City of East Bethel
City Council Agenda

Regular Council Meeting – 7:00 p.m.
Date: April 6, 2016

		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**
	pg. 3-130	A.	2015 Audit Presentation—Abdo, Eick and Meyers Resolution 2016-17, Accepting 2015 Audit
7:20 PM		**5.0**	**Public Forum**
7:30 PM		**6.0**	**Consent Agenda**
			Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration
	pg. 132-136	A.	Approve Bills
	pg. 137-154	B.	Meeting Minutes, March 16, 2016 City Council Meeting
	pg. 155	C.	Meeting Minutes, March 23, 2016 City Council Special Meeting
	pg. 156-163	D.	Meeting Minutes, March 23, 2016 City Council Work Meeting
	pg. 164-167	E.	Resolution 2016-18, Establishing MSA Routes, and Resolution 2016-19, Revoking MSA Route
			New Business
7:35PM		**7.0**	Commission, Association and Task Force Reports
		A.	Planning Commission
	pg. 168-186	1.	Sauter's Commercial Park 2nd Addition, Final Plat & Developer's Agreement
		B.	Economic Development Authority
	pg. 187-196	1.	EDA Strategic Plan for Business Recruitment and Retention
		C.	Park Commission
	pg. 197-225	1.	Sandhill Crane Natural Area Update
		D.	Road Commission
7:50 PM		**8.0**	**Department Reports**
		A.	Community Development
		B.	City Engineer
	pg. 226	1.	Project Report
		C.	City Attorney
		D.	Finance
		E.	Public Works
		F.	Fire Department

G. City Administrator

pg. 227-235 1. Snowmobile Ordinance

8:05 PM **9.0** **Other**

A. Staff Report

B. Council Reports

C. Other

D. Closed Session; Minn. Stat. § 13D.03, subd. 1 (b), Union Negotiations and Attorney Client Privilege, Minn. Stat. § 13D.05, subd. 3

8:30 PM **10.0** **Adjourn**

City of East Bethel
City Council
Agenda Information

* *

Date:
April 6, 2016

* *

Agenda Item Number:
Item 4.0 A

* *

Agenda Item:
Resolution 2016- Accepting Annual Financial Statements and Auditor's Annual Report

* *

Requested Action:
Consider adopting Resolution 2016-17, accepting the 2015 Annual Financial Report and Annual Auditor's Report

* *

Background Information:
The 2015 Annual Financial Report (AFR) has been prepared, audited and is presented for your review and approval.

Resolution 2016-17 formally accepts and adopts the 2015 Annual Financial Report and directs the submission of the Annual Financial Report to the State Auditor.

* *

Fiscal Impact:
None

* *

Recommendation(s):
Upon completion of the City Auditors report, Staff recommends adoption of Resolution 2016-17, accepting the 2015 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2015 and direction to submit the report to the state Auditor.

* *

City Council Action:

Motion by: _____ Second by: _____

_____

_____

_____

Vote Yes: _____ Vote No: _____

No Action Required: _____

Management Letter

City of East Bethel

East Bethel, Minnesota

For the Year Ended
December 31, 2015

ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

People + Process.
Going Beyond the Numbers

ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

Management, Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 8, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting (internal control) of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards* or Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 7 to the financial statements, the City changed accounting policies related to accounting and financial reporting for pensions by adopting Statement of Governmental Accounting Standards (GASB) Statements No. 68 and 71 in 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is disclosed in Note 7 We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period except for the prior period restatement in Note 7.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation on capital assets, allocation of payroll and compensated absences, a liability for other post-employment benefits and the liability for the City's pensions.

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.

- Allocations of gross wages and payroll benefits are approved by City Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.

- The City's liability for other post-employment benefits was estimated to be zero primarily based on the assumption that employees, whom participate in the health insurance plan, are receiving no implicit benefit since premiums are scaled based on age.

- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 22, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Shares of the Net Pension Liability and the Schedules of Employer's Contributions, which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section which accompany the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

People + Process.
Going Beyond the Numbers

Financial Position and Results of Operations

Our principal observations and recommendations are summarized on the following pages. These recommendations resulted from our observations made in connection with our audit of the City's financial statements for the year ended December 31, 2015.

General Fund

The General fund is used to account for resources traditionally associated with government, which are not required legally or by sound principal management to be accounted for in another fund. The General fund balance increased $330,705 from 2014. The fund balance of $2,625,807 is 52.8 percent of the 2016 budgeted expenditures and transfers out. We recommend that the fund balance be maintained at a level sufficient to fund operations until the major revenue sources are received in June. The City's fund balance policy for the General fund identifies that a minimum unassigned fund balance of 40 percent of the following year's budgeted expenditures be maintained for cash-flow timing needs. The City's ending fund balance is above this target level from the policy as shown in the chart on the following page.

The purposes and benefits of a fund balance are as follows:

- Expenditures are incurred somewhat evenly throughout the year. However, property tax and State aid revenues are not received until the second half of the year. An adequate fund balance will provide the cash flow required to finance the governmental fund expenditures.

- The City is vulnerable to legislative actions at the State and Federal level. The State continually adjusts the local government aid formulas. An adequate fund balance will provide a temporary buffer against aid adjustments.

- Expenditures not anticipated at the time the annual budget was adopted may need immediate City Council action. These would include capital outlay, replacement, lawsuits and other items. An adequate fund balance will provide the financing needed for such expenditures.

