

City of East Bethel
City Council Agenda
 Regular Council Meeting – 7:00 p.m.
 Date: August 5, 2015



Item

- | | | |
|----------------|------------|--|
| 7:00 PM | 1.0 | Call to Order |
| 7:01 PM | 2.0 | Pledge of Allegiance |
| 7:02 PM | 3.0 | Adopt Agenda |
| 7:03 PM | 4.0 | Presentations |
| Page 3-6 | A. | Coon Lake Community and Senior Center |
| 7:13PM | 5.0 | Public Forum |
| 7:18 PM | 6.0 | Consent Agenda |
| Page 7-8 | | |
| | | <i>Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration</i> |
| Page 9-14 | A. | Approve Bills |
| Page 15-49 | B. | Meeting Minutes – July 8, 2015 City Council Work Meeting |
| Page 50-68 | C. | Meeting Minutes – July 15, 2015 City Council Meeting |
| Page 69 | D. | Resolution 2015-39, Check Signatories Resolution |
| Page 70-72 | E. | Excluded Bingo - SFHS Dance Team Booster Club |
| Page 73 | F. | Resolution 2015-40, Adopt-A-Park, Deer Haven |
| | G. | Use of Anoka County Work Service Program |
| Page 74-77 | H. | Resolutions 2015-41, 2015-42, 2015-43 and 2015-44 Acknowledging the East Bethel Royalty for 2015-2016 |
| 7:21 PM | | New Business |
| | 7.0 | Commission, Association and Task Force Reports |
| | A. | Planning Commission |
| Page 78-82 | 1. | Amendment to City Code, Article VII, Section 66-195, Public Land Dedication |
| Page 83-88 | 2. | Elizabeth Erickson –Farm Animal IUP, 22790 Jewell St NE, PIN# 01-33-23-21-0011 |
| Page 89-93 | 3. | Andrew Nelson – Variance - 4640 East Front Blvd NE, PIN# 25-33-23-42-0017 |
| | B. | Economic Development Authority |
| Page 94-98 | 1. | July Report |
| | C. | Parks Commission |
| Page 99-128 | 1. | SCNA Grant Application |
| | D. | Road Commission |
| 7:30 PM | 8.0 | Department Reports |
| | A. | Community Development |

- Page 129-131
 - Page 132-136
 - Page 137
 - Page 138-139
 - Page 140-150
- B. Engineer
 - 1. Castle Towers WWTP Decommission Bids
 - 2. MnDOT Cooperative Agreement Grant - Phase I Service Road
 - C. City Attorney
 - D. Finance
 - E. Public Works
 - F. Fire Department
 - 1. City Hall Generator
 - G. City Administrator
 - 1. Town Hall Meeting
 - 2. Proposed MCES Contract Amendment #2

7:55PM

9.0

Other

- A. Staff Report
- B. Council Reports
- C. Other
- D. Closed Session
 - 1. Purchase or Sale of Real Property Minn. Statute § 13D.05 subd 3(c). PID # 29-33-23-33-0002
 - 2. Attorney-Client Privilege, Minn. Statute 13D.05 subd 3(b)

8:30 PM

10.0

Adjourn



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 4.0

Agenda Item: Coon Lake Community and Senior Center Presentation

Requested Action:

Background Information:

The Coon Lake Beach Community and Senior Center will present a request for delineation of the portion of Lakeshore Drive between Lincoln and Longfellow Drive. The delineation would enable the Center to identify the limits of their lake front property for the purpose of enforcing their dock rental policy.

The Center owns the lake front property between Lakeshore Drive and Coon Lake from Laurel Avenue to the north corporate limits of Ham Lake.

Attachments:

- Attachment 1- Right of Way Exhibit 1
- Attachment 2- Right of Way Exhibit 2
- Attachment 3- Location Map

Fiscal Impact:

To be determined

Recommendation(s):

None at this time

City Council Action

Motion by: _____

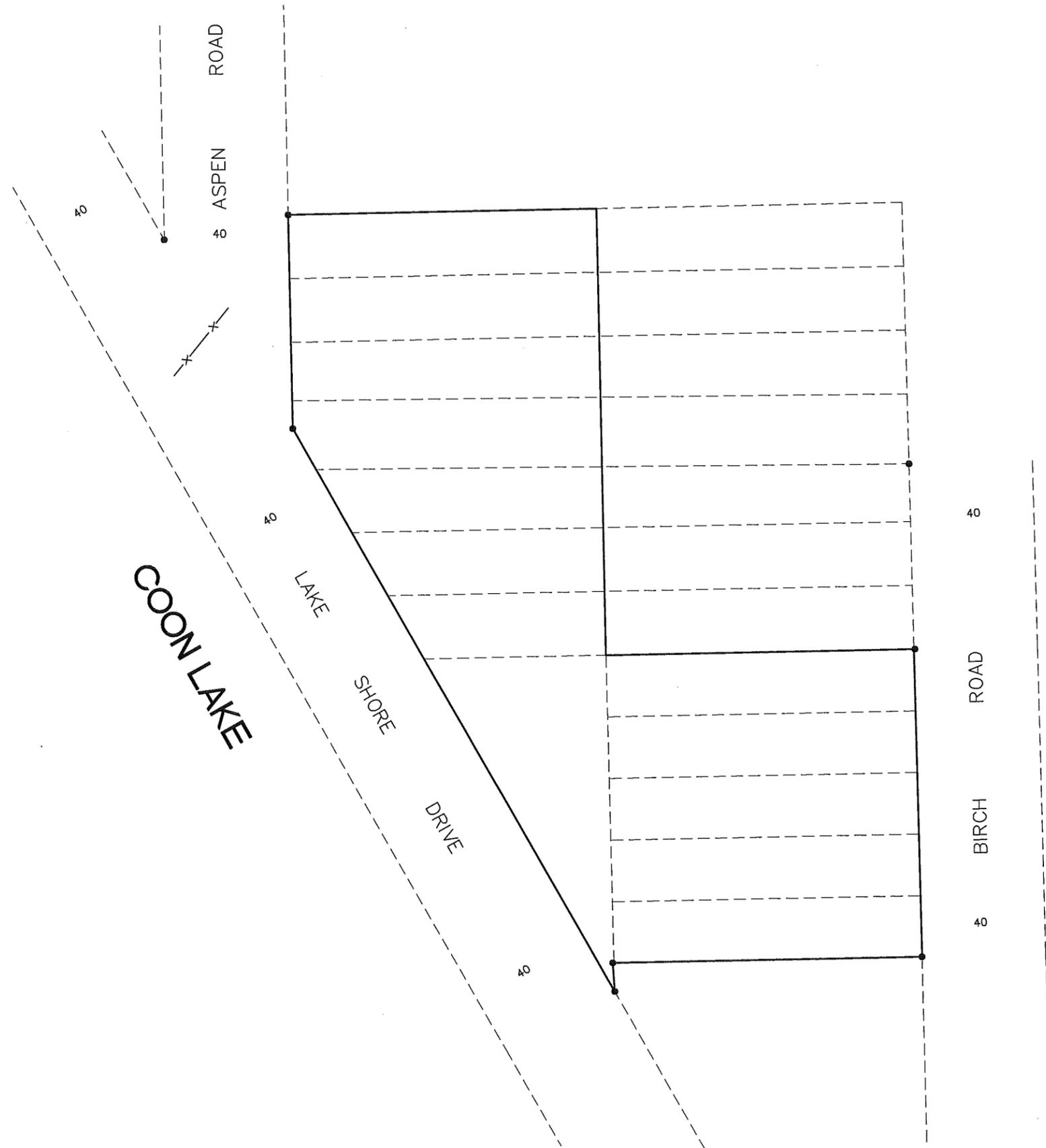
Second by: _____

Vote Yes: _____

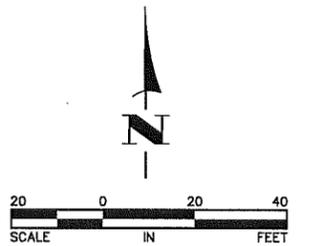
Vote No: _____

No Action Required: _____

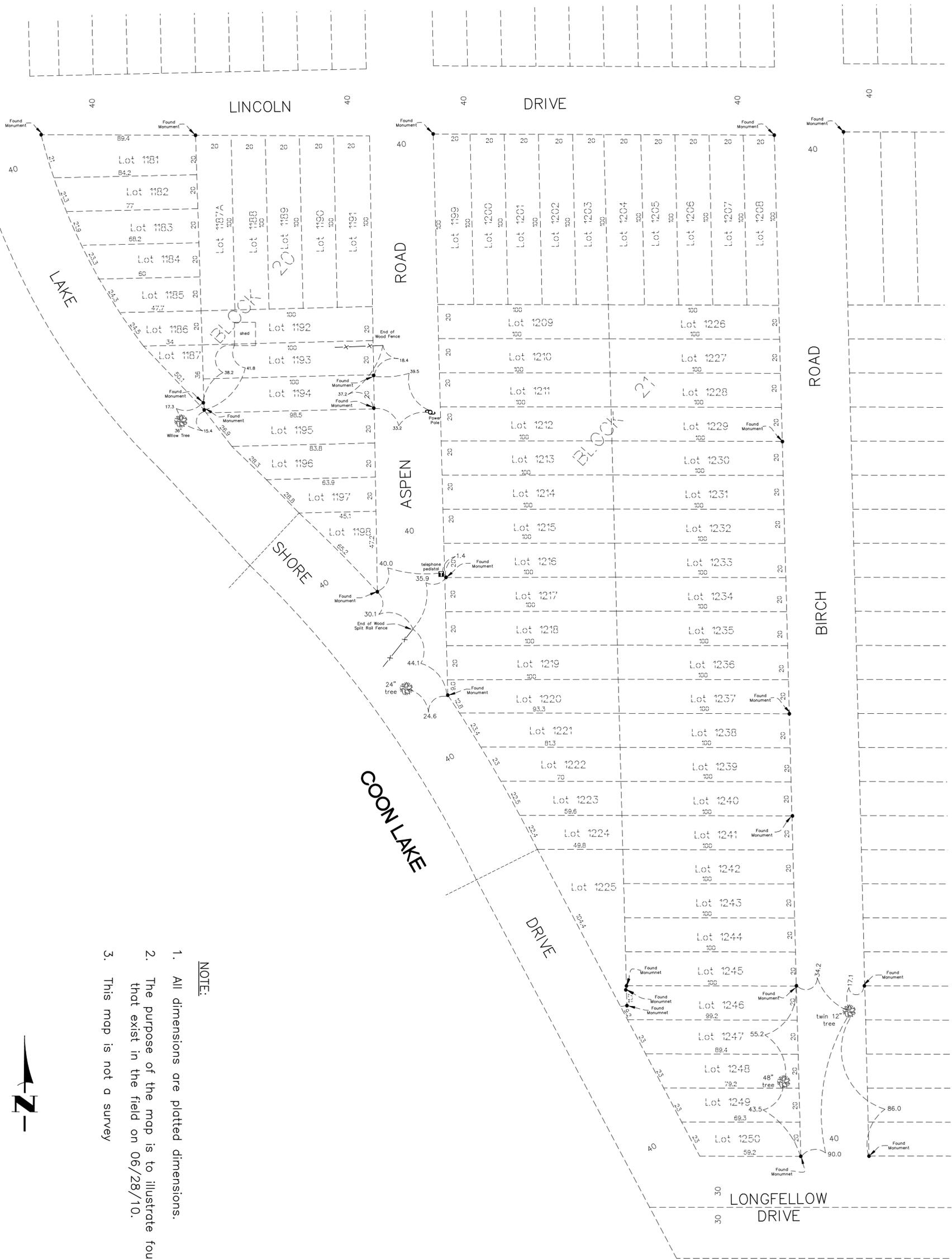
Mar 11, 2009 - 11:04am
K:\cad_surv\land\Desktop 2008\EBB01 COON LAKE BEACH.dwg\EBB01 COON LAKE BEACH.dwg



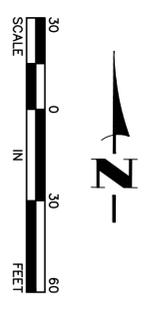
- LEGEND**
- FOUND MONUMENT
 - PROPERTY LINE
 - x-x- FENCE



LAKE SHORE DRIVE/ASPEN ROAD
RIGHT-OF-WAY EXHIBIT
CITY OF EAST BETHEL



- NOTE:**
1. All dimensions are platted dimensions.
 2. The purpose of the map is to illustrate found monuments that exist in the field on 06/28/10.
 3. This map is not a survey



**PROPERTY MAP
 OF BLOCKS
 20 AND 21
 COON LAKE BEACH
 CITY OF EAST BETHEL**

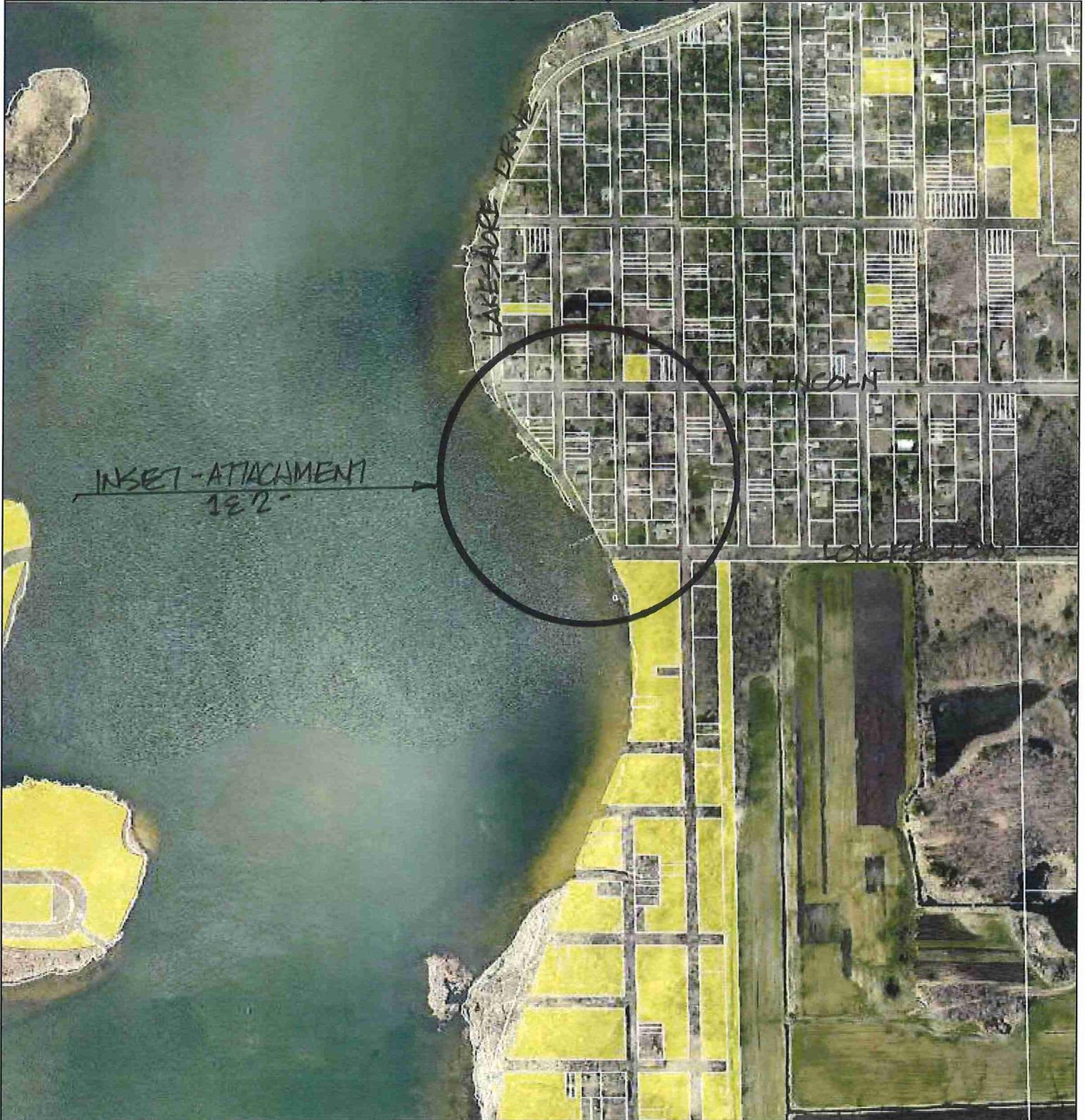


**Hakanson
 Anderson
 Assoc., Inc.**
 Civil Engineers and Land Surveyors
 3601 Thurston Ave, Anoka, Minnesota 55303
 763-427-5860 FAX 763-427-0520

Job No.: EB901

Dwgs No.: COON LAKE BEACH

ATTACHMENT - 3 LOCATION MAP



1 in = 752 ft

 City Owned Property



July 30, 2015

Map Powered by DataLink



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 6.0 A-H

Agenda Item:

Consent Agenda

Requested Action:

Consider approval of the Consent Agenda

Background Information:

Item A

Approve Bills

Item B

July 8, 2015 City Council Work Meeting Minutes

Meeting minutes from the July 8, 2015 City Council Work Meeting are attached for your review and approval.

Item C

July 15, 2015 City Council Minutes

Meeting minutes from the July 15, 2015 City Council Meeting are attached for your review and approval.

Item D

Check Signatories Resolution

This resolution updates the authorized check signatories for the City’s money market account at Village Bank—removing the former Mayor (Lawrence) and former Council member (Moegerle). This resolution reaffirms the authorized signatories on the account as the City Administrator and Finance Director.

Item E

Approve Application to Conduct Excluded Bingo for St. Francis High School Dance Team – October 1, 2015

The Parent Booster Club for the St. Francis High School Dance Team has applied for a one day permit to conduct excluded bingo on October 1, 2015 at Hidden Haven Golf Club. The application form has been submitted and is complete. Staff is recommending Council approve the one day permit for the SFHS Dance Team to conduct excluded bingo on October 1, 2015 at Hidden Haven Golf Club.

Item F

Resolution 2015-40 Adopt-A-Park Deer Haven Park

The City has received an application for the Adopt-A-Park Program to adopt Deer Haven Park from Dennis Feela. Dennis was instrumental in developing the park when the neighborhood was developed and would like to continue to provide volunteer time to help with the park.

Staff recommends adoption of Resolution 2015-40 recognizing the commitment from Dennis Feela to help keep Deer Haven Park clean as part of the City of East Bethel’s Adopt-A-Park program.

Item G

Approve the Use of Anoka County Work Service Program

The Anoka County Corrections Department offers a Work Services Program that provides labor for general municipal projects to Cities and non-profits. If authorized by City Council, our use of this program would be for supplemental labor for locker room cleaning and general maintenance work at the City Ice Arena. Only those with misdemeanors or gross misdemeanors convictions (no juveniles) would be assigned to the City. Their presence on the property would be supervised by the Arena Contractor and the time required for their duties would be completed during normal business hours and concluded prior to any youth activities.

Item H

Resolutions 2015-41, 2015-42, 2015-43 and 2015-44 Acknowledging the East Bethel Royalty for 2015-2016

The East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant where individuals compete to represent the City of East Bethel as an Ambassador for a twelve month period.

Resolution 2015-41 recognizing East Bethel Royalty for 2015-2016 Miss East Bethel Karley Landwehr.

Resolution 2015-42 recognizing East Bethel Royalty for 2015-2016 Princess Tori Larson.

Resolution 2015-43 recognizing East Bethel Royalty for 2015-2016 Little Miss Madison Burch.

Resolution 2015-44 recognizing East Bethel Royalty for 2015-2016 Little Miss Elizabeth Raab.

Staff recommends adoption of these resolutions recognizing the East Bethel Royalty for 2015-2016.

Fiscal Impact:

As noted above.

Recommendation(s):

Staff recommends approval of the Consent Agenda as presented.



Payments for Council Approval August 5, 2015

Bills to be approved for payment	\$113,321.00
Electronic Payroll Payments	\$52,443.01
Payroll - City Council July 15, 2015	\$1,775.99
Payroll - Fire Department July 15, 2015	\$6,955.75
Payroll - City Staff July 16, 2015	\$33,400.86
Payroll - City Staff July 30, 2015	\$31,398.39
Total to be Approved for Payment	\$239,295.00

City of East Bethel

August 5, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Anoka County CDBG	Professional Services Fees	071715	Dunaway Construction	233	23300	\$19,300.00
Anoka County CDBG	Professional Services Fees	9022	Steinbrecher Companies Inc.	233	23300	\$17,190.97
Arena Operations	Electric Utilities	072115	Connexus Energy	615	49851	\$1,523.41
Arena Operations	Gas Utilities	464718345	Xcel Energy	615	49851	\$87.64
Arena Operations	Telephone	332373310-164	Sprint Nextel Communications	615	49851	\$24.12
Bldg Inspection	Surcharge Reimbursement	072315	Engquist Electric, LLC	101		\$4.00
Bldg Inspection	Surcharge Reimbursement	072215	K.B. Service Company	101		\$4.00
Building Inspection	Motor Fuels	661950	Mansfield Oil Company	101	42410	\$303.14
Building Inspection	Professional Services Fees	250542	STS Staffing	101	42410	\$354.13
Building Inspection	Professional Services Fees	252023	STS Staffing	101	42410	\$217.92
Building Inspection	Telephone	332373310-164	Sprint Nextel Communications	101	42410	\$3.24
Central Services/Supplies	Information Systems	220475	City of Roseville	101	48150	\$2,388.67
Central Services/Supplies	Office Equipment Rental	282954072	US Bank Equipment Finance	101	48150	\$269.50
Central Services/Supplies	Office Supplies	IN0857325	Innovative Office Solutions	101	48150	\$42.54
Central Services/Supplies	Office Supplies	5502762044	Pitney Bowes Inc.	101	48150	\$122.38
Central Services/Supplies	Telephone	13143548	Integra Business	101	48150	\$208.63
City Administration	Professional Services Fees	M21464	TimeSaver Off Site Secretarial	101	41320	\$876.25
City Administration	Telephone	332373310-164	Sprint Nextel Communications	101	41320	\$83.06
City Administration	Travel Expenses	072915	Jack Davis	101	41320	\$173.65
Civic Events	General Operating Supplies	15121	Norseman Awards	227	45311	\$70.00
Civic Events	General Operating Supplies	2069481	Swank Motion Pictures, Inc.	227	45311	\$351.00
Civic Events	Professional Services Fees	071715	Kurt Albrecht	227	45311	\$300.00
Economic Development Authority	Professional Services Fees	155534	CivicPlus	232	23200	\$5,960.54
Finance	Travel Expenses	071615	Jackie Campbell	101	41520	\$19.50
Fire Department	Cleaning Supplies	97944	Menards - Forest Lake	101	42210	\$129.81
Fire Department	Clothing & Personal Equipment	167788	Aspen Mills, Inc.	101	42210	\$45.95
Fire Department	Conferences/Meetings	072815	MN Fire Serv Cert Board	101	42210	\$280.00
Fire Department	Conferences/Meetings	3465	MN Fire Serv Cert Board	101	42210	\$1,350.00
Fire Department	Electric Utilities	072115	Connexus Energy	101	42210	\$518.58
Fire Department	Electric Utilities	072115	Connexus Energy	101	42210	\$45.85
Fire Department	Electric Utilities	072115	Connexus Energy	101	42210	\$9.81
Fire Department	Electric Utilities	072115	Connexus Energy	101	42210	\$116.94
Fire Department	Gas Utilities	464718345	Xcel Energy	101	42210	\$78.74
Fire Department	Motor Fuels	661950	Mansfield Oil Company	101	42210	\$482.24
Fire Department	Motor Fuels	661966	Mansfield Oil Company	101	42210	\$260.93
Fire Department	Motor Vehicle Services (Lic d)	4881	Kirvida Fire, Inc.	101	42210	\$107.00
Fire Department	Other Equipment Rentals	91268	Jimmy's Johnnys, Inc.	101	42210	\$580.00
Fire Department	Professional Services Fees	25673	Med Compass, Inc.	101	42210	\$2,230.00
Fire Department	Telephone	13143548	Integra Business	101	42210	\$130.40
Fire Department	Telephone	332373310-164	Sprint Nextel Communications	101	42210	\$6.48
Fire Department	Unemploy Benefit Payments	10013856	MN Dept of Employment and	101	42210	\$28.52
General Govt Buildings/Plant	Cleaning Supplies	SO-0883893	Innovative Office Solutions	101	41940	\$43.26
General Govt Buildings/Plant	Electric Utilities	072115	Connexus Energy	101	41940	\$1,025.46
General Govt Buildings/Plant	Electric Utilities	072115	Connexus Energy	101	41940	\$13.99
General Govt Buildings/Plant	Electric Utilities	072115	Connexus Energy	101	41940	\$160.47
General Govt Buildings/Plant	Gas Utilities	464718345	Xcel Energy	101	41940	\$48.74
General Govt Buildings/Plant	Repairs/Maint Machinery/Equip	11655	Betz Mechanical, Inc.	101	41940	\$282.52

City of East Bethel

August 5, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Mayor/City Council	Conferences/Meetings	IN0857325	Innovative Office Solutions	101	41110	\$14.90
MSA Street Construction	Land	363323130015	Leland J. Frankman Trust Acct	402	40200	\$21,500.00
MSA Street Construction	Professional Services Fees	351	Phil De Boer	402	40200	\$100.00
Park Maintenance	Bldg/Facility Repair Supplies	90891	Menards Cambridge	101	43201	\$80.36
Park Maintenance	Chemicals and Chem Products	72653743	John Deere Landscapes	101	43201	\$44.14
Park Maintenance	Clothing & Personal Equipment	1182174780	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1182197562	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Clothing & Personal Equipment	1182208866	G&K Services - St. Paul	101	43201	\$19.00
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$29.79
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$312.87
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$25.47
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$40.17
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$109.42
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$31.95
Park Maintenance	Electric Utilities	072115	Connexus Energy	101	43201	\$33.06
Park Maintenance	Equipment Parts	532081	Ham Lake Hardware	101	43201	\$14.20
Park Maintenance	Equipment Parts	6348	Hydraulics Plus & Consulting	101	43201	\$454.75
Park Maintenance	Equipment Parts	02-298936	Lano Equipment, Inc.	101	43201	\$37.96
Park Maintenance	General Operating Supplies	9172	Green Barn Garden Center	101	43201	\$24.00
Park Maintenance	General Operating Supplies	532063	Ham Lake Hardware	101	43201	\$8.05
Park Maintenance	General Operating Supplies	533493	Ham Lake Hardware	101	43201	\$77.38
Park Maintenance	General Operating Supplies	534671	Ham Lake Hardware	101	43201	\$31.30
Park Maintenance	General Operating Supplies	109751	River Country Cooperative	101	43201	\$20.34
Park Maintenance	Motor Fuels	661950	Mansfield Oil Company	101	43201	\$413.35
Park Maintenance	Motor Fuels	661966	Mansfield Oil Company	101	43201	\$501.79
Park Maintenance	Other Equipment Rentals	91268	Jimmy's Johnnys, Inc.	101	43201	\$800.00
Park Maintenance	Park/Landscaping Materials	21075	Bjorklund Companies, LLC	101	43201	\$101.50
Park Maintenance	Park/Landscaping Materials	21118	Bjorklund Companies, LLC	101	43201	\$21.75
Park Maintenance	Park/Landscaping Materials	533190	Ham Lake Hardware	101	43201	\$6.17
Park Maintenance	Park/Landscaping Materials	72581235	John Deere Landscapes	101	43201	\$10.50
Park Maintenance	Park/Landscaping Materials	72585185	John Deere Landscapes	101	43201	(\$0.33)
Park Maintenance	Park/Landscaping Materials	72688707	John Deere Landscapes	101	43201	\$21.92
Park Maintenance	Park/Landscaping Materials	89789	Menards Cambridge	101	43201	\$244.83
Park Maintenance	Park/Landscaping Materials	90162	Menards Cambridge	101	43201	\$117.49
Park Maintenance	Park/Landscaping Materials	90335	Menards Cambridge	101	43201	\$156.15
Park Maintenance	Repairs/Maint Machinery/Equip	02-285232	Lano Equipment, Inc.	101	43201	\$1,933.05
Park Maintenance	Sign/Striping Repair Materials	90767	Menards Cambridge	101	43201	\$91.96
Park Maintenance	Sign/Striping Repair Materials	857301	MN Dept of Natural Resources	101	43201	\$17.22
Park Maintenance	Small Tools and Minor Equip	533219	Ham Lake Hardware	101	43201	\$24.67
Park Maintenance	Telephone	13143548	Integra Business	101	43201	\$47.81
Park Maintenance	Tires	1-54052	Steve's Tire Inc.	101	43201	\$25.00
Payroll	Insurance Premiums	08 2015	Dearborn National Life Ins Co.	101		\$1,260.18
Payroll	Insurance Premiums	6097983	Delta Dental	101		\$694.50
Payroll	Insurance Premiums	08 2015	NCPERS Minnesota	101		\$144.00
Payroll	Insurance Premiums	151980001738	PreferredOne	101		\$6,698.30
Payroll	Union Dues	07 2015	MN Public Employees Assn	101		\$429.00
Planning and Zoning	Legal Notices	238812	ECM Publishers, Inc.	101	41910	\$48.38

City of East Bethel

August 5, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Planning and Zoning	Legal Notices	240800	ECM Publishers, Inc.	101	41910	\$91.38
Police	Professional Services Fees	072715	Brad Hemmelgarn	101	42110	\$6.00
Police	Professional Services Fees	072715	Zach Hemmelgarn	101	42110	\$6.75
Recycling Operations	Electric Utilities	072115	Connexus Energy	226	43235	\$116.71
Recycling Operations	Gas Utilities	464718345	Xcel Energy	226	43235	\$25.00
Recycling Operations	Professional Services Fees	07 2015 Sat	Cedar East Bethel Lions	226	43235	\$417.80
Recycling Operations	Professional Services Fees	08 2015	Cedar East Bethel Lions	226	43235	\$1,200.00
Recycling Operations	Professional Services Fees	1st Qtr 2015	Cedar East Bethel Lions	226	43235	\$3,442.00
Sewer Operations	Bldgs/Facilities Repair/Maint	070915	Wright-Hennepin Coop Electric	602	49451	\$29.07
Sewer Operations	Electric Utilities	072115	Connexus Energy	602	49451	\$57.78
Sewer Operations	Electric Utilities	072115	Connexus Energy	602	49451	\$50.59
Sewer Operations	Electric Utilities	072115	Connexus Energy	602	49451	\$120.73
Street Capital Projects	Street Maint Materials	072415	Dryden Excavating Inc..	406	40600	\$4,441.20
Street Maintenance	Bldgs/Facilities Repair/Maint	1182174780	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182197562	G&K Services - St. Paul	101	43220	\$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182208866	G&K Services - St. Paul	101	43220	\$9.17
Street Maintenance	Clothing & Personal Equipment	1182174780	G&K Services - St. Paul	101	43220	\$17.96
Street Maintenance	Clothing & Personal Equipment	1182197562	G&K Services - St. Paul	101	43220	\$17.96
Street Maintenance	Clothing & Personal Equipment	1182208866	G&K Services - St. Paul	101	43220	\$17.96
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$123.97
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$467.74
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$118.62
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$187.92
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$16.26
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$170.87
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$79.05
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$287.59
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Electric Utilities	072115	Connexus Energy	101	43220	\$5.00
Street Maintenance	Equipment Parts	F-251890170	Allstate Peterbilt North	101	43220	\$29.25
Street Maintenance	Equipment Parts	F-252090069	Allstate Peterbilt North	101	43220	\$21.06
Street Maintenance	Equipment Parts	6373	Hydraulics Plus & Consulting	101	43220	\$164.37
Street Maintenance	Equipment Parts	PICPAK	Road Machinery & Supplies	101	43220	\$88.74
Street Maintenance	Equipment Parts	S40948	Road Machinery & Supplies	101	43220	(\$78.52)
Street Maintenance	Gas Utilities	464718345	Xcel Energy	101	43220	\$20.00

City of East Bethel

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Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Street Maintenance	General Operating Supplies	535375	Ham Lake Hardware	101	43220	\$10.05
Street Maintenance	Lubricants and Additives	656767	Lubricant Technologies, Inc.	101	43220	\$809.86
Street Maintenance	Motor Fuels	661950	Mansfield Oil Company	101	43220	\$179.12
Street Maintenance	Motor Fuels	661966	Mansfield Oil Company	101	43220	\$1,244.47
Street Maintenance	Motor Vehicle Services (Lic d)	R241049220:01	I State Truck Inc.	101	43220	\$275.15
Street Maintenance	Safety Supplies	9783196661	Grainger	101	43220	\$153.42
Street Maintenance	Shop Supplies	237903	Unlimited Supplies, Inc.	101	43220	\$124.05
Street Maintenance	Sign/Striping Repair Materials	TI-0287807	Newman Signs	101	43220	\$1,462.80
Street Maintenance	Small Tools and Minor Equip	1539-385141	O'Reilly Auto Stores Inc.	101	43220	\$22.52
Street Maintenance	Street Maint Materials	IN00009894	City of St. Paul	101	43220	\$1,048.16
Street Maintenance	Telephone	13143548	Integra Business	101	43220	\$47.81
Street Maintenance	Telephone	332373310-164	Sprint Nextel Communications	101	43220	\$69.98
Street Maintenance	Welding Supplies	1539-388294	O'Reilly Auto Stores Inc.	101	43220	\$19.79
Water Utility Operations	Electric Utilities	072115	Connexus Energy	601	49401	\$954.09
Water Utility Operations	Electric Utilities	072115	Connexus Energy	601	49401	\$88.16
Water Utility Operations	Electric Utilities	072115	Connexus Energy	601	49401	\$217.88
Water Utility Operations	Gas Utilities	071715	CenterPoint Energy	601	49401	\$15.00
Water Utility Operations	Gas Utilities	071715	CenterPoint Energy	601	49401	\$15.00
Water Utility Operations	Utility Maint Supplies	147774	Ferguson Waterworks #2516	601	49401	\$7.77
						\$113,321.00

City of East Bethel

August 5, 2015

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Electronic Payroll Payments						
Payroll	PERA					\$12,165.59
Payroll	Federal Withholding					\$10,368.49
Payroll	Medicare Withholding					\$3,238.30
Payroll	FICA Tax Withholding					\$13,846.42
Payroll	State Withholding					\$4,219.70
Payroll	MSRS/HCSP					\$8,604.51
						\$52,443.01

EAST BETHEL CITY COUNCIL MEETING

JULY 8, 2015

The East Bethel City Council met on July 8, 2015, at 6:00 p.m. for the City Council Work Meeting at City Hall.

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

ALSO PRESENT: Jack Davis, City Administrator
Mike Jeziorski, Finance Director
Nate Ayshford, Public Works Manager
Mark DuCharme, Fire Chief

1.0 Call to Order The July 8, 2015, City Council Work Meeting was called to order by Mayor Voss at 6:02 p.m.
2.0 Adopt Agenda **Harrington stated I'll make a motion to adopt the agenda. Mundle stated second.** Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated any opposed? That motion passes. **Motion passes unanimously.**

3.0 2016 Budget Presentation Review Discussion Davis stated we'll begin the 2016 preliminary budget discussion tonight and the staff will present you with an overview of the proposed 2016 budget. If you'll turn on your budget workbook to Page 1, staff is proposing an overall City levy of \$5,255,300 for the City levy portion of the budget, which is a 1.6% increase over last year's budget. In addition to that, an EDA levy that would be \$123,022, which is unchanged from last year. With that, Mike has a PowerPoint that he will go over the major areas and some questions on the budget. Then we'll have staff members here to answer questions as we go over individual department budgets.

Jeziorski stated thanks Jack. Mr. Mayor, Members of Council, I just have a brief presentation kind of hitting the highlights of the 2016 budget. Again, the agenda for today, to look at the budget timeline, hit some of the financial highlights of where we sit currently and at the end of the year. Then we'll get into the 2016 General Fund budget along with the 2016 levy and then we'll have time for department questions and answers.

Jeziorski stated if we look at the timeline for the budget, again, we start this, it is a yearlong process. We start January 1st with the creation of the budget model. Again what that is, is really taking what was done last year and updating it with the fixed costs of the salaries and the debt service. From there, we provide that to our Finance Committee to kind of just give a broad overview of where we're seeing the numbers come in for 2016. Then we provide that budget document to our Department Heads so they can fill in their variable line items. Then as you can see, July 8th is where we are tonight where we provide the proposed budget to the City Council for input.

Jeziorski stated again, the preliminary levy then is going to be approved in September, September 2nd. With that, then the County provides the stakeholders their proposed property tax bills in November, on November 20th. Then the City Council approves the final budget on December 2nd. So, that's kind of the timeline we're working within.

Jeziorski stated just going over some of the financial highlights and the key areas to our budget and our financial standing. Again the General Fund we're projecting to have \$2.3 million at the end of 2015, which is 47% of the 2016 proposed expenditures. Again, you have a Fund Balance Policy in play that says anything above 40% is what you're targeting. For our purposes here, you can just look at the end of the year, we'll have about \$2.3 million in the bank. Again, the reason why we need to have that kind of cash flow in the bank is to cash flow our operations for the first half of 2016. We only get two tax settlements throughout the year, one coming in July so we need to cash flow the first six months of operations. That's kind of what that's used for. Then another one at the end of December.

Jeziorski stated we also have a Capital cash balance projected to be \$2.9 million. Not every city has these in reserves. This is something that was implemented many years ago to basically fund equipment purchases, street outlay, building capital, things like that.

Jeziorski stated another highlight, again, we just had a bond refinance and with that they do a bond rating call. They rated us at AA, which is very strong. Again, they cited very strong management, very strong internal controls, very good budget flexibility, things like that. This is an external agency that comes in and looks at the finances, the internal controls, of the City and then rates us based on that.

Mundle asked what's the top rating. Jeziorski explained the top rating is AAA and that's reserved for the United States government but they've been downgraded, I believe. Ronning stated we're almost better than them. They're like a lower case 'a.' Mundle asked are we pretty much the best we're going to be as far as bond rating? Jeziorski explained a lot of it has to do with our size. AA for a City of our size is exceptional. Again, the AAA rating is essentially risk free so when you borrow money from a AAA rated entity, it's basically risk free so there is no risk of default or anything like that. A very strong, very good in that aspect too. I have a chart I could show you a little bit later to show all the different ratings you can get.

