls & Ceilings (not apply, acceptable, needs repair or hazardous)  
Ceiling Height (not apply, acceptable, needs repair or hazardous)  
Evidence of Dampness or Staining (not apply, acceptable, needs repair or hazardous)  
Mold (not apply, acceptable, needs repair or hazardous)  
Condition of Windows and Doors (not apply, acceptable, needs repair or hazardous)  
Floor Condition (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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**KITCHEN**

Electrical Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)  
GFI Outlets in Hazardous Locations (not apply, acceptable, needs repair or hazardous)  
Walls & Ceilings (not apply, acceptable, needs repair or hazardous)  
Ceiling Height (not apply, acceptable, needs repair or hazardous)  
Evidence of Dampness or Staining (not apply, acceptable, needs repair or hazardous)  
Mold (not apply, acceptable, needs repair or hazardous)  
Condition of Windows and Doors (not apply, acceptable, needs repair or hazardous)  
Floor Condition (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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**ELECTRICAL**

Electrical Service Installation/Grounding (not apply, acceptable, needs repair or hazardous)  
Electrical Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)  
GFI Outlets in Hazardous Locations (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

---

**PLUMBING SYSTEM**

Waste and Vent Piping (not apply, acceptable, needs repair or hazardous)  
Water Piping (not apply, acceptable, needs repair or hazardous)  
Gas Piping (not apply, acceptable, needs repair or hazardous)  
Water Heater (not apply, acceptable, needs repair or hazardous)  
Plumbing Fixtures (not apply, acceptable, needs repair or hazardous)  
Water Flow (not apply, acceptable, needs repair or hazardous)  
Sanitary Conditions (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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### **HEATING SYSTEM**

Heating Unit (not apply, acceptable, needs repair or hazardous)  
Visible Condition (not apply, acceptable, needs repair or hazardous)  
In Operation (not apply, acceptable, needs repair or hazardous)  
Mechanical Exhaust (not apply, acceptable, needs repair or hazardous)  
Combustion Venting (not apply, acceptable, needs repair or hazardous)  
Additional Heating Unit (not apply, acceptable, needs repair or hazardous)  
Bathroom Exhaust Vent(s) (not apply, acceptable, needs repair or hazardous)  
Gas Piping (not apply, acceptable, needs repair or hazardous)  
Clothes Dryer Vent (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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### **SOLID FUEL FIREPLACES or WOODSTOVES**

Damper Installed in Fireplace (not apply, acceptable, needs repair or hazardous)  
Installation (not apply, acceptable, needs repair or hazardous)  
Condition (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
1. The fire box may not contain missing or loose fire brick or mortar.  
2. The hearth extension shall be noncombustible and extend a minimum of 16 inches to 20 inches from the fireplace opening.  
3. Combustible mantles are not permitted within 12 inches of fireplace opening.  
4. An operable damper is required. Check for signs of smoke back-drafting around fireplace openings, screens, and through finish joints.  
Note \_\_\_\_\_

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### **ENERGY INFORMATION**

Attic Insulation (not apply, acceptable, needs repair or hazardous)  
Foundation Insulation (not apply, acceptable, needs repair or hazardous)  
Wall Insulation (not apply, acceptable, needs repair or hazardous)  
Rim Joist Insulation (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

---

### **BUILDING EXTERIOR**

Foundation (not apply, acceptable, needs repair or hazardous)

Basement/Cellar Windows (not apply, acceptable, needs repair or hazardous)  
Drainage (grade) (not apply, acceptable, needs repair or hazardous)  
Exterior Walls (not apply, acceptable, needs repair or hazardous)  
Doors (not apply, acceptable, needs repair or hazardous)  
Windows (not apply, acceptable, needs repair or hazardous)  
Open Porches/Stairways and Decks (not apply, acceptable, needs repair or hazardous)  
Roof Structure (not apply, acceptable, needs repair or hazardous)  
Roof Covering (not apply, acceptable, needs repair or hazardous)  
Gutters & Downspouts (not apply, acceptable, needs repair or hazardous)  
Chimneys (not apply, acceptable, needs repair or hazardous)  
Electrical Outlets and Fixtures (not apply, acceptable, needs repair or hazardous)  
Attic Ventilation (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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### **ACCESSORY STRUCTURE(S)**

Electrical Box, Wiring, Outlets & Fixtures (not apply, acceptable, needs repair or hazardous)  
Roof Structure & Covering (not apply, acceptable, needs repair or hazardous)  
Wall Structure & Covering (not apply, acceptable, needs repair or hazardous)  
Slab Condition (not apply, acceptable, needs repair or hazardous)  
Garage Door(s) (not apply, acceptable, needs repair or hazardous)  
Garage Opener(s) (not apply, acceptable, needs repair or hazardous)  
Other \_\_\_\_\_ (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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### **SEPTIC SYSTEM**

Septic System Compliance Inspection (Pass or Fail)  
Septic System Pumped In the Past Three Years (Yes or No)  
Electrical (not apply, acceptable, needs repair or hazardous)  
Note \_\_\_\_\_

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### **PROPERTY**

\_\_\_\_\_ Only 5 motor vehicle may be stored on an approved driveway, and must not be stored in the yard. All vehicles stored on the driveway must have a current license, and must also be operational and roadworthy. All vehicles must be stored on the driveway, in a garage or in the back yard screened from the public right-of-way and adjacent properties. Section 24-3 (B).  
\_\_\_\_\_ Inoperable Vehicles. Section 24-3 (B).  
\_\_\_\_\_ Debris in the yard \_\_\_\_\_. Section 26-87.  
\_\_\_\_\_ Junk vehicles. Section 26-87.  
\_\_\_\_\_ Household appliances. Section 26-87.  
\_\_\_\_\_ Tires. Section 26-87.  
\_\_\_\_\_ Automotive parts. Section 26-87.  
\_\_\_\_\_ Scrap metal. Section 26-87.  
\_\_\_\_\_ Lumber. Section 26-87.  
\_\_\_\_\_ Tall grass over 8 inches. Section 14-271 (n).

- \_\_\_\_\_ Fish house in the front yard or side yard. Section 14-2 (i).
- \_\_\_\_\_ Sewage backed up in yard, Imminent Health Threat to public health. Section 74-30.
- \_\_\_\_\_ Unsafe septic tank manhole cover.
- \_\_\_\_\_ Public Nuisances, needs siding repaired. IBC Sec. 3401.2 & City Code Sec. 42-105.
- \_\_\_\_\_ Commercial vehicles parked on a residential property. Section 70-29.
- \_\_\_\_\_ Wetlands were altered or removed without approval.
- \_\_\_\_\_ Unlawfully occupying a building without a certificate of occupancy. Section 04-8.
- \_\_\_\_\_ Camper is not permitted on a vacant lot. Section 38-20 (c).
- \_\_\_\_\_ House fire (public nuisance). Section 26-309.
- \_\_\_\_\_ House must be secured until it is removed or repaired. Section 14-24 & 14-271 (n).
- \_\_\_\_\_ Working without a building permit. Section 14-19.
- \_\_\_\_\_ Potentially Dangerous Dog. Section 10-75.
- \_\_\_\_\_ Fence over four feet in height in the front yard. Section 25-2 (c).
- \_\_\_\_\_ Burning trash. Section 26-208 and 26-209.
- \_\_\_\_\_ Garbage left on the street. Section 26-87.
- \_\_\_\_\_ Installed a septic system without a permit.
- \_\_\_\_\_ Pushing snow across the road. Section 70-2.
- \_\_\_\_\_ Business out of a house or garage.
- \_\_\_\_\_ Only one principal structure (house) is permitted on a residential lot. Section 42 (1).
- \_\_\_\_\_ Chickens or farm animals on the property. Section 10-151.