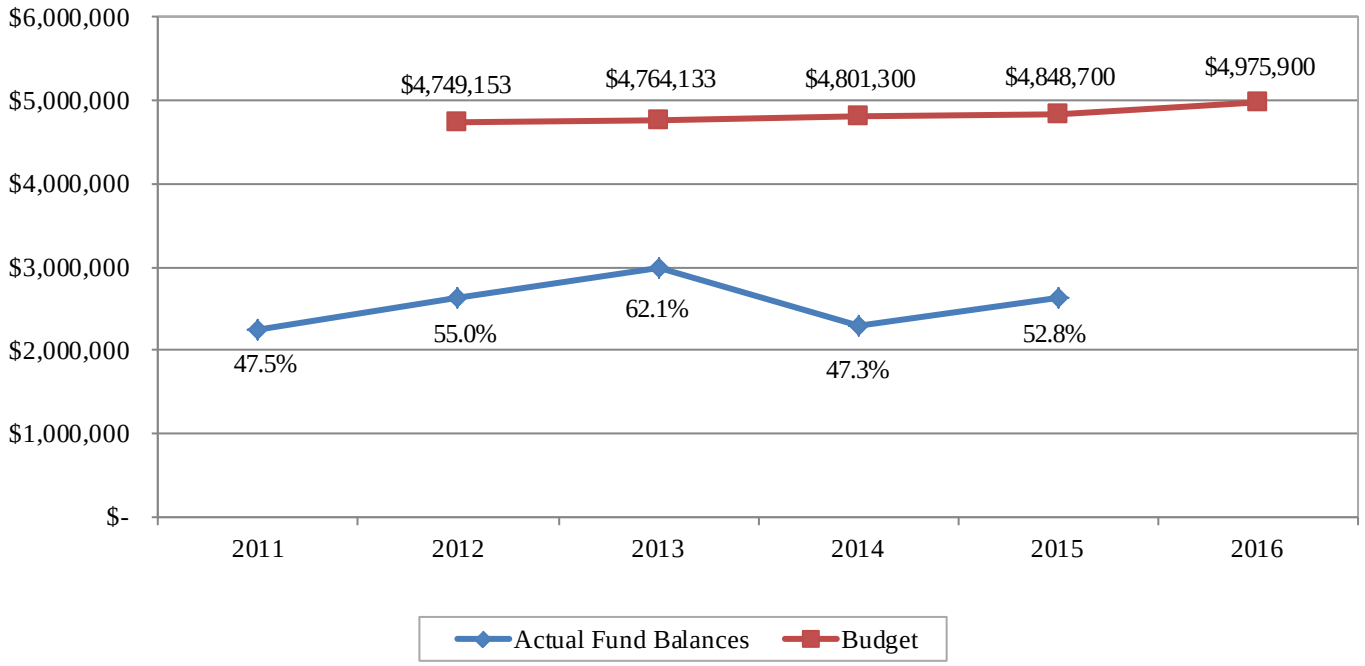
- A strong fund balance will assist the City in maintaining, improving or obtaining its bond rating. The result will be better interest rates in future bond sales.

People + Process. Going Beyond the Numbers

A table summarizing the General fund balance in relation to budgeted expenditures and transfers out follows:

Year	Fund Balance December 31	Budget Year	General Fund Budget	Percent of Fund Balance to Budget
2011	$ 2,254,404	2012	$ 4,749,153	47.5 %
2012	2,621,894	2013	4,764,133	55.0
2013	2,982,714	2014	4,801,300	62.1
2014	2,295,102	2015	4,848,700	47.3
2015	2,625,807	2016	4,975,900	52.8

Fund Balance as a Percent of Next Year's Budgeted Expenditures and Transfers Out



The 2015 General fund operations are summarized as follows:

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	$ 4,848,700	$ 5,041,990	$ 193,290
Expenditures	4,323,700	4,209,582	114,118
Excess of revenues over expenditures	525,000	832,408	307,408
Other financing sources (uses)			
Transfer in	-	23,297	23,297
Transfers out	(525,000)	(525,000)	-
Total other financing sources (uses)	(525,000)	(501,703)	23,297
Net change in fund balances	-	330,705	330,705
Fund balances, January 1	2,295,102	2,295,102	-
Fund balances, December 31	$ 2,295,102	$ 2,625,807	$ 330,705

The City's budget was not amended in 2015 and called for no change in fund balance. Some of the line items with significant variances from the final budget are highlighted below:

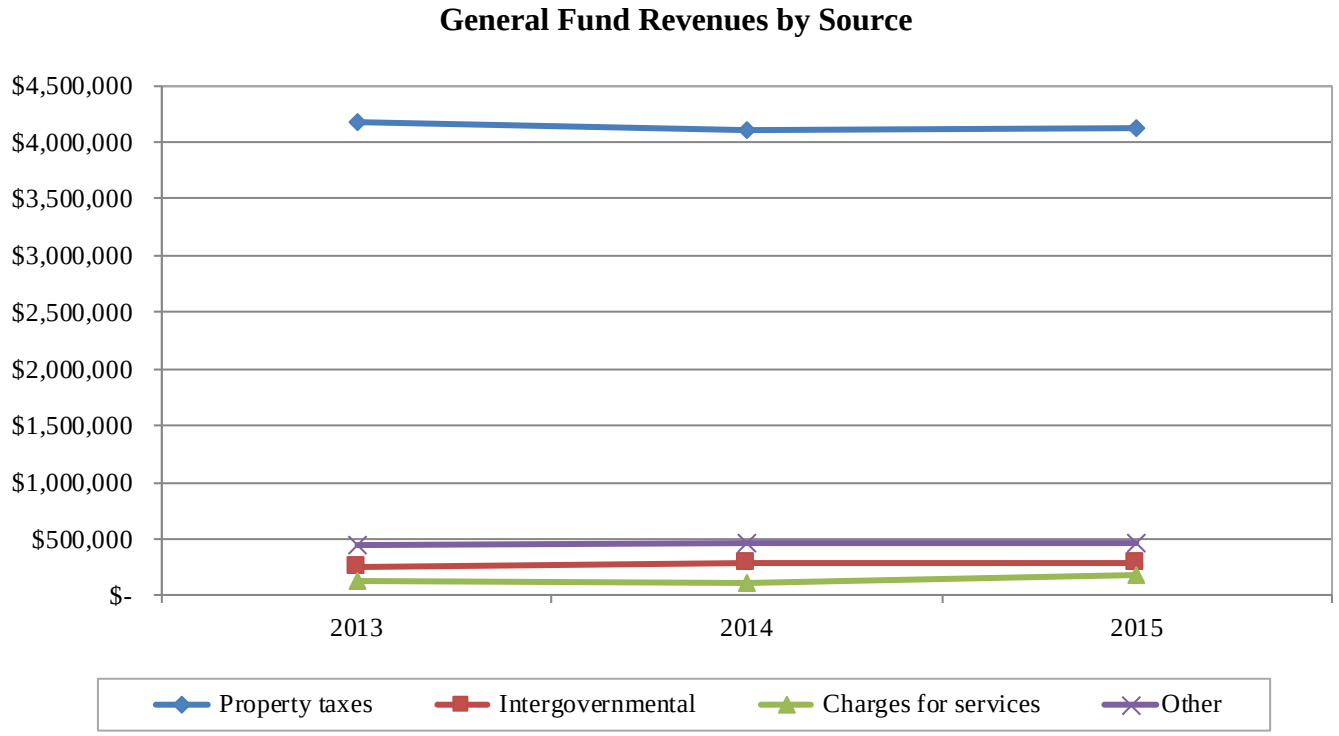
During the year, revenues were more than budget by $193,290 and expenditures were less than budgetary estimates by $114,118. The net result was a $330,705 increase in the General fund. Some of the significant variances can be briefly summarized as follows:

- All revenues classifications were over budget, with the exception of fine and forfeitures which was under budget by $10,151.
- All expenditure departments were under budget with the exception of public safety which was over budget by $14,899.
- The General fund had transfers in of $23,297 which was due to the closing of funds.