Jeziorski stated another highlight, in the last two years we've refinanced three bond issues, 2005A, 2010A, and 2010B. Multi-million dollars in savings with all three of those issues, combined. The 2005B issue will be defeased in 2016. Again, that just means that we're going to have it paid off in 2016. That's the last payment and then it falls off our books. 2010C will be defeased in 2017 and again, we've taken a lot of different money from different funds in order to get that cash balance up to \$1.3 million. So, it's just kind of sitting there now, just waiting to pay that off. It's not something that we've levied for. It's just something we've kind of grabbed from other funds to make sure that we're utilizing all of our funds and the excess is there to pay that down.

Jeziorski stated another big key financial strength, I think, we're in the process of renegotiating that Met Council Reserve Capacity Loan to more favorable terms. Those are all positive things that the City is going for.

Ronning stated Mike, are you taking questions as you go? Jeziorski stated sure. Ronning asked what's the annual dollar value of the two defeased bonds? Jeziorski stated within your budget book, if you want to look at it, this is a similar chart to what's in your budget book. So for 2016, the one that's going to fall off is right here, the 2005B, which is \$60,000 left in principal. Then the one that's going to fall off in 2017 is \$695,000 paid off in 2016 and \$565,000 that will be paid off in 2017.

3.0
2016 Budget
Presentation
Review
Discussion

Ronning asked \$1.25 million a year? Davis stated if you go to Page 69 in your budget book. Jeziorski stated it's page 69 and 70 of your budget book, which I'm trying to bring up here. The total principal that will fall off in 2016 is \$1.173 million. Only \$60,000 of that is part of the 2005B issue. Does that answer your question?

Ronning stated that's the principal. What's the overall, what's the total cost? Jeziorski stated the total costs for the entire year, all bond issues, is \$1.8 million. Ronning stated good job. Jeziorski stated that's also then reflected in your budget. Ronning stated yes, very nice. Jeziorski asked any other questions?

Jeziorski stated dipping into our General Fund budget, we're projecting our General Fund revenues to increase by 2.5% from \$4,848,700 to \$4,971,300. Again, our budget is balanced so we're anticipating the same numbers for expenditures: \$4,848,700 for expenditures for 2015, \$4,971,300 for 2016. Within our revenue classification, I'd just like to show this slide. Again, we have all these other revenue sources but as you can see from the chart, 83% of our revenue is derived from property taxes.

Jeziorski stated I just want to take a minute to go through some of the other revenue classifications so everybody's comfortable with what the City receives. Again, here's our big component of the General Fund revenue sources, our property taxes, but we also get \$50,000 in franchise tax. Again, that's the money that the City receives in franchise fees tacked onto the Mid-Continent cable bills for those consumers. Then we have licenses and fees. That is going to be our liquor license, tobacco licenses, and our garbage hauling licenses. Then we have our building inspection permits. Again, \$143,000 or 3% of the total budget. Those are mechanical permits, building permits, electrical permits, things like that. We also receive money from the City of Oak Grove and Bethel when we do their inspections. That's broken out and it's \$110,000. We also receive money from the State in State Aid. So that's primarily made up of Street Maintenance Aid and Fire Relief Aid. Fines and forfeits is money derived from the County through their Sheriff's Office. Anything we receive for fines and forfeit.

Jeziorski stated intergovernmental charges is anything that the City, the General Fund, charges its other funds. So, for example, the City charges the HRA money to recoup costs for salaries, and that's \$25,000. It also charges the EDA for charges associated with salaries, that's at \$60,000. So, all those totaled is \$127,000.

Jeziorski stated other significant revenues, again, we have a tower lease revenue that's our American Tower lease over at the Ice Arena. That money has been directed into the General Fund since 2015 now. Then we also have a gambling revenue line item that's \$20,000 of the budget.

Mundle asked will there be more tower lease revenue with the one coming up here by the Public Works? Jeziorski stated that's a good question. One thing that we did not add in here, this is just the American Tower lease. The other Verizon lease is dependent upon when they actually get their tower constructed. So, not knowing exactly when that's going to happen, we left it out at this point. Mundle asked is there a projected revenue? Jeziorski stated the projected revenue is roughly \$24,000.

Jeziorski stated that's the revenue side of things. Now we'll get into the expenditure side of things. One of the biggest components of your General Fund budget is salaries. 40% of the

budget is made up of salaries. Under the Mayor and Council and Committee pay, we're not proposing any changes, so 0% change in salary and stipends. Under full-time equivalents (FTEs), we have 19 full-time staff. We have 9 in Public Works, 9 in Administration, and 1 full-time Fire Chief. Again, we're not proposing any changes to FTEs at this time.

Jeziorski stated we also have 11 FTEs in the union. Again, their contract runs from 2014 to 2016. In it, there's a 2% COLA increase for 2016 and then also there is an increase from \$917 to \$950 for the cash benefit. That's the money that employees use to pay for their health and dental and long-term, short-term, disability. Things like that. We also have three employees eligible for step increases. We have eight FTEs that are non-union. Mirroring the same thing with the union contract, we have a 2% COLA increase, \$950 monthly cash benefit, and we have four FTEs eligible for step increases.

Jeziorski stated some other things to note, 35 paid-on-call fire fighters; one part-time cable technician; two seasonal Public Works employees; and, roughly thirty election judges will be in this budget also.

Harrington stated Mike, on the election judges, I see that went up like 590%. Is that City and County together? I think they're going to raise the rate of pay for here. Jeziorski stated that's a good question. Essentially from 2015 to 2016, 2015 was an off-year election so we did not budget for any kind of election judges. Then when we did the 2016 budget, we did look at the rate of pay and changes in the minimum wages and things like that and moved that up accordingly. So, that has been adjusted for that.

Ronning stated the cash benefit, is that the cafeteria monies? Jeziorski stated correct. Ronning stated so rather than get a question some time later, let's say up front that's not 'walking around money.' That's supposed to be dedicated to benefits. Jeziorski stated exactly. Ronning stated 2% plus \$950 a month sounds like a lot more than what it really is. It's really for health care. Jeziorski stated the cash benefit portion went from \$917 in 2015 to \$950 in 2016. Ronning stated just clarifying that for anybody that's going to 'chew on us' sometime. Davis stated and depending on what your marital status is and what your number of dependents are, that \$950 does not always cover the cost of your medical premium.

Jeziorski stated if we 'slice' the budget a little bit differently and look at it from a program standpoint, our General Government expenditures are projected to increase by 1%. Again, General Government is City Council, City Administration, Finance, Elections, Legal, and the City Assessor. Again, that's projected to go up by 1% from \$1,075,400 to \$1,082,300.

Mundle asked what's the cause for the 1%? Jeziorski stated the cause for the 1% is essentially the salaries, the 2% in COLA, and the increase in the cash benefit. Mundle stated okay.

Jeziorski stated Community Development captures your building inspection expenses and your planning and zoning expenses. That's projected to increase by 5%, \$407,900 in 2015 up to \$428,000 in 2016. Public Safety category captures your police services, the contract with Anoka County for your Sheriff, and our Fire Department services. That's projected to go up 2% also at \$1,590,000 in 2015 to \$1,620,300 in 2016.

Jeziorski stated Engineering expenses, we're projecting that to be flat from 2015 to 2016 at \$35,000. Public Works we're projecting that to increase 5%. One thing on that one, I

showed you the Intergovernmental Revenue, we actually changed the way we code some of the employees. Instead of coding them to Water and Sewer, we coded them all to Public Works now. That's the reason, pretty much, for the 5% increase.

Jeziorski stated in 2015, we had a budget of \$1,212,900 and in 2016 we're proposing a budget of \$1,273,200. We have transfers to other funds, which includes the transfer to the Building Capital, Streets, and Parks. We're projecting that to be increased by 1%, going from \$525,000 to \$530,000.

Jeziorski stated overall, our General Fund levy we're proposing to increase by 1.5% so \$4,050,500 to \$4,113,300. Once you tack on the Debt Service levy, we're anticipating that increasing by 1.6%, increasing from \$1.1 million to \$1,142,000. When you put both of those numbers together, the total proposed levy then is an increase of 1.6%, \$5,174,500 in 2015, increasing to \$5,255,300 in 2016.

Ronning stated not that it really affects anything other than to be able to say that we're at the bottom end of the increases, do you have any 'feel' for what some of the communities are looking at? Or, if you were going to get to that later, I'll just wait. Jeziorski stated nope, I can address it now. One thing I do put together is a comparison of where the cities compare within Anoka County for tax rate. If you were to take a look at where we, at the end of 2014, we're kind of in the middle. So, there's 12 cities that have a lower tax rate than the City of East Bethel and there's... Ronning stated some of those in that 1 through 12 had like 17-18, double digit increases in 2015 where we had what, 0.7 or something?

Davis stated 0.9. Tom we haven't received any information at all from any of our other County cities as to what their proposed increases or decreases may be at this time. We do project that we're still going to be in the lower one-third of proposed increases in the budget as compared to what it was last year. Ronning stated we were looked at a little bit unfavorably for that, we did what had to be done, but then the rest of them did the same thing or more the next year.

Jeziorski asked any other questions? Harrington stated and that number can come down too, Mike, that 1.6% if we would get some development or business. That number still could come down. Jeziorski stated there is always the potential. Like we had discussed earlier, if the cell tower actually gets built within the next few months we can actually add that to the budget. There's also the LGA number that has not been certified yet to the City, which tends to fluctuate a little bit. So, there are little things that we can add into the budget to lower the number down a little bit. But at this point, there isn't anything substantial out there that really hasn't been addressed.

Harrington stated I know this comment has been thrown out before but I want people to understand we're just 'part of the pie.' It's the City, it's the County, and it's the School. Everybody just looks at that total but you've got to look at City, County, and School. That's the one I get. They just look at that total. Jeziorski stated the one thing we'd recommend when you analyze your property tax statement, is you isolate what the City tax is doing instead of looking at from the aggregate. You really do need to dip into the details a little bit on it and kind of see what your City portion of the tax is doing. Because, that's the only way you can really evaluate where the actual increases or decreases are coming from.

Jeziorski stated with that, we'll open it up to any Department questions that you have. Davis stated at this time, we'll do the Fire Department first. Troy Lachinski is here and he'll do a brief presentation on the East Bethel Fire Relief Association request so that we're apprised of where we are with that. Knowing Troy, I know he'll get through this in about three minutes.

Lachinski stated well, you gave me ten but I'll do my best to get it in three. Voss stated I did hear an emphasis on 'brief' though. Lachinski stated yes, but first of all, let me thank you for letting me come here and present to the Council. We've been doing this for several years now and I really appreciate the opportunity to tell you what's going on with the Relief Association.

Lachinski stated so basically our goals in the Relief Association is we want to have a strong benefit for our members to keep people on the Fire Department as long as possible. We want the most experienced people serving our City as possible. So, we want to have a strong benefit but we also want to be fiscally responsible and make sure that we're doing things the right way. We don't ever want to come back to the City with a surprise and say, 'Hey, there's a mandatory contribution.' What the Relief Association really does is we're specifically designed and set up by State Statute to provide a benefit to the members of the Fire Department for their years of service. Basically, the way that you get a benefit is you have to be on the Fire Department for at least ten years and you have to reach the age of 50. So, if you get at least ten years in and retire before age 50, the money just sits in our fund until you reach the age of 50. Currently we're using Hartman & Hartman to help oversee our investments and also we have the Relief Association Trustees also overlook that.

Lachinski stated so the goals, we've already talked about that so we can skip that. The short-term goal, we always want to maintain at least a 110% funded plan. The long-term goal is we would like our benefit to be \$100,000 after 20 years of service. Currently, that would require a benefit level of \$5,000 per year of service. Today we're at \$4,000 per year of service. So, it all depends on how our investments do, how long our members stay on and things like that. I'll go into a little bit more of that.

Lachinski stated basically, experienced fire fighter retention is the key here. If we look at our Department right now, we have 17 members that are vested, which is 47% of the Department. That includes also, 316 years of experience as fire fighters. That's 82% of the total Department's years of service that are in this vested category, 10 years of service or longer. We want to be sure that we keep those people. That includes 89% of the Department's officers and after next year it will be 100% of the Department officers. It takes about three years for a new fire fighter to get their training, get comfortable with what's expected of them, and get up-to-speed. So, it's really important to keep the people with all the experience.

Lachinski stated where does the money come from? It comes from State Aid, City contribution, and other miscellaneous that was the Safer Grant, that 1%. But most of it comes from the investment earnings of our portfolio. Where does the money go? You know Administration has always been about \$5,000. This year, it actually was bumped up to \$10,000. There's a new requirement called GASBY, which is not a requirement for the Relief Association but it's a requirement for the City. Without us going through an actuarial for our investment portfolio, that might put a bad light on the City, so the Relief Association has agreed to pay for this actuary this year. That's going to cost the Relief Association about \$3,200 this year. But, it's all in the spirit of working together with the

City and making sure that we're all on the 'same page' and so on and so forth.

Lachinski stated the other place where the money goes is to pay pensions. And, that varies because it depends on if anybody retires this year or not. So, it's been a few years since we've had a retirement so there hasn't been any payouts recently. We're expecting some coming up.

Lachinski stated this slide right here, what I did is I took, every year the State Auditor releases a report that shows the status of every single Relief Association in the State of Minnesota. This data is a little bit old but basically what I'm showing here is on the left-hand side, is all of the Relief Associations and where the revenues come from. On the right-hand side is the East Bethel Relief Association and where our revenues come from. I just want to show you that we're basically the same as everybody else. Most of the money comes from investments. We get some money from the State and some money from local government, the municipal contribution.

Lachinski stated this is a graph that shows our main incomes, removing the investment income, but the State contribution and the municipal contribution. The City aid has been very consistent and we very much appreciate that you guys have been very consistent in giving us the contribution each year.

Lachinski stated history of the results, you can see we've been a very healthy Relief Association. You want to see a gap between how much we have in the coffers versus how much we have in liability. But, when that gets too much, obviously that means it's time to raise the benefit because it doesn't do anybody any good to have a whole bunch of money in the 'pot' when we're not actually paying any of that money out. There needs to be a good balance. That's where we want to get to the 110%.

Lachinski stated every year, the State Auditor requires us to fill out many, many pieces of paperwork and many forms and many reports. One of them that we fill out every year is the minimum benefit worksheet where it takes what we're expecting to have come in, how many firefighters are in our Department, and it comes up with a formula to decide what our maximum benefit could be. So, this year the formula came out with the maximum benefit that we could have would be \$4,600.

Lachinski stated this is our prediction from last year for where we thought we would end up at the end of last year. We thought our total income would be \$127,000 and it came out to \$168,000. So, that was mostly due to investments that were very strong last year. Our prediction for next year is we're thinking will be a total income of \$143,000. What we're basing that number on is investment income of about 3.5%. The reason we use 3.5% is because if you look at the last ten years, that's kind of been the average. That includes a couple of pretty bad years in there.

Lachinski stated what we'd like to do, if we were to keep our benefit the same, keep it at \$4,000 per year, we're going to be 126% funded at the end of the year. If we do that, there's no fiscal impact on the City. If we go to the next slide, if we want to raise our benefit to \$4,300 per year of service, we'll still be 118% funded and there still would be zero fiscal impact on the City.

Lachinski stated so I just want to put out that, in addition to providing the fire and rescue services to the citizens of East Bethel, our Fire Department members are also very active in

the community doing pure volunteer work. We have the Fire Department Explorers, we have the Retiree Program, Fire Safety Program at the local schools, our HeartSafe Program, we're the charter organization for the Cub Scout Pack #387, and we just started a Fire Auxiliary, which includes not only family members of the Fire Department but also just regular community members. We do first aid training for boy scouts, cub scouts, the BMX group. We've done a little bit with the churches in the town too. We also support East Bethel Royalty and the East Bethel Seniors. This is all that I can remember just off the top of my head. I know that there's other community outreach programs that we do.

Lachinski stated so what we're actually requesting is we would like, later this year, we would like to come back to the Council and officially request permission for us to raise our benefit from \$4,000 a year to \$4,300 a year. I know that some of the people in the room are new and haven't been through our presentation before but the money we're going to give the raise with is not City money. It's not anything that would affect the City budget. It's the money that we already have in our account. Right now we're 126% funded and we would raise our benefit, which would raise our liability a little bit but still be at 118% funded at the end of that.

Lachinski stated we'd also like to continue the municipal contribution of \$14,000 to the Relief Association, which has been a budget line item for the last several years at that amount.

Ronning stated Troy, if I may. The comment on the \$4,000 to \$4,300. Like you say, those are your dollars and some government requirement that you have to bring it through the Council. Otherwise, we really, all we do is nod or shake, otherwise the money is already done. Lachinski stated we could change our bylaws on our own, without coming to you guys and we could increase it. But what could happen is down the road, maybe there's bad financial several years and there could be a mandatory municipal contribution. If we didn't properly go through the guidelines and have the City Council ratify our bylaws with the increased benefit amount, we would be forced to go back to the old benefit amount. So, it's important for us. We'll update our bylaws, then we'll ask you to ratify them.

Lachinski stated there's one more thing on that. The other PDF, I don't know, hopefully it got printed but it was a spreadsheet, another one with how we came up with these numbers. Why did we decide on \$4,300? There is a formula that I use. Basically, one of the schedule forms that we have to fill out every year for the State Auditor, it allows you to put in a line item that has the amount of the benefit and another line item on what we think our investments are going to do.

Lachinski stated what I do every year is I decide what it's going to look like for a good year, which I consider 3.5%. Although we've done way better than that the last few years. And, I do the calculations with the 3.5% increase. I do the calculations with a 0%, a break even year. I do the calculations with a losing 3.5% in a year, which is a really bad year. And, basically a disastrous year like -7%, which almost, in the history, almost never happens. So I like to come up with a nice balance so even if we had a horrible year of -7%, we would still be over funded so there would be no municipal contribution that was mandatory. In the event of a bad year of -3.5%, we would still be more than 110% funded. So that's where I come up with those numbers. Any questions?

Ronning stated 110% typically would be the amount of eligible to the benefit compared to the cash pool. Lachinski stated for example, let's say that everybody retired today.

Ronning stated and if everybody is in the 'pot.' Lachinski stated and everybody is vested, we would still have 10% left over when it was all said and done. So, if you take the total amount of money that we would possibly owe everybody and the total amount of money that we have, we would still have 10% after everybody was paid.

Ronning stated and that's not based on actual eligibility. Lachinski explained the way the State Auditor figures that is they just assume that everybody is going to get paid the total amount. So, for example, if a fire fighter retires after ten years, they get paid an amount but it's only 60% of the amount they would have been paid. So, even still, we do all the calculations based on what they would get paid, the full amount, because we don't know. We're just assuming that everybody will get 20 years.

Ronning stated if you guys are doing 3.5%, that's excellent. Those are probably some of the lowest risk investments you can possibly get into. Lachinski stated yeah, and with that said, we also have a short-term account and a long-term account. The reason we set up the short-term account is the money in the short-term account is set aside for anybody that might retire in the next five years. So we look at anybody that is vested and turns 50 in the next five years so they could get paid out within the next five years. What we do is set aside that amount of money in a very low risk investment portfolio so that money for sure is always going to be available over the next five years.

Jeziorski stated this is taken from the last audit report. As you can see, they had total assets of about \$1.8 million and then their pension liabilities of about \$1.475 million. Lachinski stated if you look at 2013, we were the top five in the entire State at 132% funded, which you don't necessarily want to be there. It's good to be healthy but that definitely means that our benefit is not high enough because we have more money in the funds than we would be willing to pay out.

Lachinski stated so that's what I had to say. What kind of questions do you have? Or, what kind of more information would you like to see before I would officially come to the Council with this type of request?

Davis stated to put this into perspective, Troy's request for the City contribution is reflected in the Fire Department budget in line item 127. It's a \$14,000 item within the budget. He's just explained the details of how we reached that number.

Ronning asked was there 35 or 36 firefighters? Lachinski stated it all depends on how you add it up but 36 is the actual number. Ronning stated so 14 divided by 36 isn't. Lachinski stated it's basically \$400 a fire fighter at 35. Ronning stated yeah, that's not a big cost. Lachinski stated and to put it into perspective, when we talk about salaries being the big part, you guys can all look up how much I got paid last year. I make about 40% of the calls and I got paid about \$2,000 last year. So, I think the City is getting good value out of me and the other fire fighters.

Voss stated early on in your presentation, you showed that for 20 years of service it's a \$100,000 benefit. I think many people will look at that and go, '\$100,000 for a volunteer person.' It's like they're looking at the wrong number. It's not the \$100,000, it's the 20 years of volunteering to the City. That kind of service is immeasurable. And, basically the City's putting in \$400 a year to not just get the retirement benefit but to get those years of service from our citizens. It's a great investment. Lachinski stated yup, and I'm not even going to talk about myself because I don't do that. But, there are a lot of really talented,

caring people on the Department that really do a lot for the City. Voss stated absolutely. Lachinski stated there's some people, we've got a top-notch Department and top-notch leadership.

Ronning stated that \$100,000's your target and you're a little bit below that now? Lachinski stated we're below that now. Ronning asked do you have an anticipated future? Lachinski stated it depends. Every year we want to look at the numbers and come back to the Council and say, 'Hey, here's what happened last year. Here's where we're at.' You know, maybe there'll be years and there's no reason to give a benefit increase because the investments didn't do what we thought they would do. We're only going to ask for a benefit increase if it makes sense. Right now we're at 122% funded, it makes sense. If we're at 106% it wouldn't make any sense. But, I'd still like to come here and tell you where we're at. Ronning stated you should go to Chicago and some of those places and run their funds.

Voss stated maybe it's an ignorant question, but it seems to me that the healthier Relief Association would be from a Department that has fire fighters with longer-term service rather than shorter-term service. Lachinski stated unfortunately what can happen is if you have members that stay in the department for 7 years, 8 years, 9 years, all that money's built up and then it just goes back into the fund because unless you have 10 years of experience, you don't get anything. Even if you stay on for 10, 11, 12 years, you don't get the full amount. You get 60% or 64% or 68%. So, that's part of the way that the fund gets healthy. But we're at a \$1.8 million fund so if we get a 3% rate of return, which in the stock market world is not good, it's very average, that's a lot of money. That makes up for, I mean 3% on \$1.8 million. You're the math guy, that makes up and helps pay a benefit just in the interest alone that we make in a year.

Voss asked any other questions for Troy? All right. Lachinski stated all right, well thank you. If any questions do come up, contact me directly or go through Jack. I'd anticipate we'd come to the Council with the official request some time in the next month or so. Davis stated thank you Troy. Ronning stated thanks for the information and your time.

Davis stated we'll bring the total Fire Department budget up now. Again, Troy's request was for \$14,000, which is a portion of the Fire Department budget. The proposed budget for the Fire Department for 2016 is \$586,300. This represents almost a \$20,000 increase over last year's request. Of this amount, \$586,300, approximately 57% of it, is for wages and benefits for the 35 fire fighters and the Fire Chief. Approximately 20% is transfer into the Equipment Replacement Fund. So, 77% of this budget are essentially somewhat fixed costs with 23% being for operations. With that, I'll present the Fire Chief and he'll be available for any questions you may have regarding any line items and he will provide a brief presentation of his request.

DuCharme stated thank you, Mayor, Council. The 2016 proposed budget that's in front of you, it has certain items, obviously, that we have a little bit of control on. Some of the highlights as far as the increase on budgets that I'd like to discuss starts with Allina Health, who's our medical direction. For 2016, that's roughly about a \$1,400 increase. It has been a number of years since they had increased their amount and if Council remembers, we actually came through and approved a contract. The Council approved their new two-year contract. Our infamous Joint Powers Agreement that we're a part of with the Anoka County Fire Protection Council, that will cost us about \$3,500 more. If you'll remember, that's also for the Public Safety Data System, our record management system, that goes

along. That's the majority of that cost.

DuCharme stated I am asking Council to allow us to bring in a cleaning crew to clean toilets twice a month at Station #1. That building is consistently becoming more public with our outreach programs and I think it would be a good idea not only as presentation but also cleanliness if we take a hard look at that. I used a ballpark figure of about \$200 per month, \$100 each time they come in. I haven't secured any bids but I've been told that's pretty close.

DuCharme stated the next item is about a \$2,400 increase on our telephones. What that includes is the wireless for our mobile dispatch units. We're not planning on putting mobile CAD, our mobile dispatch units, into every single truck because that's not necessary. But, we do need to put that mobile dispatch system into our two rescue trucks, our duty truck, and our command truck. That wireless connection, we're figuring about \$50 per month and there again, four of them for \$2,400.

DuCharme stated our turnout gear is going up. Our turnout gear is our personal protective equipment that we wear in structural fire fighting. That's going up about \$75 per set. Also an increase in boots and just gloves and things like that. So, clothing and personal equipment is actually proposed in the budget as a \$700 increase. I just want to point out on the turnout gear, is really good for about seven years. So instead of buying all new gear every seven years, what we've been doing is rotating it in. We're almost done with the 1998 stuff, the old stuff that's there, so it's continual that we try to buy six sets of gear a year instead of buying 35 at one time.

DuCharme stated I am asking also that we increase our training budget by \$1,000. We train at a very high level. As Troy said, this Fire Department, the fire fighters are exceptional in their service. They're exceptional in their training and the certifications that they carry. The \$1,000 really relates, maybe to sending people to two additional classes because they run about \$500 per person with books. We're talking advanced classes that we feel are worthy of the cost.

DuCharme stated that's really the highlights of the increases. On the maintenance items and things like that, we've kept those pretty steady for a number of years. One thing I do, and I realize the Council realizes this too and recognizes it, a lot of the maintenance that we do never shows up on payroll because the guys might come in on their own time to put things together or try to fix a small engine. Those are things that we never hear of in public. But, this is an exceptional Fire Department. There's no doubt about it. It's definitely the best Fire Department I've ever been dispatched with.

Voss asked any questions for Chief? Koller stated I seem to remember a while ago you were talking about the oxygen tanks were reaching their age. DuCharme stated they are. That's going to 'come to roost' I think in the next five years that we'll have to be looking at something. As a group, through the Joint Powers Agreement, the Fire Departments have been talking about the possibility of looking at a grant. I know that Bethel Fire just got done buying their units. I think, I'm not absolutely sure, but I think they bought like 15 units or pretty close to that and I think they've got about \$160,000 invested. There's no doubt that when the time comes for East Bethel to purchase SCBA Units, Self Contained Breathing Units, that we're probably at least looking at the \$200,000 price tag, depending on what they are. A lot of times, like Bethel, was able to jump on the, I think it was the St. Paul Fire Department bid and buy from there. A lot of times that's what we'll try to do.

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We'll also be looking for some grant money on that too.

DuCharme stated the current units that we have were actually purchased on a grant. That was very good. I can warn you all a little that usually the federal government won't give you another grant for the same thing you just bought for the same item on a grant. They try to spread that out a little bit. Koller stated it's something that we have to keep in our minds in our budgets. DuCharme stated absolutely, at some point in time we either need to start setting money aside or we need to make a major purchase.

Harrington asked is \$1,000 enough for training? DuCharme stated well, as you can see through the years, there was a time not too many years ago that there was no training for City employees, which put extreme crimp on the Fire Department. So, we've been building it back up. I can tell you this, it costs anywhere from \$20,000 to \$25,000 to train our fire fighters so where does the other money come from? We get it from grants. We get it from reimbursements from the Minnesota Fire Fighter Training and Education Board. We've got our request in now for that reimbursement and we've been able to pick up some small grants here and there, at least 'tag team' with other cities on that. There's no doubt it's about \$20,000 for training for the Department.

Ronning stated we always look at the aggregates, the big numbers. It's changing \$20,300 so if there's 36 people, that's \$563.89 a person, which, that's the cost of doing business. No more no less, isn't it? DuCharme stated I believe so, right. Ronning stated so it's not as much as it looks like, to me.

Voss asked any other questions? I've got a somewhat related question but it's on the equipment though. We had discussion at the last Council meeting about the fire truck purchase. Is that coming back to Council? DuCharme stated that's coming back to Council the next meeting. We took some time and did some research so that we were able to compare apples-to-apples, so to speak. There are some significant differences between the two pieces of apparatus dealing with plastic poly body versus a metal body. So, that will be coming through. You'll see that in your packages this weekend.

Voss asked do we have any other projected, when's the next projected major equipment purchase? DuCharme stated you caught me here Mayor. I don't have that schedule. Voss asked next year? DuCharme stated I don't think so. Jeziorski stated I'll put it on the screen. DuCharme stated when you look at the 2016 purchases, the truck that we're talking about replacing right now is the Ford L8000. Now, the plan was to order it and get it ordered now and then it takes 330 days for delivery so it would be 2016 delivery. Then when you look at 2017, we have nothing there and don't have anything for 2018 and I think 2019 is when we start looking at replacing command cars.

DuCharme stated as I've said before, on our bigger trucks, we plan to keep them for 30 years so we do a little bit of refurbishing somewhere in the middle. You can see in, what year was that Mike? Jeziorski stated 2020 or 2024. DuCharme stated you can see those are in there that we'll refurbish them. Or, refurbish is really touching them up paint-wise and sometimes the electronics need to be taking a look at.

Ronning stated that F8000's an old truck. That would have come from the Louisville, Kentucky truck plant. They haven't made that truck since the early- to mid-90s. DuCharme stated that's been a good truck until now. We haven't had an issue since the last time I've been to Council with it.

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Voss asked is there ever going to be a mandate that the color of the truck's got to change to yellow? I've heard somebody saying that before. DuCharme stated you know, I spent 20 years with a department that had yellow fire trucks and that fire department spent \$400,000 recently painting them red. Voss stated oh, okay, so there is no mandate. DuCharme stated there is no mandate. You know what, when it comes to fire truck color, it's usually what the 'feel' of the Fire Department and the City is. We're not going to change red. Voss stated yeah, not by choice. DuCharme stated I think I'd have 35 guys, 36 guys, that would probably paint my car the same color and I'm talking my personal car. Probably paint it pink or something.

Harrington stated as far as equipment Mark, I know you guys have the boat for the lake in the summer. You guys ever consider anything for the winter? I know you can't drive on the lake but like a 4-wheeler or something if you had to get out? DuCharme stated if you go back to 2017, Mike, right up here, one of those Kubotas, I've been talking to Nate about possibly making a transfer to the Fire Department for the trails and things like that.

Harrington stated yeah because you guys, I know you can't drive on the water in the winter so if something happened on Coon Lake or one of these other lakes. DuCharme stated yeah, so we've had that discussion. It's going to be important for Nate to buy a new one so we can have the old one.

Ronning stated when it comes to the budget talks, this is operating a business. This isn't equipment replacement, so to speak. We have Capital Funds for all the major trucks. DuCharme stated that's right. We transfer, in the budget there's \$115,000 that we've been transferring to the Equipment Fund per year and that's a very, very smart thing for the City to do. The problem is if we don't keep up with that, it may be a situation where a city may say, 'Well, let's just skip this year because we've got other things going on.' You never really go back and make it up. So, it's real important. As Mike showed you some of the fund balances there, that's part of the Equipment Fund. To be able to go out and purchase, in cash, fire equipment without having to go out and lease it or bond for it or equipment certificates, or whatever, that's a huge thing.

Voss stated you read about the smaller communities that have to bond for these things and why get in an argument over public safety is beyond me. Ronning stated I think Mike said that's nothing new or recent. That's been in effect for many, many years in the City. Good planning a long time ago. DuCharme stated absolutely.

Ronning asked, can I ask you an unrelated question? DuCharme stated you sure can. Ronning stated I think it was Sunday afternoon, there was about three or four EMS and such that were going south on Polk from Sims. Was there, maybe it was Monday. They were in a hurry. DuCharme stated well, we've had a number of calls. I'm trying to... Ronning stated if it isn't on top of your head, that's all right. DuCharme stated you know what, in a little bit let me look at my phone. I've got the whole list there.

DuCharme stated incidentally, when we do budgets, we try to project what our call volumes are going to be. So, for 2015 the projection was, I think, 510. Well, the first half of the year we answered 288 calls. So, if that were to continue, obviously, we're going to be over. But, it has been a pretty busy first half. It slowed down a little bit this past month of June so we'll see what happens.

Voss asked any more questions for Chief? Thank you very much. DuCharme stated if you've got any questions, just give me a call please. Harrington stated thanks Mark.

Davis stated Mr. Ayshford's here to present his 2016 budget request for basically Parks and Roads. He'll also be giving you some information on the Recycling Program and the Enterprise Fund activities we have in Water and Sewer. Essentially, the first one he'll present to you is the request for the Parks Budget. We're requesting an increase of approximately \$10,000 in that budget from \$399,000 to \$409,700. Of that total, 82% of that is wages, benefits, and transfers. The biggest increase in that request this year would be transfers, but that's included in another category. Only 18% of that is for operational funds. Nate?

Ayshford stated Mayor, Council Members, the Parks Operations budget, if you look at what's included in the packet, once you get past line item #151 down to the #200s, we're not requesting any changes at all in the operations side of things. The Parks Department takes care of the City's parks but it also, some of that money is reflected in Street Operations. We have a few employees that are classified as Parks employees but they handle snowplowing operations. Both of our Departments kind of are interchangeable on a lot of items. Really not a lot to say for the Park Operations budget, if anyone has any questions on that one at all. Any jump out at anybody? Voss stated hearing none.

Ayshford stated the next one we have is the Streets Operations budget. With that category, kind of the same situation. We're not asking for any major increases with the exception of line item #229, which is equipment and parts. That includes anything that has to go on all of our equipment: filters, belts, anything to repair vehicles. That's all handled in-house so it's good to see that although that number has gone up, it's stuff that we're taking care of with our employees and putting on ourselves. We also have a line item farther down that covers stuff that we have to farm out and that line item hasn't changed over the years. So, we're handling a little bit more work in-house but the cost of repairs and parts is always going up.

Voss asked what types of things are done outside? Ayshford answered a lot of the major, like electronic issues with the vehicles. We don't have the capability of handling that. Transmissions and major engine overhauls we've had to do in the past, we farm that out too.

Voss asked do we use local vendors? Ayshford answered we use, like a lot of our smaller vehicles are Fords, so we use Hayford Ford in Isanti and we get a discount from Tousley Ford in White Bear Lake. We get costs for labor at, probably, half the price of what normal people would get there.

Voss asked do we utilize any of those local in East Bethel? Ayshford stated Central Truck Service on 65 we use for a lot of our work on our larger vehicles. They do a lot of brake work for us on the single-axle plow trucks. Whenever we can, we try to and use local vendors.

Davis stated Oak Ridge Body Shop and Cedar Creek Automotive are two other vendors that we've tried to utilize and have utilized in the past also. Voss stated okay, I've heard in the past criticisms that we're not using as much as we could our local vendors. So, I'm glad to hear we are. Ayshford stated we try and use Central Truck whenever we can. They're nice and close too so it saves us time for getting stuff back and forth.

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Ayshford stated so that's pretty much it for the Streets Operations budget. Is there anything in there that anybody has questions about?

Davis stated one thing we'd like to point out there is that the Streets budget shows a proposed increase of \$50,000. A big portion of that is the reclassification that Mike mentioned earlier where we reclassified the person who was primarily assigned to operate the Castle Towers Sewer Treatment Plant has now been classified under Streets, under Public Works, so all of his salary is reflected in that category. So, that's the basic reason for that large increase.

Voss asked has those job duties changed? We obviously are not operating a plant there any more. Davis stated they've changed somewhat but that person now has two water plants to run. They have the water plant in the south and still the water plant at Whispering Aspens. But, there are no sewer plant operational duties. There are sewer duties to look after and maintain our collection system.

Ronning asked was that an East Bethel employee? Davis stated that's correct. He was coded half his time was to Streets, a quarter of his time was to Sewer at Castle Towers, and a quarter of his time was to Water at Castle Towers. But now we've just lumped him all under Public Works and he's assigned whatever times he's needed to operate those two water plants.

Voss asked is he still keeping up his operator license? Ayshford stated oh yeah. We've actually had two other employees that we've had take their water license exams as well so we have two more. Voss asked they need that for lift stations, right? Ayshford stated just for the water side of things. So, operating the Water Treatment Plant.

Ronning asked are you anticipating any equipment replacement? Ayshford stated we have it on our Equipment Replacement Schedule. Nothing outside of replacement, no new purchases planned. Jack and I have talked that at some point down the road, as utilities expand, we might have to look at some different things down the road. But, that's a ways off yet so we're not budgeting anything for that.

Ayshford stated for next year, we have, I can just go through that quick right now. For next year, for 2016, we have two small mowers that are being replaced and the last of our F550s will be replaced next year. Those are our cul-de-sac trucks that we use for plowing cul-de-sacs and parking lots in the winter time and they do a lot of the heavy lifting, pulling trailers and stuff during the summer months. One of the trailers is scheduled for replacement as well.

Ronning stated that money's already in the Capital Funds. Davis stated correct. Ayshford stated yes, we transferred \$125,000 annually out of our Street budget and I think there's \$16,700 that comes out of the Parks budget that goes into that fund, building up a balance in anticipation of these purchases. With the Streets Operations budget, too, it's highly dependent on the weather. The biggest portion of that is our snowplowing. Like last year, we had all kinds of snowfall. This past winter was a lot nicer so we started off the year well as far as our salt, overtime, and fuel budget is concerned. And, that all can change in November and December this year yet. But, we think we've got a pretty good median point for covering that, bad winters and easy winters.

Harrington asked what about salt and sand prices? I've heard salt is going, the price is up. Ayshford stated we buy salt on the State contract and over the past five years it's gone up a couple dollars a year and this year too. Harrington stated that's all, okay. Ayshford stated we pay \$76 a ton delivered. Ronning asked any left from last season? Ayshford stated the salt shed's plumb full and ready to go. Voss stated you're trying to keep it dry, right? Ayshford stated we bid an amount each year and we have to take delivery of between, well we can go, say 80% of that amount up to 120% of that amount. Last year we were able to purchase the lowest amount that we were required to purchase and we still have enough left over. So, at least some savings there. Any other questions for the Streets Operations budget? Voss stated hearing none.

Davis stated Nate will review, briefly, the Recycling budget and the Water and Sewer budget. Ayshford stated Recycling covers our recycling operations at the Recycle Center. \$12,000 of that goes to the professional services fees, which pays for the East Bethel Lions to run that operation down there. We've had quite a few good comments on how well our Recycling Program's been doing in East Bethel. We got almost to our goal the County sets for us each year for getting our money for that. No real requests for our funding of the line items in there either.