---

THIS AREA TO BE USED BY CITY STAFF

- \_\_\_\_\_ The **House** has **Passed** inspection.
- \_\_\_\_\_ The **House** has **Failed** inspection. All corrections must be corrected by \_\_\_\_\_.
- \_\_\_\_\_ The **House** is **Hazardous** to human life and must be vacated by \_\_\_\_\_.
  
- \_\_\_\_\_ The **Accessory Building(s)** **Passed** inspection.
- \_\_\_\_\_ The **Accessory Building(s)** **Failed** inspection. Corrections must be made by \_\_\_\_\_.
- \_\_\_\_\_ The **Accessory Building(s)** is **Hazardous** to life and must be vacated by \_\_\_\_\_.
  
- \_\_\_\_\_ The **Property** has **Passed** inspection.
- \_\_\_\_\_ The **Property** has **Failed** inspection. All corrections must be made by \_\_\_\_\_.
- \_\_\_\_\_ The **Property** is **Hazardous** to human life and must be vacated by \_\_\_\_\_.

Building Inspector \_\_\_\_\_



Government

# Cambridge takes a step forward on rental housing ordinance

By Rachel Kytonen

April 10, 2015 at 7:15 pm



0

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After hearing from the Pine City Fire Marshal and having its own lengthy discussion, the Cambridge City Council took a step forward with a proposed rental housing ordinance during its April 6 meeting.

The rental housing ordinance was brought back for discussion purposes following the March 10 Arlington building fire as requested by Cambridge City Council Member Tiffany Kafer.

The Arlington building, which was vacated in November 2014, formerly housed tenants on the upper levels and



Cambridge Mayor Marlys Palmer (holding the proclamation) declared April 12-18 as the Week of the Young Child. Pictured from left are Deb Krohn, preschool teacher with District 911; Joy Boehme, teacher with Next Best Thing to Mom Childcare Center; Kimberly Peno, owner of Next Best Thing to Mom Childcare

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Buffet on  
the lower  
level. The  
building was demolished following the fire due to the  
exterior nonstructural brick veneer posing a risk of  
failure.

*Center; Palmer and Council Members Joe Morin, Tiffany Kafer and Howard Lewis. In front are children (not in order) Damien Kassa, Colten Carlyle, Nadine Findell and Skylar Findell. Photo by Rachel Kytonen*

The council first discussed a rental housing ordinance in 2007 and again in 2011 and 2012, but the ordinance never passed. The purpose of the proposed ordinance is to protect the public health, safety and welfare of the residents of rental dwellings in the city of Cambridge and to ensure that rental housing in the city is safe, sanitary and operated and maintained so as not to become a nuisance to the neighborhood and community.

The draft ordinance discussed in 2012 calls for rental licenses and fees, and inspections by the city for compliance with city code and the laws set forth by the state of Minnesota. There would be fees associated with the inspections.

Following discussion, the council approved a motion to have staff put together an implementation plan by the May 4 council meeting. This would include an inspection timeline, staff requirements, a fee schedule and a final ordinance that may be voted on at that meeting. Staff was also directed to report back on the number of complaints it receives with rental housing and the nature of those complaints.

Mayor Marlys Palmer and Council Member Joe Morin voted against the motion. Palmer said her main concern was the council was "moving too quick," on the issue.

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Pine City Fire Marshal David Hill explained Pine City passed a rental housing ordinance in the fall of 2002. He said discussions for the ordinance began following the death of a 19-year-old female who fell asleep with a cigarette in her hand in a seven-unit apartment building. Hill said the landlord told him at the time that he had just gone through the building, but after talking with tenants, Hill learned that wasn't the case.

"After the fire, the city came to me and said, 'why aren't we watching this?' and I told them because there isn't any ordinance on the books to do that," Hill said.

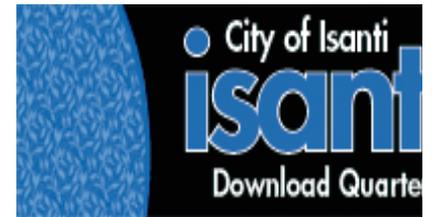
Hill said the city had a process it used to find the rentals in the city, such as using water and utility bills. He said by the end of 2003, the city felt they had found about 90 percent of the rental properties and said, currently, he feels they have found nearly 100 percent of the rental properties.

Hill said the number of rental properties has increased in the city over the years and estimates the city currently has 550 rental units and works with 150 landlords.

"When I discuss this rental ordinance, I always say, 'they don't have to live in the Taj Mahal, but they have to live in a safe place,'" Hill said. "I've visited some places I wouldn't want to live in, but they are safe."

Hill said the ordinance isn't overly intrusive for the property owner or the residents.

"Our goal is to make sure they are living in a safe place," Hill said.



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Hill has a checklist of items he inspects when doing the rental inspections on the property. He looks for things such as working smoke detectors, working carbon monoxide detectors, operable windows, locks on doors, water heaters, furnaces and electrical switches. Hill also does a lot of educating when he visits the rental properties.

“This entire thing started because of a tragedy in 1999, and we haven’t had one since,” Hill said.

Hill said if a tenant has a complaint with their landlord, and if they are current on their rent, they can fill out a compliant sheet and sign it and the city discusses the problem with the landlord. He said if a tenant isn’t current on their rent and refuses to sign the compliant sheet, there isn’t much the city does about it unless it’s an imminent life-threatening issue.

Hill said most inspections take 30-45 minutes, and he also looks at the outside of the rental property. He said most properties are inspected every two to four years unless there’s a complaint.

“We use our discretion but do inspections every two to four years,” Hill said. “We do have a lot of good landlords. Most of the time, if there is an issue, we write up an order and the landlords take care of the issue.”

Hill said he doesn’t feel landlords “police themselves.”

“It’s tough for anyone to police themselves,” Hill said. “I’m a person who hates to see government expand, but this is a case where it’s needed. This is the cheapest fire prevention program you can have.”

**In other news, the council:**

- Awarded the 2015 street improvement project bid to RL Larson Excavating Inc. for about \$3.4 million. This bid amount includes \$115,487 for the Cambridge Intermediate School parking lot improvements to be funded by the Cambridge-Isanti School District.
- Accepted an engineering proposal from SEH for the 2015 street improvement project for a cost not to exceed \$387,000.
- Accepted the Cambridge-Isanti Rotary’s proposal of \$6,500 for the property located at 332 Third Ave. NW (former site of the senior activity center). The intent is for the Rotary to work with Habitat for Humanity to construct a home on this lot.

### Related Posts:



**Meeting March 6 to discuss proposed Cambridge rental housing ordinance**



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# City of East Bethel City Council Work Meeting Agenda Information

\*\*\*\*\*

**Date:**

April 22, 2015

\*\*\*\*\*

**Agenda Item Number:**

Item 5.0

\*\*\*\*\*

**Agenda Item:**

MCES Wastewater Services Agreement

\*\*\*\*\*

**Requested Action:**

Review and discuss the current status of proposals to modify the Wastewater Services Agreement

\*\*\*\*\*

**Background Information:**

The City of East Bethel entered into a Wastewater Service Agreement with MET Council on November 3, 2010. The terms of the agreement specify the means that MET Council will recover their costs and interest for the project infrastructure for the East Bethel Municipal Utilities Project. The process for repayment involves three components:

1. MET Council SAC payments
2. Reserve Capacity Loan
3. 100% of Flow charges ( we pay the urban rate and a 100% surcharge )

Theoretically, new growth and the SAC charges would pay all the costs due MET Council. However, the 2009-2010 Recession and the land use capacity of developable land within the Hwy 65 Corridor render the SAC goals required to generate the revenues unrealistic and unachievable at this point.