A comparison of General fund among 2013, 2014 and 2015 revenues are presented below:

Source	2013	2014	2015	Percent of Total	Per Capita
Property taxes	$ 4,131,421	$ 4,048,832	$ 4,072,004	80.2 %	$ 351
Franchise taxes	49,490	56,160	58,877	1.2	5
Gambling taxes	-	-	25,199	0.5	2
Licenses and permits	340,095	297,783	298,966	5.9	26
Intergovernmental	257,400	286,389	291,525	5.8	25
Charges for services	128,543	109,988	185,579	3.7	16
Fines and forfeitures	53,574	50,514	45,049	0.9	4
Investment income	1,166	1,164	10,377	0.2	1
Miscellaneous	55,360	74,491	54,414	1.1	5
Transfers in	-	48,526	23,297	0.5	2
Total revenues and transfers	$ 5,017,049	$ 4,973,847	$ 5,065,287	100.0 %	$ 437

A graphical presentation of 2013, 2014 and 2015 revenues and transfers in follows:



Some of the line items with significant changes are highlighted below:

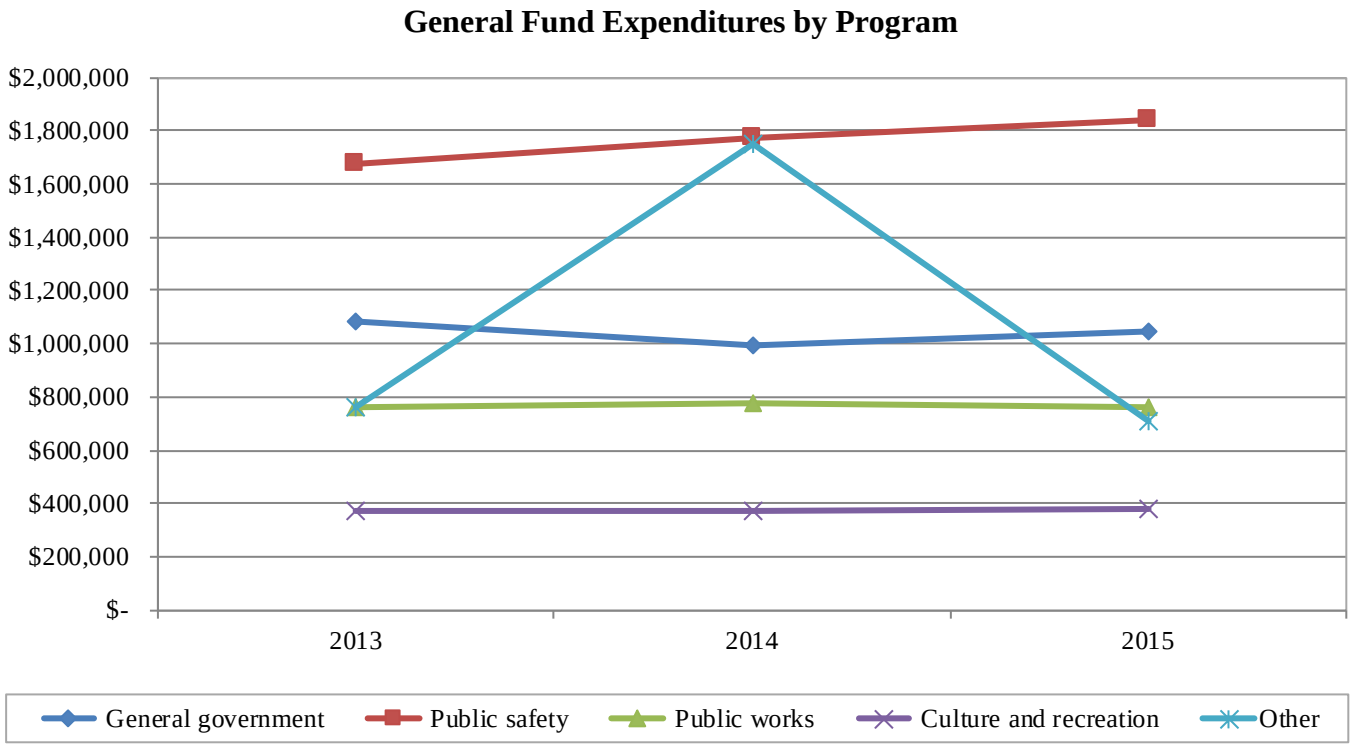
- Revenues have stayed fairly consist over the past three years. As you can see from the chart, the City's main source of revenue is from property taxes.

A comparison of General fund expenditures and transfers among 2013, 2014 and 2015 are presented below:

Program	2013	2014	2015	Percent of Total	Per Capita	Peer Group
Current						
General government	$ 1,085,090	$ 992,582	$ 1,047,189	22.1 %	$ 90	$ 104
Public safety	1,678,192	1,769,896	1,843,799	38.9	159	227
Public works	762,351	777,733	760,421	16.1	66	106
Culture and recreation	367,895	369,140	377,917	8.0	33	59
Miscellaneous	211,112	190,678	180,256	3.8	16	15
Total current	4,104,640	4,100,029	4,209,582	88.9	364	511
Capital outlay	1,589	-	-	-	-	14
Transfers out	550,000	1,561,430	525,000	11.1	45	-
Total expenditures and transfers	$ 4,656,229	$ 5,661,459	$ 4,734,582	100.0 %	$ 409	$ 525

The above chart compares the amount the City spends per capita in comparison to a peer group. The peer group average is compiled from 2014 information we have requested from the Office of the State Auditor and the complied data for Cities of the third class which populations between 10,000 and 20,000.

The expenditures and transfers out summarized above are presented graphically as follows:



Some of the line items with significant changes are highlighted below:

- The public safety line item has increase over the past three years due to higher expenditures related to fire and police protection, along with increased expenditures in building inspections due to the increase in building permits.