Davis stated, again, that Fund is funded by a grant from the County. It's not funded by the levy. Ayshford stated on top of that too, we request money each year to help pay for other items. Last year, or two years ago, we purchased a new glass crusher and bailer for operating inside the Recycle Center. That was all covered by grants from Anoka County. This year we're going to request some improvements to the building itself for a new gate, some new siding, and gutters for that building to make it look a little nicer. We're also going to use some of the money to help cover the cost of removing the oil tanks, the fuel tanks that were in there, last year.

Koller asked is it all done now? Ayshford stated it is all out of there. They are still doing some monitoring on the groundwater in that area. That will go on for a little while before they officially close the site. We're paying for that now. If you look under line item #403, there's a large balance in there that we've had to pay to cover the cost of that. It's reimbursed by the State Petro Fund to help cover the cost for removing unused fuel tanks. So, we're still in the process of doing that.

Ayshford stated with the Sewer Operations, that is Page 77. The biggest change in that budget is from the past two years. We've shut down that treatment plant so we've saved a lot of operating costs there. It was reflected in last year's budget as well. We'll no longer have those high chemical treatment costs. Mike, maybe you want to talk about the addition of the Debt Service Fee to that fund?

Jeziorski stated there's two new line items within the Sewer Fund. Both have to do with the Met Council Sewer Treatment Plant Facility. Essentially, this #307 line item is the line item that captures the expense related to the treatment of our wastewater. So, that's something that the City will be getting a bill each month. They've estimated it at \$28,000 annually now and that's going to be the cost that they incur for treating our wastewater. The second component of that, or the second leg of that is, our current Reserve Capacity Loan states that if we do not meet our quota for SAC units, that they can charge us on that Loan a rate that is equal to whatever that wastewater charge is. So, again, if the wastewater charge is \$28,000 then we can anticipate another \$28,000 expenditure on that loan. Again, now, that's something we're re-working at this point but that dynamic would stay in place

with the new agreement anyway until we meet that \$2 million threshold. So, that's going to be kind of a constant until that's met.

Voss asked where's the \$28,000 come from? I mean the charge? What are we discharging? Is it from the Water Plant? Jeziorski stated it is from the sewer facility so essentially, there are 103 communities that are serviced by Met Council. They treat all the effluent and we're going to be in that grouping now where they base upon the amount that it takes to treat all that and then they divide it by all the communities based on their flow. And, they've estimated our costs within that at \$28,000.

Davis stated that's based on our projected flows for service. In other words, that's the cost that we're charged by Met Council to treat the sewage that they receive at the Plant. So, we pass that along to our customers. Voss stated I was just going to say, that's the number, so that's a net zero when it comes down to it. Davis stated that's correct and the second component, though, is that Reserve Capacity Loan Payment, which is equal to the flow charge. As our flows increase, then our loan payment will increase. That's what we discussed at the Work Meeting back in June, that if we agree to these modifications in that contract, that if we hit that \$2 million reserve capacity loan cap, then this Flow Charge Loan will go away. We'll still be paying for whatever the flows are, but the extra that's added on to that will go away at that time.

Jeziorski stated the one thing to note is this is not a General Fund so these are not General dollars. These expenses are covered, theoretically, by user charges. So, what we bill out on a monthly basis to the customers associated with the Sewer and Water Plant. Now, if we take a look at the summary of our Enterprise Operation, you'll notice that from a cash flow standpoint, we're sitting pretty good. We're at about break even with where our rates are. So, for every dollar we spend, we're actually recouping that money dollar-for-dollar for the expenses. The problem then becomes, though, when you add in that depreciation component of this, and we actually start to put the infrastructure from the sewer and water on the roll here, that it's not covered. So that's where a further analysis will have to be made, I guess, in order to determine what we want to do with the rates. But, from a cash flow standpoint, it's actually, the rates are meeting that.

Harrington asked is that why you're getting that big jump from 23 and the depreciation to 292? Jeziorski stated correct, yeah. So everything right now is sitting in a category called 'Work in Progress.' When it's actually finished, it goes from that 'Work in Progress' category to actually starting to be depreciated on the water and sewer books. That's why there's a huge jump in depreciation.

Ronning stated the original Agreement says that we pay for the water treatment for wastewater but the ownership stays with them. Who gets the depreciation costs? Jeziorski stated the depreciation for the actual Treatment Plant is the Met Council's. The depreciation that we're depreciating, and I can show you the chart, it is the sewer trunk lines, what other things? Davis stated it's our collection system, lift stations. The depreciation to the sewer plant is Met Council's sole responsibility.

Ronning stated with regard to the Castle Towers, have you had the opportunity to look at what the cost of running that was compared to transferring the cost? Are we 'ahead of the game' with that? Jeziorski stated I think the best analysis that we've done is just taking a look at our 2014 budget because that's, obviously, when the Castle Towers was in play, and comparing it to where 2015 was when we took that out.

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Davis stated you can correct me if I'm wrong on these figures Mike, but Tom I believe the total operational costs for running the Castle Towers Waste Water Treatment Facility was somewhere in the neighborhood of \$80,000. That included electricity, chemicals, wages. So with that in mind, now we don't have that cost. We do have a few costs still. We have the electricity for operating the lift station and any maintenance on the lift station and depreciation on that. We haven't broken those costs out yet but we are considerably lower than what we were expending.

Ronning stated the \$50,000-some transferred to Streets, or whatever, under Nate's. Davis stated the \$50,000-some wasn't the total but it probably made up about \$25,000 of that because for that person, half of his time was charged to essentially Castle Towers Water and Sewer. But with the electrical bills that we had up there, the chemical costs were very high. We also had a lot of costs for pump replacement on some of the lift stations there. We'll still have a few of those costs with this but we're substantially operating at a lesser cost now that we've connected to the other system.

Ronning asked with the higher cost up there, are we operating all new equipment? Or do we still have some old maintenance? Davis stated we're operating all new equipment. The lift station that actually serves Castle Towers itself was upgraded and the main lift station is new. So, we're operating all new equipment as it relates to lift stations.

Ronning stated and life expectancy on that's a long time. Davis stated it is except for the pumps, which are the major component of that. It just depends on what gets in them sometimes as to how long they last or whether they have to be pulled or repaired. So, those can last a while or you can just get a couple years out of them.

Davis stated I wanted Nate to just briefly go over and hit the highlights, especially the Recycle Program and emphasize, again, that's funded exclusively by grants from the County and that the Enterprise Funds for the Water and Sewer are essentially funded by users of the system.

Jeziorski stated sure, I just wanted to point out here, specifically, what's going to be depreciated. So, you see those depreciation numbers jumping pretty substantially. Here's the actual fixed asset associated with that project. So for the water system, we'll have a water tower being depreciated in 2016. The fence at the Water Treatment Plant, the forcemain item, Lift Station #1, a lateral gravity sewer line is a sewer item, a lateral water line will be a water item, water stubs will be a water item, the actual software to run the utility system is a water item, and another utility hand-held. Those things combined are the reason why the depreciation is jumping and they are all associated with that project.

Ronning asked is the engineering depreciable? Jeziorski stated yeah, it is captured within those too. So, you'll see that there's an actual cost right here and then there's an engineering component, and then there's the total. That's just an accounting standard that either allows you to do that, or mandates that you do that. Ronning stated that's interesting, it's almost, to me, like buying stamps or something. You have to depreciate every little element. Jeziorski stated yeah, it gets to be a little cumbersome but our threshold for certain things, it's \$5,000. For others, it's a little bit higher.

Ronning stated for my information, for anybody else that's interested, business depreciates something and they write that off against their assets, where we have to account for

somehow in cash flow? Jeziorski stated we basically have two different systems the way we do it. The General Fund actually does not depreciate anything. It's kind of an off-the-books entry but for our Utility Funds, they are actually treated like a for-profit entity would do it. So, they're actually depreciated and you actually see that on the books. It's kind of a little bit confusing. Our General Fund assets that we capitalize are kind of done off-the-books and you don't really show that. When we go over the General Fund budget, we don't show depreciation. Then when we show the Enterprise budget, we actually show the depreciation. That's just the way governmental accounting is because one of them is like an Enterprise Fund and one's a General Fund.

Ronning stated I think when we talked about the Ice Arena before, there's a certain depreciation costs and we didn't make enough to cover the depreciation. Jeziorski stated that's correct. Ronning stated that's confusing to me. Jeziorski stated the Arena Fund is classified as an Enterprise Fund so it will also show depreciation on that too. Davis stated for our purposes, depreciation is money that you owe yourself. In an ideal world, we'd cover the depreciation 100% and then we'd allocate those funds to another account so we'd have it on hand to take care of replacements or major repairs as required. So, technically, if we have a depreciation account and we don't recover anything, we're still meeting our operating expenses. But, at some point, we're going to pay for that because there will be things that have to be replaced or major repairs have to be incurred that these funds would cover.

Voss stated essentially, it's building reserve for replacement of the equipment. Davis stated that's right. Jeziorski stated and since the infrastructure in the Enterprise Funds is fairly new, or new, it's not as critical to have that balance. Voss stated but it will 25 years from now. Jeziorski stated correct. Ayshford stated and hopefully by then we'll have more customers to spread that cost over.

Ayshford stated do you want to pull up that Equipment Fund real quick and that will be the last thing I need to go over. I kind of went over everything we had for 2016 but I'll give you heads up on what we're looking at 'down the road.' The next really big purchase that Public Works has planned is replacement of our road grader in 2017. That's roughly a \$200,000 purchase. We still have 16 miles of gravel road that we maintain and that thing gets a lot of use. It was originally scheduled for replacement this year but we had to put a bunch of money into the transmission a couple years ago so we pushed it out a little bit further, hoping that we could get some more life out of it. Then after that we start getting into replacement of our snowplow trucks in 2018 and beyond. I think there's one every year after that that's scheduled for replacement. We've got five single-axel snowplows that we are operating right now.

Ronning stated that's the cost of new equipment. Ayshford stated correct. Ronning asked do we sell it. Ayshford responded we do. Ronning stated the old stuff and recover some of it. Ayshford stated absolutely. We sell all of it. Sometimes we trade it in. We can get it right off from the top from the manufacturers. A lot of times, we sell it on a Minnesota auction site called Minnbid. I know the Fire Department sold a lot of their stuff on there as well. We've had pretty good luck getting pretty good value for what we've sold on there.

Ronning asked does that reflect any place in here? In the budget? Davis stated we put that money back in the Equipment Replacement Fund. Ayshford stated we figure out these numbers, some of that estimated salvage value is thrown into what we expect to have to pay. Nick has a whole sheet for that too.

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Voss stated speaking of the grader, when's the last time we've done an analysis of, because I remember we did this years ago, of paving our gravel roads as opposed to not paving them, knowing we have higher maintenance. Ayshford asked as far as the costs? Voss stated yeah. I remember, probably 5-6 years ago we did a cost analysis. Davis stated 2008 or 2009, we looked at what the maintenance costs were on a gravel road as opposed to a paved street and what the costs were. At that time, the maintenance costs on a gravel road were essentially the same as they were for a paved street.

Voss stated I remember that because we were all shocked by it. Davis stated even though your paved street maintenance costs are expensive, you don't do those as frequently as you do the gravel. You do the gravel almost on a weekly basis.

Voss stated the reason I ask is I think part of the driving reason back then, was the cost of bituminous. Right? Is it worthwhile to do the assessment again to see if perhaps we should start a program of slowly getting these roads done. Davis stated one of the things we would do is we could even set up some kind of a Capital Improvements Program to start a schedule to pave these streets with City participation and maybe some minimal assessment of the property owners. But, it would be something that would be good to consider because 16 miles of gravel road, not only do you have to have an expensive piece of equipment but you also have to allocate several personnel during the week to maintain it.

Voss stated there are labor costs too, which are always going to go up. Davis stated yes, that's correct.

Ronning stated to add to Steve's question, so we know, is there any way to anticipate if the cost of asphalt is coming down with the petroleum costs changing? Voss stated well it came down two years ago. Ayshford stated it's been about the same since then. There hasn't been a huge drop in it. We've seen better bid prices come from contractors, overall, for work. But, the actual costs for the per unit asphalt hasn't changed all that much.

Harrington stated I'd like to add onto Tom and Steve too. How's Klondike holding up with all that rain we had. Is that chemical probably gone now? Ayshford stated the chemical is still actually in there. We bladed it yesterday. We tried to hold off as long as we could and it got pretty rough there after about four weeks to a month after we put it down. After it rained the other day, we drove on it and it's actually in pretty good shape from the rain. I was surprised. We did grade it and it does hold some of the dust down but it's not like it was when it first went down. Any other questions for Public Works?

Voss stated do we want to go ahead and do that assessment, analysis, like we did last time? Ayshford stated we could do it with the Road Commission and bring it to City Council. Davis stated I think it would be worthwhile to look into it again and then just explore the possibilities of setting up a proposed priority for paving and some type of formula for funding of activities.

Voss stated it's got to be one of the more common complaints that we get, is the dirt roads. You hardly get any complaints from the paved roads except for me with all the chips. But, we don't get too many complaints about paved roads.

Ronning stated from what we heard earlier, it's 2016, I think, when bond payoffs come. It's about \$1.8 million, that's a lot of road. Wasn't it? The bond cost that will be saved is about

\$1.8 million? Jeziorski stated that was just the principal that's going to be paid in 2016. Ronning stated but we won't have to pay that cost in the future so that's something that could be used for streets. Voss stated well right, I think using the model we have of, as Nate suggested, like the Equipment Replacement Fund. If it's worthwhile to set up a Road Replacement or however we want to term it, that we fund every year. Or, maybe don't do repave roads every year because, my impression is that other than Klondike, most of them are fairly short runs. Ayshford stated I think the longest one might be up to about one-half a mile.

Voss stated they're scattered all over. Ayshford stated they are spread throughout the City. Voss stated it's one thing if they're in one part of the City but you're sending a grader over the entire City. They put more miles on driving to each of these places than they do the actual grading.

Davis stated when you consider the logistics of the grader, we go from the Ham Lake corporate limits down at Coon Lake Beach all the way up to 241st just south of Cemstone and then east and west. Ayshford stated actually all the way up past Bethel now with that little stub we do up there. Davis stated when you count it, the travel times probably greatly exceed even the work times on that piece of equipment.

Voss stated \$40 an hour or whatever the cost of labor is, that adds up if we're constantly grading. Ayshford stated the City's current policy is in order for a neighborhood to get paved, they have to get a petition from the neighborhood to bring in and every summer I get quite a few calls from different neighborhoods where some residents want their street paved and they're willing to have the assessment and pay it but they can't get enough people in the neighborhood to do it so none of them have actually.

Voss asked when's the last time we actually paved a road? Davis stated I think it was probably the first year that I came here in 2006. Voss stated yeah, it's almost ten years. Davis stated and we had a couple of others that were close to meeting the requirements for the number of signatures on a petition. Naples was almost twice. Voss stated yeah, that's right, it came up twice. Davis stated what we can do in this, we can actually look at our process or policy for paving roads and if the City can come up with a way to fund some of it and assist some of these, it may stimulate some of these projects to get done.

Ronning asked what was that study that you mentioned? About redoing? Voss stated the question came up because I think I was on Roads at the time, I think I was the Roads liaison when we did this, was question there's a cost of paving one of the gravel roads, say it's a 20-year life on a road, versus the 20-year cost of maintaining a gravel road.

Ronning asked what's the break even? Voss stated it came out actually better to keep it a gravel road from a dollar standpoint. That's what I remember. Davis stated it did but the cost of maintenance over the time of that, not the cost of paving, but the cost of maintenance between a paved street and a gravel street is essentially equal, which was kind of surprising. Voss stated yeah, that part was surprising too.

Ronning asked how much infrastructure do we have that we're responsible for? And, is there a cost even assigned to that? Voss asked what do you mean by 'infrastructure?' Davis asked street mileage? Ronning stated well streets. Davis stated we have approximately 138 miles of streets/roads in the City that are City streets. Sixteen miles of them, as Nate said, are unpaved.

3.0
2016 Budget
Presentation
Review
Discussion

Ronning stated utilities are all new for the most part. Davis stated utilities are essentially new and it's a very small amount. They're concentrated in Whispering Aspens and along Highway 65, 22, and within the Classic Commercial Park. Voss asked you said 138? Davis stated 138. Voss asked does that include the 16 miles? Davis answered that includes the 16. Voss stated so we're looking at roughly 15% of our roads are gravel. Davis stated yeah. Voss stated that's not bad from a percentage standpoint but when you look at a 48 square mile City, like Jack was saying, these roads are everywhere. It would be one thing if it was just the northern part of the City.

Davis stated we're essentially comparable with St. Francis and Oak Grove in that respect, in terms of mileage per square miles. St. Francis has, believe it or not, quite a number of unpaved roads, maybe as much mileage as we do. Voss stated Ham Lake is what I would compare it to because it's along the 65 corridor and we're more developed than Oak Grove is. In some respects, we're more developed than St. Francis is. So it would be interesting to see if we can do a comparison, find out from Ham Lake. Ayshford stated I think they have around 155 miles of roads. Voss asked how much gravel road do they have? Ayshford stated very little, not nearly as many. Davis stated I'm thinking, and I would have to check this out, I almost hesitate to say it, but I think they have just a little over a mile of paved roads. Voss stated I can't remember, I know there's a couple dirt roads off Lexington.

Davis asked do you think that would be accurate Nate? Ayshford stated what they did is used millings on a couple of them that were long stretches. Naples between Constance and Bunker is a couple mile stretch. They recently just reground that too back into gravel so they grade that a couple times a week.

Voss stated they changed their assessment policy about ten years ago too, didn't they? They're no longer assessing. Ayshford stated correct but I'm not sure about gravel upgrades if that one was changed or not. They no longer assess for reconstruction of neighborhood streets. Ham Lake, a long time ago, one of their mayor's big items in the 80's was to pave the gravel streets in that city.

Ronning stated you started to say something about assessments or something? Voss stated in Ham Lake they changed their policy, I think when you were there, they changed their policy from assessing to not assessing. Ayshford stated correct. Voss stated we don't assess for our reconstruction either. Davis stated no, we don't assess for any MSA or even any of our street capital work that we do on existing paved streets.

Voss stated so it would be interesting to find out, in this evaluation, what total costs would be to get these 16 miles of road paved. I think we keep Klondike out of that or have it separate because that's kind of another issue. But, find out what that total cost would be and then look at it from a ten-year window. What would be the ten-year cost to get all these things done. Maybe it's a palatable number that we can start funding for.

Davis stated like you say, Klondike is a special circumstance because of the area that it traverses and a higher associated paving cost because of the actual higher traffic counts and higher speeds. Voss stated it's not only that but what held it up years ago was the fact that it's a lot of developable land that road could be paved by future development rather than through City tax dollars. Whereas, the other roads are pretty much, I think they're all in developed areas. Ayshford stated yeah, and they're mainly in all rural sections. To do

Klondike, it's a lot higher design standards that have to be met too because it's an MSA road. Voss stated that will be a major route, that's a collector route right there.

Davis stated the next is the Planning and Zoning Department budget and the Building Inspection budget. Colleen couldn't be with us tonight, she's on vacation. The proposed budget for Planning and Zoning is projected to increase to \$275,600. That's an increase of \$6,000 over last year with the basic reason for that increase being that all three employees that are within that Department are eligible for Step and COLA increases. 99% percent of that budget is wages, salaries, and benefits. 1% is essentially operational costs. In that wages, salaries, and benefits too is also professional services fees, which are fees allocated, essentially, for the maintenance of our GIS system.

Davis stated under the Building Inspection Department, we're requesting \$253,400 as the initial request for the 2016 budget. This is a \$15,000 increase over the 2015 budget. Again, \$9,000 of that is basically the fact that those employees there are eligible for Step increases and the COLA increase. There are no plans to replace the two Building Department vehicles at this time. I think in the Equipment Replacement Schedule, one is listed for 2017 but I think we can extend the life of that one for at least another year. Are there any questions about any of the line items or any of those requests for those two Departments?

Ronning stated when we have a line with full-time employees regular and overtime, that's all in fringes? Davis stated correct. Ronning asked are they included in the overtime cost? Or, that's paid in the regular? Davis stated actually, there's essentially zero overtime in any of these departments. What we'll do with the hourly wage people or the union people that are in there is if they work overtime, we'll try to do some kind of flex schedule. So if they had to work an hour over then they'd start maybe an hour later the following day, however the schedule permits to keep those costs to a minimum.

Ronning stated the question will go for any of the departments. The benefits cost is all made up in straight time? And, the overtime, is any of the benefit cost allocated to overtime? Davis answered no because what we essentially do is keep that overtime to basically zero. Ronning stated not just on here but on Street Maintenance, on any place? Davis stated on Street Maintenance, essentially the benefit cost is basically done for straight time. Most of them are fairly fixed, like the cafeteria contribution is fixed. The PERA's based on wages so that's reflected also in that overtime category. But most of it's based just on straight time. Ronning stated it would have to be. You could never forecast overtime. Davis stated no, and again, the biggest overtime category we have in any budget, is in the Street budget and traditionally we estimate probably lower than what it normally is. Last year we were fortunate that we didn't have to use a lot of that. But, estimating overtime budget is probably the most difficult thing you have to do because it's solely based on speculation.

Voss asked what's next? Davis stated the Finance Department. Jeziorski stated the Finance Department really has a status quo budget. Our budget is increasing by 3% from \$234,200 to \$241,400 and that is solely made up of the COLA increase and one eligible employee's Step increase. Other than that, it's the same budget as we presented last year. Voss asked questions?

Ronning stated I don't know if anybody else is adding up the numbers, this 2% here, 3%, whatever percents. That's all within their own Department but overall, they seem to be more than what 1.6%. I don't know if there's any that were less than 1.6 so how do we

come up with the total 1.6? Jeziorski stated the 1.6 is what the levy is increasing by within our General Fund. We also have different revenue categories that are obviously increasing at different levels too. Again, some budgets are staying flat, some are actually decreasing, some are going up by 3%, some are going up by 5%. So all together, taking all those things into account, the only increase we need to do to the levy is 1.6%. It's kind of a culmination of everything.

Davis stated a lot of these, like you say the 2-5%, especially those things that relate to salary are isolated only in the wage and benefits section for that portion of the budget. Generally, the operational side of it, especially when you get to Fire and Public Works, have stayed flat. Those are some fairly substantial sums. So, the 2% and 3% is not reflective of their whole budget request and as Mike said, there are places where there are reductions and there are revenue increases. So, the whole thing in aggregate is 1.6%.

Jeziorski stated there are actually four categories that are in General Government that are decreasing: Council is decreasing by 7%, General Government by -3%, Risk Management by -6%, and Central Services by -4%. So, there are some categories where their budgets are actually being decreased.

Voss asked what's next? Davis stated next is City Administration and under the City Administrator's budget, one of the things that's changed under this is we used to have a Deputy City Clerk budget. We consolidated that under the City Administrator budget. We've also included the Receptionist under this budget and also the Cable Technician. So, with that, there's two of those employees that are eligible for Step increases and that's the major portion of the increase of that budget. That budget has been projected to go from \$308,000 to \$318,000, which is an increase of 3%.

Davis stated within that, also, we have an HRA and EDA budget. The HRA, we have no levy. We do have \$26,000 that is transferred essentially from that budget, which is part of this intergovernmental transfer of \$26,000. It's a negative so we take that out of the General Fund. The EDA is a special levy itself, which is not reflected in the General Fund budget. It's levied at a rate of .00183%. No, actually that's the maximum it can be levied. It's levied at less than that, I'm sorry. But, it's levied at the same rate we had last year, \$60,000 of that budget is actually transferred back to the General Fund to cover staff time for economic development and project activities.

Davis stated there's another category in there called 2016 Projects, which is somewhere in the neighborhood of about \$40,000. We've used that money to cover projects, which may come up during the year. For this year, we're using it to fund the GIS system and there may be another project, which we will discuss. Hopefully we'll have time at the end of this meeting to discuss a potential water and sewer extension. The balance of those funds could be used for that.

Davis stated also too we have Legal. Legal is projected to be the same cost as it was last year, which I believe is \$145,000. Engineering is set to remain the same, be flat at \$35,000. Our transfers, we're projecting them to increase by \$5,000 and that \$5,000 would be an increase of the Parks transfer from \$50,000 to \$55,000. The Parks transfer has been reduced from \$100,000 to \$50,000 over the past three years. We'd like to slowly start reestablishing that transfer up to a little higher level. That pretty well takes care of those categories. Are there any questions in any of those budget items?

Voss stated hearing none? Ronning stated now we got past those questions. The Public Works and Fire Department had HR budgets and it looked like it's all for drug testing for CDLs. Is there any other HR cost in the system? Davis answered no. We did have an HR account, the only other things would be for, like, safety training, which we do to meet our OSHA requirements. Other than that, that would essentially be, Mike and I are the HR cost. Ronning stated well worth it.

Davis stated again, that's just kind of an overview of where we stand with each of those items. With this preliminary proposal, we're projecting a 1.6% increase, which is well in line with what we had discussed after we had the big increase in 2014. We had that one big jump but we hoped, anticipated, that any increases going forward can be in that 1-3% range. Again, most of this is reflected in things for Step increases, which we still have, I believe, seven employees that are in different stages of that, that are eligible for Step increases. It doesn't mean they'll always get it, but they are eligible so we do budget for it. The 2% raise and a \$43 per month increase in the Cafeteria funds.

Davis asked is there any desire of Council to continue the budget discussion at a later date? Or, how do you want to proceed with this presentation? Koller stated I think this has been pretty clear. Voss stated we have opportunity over the next couple months to bring things up anyway. Davis stated the only action, as Mike outlined in the time schedule, is on our first meeting in September. We do have to approve the preliminary budget, which we will submit to the County. And, even after that point, we can decrease the budget. We can't raise it any more but there can be deductions until the final budget is brought to you in December.

Mundle asked if we really want to, or had to, would there be room to decrease the budget? Or, are we at the point right now that we really don't want to? It's just a question of theory. Davis stated I think if we look at decreases, which decreases are possible, but as I stated earlier most of this budget is tied up in wages, salaries, benefits, contractual items, transfers to other funds, and bond payments. Once you take that out of that \$5.255 million, there's about \$700,000 left. Most of that, the majority of it, is in the operational parts of the budget in Fire, Roads, and Parks. If you decrease that, then you increase some levels of service.

Davis stated the other areas to cut are to look at personnel, if you want to go that route. That's the only thing where you could probably achieve any kind of significant savings. As Mike and I think Tim mentioned too, there are some potentials for further revenues. We haven't accounted for the cell tower lease revenue for the new Verizon tower mainly because we don't know when it's going to be here. We don't want to add anything in that we're not sure of. These are very conservative numbers.

Davis stated the other thing, as Mike mentioned, the LGA funding, we've put the amount in that we had for last year. It may increase \$5,000 or \$6,000 but we're not going to put it in until its certified. But here again, that \$5,000 or \$6,000 is not going to be significant. I think there may be a way to trim it down without being too harmful. We could go back.

Davis stated one of the things we'd looked at and talked about before was things like the newsletter. The newsletter is a fairly expensive thing to publish. We talked about doing it twice a year instead of four to five times a year, which could save us maybe about \$1,500. But, you know, do you get value from that? Is it worth doing that?

Davis stated one of the things we are looking at and hopefully in the next newsletter that goes out, we'll have our first advertising in there for a while. So we're going to try to use ad costs to offset some of the production costs of the newsletter. Again, through, we do have opportunities to bring this up and I would encourage each and every one of you to take a look at some of these things. If you do have suggestions or see areas that you think that might be open for discussion for reductions, please bring them up. We'll certainly entertain that.

Mundle asked so in your opinion, right now, we're at a good basic minimum cost of running the City? That we are providing good services at a minimum cost? Davis stated I think we are and, again, when you look at what are our fixed and our contractual costs, it's still a pretty lean budget. And, if you go back and look at what this budget is compared to what the 2010 budget was, we're almost at the same spot.

Jeziorski stated I would echo that same sentiment. I think this meets our current needs for 2016 and it also doesn't leave us vulnerable for future years. When I came aboard, we had a 15.9% increase. We don't see anything like that happening down the road. So, this is a good balance between meeting our current needs and not creating a vulnerable situation in the future because we are funding our bond payments and things like that.

Ronning stated from my time on the Council it's, I don't know how you can prove it but you can always cut but you have to pay for it someplace else whether it be your Capital Funds, or services, or something. During you guy's time on the Council, we pay for what we get and we get what we pay for. Mundle stated I'm sure citizens ask, 'Is this the best?' Or, 'Can we cut?' We're raising it so just had to ask the question.

Harrington stated personally, I'd like to see a little bit of increase. I'd like to see that. Jack said we're going to put a little bit more in the Parks but I'd like to see more because they've taken a pretty big 'beating.' Voss stated yeah, not even recently. They've taken a beating over the years. The hard thing with Parks is you try to equate it with the rate of development too and the rate of use. So, it's a hard thing. It's more subjective, I think, than some of the other things. This Council's, I'll say it, they've raided those funds before.

Harrington stated they're trying to buy equipment now and you can't get anything for the money they have now. Equipment's a lot more expensive and replacing equipment in the Parks.

Voss stated it's like anything else. To me, if you're setting your dollars and then figuring out what you do with your dollars, you're doing it wrong. You set your priorities first, your wants and your needs, figure out what it's going to cost, and then decide the value of doing that, what you do and what you don't do. I guess my statement to Parks would be, if they want to do more, if they feel there is need to do more, then make that presentation to Council. This is the time to do it. I'm not saying dollars but if there's Parks that we're neglecting because Council hasn't funded Parks as much as perhaps we should have, then we should know about it. From my perspective, that's part of what the Parks Commission should be doing to us, is advising us what things that should be done. Most of the Parks people have been there a long time. They know things cost money.

Davis stated one of the things we want to try to reestablish, here again, was to let the Parks Commission and also the City and citizens know that even though Parks has taken budget 'hits' recently, we're still committed to a strong Parks Program and maintaining what we

have. I just want to make everyone aware that this is a way to re-emphasize that we're slowly going to try to reestablish the transfers and also increase the operational budget, which is reflected in this budget.

Voss stated I applaud the Parks Commission members for the years that Council has cut their funding that they've hung in there and done what they do with the funding they have. Davis stated and again, this isn't the first time. Historically, probably they've been the first source or target when it comes to any budget reductions. Several years ago, when we lost all LGA funding to the tune of about \$180,000, there were some reductions not only in Parks but even the Roads transfers went down. But again, as was previously pointed out, once you make those reductions and those transfers, it's very difficult to establish them back to the levels they were. Voss stated I was on the Council when we made those cuts. Doug, you had something you wanted to say?

Doug Meyenburg, resident and representing the Pageant Committee, stated we have dinner next door. Voss stated that's why I keep smelling food. Meyenburg stated we have a ton of food if you guys want to swing over and fill a plate or just stop over. We've got a whole big table full of desserts. We have more food than people that showed up. Voss asked is there a motion to adjourn? I think we'll be over there Doug. Some of us will. Meyenburg stated okay, the turkey is really special. Davis stated I'll be real quick with these last two items. Voss stated thanks Doug for pushing our meeting along.

Davis stated so again, if anyone wants to reintroduce any budget discussions, just let us know. We'll add it to an agenda Work Meeting, Regular Meeting, whatever you want to do.

Voss stated Parks was canceled this month, wasn't it? Davis replied correct. Parks was scheduled for tonight. So, generally, usually a Park meeting in the summer is cancelled. Voss stated well, they've still got August to come up with something. Harrington stated I'll bring it up to them at their next meeting.

4.0 Other
4.0A.
Utility
Extension

Davis presented the staff report, indicating this is a request for a water and sewer extension from 18511 to 18429 Central Avenue, essentially, from the NACE building to the Snap Fitness building.

This building has expressed an interest to extend water and sewer service south on Central Avenue from the NACE building to the Snap Fitness building. The initial estimated cost for this extension is projected to be \$115,487 for the minimum benefit, that is the lines sized to serve only the four properties identified in the attachment for the service, and \$175,527 for larger lines that would include the trunk costs, lines sized to service the future project area. The difference between these two costs, \$60,040, and would be the charge to upsize the line for future service extensions.

The businesses served by the extension would be NACE, the Tattoo Shop, Route 65 Discount Liquor, and Snap Fitness. Formulas for each individual share are yet to be determined.

Staff is seeking direction from Council as to any interest in offering the extension of the service with one consideration based on \$115,487 being paid by the users of the extension and \$60,040 being absorbed by the City as the trunk cost.

Voss asked so all four of these properties are interested and willing to? Davis stated three of them are definitely interested in hooking up. The Tattoo Shop has not expressed an interest. We haven't had any conversations with them yet as to their desire.

Voss asked they own the building? Davis stated they don't. They rent it. It's owned by a lady by the last name of Danielson. Voss stated so that's who we should be talking to. Davis stated that's correct.

Davis stated at one time, she was interested in connecting to the sewer when we had some of these talks, about two years ago. I don't know currently what her position is. But, NACE would like to hook up. NACE actually has a noncompliant septic system. The system is working. We told them that they could continue the operation of that as long as there was no danger to public health of safety and that we would address their situation based on what decisions were for future extension.

Davis stated this extension of this line would take it down to the Snap Fitness building. The minimum service to service these four properties would be an 8-inch sewer and a 6-inch water. Of course, we don't want to do that because this is going to be the future extension of service going south. So, we'll have to go with a 24-inch sewer and a 16-inch water. I think in order to get some of these extensions done, the City's going to have to perhaps participate in some of the cost. In this case, actually, the cost of the trunk services could probably be assessed to future development, if it were large enough development, and it potentially could be at some time.

Davis stated this would get us in a position also to take the water and sewer east between Route 65 Discount Liquor and Snap Fitness and tie into the future service road plans that we have that would be a cheaper installation rather than going down the existing Central Avenue. It would also open up, within 300 feet, the end of 80 acres of developable property and also get us closer down to the corner of Baltimore Street and Highway 65.

Voss asked since those 80 acres are owned by the same owner as Snap Fitness, they express any interest in putting that line in now? Davis stated they would like to see it down there. The reason for the Snap Fitness is that may be one of the locations that this craft brewer is looking at.

Harrington stated on that \$60,000 being absorbed by the City, did we do anything on the west side to absorb any costs over there? I mean if we do this, the businesses across the road are going to say, 'Well?' Davis stated yeah, we did a lot over there. Actually, the original formula for assessing the cost of that sewer over there included a lot of lateral line charges, trunk charges. But, the Council decided just to do one basic assessment of \$11,500 per lot because of all the cost of connections. So, originally it was estimated with all those charges that the cost per ERU would be \$17,000 including the City SAC, WAC, the Met Council SAC and then those extra costs for the lateral charges and the trunk charges, which would have been about \$8,000 additional per lot. So, those people were accommodated in cost absorption in that way, in my opinion.

Voss stated well, from a purely engineering perspective, we're not going to put in a small line. Davis stated no, absolutely not. I just used that to show what, you know, if they were looking for basic water and sewer service, this is what their costs would be.

Voss asked have we given them any numbers yet? Davis stated we've just basically discussed, these numbers have not been provided to them. We basically discussed some numbers in general and I think the number thrown about was estimated just for discussion purposes of about \$100,000. The owner had some reservations but came back a couple weeks later and said that he would be willing to discuss that.

Mundle asked has there been any interest from any of the other businesses that if this were to go forward, that instead of just digging up the street to serve these couple businesses, that we could then take the time to put more of the line in? Davis stated the only one that's expressed some interest was Route 65 Pub & Grub only if their SAC assignments from Met Council were significantly reduced. Going north of where the current service terminates, which is the Ace building, there are several businesses up there that have expressed a desire to hook up but this would be quite a bit of additional cost because we're going in another direction. This would not be facilitating farther extension to the south. George's Boat Repair has indicated an interest. The trailer sales has indicated an interest. The recycle place has indicated an interest. But there have been a couple places up through there that have adamantly said they do not want the service also. So I think going north at this time is not something that we can look at affording.

Davis stated one of the ways, if this has any interest with the Council, the question is how do we pay for the \$60,000. I mentioned we have some money in an EDA called '2016 Projects.' This may be something that's considered for that. We're also going to be opening bids for the Castle Towers decommissioning work. There's a good possibility that we may have some excess money from that. Those are the remainder of the bond funds and between those two, we could possibly have somewhere in the neighborhood of this \$60,000 to pay for that difference.

Voss stated and that's fine for finding a source for the \$60,000. But, if we're going to set a precedent for these four and then say the next four want to connect, we're going to need at least, politically, to do the same deal for the next ones. So, it's almost like setting a policy.

Davis stated the one difference that may separate this from the situation you're talking about is this would facilitate us developing this line to the south. Voss stated well, I agree. I think once people know this is coming, then maybe others will say, 'Oh yeah, maybe I will now.'

Davis stated and the only three businesses that are still to the south, there's only one of them that's indicated a mild interest to even wanting to be connected. Voss stated and there's one that should be connected. Davis stated yeah, and Dave Carlson owns two of the properties. He owns 65 Pub & Grub and leases that to Brad Slawson. He also owns the building just north of there where the driving school is. The other business is the car lot down there and they have no interest at all in connecting to this system. Voss stated I can imagine.

Koller asked what about the frontage road? If we're going to dig that up, we're going to have to do some work on it. Davis stated there would be 300 feet that would be disturbed that would have to be restored. Koller asked is part of that owned by the State? Davis stated the part that we would be in would be in the City easement, not the right-of-way, but the City easement.

Davis stated what we would propose to do there is at some time that frontage road is going to have to have an overlay done on it. This would be just to patch the section that's disturbed and potentially overlay that whole road within the next two to three years. It will be one of our City Street Capital Projects.

Ronning stated with regard to this extending the system, it's a major cost one way or another. For a small group to pay for a huge cost, it's not a penalty but it's a hardship for sure. Voss stated it's, they're paying for the line in front of their property, which is going to be the same as everyone else will do, correct? Davis stated it is and in this case, the property owners that have the most benefit are located, they have the most line in front of them. In order to determine a formula to assess cost, essentially the NACE building and the Tattoo Shop are located almost directly across from where the service currently ends. It's just a matter of getting the line either to the middle of the road or to a convenient location for them to make a connection. In terms of doing some type of assessment formula, I would image their costs would be 'pale' in comparison to the cost of the owner's for Black Bear Liquor or Route 65 Discount Liquor and Snap Fitness building.