Due to these factors and the need to have a reasonable agreement for the City's debt obligation, Staff requested that the Wastewater Services Agreement be amended to reflect the current conditions that affect our ability to produce the revenues required for the project amortization. There were two meetings with Pat Born, MET Council Regional Administrator, in January and July 2014 that formed the framework for direction of these discussions.

As a result of these meetings, Jason Willet, the MCES Finance Director, and a committee of Metro Cities members were assigned to meet with City Staff to attempt to reach a new WWSA agreement.

City Staff met with the Jason Willet, Dan Schueller and Bryce Pickart with MCES and a committee from Metro Cities, comprised of Executive Director Patty Nauman, Dan Roe (Mayor City of Roseville), Jim Dickenson (Andover City Administrator), Bruce Beese (City of St. Paul Public Works Director) Rod Hedberg (Apple Valley Finance Director), Jason Zeimer (North St. Paul City Administrator) and Sue Viernig (Golden Valley Finance Director). Meetings were held in November and December of 2014 and in January, February and March of 2015. There was

general consensus that the agreement in place was not workable nor had the potential to achieve the growth goals required to amortize the City's debt to MET Council.

While both the MCES and Metro Cities acknowledged the problem and were sympathetic with our issue, they were reluctant recommending any modifications that may set a precedence and/or increase the rates of the other 107 sewer users within MET Council service area.

The City's position through these discussions was as follows:

- Modify or amend the terms of the Reserve Capacity Loan Program to eliminate the interest charges. The City does acknowledge responsibilities to pay SAC charges due MCES for new connections but requests that MCES accept payment as these connection are received and eliminate the schedule that establishes annual goals and accumulated interest whenever those goals are not met.
- Restructure our SAC goals to a more realistic number
  - Reduce our SAC rates to equal those of other Metro Cities and keep the increase in SAC rates comparable to the urban rate.
  - Eliminate our flow surcharges.
- Remove the demonstration costs of the project from East Bethel's obligations
- Exclude future plant expansion costs from any calculations relating to the RCL

All of our concerns received consideration and were seriously and thoroughly examined. To a person on the work group, there was no opposition to our request for modification of the agreement. The group's dilemma was how to propose changes in the agreement that wouldn't affect their rates or require other changes outside their SAC and flow charges that may have other impacts on their Cities.

At this point the discussions have produced the following:

- The group( MCES and Metro-Cities) agree that the project's demonstration cost of approximately \$8.5M should be removed from East Bethel's portion of the debt obligation;
- With the removal of the demonstration costs, our remaining debt would be reduced from \$23.9M to \$15.4M.
- The SAC rate would increase \$100 per year over the current charge of \$2,850
- The Reserve Capacity Loan would remain in place except that it would be capped at \$2M at which point a re-negotiation would occur.
- Expansion costs of the sewer plant from RCL would not be factored and would be addressed as a separate issue if and when the need for expansion occurs.

While this proposal is better than our current agreement, it is a retreat from previous discussion points which expressed an interest in eliminating the RCL and reducing the SAC goals from 5,500 to 2,280. My concern with the MCES proposal for modification is that it only postpones the issue of addressing the RCL. I would prefer to solve the matter at this point and not have to invest additional time to resolve this problem in the next 5-7 years. However, this is more than likely our best offer at this time as further concessions by the MCES would require amendments to their Regional Water Resources Plan and changes to existing agreements that are in place with Elko-New Market.

\*\*\*\*\*

**Attachments:**

- Attachment 1 - Wastewater Services Agreement
- Attachment 2 – Summary of Options
- Attachment 3 – Reserve Capacity Loan Chart

Attachment 4 – Modification Proposal (see Summary of Options)

Attachment 5 – Modification Proposal 2

Attachment 6 – MCES Proposal

\*\*\*\*\*

**Fiscal Impact:**

As noted above

\*\*\*\*\*

**Recommendation(s):**

\*\*\*\*\*

**WASTEWATER SERVICE AGREEMENT**

**Between  
City of East Bethel  
and  
Metropolitan Council**

**THIS AGREEMENT** (“Agreement”), effective on the date of execution by both parties, is made and entered into by and between Metropolitan Council, a public corporation and political subdivision of the State of Minnesota (“Council”) and the City of East Bethel, a Minnesota municipal corporation (“City”).

**RECITALS**

- 1.** Pursuant to Minnesota Statutes § 473.517, subd. 1, the Council shall allocate current costs of operation, maintenance, and debt service (“Current Costs”) among and paid by all local government units which discharge wastewater directly or indirectly into the metropolitan disposal system. For purposes of this Agreement, the above described payments are referred to herein as municipal wastewater charges (“MWC”). The Council’s wastewater treatment plant, interceptor and effluent pipes to serve the City will be a part of the metropolitan disposal system.
- 2.** Pursuant to Minnesota Statutes § 473.517, subd. 3, the Council shall allocate the reserved capacity portion of the costs of acquisition, betterment, and debt service of the interceptors and treatment works (“Reserved Capacity Costs”) among and paid by all local government units through a sewer availability charge (“SAC”) for each new connection or increase in capacity demand to the metropolitan disposal system.
- 3.** Pursuant to Minnesota Statutes § 473.517, subd. 6, the Council may provide for the deferment of payment of all or part of the allocated costs pursuant to Minnesota Statutes § 473.517, subd. 3, repayable with interest at the Council’s average rate of borrowing.
- 4.** The Council’s 2030 Water Resources Management Policy Plan (“Policy Plan”) provides for Council ownership and operation of wastewater facilities to serve rural area communities that want to accommodate growth, for which the planning designation Rural Growth Center has been provided in the Policy Plan. The City has requested, and the Council has approved, the City’s designation as a Rural Growth Center (“Rural Growth Center”).
- 5.** The Council’s Policy Plan provides wastewater service to the City through wastewater treatment facilities to be constructed specifically to serve the City initially, and that are also planned so that these facilities may serve a portion of the city of Oak Grove or other communities in the future. The City has submitted, and the Council has approved, the City’s 2030 Comprehensive Sewer Plan.

6. The Council's Policy Plan policy on rates and charges provides that: (a) municipal wastewater charges will be allocated to communities uniformly, based on flow; and (b) sewer availability charges for a Rural Growth Center shall be based on the reserve capacity of the wastewater treatment facility and the Council's debt service specific to the Rural Growth Center.
7. The Council is currently designing the East Bethel wastewater treatment facility, MCES Project 801620 to serve the City. Construction is scheduled for 2011-2012.
8. Council and City have determined that it is in their best interests to enter into this Agreement in order to specify SAC matters for the City and to specify the terms for contingent loans for part of the reserve capacity charges and other related matters.
9. The Council has authorized its Regional Administrator to enter into this Agreement pursuant to Business Item No. 2010-355 passed by the Council on October 27, 2010. The City has authorized its Administrator to enter into this Agreement pursuant to a motion passed by the City Council on November 3, 2010.