Special Revenue Funds

A summary of the special revenue fund balances is shown below:

Fund	Fund Balances December 31, 2015	Fund Balances December 31, 2014	Increase (Decrease)
Nonmajor			
Recycling	$ 55,566	$ 57,320	$ (1,754)
Miscellaneous Grants/Donations	3,745	3,537	208
HRA	747,215	771,260	(24,045)
EDA	78,290	78,205	85
Total	$ 884,816	$ 910,322	$ (25,506)

Capital Projects Funds

The fund balances of all capital projects funds are summarized below:

Capital Projects Fund	Fund Balances December 31, 2015	Fund Balances December 31, 2014	Increase (Decrease)
Major			
Municipal State Aid Street Improvement	$ 39,584	$ 3,974	$ 35,610
Nonmajor			
Park Acquisition	30,121	26,082	4,039
Minard Street	39,787	33,734	6,053
Improvements of 2003	-	21,078	(21,078)
Water Infrastructure	270,146	324,474	(54,328)
Street Capital	784,657	786,852	(2,195)
Park Capital	125,001	86,980	38,021
Utility Improvement	-	29,360	(29,360)
Building	228,676	182,247	46,429
TIF No. 1.1	765	(2,922)	3,687
Total nonmajor	1,479,153	1,487,885	(8,732)
Total	$ 1,518,737	$ 1,491,859	$ 26,878

The significant increase and decreases in the capital projects funds were due to plan street improvements and capital purchase and future improvements and capital purchases.

Debt Service Funds

Debt Service funds are a type of governmental fund to account for the accumulation of resources for the payment of interest and principal on debt (other than enterprise fund debt). Debt Service funds may have one or a combination of the following revenue sources pledged to retire debt as follows:

- Property taxes - Primarily for general City benefit projects such as parks and municipal buildings. Property taxes may also be used to fund special assessment bonds which are not fully assessed.
- Tax increments - Pledged exclusively for tax increment/economic development districts.
- Capitalized interest portion of bond proceeds - After the sale of bonds, the project may not produce revenue (tax increments or special assessments) for a period of one to two years. Bonds are issued with this timing difference considered in the form of capitalized interest.
- Special assessments - Charges to benefited properties for various improvements.

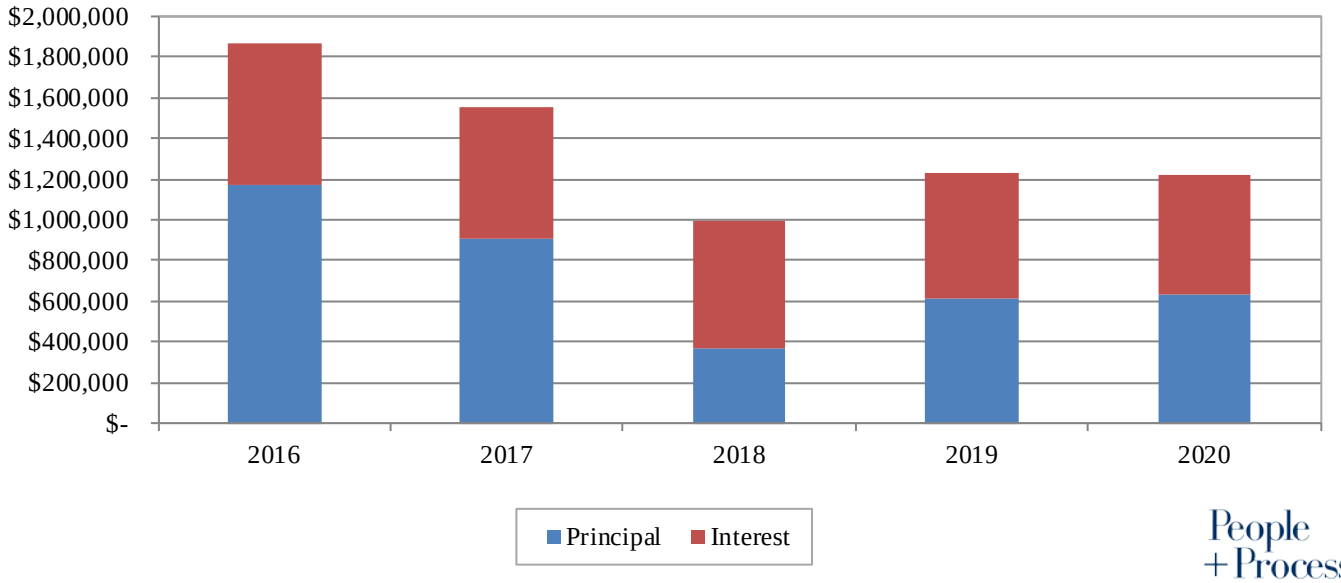
In addition to the above pledged assets, other funding sources may be received by Debt Service funds as follows:

- Residual project proceeds from the related capital projects fund
- Investment earnings
- State or Federal grants
- Transfers from other funds

The following is a summary of the cash, total assets and bonds outstanding for each issue of the City:

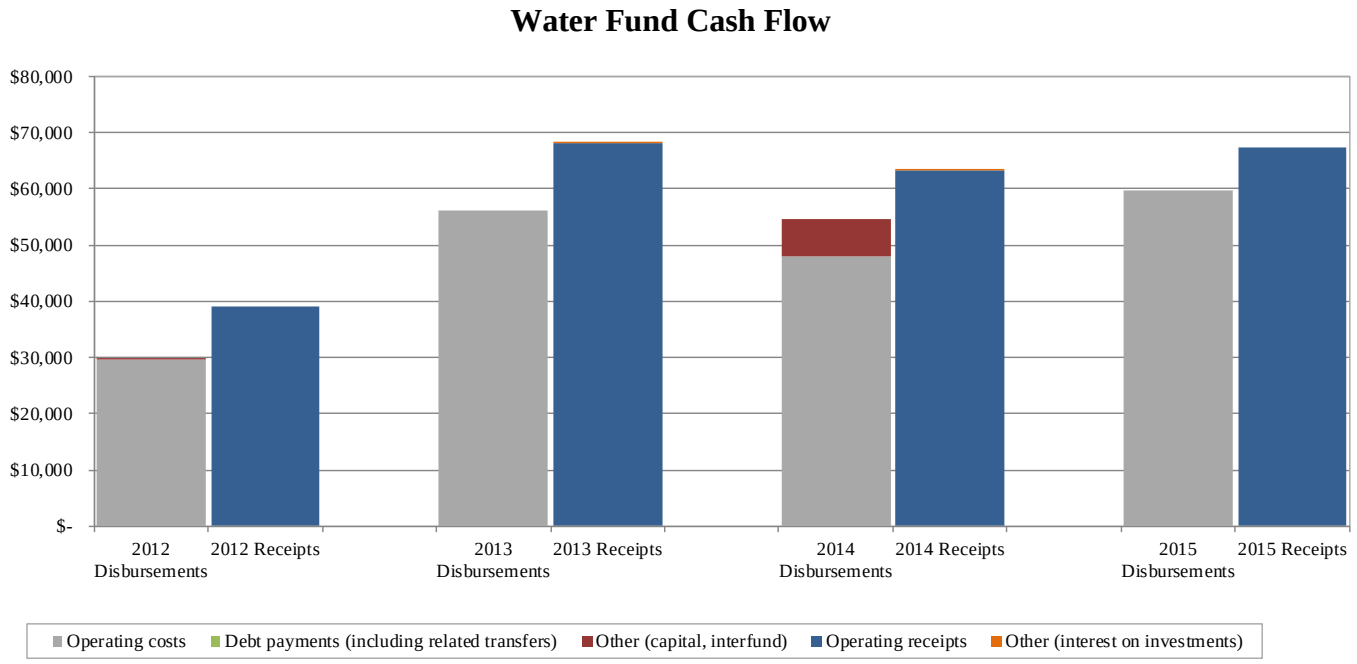
Debt Service Fund	Cash and Investments	Total Assets	Bonds Outstanding	Final Maturity Date
2013A Public Safety Bonds	$ 100,469	$ 106,854	$ 1,175,000	02/01/26
2005B Street Improvement Debt	61,140	61,140	60,000	02/01/16
2008A Sewer Revenue Bond	(3,460)	132,618	980,000	02/01/29
2010 Water Revenue Note	36,382	37,103	53,590	08/20/29
2015A Revenue Bond	268,943	427,501	11,850,000	02/01/40
2014A Water Revenue Note	156,562	167,704	5,485,000	02/01/40
2010C Improvement Bond	1,303,071	1,303,071	1,260,000	02/01/17
Total Debt Service Funds	$ 1,923,107	$ 2,235,991	$ 20,863,590	

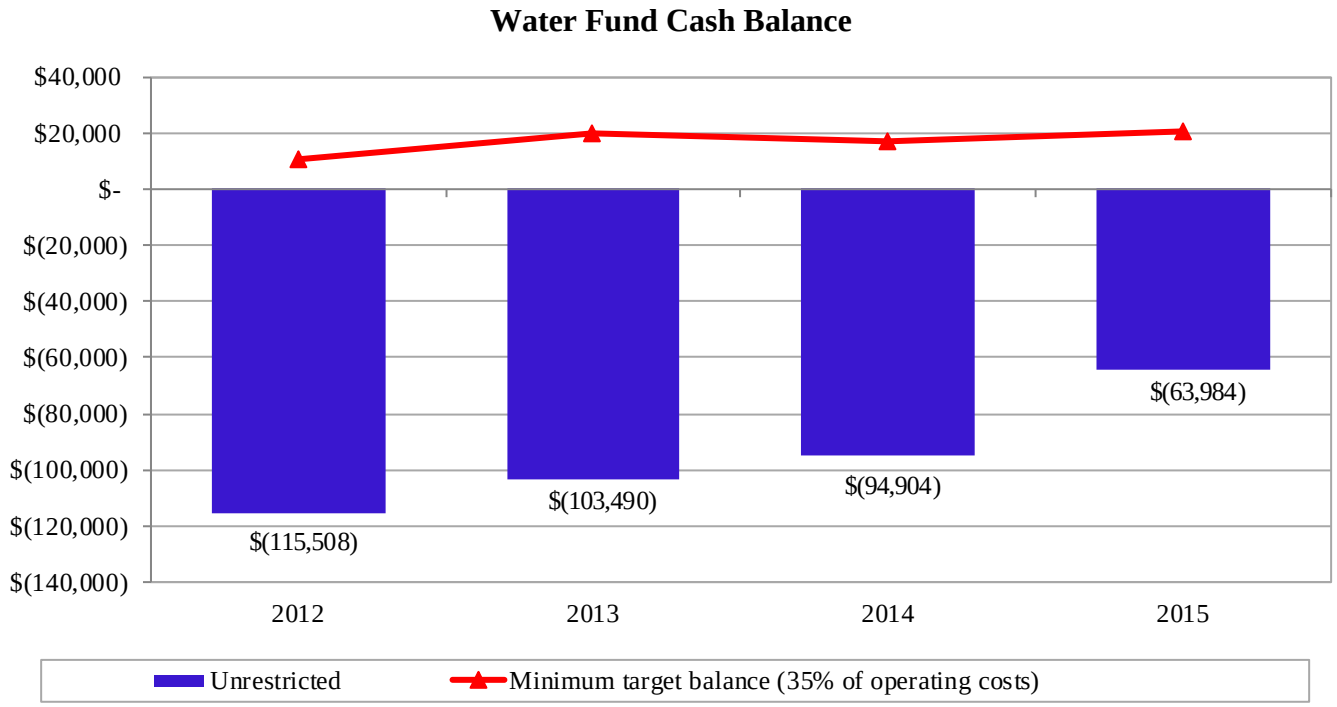
Debt Service Scheduled Principal and Interest for the Next 5 Years



Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The results of the operations in terms of cash flow and the breakdown of the cash balances for the past four years are as follows:



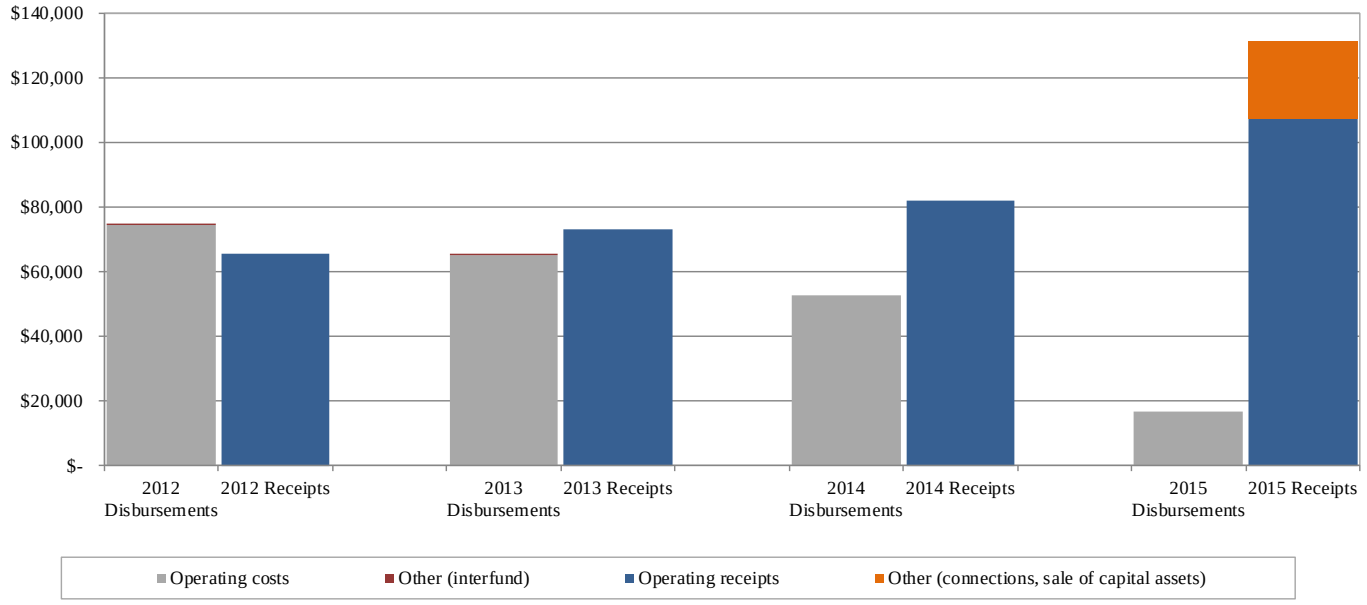


Some of the items with significant changes in the above charts are highlighted below:

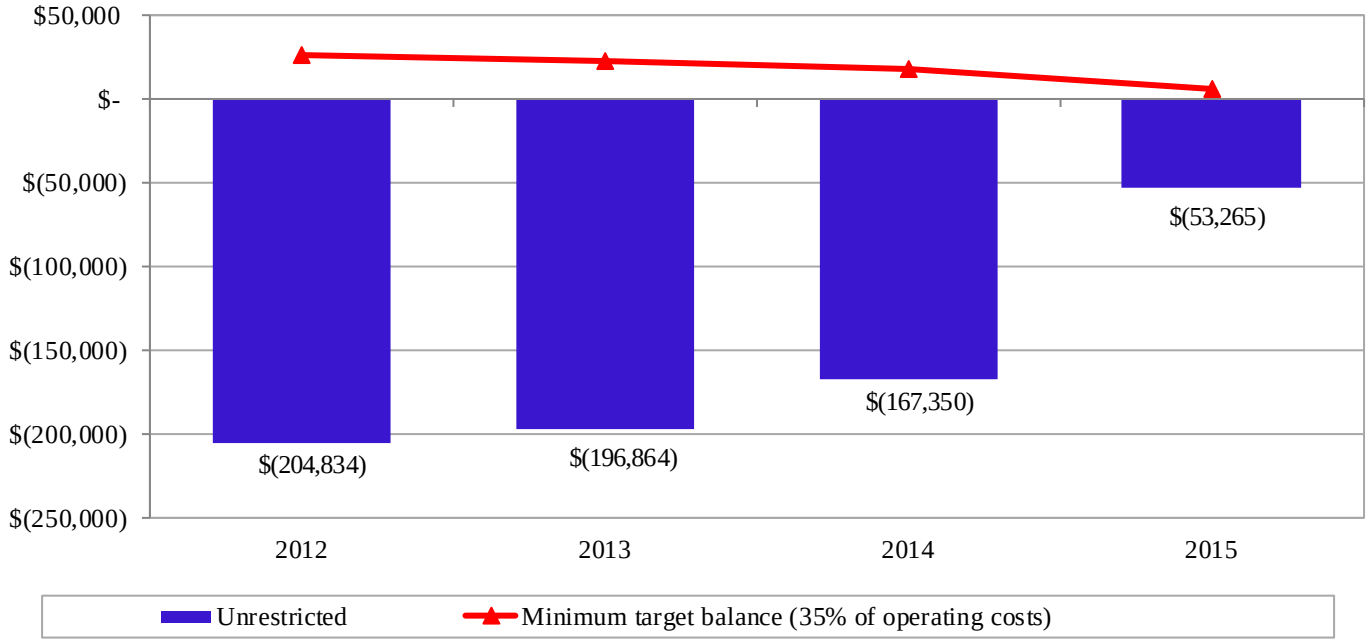
- Operating receipts (blue) were sufficient to cover operating costs (gray) the past four years, which has led to an increase in cash balance of roughly $51,000.
- With the deficit cash balance, the fund has been borrowing from other funds to operate.

We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and future capital needs.