Ronning stated with what I'm thinking, the cost really is going to have to be spread out over a bigger footprint than four people, four businesses. Look at it from this aspect, that if we can't help people hook up by helping them get there, we're going to have to pay for it through taxes to everybody anyhow, assessments, or levies I mean, I'm sorry. You're going to have to raise the levy and everybody's going to have to pay it anyhow just to pay for the obligation. So, there's going to be some value in helping them get connected, making it more available.

Voss stated well, don't get me wrong, I didn't mean not doing it. I'm just saying if we're going to do it, we have to think about it. Ronning stated no, no, I'm putting my 'neck on the line' saying that I think we should all pay for it. The whole community's going to get some advantage to it.

Davis stated if you'll look at this one map, Tom, you'll see where Snap Fitness is located and Route 65 Discount Liquor. That's a common ownership, the same owner owns both those buildings and they're the ones that are actually requesting this service be extended. So, they're currently aware their costs could be \$100,000 and they're willing to discuss the possibilities of paying that amount.

Ronning stated well what we have is 34% and 66% of the \$175,000. We're all going to pay for it sooner or later and to get the return on it, if we help pay for it at a lesser cost, it will balance out, not dollar for dollar but it will balance out to some extent in the amount of money we won't have to, the population won't have to, come up with levied money for debt obligation. Davis stated that's one of the reasons that I just threw that one potential financing scenario out. We would want to do this where there is no levy funds involved. If the City's going to absorb some of the costs, we're going to have to find a way to do it without levy funds. Ronning stated or some Capital Funds someplace.

Ronning asked what kind of ERU SAC charge hits would they get? Is that included in the \$175,000? Davis stated no, that's not included in that. As far as the SAC units assigned, I'd have to look that up. The Snap Fitness building, depending on what goes in there, could have, I'm not going to say because I may be way off. But, you know the Black Bear Liquor, the Route 65 Liquor probably one or two. The Tattoo Shop would be probably one, maybe two. NACE would be one maybe two at the most.

4.0A.
Utility
Extension

Ronning stated I think Brad said Route 65 would be like 26 or 27. Davis stated yeah, that's correct. I think that's what their assignment was. Ronning asked is it Charles David or David Charles? He personally told me he would shut the place down, there's no way in hell he's going to invest that kind of money. Davis stated like I said, they said they'd be interested in connecting if their SAC assignments were significantly reduced. But again, we're not proposing to go down that far.

Ronning stated this is a very interesting thing but how you approach it is, to help make it work. It would be \$46,000 if you did the 11 5 compared to \$115,000, or I'm just trying to think of some way to make it more palatable so other people will think, 'Well, we'll get on there. We'll have to some day.' We've got to make it a lot easier to 'chew.' Right now, it can't even be 'swallowed.'

Voss asked Jack, what direction are you looking for tonight? Davis stated I'm just wanting to know if you want me to approach this owner again and tell him that there's avenues or room for discussion, that the City would potentially consider the difference between the minimum line size cost and the upgrade to service future project areas that are south of here.

Voss stated I still don't know if you want to use that as the bellwether on determining what the difference is because if there's only one of them asking for it, then it's a smaller line even as opposed if there were ten asking for it. The lines are sized differently. I think everyone's going to understand that.

Davis stated even if one asks for it, the minimum line size that you can have is an 8-inch sewer and a 6-inch water. That's the minimum regardless. And, essentially, that would serve 300 or 400 people. But I guess to maybe kind of simplify it just a little bit more, are we interested in looking at assisting extension of some of these lines by maybe paying for the upgrade in cost for these shorter extensions? If this were an extension to go down to say Ham Lake and it was 2,000 feet, obviously the difference, we couldn't make that up. But, in order to facilitate the incremental extension of these lines, this may be something to consider. It's 300 feet here, maybe the next time it's 400 feet, and then there's another 400 feet for extension and then all of a sudden, we've actually gained some fairly good length in extension of the system as a whole.

Mundle stated well, the City did put the system in to serve businesses. That's one aspect.

Voss stated I agree the message to the businesses is yeah, we definitely are interested in that and then we've just got to figure out. I think at least from what I can gauge here, there's interest in providing a level of assistance. Mundle stated yeah, at least talk about it. Voss stated it's just to what level and how do we determine that because like I said, I think it's going to set precedent in how we deal with others too. We set a policy for the west side for those. Are we going to apply that here and provide the five-year loan program for this side of the highway too?

Davis stated I think one distinction with the west side too is all those businesses were required, mandated, to hook up and connect to the system. Here this is more of a voluntary thing. Voss stated right but it also, I think we have a desire to get the east side hooked up too. Davis stated we do and we have to recognize the fact too that any future extensions, anyone we go past, is going to have to hook up in order to pay for this thing.

Voss stated it's like what Tom said, and maybe I don't agree to the full extent, but the City as a whole, there is benefit and some duty. Even back when we were contemplating this 10, 12 years ago, we recognized that fact too. There's a benefit to having services and jobs and stores and everything else to the entire community so why should not the community as a whole contribute. Now, you can argue that we are right now with our levy.

Ronning stated this is an 'apples' and an 'oranges' loose comparison but everybody will pay for paving Klondike. There won't be three or four outfits to pay for that. Voss stated well hopefully no, developers will do Klondike. Ronning stated part of what this is going to turn into is perception as far as business friendly. How much we help or stick it to them. Voss stated yeah, and the Osborns have been very supportive of everything the City's been doing all these years. And, they've got some financial gain there to happen because they have land out there but still, they've been part of this process for a very long time.

Ronning stated I think the more good press we get out of helping businesses would reflect pretty heavily on the community. Voss stated yeah. Harrington agreed. Mundle asked is that enough direction?

Davis stated let me kind of summarize what I feel you're telling me. I think what I would like to do is sit down and have a discussion with Doug. Just bring these costs up to him and tell him that there's nothing 'set in stone' and see if he's agreeable. Number 1, I want to make sure that we have something that we can even discuss. In concept he said it but now sometimes when you lay it out on paper, there may be a change of mind. But, let me have a discussion with him and see if he's agreeable to discussing this further.

Ronning stated just because you're shopping doesn't mean you're buying. Davis stated that's correct. All right.

4.0B.
Fee
Schedule

Davis presented the staff report, indicating in looking up some of these things that we've undergone with some of these smaller subdivisions recently, we've uncovered some, what I consider, some major discrepancies in fees that developers and subdividers are going to be paying for, Park Dedication Fees.

Our Current Residential Parks Dedication Fee is:

- Up to 6 units/acre: 10% of land or cash = to market value of land;
- If 6 or more units/acre: 10% of land = 1% for each unit over 6 units per acre or cash = to market value of land.
- In no event shall the cash in lieu of land payment exceed \$6,000.00 per residential unit.

In checking with some of our neighboring cities, we find that residential Park Dedication Fees per lot range from approximately \$1,500 to \$2,500 per lot.

In regard to this, we may want to consider amending our Fee Schedule, number 1, to kind of stay competitive with some of our neighbors. But also too, in regard to smaller subdivisions, i.e., like the Jim Malvin subdivision that we approved at the last meeting where the land value of his property was \$104,000 so according to our formula, he would owe \$10,400 in Park Dedication Fees or essentially \$3,500 per lot.

If you take that in comparison to Viking Preserve, which has 46 lots and a land value of \$240,000, their Park Dedication Fee comes out to \$520-some dollars per lot. I think some of the formulas we have now for determining these Park Dedication Fees probably penalize

people like Mr. Malvin. Also too, in the creation of one of his lots he also has an existing residence on it.

Voss stated that's always been an issue. Davis stated I don't think that it's fair to charge an existing residence a Park Dedication Fee. They've been here, they've been paying taxes. So, I'm wondering if you want to look at this and let us come up with some type of proposal for discussion.

Voss stated let me ask this Jack, because I think you were here then. Years ago, we had a flat fee. I remember we had a flat fee per lot and then, and maybe I'm wrong, but I thought we had found out that we were doing it wrong and by law we had to go to the 10% of land. I thought we were driven to do that. Davis stated I would have to check on that to be sure. Voss asked for all these other communities, these are all flat rates? Davis stated Ham Lake does have a percentage. They have a percentage formula. Theirs is a rather complicated thing but then their maximum fee is not to exceed \$2,500 per lot.

Voss stated I seem to remember that because I didn't agree with the whole 10% thing. Just because it's a more valuable lot, people are going to use parks more? It doesn't make sense, you know. The whole idea is to bring more people in, they should pay for part of a new park and it should be a flat per lot. Davis stated I really don't care about, the 10% is fine but I think we should look at lowering what our maximum charge is. Now, it's at \$6,000, it can't exceed \$6,000. I would actually propose that we look at changing our maximum to \$2,000 or \$2,500.

Voss stated I think you made a good example with Viking Meadows. They're only paying \$500 per lot. That's like dirt cheap when it comes down to a Park Dedication Fee. Davis stated it sure is. Voss asked why aren't they paying \$2,000 per lot like everyone else is paying \$2,000 per lot? It's the same amount of people that's going on that lot that's going to use our parks. You know?

Ronning stated he's interested in high-end housing so if your houses are that much more and your cost is that much less for the park. Voss stated no, it's the same. Ronning stated yeah, proportionately. Voss stated a \$150,000 house or a \$400,000 house, it's the same theoretical park usage.

Davis stated the value is based on the land prior to the subdivision. Essentially, though, what you're saying Tom, it really even exacerbates the problem because you're having a higher priced home, which is actually paying less. Ronning stated you might as well say that the owner's going, you got \$6,000 in park assessment. If you're trying to get into a \$25,000 lot, that just became \$31,000. Now you've got to, you're trying to sell a starter home or affordable home on a \$25,000 lot and you just jacked the cost up that kind of money. You might as well say it, the lot cost goes up that much. Voss stated yeah, the developers are always going to pass it on to the development costs. But Malvin cost what, \$4,000 a lot as opposed to Viking Meadows is \$500 a lot. Now, where's the equity there? Davis stated yeah, there isn't.

Davis stated I'm not opposed to the 10%, I think it's fine because what the 10% does, you know on some land with higher value, it may even that out. My concern is the fact that we allow, we can charge up to \$6,000 per lot. In some of these little smaller subdivisions like Jim Malvins, if the property was valued at \$150,000, he'd be paying \$5,000 a lot for Park fees.

4.0B.
Fee
Schedule

Voss stated I agree with having an upper limit on it. I think before we go too far with it, is talk to Mark Vierling. I seem to remember years ago that we had to change this because of challenges that were happening from developers on Park Dedication Fees, that we had to change the way we did things. I remember it was some odd number of \$625 per lot or something we used to charge back 15 years ago. So, let's make sure it's legal whatever we change.

Davis asked if there is no Statutory requirement for this, is it something we'd like to add to the Council agenda? Or, how do you wish to proceed with this. Harrington stated I think it would probably bring more development and help with development with a lesser Park Fee. If you're going to go \$6,000 you can go to Ham Lake or someplace else. Koller stated yes, that's ridiculous. Harrington stated I'd go somewhere else. I'd say bring it down.

Davis stated as far as impact on our budget, keep in mind too that we haven't collected a Park Development Fee since 2008. Voss stated until last week. Now we'll get one or two. But, I also agree if we're going to change the policy, if there's a lot split with an existing house, that existing house probably paid, I know with Jim Malvin, they paid a Park Dedication Fee for that. Now he's going to have to pay twice. To me, that's just wrong. So, I think we need to change our policy there. Ronning stated amen.

Voss stated there was a Council Member years ago, that fought that 'tooth and nail' because he wanted as much funds for Parks as we could.

Davis stated with your authorization, I will research the matter to see if there's any statutory requirements that dictate that we utilize our current policy and then we'll propose something for your discussion at a later meeting.

Koller stated sounds fine to me. Voss stated if it's doable, I think we should look. If it's doable, we should look at a flat fee. Koller stated yes. Voss stated whether it's a 40-home development or a 4-home development, they all have equal contribution to pressures on parks. That's, I think, the spirit of what it's meant for.

Ronning stated I have no idea where the Parks are, but I hear complaints about Parks that are never being used. Voss stated that's why we stopped making, when development was really going 'hot and heavy' back in the 1990s, we were creating Parks at every development. We'd get a little Park out of it. But, we wouldn't outfit the Park, that was the funny thing. It was up to development to build the Park equipment.

Harrington stated there's 17 Parks in the City. I didn't know we had 17. I would never have guessed 17 Parks. Voss stated they don't all have something on them. Davis stated they all do with the exception of one and that's the one over, I call it the Clarence Anderson subdivision off Wild Rice Drive. There's a ten-acre City Park there that's totally undeveloped. Every other Park does have some type of equipment or facility on it.

Voss asked Whispering Pines, is that the one on Rendova? Davis stated that's Whispering Oak. Voss stated that neighborhood built that park. Davis stated the one on 7th Street, Northern Boundaries, that was built by donations of the neighbors. The one that's Deer Haven was built by donations from the neighbors. Quite a few of these outlying Parks, like you say, were built by people who collected their own money. Some of them actually have some funds left over, they're lying in old bank accounts. Deer Haven's one that we

4.0B.
Fee
Schedule

discussed that has \$860-some that they're going to come up and donate that back to the City because that thing is eventually going to disappear just because of bank fee charges. Harrington stated bank fees, yup. Voss stated okay, is there anything else?

**5.0
Adjourn**

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

Meeting adjourned at 8:34 p.m.

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

DRAFT

EAST BETHEL CITY COUNCIL MEETING

JULY 15, 2015

The East Bethel City Council met on July 15, 2015, at 7:00 p.m. for the regular City Council meeting at City Hall.

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

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

1.0 The July 15, 2015, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

Call to Order

2.0 The Pledge of Allegiance was recited.

Pledge of Allegiance

3.0 **Harrington stated I'll make a motion to adopt tonight's agenda. Under the Consent Agenda, I'd like to add Item H, Supplemental Payment Summary. Koller stated I'll second. Vierling stated Mayor, I'd like the Council to add Approval of Settlement Agreement between the City and Joseph and Michaela Loch on land acquisition. Voss asked onto the Consent Agenda? Vierling replied not on the Consent Agenda, I would suggest it be added under Item 8c. Voss asked is the motion and second fine with the Attorney's addition. Both Koller and Harrington indicated in the affirmative. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated opposed? Motion passes. Motion passes unanimously.**

4.0 Commander Shelly Orlando stated I know you're all waiting to hear about the 4th of July report, even though this is my June report. We had one call for fireworks disturbing on the 4th and that was in the area of Tyler and 207th. Mundle asked so only one person was using fireworks? Orlando stated only one fireworks complaint in the City of East Bethel, which is amazing. But I guess Andover only had three so I think people are just like, 'It's the 4th.' Voss stated I think everyone was on the lake watching the rest of it. Orlando stated that's what I heard. I missed a good show on Coon Lake. So, maybe next year I'll get off to stay around town. So, we got that out of the way.

4.0A **Presentation** **Sheriff's** **Report**

Orlando presented the June 2015 Sheriff's Report of custodial arrests and significant events.

DWI's: There were four DWI arrests for June. All four were the result of stops for driving conduct violations. One test was a refusal. One test had a blood alcohol content of .25. This arrest took place just after noon.

5th Degree Controlled Substance / Warrant Arrest: On June 7th Deputy Kvam conducted a traffic stop on a vehicle where he knew the driver to have a warrant for his arrest. Deputy Kvam also knew the driver to be involved with methamphetamine in the past. Deputy Kvam spoke with the male suspect who advised he was aware of the warrant for his arrest and advised he did have a glass pipe in the center console of the vehicle. Deputy Kvam conducted a search of the vehicle and found many small plastic baggies that

contained trace amounts of white powdery substance, believed to be methamphetamine. The male was arrested and transported to jail.

5th Degree Assault/Warrant Arrest: On June 20th Deputies were called to a misdemeanor assault report. Upon arrival, the female victim, who is the sister of the homeowner, advised she had been threatened by a male who lives in her brother's basement. The female advised she had been arguing with the male about him taking advantage of her brother. The female advised that the argument had started in the house, but went outside onto the driveway. The victim reported the male had told her he was going to wrap his arms around her face and shoot her. The male then left with his girlfriend. While the Deputy was there taking the report, the male returned. The male denied making any threat to shoot the victim. There was another witness who verified that the male had made a threat to shoot; however, there was no further talk of a weapon or him getting a gun. The male was found to have a warrant for a probation violation. The male was taken into custody and charged with misdemeanor assault.

Terroristic Threats/Domestic Assault: On June 21st Deputies were called to a residence on a male/female domestic where the female called, was yelling at a male, then disconnected the line. Upon arriving the female was leaving the residence in her vehicle, which Deputies stopped. The female claimed she was leaving the residence, as she was very upset and yelling and wanted to calm down. The female stated she was mad at her landlord and roommate for various reasons. Deputies met with the roommate who advised the female had been arguing with the landlord. The roommate advised he had tried to steer clear of the female, but she ended up grabbing a knife from the kitchen and coming to where he was sitting, calling him names and stated 'you know where this is going,' while the knife was a few inches from his face. The female then took the knife, threw it on a counter and left. The roommate indicated that he was in fear of the female and thought she was going to stab him. The landlord stated the female has some mental health issues, was not on any medication, and had been drinking. The landlord did not want the female to be charged. As the roommate was the one threatened, the female was taken into custody and charged with terroristic threats and domestic assault.

Burglary/Damage to Property/Flee on Foot: On June 27th Deputies were called to a reported burglary/damage to property. Upon arrival Deputies met with a renter of a residence. The renter advised she had allowed her brother and his friend to stay at the residence until two nights prior when the homeowner and her brother got into an argument and Deputies were called, formally trespassing her brother and his friend. Tonight she had come home and saw her brother and his friend back at a shed and the ATV was at the wood line on the property. She went out to him and told him he isn't supposed to be at the residence and he told her he was going to do whatever he wanted, in retaliation for being trespassed. The ATV belonged to the property owner. The ATV had been damaged from the two males attempting to hotwire it. The renter called 911 and upon Deputies' arrival one male was detained while the other fled into the woods. A K9 track was started, but the male was not located. The male that was detained was charged with burglary and damage to property. An attempt to locate was placed for the second male.

Burglary/5th Degree Assault /Damage to Property: On June 28th Deputies were called to a residence on a neighbor who had kicked the door in, assaulted a homeowner, and fled the residence. The residence had damage from the door being kicked in after it had been locked with a dead bolt. The homeowners stated that a neighbor had been over at their residence and they had told him to leave, as he was intoxicated. The homeowners went into their

residence and the wife locked the deadbolt on their door. The suspect began kicking their front door and was able to kick it open. The suspect came into the residence and punched the victim in the eye. The suspect then fled the residence. The victim sustained redness to his eye and a scratch on his arm. The door had damage from being kicked open. Deputies responded to the suspect residence but he had not returned home. The suspect was located and arrested approximately 14 hours later.

Arrest Breakdowns: Felony Arrests - We had four. Two from burglary and one from Terroristic Threat, one for a 5th Degree Controlled Substance. Gross Misdemeanor – We had one Introduction of a Controlled Substance into a Correctional Facility, which stemmed from an East Bethel arrest. Misdemeanor – We had ten. Three for Disturbing the Peace, three for 5th Degree Assault, one for Trespassing, one for Property Damage, one for Theft, and one for Possession of Stolen Property.

Voss asked any questions for Commander Orlando? Mundle asked how does East Bethel measure up to the rest of the cities that Anoka County patrols as far as crime statistics? Orlando stated they're all pretty much similar. You know, obviously, Andover has probably higher damage to property, misdemeanor theft calls, just because it's a more populated city. But I think if you looked at population-wise, they're all pretty similar.

Voss asked any questions for the Sheriff's Department from the audience? Thank you very much, enjoy you evening. Orlando stated thank you.

**5.0
Public
Forum**

Voss asked anyone sign up? Davis replied we have Mr. Brad Slawson who'd like to speak about the update on this tent party activities.

Route 65
Pub 'N Grub
Tent Party

Brad Slawson, owner of Route 65 Pub 'N Grub, 18407 Highway 65 NE, stated I applied for a tent party for July 10, 11, and 12, which was granted. There was one change to have the party end at one-half hour earlier than last year, which was a reasonable request for us to make. The party went off, again, with no problems. We had GB Leighton on Friday that started at 8:30 p.m. We had Austin Healey on Saturday, got started at 8:30 p.m. And then Sunday we had a bike show. We had a band playing outside as well, the Retro Rockers. The bike show was a big success again. Our farthest traveled person for the bike show was from Switzerland. We had some people that drove in from Chicago, so it's a show that's getting pretty well known as a place to be for nice bikes to see and walk through. So, I wanted to thank you for giving us approval for the tent party. There was no problems that I'm aware of with noise calls or no Sheriffs were called out and things such as that.

Slawson stated a little bragging rights, if I can as Councilmember asked the question, there was a fatality in Coon Rapids in a bar here just this past month, which is not something that anyone likes to see. The report that was in the paper said that the bar where the fatality was at was the bar that didn't have a lot of problems, which is good. They only had 15 calls from the Sheriff's Department in the prior year. We haven't had one call and this is now our third year so we're pretty proud of the fact that we try to run a very good business in the area and try to make sure our patrons are always in check and we're trying to abide by the law. So, we're very proud of what we're doing up there. We try to run a 'tight ship.'

Slawson stated we're here, obviously, tonight for a mistake that had happened and we're going to make sure that it doesn't happen again. I definitely wanted to address you and thank you for the permit. It went off great. It was a success and we'll for sure be asking for another one for next year. Any questions of myself? Thank you.

Booster Day Denise Lachinski, Chairperson of East Bethel Booster Days, stated I haven't been on this side for a long time. Of course, this week is our big event and we invited the City Councilmembers to be part of the parade so we have a spot for you guys. East Bethel Booster Days starts Friday night. We have the water ball tournament, we've actually got four or five fire departments from around Anoka County arranged to come participate. I've seen the trophy, it's pretty big. The movie is 'The Box Trolls' and it's provided by Chops, Inc. once again this year. Hopefully we can get them in the parade on Saturday but we don't have confirmation on that.

Lachinski stated Saturday we have lots of stuff going on. I want everybody to know that weather permitting, other than tornadoes, hurricane, monsoon, things will be going forward so I'm praying this will be my fourth year with good weather.

Lachinski stated this year, brand new, we have the Red Cross blood drive here in City Hall put on by our East Bethel Fire Auxiliary. That is something that you can sign up for or they're taking people as they come. We have the Anoka County Radio Control Plane Club coming. They will be doing their flying over here in Booster East in the afternoon, possibly having some drones. They weren't sure whether they could bring those in or not but then we can see what they do down south of Rivard. They are pretty excited to be here.

Lachinski stated we have the tractor pull once again, the parade at 11, the pageant at the Ice Arena at 2, fireworks at dusk provided by the City of East Bethel, thank you very much, and the East Bethel Booster Day Committee. And also, we have the fire fighters celebration with, it's an hour earlier this year, with the teen band Downstairs Attic who are local kids from the area who will open for the big band Georgia Clay. Does anybody have anything? We have the 5k in the morning, golf tournament on Friday morning. I've heard they're full up.

Mundle stated the pancake breakfast. Lachinski stated the pancake breakfast and we've got sloppy joes in the Senior Center so if it's hot I expect everyone to be playing bingo. Voss stated the air will be on.

Lachinski stated there's a car show too. I forgot about that. Route 65 is helping us out with that this year and also Route 65 will be providing beverages and food at the dance. So, we have lots of food this year. Everybody wants to bring food so you'll have lots of choices on everything. There should be something for everybody to do. Then hopefully next year, we'll have a bigger event still because we're trying to expand. So, if anyone wants to volunteer, we'll be meeting again in September. We always take August off because we need that month to recoup. If you guys don't have any questions, that's all I had.

Voss stated well, you forgot the highlight though. Lachinski asked what was that? That the Mayor's going to be in the parade? Voss stated that's City Council's being the 'sacrificial' first team in the waterball tournament. So, all five of us will be there. We had challenged the Ham Lake City Council but they...' Lachinski stated I had not heard that so I'll take a lot of pictures. Voss stated so that will be the highlight on Friday night. Lachinski stated Friday night, and I'm sure you guys have been training. Voss stated yeah. Lachinski asked should I talk to the East Bethel Relief Association President about that? Voss stated we may need some EMTs around. Lachinski stated we've got those here too. But, I know that we have, usually the Explorers have a good time with that too. I don't know if they've got a team but it will be fun and if it's hot, lots of water is good.

Booster Day Harrington stated I just wanted to say Denise, thanks for all your hard work on Booster Days. I know you put a lot of time into it. I just want to say thanks. Lachinski stated I'm still flagging phone calls. Right before I came here I talked to the tractor pull people so everybody come. Come, we're going to do something. Friday night, if there's bad weather, the movie will be at the Ice Arena. I think waterball will go on regardless because it's water if it's raining you're still getting wet. But unless something major comes through, we're planning on going forward. All right, cool. We'll see you all there Saturday. Voss stated Friday. Lachinski stated and Friday, Saturday too.

Voss stated I'm sure Friday, for those of you who don't get injured Friday night, Saturday too. Lachinski stated you guys are in the parade remember? All right, thank you everybody. Voss stated thanks Denise.

Voss asked anybody else? Okay, then we'll move on.

**6.0
Consent
Agenda**

Item A Approve Bills

Item B July 1, 2015 City Council Minutes

Meeting minutes from the July 1, 2015 City Council Meeting are attached for your review and approval.

Item C Final Payment for the Nordin Estates Projects

Dryden Excavating, Inc. has completed the Nordin Estates Drainage Improvement Project and has submitted all the required documentation to consider this project for final payment. Staff recommends final payment of \$53,196.40. Payment for this project will be financed from the City's Street Capital Fund. Funds, as noted, are available and appropriate for this project. A copy of the final payment form is attached.

Item D Purchase of Fire Tanker Truck

At the June 17, 2015 Council Meeting, Staff presented a proposal to replace a budgeted Fire Truck Tanker. Council tabled the project until additional questions could be answered on the overall cost versus other apparatus that is advertised on the internet.

Staff has researched the internet advertised vehicle and compared it to the proposed apparatus and has attached a short comparison for the Council to view. It appears there is no real cost savings with the internet advertised truck and Staff has concerns over the poly/plastic body.

Because of the large differences between the two trucks and the needs of the Fire Department, along with the scheduled life of the truck; Staff recommends the purchase of the Rosenbauer Fire Truck Tanker.

Staff has included below the information from the June 17, 2015 Agenda:

The Vehicle/Equipment replacement fund calls for the replacement of Tanker 11 in 2016. The Fire Department has created a truck replacement committee that has carefully analyzed the needs for the City in replacement of this truck.

Staff is recommending Council approval to enter into a contract to purchase a Fire Truck tanker through Houston Galveston Area Council (HGAC) cooperative that the City of East

Bethel has joined. The City of East Bethel became a member of this group, with Council direction, in 2012. Our City Attorney has vetted the HGAC agreement before Council approval to apply for membership. As members of this organization, the City is able to receive preferential and national bid pricing on many items, including Fire Trucks. This method is very similar to purchasing items off the Minnesota state bid list. The City has purchased two Fire Trucks using this agreement in the past.

Staff recommends the purchase of Tanker 11 for delivery in 2016. Ordering the truck this calendar and model year will also allow the City savings in the cost of additional price increases. The NEW Tanker 11 is scheduled to be in service with the Fire Department for the next 30 years. The old Tanker 11 is a 1986 Ford L8000. This truck will be sold upon delivery of the new truck.

The low price for these trucks through the buying Consortium is Rosenbauer of Wyoming, Minnesota. Rosenbauer is a major constructor of Emergency Vehicles and offers outstanding service.

Pricing for the vehicle is as follows:

Tanker 11:	\$ 266,333.00
Radio and Mobile CAD	3,000.00
Misc. Tools for truck	2,000.00
Total Project Cost for Tanker 11:	\$ 271,333.00

The Vehicle/Equipment Replacement Fund:

Tanker 11:	\$ 275,000.00
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Delivery on Vehicles is estimated to be 330 days from signed contract. The City would prepay for the chassis when it is delivered to Rosenbauer.

Item E Liquor Violation

On July 1, 2015, Route 65 Discount Liquors sold alcohol to a minor and failed an alcohol compliance check by the Anoka County Sheriff's Office per City Code, Chapter 6-93, Article IV, Prohibited Sales and Compliance Checks.

Route 65 Discount Liquor failed a compliance check on July 1, 2014, and paid a fine of \$250. Due to the unintentional action of the clerk in this matter, a history of involvement and support of many civic events and activities on the part of the owner, and the prior enrollment of the owner's staff in the RBS (Responsible Beverage Service) program, it is recommended that the fine for this offense be \$500.00. Mr. Slawson will also enroll the employee in question into the RBS program upon availability of the next class.

Item F Rental Inspection Fee

As part of the recently enacted City Rental Ordinance, an inspection of rental property is required. It is recommended that Council establish a fee of \$50.00 per unit fee for this requirement.

Item G Resolution 2015-36, Night to Unite

To recognize Night to Unite, Council has traditionally adopted a resolution endorsing this event. Resolution 2015-36 is presented for adoption.

6.0

Item H

Supplemental Bill List

Consent

Agenda

Ronning stated move to approve the Consent Agenda as printed, including Item H, Supplemental Payment Request. Mundle stated I'll second. Voss stated is there any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Motion passes. **Motion passes unanimously.**

7.0

Commission Association and Task Force Reports

New Business

7.0A

None.

Planning

Commission

7.0B

None.

Economic

Development

Authority

7.0C

None.

Park

Commission

7.0D

None.

Road

Commission

8.0

None.

Department

Reports

8.0A

Community

Development

8.0B

Davis stated the next item is bids for 185th Avenue, Laurel Road, and Lincoln Drive Street, the 2015 Street Overlay Projects Award.

Engineer

8.0A.1

215 Overlay

Project Bids

Jochum stated bids for this project were opened July 13th at the City Hall. The project specifications allow the City to award this project as one or as two separate contracts. The attached Resolutions include a summary of the five bids received. Peterson Companies from Chisago City was the low bidder on both projects.

Jochum stated the engineer's estimate for 185th, Laurel Road, and Lincoln Drive project was \$958,000. The low bid was \$1,015,177.03. The excavation cost of the peat soils was higher than estimated. Since the design requires the road is to remain open at all times, the excavation needs to be completed in two phases. The excavation along with the phasing of the traffic has increased the project cost above what was anticipated in the estimate.

Jochum stated the engineer's estimate for the 2015 Street Overlay Project was \$245,000. The low bid was \$219,991.25. The City's Capital Improvement Plan had \$365,000 set aside for overlays in 2015. The 185th Avenue, Laurel Road, and Lincoln Drive Reconstruction Project will be financed through the City's Municipal State Aid Fund. This Fund currently has \$1,539,456.05 available for construction. The 2015 Street Overlay Projects will be financed through the City's Street Capital Fund.

Jochum stated in summary, staff recommends that Council consider approval of Resolution 2015-37 Accepting Bids for the 185th Avenue, Laurel Road, and Lincoln Drive Street Reconstruction Project and Approval of Resolution 2015-38 Accepting Bids for the 2015 Street Overlay Projects.

Mundle stated I'll make a motion to approve Resolution 2015-37 and Resolution 2015-38. Harrington stated I'll second. Voss stated any discussion?

Mundle asked has Peterson done projects for the City before? Jochum stated no. Mundle stated okay, are you checking in and seeing what references. Jochum stated I've checked one so far, it was favorable. I worked with them about six years ago in Linwood and it went well albeit a much smaller scope than this one. But, as of so far, this is kind of over really fast and playing telephone tag with his references and stuff. But, I will keep checking a few more.

Voss stated Peterson's been around for a while on the east side. Jochum stated right. They've grown substantially in the last six to eight years. Ronning stated they have a good reputation through somebody that does construction-type work. Jochum stated they were very easy to work with in Linwood. They were very reasonable, very accommodating.

Harrington asked what kind of timetable are you looking at to start this? Jochum stated if Council moves this forward, we'll get the contracts out tomorrow. We'll probably have a bid conference next week already. This thing's got to keep going if we want to get it finished. I've been talking to the utility companies. There's some major work to do on that so they're kind of on board with what they've got to do. Mainly the gas on 185th is going to be the biggest conflict. I've been talking to them the last couple of days so they can get on their schedule. They've known about this project for a year though.

Harrington stated that was my second question. The utilities all been notified already? Jochum stated yeah, they actually had the utility design meet a year ago already. Harrington stated okay. Jochum stated then they were sent the final plans about a month ago and then we've actually been in contact the last week. Harrington stated okay, thanks.

Ronning asked do you have a tentative start date? Jochum stated I would say probably before August 1st or right around August 1st.

Voss stated Craig, the fact that Peterson's being awarded both bids, so they're getting two good-sized projects, have you talked to them about their own scheduling? Jochum stated I have not yet but I guess my assumption is that if they can't fit it in their schedule, they wouldn't be bidding on them. That's part of, probably, the little bit higher bids is that this isn't the ideal time to be bidding this stuff. But, the other side of the 'coin' is we have temporary easements that expire at the end of the year so if we put this off another year, then we're going back to get temporary easements. I guess that's a consideration.

Voss stated well I'm not suggesting you put it off. I'm just asking from the aspect of quality control and scheduling. Jochum stated yeah, I know they are eager to get going. Voss stated I imagine they'll start the overlay before they... Jochum stated that I imagine they'll be done in the next month. That's a totally separate contractor, a subcontractor. Voss stated right, it's a sub.

July 15, 2015
8.0A.1
215 Overlay
Project Bids

Harrington stated I'm sure if we waited, construction costs are going to go up anyway. Do it now. Voss stated yup. Jochum stated actually, the overlays I believe we have them due towards the end of August. So, this project has to have the base course on October 15th. Then we're going to leave the wear off one thaw season. The wear would go on next spring.

Voss stated any other questions for Craig? All in favor say aye?" **All in favor.** Voss stated opposed? Motion passes. **Motion passes unanimously.**

Comment on
Route 65
Liquor
Compliance
Violation

Davis stated before we proceed with Mr. Veiling's report, Mr. Slawson has requested to speak before Council regarding the compliance check issue that was on the Consent Agenda.

Brad Slawson, owner of Route 65 Pub 'N Grub, 18407 Highway 65 NE, stated I just wanted to address the Council. We apologize for that, it's obviously not the type of business that we want to run where we fail a compliance check. We take it very serious that we only sell to people above age. Our policy is if the customer's over 21, if they are younger than 40, so it's not a question of how close the person was to 21 or not. I wasn't at the store at this time of night. I did get a phone call from the Sheriff's Department to come up there. I met with the Sheriff and we failed. It's not as if we're selling product out the back door to a minor. But we failed a compliance check.

Slawson stated the employee is here, Brock Holland, as he wanted to address the Council as well. Brock is a fairly new employee with us. He's working a lot of hours for us. He's a hard worker. I think the norm is that most owners discharge the employee when they fail a compliance. I'm not taking that approach. I'd rather put more efforts in the training. Again, he's done a good job for us. So, he's going in for alcohol awareness training in two weeks, on a Wednesday, in Blaine. He's the only employee I have that doesn't have one. The rest of the employees were trained six months ago. So we'll have a full staff up again and trained.

Slawson stated I apologize for that. It's rather embarrassing for me. I don't like addressing the Council on these issues. We want to run a 'ship' that's correct and accurate. So, Brock, you want to say a few words?

Brock Holland stated I was the cashier on the night in question. A person came in under the age of 21 and I mistakenly did not card him. It's not what I would usually do. Usually I card everybody that comes into that place that looks as if they are under the age of 40. It's not a mistake that I intend on making again. That's all I have.

Slawson stated thank you. Voss stated thank you both. Slawson stated I'll see you Friday and Saturday.

8.0C
City Attorney
8.0C.1
Settlement
Agreement
Joseph and
Michaela
Loch

Davis stated Mr. Vierling will present the item that was added to the agenda about the Loch easements and right-of-way.

Vierling stated thank you Mayor and Council. You have before you the Settlement Agreement relative to property acquisition, which is the last parcel to be acquired on the project that the Engineer just presented. The right-of-way, both temporary easements and fee ownership of Parcel 3 of Right-of-Way Plat and secured now subject to the Council's approval of the Settlement Agreement. Our office recommends the Settlement to the

July 15, 2015
8.0C.1
Settlement
Agreement
Joseph and
Michaela
Loch

Council, especially since the project has proceeded and this matter was previously discussed by Council in Closed Session.

Ronning asked is there a Resolution format on this? Vierling advised a simple motion to approve the Settlement Agreement would be the appropriate action.

Ronning stated move to approve the Settlement Agreement described by the Attorney. Harrington stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated opposed? Motion passes. Motion passes unanimously.

8.0D
Finance

None.

8.0E
Public Works

None.

8.0F
Fire
Department
8.0F.1
June 2015
Report

DuCharme stated thank you Mr. Mayor and Council and thank you for approving the purchase of the fire tanker. A couple things before I get into my report. Not only do we have Booster Days coming up, and I'll talk about that in just a bit, we also have Night to Unite coming up August 4th. That's the first Tuesday of August. For those residents who are thinking about having a party and would like to have it registered and posted with the Sheriff's Office, the person to contact is Laura Landes and she's the Crime Prevention Specialist with the Sheriff's Office. There's a website that I'll talk to the City staff tomorrow about putting that link onto our website. So once again, that's the first Tuesday of August and its August 4th.

DuCharme stated one thing about the fireworks and Booster Days, the fireworks are usually about 10 o'clock, a little bit before. It's usually that first break that the band takes and the band will take the break, they'll stop, and then we try to start the fireworks right away. I hate to say this, just in case it rains, we do have a rain date and the rain date is Sunday. So, it would be the next night.

DuCharme stated Saturday, it looks like the temperatures are going to be warm. It looks like the humidity is going to be high, and I encourage everybody to drink lots of water. Not only before you get here but also during the day. We don't want anybody sick or overcome by the heat.