**NOW, THEREFORE**, for valuable consideration, the receipt of which is acknowledged by both parties, the parties agree as follows:

**ARTICLE I**  
**Financial Terms and Conditions**

**1.01 Municipal Wastewater Charges (MWC).**

a. Allocation. Council shall measure the City's wastewater flow and allocate current costs consistent with the methodology used throughout the metropolitan disposal system to allocate Current Costs among and charge local government units in the form of MWC, as may be amended from time to time. The Council's regular MWC billings to the City shall begin for the calendar year 2014 based on the wastewater flow for the period July 1, 2012 – June 30, 2013. Prior to that regular cycle, the Council's MWC billings to the City for the calendar year 2013 shall be based on the estimated number of SAC units served prior to June 30, 2012, flow estimates/SAC and the duration of such usable connections within the subject period. Council shall invoice the City monthly. City shall pay Council within thirty (30) calendar days of each billing.

b. City Obligation - Charges. The City acknowledges its obligation under Minnesota Statutes, including, but not limited to, § 473.519, to adopt and maintain a system of charges for the use and availability of the metropolitan disposal system located within the City which will assure that each recipient of wastewater treatment services within or served by the City will pay its proportionate share of the Current Cost charges allocated to the City by the Council under Minnesota Statutes, § 473.517, as required by federal law and regulations.

c. On or before December 31, 2011, the City shall submit to the Council, for review and approval, a proposed ordinance implementing a system of volumetric charges for the use and availability of the metropolitan disposal system, and shall make modifications in such system if notified by the Council, as needed to comply with the provisions of Minnesota Statutes § 473.519, the Council's Waste Discharge Rules and federal law and regulations. Upon approval, the Municipality shall maintain such system of volumetric charges in accordance with section 473.519.

d. City Obligation – Connections. The City agrees that within twelve (12) months of service being available, the City shall mandate connections to the metropolitan disposal system and will pay the Council SAC for connections in the business district described as Project 1 Phase One.

e. Reservation of Rights. Nothing in this article shall be deemed to limit the Council's rights to add-to, amend or change its method of allocating and/or collecting costs under Minnesota Statutes, section 473.517, subdivision 1.

**1.02 Sewer Availability Charges (SAC).**

a. City Obligation. The City acknowledges its obligation under Minnesota Statutes, including, but not limited to, § 473.517 subd. 3, to pay Reserved Capacity Costs allocated to the City by the Council under § 473.517, subd. 3. These costs are currently allocated to cities by the Council through the Sewer Availability Charge (SAC) system, based on the number of residential equivalent SAC units which become connected within the City either directly or indirectly to the metropolitan disposal system. City acknowledges and agrees that SAC and reporting for it will be due beginning twelve (12) months prior to startup of the wastewater treatment facility. The City acknowledges and agrees that it is liable for SAC whether or not it collects, or is able to collect, such amounts from any property owners or other third parties.

b. Implementation of SAC System. Under the current SAC system, the City shall be responsible for monitoring, reporting of connections, and other duties in accordance with Council's policies and procedures for collecting SAC charges. If under the current SAC system, the City chooses to collect charges from the owners of the property connected to City sewers which are connected to the metropolitan disposal system, it shall be solely responsible for billing and collecting such charges from the property owners.

c. Reservation of Rights. Nothing in this article shall be deemed to limit the Council's rights to add-to, amend or change its method of allocating and/or collecting costs under Minnesota Statutes, section 473.517, subdivision 3 as it pertains to the SAC rate and general SAC collection requirements and procedures.

d. East Bethel's City-Specific SAC (hereafter "East Bethel SAC"). Council shall establish the East Bethel SAC pursuant to the Council's policies and SAC procedures. The East Bethel SAC shall initially be based on the wastewater treatment facility debt service specific to the City, as estimated in Exhibit A. The estimated capital costs described in Exhibit A, and the East Bethel SAC based on the associated debt service, may be adjusted after final project costs have been determined and if needed for additional project costs should they occur prior to the end of the designation of the city of East Bethel as a Rural Growth Center. Adjustments, if any, to the SAC rates will not be retroactive.

Council and City agree that the East Bethel SAC has been determined, based on the following factors: (1) debt service and/or capital costs on City-specific capital costs based on financing over a term extending to 2030 at an interest rate based on the actual rate(s) of financings used by the Council to fund the project costs, currently estimated at 3.0% for the initial facility and 4.5% for the future expansion; (2) 2030 Comprehensive Plan forecast of 5,500 SAC units; (3) a constant SAC unit growth rate of approximately 10.6% annually from 2012 through 2030; (4) reserve capacity determination using cumulative SAC units as forecasted for the currently used portion of total capacity; (5) fixed East Bethel SAC rate increases of 3% annually; and (6) East Bethel SAC computed to recover the present value of reserve capacity of debt service as determined in (1) hereinbefore.

Council and City agree that the East Bethel SAC based on the capital costs in Exhibit A and the above factors, shall be \$3,300 in 2012, increasing 3% annually to \$5,600 in 2030. East Bethel SAC may be adjusted if the final capital costs and interest rates are materially different than expected.

e. Nothing in this Agreement prohibits or restricts the sewer, SAC or other related charges that the City may or may not charge to property owners within the City.

### **1.03 Reserve Capacity Loans.**

a. Amount. If at the end of each calendar year, starting with the year 2012, the SAC units attributed (either i), actually paid, or ii) loaned as described in this paragraph) to the Council by the City on an annual basis, are below the estimate of growth for the year based on the 2030 Comprehensive Plan forecast for the City used to set the rates as described herein, the deficiency shall be considered a Reserve Capacity Loan ("Reserve Capacity Loan") from the Council to the City, pursuant to M.S. 473.517 subd. 6. Interest shall accrue on the prior year-end balance at 3.6% APR annually. In years where the actual SAC paid by the City to the Council exceeds the estimate, the surplus SAC shall be considered a payment against any then outstanding loans. If such a surplus occurs and no loan balance is then outstanding, no rebate shall occur, however, the amount of units paid over the cumulative forecast shall be available to offset a future year shortage (that is, to reduce the required loan in a future year when the annual SAC units paid are less than forecast).

b. Payment. If a Reserve Capacity Loan balance is outstanding at any year-end, the City shall pay, at a minimum, an annual amount set by the Council which shall be an amount not greater than the ordinary municipal wastewater charge to be charged to the City in that same calendar year based on the community's annual flow volume in the metropolitan disposal system. [w1]The payment shall be applied first to interest accrued and the remainder against the cumulative outstanding principal on the loan. During the first five years of the Loan, the Council may require a lesser payment to allow the City to gradually adjust its retail sewer charges or other revenues to cover the Loan payments.

Minimum payments on the loan shall be determined by the Council in January of each year and included on monthly bills, provided however, that the Council may estimate the loan payment requirements for the first two months of each year and reconcile the difference in the March bill of each year.

c. Prepayment. The City may prepay all or part of the loan at any time to avoid additional interest accrual.

d. Developing Community. The Council agrees that if: a) the City meets the conditions of the Council to become a Developing Community as determined by the Council; or b) another city is provided sewer service through the East Bethel wastewater treatment facilities; or c) the City reaches its current 2030 Comprehensive Sewer Plan population forecast, or d) at the conclusion of the 2030 Water Resources Policy Plan (*i.e.* at the end of the year 2030), the East Bethel SAC rate may be frozen by the Council at the then current rate and retained at that rate, even though that rate is a higher rate than the urban SAC until such time as the outstanding loan is entirely repaid. This term shall survive the Agreement until the entire Loan is repaid, or the condition in Section 1.03(e) occurs:

e. The parties agree that the terms of the Agreement are intended to handle the short or medium term problem that planned growth is deferred from the expectations of the Comprehensive Plans. However, if 30 years after the first Loan is recorded, substantial planned growth has not occurred and expectations at that time are that it may continue to be below 2030 forecasts, the parties agree to renegotiate in good faith to provide for an end to the Loan that does not require an unreasonable burden on the sewer rates of the still small City.