Sewer Fund Cash Flow



Sewer Fund Cash Balance

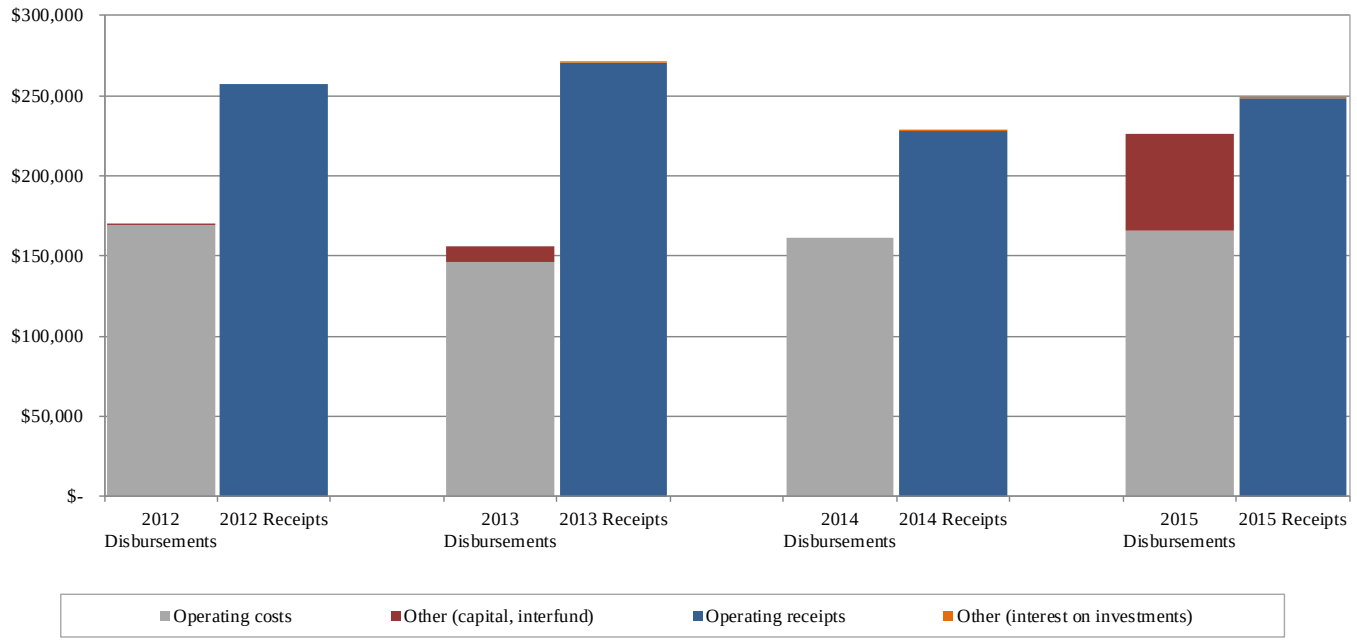


Some of the items with significant changes in the above charts are highlighted below

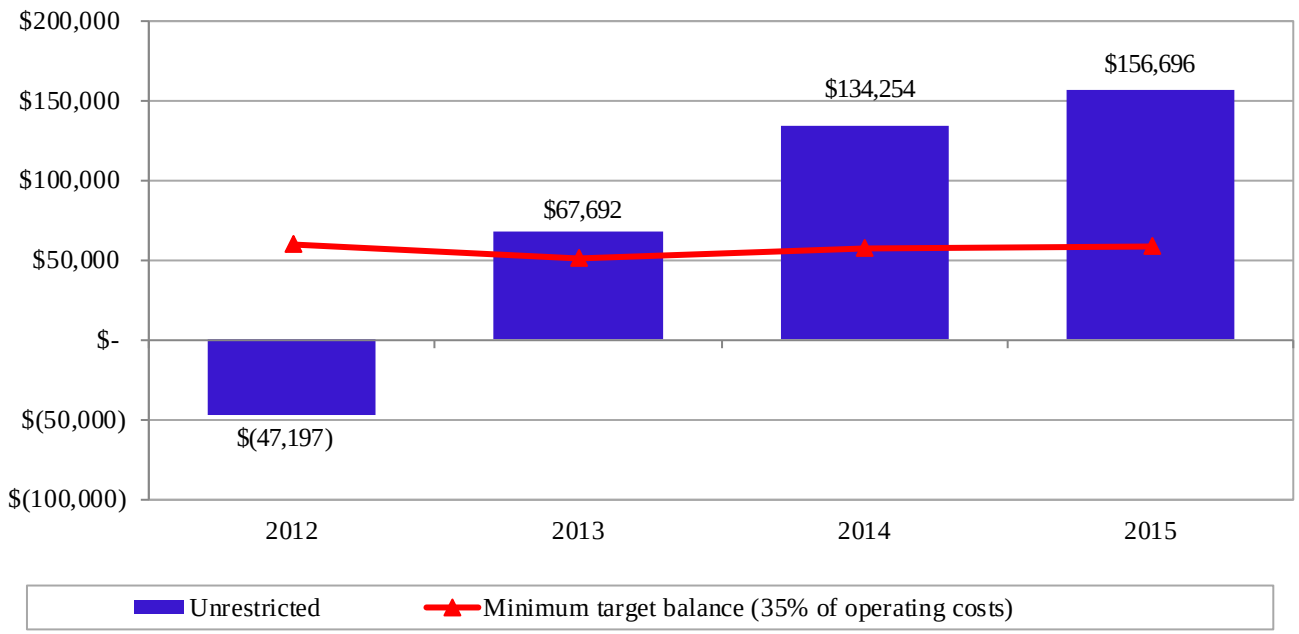
- Operating receipts (blue) were sufficient to cover operating costs (gray) the three of the past four years. However, the cash balance has increased roughly $151,000 from 2012.
- With the deficit cash balance, the fund has been borrowing from other funds to operate.

We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and future capital needs.

Ice Arena Cash Flow



Ice Arena Cash Balance



Some of the items with significant changes in the above charts are highlighted below:

- Operating receipts (blue) were sufficient to cover operating costs (gray) the past four years, which has led to increase in cash balance of roughly $204,000 since 2012.

Ratio Analysis

The following captures a few ratios from the City's financial statements that give some additional information for trend and peer group analysis. The peer group average is derived from information we have requested from the Office of the State Auditor for cities of the 3rd class (10,000 to 20,000). The majority of these ratios facilitate the use of economic resources focus and accrual basis of accounting at the government-wide level. A combination of liquidity (ability to pay its most immediate obligations), solvency (ability to pay its long-term obligations), funding (comparison of financial amounts and economic indicators to measure changes in financial capacity over time) and common-size (comparison of financial data with other cities regardless of size) ratios are shown below.

Ratio	Calculation	Source	2012	2013	2014	2015
Debt to assets	Total liabilities/total assets	Government-wide	42% *33%*	41% *32%*	40% *31%*	42% *N/A*
Debt per capita	Bonded debt/population	Government-wide	$ 1,917 *$ 2,641*	$ 1,862 *$ 2,637*	$ 1,807 *$ 2,369*	$ 1,823 *N/A*
Taxes per capita	Tax revenues/population	Government-wide	$ 395 *$ 465*	$ 394 *$ 485*	$ 457 *$ 492*	$ 467 *N/A*
Current expenditures per capita	Governmental fund current expenditures/population	Governmental funds	$ 379 *$ 601*	$ 368 *$ 633*	$ 370 *$ 650*	$ 407 *N/A*
Capital expenditures per capita	Governmental fund capital outlay/population	Governmental funds	$ 513 *$ 295*	$ 471 *$ 267*	$ 108 *$ 260*	$ 145 *N/A*
Capital assets % left to depreciate - Governmental	Net capital assets/ gross capital assets	Government-wide	54% *60%*	59% *59%*	56% *58%*	45% *N/A*
Capital assets % left to depreciate - Business-type	Net capital assets/ gross capital assets	Government-wide	72% *62%*	69% *61%*	66% *60%*	86% *N/A*

Represents the City of East Bethel
Represents Peer Group Average

Debt-to-Assets Leverage Ratio (Solvency Ratio)

The debt-to-assets leverage ratio is a comparison of a City's total liabilities to its total assets or the percentage of total assets that are provided by creditors. It indicates the degree to which the City's assets are financed through borrowings and other long-term obligations (i.e. a ratio of 50 percent would indicate half of the assets are financed with outstanding debt).