DuCharme stated once we've talked a little bit, and Denise has also helped promote the dance a little bit, but the dance will start at 8:30 and, like I say, the band will play that first set and then we'll shoot off the fireworks. So, we're pretty excited to participate. The parade will be at 11 o'clock. The Fire Department will be out throughout the day. We'll have the medical crew stationed here at City Hall and the grounds in case somebody does fall ill, we can help them.

DuCharme stated you heard a little bit about the blood drive. Actually the blood drive's going to be inside this room, the Council Chambers. The American Red Cross will be here and the American Red Cross will have some people who have already registered to give blood but they'll also be taking walk-ins. So, we appreciate that.

DuCharme stated Denise is actually absolutely right. The weather's always beautiful on this weekend and that's why we do it. We're all looking forward to it. She's done a

wonderful job, by the way. Any questions about the...oh, we've got to talk about the waterball. So, we're going to start waterball and actually, the Senior Fire Officers are going to be your opponent and so I hope you're nice to us, okay? Voss stated I think we're all thinking the other way around. Mundle stated I thought it was supposed to be the new guys. DuCharme stated you don't want the new guys. Voss stated they might be a little more aggressive.

DuCharme stated we look forward to doing that about 6 o'clock. We'll have the hot dogs cooking and things like that so please stop by. There's a wonderful trophy. The Explorer group is running this tournament. It's their tournament and they've worked really hard on this. They've planned this, they've made the contacts, and everything else. I give them a lot of credit. We just kind of step back and let them go ahead and plan this tournament.

Voss asked are we going to need a change of clothes? DuCharme stated no, I don't think so. I think the equipment I bring up should be good. Mundle asked so when you say 'old guys' do you mean seniors or the retired? DuCharme stated no, the senior officers. Mundle stated oh, not the retirees? DuCharme stated no. I asked the retirees if they wanted to do it and one of them just looked at me and laughed. Never answered.

Koller stated they're all going to be over 70, right? DuCharme stated yeah and then they proceeded to go have lunch on their own. Remember that Mayor? Voss stated I remember that yeah. DuCharme asked any other questions on that?

Harrington asked Mark, who's the backup on Saturday night. You got Bethel again? DuCharme stated Bethel's going to be our backup, absolutely. They'll be stationed at Station 2 over here by Public Works and they'll be answering calls. We also have our Duty Officer for the week is actually Mark Duchene and he'll be answering all those calls. We've got that handled. If anybody sees any Bethel Fire Department people, thank them because they help us out quite a bit. And, we'll also help them out come Halloween with their haunted trails. So, we go back and forth. Bethel does training with us. They do all their medical training with us and then once in a while, three-four times a year, we'll get together and they'll also come over and train with us on fire stuff. So, they're a good partner for us.

DuCharme stated in your package is the monthly report for June. I haven't collected all the first half of the year data but as you can see, we have answered, through June 30, 288 calls. In case you're wondering, that's about 35 calls higher than a year ago. I'm not sure what that means. It doesn't necessarily mean we're going to have the second half of the year equal to this but I can tell you June and July it's been a busy month for us.

DuCharme stated once again our medical calls takes majority of our calls. We answered 28 medical calls. Out of those 28, a little bit different this month, but of those 28 medical calls we answered, 18 we sent off in the ambulance to hospitals. Some of those calls are medical alarms, as you can see. That's becoming more and more popular. Sometimes those accidentally go off and sometimes we just have to help people off the floor if they've fallen or out of a chair or something like that.

DuCharme stated other than that, we did go on a couple of mutual aid calls but was nothing real serious. Once again, we talk about this almost every month, we did have a couple calls of possible illegal burning. Just warning people if you're going to have a rec fire, you're always better off to go talk to your neighbor and let them know that you are going to burn

something. Once again, rec fire is no more than 3 feet wide, no more than 3 feet high, and have your hose out there to put it out if you have to.

DuCharme stated one thing that we did have that might be more July 4th related, at the end of June, we had grass fires that were started up on 229th and Gopher Drive. We had about five grass fires that were started there, a series of them. We're pretty sure they were started by illegal fireworks, possibly somebody driving a car.

DuCharme stated our inspection for June, the report's in there. We did get through about ten businesses that we went through and that continues. Most of the violations that we find are just simple things like emergency lighting, the batteries are worn out, and fire extinguishers are not proper. We have started going through some of the City facilities in July and you'll see those on the next report. Any questions?

Ronning stated I noticed on the East Bethel Fire Department Response Calls, there's 42. DuCharme stated yes. Ronning stated 7 were from the same place, the same address anyhow. One was canceled. DuCharme stated we'll run a cycle of having addresses that, especially on medical type calls, where there'll be a series of them. Some of these people are very ill and we always look at it this way, that they're having a worse day than we have, so we're always happy to go back there. Especially on those. If it was an alarm that kept going off, like a fire alarm, that's a different story. But, some of these people have chronic illnesses.

Ronning stated if you've considered it a problem I assume you would have said something about that. DuCharme stated that's right. Ronning stated just curious. DuCharme stated we actually have an ordinance also that if we have, like fire alarms that go off, at the third fire alarm we can charge for it.

Voss stated is that Castle Towers? Davis stated yeah, that's Castle Towers so there's 140 homes up there. Voss stated it's all the same address. Davis stated yeah, all the same address. DuCharme stated they're all the same address and they have different lot numbers and they show up all as the same address. The density up there, also, it's a higher density so it's a higher calls for service.

Ronning stated no way it's a single family home. DuCharme stated no. Voss stated the address is Castle Towers. Ronning stated it's not one person abusing things. It's a whole community. DuCharme stated but we do have a couple people up there that we've been helping through their illnesses.

Voss stated on the inspections, I know years ago it seemed we were having to re-inspect more, even two, three times. Has that gotten better? DuCharme stated it's quite a bit better and really, Mark Duchene who is our part-time Inspector, you've got to give him a lot credit because he gets out. He's only got one day a week that he can get out and by the time the year's over, he's got over 100 inspections that he's made. He's also very well respected, when I'm out with him. Very well respected with the business owners, which means he takes time, talks to them, and things like that. Voss stated more of an educational. DuCharme stated that's right so a lot of that, I think, is staying on the program, trying to get those 100 inspections done per year, and also relationship with the business community.

Voss stated touching base again on who's at Booster Day this weekend, if I recall, HeartSafe. You're going to have HeartSafe? DuCharme stated HeartSafe will be out.

They will be out in the back yard here of City Hall. We'll plan on instructing and get a lot of people through the hands-on stuff. Voss stated I think you have to make like, stanchions and ropes, to make people go into it. DuCharme stated that's right. Voss stated at least make them walk by it. DuCharme stated right. You know Troy, his passion about the project, everybody says that and if he doesn't get enough people walking up I'm sure he'll go get them. Voss stated I'm sure he will.

Ronning stated my monthly question, whatever it is, did we lose anybody? DuCharme stated no. Ronning stated there were a number of ambulance transports. DuCharme stated no we didn't. Voss asked any more questions from Chief? DuCharme stated okay, thank you and we'll see you Friday. Voss stated see you this weekend. Harrington stated thanks Mark. Ronning stated make sure they don't get the water from the swamp out here.

8.0G
City
Administrator
8.0G.1
Park
Dedication
Fee

Davis presented the staff report indicating the Council is being asked to consider Parks Dedication Fee Requirements. State Statute 462.,358 Subd. 2.b, Dedication, outlines the general statutory requirements for park dedication. City Ordinances Article VII., 66-195 and Article VII, 12-2, deal with the specifics of park dedication fees.

Our Current Residential Parks Dedication Fee is up to 6 units/acre: 10% of land or cash equal to market value of land. Our surrounding neighbors have Parks Dedication Fees of a not to exceed payment that is significantly less than the City's. As a result, Council may wish to consider amending the Ordinance for this requirement. This would eliminate a competitive disadvantage and level our charges for these fees to those of surrounding cities. As no Parks Dedication Fees have been collected since 2008, this would not have an impact on our Parks Budget at this time. As an ongoing process, the Dedication Fee will be reviewed annually to insure the fee schedule is consistent with the financial needs for parks acquisition and development as outlined in the City Parks, Recreation and Open Space Plan.

Another consideration that may be appropriate for review would be the exemption of the lot with the habitable structure from parks dedication fees for Metes and Bounds or Minor Subdivisions. Metes and Bounds Subdivisions involve only two lots and include one, which is occupied by a habitable structure. It can be argued that this lot creates no new demand for parks and has been paying taxes for parks improvements.

Our current schedule structures fees that are based on land value. Not to exceed costs per lot in our case are set at such an amount that they are a non-factor in the calculation of fees. Smaller subdivisions have disproportionate fees in relation to larger platted developments in which there are a greater number of lots over which to spread the cost. A recent example was the approval of a three-lot subdivision with land value of \$104,200 as compared to a proposed 46-lot development with a land value of \$229,000. The respective park dedication fees per lot would be \$3,743 and \$500. There is a need to examine and bring forth proposals to equalize this inequity.

This matter can be referred to the Planning Commission at their July 21, 2015, meeting for recommendations as to amendments of these sections of the City Ordinance and returned to City Council at the August 5, 2015 meeting.

Staff is requesting Council to consider directing the Planning Commission and staff to review and present proposals to amend City Ordinance Section 66-195 and Section 12-2 at the August 5, 2015, City Council meeting.

Mundle asked so you're just looking for direction on this? Not a motion? Davis stated well, I'd like it in the form of a motion since this is a formal Council meeting. Mundle stated okay, so a motion to give direction.

Harrington stated I'll make a motion to direct the Planning Commission and staff to review and present proposals to amend City Ordinance Section 66-195 and Section 12-2 at the August 5, 2015, City Council meeting. Koller stated I'll second. Voss stated any discussion?

Voss stated I guess my only comment would be, might put a little pressure to get it done in one meeting but if they can, great. If they need more time, I think if they ask for more information from staff and consider it again we should also consider that too. Davis stated it is a little of an ambitious schedule but hopefully we can cover this. It won't be too complicated and if we can't, we'll just have to bring it back to the next meeting.

Ronning asked are there any pending developments that would be affected by this? Davis answered there's one that's the subdivision we approved at our last meeting. In discussing this matter with the City Attorney, what we can do is we can require them to meet the current pay schedules and then if this is approved, then we can reimburse the difference.

Ronning asked could you administratively postpone it? Postpone that portion until this is done? Davis stated well it says in our ordinance that the payment is due upon the filing of the final plat. So, we could possibly look at amending that but administratively, we can probably see if that was a possibility.

Voss stated they may not want to. They may want to get going on their development. Davis stated he said he wanted to try to start doing something, hopefully, he said in 30 days. So, at the worst he could just put that in an escrow. We would hold that until we decided if these amendments would be passed and if they were, then he would be given a refund.

Mundle stated yeah, I think it would be easier to get all up front and then if it passes provide a refund because if you only get some of it and we didn't charge all of it and this doesn't pass, then it's harder to go after. Voss stated it's a bonus, it's to their advantage. Mundle stated yeah. Voss stated I don't think they would object to that.

Voss stated any other discussion? Hearing none, to the motion all in favor say aye?" **All in favor.** Voss stated opposed? Motion passes. **Motion passes unanimously.**

Davis presented the staff report indicating the Council is being asked to consider a Metropolitan Council Environmental Services (MCES) Contract Modification Proposal

Staff initiated negotiations with the MCES in January 2014 to request modifications to the Wastewater Service Agreement (WSA), that's the contract that defines the terms and conditions of our financial obligations to the Met Council for our portion of the debt owed for the sewer facilities. The City's request was the elimination of the provisions of the Reserve Capacity Loan and its associated SAC goals, interest on the unmet goals and equalization of SAC rates and flow charges to that of the urban rates. The first two meetings were with Pat Born, Met Council Regional Administrator, and his staff. These meetings outlined a process for the City to present our proposals to a Metro-Cities Committee appointed to hear this matter along with MCES staff.

After six meetings between November 2014 and June 2015, we have a proposal that merits serious consideration by the City. The proposal, which was offered by the MCES Staff and presented to Mayor Voss and City staff on June 8, 2015, was a response to a similar counter offer made by the City on April 28, 2015 and achieves the majority of our original objectives. Their offer is summarized as follows:

- The offer sets a \$2 million cap on the Reserve Capacity Loan (RCL). Once the debt of the Reserve Capacity Loan reaches the cap this would trigger the termination of the Reserve Capacity Loan Contract and its payback requirements based on annual SAC goals.

The benefit to the City of this provision would be that it removes the uncertainty of negotiating the future Reserve Capacity Loan debt with no conditions or requirements. Settling this matter at this time removes the risk of both the City and the MCES having representatives attempting to resolve this issue that have little or no knowledge of the background and the details involved in this complex and complicated issue.

- In addition, at the time of the termination of the Reserve Capacity Loan, the City would begin repayment of the \$2 million cap amount over 10 years at an interest rate of 2.73%. This provision eliminates the potential of the City facing a debt that has the potential to be in the range of \$20 million to \$30 million by 2032. The cost of repaying the loan cap of \$2 million over a 10-year term would be \$2.3 million with annual payments of \$231,000. This payment could be covered by other City bond debt reduction that will occur in 2022, the use of the Reserve Capacity Loan payment or other non-levied funds. This cost could be structured in a manner that would be revenue neutral on City tax levies. A 15-year term would also be available at annual payment of \$164,278 for a total cost of \$2.46 million. The City's risk is minimal that we would owe less than \$2 million in SAC goal charges and interest rates at the conclusion of the loan.

In the event that we did owe less than \$2 million, it would still be to our benefit because it would mean that we're taking in enough development to pay for the fees.

- Also under the offer made by the MCES staff, the City SAC rates would increase at the urban rate with an additional increment of \$700 for each unit until the \$2 million Reserve Capacity Loan cap is triggered. At that time, our SAC rate would be frozen until the urban rate becomes equal to our SAC rate. Reserve Capacity Loan payments equal to the annual flow charges would cease once the \$2 million loan cap is triggered. This would eliminate the 4.7% to 4.9 % annual increase in our current SAC cost schedule and base this fee on the lesser increase of the urban SAC rate. Even with the \$700 increment, our SAC rate would even out in 2018–2019 with those listed in the current agreement and be \$3,065 less than the current projected SAC rate in 2032. Assuming the Reserve Capacity Loan cap limit occurs in 2021, the City could potentially save \$3 million on future charges for Reserve Capacity Loan payments.

Based on analysis provided by the City and the current growth projections by the Met Council, the development forecasts needed to meet the SAC requirements of the Reserve Capacity Loan are unrealistic and this Loan balance will increase exponentially and reach the proposed \$2 million cap by 2024. The cap could potentially be reached by 2021 if SAC units continue to progress at their present pace. Savings to the City could potentially reach \$20 million by 2032 if the City accepts the proposed modifications to the Wastewater Service Agreement. This number does not account for the SAC cost increases which would place East Bethel at a competitive disadvantage in relation to other cities or any costs by the

8.0G.2

City needed to subsidize these increases.

MCES

Wastewater
Service
Agreement

This matter is currently scheduled for presentation at the August 11, 2015, Met Council meeting and a formal approval of the modified terms would officially signify that the City is in basic agreement with the proposal. Approval of the terms of the MCES staff offer is not binding on the City, as a new contract amendment would have to be executed by both parties. Final contract language and clarification of existing contract questions would occur in the preparation of the final documents should the amendment be recommended and approved by the MCES and the City.

At this time, staff is requesting Council consider endorsement of the June 12, 2015, MCES staff modifications, as described above, to the Wastewater Service Agreement with final approval to be scheduled at a later date and pending acceptable contract language, terms, and conditions.

Koller stated I'll make the motion to endorse the June 12, 2015 MCES staff modifications to the Wastewater Service Agreement. Ronning stated I'll second with somewhat of an amendment to add 'with final approval to be scheduled at a later date and pending acceptable contract language, terms, and conditions. Koller agreed with the friendly amendment. Voss stated that's understood. Discussion?

Harrington asked do you have any idea when Met Council will hear this? Coming up in the next month or two? Davis stated this would be presented at their August 11th Committee meeting. After that then it would be, their legal department would provide our City Attorney with the Contract documentation. That could take a couple of months so maybe by late Fall, sometime like that. Voss asked this goes to the Environment Committee right? Davis stated that's correct. Voss stated it's not the Met Council itself. Harrington stated so late Fall then. Davis stated I would suspect, hopefully, within two or three months by the time it goes through all the legal and comes back to City Council for final approval. But I think it would be in our best interest, when we go to that meeting, that we have at least endorsed the proposal officially as a Council.

Voss stated I'd have to say that staff, Jack and Mike, have worked long and hard on this for a while now and the staff at MCES has also been very good to work with through this time period too. They've been, the various changes that we went through, trying to do what we did. So, the negotiations seem like they went very well and seems like both parties are at a good position. This is obviously going to make a significant impact, a positive impact, on our future financing.

Ronning stated for general reference, I guess, to add with what Steve's saying, a lot of this negotiation process is convincing them that there is a problem and it's something that should be worked on by the parties. I would think that takes almost most of the time to get that. But, good job. Thank you.

Voss asked any other discussion? All in favor to the motion say aye?" **All in favor.** Voss stated opposed? None opposed, motion passes. **Motion passes unanimously.**

8.0G.3

2015 Fall
Recycle
Day

Davis presented the staff report indicating the Council is being asked to consider the 2015 Fall Recycle Day.

East Bethel traditionally schedules a Spring and Fall Recycle Day at the City Ice Arena. In

July 15, 2015
8.0G.3
2015 Fall
Recycle
Day

2013, the City began a monthly recycle drop off program at the City Recycle Center on the fourth Saturday of each month. This program has expanded and collects most items that the two designated Recycle Days accept. As a result, we have seen a decrease in tonnage of materials at the Spring and Fall Recycle Day.

We do propose that we continue the Fall Recycle Day and we propose that this date be scheduled for September 26, 2015. This date is unopposed with any of our neighboring cities. If this date is scheduled, the Saturday Drop-Off at the Recycle Center would be cancelled for that date.

Staff recommends Council consider setting Saturday, September 26, as Fall Recycle Day

Mundle stated I'll make a motion to approve Saturday, September 26, 2015, for Fall Recycle Day for East Bethel. Koller stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated any opposed? That motion passes. Motion passes unanimously.

8.0G.4
July Work
Meeting

Davis presented the staff report, indicating the Council is being asked to consider the July Work Meeting.

The fourth Wednesday of the month is the regularly scheduled Work Meeting for City Council. City Council held a Work Meeting on July 8, 2015, to begin discussion on the 2016 Budget and receive a proposal for water and sewer service extension and modifications to the City's Park Dedication Fees.

At this time there are no items which appear to be required for a Work Meeting discussion. Council is requested to consider an agenda for or cancelation of the July 22, 2015, City Council Work Meeting.

Voss asked is there any items that you felt we should have a Work Meeting for? Koller stated no, I don't have anything. Voss stated if not, we should entertain a motion to cancel that meeting.

Ronning stated move to cancel that July 22, 2015, City Council Work Meeting. Harrington stated I'll second. Voss stated any discussion? All in favor say aye?" All in favor. Voss stated any opposed? Motion passes. Motion passes unanimously.

9.0 Other
9.0A
Staff Reports

Davis stated nothing to add for Staff Reports.

9.0B
Council
Report –
Member
Mundle

Mundle stated I attended fire training this last Monday, a couple days ago. They reviewed and were instructed on some search and rescue techniques in the urban and rural environments. They were also introduced to map grid mapping system.

Mundle stated in the County magazine, the *Anoka County News* that just came out, I'd like to point out that Progressive Hydraulics was featured in an article. And on Page 11, that the article entitled '*Kudos for Recycling Efforts*' and East Bethel is mentioned for our good efforts that we've done.

Member
Mundle

Mundle stated with the summer heat, a couple hot days coming up here, just like to ask residents to check in with elderly residents, family, friends, and neighbors to see how they're doing and especially if you know they don't have air conditioning. Just give them a phone call or knock on their door to make sure everything's just fine.

Mundle stated if it hasn't been mentioned enough, Booster Days this weekend. That's all.

Council
Member
Koller

Koller stated I attended the Upper Rum River Watershed meeting. We pretty much finalized our budget for next year. Ham Lake still wants to make reduced payments because they have a smaller area and we're going around with that. And, we have put out for bids to have the audit done. That's about it.

Council
Member
Ronning

Ronning stated the Road Commission met last night and they did a tour of the road projects, overlays, etc. for the 2015. Don't go down Klondike. Myself and a couple others were at the back of the bus and you could almost hit your head when you bounced. It's exaggerating but it was, it's rough.

Ronning stated I went past the Nordin project and it looks very good. Voss stated they've had two sunny nights to test it. How did it, do we have any complaints or anything? Davis stated I've heard no complaints at all. If you drive by there, you have to look twice to even see that there's any disturbance. Voss asked really? Davis stated yeah, it's really, they did a great job and re-vegetated really good. Like I say if you don't know what you're looking for you'd never know that there was any excavation or pipe installed at that location. Voss stated well good because I think that's what the intent was always when you do those things.

Ronning stated that was, for the cost of that, I think there was an awful lot, not to put 'words in anybody's mouths' but appreciation for being recognized as a problem finally.

Council
Member
Harrington

Harrington stated I'd just like to remind everybody that Monday, the 20th, they start the overlay on 221st and 65 down to County Road 74 so I'm sure the traffic's going to be a little bit of a hassle. So, keep that in mind.

Voss stated that's going to be a very nice road when it's done. Harrington stated yes, when it's done it's going to be nice. Voss stated I think it's coming at just the right time. I think that road's going to completely fall apart.

Mayor Voss

Voss stated again, we talked about Booster Days. I think everyone is looking forward to that. Just hope to see as many people out there as we can. That's all I have.

9.0C
Other

None.

9.0D
Closed
Session

Vierling stated for the benefit of the public and for the record, we note that at the present time the City Council's about to go into Closed Session to review matters affecting purchase of real estate authorized under Minnesota Statute 13D.05. The property involved in issue is identified by Anoka County Property Identification Number 29-33-23-33-0002. After the Council concludes its Closed Session it will come back into Open Session and announce any action that's been taken at that time. With that being said Mr. Mayor, I request a motion be made to go into Closed Session for the purposes that I've indicated.

Move to
Closed
Session

Mundle stated I'll make a motion to go into Closed Session for the purposes the City Attorney has mentioned. Harrington stated I'll second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated opposed? Motion passes. **Motion passes unanimously.** Meeting recessed at 8:03 p.m.

Reconvene
Open Session

Vierling stated we're back into Open Session. The Council having concluded the Closed Session discussing issues of real estate acquisition affecting a property identified as Property Identification Number 29-33-23-33-0002. Council received input from City staff, the City Engineer, and the Attorney on issues relative to the property and its potential acquisition, gave staff some direction with regard to negotiations and discussions with the property owner, but took no formal actions. The Closed Session was attended by all members of the City Council, City Administrator, City Engineer, and myself as City Attorney. With that being said, that concludes the report of the Closed Session. Thank you.

10.0
Adjourn

Koller stated I'll make a motion to adjourn. Mundle stated I'll second. Voss stated any discussion? All in favor say aye?" **All in favor.** Voss stated any opposed? Motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:58 p.m.

Submitted by:
Carla Wirth

TimeSaver Off Site Secretarial Inc.

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

RESOLUTION NO. 2015-39

WHEREAS, the City of East Bethel must approve those City officials designated as signers for the City's Village Bank Money Market Account;

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

City Administrator: Charles Davis
Finance Director: Mike Jeziorski

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

ATTEST:

Jack Davis, City Administrator

LG240B Application to Conduct Excluded Bingo

No Fee

ORGANIZATION INFORMATION

Organization name SFHS Dance Team Parent Boosterclub Previous gambling permit number [redacted]

Minnesota tax ID number, if any [redacted] Federal employer ID number (FEIN), if any [redacted]

Type of nonprofit organization. Check one.

___ Fraternal ___ Religious ___ Veterans X Other nonprofit organization

Mailing address 21460 Killdeer St NW City Oak Grove State MN Zip code 55011 County Anoka

Name of chief executive officer [CEO] Tonya Champagne Daytime phone number [redacted] E-mail address [redacted]

NONPROFIT STATUS

Attach a copy of ONE of the following for proof of nonprofit status.

___ Nonprofit Articles of Incorporation OR a current Certificate of Good Standing.

Don't have a copy? This certificate must be obtained each year from: Secretary of State, Business Services Div., 60 Empire Drive, Suite 100, St. Paul, MN 55103 Phone: 651-296-2803

X IRS income tax exemption [501(c)] letter in your organization's name.

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.

___ IRS - Affiliate of national, statewide, or international parent nonprofit organization [charter]

If your organization falls under a parent organization, attach copies of both of the following: a. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and b. the charter or letter from your parent organization recognizing your organization as a subordinate.

EXCLUDED BINGO ACTIVITY

1. ___ No X Yes Has your organization held a bingo event in the current calendar year? If yes, list the dates when bingo was conducted. 3/22/15

2. The proposed bingo event will be: X one of four or fewer bingo events held this year. Dates 10/11/2015

OR

___ conducted on up to 12 consecutive days in connection with a: ___ county fair. Dates ___ ___ civic celebration. Dates ___ ___ Minnesota state fair. Dates ___

3. Person in charge of bingo event Angela Nordling Daytime phone [redacted] 4. Name of premises where bingo will be conducted Hidden Haven 5. Premises street address 20520 Poik St NE 6. City East Bethel If township, township name County Anoka

Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo. Otherwise, bingo hard cards, bingo paper, and bingo number selection devices must be obtained from a distributor licensed by the Minnesota Gambling Control Board. To find a licensed distributor, go to www.gcb.state.mn.us and click on Distributors under the WHO'S WHO? LIST OF LICENSEES, or call 651-539-1900. Be sure to complete page 2

CHIEF EXECUTIVE OFFICER'S SIGNATURE

The information provided in this application is complete and accurate to the best of my knowledge.

Chief executive officer's signature Tonya Sheep Date 7/13/15
 Print name Tonya Champagne

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT

**CITY APPROVAL
for a gambling premises
located within city limits**

On behalf of the city, I approve this application for excluded bingo activity at the premises located within the city's jurisdiction.

Print city name City of East Bethel

Signature of city personnel _____

Title _____ Date _____

Local unit of government must sign

**COUNTY APPROVAL
for a gambling premises
located in a township**

On behalf of the county, I approve this application for excluded bingo activity at the premises located within the county's jurisdiction.

Print county name _____

Signature of county personnel _____

Title _____ Date _____

TOWNSHIP - If required by the approving county.

On behalf of the township, I acknowledge that the organization is applying for excluded bingo activity within the township limits. [A township has no statutory authority to approve or deny an application, per Minnesota Statutes 349.166, Subd 2.]

Print township name _____

Signature of township officer _____

Title _____ Date _____

MAIL APPLICATION AND ATTACHMENT

Fax the application and a copy of your proof of nonprofit status to (651) 639-4032 or mail to:
 Gambling Control Board
 1711 West County Road B, Suite 300 South
 Roseville, MN 55113

You will receive a document from the Gambling Control Board with your excluded permit number for the bingo activity. Your organization must keep its bingo records for 3-1/2 years.

Questions?

Call the Licensing Section of the Gambling Control Board at 651-539-1900.

This form will be made available in alternative format (i.e. large print, Braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board.

All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to: Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney

General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **SEP 04 2014**

SFHS DANCE TEAM PARENT BOOSTER CLUB
C/O TONYA SHAMPINE
3325 BRIDGE ST NW
ST FRANCIS, MN 55070

Employer Identification Number:
20-1718874
DLN:
504233030
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
February 28
Public Charity Status:
509(a)(2)
Form 990/990-EZ/990-N Required:
Yes
Effective Date of Exemption:
August 6, 2014
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

Based on the information you submitted on your application, we approved your request for reinstatement under Section 7 of Revenue Procedure 2014-11. Your effective date of exemption, as listed at the top of this letter, is the submission date of your application.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar

Letter 5436

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

RESOLUTION NO. 2015-40

**RESOLUTION ACKNOWLEDGING DENNIS FEELA FOR HIS ADOPTION OF DEER HAVEN
PARK**

WHEREAS, the City of East Bethel is responsible for the overall maintenance of the East Bethel Park System; and

WHEREAS, the Adopt-A-Park Program provides an opportunity for community organizations, residents, and businesses to become involved in a commitment to their City park system; and

WHEREAS, the City of East Bethel recognizes the extraordinary efforts required from the community organizations, residents, and businesses and the potential economic savings to the City based on these efforts.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Dennis Feela for his commitment to help maintain Deer Haven Park as part of the Adopt-A-Park Program.

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2015-41

RESOLUTION RECOGNIZING THE 2015-2016 EAST BETHEL ROYALTY

WHEREAS, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and

WHEREAS, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and

WHEREAS, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: Ms. Karley Landwehr is hereby recognized as Miss East Bethel and an Ambassador for the City for the next year.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL THAT: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Karley Landwehr will devote to representing the City for the next twelve months.

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

Tim Harrington, Council Member

Ron Koller, Council Member

Brian Mundle, Council Member

Tom Ronning, Council Member

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2015-42

RESOLUTION RECOGNIZING THE 2015-2016 EAST BETHEL ROYALTY

WHEREAS, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and

WHEREAS, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and

WHEREAS, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: Ms. Tori Larson is hereby recognized as Princess and an Ambassador for the City for the next year.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL THAT: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Tori Larson will devote to representing the City for the next twelve months.

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

Tim Harrington, Council Member

Ron Koller, Council Member

Brian Mundle, Council Member

Tom Ronning, Council Member

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2015-43

RESOLUTION RECOGNIZING THE 2015-2016 EAST BETHEL ROYALTY

WHEREAS, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and

WHEREAS, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and

WHEREAS, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: Ms. Madison Burch is hereby recognized as Little Miss and an Ambassador for the City for the next year.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL THAT: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Madison Burch will devote to representing the City for the next twelve months.

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

Tim Harrington, Council Member

Ron Koller, Council Member

Brian Mundle, Council Member

Tom Ronning, Council Member

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2015-44

RESOLUTION RECOGNIZING THE 2015-2016 EAST BETHEL ROYALTY

WHEREAS, the East Bethel Scholarship Pageant organizes and sponsors the annual Scholarship Pageant; and

WHEREAS, the individuals recognized through this competition represent the City of East Bethel as an Ambassador for a twelve month period by appearing at numerous City festivals and celebrations and other official functions; and

WHEREAS, the City of East Bethel is appreciative of the time and effort these pageant winners devote to representing the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: Ms. Elizabeth Raab is hereby recognized as Little Miss and an Ambassador for the City for the next year.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL THAT: the City Council hereby expresses its thanks and appreciation for the time and effort Ms. Elizabeth Raab will devote to representing the City for the next twelve months.

Adopted this 5th day of August, 2015 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Steven R. Voss, Mayor

Tim Harrington, Council Member

Ron Koller, Council Member

Brian Mundle, Council Member

Tom Ronning, Council Member

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 7.0 A.1

Agenda Item:

Amendment to City Code, Article VII, Section 66-195, Public Land Dedication

Requested Action:

Consider amendment of the Park Dedication Fees as required in City Code, Article VII, Section 66-195, Public Land Dedication

Background Information:

The Planning Commission upon direction from City Council reviewed the City’s Ordinance establishing Park Dedication Fees at their July 28, 2015 meeting. The Planning Commission discussed the City’s Fees in relation to those of neighboring Cities and the proportionality issue of larger platted divisions of land as compared to Metes and Bounds Lot Splits.

Our Current Residential Park Dedication Fee is:

- Up to 6 units/acre: 10% of land or cash = to market value of land;
- 6 or more units/acre: 10% of land = 1% for each unit over 6 units per acre or cash = to market value of land.
- In no event shall the cash in lieu of land payment exceed \$6,000.00 per residential unit.

Residential Park Dedication Fees for neighboring Cities are as follows:

<u>Cambridge</u>	<u>Oak Grove</u>	<u>St. Francis</u>	<u>Isanti</u>	<u>Columbus</u>	<u>Ham Lake</u>
\$1,600/lot	\$2,000/lot	\$2,500/lot	\$1,500/lot	\$1,525/lot	\$2,500/lot*

*Ham Lake does utilize percentages of land value, but their maximum costs are \$2,500/lot

Attachments:

- 1.) Comparative Fee Schedule
- 2.) Proposed changes in Subdivision Ordinance

Recommendation(s):

The Planning Commission recommends City Council consider amending Article VII, Section 66-195 to include the changes as indicated in Attachment 2, reduction of the not to exceed fee for residential park dedication from \$6,000 to \$2,000 per lot, exempt one habitable homestead per subdivision (if applicable) from the dedication fees and reduce the park dedication for commercial/industrial not to exceed fee from \$4,500 to \$2,000 per acre.

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

Fee Comparison	Residential	Commercial
Park Dedication		
East Bethel	UP TO 6 UNITS/ACRE: 10% OF LAND OR CASH = TO MARKET VALUE OF LAND; 6 OR MORE UNITS/ACRE: 10% OF LAND + 1% FOR EACH UNIT OVER 6 UNITS/ACRE OR CASH = TO MARKET VALUE OF LAND	5% OF LAND OR CASH = TO MARKET VALUE OF LAND
Cambridge	\$1,600 per lot	\$2,940 per lot
Columbus	\$1,525 per lot	\$762.50 per lot
Isanti	\$1,500 per lot	\$1,500/industrial acre
Oak Grove	Park dedication fee in lieu of land \$2,000 per lot created	Park dedication fee in lieu of land \$2,000 per lot created
St. Francis	\$2,500/lot	\$2,500/lot
Ham Lake	10 % not to exceed \$2,500 per lot	

- (Ord. of 10-17-2007, § 8(8-1))

- **Sec. 66-195. - Required dedication.**

- (a) *Dedication of land or cash.*

- (1) Pursuant to Minn. Stats. § 462.358, subd. 2b, the city requires all subdividers, as a prerequisite to approval of a final subdivision plat or development of any land previously divided by plat, metes or bounds, or any other means, to convey to the city or dedicate to the public use for park, playground, open space, or trail, a reasonable portion of the land being platted or developed as hereinafter specified. The portions to be dedicated will be approved by the city; or in lieu thereof, the subdivider shall at the option of the city pay to the city, for use in the acquisition or development of public parks, playgrounds, or in debt retirement in connection with land previously acquired for such public purposes, an equivalent amount in cash based upon the undeveloped land value.

- (2) The form of contribution (cash, land, or any combination thereof) shall be decided by city council based upon need and conformance with the comprehensive plan.

- (b) *Administrative procedures.* The city council shall establish such administrative procedures as it may deem necessary and required to implement the provisions of this chapter.

- (c) *Parks committee recommendation.*

- (1) The parks committee shall, in each case, recommend to city council the total area and location of such land that the parks committee feels should be so conveyed or dedicated within the development for the above public purposes. These recommendations shall be based on the recommendations included in the city parks, trails, and open space plan.

- (2) The parks committee shall, prior to the time that the planning commission completes its public hearings on the preliminary plat, review the preliminary plat and recommend to the planning commission the total area and location of the land the parks committee determines should be dedicated for park use. The parks committee shall present these recommendations to the planning commission and city council. In those instances where the parks committee concludes that a cash equivalency payment should be made by the applicant or owner in lieu of dedication of land, the parks committee shall recommend to the planning commission the percentage of the total park dedication requirement to be paid to the city in cash. In the event that review at a regular meeting of the parks committee would result in a delay in the review and approval process so that the time limitations of Minn. Stats. § 462.358 may not be met, the requirement of review by the parks committee may be waived by either the applicant or by city council at the time of its review of the application.

- (d) *Standards for determination.*

- (1) The parks committee shall develop and recommend to city council for adoption standards and guidelines for determining which portion of each such development should reasonably be required to be conveyed or dedicated. Such standards and guidelines may take into consideration the zoning classification to be assigned to the land to be developed, the particular use proposed for such land, amenities to be provided, and factors of density and site development as proposed by the subdivider. The parks committee shall further recommend changes and amendments from time to time to such standards and guidelines to reflect changes in the usage of land which may occur, changes in zoning classification, and concepts and changes in planning and development concepts that relate to the development and usages to which land may be put.

- (2) The parks committee shall develop and recommend standards for design and construction of public parks, trails, and open space areas in the city.

(e) *Dedicated land requirements.* Any land to be dedicated as a requirement of this chapter shall be reasonably adapted for the above public purposes. Factors used in evaluating the adequacy of proposed dedication areas shall include size, shape, topography, drainage, geology, tree cover, rare species, and other significant wildlife habitats, access, and location.

(f) *Minimum area of dedicated land.* Subdividers shall be required to dedicate to the city for park, trail, playground, open space, and other public purposes as a minimum that percentage of net land area or equivalent market value in cash as set out below:

(1) *Residential land uses.*

Units Per Acre	Percentage of Land or Equivalent Market Value in Cash
Up to 6	10
6 or more	10 percent plus 1 percent for each dwelling unit (DU) over 6 units/acre

(2) *Cash in lieu.* In no event shall the cash in lieu of land payment exceed ~~\$6,000.00~~ **\$2,000.00** per residential unit.

A.) Metes and Bounds lot splits and Subdivisions which create a lot with an existing habitable homestead shall have that lot excluded from any requirements for Park Dedication Fees

(3) *Review of cash in lieu maximum.* City council shall review the maximum cash in lieu of land payment at least every two years to ensure that it remains consistent with park and trail system development costs.

(4) *Commercial and industrial land uses.* Dedication requirement of five percent of land or equivalent market value in cash. In no event shall the cash in lieu of land payment exceed **\$2,000.00** per acre of land proposed for development.

(5) *Schools, religious institutions, and other nonprofit organizations.* Dedication requirement shall be determined



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 7.0 A.2

Agenda Item:

Interim Use Permit to keep a Farm Animal

Requested Action:

Consider approving an Interim Use Permit (IUP) to Elizabeth Erickson, 22790 Jewell St NE, PIN 01-33-23-21-0011 under Chapter 10. Article V – Farm Animals

Background Information:

Elizabeth Erickson is requesting an IUP for the keeping of one (1) miniature pot-bellied pig on her 4.98 acre parcel. She is working with the Martin County Humane Society in Fairmont, MN to rescue this animal. The pig will be kept as a pet and housed in the home and in an existing pasture area that is currently fenced. This property is part of Deer Haven subdivision where over 80% of the lots are 3 acres or larger in size therefore meeting the requirement of allowing Farm Animals.