## ARTICLE II Conveyance of Interceptor Ownership to City

### 2.01 Transfer.

If the Council determines that the interceptor constructed along Viking Blvd. and STH 65 no longer serves a regional benefit, the Council will transfer to the City and the City

agrees, without payment from the Council, to accept title and ownership of that portion of the aforementioned interceptor within the City. Such transfer may occur at any time after determination in the sole discretion of the Council that the aforementioned interceptor no longer serves a regional benefit and certification by the Council that the interceptor to be transferred is in good operating condition.

**ARTICLE III**  
**Compliance with Council Rules and Policies**

**3.01 Infiltration and Inflow.**

The City shall comply with the Council's policy and procedures on Infiltration/Inflow and its standards for allowable peak hour to average daily wastewater flow. On or before June 30, 2012, the City shall submit its proposed Infiltration/Inflow program to the Council for review and approval and shall adopt and follow any recommendations of the Council regarding inflow and infiltration into the City's sewage collection system.

**3.02 Waste Discharge Rules.**

The City acknowledges that all discharges to the City's sewage collection system are subject to the Council's Waste Discharge Rules and any other rules or requirements adopted by the Council relating to the metropolitan disposal system. The City shall adopt a sanitary sewer use ordinance which ensures City compliance with Council's policies and Waste Discharge Rules, however amended. The City agrees to cooperate with the Council in enforcement of Council's rules and enforcement requirements. Nothing in this Agreement prohibits or limits the Council's right to make general changes to the Waste Discharge Rules.

**3.03 Comprehensive Plan.**

The City has prepared and adopted its 2030 Comprehensive Plan Update and Tier II Comprehensive Sewer Plan, in accordance with Minnesota Statutes §§ 462.355, subd. 1a and 473.864, subd. 2. The Council has approved the City's Tier II Comprehensive Sewer Plan and authorized the City to put its 2030 Comprehensive Plan Update into effect.

In accordance with Minnesota Statutes, section 473.858, subd. 1, and section 473.865, subd. 3, upon approval and adoption by the City of the comprehensive plan, the City shall adopt or amend official controls to ensure planned, orderly, and staged development consistent with the comprehensive plan and so as not to conflict with the comprehensive plan. The City shall submit copies of such official controls to the Council in accordance with Minnesota Statutes, section 473.865, subd. 1.

Nothing in this agreement shall modify the City's obligations under the referenced statutes or in the Comprehensive Plan.

**ARTICLE IV  
Notices**

Any notice or demand which may or must be given or made by either party to this Agreement, under the terms of this Agreement and any statute or ordinance, shall be in writing and shall be sent by certified mail, return receipt requested, or delivered in person, to the other party addressed or delivered as follows:

General Manager  
Environmental Services  
Metropolitan Council  
390 North Robert Street  
St. Paul, MN 55101

City Administrator  
2241 221<sup>st</sup> Avenue NE  
East Bethel, MN 55011

**ARTICLE V  
General Provisions**

**5.01 Successors and Assignment.**

The Covenants of this Agreement shall be binding upon and inure to the benefit of the parties, their successors, and assigns. The City may neither assign nor transfer any rights or obligations under this Agreement without the prior consent of the Council and a fully executed Assignment Agreement, executed by authorized representatives of the parties to this Agreement.

**5.02 Amendments.**

The terms of this Agreement may be changed only by the mutual agreement of the parties. Such changes shall be effective only upon execution of written amendments executed by authorized representatives of the parties to this Agreement.

**5.03 Non-Waiver.**

If the Council fails to enforce any provision of this Agreement, that failure does not waive the provision or any other provision or the Council's right to enforce it at a later date.

**5.04 Contract Complete.**

This Agreement contains all negotiations and agreements between the Council and the City related to the matters included herein. No other understanding regarding this Agreement, whether written or oral, may be used to bind either Party.

**5.05 Construction of Agreement.**

This Agreement is intended to assist in implementing the Council’s policy plans and system plans and shall be interpreted consistently with the provisions and intent of such plans.

**5.06 Severability.**

The provisions of this Agreement shall be deemed severable. If any part of this Agreement is rendered void, invalid or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this Agreement unless the part or parts which are void, invalid or otherwise unenforceable shall substantially impair the value of the entire agreement with respect to either Party.

**5.07 Liability.**

Except as provided elsewhere in this Agreement, each Party agrees that it will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of the other Party and results thereof. The liability of the Council and the City shall be governed by the provisions of Minnesota Statutes, chapter 466, and other applicable law. Nothing in this Agreement shall constitute or be construed as a waiver by the Council or the City of any statutory limits on or exceptions to liability.

**5.08 Council Audits.**

In accordance with Minnesota Statutes, section 16C.05, subd. 5, the City’s books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the Council and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement.

**5.09 Government Data Practices.**

The City and Council must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, as it applies to all data provided by the Council under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the City under this Agreement. The civil remedies of Minnesota Statutes, section 13.08, apply to the release of the data referred to in this clause by either the City or the Council.

**5.10 Conformance to Law.**

The parties to this Agreement acknowledge and agree to the following:

a) This Agreement addresses certain of the rights and obligations to the parties under Minnesota Statutes, chapter 473, but this Agreement is not intended to be a complete description of all rights and obligations of the parties with respect to each other that may exist under such chapter or other provisions of law.

b) Future changes in Minnesota Statutes, chapter 473, and other applicable law may modify the rights and obligations of the parties with respect to each other and such changes in law shall take precedence over any provisions of this Agreement that may be inconsistent and irreconcilable with such changes.

**5.11 Venue.**

This Agreement shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

**5.12 Recitals.**

The Recitals are hereby incorporated into and made a part of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the dates indicated below.

**METROPOLITAN COUNCIL**

Approved as to Form:

\_\_\_\_\_  
Office of General Counsel

By: \_\_\_\_\_

Its: Regional Administrator

Date: \_\_\_\_\_

**FOR THE CITY OF EAST BETHEL**

By: \_\_\_\_\_

Title: Mayor

Date: November 3, 2010

ATTEST:

By: \_\_\_\_\_

Title: City Administrator

Date: November 3, 2010

## EXHIBIT A

### ESTIMATED CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES

Component	Est. Cost (1)
<b>Initial Project</b>	
Influent Storage (2)	\$ 600,000
Wastewater Treatment Plant (3)	9,500,000
Treated Water Distribution System (4)	5,700,000
Land Application Facilities (5)	1,600,000
Land Acquisition (6)	600,000
<hr/>	
Total - Initial Project	\$18,000,000
<hr/>	
<b>Future Facility Expansion (3)</b>	
Plant Expansion	\$10,000,000
Treated Water Distribution	2,000,000
Land Application Facilities (incl. land)	<u>2,000,000</u>
Total-Expansion	\$14,000,000

#### Notes:

1. Estimated cost includes construction, engineering, inspection, and administration.
2. Incremental cost of increasing size of influent interceptor sewer from STH 65 to treatment facility from 24-inch diameter to 60-inch diameter. This option is being used in lieu of providing storage within the wastewater treatment facility.
3. Plant will be constructed in phases. Initial phase has 0.41 mgd capacity. Future facility expansion (approx. year 2020) will increase capacity to 1.22 mgd.
4. Pipeline to convey treated water from wastewater treatment plant to the two initial land application facilities.
5. Facilities designed to distribute treated water such that it infiltrates through the soil and recharges the groundwater.
6. Cost of acquiring two land application sites (\$60,000 for one; free long-term use of second site) and two-thirds of the wastewater treatment plant site, which is planned to serve portions of Oak Grove, and potentially Ham Lake, in the future.