Attachments:

1. Location Map
2. Site Plan
3. Draft IUP

Recommendation(s):

Planning Commission met on July 28, 2015 and recommends that City Council approve an IUP for keeping a single miniature pot-bellied pig for Ms. Erickson, located at 22790 Jewell St NE, Bethel, MN 55005, PIN 01-33-23-21-0011 with the following conditions:

1. An Interim Use Permit Agreement must be signed and executed by the applicants and the City.
2. Applicants must comply with City Code Section 10. Article V. Farm Animals.
3. Permit shall expire when:
 - a. The property is sold, or
 - b. Non-compliance of IUP conditions
4. Property owner shall have thirty (30) days to remove the approved domestic farm animals upon expiration of the IUP.
5. Conditions of the IUP must be met no later than September 1, 2015. IUP will not be issued until all conditions are met. Failure to meet conditions will result in the null and void of the IUP.

6. The IUP shall be for a term of three (3) years at which time the applicant will be required to re-apply for an IUP.

7. Property will be inspected and evaluated annually by city staff.

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



Parcel Information

1 in = 376 ft

PIN: 013323210011

Acres: 4.98

Owner Name: SCHMOLL MARILYN

Address1: 22790 JEWELL ST NE

Address 2: EAST BETHEL, MN 55011

Site Address1 : 22790 JEWELL ST NE

Site Address 2: EAT BETHEL, MN 55011-9523

Zoning: RR

Shoreland: null

Legal: LOT 4 BLK 2 DEER HAVEN; EX RD; SUBJ
TO EASE OF REC



July 24, 2015



Parcel Information

PIN: 013323210011
Acres: 4.98

Owner name: SCHMOLL MA
Address 1: 22790 JEWELL ST NE
Address 2: EAST BETHEL, MN 55011

Site Address 1: 22790 JEWELL ST NE
Site Address 2: EAT BETHEL, MN 55011-9523
Zoning: RR
Shoreland: null

Owner name: Elizabeth Erickson

Legal: LOT 4 BLK 2 DEER HAVEN; EX RD; SUBJ TO EASE OF REC

1 in = 94 ft



July 24, 2015

Map Powered by DataLink
from WSB & Associates

CITY OF EAST BETHEL
ANOKA COUNTY, MINNESOTA
INTERIM USE PERMIT (IUP) AGREEMENT

Dated: August 5, 2015

Property Owner: Elizabeth Erickson

Applicant: Elizabeth Erickson

Parcel Location: 22790 Jewell St NE
Anoka County
East Bethel, MN 55005

Parcel Number: 01-33-23-21-0011

Present Zoning District: RR - Rural Residential

IUP REQUEST: to allow for an interim use permit for the purpose of owning and caring for one miniature pot-bellied pig at 22790 Jewell St NE, East Bethel, Minnesota 55005.

PLANNING COMMISSION ACTION

A public hearing was held by the Planning Commission of the City of East Bethel on July 28, 2015, at which all persons interested were given an opportunity to be heard. The Planning Commission recommended approval of the IUP with conditions.

CITY COUNCIL ACTION

The City Council considered the matter at its meeting on August 5, 2015 and approved the IUP request with conditions.

CONDITIONS AND REQUIREMENTS

The granting of this IUP is subject to the following conditions and requirements:

1. An Interim Use Permit Agreement must be signed and executed by the applicants and the City.
2. Applicants must comply with City Code Section 10. Article V. Farm Animals.
3. Permit shall expire when:
 - a. The property is sold, or
 - b. Non-compliance of IUP conditions



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 7.0 A.3

Agenda Item:

Variance request for Andrew Nelson, 4640 East Front Blvd NE, PIN 25-33-23-42-0017, Lot 12, Block 1, Edwards Beach

Requested Action:

Request Council consider east and west side yard setback variances for Andrew Nelson for construction of a detached accessory structure.

Background Information:

Andrew Nelson is requesting side yard setback variances to construct a 22ft. x 26 ft. detached garage on his property. Because this property is located in the Shoreland Management District, there is a requirement that the construction footprint be located 75 feet from the Ordinary High Water (OHW) mark of Coon Lake and 25 ft. from the City right of way on East Front Blvd. Mr. Nelson can meet both the OHW and the street setback. However, due to the location of his septic system, well and drainfield, the proposed garage on this lot cannot meet the required 10' side yard setback requirements. The proposed location of the garage, as shown on the attached site plan, is the only option that Mr. Nelson has for the garage construction.

Side yard setback requirements in the R-1 zone are 10 feet and the proposed garage would be located 1 foot from the east property line and 1 foot from the west property line. Mr. Nelson has spoken to his neighbor to the east and they have no objections to the reduction in the setback and have submitted a letter to City Staff stating their position. On the west side, the proposed garage would be located 1 foot from Sylvan Street, a platted but undeveloped City street. Mr. Nelson was previously granted a license by the City to use part of this right of way for a septic system. Mr. Nelson's lot is narrow and long, and due to this shape and the location of the existing septic, drainfield and well there is no location on the lot for the garage that would meet side yard setback requirements. Therefore, the following variance requests were presented to the Planning Commission:

- 9 feet variance from the normal side yard setback of 10 feet on the west side of the property for construction of a detached accessory structure
- 9 feet variance from the normal side yard setback of 10 feet on the east side of the property for the construction of a detached accessory structure.

The Planning Commission at their July 28, 2015 meeting considered Mr. Nelson's requests and determined that consideration of the variances were appropriate based on Minn. Statute 394.27.7:

"The literal provisions of the ordinance in instances where their strict enforcement would cause undue hardship because of circumstances unique to the individual property under consideration, and to grant such variances only when it is demonstrated that such actions will be in keeping with the spirit and intent of the ordinance."Undue hardship" as used in conjunction with the granting of a variance means the property in question cannot be put to a reasonable use if used under conditions allowed by the official controls, the plight of the landowner is due to circumstances unique to the property not created by the landowner, and the variance, if granted, will not alter the essential character of the locality. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance. Undue hardship also includes, but is not limited to, inadequate access to direct sunlight for solar energy systems."

Attachments:

- 1. Location Map
- 2. Site Plan
- 3. Letter from Homeowner

Recommendation(s):

Planning Commission unanimously approved for Mr. Nelson's variance requests for 4640 East Front Boulevard and propose that Council consider approval of the recommendation.

City Council Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

No Action Required: _____



Parcel Information

1 in = 94 ft

PIN: 253323420017

Acres: 0.28

Owner Name: NELSON ANDREW F

Address1: 2210 CEDAR LAKE PKY

Address 2: EAST BETHEL, MN 55011

Site Address1: 4640 EAST FRONT BLVD NE

Site Address 2: EAT BETHEL, MN 55011-9523

Zoning: R-1

Shoreland: null

Legal: COON LAKE EAST FRONT LOT 48 COON
LAKE EAST FRONT INCLUDING STRIP OF LAND
VACATED 4/19/68 ADJOINING LAKE & ADJ TO
SD LOT



July 24, 2015

8 FEET BTW BUILDINGS

4644 sq ft EXISTING GARAGE

6 FEET BTW 60' x 100' G.P. DRAINAGE FIELD

PROPOSED SEPTIC LOCATION
500 sq. ft.

EXISTING SHALLOW WELL - TO BE SEALED

NEW 4" SEWER LINE
EXISTING SEPTIC TANK

32'

24'

34'

+

+

+

26'

22'

20'

35'

5'

40'

65'

SUPPLY LINE

20'

EXISTING 2-BEDROOM HOUSE

50'

30'

50'

PROPOSED SEPTIC TANK LOCATION

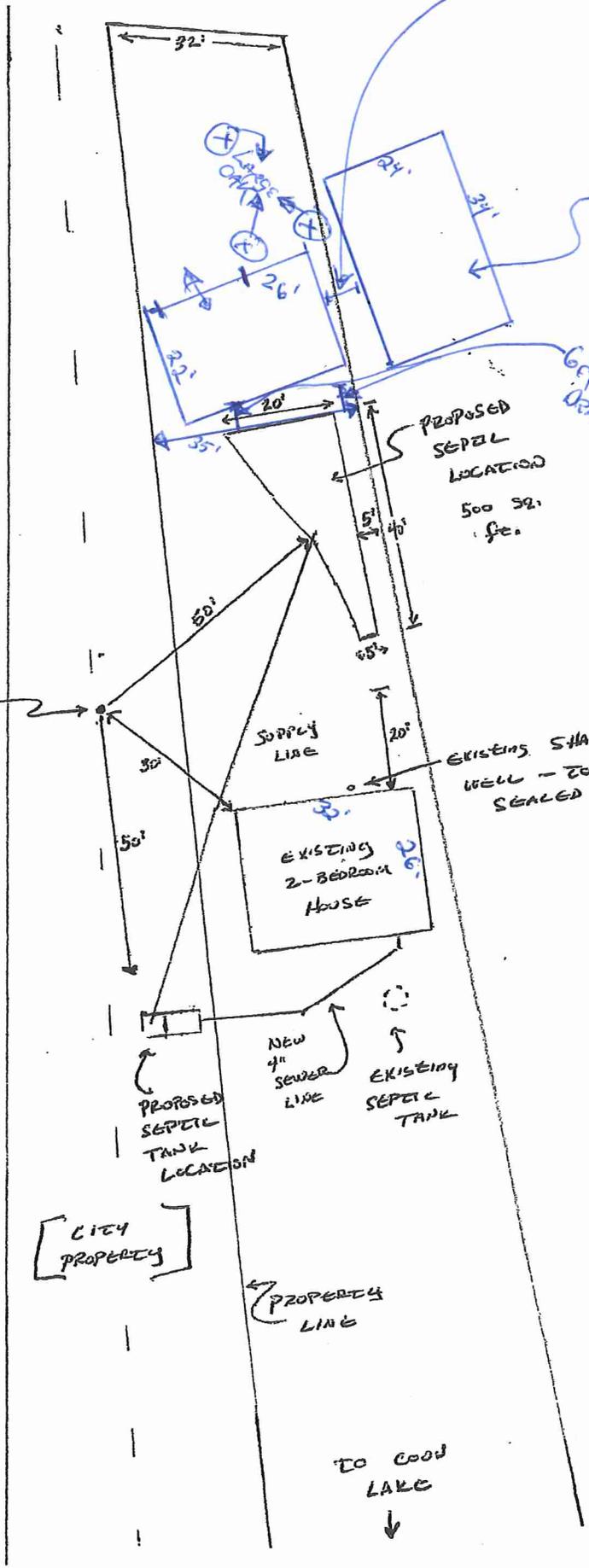
CITY PROPERTY

PROPERTY LINE

TO GOOD LAKE

BURIED SEWER SUPPLY PIPE

PROPOSED WELL LOCATION



July 16, 2015

To: Colleen Winter and Jack Davis at the City of East Bethel

From: Andy Nelson

Regarding: Request for Variance to build a garage

I herein request a variance to build a garage at 4640 East Front Blvd. NE, East Bethel MN 55092. In 2012, I worked with the City of East Bethel and my neighbor to address their failing septic system. We worked out a complicated solution to establish both properties wells and septic systems. During those arrangements we were careful to allow for the future garage that is the subject of this request.

The property plan for the septic and well system from 2012 is attached with the now proposed garage. The variance is necessary because the building will be closer to the neighbors property and the unused city street, Sylvan Street, than current regulations permit. The neighbor, at 4644 East Front Blvd, Doug and Linda Foster, was permitted a variance to build his garage closer or nearly on this same, common property line. The proposed garage will closely mirror the neighbor's garage in location and proximity to that common property line with a separation of at least 8 feet between his existing and the proposed garage.

Facts about the property:

Current house on the property is 32 feet by 26 feet, for a total of about 830 square feet. The proposed garage will measure 580 square feet. Currently there is a non permanent storage shed measuring about 12 feet by 12 feet on the proposed garage building site. The non permanent storage shed will be moved to allow garage construction. A large, 200 year old oak tree is impeding an easy building site location. To avoid removing this historic tree and constructing the building a proper distance from the newly installed septic drainage field, the building will have a none square dimension and closely approach the neighbor's and Sylvan Street property lines. Taxes are paid up to date. Neighbors on both sides understand our proposal and are supportive.

Thank you for your consideration.



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 7.0 B.1

Agenda Item:

July EDA Report

Requested Action:

No Action Required

Background Information:

The Ady Voltedge Branding and Market Analysis for the City was completed in March 2012. The study provided stakeholder interview and retail market analysis and an action plan for implementation of the proposal. The EDA was presented with an update of the recommendations of the study that have been completed, are in continuance or dormant at their July 20, 2015 meeting.

The goals and priorities of this study were discussed with the EDA for assessment as to their current relevance considering changes that have occurred since 2012. Attachment 1 details the results of the discussion. Findings from this review will be used to provide a direction for implementation of plans and polices to direct our ongoing economic development activities and evaluate our progress to date.

The EDA was provided with an overview of past and current business recruitment activities. The report pointed out that our efforts to attract new business and industry to the City of East Bethel have been met with mixed success. Since 2012 the City has played differing roles in the decision of the following to locate in East Bethel:

- Aggressive Hydraulics.....52 employees
- North Country Concrete.....76 employees
- Tin Man..... 4 employees
- Cambridge/Isanti Insurance..... 4 employees
- Knowlton’s Engines.....4 employees
- Moonshine Whiskey.....20 employees (app.)
- Road Warrior Ink.....4 employees (app.)

In addition to these new businesses, the City has provided varying forms of administrative assistance that have supported the expansion of:

- RAK Construction
- Central Wood Products
- George’s Boat Sales
- Builders By Design
- Minnesota Fresh Farms

The constraints and obstacles encountered in the pursuit of new business are primarily our small market footprint, a hesitation of developers to proceed with project investments, a saturation of the regional market area with big box and larger scale commercial development and the contraction of growth patterns from strip and node highway corridor development to redevelopment and infilling of areas closer to the Metro Cities.

Our business recruitment activities have been limited to periodic cold calls, responses to individual inquiries and maintaining contact with DEED, Greater MSP and Anoka County. While we can proceed with the existing practice of solicitation and replies to site selection requests from Greater MSP, we are entering a phase where we need to be more proactive in this endeavor.

Given that the business climate is never static and we are confronted with a different set of development challenges, Staff and the EDA feel that this is an appropriate time to redefine our actions and efforts that direct our business recruitment activities. The following were questions that were presented to the group:

1. What is the evolutionary pattern for development along a Corridor Highway in an area that is just outside limits of urban growth
2. What types of business are attracted to an outer ring bedroom City whose population growth has slowed
3. What types of business are desirable in terms of the City's long range vision of development
4. What types of business are land intensive and can be easily converted to higher uses at some point in the future.
5. What is our market area
6. What are our reasonable expectations for commercial and industrial development.
7. What can we do to make the City more appealing to commercial, residential and industrial developers in terms of City facilitation of projects.

The answers to these questions can assist in identifying and targeting those businesses that would find East Bethel an inviting and attractive market and in developing a plan to pursue these types businesses. We are contenders in a highly competitive environment with other North Metro Cities and we need to consider ways to increase our efforts in the area of business recruitment.

Staff and the EDA will continue the discussion for targeting businesses and present a report to the Council of their findings and recommendations.

Attachments:

Attachment – 1 Ady Voltedge Plan Review

Fiscal Impact:

To be determined

Recommendation:

As noted above

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

Attachment - 1
Ady Voldedge Plan Review

I. Review City Codes, Ordinances and Plans to determine their relevance to economic development goals (AV Priority – High): An Ordinance Committee was formed in 2013 and met twice. Currently this review is being conducted on a case by case basis and presented to Council for consideration.

- 1.) Review and Enhance Code Enforcement Activities; City code enforcement is complaint driven. Efforts to expand code enforcement actions would require additional staff. This appears to be a low priority as it relates to economic development
 - 2.) Prepare an Executive Summary to update the Comprehensive Plan; The comprehensive plan update is currently on hold. Staff is pursuing a planning grant from MET Council to address this need.
 - 3.) Review the Zoning Ordinance for consistency, significance and application in regards to economic development within the TH 65 Corridor. Current zoning will be addressed as part of the comprehensive plan update. This is a high priority item.

II. Prepare a TH 65 Corridor Plan and evaluate the existing Town Center Plan (AV Priority – High for the TH 65 Plan and low for the Town Center Plan) – A preliminary analysis has been completed that examined the land use capabilities for the Corridor and development potential of vacant properties. The City has completed re-zoning for two areas within the Hwy. 65 Corridor and one area on Viking Boulevard. The original Town Center Concept has more or less been abandoned.

**

III. Develop City Policies and Strategies as they relate to Business Attraction and Retention (Priority – High);

- 1.) Business attraction and recruitment; - We need to develop and implement a strategy aimed exclusively for business and industrial recruitment. We have been waiting for certain activities to occur but decisions on these matters have not materialized at this point. Due to the lack of development activity, the City needs to expand its efforts in this area as soon as possible.
 - 2.) Existing business expansion and retention – The City is currently engaged in implementing a Business Retention and Expansion Program. This is the first phase of our efforts to support and promote existing business. Further strategies need to be evaluated in relation to expanding this effort.
 - 3.) Prepare an incentive plan for business assistance consistent with the City’s financial ability to sustain those types of programs. – Staff and the EDA are encouraged to consider policy recommendations and standards of qualifications for eligibility for financial assistance relating to business recruitment and retention.
-

IV. Prepare marketing information for the City and available properties with in East Bethel (Priority – High):

- 1.) Update the inventory of available properties; - This has been updated at various times in the past. We have replaced the laborious process of updates with links to MnCAR and MLS on our website. These links provide up to date information of available commercial and industrial properties.
- 2.) Insure that the review and permitting process is streamlined; - Staff has implemented changes within the Building Department that have eliminated any unnecessary steps in the permitting process. Projects and permits are to be evaluated on a case by case basis and those that require immediate attention will be placed on a priority basis for action.
- 3.) Develop a policy for marketing targeted properties. – This has not been done but can be incorporated into an overall business recruitment strategy.

V. Work Force Development

Develop a collaborative effort with the local school districts and community and technical colleges to facilitate training programs and enhance cooperation between the City and these entities (Priority – High). – Staff has developed relationships with St Francis School District and Rasmussen College but has not expanded any additional efforts in this area. This goal is related more toward industrial development and we need identify and define our position relating to this area of recruitment before we proceed with any type of detailed work force program development.

VI. Civic Infrastructure

Continue, renew and initiate participation with development organizations, the County, Chambers of Commerce, government agencies and other groups that offer development assistance, programs and/or grants (Priority – High):

- 1.) Create an East Bethel Ambassadors group to engage in economic development functions and activities; - A Chamber of Commerce has been formed and is engaging in business development
- 2.) Consider ways to and policies for marketing, managing and participating in community events and eco-tourism activities. – The City continues to promote Booster Day and encourages volunteers to participate in this activity. The City, while recognizing that eco-tourism may not be high priority at this time, has worked with one local business to re-zone their property for agri-business/eco-tourism pursuits. The City can consider their comfort level with involvement in community events and ways to coordinate these activities with other civic and business groups..

VII. Branding

Consider developing a new City Logo (Priority- High)

There have been no discussions relating to branding for over two years. At this time, this appears to be a low priority interest.

VIII. Other (Priority – High)

- 1.) Update and maintain the City Website –The City Website received a major upgrade in 2013 when our hosting services were changed from dot. Gov to Civic Plus. The design and functionality of the site have been greatly improved and we are continually working to keep the site current and utilize it in ways that promote dissemination of information to citizens and as an economic development tool.
 - 2.) Create an Economic Development Information Package; and, - *EDA Strategy*
 - 3.) Increase community engagement activities – This is an area that is real challenge for a City that is slowly transitioning from a rural, low-density third tier suburb to more of an urban area. We have identity issues and an outflow of
-



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 7.0 C.1

Agenda Item:

SCNA Project Grant

Requested Action:

Information item only

Background Information:

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

This management group met periodically between 1999 - 2013 to discuss potential plans to make this area more accessible to the public. The group, particularly the City and Anoka County were instrumental in forestalling and eventually changing the DNR's Forestry Division plans to clear cut the Trust Lands portion of the project area in 2013. As a result of the City/County action and with the cooperation of the MPCA and DNR, additional meetings were held to address the transfer of the School Trust Land Designations from the DNR properties in the SCNA and investigate funding to develop improved access to the site.

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

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

A grant request of \$1,060,000 was proposed for the project and would be 100% funded by the NRD Program. No City or County Funds would be required as a local share. The City, Anoka County, DNR and MPCA will be required to enter into a Joint Powers Agreement that would detail and specify the shared maintenance responsibility of the facility upon approval of the grant.

The proposed project was discussed and recommended to City Council for approval by the Parks Commission at their April 9, 2014 meeting and approved by the Council at their August 6, 2014 meeting. The grant proposal was submitted to the MPCA by Anoka County, as the applicant, on December 3, 2014.

On Monday July 27, 2015 the City was notified that the 2015 Legislature removed \$1M from the NRDA portion of the remediation fund. As such, they will not be able to entertain grant proposals until/unless new settlements provide revenue into the fund. The County and City will schedule a group work meeting as soon as possible to discuss our options for this project and potential for re-submittal of the grant.

Attachments:

Attachment 1- Resolution 2014-26

Attachment 2- SCNA Grant Proposal

Fiscal Impact:

To be determined

Recommendation(s):

See above

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

RESOLUTION NO. 2014-26

**RESOLUTION OF SUPPORT FOR AN APPLICATION TO THE MINNESOTA
NATURAL RESOURCES DAMAGES GRANT PROGRAM FOR IMPROVEMENTS TO
THE SANDHILL CRANE NATURAL AREA**

WHEREAS, since October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (PCA) have been working under a Memorandum of Understanding (MOU) for the management of the Sandhill Crane Natural Area (SCNA) in East Bethel; and

WHEREAS, the SCNA is a 570 acre public open space area of ecological significance, containing a variety of lake, prairie, wetland, and forest resources, including habitat, plant and animals of statewide importance; and

WHEREAS, it has long been the desire of the MOU partner agencies to undertake the development of ecologically sensitive and sustainable recreation amenities to increase the public use and benefit of the SCNA, including walking trails, boardwalks, observation areas, and carry-in water access; and

WHEREAS, the managing agencies also desire to expand and improve the quality of natural resources restoration and habitat management activities in the SCNA, consistent with the overarching goals of the SCNA Management Plan; and

WHEREAS, the Minnesota DNR and PCA have jointly introduced a new grant program referred to as the Natural Resources Damages (NRD) Fund, which manages funds generated through the State's Landfill Cleanup Insurance Recovery Effort (IRE), for the purpose of mitigating natural resources damages near the location(s) where the damages occurred; and

WHEREAS, the former East Bethel Landfill, which is included in the SCNA boundaries and has been remediated and restored to a native prairie, was the third highest ranking site for the amount of money recovered statewide under the IRE program; and

WHEREAS, the City of East Bethel and Anoka County have determined that the NRD Program could be a potentially suitable and advantageous source of funding for the development of outdoor recreation amenities and the restoration of natural resources at the SCNA consistent with the state's NRD priorities; and

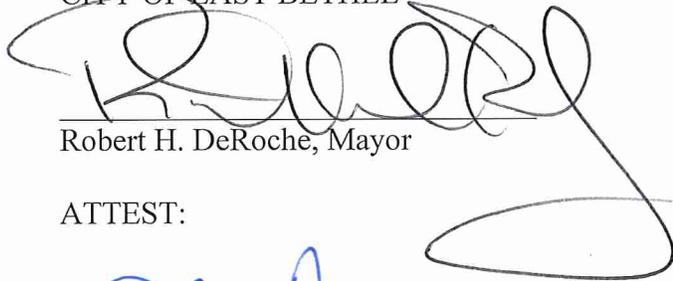
WHEREAS, the City of East Bethel and Anoka County are best positioned to move forward with the development and management of the outdoor recreation facilities and natural resources at the SCNA, in partnership with financial assistance provided under the State's NRD Grant Program.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel hereby authorizes an application to the Minnesota Natural Resources Damages Grant Program for outdoor recreation facility development and natural resources restoration at the Sandhill Crane Natural Area in East Bethel; and

BE IT FURTHER RESOLVED THAT: if the NRD Grant Program application is successful, the City Council of the City of East Bethel agrees to negotiate in good faith towards the establishment and execution of a Joint Powers Agreement with the appropriate SCNA partnering agencies, specifying the roles and responsibilities of each agency in the management of recreational amenities and natural resources at the SCNA.

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

CITY OF EAST BETHEL



Robert H. DeRoche, Mayor

ATTEST:



Jack Davis, City Administrator



SANDHILL CRANE NATURAL AREA

NATURAL RESOURCES RESTORATION & SCENIC ENHANCEMENT GRANT PROPOSAL

NOVEMBER 2014



Anoka County
PARKS & RECREATION

Open Spaces in Nearby Places

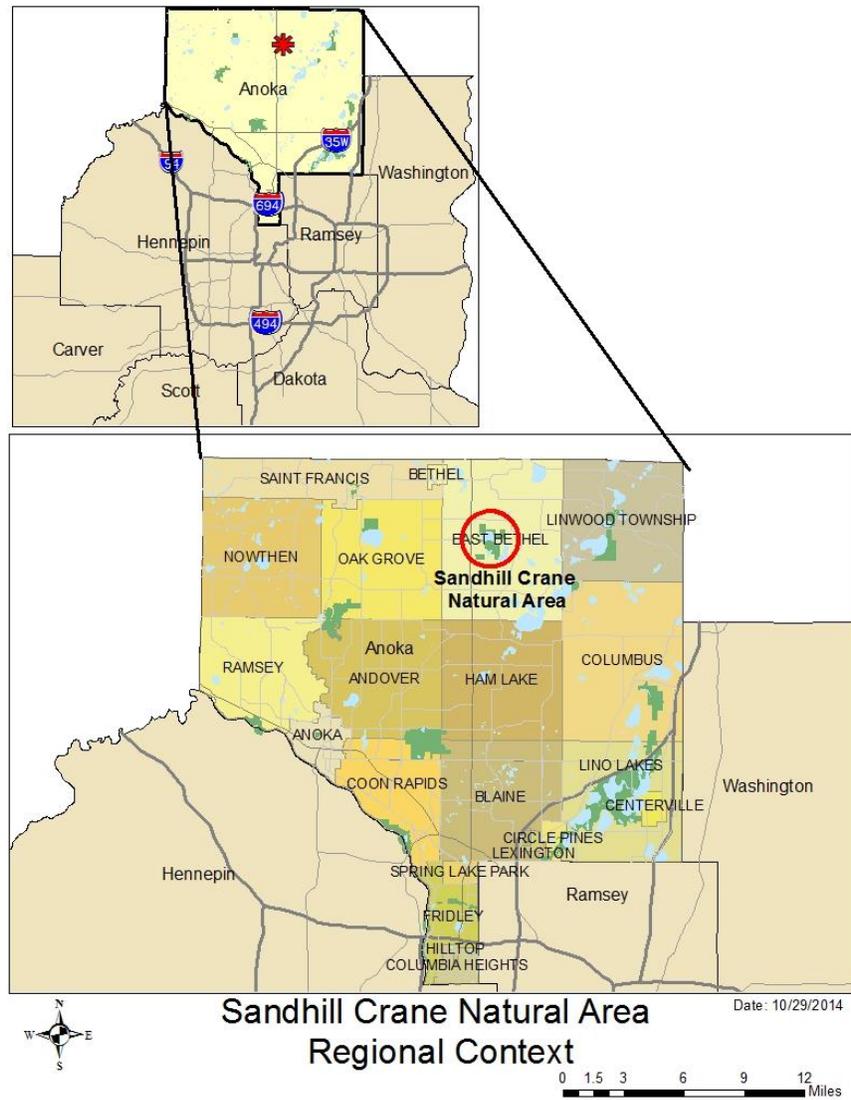
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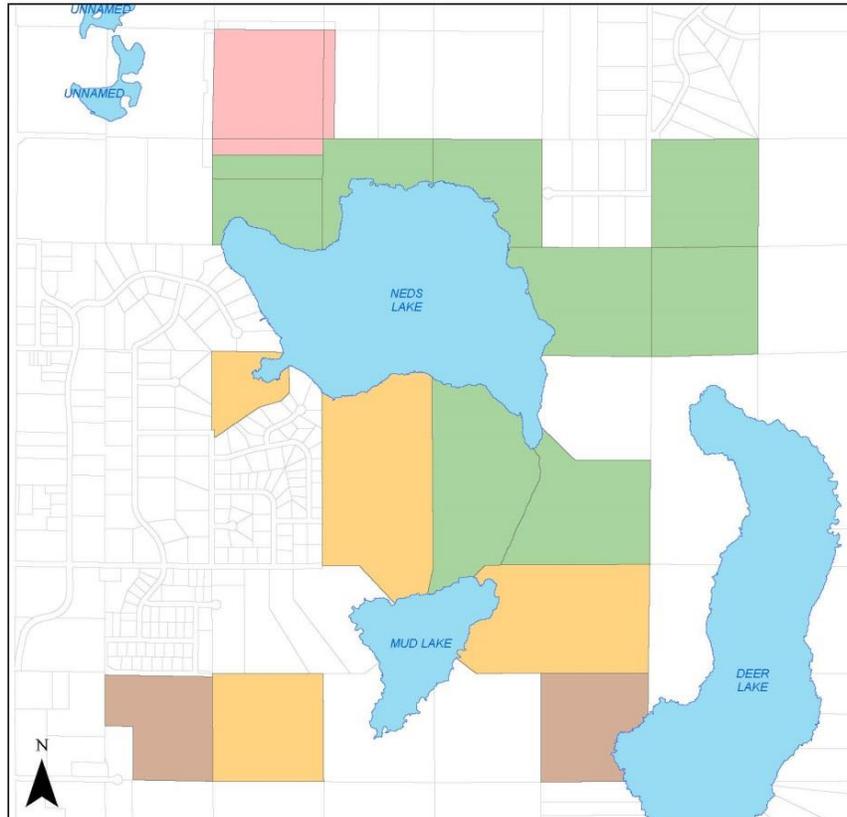
ITEM 2 – SANDHILL CRANE NATURAL AREA PROJECT BACKGROUND

The Sandhill Crane Natural Area (SCNA) is an inspiring example of what can happen when government agencies and area citizens become dedicated to a common purpose. The 685-acre protected area comprises separate parcels of biologically significant land owned by four different agencies at three levels of government: the City of East Bethel, Anoka County (Parks), the Minnesota Pollution Control Agency, and the Minnesota Department of Natural Resources. These government entities with their wide-ranging goals and responsibilities came together in recognition of the importance of safeguarding the area's high quality biodiversity. As agency representatives worked side by side with area residents, a central vision for the future of the land became clear. Now, while the land continues to be held under separate ownership, it is united by collaborative management and by a name chosen in honor of one of the prominent members of the community, the Sandhill Crane.

The evolution of the SCNA project has required creativity and flexibility right from the start over 20 years ago. It began, in fact, with a request in December of 1993 by the City of East Bethel to acquire an 18-acre parcel of land on Deer Lake from the DNR. The city hoped to use the land for a nature preserve. The request led DNR Forestry staff to begin an evaluation involving various other divisions within the DNR, including Wildlife, Fisheries, Waters, Planning, and Ecological Services. Upon assessing the area, this interdisciplinary team recognized the parcel in question was part of a larger complex of relatively undisturbed land surrounding the trio of lakes. Out of this understanding, an intergovernmental task force was formed with representation from the City of East Bethel, the DNR, and Anoka County, which all hold land in the area. A public



open house generated local interest and involvement. Area residents influenced the direction of the project by holding positions on a steering committee that defined the vision statement and broadly outlined the goals and actions to be incorporated into a management plan. Residents also hold posts on an advisory committee that ensures that the plan is carried out. In 1998, the MN Pollution Control Agency became an active participant in the initiative because of the presence of a closed landfill directly adjacent to the natural area.



Sandhill Crane Natural Area

Sandhill Crane Natural Area - Parcel Ownership

OWNER

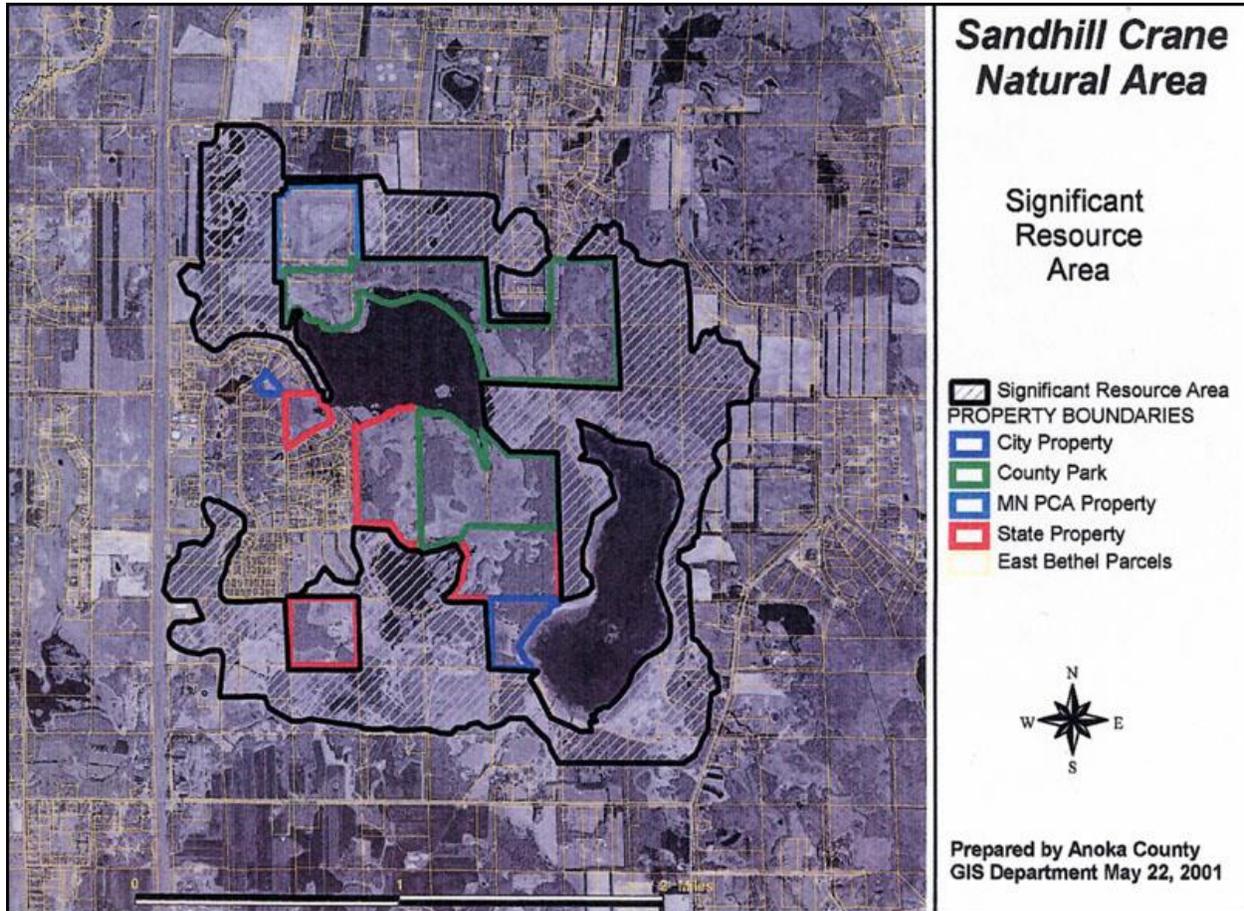
- ANOKA COUNTY
- CITY OF EAST BETHEL
- MN PCA
- STATE OF MN (DNR)



04/25/13

In 2001, a more comprehensive Master Plan was prepared and adopted by the various agencies for the SCNA. In an effort to further formalize the on-going management of the SCNA, a Memorandum of Understanding was adopted that details the intent of the signatory agencies to protect and preserve the natural resources of the area, to provide appropriate recreational uses, and to encourage the involvement of adjacent landowners and area residents in participating in various land conservation

programs. In July of 2001, the SCNA project was the recipient of a national partnership award presented by and through the Great Lakes Region of the National Recreation and Parks Association. The SCNA was ranked #1 among multiple applicants across the country that demonstrated outstanding partnerships with other agencies internal and external to government that allowed for successful projects, programs, and services.



Today, the SCNA still harbors rare and unique native plant and animal communities that are of local, regional, and state-wide significance. One of the overall goals for the SCNA is to identify restoration and management needs and define and implement strategies that will sustain the native biological diversity and ecological functions within and surrounding the natural area. Furthermore, due to the unique ecological integrity of the SCNA, low impact trails and nature observation are the most desired recreational uses. A combination of small trailhead parking areas, low impact trails, boardwalks across wetlands, wildlife viewing areas, and interpretive signs are needed to provide more people an opportunity to have life-enriching experiences at the SCNA.

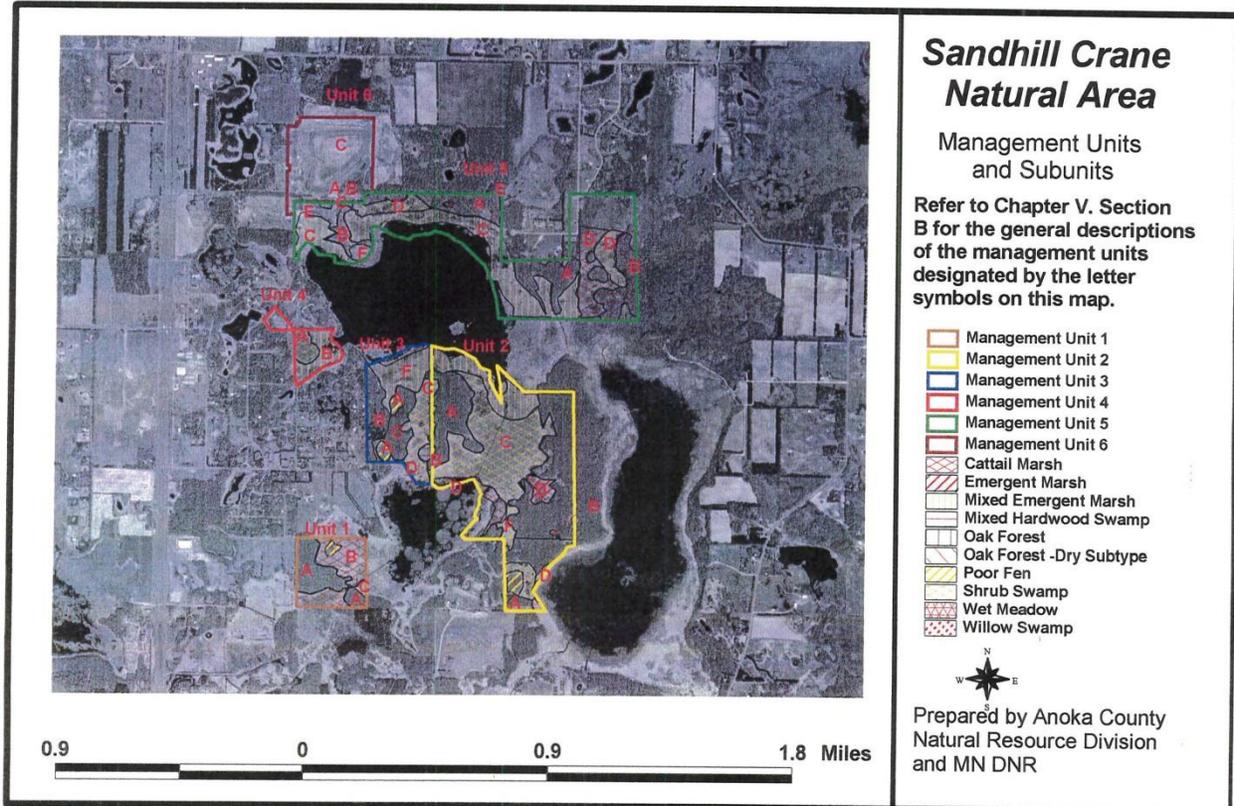
ITEM 3 – PROJECT NARRATIVE

This project is proposing to restore 250 acres of native plant and animal community habitat types and to add low impact outdoor recreation and environmental interpretation features for public access and enjoyment. The project narrative is further described below:

Natural Resources Restoration and Management

Oak wilt management prescriptions are needed across approximately 150 acres of the SCNA. Detection, treatment, and removal prescriptions will involve conducting aerial reconnaissance, ground truthing, GPS mapping, vibratory plowing, and removal and sanitation of oak wilt infected trees. Vibratory plowing will not occur in highly sensitive areas in an effort to avoid plant and animal habitat disturbance. Local source oak seeds and/or seedlings will be used in prescribed areas to foster the regeneration of white and bur oaks.

Red maple removal in the understory of the oak forest is needed in prescribed areas to allow for the succession of a more diverse shrub and herbaceous layer and to allow for more oak regeneration across approximately 80 acres of the SCNA. Selected red maples will be cut and removed from the site, and the stumps will be treated with herbicide to prevent stump sprouting. In more remote areas where access of equipment may be compromised, the trees that are removed may be stacked and burned on site.



Prescribed burns are needed across all prairie management units, including the closed landfill, and in select forest and wetland units totaling approximately 120 acres. All burn plans will include maps, fire breaks, required environmental conditions, equipment and qualified personnel needed. All burn plans will be reviewed and approved by the appropriate government agencies and authorities. Following prescribed burns, select plant communities may require over-seeding with genetically local seed to sustain and enhance locally genetic species diversity.

Invasive species monitoring and management are needed across the entire SCNA. Common buckthorn occurs uncommonly in the SCNA, and there is potential for other invasive species such as Tartarian honeysuckle to establish there too. Inspections and mapping will be conducted and implementation plans created to suppress the invasive species. Crews will be dispatched to remove and treat areas that are being invaded by buckthorn. On-going monitoring and mapping will be implemented to detect and prevent other invasive species from establishing in the SCNA.

Low Impact Outdoor Recreation and Environmental Interpretation Features

A new boundary survey will be conducted and new boundary signs and posts will be added or replaced to better define the SCNA boundary. The boundary lines will also need to be re-cleared of vegetation in areas where they have over-grown.

Design and engineering services are needed for two small parking areas, sign kiosks, trail clearing, wildlife viewing areas, boardwalks across wetlands, and interpretive signs. An emphasis will be placed on educational signs that emphasize the importance of Minnesota's closed landfill program, site remediation efforts, the restoration efforts around closed landfills, and the native plant communities, plants and animals that occur in the site. In addition, site work information will be needed to include topographic surveys, geotechnical analysis, archaeological study, wetland delineation, permitting, and materials testing.



Photo by Harland Hiemstra, MN DNR



ITEM 4 – PROJECT SITE EVALUATION

Present Land Use

The various parcels of land that constitute the 604-acre SCNA are owned by four different government agencies as follows:

Minnesota Pollution Control Agency – 60 acres

Minnesota Department of Natural Resources- 252 acres

Anoka County-257 acres

City of East Bethel-35 acres

The 60-acre Minnesota Pollution Control Agency property is not open to public use because the property is a closed landfill and is in the pollution remediation process. However, portions of the land are being restored to native prairie habitat.

The land use on the 252-acre MN DNR Forestry property is open to the public for outdoor recreation activities including hiking, wildlife observation and hunting. This property is managed to sustain the native plant communities, rare species, and wildlife. The lands are also designated as school trust lands. The DNR manages the school trust lands for maximum long-term economic return under sound natural resource and conservation practices. Revenues generated from school trust lands are credited to the permanent school fund, which is managed by the State Board of Investment. The MN DNR is currently working with the SCNA Inter-agency Management Committee to remove the school trust designation on the DNR properties and designate other state lands which would provide more revenue to the school trust in their place. This process should be complete before the activities detailed in this proposal are begun; but if this is not the case, a recreational use lease will be needed on these lands in order to move forward with activities not related to forest management.

The DNR also owns 55 acres on the south side of Deer Lake that is designated the Beaverbrook Wildlife Management Area. This land is managed to sustain the native plant communities and wildlife, and is open to the public for outdoor recreation activities including hiking, wildlife observation, and hunting.

The 312-acre county property is also open to public use for outdoor recreation activities including but not limited to hiking and wildlife observation. The county lands are managed to protect and preserve the high quality native plant and animal communities.

The 35-acre City of East Bethel property is open to the public for outdoor recreation activities including but not limited to hiking and wildlife observation. In addition, the 34-acre parcel located south of 207th Lane is cooperatively managed with the Metropolitan Council as a wastewater treatment facility.

Intrusions

There are very minimal man-made intrusions that exist today at the SCNA. The only intrusions that exist at the SCNA can be found on the MPCA closed landfill and at the City's wastewater treatment parcel. The MPCA parcel contains a roadway, treatment building, sub-surface piping, utility lines, chain-link fencing, sub-surface poly barriers, and various breather pipes. The City of East Bethel's wastewater treatment basin contains an access road, wood fencing, and sub-surface piping. The rest of the SCNA does not contain any intrusions, other than boundary signs.

Fish and Wildlife

Fish, Neds, Mud, and Deer Lakes are all shallow lakes (less than 10 feet) that experience frequent winter kill. Winter kill, along with other weather-related factors such as a spring runoff, will affect the number and types of fish present in any given year. During spring runoff, fish are likely to migrate upstream from the Rum River through Cedar Creek to Crooked Brook and then into Mud Lake and further into Neds Lake or up County Ditch 13 into Deer Lake. The three lakes are not important fishing lakes themselves, however, they provide spawning and nursery habitat for northern pike and other fish species that migrate into them during spring runoff. According to the most recent fish surveys on record, the following fish species were recorded: minnows, white sucker, common carp, black bullheads, yellow perch, northern pike, pumpkin seed, bluegill, and shiners.



The SCNA provides important habitat for many species of animals, including some state-listed rare species (described in another section). The three lakes and surrounding wetlands are home to many species of migratory waterfowl and other birds, as well as to resident furbearers, such as muskrats, mink, otter, and beaver. The upland areas provide habitat for animals such as deer, ruffed grouse, squirrels, rabbits, raccoon, fox, and coyotes. Many of these animals require large

parcels of undeveloped land with intact habitat such as that in the SCNA to survive.

Rare Plant and Animal Species

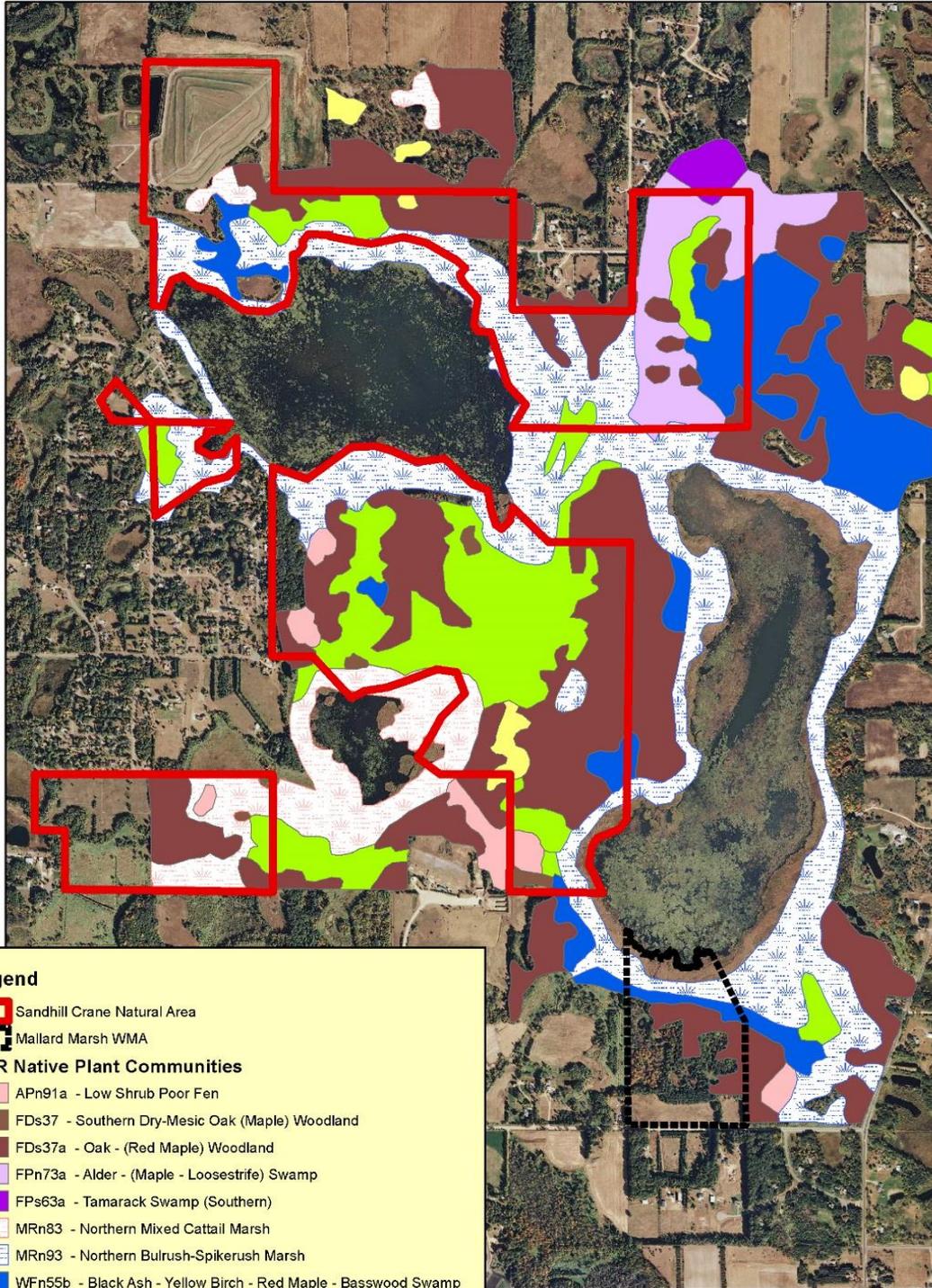
Five rare species that are tracked in the MN DNR's Natural Heritage Information System have been documented in the SCNA. The lance-leaved violet (*Viola lanceolata*) is a state-threatened rare plant found in shallow wetlands. Bald eagles (watchlist species), red-shouldered hawks (special concern species), and sandhill cranes (watchlist species) all nest and/or breed in the site. The state-threatened Blanding's turtles utilize wetlands, open water, and upland grassland habitats in the SCNA.

Native Plant Communities

Native plant communities mapped by the Minnesota Biological Survey in the Sandhill Crane Natural Area include Oak (Red Maple) Woodland in the uplands, and eight types of wetlands: Black Ash – Yellow Birch – Red Maple – Basswood Swamp, Southern Tamarack Swamp, Alder – (Maple – Loosestrife) Swamp, Willow – Dogwood Shrub Swamp, Northern Mixed Cattail Swamp, Low Shrub Poor Fen, Northern Bulrush-Spikerush Marsh, and Sedge Meadow. This mix of intact plant communities and the rare species they harbor led to a ranking of the site by the DNR as one of high biodiversity significance. In addition, there are several small dry prairies within the SCNA that were not mapped by the MCBS, but provide beneficial native grassland habitat.



DNR Native Plant Communities in the Sandhill Crane Natural Area



Legend

-  Sandhill Crane Natural Area
-  Mallard Marsh WMA

DNR Native Plant Communities

-  APn91a - Low Shrub Poor Fen
-  FDs37 - Southern Dry-Mesic Oak (Maple) Woodland
-  FDs37a - Oak - (Red Maple) Woodland
-  FPn73a - Alder - (Maple - Loosestrife) Swamp
-  FPs63a - Tamarack Swamp (Southern)
-  MRn83 - Northern Mixed Cattail Marsh
-  MRn93 - Northern Bulrush-Spikerush Marsh
-  WFn55b - Black Ash - Yellow Birch - Red Maple - Basswood Swamp
-  WMn82a - Willow - Dogwood Shrub Swamp
-  WMn82b - Sedge Meadow

Water Resources

The main water resource features of the SCNA are Neds, Mud, and Deer Lakes. Also of great importance to the ecology and character of the area are numerous smaller wetlands and two main county ditches or water courses. Crooked Brook drains south and west from Mud Lake, and County Ditch 13 flows south and west from Deer Lake. The total surface area of the three lakes is approximately 1100 acres. These lakes are classified as type five wetlands, which indicates that they are inland open fresh water basins with a fringe of emergent aquatic vegetation and typically have water depth of less than ten feet.

Unlike disturbed wetlands and lakes that are dominated by cattails, Neds, Mud and Deer Lakes support a diverse array of aquatic vegetation that includes sedges, bulrushes and many other species of aquatic plant life. At present, none of the three lakes have been invaded by non-native invasive species such as purple loosestrife, Eurasian water milfoil, zebra mussel, or curly-leaf pondweed. Wild rice, a plant valuable to both humans and wildlife, is present in all three lakes. Wild rice is not only an excellent food source for wildlife, but is also an indicator of good water quality.

Geologic and Physiographic Features

The SCNA occurs on the Anoka Sandplain, which is a landscape consisting of a broad expanse of outwash sands derived from glacial lake Anoka. One of the associations of soils that occur in a large band is the Zimmerman-Isanti-Lino association, which ranges from level to undulating and from excessively drained to very poor drained soils. These soils are often associated with dry oak forest communities in undisturbed areas.

The very poorly drained Isanti soils are in depressions and low-lying flats. They are made up primarily of fine sandy loams and have a high water table. Most of the SCNA in the Isanti soils are saturated wetlands containing grasses, sedges and forbs.

The somewhat poorly drained Lino soils are on small flats and concave rises. They are made up of loamy fine sands and are often associated with deciduous forests, chiefly mesic oak forests and aspens with an understory of grasses and wildflowers.

The SCNA also harbors numerous lake and wetland depressions that were formed during the last ice age over 10,000 years ago when large blocks of ice were buried by sand and then gradually melted and left large depressions. This feature is evident in the SCNA where a chain of lakes and wetlands eventually connect to the larger Coon/Linwood chain of lakes.

Historical and Archaeological Resources

A search of Minnesota Historical Society records identified a list of inventoried historic properties and archaeological sites in the vicinity of the SCNA. The list included 3 sites in which archaeological digs have identified a few fragments of prehistoric artifacts. The Historical Society has determined that these sites are currently eligible for nomination to the National Register of Historic Places based on the limited density of cultural debris and impacts associated with erosion and land use.

Transportation

This project will have no effect on vehicular traffic within or adjacent to the SCNA. No roads currently exist within the SCNA and no roads are planned. Two small parking areas are proposed to be built near the perimeter of the SCNA, exclusively for public access purposes. The existing State highway system

and local roads form an excellent conduit of transportation that leads to the SCNA. No future mass transit to the project area is planned at this time.

Land Management and Protection

The SCNA is a unique 685-acre high quality natural resource that is currently protected under public ownership and will be protected in perpetuity. In accordance with the Master Plan for SCNA, the area residents and greater community highly value the open space and natural communities within and surrounding the SCNA. A recognition that the SCNA provides a number of environmental, social, and economic benefits is at the root of the value that its neighbors place on it. As such, there is support among nearby landowners to adopt voluntary best management practices and land protection options that benefit the SCNA and surrounding area. Recently, one adjacent large landowner entered into a conservation easement that will forever protect additional high quality resources directly adjacent to the SCNA.

In terms of ongoing operations and maintenance, this project will be supported by the ongoing Memorandum of Understanding among the four agencies. Each party shall be responsible for the maintenance of its own respective parcel of property within the SCNA, except as otherwise provided in a separate written agreement. The parties will confer on an annual basis to discuss cooperative arrangements for the ongoing maintenance of the SCNA and its facilities. The parties will generally assume the following responsibilities:

DNR: Assist with ecological restoration.

MPCA: Responsible for managing the closed landfill, including the prairie habitat.

Anoka County: Manage forest health problems and take a lead in ecological restoration initiatives.

City of East Bethel: Responsible for the maintenance of parking/trailhead areas, trails, trail signs, mowing, snow plowing, and entry signs.

Public Access

Providing public access to the SCNA has been one of the top priorities for City, County, and Regional residents and policy makers over the past decade. As part of this project proposal, two small parking areas (approximately 10 stalls) would be added to the outer perimeter of the SCNA, minimizing fragmentation to the high quality resource while providing convenient public access. The parking lots would be designed using pervious granular material to minimize runoff. In addition, trailhead kiosks would be incorporated into the parking area design to allow for trail maps, environmental interpretation, and landfill remediation education signage. Beyond the parking area, a network of earthen trails and boardwalks (across the wetlands) will traverse through the SCNA, providing a unique opportunity for the public to experience and learn about the diverse plant and animal communities that the SCNA has to offer. Along the trails and boardwalks, scenic vistas will be created and interpretive signs and benches will be strategically placed for public enjoyment.

ITEM 5 – COST BREAKDOWN / BUDGET

Project 1 - Central Access Development	
Design/Engineering	\$20,000
Topographic Survey	\$10,000
Geotechnical Analysis	\$7,500
Archaeological Study	\$10,000
Wetland Delineation	\$5,000
Permits	\$3,000
Construction: Trail/Parking Lot/Obs Points	\$150,000
Construction/Materials Testing	\$3,000
Boundary Signs	\$7,500
	Sub-total
Contingency (10%)	\$21,000
Total	\$237,000

Project 2 - Natural Resource Restoration	
Oak Wilt Management	\$50,000
Invasive Species Management	\$60,000
Prairie Restoration	\$65,000
	Sub-total
Contingency (10%)	\$17,500
Total	\$192,500

Project 3 - South Access Development	
Design/Engineering	\$85,000
Topographic Survey	\$1,000
Geotechnical Analysis	\$1,500
Archaeological Study	\$5,000
Wetland Delineation	\$3,000
Permits	\$2,000
Construction: Trail/Parking Lot/Obs Points	\$85,000
Construction/Materials Testing	\$1,000
Boundary Signs	\$3,000
	Sub-total
Contingency (10%)	\$18,500
Total	\$205,000

Project 4 - Central Access Development Expansion	
Design/Engineering	\$125,000
Topographic Survey	\$10,000
Geotechnical Analysis	\$10,000
Archaeological Study	\$10,000
Wetland Delineation	\$7,500
Permits	\$10,000
Construction: Boardwalk/Trails/Obs Points	\$850,000
Construction/Materials Testing	\$10,000
Boundary Signs	\$5,000
	Sub-total
	\$1,037,500
Contingency (10%)	\$100,000
Total	\$1,137,500

TOTAL ALL FOUR PROJECTS

\$1,772,000

Budget Details

Personnel

<u>Name</u>	<u>Work</u>	<u>Amount</u>	<u>Grant/Match</u>	<u>In-kind/cash</u>
Jeff Perry	Planning/Project Management	\$10,000	Match	In-kind
Karen Blaska	Planning	\$5,000	Match	In-kind
Tim Sevcik	Planning/Restoration	\$5,000	Match	In-kind
Glenn Fuchs	Equipment Operator	\$5,000	Match	In-kind
Quinn Palar	Equipment Operator	\$5,000	Match	In-kind
Seasonal	Labor	\$3,000	Match	In-kind
Seasonal	Labor	\$3,000	Match	In-kind
Seasonal	Labor	\$3,000	Match	In-kind
DNR staff	Ecological restoration	\$1,000	Match	In-kind
Nate Ayshford	Maintenance Support	\$3,000	Match	In-Kind

Contracts

<u>Contractor</u>	<u>Work</u>	<u>Amount</u>	<u>Grant/Match</u>	<u>In-kind/cash</u>
TBD	Construct/Restore	\$1,542,000	Grant	

Professional Services

<u>Contractor</u>	<u>Work</u>	<u>Amount</u>	<u>Grant/Match</u>	<u>In-kind/cash</u>
TBD	Design/Engineering	\$230,000	Grant	

Equipment/Supplies

<u>Item</u>	<u>Purpose</u>	<u>Amount</u>	<u>Grant/Match</u>	<u>In-kind/cash</u>
Seed/Plants	Restoration	\$4,000	Match	Cash
Log Truck	Oak Wilt	\$6,000	Match	In-kind
Loader	Oak Wilt	\$5,000	Match	In-kind
Skidsteer	Oak Wilt	\$5,000	Match	In-kind
Tractor	Restoration	\$3,000	Match	In-kind
Mower	Restoration	\$3,000	Match	In-kind

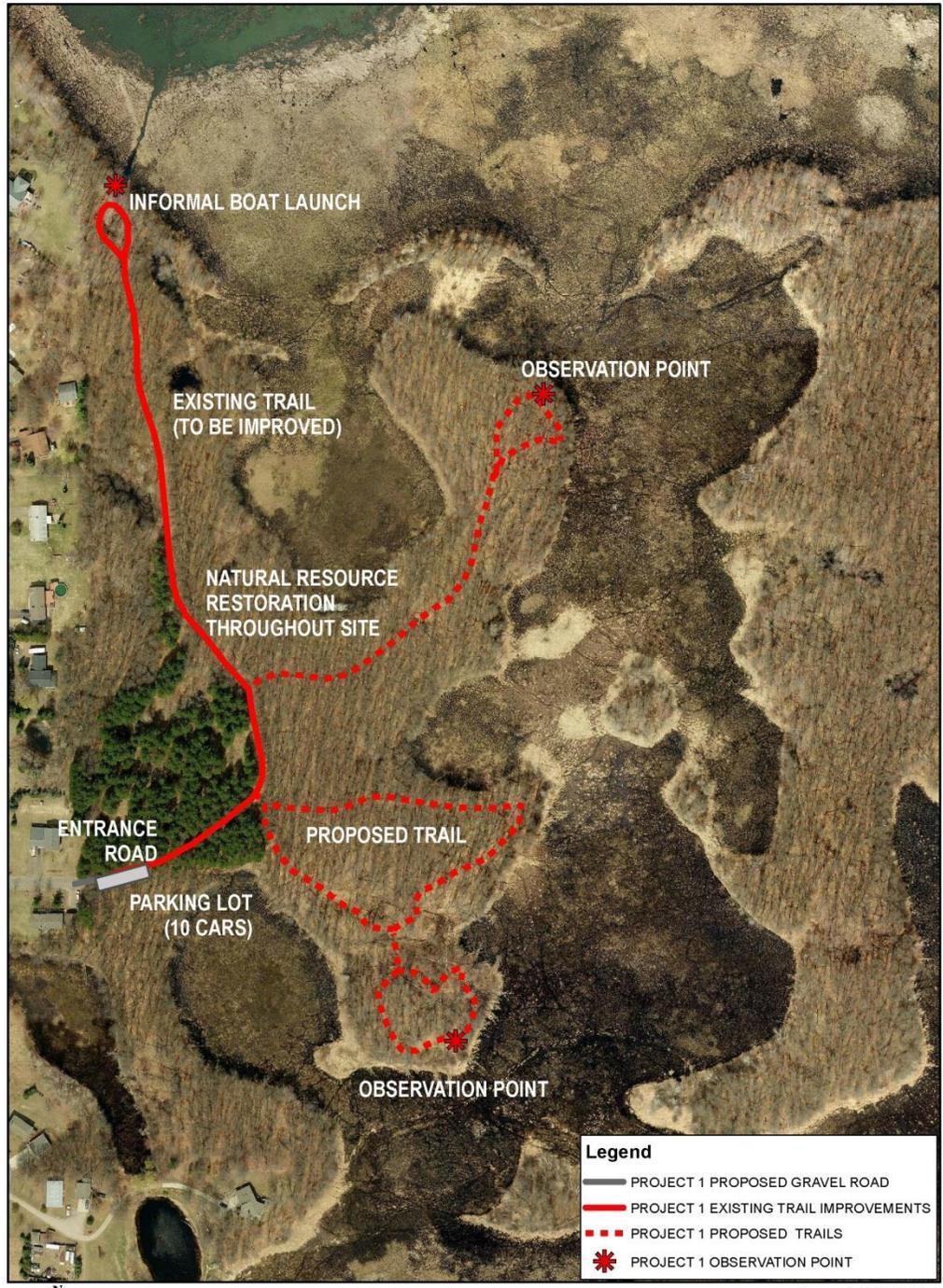
Budget Overview

<u>Item Type</u>	<u>Grant</u>	<u>Match</u>	<u>Total</u>
Personnel		\$43,000	\$39,000
Contracts	\$1,040,000		\$1,040,000
Professional Services	\$110,000		\$110,000
Equipment/Supplies		\$26,000	\$26,000
Total:	\$1,772,000	\$69,000	\$1,841,000

Project Funding Summary

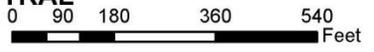
Total Grant Amount:	\$1,772,000
Total Match Pledged:	\$69,000
Total Project Cost:	\$1,841,000

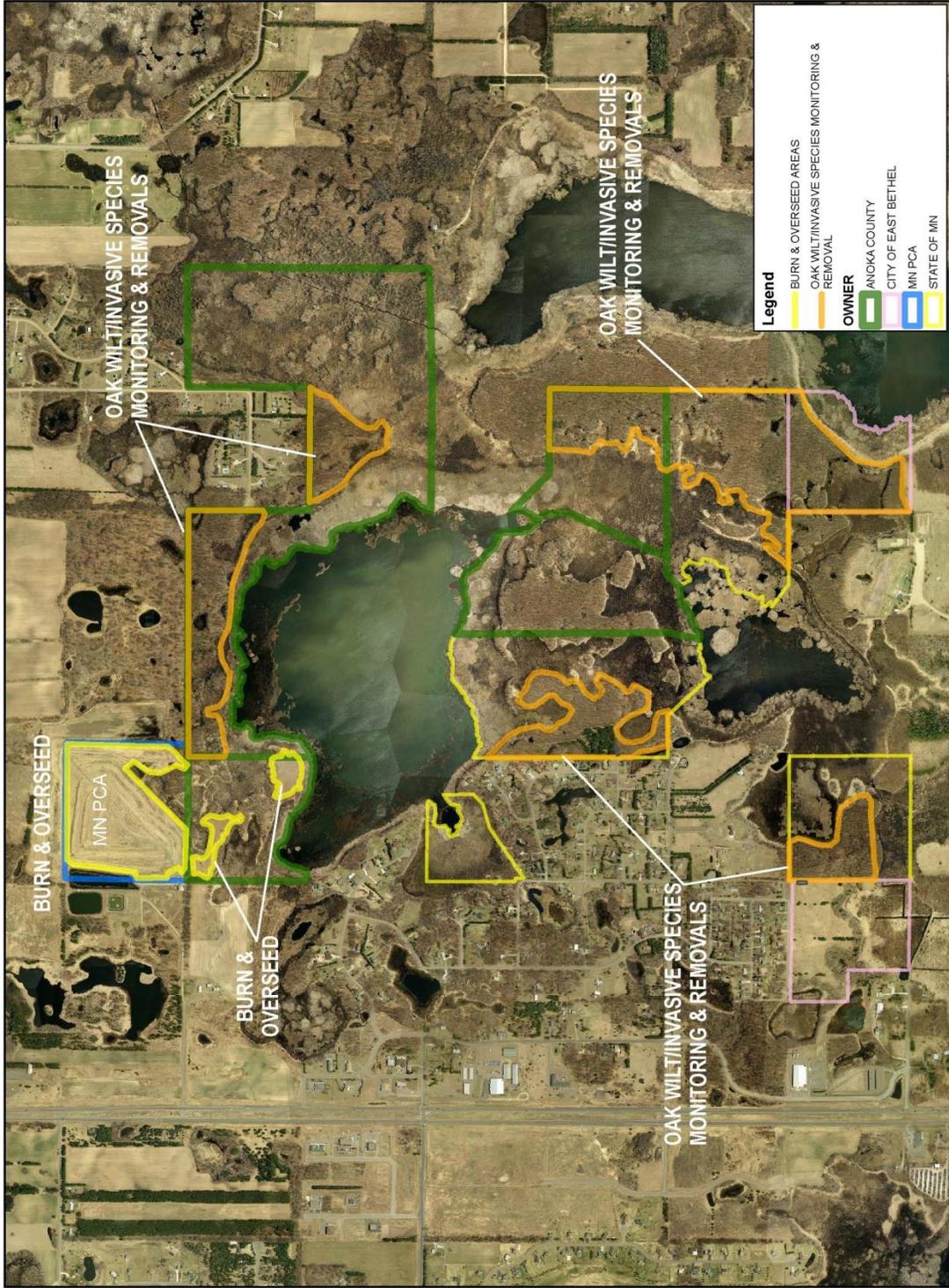
ITEM 6 – PROJECT MAPS



**SANDHILL CRANE NATURAL AREA
PROPOSED DEVELOPMENT - CENTRAL
PROJECT 1**

Date: 10/28/2014





**SANDHILL CRANE NATURAL AREA
 PROPOSED NATURAL RESOURCE RESTORATION - NORTH
 PROJECT 2**

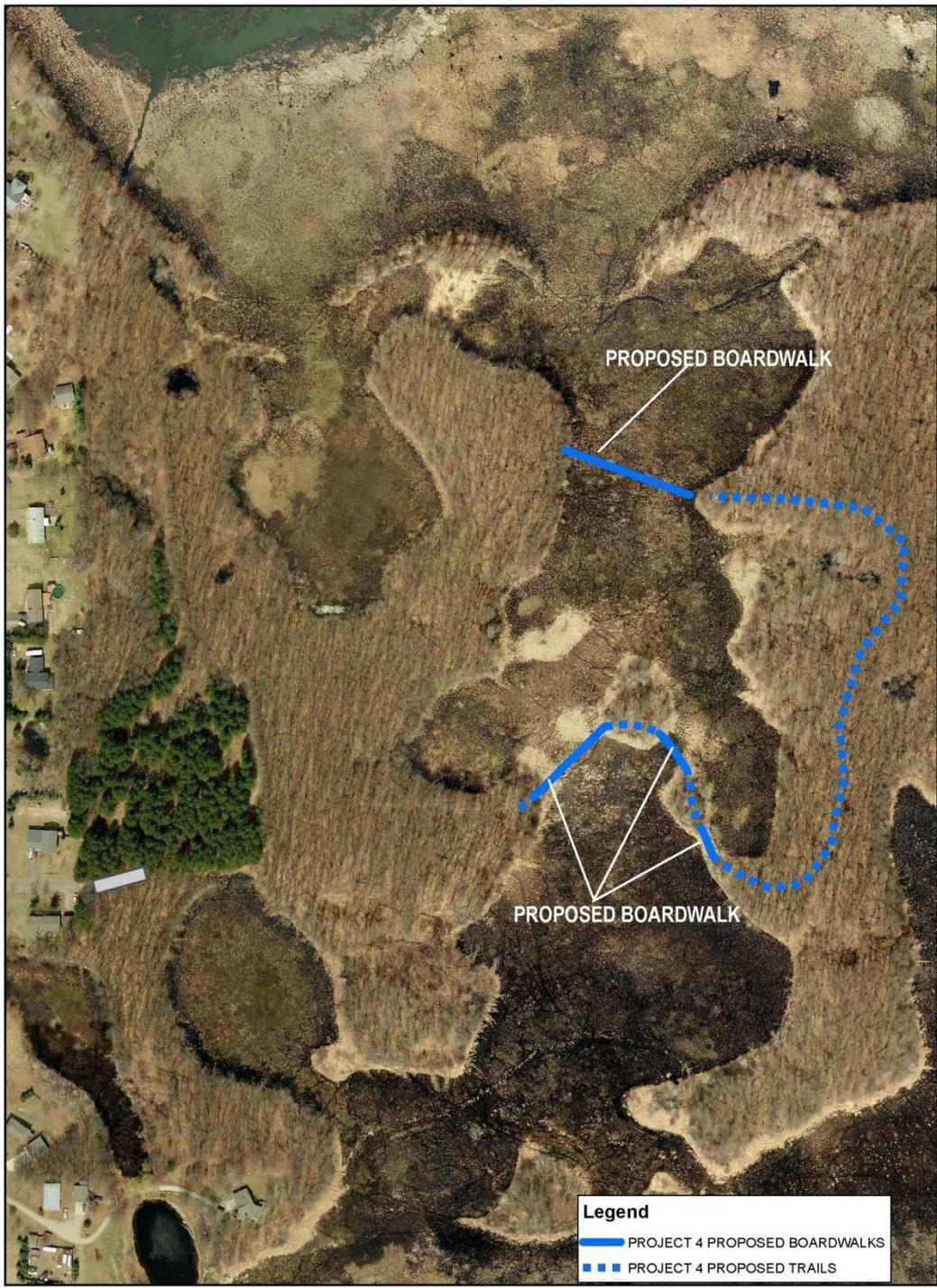




Date: 10/28/2014

**SANDHILL CRANE NATURAL AREA
PROPOSED DEVELOPMENT - SOUTH
PROJECT 3**





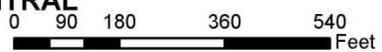
**SANDHILL CRANE NATURAL AREA
 PROPOSED DEVELOPMENT - CENTRAL
 PROJECT 4**

Date: 10/28/2014



Legend

- PROJECT 4 PROPOSED BOARDWALKS
- - - PROJECT 4 PROPOSED TRAILS



ITEM 7 – RESOLUTION OF AUTHORIZATION

BOARD OF COUNTY COMMISSIONERS

Anoka County, Minnesota

DATE: August 12, 2014

RESOLUTION #2014-93

OFFERED BY COMMISSIONER: Braastad

RESOLUTION OF SUPPORT FOR AN APPLICATION TO THE MINNESOTA NATURAL RESOURCES DAMAGES GRANT PROGRAM FOR IMPROVEMENTS TO THE SANDHILL CRANE NATURAL AREA

WHEREAS, since October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources (DNR), and the Minnesota Pollution Control Agency (PCA) have been working under a Memorandum of Understanding (MOU) for the management of the Sandhill Crane Natural Area (SCNA) in East Bethel; and,

WHEREAS, the SCNA is a 570-acre public open space area of ecological significance containing a variety of lake, prairie, wetland, and forest resources including habitat, plants, and animals of statewide importance; and,

WHEREAS, it has long been the desire of the MOU partner agencies to undertake the development of ecologically sensitive and sustainable recreation amenities to increase the public use and benefit of the SCNA, including walking trails, boardwalks, observation areas, and carry-in water access; and,

WHEREAS, the managing agencies also desire to expand and improve the quality of natural resources restoration and habitat management activities in the SCNA consistent with the overarching goals of the SCNA Management Plan; and,

WHEREAS, the Minnesota DNR and PCA have jointly introduced a new grant program referred to as the Natural Resources Damages (NRD) Fund, which manages funds generated through the state's Landfill Cleanup Insurance Recovery Effort (IRE) for the purpose of mitigating natural resources damages near the location(s) where the damages occurred; and,

WHEREAS, the former East Bethel Landfill, which is included in the SCNA boundaries and has been remediated and restored to a native prairie, was the third highest ranking site for the amount of money recovered statewide under the IRE program; and,

WHEREAS, the City of East Bethel and Anoka County have determined that the NRD Program could be a potentially suitable and advantageous source of funding for the development of outdoor recreation amenities and the restoration of natural resources at the SCNA consistent with the state's NRD priorities; and,

WHEREAS, the City of East Bethel and Anoka County are best positioned to move forward with the development and management of the outdoor recreation facilities and natural resources at the SCNA, in partnership with financial assistance provided under the state's NRD Grant Program:

NOW, THEREFORE, BE IT RESOLVED that the Anoka County Board of Commissioners hereby authorizes an application to the Minnesota NRD Grant Program for outdoor recreation facility development and natural resources restoration at the SCNA in East Bethel.

BE IT FURTHER RESOLVED that if the NRD Grant Program application is successful, Anoka County agrees to negotiate in good faith towards the establishment and execution of a Joint Powers Agreement with the appropriate SCNA partnering agencies, specifying the roles and responsibilities of each agency in the management of recreational amenities and natural resources at the SCNA.

STATE OF MINNESOTA)
COUNTY OF ANOKA) ss

I, Jerry Soma, County Administrator, Anoka County, Minnesota, hereby certify that I have compared the foregoing copy of the resolution of the county board of said county with the original record thereof on file in the Administration Office, Anoka County, Minnesota, as stated in the minutes of the proceedings of said board at a meeting duly held on August 12, 2014, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting.

Witness my hand and seal this 12th day of August 2014.