March 13, 2013

**SENT VIA EMAIL AND HARDCOPY USPS**

Mr. Jack Davis  
City Administrator  
City of East Bethel  
2241 – 221<sup>st</sup> Avenue NE  
East Bethel, MN 55011  
[jack.davis@ci.east-bethel.mn.us](mailto:jack.davis@ci.east-bethel.mn.us)

**Re: East Bethel Wastewater Service Agreement  
Metropolitan Council Contract Number 10I024  
AMENDMENT NUMBER ONE NOTICE TO PROCEED**

Dear Mr. Davis:

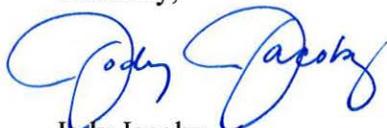
Enclosed is a fully executed copy of Amendment Number One to the Agreement for the above referenced project. You are hereby authorized to proceed in accordance with the provisions of the Amendment.

Mr. Jason Peterson is the Metropolitan Council Project Manager for this project. Mr. Peterson has full authority to act on behalf of the Metropolitan Council on all matters related to the services to the extent that these matters are within the terms of this Amendment and the original contract. The Project Manager does not have the authority to change the Contract or in any way obligate the Council to adjust the Contract Price or Contract Time.

Mr. Peterson is the only person authorized to provide direction to your firm relative to the services to be furnished under this Amendment and the original Contract. I trust that this information will facilitate your work under this Amendment.

If you have any questions or clarifications concerning the above, please call Mr. Peterson at (651) 602-1614.

Sincerely,



Jody Jacoby  
Contracts Manager

JLJ/rdh

Enclosure

cc: Jason Peterson, w/attachment; Miriam Lopez-Rieth, w/attachment; CPU contract file, w/attachment

n:\CPUMCES\2010\10I024\Amendments\Amendment One NTP\_10I024

**METROPOLITAN COUNCIL**  
390 North Robert Street, St. Paul, MN 55101  
(651) 602-1000

**AMENDMENT NUMBER ONE**  
to  
**CONTRACT FOR SERVICES**

Metropolitan Council Contract Number 10I024

The City of East Bethel and the Metropolitan Council agree that the Wastewater Service Agreement entered on December 9, 2010, is amended in the following particulars.

**1. ARTICLE I Financial Terms and Conditions**

**“ARTICLE I Financial Terms and Conditions, Section 1.02 Sewer Availability Charges (SAC), Subsection d. Paragraphs 2 and 3 are DELETED and the following language is INSERTED in its place:**

Council and City agree that the East Bethel SAC has been determined, based on the following factors: (1) debt service and/or capital costs on City-specific capital costs based on the actual rate(s) of financing used by the Council to fund the project costs, currently estimated at 2.73% for the initial facility and 4.5% for the future expansion; (2) 2030 Comprehensive Plan forecast of 5,500 SAC units; (3) growth beginning with 50 SAC units in 2013; (4) reserve capacity determination using cumulative SAC units as forecasted for the currently used portion of total capacity; and (5) East Bethel SAC computed to recover the present value of reserve capacity of debt service as determined in (1) hereinbefore.

Council and City agree that the East Bethel SAC based on the capital costs in Exhibit A - Revised and the above factors, shall be \$2,600 in 2013, increasing approximately 5% annually thereafter. East Bethel SAC may be adjusted if the final capital costs and interest rates for the initial facility, and/or capital costs, interest rate, and timing of the future expansion, are materially different than estimated.”

**2. ARTICLE I Financial Terms and Conditions**

**“ARTICLE I Financial Terms and Conditions, Section 1.02 Sewer Availability Charges (SAC), INSERT the following language as Subsection f.**

f. The City owns a wastewater treatment plant serving the Castle Towers area. The City intends to acquire the wastewater treatment plant serving the Village Green area. In accordance with the Council’s SAC policy and procedure, the City will not owe SAC for the currently served properties in those two areas. However, these units shall not be counted as part of the 5500 SAC units described in Article 1.02d.”

3. **ARTICLE I Financial Terms and Conditions**

“ARTICLE I Financial Terms and Conditions, Section 1.03 Reserve Capacity Loans, Subsection a. Amount. ~~DELETE~~ *the year 2012* and ~~INSERT~~ *the year 2013.*”

4. **EXHIBIT A ESTIMATED CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES:**

“EXHIBIT A ESTIMATED CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES is ~~DELETED~~ and EXHIBIT A - REVISED ESTIMATED CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES is ~~INSERTED~~ in its place.”

Except as amended hereby, the provisions of the above-referenced contract shall remain in force and effect without change.

IN WITNESS WHEREOF, the parties have caused this amendment to be executed by their duly authorized representatives.

**CITY OF EAST BETHEL**

By: 

Its: Mayor

Date: 2/20/2013

By: 

Its: City Administrator

Date: 2/21/2013

**METROPOLITAN COUNCIL**

By: 

Its: Regional Administrator

Date: 3.5.2013

**EXHIBIT A REVISED**

**ESTIMATED CAPITAL COSTS FOR  
EAST BETHEL WASTEWATR TREATMENT FACILITIES**

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Component	Est. Cost (1)
<b>Initial Project</b>	
Influent Storage (2)	\$ 600,000
Wastewater Treatment Plant (3)	12,200,000
Treated Water Distribution System (4)	5,000,000
Land Application Facilities (5)	1,600,000
Land Acquisition (6)	600,000
<hr/>	
<b>Total – Initial Project</b>	<b>\$20,000,000</b>
<hr/>	
<b>Future Facility Expansion (3)</b>	
Plant Expansion	\$10,000,000
Treated Water Distribution	2,000,000
Land Application Facilities (incl. land)	<u>2,000,000</u>
<b>Total Expansion</b>	<b>\$14,000,000</b>

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**Notes:**

1. Estimated costs includes construction, engineering, inspection, and administration.
2. Incremental cost of increasing size of influent interceptor sewer from STH 65 to treatment facility from 24-inch diameter to 60-inch diameter. This option is being used in lieu of providing storage within the wastewater treatment facility.
3. Plant will be constructed in phases. Initial phase has 0.41 mgd capacity. Future capacity expansion (approx. year 2023) will increase capacity to 1.22 mgd.
4. Pipeline to convey treated water from wastewater treatment plant to the two initial land application facilities.

5. Facilities designed to distribute treated water such that it infiltrates through the soil and recharges the groundwater.
6. Cost of acquiring two land application sites (\$60,000 for one; free long-term use of second site) and two-thirds of the wastewater treatment plant site, which is planned to serve portions of Oak Grove, and potentially Ham Lake, in the future.

	<b>Existing Wastewater Services Agreement</b>	<b>Modification Proposal #1 November 2014</b>	<b>Modification Proposal #2 January 2015</b>	<b>MCES Proposal April 2015</b>
RCL (Reserve Capacity Loan)	As Attached	Eliminate	Eliminate	Keep but cap @ \$2M <sup>1</sup>
SAC Goals (Units)	5,500	None	2,280	5,500
SAC Rates	\$2,850 (2015)	Urban Rate	Urban Rate \$850 + Urban Rate	\$2,850 (2015)
SAC Increases	4.9% annual increase	Urban Rate	\$850+ Urban Rate (no other increase)	\$100 per year
Demo Costs	<b>\$8.5M</b>	Exclude	Exclude	Exclude
WWTP Expansion Costs	<b>\$14M</b>	Exclude	Exclude	Exclude
Flow Charges	100% of flow based on urban rate charges	Eliminate Surcharge	50% of flow based on urban rate charges	100% of flow based on urban rate charges
WWTP, RIB and MCES Force Main and Reserve Capacity costs	<b>\$15.4M</b>	\$15.4M	\$15.4M	\$15.4M
Net Present Value (NPV) Costs to Recover for MCES	Up to \$37.9M	\$7.7M	\$7.7M	\$7.7M

- 1.) The population growth forecast (Thrive 2030) would trigger the \$2M RCL debt renegotiation in 2023. At this time it is projected that MCES would have recovered \$1.3M of their \$7.7M. This would also show that the financial model is not working, and require re-negotiation of the RCL.

## Rural Growth Center (RGC) - East Bethel

### Reserve Capacity Loan (with actual capital cost)

**Key Assumptions and Terms:**

- 1 \$24.87 million capital cost for plant plus a \$14m (in 2010 \$) expansion in 2023 (the interceptor cost is recovered separately under a cost sharing agreement).
- 2 50 RECs are planned in 2014, growing 17% per year until 5,500 RECs in 2032 (per Comp Plan).
- 3 The SAC rate is increased 4.8% per year, rounded to the nearest \$10.
- 4 The SAC rate is computed to recover present value (at estimated borrow rate for this project of 2.73%) of reserve capacity portion of capital costs over 20 years.
- 5 If SAC units paid are less than planned (based on 2030 forecast), an annual Reserve Capacity Loan is automatically made (at MCES' average borrowing rate).
- 6 Principal and interest is payable on the loan annually (at year-end) with a maximum payment equal to Municipal Wastewater Charges paid in the same year.
- 7 Interest on financing at 3.6% is charged on beginning year balance payable by year end. No interest charged during year of deficiency.

	SAC Rate	SAC Units			Anticipated SAC Revenue based on Forecast SAC units	Actual SAC Revenue	Beginning Balance	Reserve Capacity Loan					Year-End Balance	
		Contract	Actual	Variance				New Borrowing	Loan Payment	Interest Rate	Interest Owed	Principal Paid		
2012	3,300	-	16	16	-	-	-							
2013	2,600	-	40	40	-	-								
2014	2,720	50	8	(42)	136,000	178,560	-	(42,560)		3.6%	-			(42,560)
2015	2,850	59		(59)	168,150	-	(42,560)	168,150		3.6%	-			125,590
2016	2,990 4.91%	69		(69)	206,310	-	125,590	206,310		3.6%	4,521			331,900
2017	3,130 4.68%	81		(81)	253,530	-	331,900	253,530		3.6%	11,948			585,430
2018	3,280 4.79%	95		(95)	311,600	-	585,430	311,600		3.6%	21,075			897,030
2019	3,440 4.88%	111		(111)	381,840	-	897,030	381,840		3.6%	32,293			1,278,870
2020	3,610 4.94%	130		(130)	469,300	-	1,278,870	469,300		3.6%	46,039			1,748,170
2021	3,780 4.71%	152		(152)	574,560	-	1,748,170	574,560		3.6%	62,934			2,322,730
2022	3,960 4.76%	178		(178)	704,880	-	2,322,730	704,880		3.6%	83,618			3,027,610
2023	4,150 4.80%	208		(208)	863,200	-	3,027,610	863,200		3.6%	108,994			3,890,810
2024	4,350 4.82%	243		(243)	1,057,050	-	3,890,810	1,057,050		3.6%	140,069			4,947,860
2025	4,560 4.83%	284		(284)	1,295,040	-	4,947,860	1,295,040		3.6%	178,123			6,242,900
2026	4,780 4.82%	332		(332)	1,586,960	-	6,242,900	1,586,960		3.6%	224,744			7,829,860
2027	5,010 4.81%	388		(388)	1,943,880	-	7,829,860	1,943,880		3.6%	281,875			9,773,740
2028	5,250 4.79%	454		(454)	2,383,500	-	9,773,740	2,383,500		3.6%	351,855			12,157,240
2029	5,500 4.76%	531		(531)	2,920,500	-	12,157,240	2,920,500		3.6%	437,661			15,077,740
2030	5,760 4.73%	621		(621)	3,576,960	-	15,077,740	3,576,960		3.6%	542,799			18,654,700
2031	6,040 4.86%	727		(727)	4,391,080	-	18,654,700	4,391,080		3.6%	671,569			23,045,780
2032	6,330 4.80%	841		(841)	5,323,530	-	23,045,780	5,323,530		3.6%	829,648			28,369,310
		<u>5,554</u>			<u>28,547,870</u>									
					<u>Discount Rate</u>									<u>2.73%</u>
					<u>Net Present Value</u>									<u>19,581,454</u>

# Rural Growth Center (RGC) - East Bethel

## Reserve Capacity Capital Cost Agreement

**Key Assumptions and Terms:**

- 1 \$23.87 million in capital costs
- 2 A reduction of \$8.5M for demonstration costs - \$15.37 Capital Costs
- 3 The City is responsible for the reserve capacity portion of the \$15.37M in Capital Costs, which is \$7.7M
- 4 64 ERU's have been recorded as of 12/31/14 or \$178,560
- 5 The 2015 SAC rate for the City is \$2,850 and the Urban Rate is \$2,485 or a difference of \$365
- 6 For all future years the City of East Bethel SAC Rate will be \$850 more than the urban rate
- 7 SAC Unit Projections will be based on reasonable expectations given the current environment and satisfy the capacity of only the first phase requirement constraint of 2,280 SAC Units
- 8 If the SAC units paid are less than planned for, they will be made up in the proceeding years.
- 9 No reserve capacity loan will be instituted, but MWCC will be 50% more annually to pay for capital costs
- 10 The table below illustrates how the terms are set to recover the present value (at estimated borrow rate for this project of 1.0%) of the reserve capacity portion of capital costs over 25 years.

	Urban Rate	850 EB Rate	13.9% SAC Units	Anticipated SAC Revenue based on Forecast SAC units	MWCC (50% of annual)	Total \$
2012		3,300	160			
2013		2,600				
2014		2,720	64	178,560	-	178,560
2015	2,485	2,850	20	57,000	-	57,000
2016	2,485	3,335	23	75,938	16,362	92,300
2017	2,485	3,335	26	86,455	17,521	103,977
2018	2,485	3,335	30	98,429	18,825	117,255
2019	2,535	3,385	34	113,742	20,315	134,057
2020	2,585	3,435	38	131,408	22,004	153,412
2021	2,635	3,485	44	151,786	23,939	175,725
2022	2,685	3,535	50	175,287	26,140	201,427
2023	2,735	3,585	56	202,387	28,659	231,046
2024	2,785	3,635	64	233,632	31,555	265,187
2025	2,835	3,685	73	269,648	34,894	304,543
2026	2,885	3,735	83	311,160	38,747	349,907
2027	2,935	3,785	95	358,998	43,189	402,188
2028	2,985	3,835	108	414,119	48,346	462,465
2029	3,035	3,885	123	477,621	54,313	531,934
2030	3,085	3,935	140	550,770	61,233	612,003
2031	3,135	3,985	159	635,019	69,267	704,286
2032	3,185	4,035	181	732,041	78,356	810,396
2033	3,235	4,085	207	843,756	88,636	932,392
2034	3,285	4,135	235	972,374	100,266	1,072,639
2035	3,335	4,185	268	1,120,434	113,421	1,233,855
			<b>2,280</b>	<b>8,190,564</b>	<b>935,989</b>	<b>9,126,553</b>

Discount Rate 2.73%

**Net Present Value** **\$5,345,365** **\$617,455** **\$5,962,820**

# East Bethel Proposal

Draft 4/16/15

## **Proposal:**

- Amend the Contract to exclude \$8.5M of *net* demonstration costs.
- Set a \$2M loan balance trigger for renegotiation to occur.
- No other changes to the existing contract.