JERRY SOMA
COUNTY ADMINISTRATOR

	YES	NO
DISTRICT #1 – LOOK	X	
DISTRICT #2 – BRAASTAD	X	
DISTRICT #3 – WEST	X	
DISTRICT #4 – KORDIAK	X	
DISTRICT #5 – LEDOUX	X	
DISTRICT #6 – SIVARAJAH	X	
DISTRICT #7 – SCHULTE	X	

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

RESOLUTION NO. 2014-26

**RESOLUTION OF SUPPORT FOR AN APPLICATION TO THE MINNESOTA
NATURAL RESOURCES DAMAGES GRANT PROGRAM FOR IMPROVEMENTS TO
THE SANDHILL CRANE NATURAL AREA**

WHEREAS, since October 1999, the City of East Bethel, Anoka County, the Minnesota Department of Natural Resources (DNR) and the Minnesota Pollution Control Agency (PCA) have been working under a Memorandum of Understanding (MOU) for the management of the Sandhill Crane Natural Area (SCNA) in East Bethel; and

WHEREAS, the SCNA is a 570 acre public open space area of ecological significance, containing a variety of lake, prairie, wetland, and forest resources, including habitat, plant and animals of statewide importance; and

WHEREAS, it has long been the desire of the MOU partner agencies to undertake the development of ecologically sensitive and sustainable recreation amenities to increase the public use and benefit of the SCNA, including walking trails, boardwalks, observation areas, and carry-in water access; and

WHEREAS, the managing agencies also desire to expand and improve the quality of natural resources restoration and habitat management activities in the SCNA, consistent with the overarching goals of the SCNA Management Plan; and

WHEREAS, the Minnesota DNR and PCA have jointly introduced a new grant program referred to as the Natural Resources Damages (NRD) Fund, which manages funds generated through the State's Landfill Cleanup Insurance Recovery Effort (IRE), for the purpose of mitigating natural resources damages near the location(s) where the damages occurred; and

WHEREAS, the former East Bethel Landfill, which is included in the SCNA boundaries and has been remediated and restored to a native prairie, was the third highest ranking site for the amount of money recovered statewide under the IRE program; and

WHEREAS, the City of East Bethel and Anoka County have determined that the NRD Program could be a potentially suitable and advantageous source of funding for the development of outdoor recreation amenities and the restoration of natural resources at the SCNA consistent with the state's NRD priorities; and

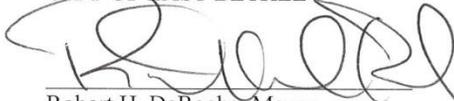
WHEREAS, the City of East Bethel and Anoka County are best positioned to move forward with the development and management of the outdoor recreation facilities and natural resources at the SCNA, in partnership with financial assistance provided under the State's NRD Grant Program.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel hereby authorizes an application to the Minnesota Natural Resources Damages Grant Program for outdoor recreation facility development and natural resources restoration at the Sandhill Crane Natural Area in East Bethel; and

BE IT FURTHER RESOLVED THAT: if the NRD Grant Program application is successful, the City Council of the City of East Bethel agrees to negotiate in good faith towards the establishment and execution of a Joint Powers Agreement with the appropriate SCNA partnering agencies, specifying the roles and responsibilities of each agency in the management of recreational amenities and natural resources at the SCNA.

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

CITY OF EAST BETHEL



Robert H. DeRoche, Mayor

ATTEST:



Jack Davis, City Administrator

ITEM 8 – CLOSED LANDFILL PROGRAM INSURANCE RECOVERY EFFORT

The Sandhill Crane Natural Area (SCNA) Natural Resources Restoration & Scenic Enhancement Grant Proposal is the first to be submitted which directly relates to one of the 106 closed landfill sites in the State's Landfill Cleanup Act (Act) Insurance Recovery Effort (IRE). Under the IRE, East Bethel came in as number three for total dollars recovered, behind WDE and Anoka/Ramsey Landfills.

The Act authorized the MPCA and the Attorney General's Office (AG) to seek to recover a fair share of the State's landfill cleanup costs from insurance carriers based upon insurance policies issued to responsible persons who are liable for cleanup costs under the State Superfund Law. This included insurance policyholders who owned or operated the landfills, hauled waste containing hazardous substances to the landfills, or arranged for the disposal of waste containing hazardous substance at the landfills. A report which calculated past, present and future costs for the landfills was generated and used during the litigation proceedings. The state consummated settlements with about 44 carrier groups regarding the East Bethel Landfill.

Under the Act, insurance carriers could request that the State's claims for natural resource damages (NRD) at any of the 106 sites be included in any settlements with the State. When receiving a settlement, that portion of the settlement amount attributable to NRD must be credited to the environmental response, compensation and compliance account (MERLA account) pursuant to Minn. Stat. §115B.20, Subd.1. The Minnesota Pollution Control Agency and Minnesota Department of Natural Resources are co-trustees regarding the state's NRD claims. These NRD settlement monies become available to the DNR to carry out its restoration duties which may include scenic and aesthetic resources when property is owned by any governmental unit or agency. The state's settlement efforts concluded in FY 2011.



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

Castle Towers Wastewater Treatment Plant Decommissioning Project Bid

Requested Action:

Direction regarding the Castle Towers Wastewater Treatment Plant Decommissioning Project

Background Information:

Bids for the Castle Towers Wastewater Treatment Plant Decommissioning Project were received and opened on July 24, 2015. The project included removal of all site buildings, biosolids, underground piping and the liners. Upon completion of this project, the property could be considered for other uses. Two bids were received for this project. A copy of the bid tabulation is attached. The bids were Belair Builders at \$505,527.00 and Veit & Company at \$661,815.25. The remaining municipal sewer and water bond proceeds available for this project are \$200,000.

As shown on the bid tabulation the majority of the cost for this project includes removal and disposal of the biosolids at \$285,558. The specifications required the Contractor to secure and permit a land application site for the biosolids. Since the permit for land application would not be pursued until after the award of the contract, there is a degree of uncertainty, or risk on the Contractor's part for the land application of the solids. With that said the potential options to reduce the cost of this project could include:

1. A type IV Operator per MN Rule Chapter 7040 is required to permit the land application of biosolids. The City could work with a Type IV Operator directly to permit the application of the biosolids prior to requesting bids for their removal. There is a potential to permit the disposal of some of the biosolids on site as a top dressing over the entire site.
2. Only complete the items required to decommission the plant. In general, this would include removal of the biosolids, underground piping, and liners.
3. Have City staff complete some portions of the work.
4. Contract individually with Subcontractors that would specialize or be the most efficient on each component of the project.

Attachments:

Attachment 1 - Bid Tabulation

Fiscal Impact:

As noted above.

Recommendation(s):

Staff is recommending direction regarding completion of the Castle Towers Wastewater Treatment Plant Decommissioning Project.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

BID TABULATION
CITY OF EAST BETHEL
Castle Towers Wastewater Treatment Plant Decommissioning Project

Bids opened 10:00 a.m., Friday, July 24, 2015.
There were 2 bids received, as shown herein.

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY		Belair Builders, Inc.		Veit & Company, Inc.	
				UNIT PRICE	EXTENSION	UNIT PRICE	EXTENSION
1	MOBILIZATION	1	LUMP SUM	\$51,000.00	\$51,000.00	\$109,670.00	\$109,670.00
2	CLEARING	0.35	ACRE	\$9,000.00	\$3,150.00	\$8,200.00	\$2,870.00
3	GRUBBING	0.35	ACRE	\$9,000.00	\$3,150.00	\$8,200.00	\$2,870.00
4	REMOVE TREATMENT BUILDING	1	LUMP SUM	\$12,250.00	\$12,250.00	\$30,800.00	\$30,800.00
5	REMOVE CHEMICAL BUILDING	1	LUMP SUM	\$2,000.00	\$2,000.00	\$3,125.00	\$3,125.00
6	REMOVE BIO SOLIDS, (EV)	7,322	CU YD	\$39.00	\$285,558.00	\$26.50	\$194,033.00
7	REMOVE PIPING, VALVES, CLEANOUTS AND FITTINGS	1	LUMP SUM	\$17,000.00	\$17,000.00	\$23,315.00	\$23,315.00
8	REMOVE CONTROL STRUCTURE	1	EACH	\$2,700.00	\$2,700.00	\$900.00	\$900.00
9	REMOVE MANHOLE	3	EACH	\$1,200.00	\$3,600.00	\$850.00	\$2,550.00
10	REMOVE POND OUTLET STRUCTURE	1	EACH	\$1,500.00	\$1,500.00	\$650.00	\$650.00
11	REMOVE PUMP STATION	1	EACH	\$2,200.00	\$2,200.00	\$900.00	\$900.00
12	REMOVE DRYING BEDS	1	LUMP SUM	\$3,400.00	\$3,400.00	\$3,000.00	\$3,000.00
13	REMOVE CHLORINE CONTACT CHAMBER	1	LUMP SUM	\$5,500.00	\$5,500.00	\$5,800.00	\$5,800.00
14	REMOVE LINERS, (P)	141,790	SQ FT	\$0.20	\$28,358.00	\$0.40	\$56,716.00
15	SALVAGED COVER SOILS, (SV)	6,027	CU YD	\$4.00	\$24,108.00	\$3.25	\$19,587.75
16	SALVAGED TOPSOIL, (SV)	521	CU YD	\$3.00	\$1,563.00	\$8.50	\$4,428.50
17	SITE GRADING	1	LUMP SUM	\$24,000.00	\$24,000.00	\$167,000.00	\$167,000.00
18	SILT FENCE, TYPE MACHINE SLICED	1,340	LIN FT	\$3.00	\$4,020.00	\$2.50	\$3,350.00
19	TURF ESTABLISHMENT	5.5	ACRE	\$5,540.00	\$30,470.00	\$5,500.00	\$30,250.00
Total Bid					<u>\$505,527.00</u>		<u>\$661,815.25</u>

SUMMARY OF BIDDING:

Total Bid	<u>\$505,527.00</u>	<u>\$661,815.25</u>
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City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 8.0 B.2

Agenda Item:

Phase I Service Project - MnDOT Cooperative Agreement Grant

Requested Action:

Discussion of options for securing MnDOT Cooperative Agreement Grant Funds for the Phase I Service Road Project

Background Information:

The City submitted a request for MnDOT Cooperative Agreement Funds in June 2015. This request would be used to fund a portion of the costs of the proposed service road that would connect Buchanan St. to Viking Boulevard. The City’s basis for applying for the funding was the acquisition of access control for the properties between Classic Commercial Park and Viking Boulevard.

Provided in Attachment 1, you will find the comment memo for the FY 2017 Cooperative Agreement project that we submitted to MnDOT for the Phase I Service Road Project. As stated in the memo, this project was reviewed with the State Municipal Agreements Engineer and it was determined that the project as proposed does not provide sufficient benefit to the Trunk Highway system to allow allocation of Trunk Highway funds.

MnDOT’s ability to use Trunk Highway funds is controlled by Minnesota Statutes and the *Cost Participation and Maintenance Responsibilities with Local Units of Government Manual* commonly referred to as the Cost Participation Policy. Per MnDOT’s comments, the project would need to eliminate or restrict access at 187th Lane and Hwy. 65 in order to fulfill the statutory requirement for Trunk Highway funding.

The City is attempting to schedule a meeting with MnDOT prior to Wednesday’s Council meeting to review our options in this matter and to see if there are any other alternatives to consider that would qualify the City for funding for this project. Staff will present any updates from MnDOT to Council as soon as they are received.

Attachment(s):

Attachment 1- MnDOT Cooperative Agreement Project Memo

Fiscal Impact:

To be determined

Recommendation(s):

To be determined.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



Minnesota Department of Transportation
Metro District
Office of State Aid
1500 West County Rd B2
Roseville, MN 55113-3174

MEMO

TO: Craig Jochum
City Engineer
City of East Bethel

FROM: Phillip Bergem
Cooperative Agreements Engineer
Metro State Aid

Carl Jensen
Cooperative Agreements Project Manager
Metro State Aid

DATE: July 22, 2015

Subject: T.H. 65 at Viking Blvd, Buchanan St N Frontage Road, in the City of East Bethel
Control Section (CS) # 0208
Project Submittal review for FY 2017 Municipal Agreement Program

Through discussion with the State Municipal Agreements Engineer it was determined that the project does not fulfill the statutory requirement for TH funding. As the project does not eliminate the access of 187th Lane to TH 65 it provides a very limited Trunk Highway benefit. According to Minnesota Statute §161.38 Subd. 3, construction of frontage roads is allowable if they “eliminate unreasonable circuitry of local travel or to provide access to properties otherwise denied access to public highways.” The proposed access control provided for the two properties south of Viking Boulevard is not enough to warrant expenditure of the State funds.

If the project is revised to close the TH 65 access at 187th Lane and removing the related cross over and turn lanes, it could be reevaluated and would likely have adequate Trunk Highway benefit. There is good recognition of the Cost Participation Policies regarding the 60% State/40% Local cost split and 32' maximum road width reimbursement for frontage road construction.

If you do choose to adjust the proposal and resubmit, the following comments from Metro District Functional Groups should be taken into consideration. The purpose of these additional comments and this letter is to give you the opportunity to provide a response memo, or to make an adjustment to your application, before the proposed project is reviewed by the Selection Committee. The Selection Committee consists of four Metro City Engineers, one Metro County Engineer (or their designee), and two or three members from MnDOT Metro State Aid. If resubmitted, the committee

An Equal Opportunity Employer



members will have the opportunity to review your revised application as well as any additional information provided in response to this letter before we meet in mid-September.

If you choose to revise the proposal, please provide any responses by Tuesday, August 11, 2015. Electronic format is acceptable. If you send paper copies, please submit seven sets.

The comments are as follows:

Metro State Aid, Cooperative Agreements – Phil Bergem 651-234-7776 or Carl Jensen 651-234-7768

All right-of-way must be acquired before plans are submitted for final Central Office review.

The cost estimate does have good recognition of the 60/40 cost split and 32' road width requirements from the Cost participation Policy.

The proposed construction cost should be adjusted if necessary to reflect any cost increases resulting from comments in this review.

Metro District Layout Approval Committee – Tim Donovan, 651-234-7626

No Layout required as proposed. A level 3 layout may be required if access changes are proposed for the unsignalized crossing at TH 65 and 187th Lane.

Metro Materials - Tim Clyne, 651-234-7350

Reviewed and no comments at present.

Metro District Right-of-Way – Dan Phelps, 651-234-7585

R/W access control along TH 65 in this location would be desirable. I have no other comments.

Metro District State Aid – Rob Wielinski, 651-234-7775

- The work on Buchanan St that is currently an MSAS route would be eligible for City State Aid funds as long as State Aid standards are followed.
- If the City plans to use State Aid funds then a State Aid number is required.

Metro District System Management – Tod Sherman, 651-234-7794

As stated in the application, we are working with Ham Lake, East Bethel, and Anoka on an Access Management Plan which includes this section on TH 65. The proposal will be consistent with the plan no matter what improvement is ultimately selected for this section of 65. The intersection on 187th Lane is problematic for left turners exiting the site since it is often difficult to find those gaps in traffic and TH 65 is a high speed facility. It will be a good project when the median break on TH 65 at 187th Lane can be removed, that will likely occur when the frontage roads are built up to Viking Ave on the east side as well or U-turns are constructed on TH 65.

Metro District Traffic – Gale Gedstad, 651-234-7815

This project will connect an industrial area near 187th Lane to Viking Blvd, which in turn connects to TH 65 at an existing signalized intersection. However, Traffic cannot support this project because it does not propose to close the TH 65 access at 187th Lane. At the very least, they should propose to close the 187th-TH 65 median crossover which would result in a southbound 187th right in/right out access.

What is needed next?

Please review these comments and recommendations and prepare a written response. If any of the comments from the functional groups would increase the project cost, please submit a revised cost estimate. The response letter and any appropriate revisions may be sent either electronically or in paper format submittal to my office by **August 11, 2015 or sooner if possible**. If paper copies are sent, please provide seven sets. The selection committee is expected to meet in mid-September to select the FY 2016 Cooperative Agreement projects.

Please contact either of us if you have any questions or additional comments by telephone at Phil Bergem 651-234-7776 or Carl Jensen 651-234-7768 or by e-mail at phillip.bergem@state.mn.us, carl.jensen@state.mn.us.

Enclosures:

cc: Sheila Kauppi, MnDOT-Metro Program Delivery
Paul Jung, MnDOT-Metro Program Delivery *
Project File

* Electronic copy only (hard copies available upon request)



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 8.0 F.1

Agenda Item:

Emergency Back-Up Generator for City Hall

Requested Action:

Provide direction to Staff as to the need for City Hall Generator

Background Information:

The need for an emergency back-up generator for City Hall has been discussed previously by the City Council. Currently, the only emergency back-up generator for a City facility is located at Fire Station One, the site of our Emergency Operations Center. City Hall hosts the site for the City Computer Server and IP telephone system but is unprotected in case of electrical outages. If a power outage were to happen, telephones and computer networks would not operate and in a disaster situation, this could impede recovery and response efforts. A backup generator would allow a second Emergency Operation Center to operate out of City Hall in the event of disaster and would ensure that the City computer network can be accessed and communications can be maintained with other officials and our own City residents.

Staff has investigated two prior options of retrofitting used generators for City Hall. Excessive installation costs for these respective units have prohibited their consideration for use. Staff has been unable to identify grant opportunities for this need.

Staff is recommending that Council consider developing specifications for a backup generator and bidding this project.

Fiscal Impact:

To be determined

Recommendation(s):

Staff is seeking guidance from Council as to direction in this request.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 8.0 G.1

Agenda Item:

Town Hall Meeting Date

Requested Action:

Consider setting a date for the Fall Town Hall Meeting

Background Information:

The Fall Town Hall Meeting has been held since 2005. The meeting is generally held in November after the General Election and is designed to be scheduled on a date that doesn't conflict with any other municipal or school district meetings.

The following dates do not conflict with any meetings with any Holidays, City or ISD # 15 and 831 meetings:

- Thursday, November 12 or Thursday November 19, 2015
- Tuesday, November 17, 2015

We would propose the same format that has been used in the past:

- Council and Staff members available for individual discussions at the Senior Center from 6 PM to 7 PM.
- Question and Answer Session in City Council Chambers from 7 PM to 8 – 8:30 PM for any City topics for Council. Council could also decide to make individual presentations that would address their liaison roles and main topics of their Commission assignments. The Mayor/Staff could present an overview of the proposed budget and discuss EDA activities.
- Wrap-up Session at the Senior Center for additional individual discussion with Council or Staff members to conclude at 9 PM.

We need to set the date for this meeting so we can place the notice in our Fall Newsletter. The newsletter will be sent to the printer on August 21, 2015 and will be distributed to City residents by the first week of September. An additional Newsletter will be distributed to residents in December which will address the final 2016 Budget and a wrap up of the 2015 City activities.

Attachments:

Fiscal Impact:

Recommendation(s):

Staff requests that Council consider if there is a need to schedule the 2015 Fall Town Hall meeting and if the decision is to conduct the meeting, Council is requested to set a date for the Fall Town Hall Meeting.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

August 5, 2015

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

MCES Proposed Contract Amendment #2

Requested Action:

Review the proposed amendment and provide comment

Background Information:

In November 2009, pursuant to the MET Council Water Resources Policy Plan and City request, the MET Council authorized building an advanced water reclamation plant to serve a portion of the City of East Bethel (the City). A Wastewater Service Agreement between the City and Council was signed in December 2010. The plant was built for \$25.8 million and began operations in June 2014.

Since approval of the project, growth projections have failed to meet project expectations. As a result, City tax payers who don't benefit from the service and originally were not expected to pay have been burdened with tax increases for wastewater and water bond debt service. In addition, the City's bond rating and growth potential are at risk and the Region is at risk of not using the wastewater capacity built to serve a potential larger area than that of the City.

The City requested financial relief from the MET Council in January 2014. Metro Cities at the request of the MCES formed a stakeholder work group in late 2014 that included seven urban city officials (from St. Paul, Roseville, Andover, Golden Valley, Apple Valley, North St. Paul and Metro Cities) to discuss possible revisions to the Wastewater Service Agreement. The group met six times and shared subsequent information through email.

Based on the these negotiations , the proposed East Bethel SAC rate would not be required to recover the net costs of the water reuse demonstration part of the project (\$9.5 million) and the SAC loan mechanism would be capped at \$2 million. The City will be required to pay a \$700 increment in their SAC rate over the urban SAC rate and if the cap is reached, would have to pay off the \$2 million loan at terms provided in Attachment 2.

The proposed changes increase the possibility that the City will not pay the reserve capacity cost intended, by policy, to be paid by their SAC ratepayers.

MCES Staff recognizes that the water reclamation aspects of the plant costs can be fairly characterized as a benefit to the entire region and eliminating the \$9.5 million demonstration costs from the East Bethel cost pool is appropriate.

It is also understood that the maximum \$2 million loan balance recognizes that the contract, as originally structured, is not working, and if left as is, would create anti-growth pressure on the city, potentially causing uncompetitive rates inhibiting development and creating credit issues. The existing contract recognizes and allows for renegotiation if the growth plan doesn't work, but only in 2046, which is too late to avoid real damage.

If this amendment is approved, the reserve capacity costs of the East Bethel cost pool would be less, meaning that the East Bethel SAC rate is less than it would be under the existing contract, and the urban SAC pool pays for the difference. This results in an increase in the SAC rate applied to all other communities in the MET Council system and a very slight increase in Metropolitan Wastewater Charges for these Communities.

The Metro Cities work group was unanimously supportive of the exclusion of the demo costs, and all who expressed opinions also supported the loan maximum that was added after the group's last meeting.

The East Bethel City Council rejected a concept proposed by MCES Staff in April 2015 that included continuing the Reserve Capacity Loan. The proposal under consideration was a result of the City's disapproval of the April 2015 offer. The current proposal, with a \$2 million trigger for elimination of the Reserve Capacity Loan and provisions for definitive terms at that point, eliminates the City concern about the uncertainty of renegotiation in later years when different parties would be involved. The City now is supportive of the compromise which includes:

- A \$2M cap on the Reserve Capacity Loan
- The elimination of the Reserve Capacity Loan if and when the \$2M cap is reached
- A \$700 increment in increase the SAC rate and elimination of the 4.9% annual increase in this rate
- A freeze on SAC rates and elimination of the Reserve Capacity Loan Payment if the \$2M RCL is reached
- A continuation of the freeze on SAC rates if the \$2M cap is reached until this amount is equal to the urban SAC rate.

Attachments:

Attachment 1- Clean Copy of Proposed Contract Amendment

Attachment 2- City Attorney's Red Line Copy of the Proposed Contract Amendment

Fiscal Impact:

It is estimated that acceptance of the proposed contract amendment could save the City in excess of 20 million dollars over the term of the Reserve Capacity Loan.

Recommendation(s):

Council is requested to express any concerns with the proposed contract amendment as presented in the Attachments.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, MN 55101
(651) 602-1000
AMENDMENT
to
CONTRACT FOR SERVICES
Metropolitan Council Contract Number 10I024 Amendment Two
City of East Bethel Amendment 2015 A

WHEREAS, the **Metropolitan Council** (“Council”) and the **City of East Bethel** (“City”), collectively, “the Parties,” entered into a Wastewater Service Agreement (“Agreement”) effective December 9, 2010, and amended on March 5, 2013; and

WHEREAS, the Parties have a substantially lower forecast for future growth for the region than was anticipated at the execution of the Agreement, and the City is already experiencing lower growth than anticipated; and

WHEREAS, the Council has determined that it is in the best interest of the Region to avoid causing the City to incur a negative credit rating through enforcing the terms of the Agreement currently in effect; and

WHEREAS, the Parties agree that \$9,482,681 is a reasonable estimate of the net “demonstration costs” of the effluent water infiltration permitting, design and build technology, and that this cost will provide benefits to the entire region;

NOW THEREFORE, in consideration of the promises made in the Agreement and through this amendment, the Agreement is amended in the following particulars:

- 1. AMENDMENT 1 to the Wastewater Service Agreement, executed on March 5, 2013, is void and will be given no legal effect.**
- 2. ARTICLE I Financial Terms and Conditions**

ARTICLE I Financial Terms and Conditions, Sewer Availability Charges (SAC), Section 1.02 Subsection d. Paragraphs 2 and 3 and Exhibit A are all 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 incurred by the Council on City-specific capital costs based on financings over a term extending to 2032 at a 2.73% interest rate for the initial facility and 4.5% for the planned future expansion (hereafter “East Bethel Cost Pool”); (2) the 2030 Comprehensive Plan forecast of 5,500 SAC units; (3) a constant SAC unit growth rate of approximately 17% annually; (4) reserve capacity determination using cumulative SAC units as forecasted for the used portion of total capacity; and (5) East Bethel SAC rate computed to recover the present value of the reserve capacity portion of debt service on the East Bethel Cost Pool as determined in (1) above, which results in an East Bethel SAC rate that will be \$700 higher than the Urban SAC Pool’s rate every year (except as noted below).

As described in Exhibit A, \$9,482,681 shall be excluded from the East Bethel Cost Pool used to determine the East Bethel SAC rate. As a result, the Council and City agree that the East Bethel SAC rate is based on \$16,302,455 of capital costs, as shown in Exhibit A, and the above factors, and the SAC rate will be \$3,185 in 2016, which is the \$2,485 urban rate plus a \$700 increment. This \$700 increment will remain in effect unless and until: i) the Reserve Capacity Loan balance reaches \$2 million, or ii) the City is qualified for and deemed a Developing Community by the Council and eligible to be treated the same for SAC purposes as the urban SAC cost pool, per the requirements of Thrive MSP 2040 and the Water Resources Policy Plan.

There will be no adjustments of charges for 2015 or prior charges.

3. ARTICLE I Financial Terms and Conditions

ARTICLE I Financial Terms and Conditions, Section 1.03 Reserve Capacity Loans is amended with the following language being **INSERTED** as Subparagraph f:

The Reserve Capacity Loan balance will not be allowed to exceed \$2 million under any circumstances. If it reaches \$2 million, the following conditions shall immediately apply and supersede any contradictory language in this Agreement:

- 1) The then-existing East Bethel SAC rate shall be capped at the then current rate and remain fixed until the urban pool's SAC rate catches up, or until the original obligation is fully satisfied, whichever comes first. Thereafter, East Bethel will be considered part of the Urban SAC Pool.
- 2) No further Reserve Capacity Loans will accrue past the \$2,000,000 cap and the existing Reserve Capacity Loan payments will end. However, the City will pay off the \$2 million loan on a 10 - 20 year fixed amortization payment plan (with the term at the City's option) at 2.73% interest (the cost of Council's capital for the original project).

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

EXHIBIT A CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES is **DELETED** and EXHIBIT A Revised - FINAL 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.

The remainder of this page is intentionally blank. Signature page to follow.

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

CITY OF EAST BETHEL

METROPOLITAN COUNCIL

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

By: _____

Its: _____

Date: _____

EXHIBIT A REVISED			
FINAL CAPITAL COSTS FOR			
EAST BETHEL WASTEWATER TREATMENT FACILITIES			
	Reuse (1)	Non Reuse	Total
Water Reclamation Plant			
Design Fees		\$1,483,069	\$1,483,069
Land Acquisition Fees (2)		\$372,111	\$372,111
Verification Total		\$565,000	\$565,000
Interceptor Storage (3)		\$600,000	\$600,000
Influent Hauling		\$175,200	\$175,200
WWTP Construction Cost (4)		\$11,827,980	\$11,827,980
61.1% of Verification Costs		\$345,215	\$345,215
MCES Administration Costs		\$346,713	\$346,713
45% of Planning		\$187,167	\$187,167
Reclaimed Distribution Line and Application Basins (5)			
Reclaimed Design Costs	\$660,142		\$660,142
LAB Design Costs	\$319,000		\$319,000
Reclaimed Line Land Acquisition Costs	\$363,163		\$363,163
LAB Land Acquisition Costs	\$59,800		\$59,800
MCES Reclaimed Line Construction Costs	\$6,320,851		\$6,320,851
LAB Construction Costs	\$1,096,250		\$1,096,250
Contingency	\$25,000		\$25,000
38.9% of Verification Costs	\$219,785		\$219,785
MCES Administration Costs	\$293,912		\$293,912
30% of Planning	\$124,778		\$124,778
Alternative piping cost estimate (6)		\$400,000	\$400,000
Total	\$9,482,681	\$16,302,455	\$25,785,136
Wastewater Reuse Demonstration Total			\$9,482,681
Wastewater Treatment Plant Total (capital costs in the E.B. cost pool)			\$16,302,455

Notes:

1. Incremental reuse demonstration costs incurred by the Region at the East Bethel plant. Costs to treat to a higher quality are not considered incremental to the reuse project because they likely would have been required for a permit to discharge into the small creek.
2. 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 a portion of Oak Grove in the future.
3. Incremental cost of increasing size of influent interceptor sewer from State Trunk Highway 65 to treatment facility from 24-inch diameter to 60-inch diameter. This was built in lieu of providing storage within the wastewater treatment facility.
4. For the initial facility which has 0.41 mgd capacity.
5. Pipeline to convey treated water from wastewater treatment plant to the two initial land application facilities, and facilities designed to distribute treated water such that it infiltrates through the soil and recharges the groundwater.
6. Discharge to surface water would require a short pipeline and a discharge structure (cost is MCES engineering staff estimate; such a facility was not designed).

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, MN 55101
(651) 602-1000
AMENDMENT
to
CONTRACT FOR SERVICES
Metropolitan Council Contract Number 101024 Amendment Two
City of East Bethel Amendment 2015 A

WHEREAS, the **Metropolitan Council** (“Council”) and the **City of East Bethel** (“City”), collectively, “the Parties,” entered into a Wastewater Service Agreement (“Agreement”) effective December 9, 2010, and amended on March 5, 2013; and

WHEREAS, the Parties have a substantially lower forecast for future growth for the region than was anticipated at the execution of the Agreement, and the City is already experiencing lower growth than anticipated; and

WHEREAS, the Council has determined that it is in the best interest of the Region to avoid causing the City to incur a negative credit rating through enforcing the terms of the Agreement currently in effect; and

WHEREAS, the Parties agree that \$9,482,681 is a reasonable estimate of the net “demonstration costs” of the effluent water infiltration permitting, design and build technology, and that this cost will provide benefits to the entire region;

NOW THEREFORE, in consideration of the promises made in the Agreement and through this amendment, the Agreement is amended in the following particulars:

- 1. AMENDMENT 1 to the Wastewater Service Agreement, executed on March 5, 2013, is void and will be given no legal effect.**
2. The Wastewater Service Agreement entered on December 9, 2010 is amended in the following particulars

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1.3 ARTICLE I Financial Terms and Conditions

ARTICLE I Financial Terms and Conditions, Sewer Availability Charges (SAC), Section 1.02 Subsection d. Paragraphs 2 and 3 and Exhibit A are all **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 incurred by the Council on City-specific capital costs based on financings over a term extending to 2032 at a 2.73% interest rate for the initial facility and 4.5% for the planned future expansion (hereafter “East Bethel Cost Pool”); (2) the 2030 Comprehensive Plan forecast of 5,500 SAC units; (3) a constant SAC unit growth rate of approximately 17% annually; (4) reserve capacity determination using cumulative SAC units as forecasted for the used portion of total capacity; and (5) East Bethel SAC rate computed to recover the present value of the reserve capacity of debt service on the East Bethel Cost Pool as determined in (1) above, which results in an East Bethel SAC rate that

~~will be \$700 higher than the Urban SAC Pool's rate every year (except as noted below). (5) East Bethel's SAC rate will be \$700 higher than the Urban SAC Pool's rate every year (except as noted below); and (6) East Bethel SAC rate computed to recover the present value of the reserve capacity of debt service on the East Bethel Cost Pool as determined in (1) hereinbefore.~~

As described in Exhibit A, \$9,482,681 shall be excluded from the East Bethel Cost Pool used to determine the East Bethel SAC rate. As a result, the Council and City agree that the East Bethel SAC rate is based on \$16,302,455 of capital costs, as shown in Exhibit A, and the above factors, and the SAC rate will be \$3,185 in 2016, which is the \$2,485 urban rate plus a \$700 increment. This \$700 increment will remain in effect unless and until: i) the Reserve Capacity Loan balance reaches \$2 million, or ii) the City is qualified for and deemed a Developing Community by the Council and eligible to be treated the same for SAC purposes as the urban SAC cost pool, per the requirements of Thrive MSP 2040 and the Water Resources Policy Plan.

There will be no adjustments of ~~charges for~~ 2015 or prior charges.

~~2.4.~~ **ARTICLE I Financial Terms and Conditions**

ARTICLE I Financial Terms and Conditions, Section 1.03 Reserve Capacity Loans is amended with the following language being **INSERTED** as Subparagraph f:

The Reserve Capacity Loan balance will not be allowed to exceed \$2 million under any circumstances. If it reaches \$2 million, the following conditions shall immediately apply and supersede any contradictory language in this Agreement:

- 1) The then-existing East Bethel SAC rate shall be capped at the then current rate and remain fixed until the urban pool's SAC rate catches up, or until the original obligation is fully satisfied, whichever comes first. Thereafter, East Bethel will be considered part of the Urban SAC Pool.
- 2) No further Reserve Capacity Loans will accrue past the \$2,000,000 cap and the existing Reserve Capacity Loan payments will end. . However, the City will pay off the \$2 million loan on ~~either~~ a 10 ~~or~~ 20 year fixed amortization payment plan (with the term at the City's option) at 2.73% interest (~~being~~ the cost of Council's capital for the original project).

~~3.5.~~ **EXHIBIT A CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES:**

EXHIBIT A CAPITAL COSTS FOR EAST BETHEL WASTEWATER TREATMENT FACILITIES is **DELETED** and EXHIBIT A Revised - FINAL 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.

The remainder of this page is intentionally blank. Signature page to follow.

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

CITY OF EAST BETHEL

METROPOLITAN COUNCIL

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

By: _____

Its: _____

Date: _____

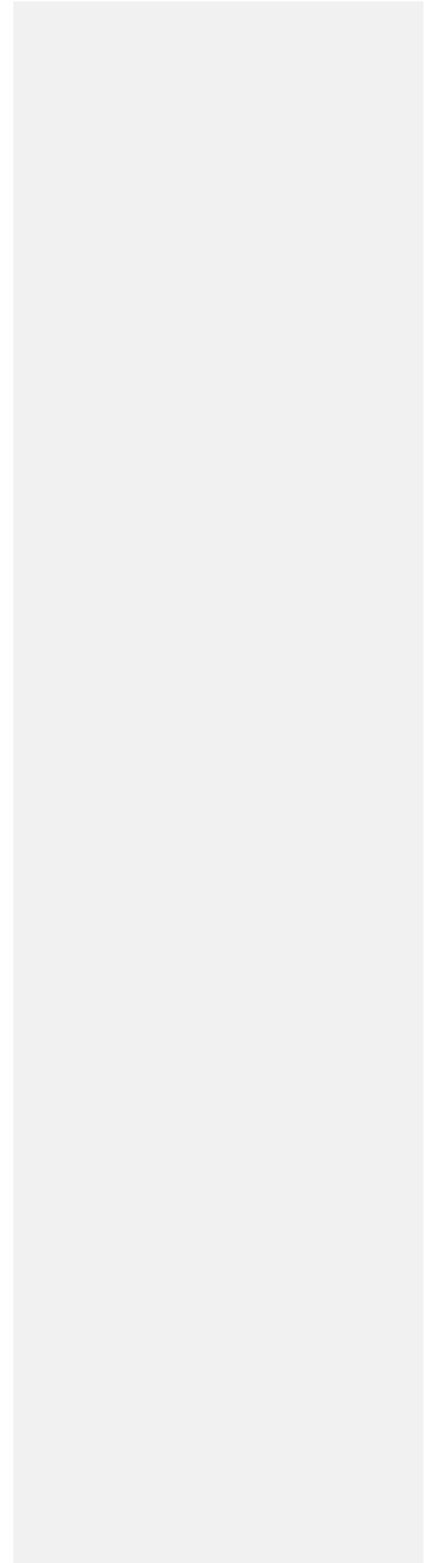


EXHIBIT A REVISED				
FINAL CAPITAL COSTS FOR				
EAST BETHEL WASTEWATER TREATMENT FACILITIES				
		Reuse (1)	Non Reuse	Total
Water Reclamation Plant				
Design Fees			\$1,483,069	\$1,483,069
Land Acquisition Fees (2)			\$372,111	\$372,111
Verification Total			\$565,000	\$565,000
Interceptor Storage (3)			\$600,000	\$600,000
Influent Hauling			\$175,200	\$175,200
WWTP Construction Cost (4)			\$11,827,980	\$11,827,980
61.1% of Verification Costs			\$345,215	\$345,215
MCES Administration Costs			\$346,713	\$346,713
45% of Planning			\$187,167	\$187,167
Reclaimed Distribution Line and Application Basins (5)				
Reclaimed Design Costs		\$660,142		\$660,142
LAB Design Costs		\$319,000		\$319,000
Reclaimed Line Land Acquisition Costs		\$363,163		\$363,163
LAB Land Acquisition Costs		\$59,800		\$59,800
MCES Reclaimed Line Construction Costs		\$6,320,851		\$6,320,851
LAB Construction Costs		\$1,096,250		\$1,096,250
Contingency		\$25,000		\$25,000
38.9% of Verification Costs		\$219,785		\$219,785
MCES Administration Costs		\$293,912		\$293,912
30% of Planning		\$124,778		\$124,778
Alternative piping cost estimate (6)			\$400,000	\$400,000
Total		\$9,482,681	\$16,302,455	\$25,785,136
Wastewater Reuse Demonstration Total				\$9,482,681
Wastewater Treatment Plant Total (capital costs in the E.B. cost pool)				\$16,302,455

Notes:

1. Incremental reuse demonstration costs incurred by the Region at the East Bethel plant. Costs to treat to a higher quality are not considered incremental to the reuse project because they likely would have been required for a permit to discharge into the small creek.
2. 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 a portion of Oak Grove in the future.
3. Incremental cost of increasing size of influent interceptor sewer from State Trunk Highway 65 to treatment facility from 24-inch diameter to 60-inch diameter. This was built in lieu of providing storage within the wastewater treatment facility.
4. For the initial facility which has 0.41 mgd capacity.

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5. Pipeline to convey treated water from wastewater treatment plant to the two initial land application facilities, and facilities designed to distribute treated water such that it infiltrates through the soil and recharges the groundwater.
6. Discharge to surface water would require a short pipeline and a discharge structure (cost is MCES engineering staff estimate; such a facility was not designed).