This leaves the contractual expectation of SAC units based on the 2030 Comp Plan forecast and leaves the Reserve Capacity Loan (RCL) mechanism in place, which includes the requirement to pay annual loan payments (albeit limited to annual municipal wastewater charges).

Based on these terms, MCES set the SAC rate so that it recovers the net present value (NPV) cost of the *reserve capacity portion* of the remaining \$15.4M of capital costs in the final East Bethel service capital cost pool over the period from first SAC liability until the existing treatment plant reaches capacity (the Thrive MSP 2040 forecast projects this to happen in 2035). MCES also chose a gradual (and steady) increase in the SAC rate over the term so that there is no early years' rate shock.

**Result:** A proposed East Bethel SAC rate increase of \$100 per year from the current 2015 rate of \$2,850 (see rates below). If SAC units are paid at the Thrive forecast, the RCL hits the \$2M trigger in 2023.

**Stakeholder group reaction:** The workgroup that included seven urban city officials from St. Paul, Roseville, Andover, Golden Valley, Apple Valley, North St. Paul and Metro Cities were okay with excluding the \$8.5 million of net demonstration costs from the East Bethel cost pool. However, the consensus was also expressed that the net present value of the reserve capacity portion of the initial capital costs (phase 1) should be recovered.

*Note:* The group requested a minor change to the Wastewater Resources Policy Plan (WRPP) policy in such rural development cases that calls for a proactive stakeholder group review of such deals in the future; this was added to the draft WRPP.

**East Bethel reaction:** City has expressed it does not like continuation of the RCL mechanism or continuing to target 5,500 SAC units, although having a trigger when the loan balance hits \$2 million helps. It prefers SAC rates closer to the urban rate but SAC rates under this option are better than most other options.

## **MCES reaction:**

### **PROS**

- Staff believes that the water reclamation aspects of the plant costs can fairly be characterized as a benefit to the entire region, and so elimination of the \$8.5 million from the East Bethel cost pool is appropriate.
- The \$2 million trigger for renegotiation simply recognizes that the deal as originally anticipated is not working, and if left as is, would actually create anti-growth pressure on the city due to uncompetitive rates and credit issues.
- Easier to explain to the Council than most other options examined.
- Avoids setting a precedent of changing a contract for a new forecast, which would avoid a likely major change to the deal with Elko/New Market or any other Council business for which the forecast was used as an estimate (although a similar loan balance renegotiation trigger might be requested).
- Initial staff opinion is that this probably does not require a WRPP amendment or exception, although the contract change is anticipated to be taken to the Council.

### **CONS**

- MCES will probably not recover the reserve capacity portion of East Bethel specific capital costs as called for in the WRPP. *Using this forecast, only \$1.3M of the \$7.7M NPV (reserve capacity portion of \$15.4M) is recovered by 2023.*
- With the 2030 plan still used, the growth needed to avoid the loans seem unrealistic so the RCL will build quickly and the City will have to use other funding sources to make payments on it, so some animosity with East Bethel might remain.
- We are NOT actually solving the problem entirely and it could come back for renegotiation within 10 years.

	SAC Rates			SAC Units		
	Projected	East Bethel		Current	Thrive	
		Urban	Contract (1)	Proposed	Contract (2)	2040 (3)
				2015	59	20
2015	\$2,485	\$2,850	\$2,850	2016	69	23
2016	\$2,485	\$2,960	\$2,950	2017	81	26
2017	\$2,485	\$3,090	\$3,050	2018	95	30
2018	\$2,585	\$3,230	\$3,150	2019	111	34
2019	\$2,685	\$3,370	\$3,250	2020	130	38
2020	\$2,785	\$3,520	\$3,350	2021	152	44
2021	\$2,885	\$3,670	\$3,450	2022	178	50
2022	\$2,985	\$3,830	\$3,550	2023	208	56
2023	\$3,085	\$4,000	\$3,650	2024	243	64
2024	\$3,185	\$4,180	\$3,750	2025	284	73
2025	\$3,285	\$4,360	\$3,850	2026	332	83
2026	\$3,385	\$4,550	\$3,950	2027	388	95
2027	\$3,485	\$4,750	\$4,050	2028	454	108
2028	\$3,585	\$4,960	\$4,150	2029	531	123
2029	\$3,685	\$5,180	\$4,250	2030	621	140
2030	\$3,785	\$5,410	\$4,350	2031	727	159
2031	\$3,885	\$5,650	\$4,450	2032	<u>837</u>	191
2032	<u>\$3,985</u>	<u>\$5,900</u>	<u>\$4,550</u>	2033		221
average:	\$3,152	\$4,192	\$3,700	2034		250
				2035		<u>292</u>
				Total:	5,500	2,120

**Notes:**

- (1) The contract allows for, and this schedule includes, adjustment to the final capital costs.
- (2) This is the contract basis for setting SAC rates; actual were expected to vary. To date 64 units have been paid (16 in 2012, 40 in 2013 and 8 in 2014). The annual contractual units are based on linear interpolation of the 2030 Comp plan forecast, and extended to 2032 after initial construction was delayed two years. The full capacity utilized required a phase 2 construction around 2023.
- (3) The 2040 forecast now is 2,280 units, but 160 units were grand-parented in, so that capacity did not pay SAC and that capacity is not available to pay the reserve capacity obligation.



# City of East Bethel City Council Work Meeting Agenda Information

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**Date:**

April 22, 2015

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**Agenda Item Number:**

Item 6.0

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**Agenda Item:**

Booster Day

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**Requested Action:**

Discussion Item

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**Background Information:**

As part of the 50<sup>th</sup> anniversary Village/City of East Bethel Celebration, the City sponsored a Family Fun Night for Booster Day in 2009. Events included a Kiddie Parade for toddlers to age 12, a demonstration by the K-9 Unit from the Sheriff’s Department and a “Movie in the Park” event. Several organizations co-sponsored these events to include the East Bethel Royalty and the North Suburban Area Chamber of Commerce. Boy Scout Troop 733 has hosted a concession sales and East Bethel Movie Theatre has provided popcorn for the movie. The East Bethel Fire Department has sponsored a water ball competition.

This event has continued as a Friday night activity and has been sponsored and paid for by Chops, Inc. In addition, the City contributes \$2,500 for the Booster Day Fireworks, serves an administrative support function for the Booster Day Committee and provides event setup, event maintenance staffing and event cleanup. It is estimated that the City provides approximately \$6,000 in staff costs for Booster Day and makes available City resources for advertising and promotion of this event. This does not include any staff costs for the services of the East Bethel Volunteer Fire Department or for the East Bethel Beauty Pageant.

At this time, Council may wish to discuss the City’s role for Booster Day or other ways to participate in the event.

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**Fiscal Impact:**

As noted above.

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