Bonded Debt per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total bonded debt by the population of the City and represents the amount of bonded debt obligation for each citizen of the City at the end of the year. The higher the amount, the more resources are needed in the future to retire these obligations through taxes, assessments or user fees.

Taxes per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total tax revenues by the population of the City and represents the amount of taxes for each citizen of the City for the year. The higher this amount is, the more reliant the City is on taxes to fund its operations.

Current Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total current governmental expenditures by the population of the City and represents the amount of governmental expenditures for each citizen of the City during the year. Since this is generally based on ongoing expenditures, we would expect consistent annual per capita results.

Capital Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total governmental capital outlay expenditures by the population of the City and represents the amount of capital expenditures for each citizen of the City during the year. Since projects are not always recurring, the per capita amount will fluctuate from year to year.

Capital Assets Percentage (Common-size Ratio)

This percentage represents the percent of governmental or business-type capital assets that are left to be depreciated. The lower this percentage, the older the City's capital assets are and may need major repairs or replacements in the near future. A higher percentage may indicate newer assets being constructed or purchased and may coincide with higher debt ratios or bonded debt per capita.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future the City financial statements: [(1)]

GASB Statement No. 72 - *Fair Value Measurement and Application*

Summary

This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Effective Date and Transition

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73 - *Accounting and financial reporting for pension and related assets that are not within the scope of GASB Statement No. 68, and amendments to certain provisions of GASB Statements No. 67 and No. 68*

Summary

The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

People + Process. Going Beyond the Numbers

Future Accounting Standard Changes - Continued

This Statement also clarifies the application of certain provisions of Statements 67 and 68 with regard to the following issues:

1. Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
2. Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.
3. Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

Effective Date and Transition

The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities.

GASB Statement No. 74 - *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*

Summary

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures.

Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans-defined benefit and defined contribution-administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

Effective Date and Transition

This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year. The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB plans will be improved by the changes related to the attribution method used to determine the total OPEB liability. The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension*

Summary

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

Effective Date

This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information, as follows:

- More robust disclosures of assumptions will allow for better informed assessments of the reasonableness of OPEB measurements.
- Explanations of how and why the OPEB liability changed from year to year will improve transparency.
- The summary OPEB liability information, including ratios, will offer an indication of the extent to which the total OPEB liability is covered by resources held by the OPEB plan, if any.
- For employers that provide benefits through OPEB plans that are administered through trusts that meet the specified criteria, the contribution schedules will provide measures to evaluate decisions related to contributions.

The consistency, comparability, and transparency of the information reported by employers and governmental nonemployer contributing entities about OPEB transactions will be improved by requiring:

- The use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources, rather than utilizing only the long-term expected rate of return regardless of whether the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and is expected to be invested using a strategy to achieve that return.
- A single method of attributing the actuarial present value of projected benefit payments to periods of employee service, rather than allowing a choice among six methods with additional variations.
- Immediate recognition in OPEB expense, rather than a choice of recognition periods, of the effects of changes of benefit terms.
- Recognition of OPEB expense that incorporates deferred outflows of resources and deferred inflows of resources related to OPEB over a defined, closed period, rather than a choice between an open or closed period.

GASB Statement No. 76 - *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Summary

The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.

Effective Date

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

How the Changes in This Statement Will Improve Financial Reporting

The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 77 - *Tax Abatement Disclosures*

Summary

Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.

- The gross dollar amount of taxes abated during the period.

- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

Effective Date and Transition

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.

GASB Statement No. 78 - *Pension Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*

Summary

The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

GASB Statement No. 79 - *Certain External Investment Pools and Pool Participants*

Summary

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015.

How the Changes in This Statement Will Improve Financial Reporting

This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

GASB Statement No. 80 - *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*

Summary

The objective of the Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*.

This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

Future Accounting Standard Changes - Continued

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability.

(1) *Note*. From GASB Pronouncements Summaries. Copyright 2015 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

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Restriction on Use

This communication is intended solely for the information and use of City Council, management, others within the City, and the Minnesota Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendation in this report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 22, 2016

People + Process. Going Beyond the Numbers

Annual Financial Report

City of East Bethel

East Bethel, Minnesota

For the Year Ended
December 31, 2015

ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

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CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015

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INTRODUCTORY SECTION

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

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CITY OF EAST BETHEL, MINNESOTA
CITY COUNCIL AND OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2015

CITY COUNCIL

Name	Title	Term Expires
Steven Voss	Mayor	12/31/16
Tim Harrington	Council Member	12/31/18
Ron Koller	Council Member	12/31/16
Brian Mundle	Council Member	12/31/18
Tom Ronning	Council Member	12/31/16

CITY OFFICIALS

Jack Davis	City Administrator
Nate Ayshford	Public Works Manager
Mark DuCharme	Fire Chief
Nick Schmitz	Building Official
Mike Jeziorski	Finance Director
Colleen Winter	Community Development Director

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FINANCIAL SECTION

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

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ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of East Bethel, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

5201 Eden Avenue, Suite 250
Edina, MN 55436
952.835.9090 | Fax 952.835.3261

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Other Matters

Change in Accounting Standards

As described in Note 7 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68,* for the year ended December 31, 2015. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting of page 15 and the Schedule of Employer's Shares of the Net Pension Liability and the Schedule of Employer's Contributions starting on page 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 22, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 22, 2016

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Management's Discussion and Analysis

As management of the City of East Bethel, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by $31,321,437 (net position). Of this amount, $2,069,188 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position decreased $620,072. Of the total, governmental activities decreased $12,777,707 and the business-type activities increased $12,157,635. The large decrease and increase was due to governmental activities capital contribution of capital assets to the business-type activities of $12,871,707.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $6,970,977, an increase of $709,800 from the prior fiscal year.

- At the end of the fiscal year the General fund had a fund balance of $2,625,807. The ending fund balance is 52.8 percent of the 2016 budget.

- The City's total noncurrent liabilities increased$1,163,140 during the current fiscal year as a result of implemented GASB 68 and the related pension liability.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combing and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide fund financial statements that include details about nonmajor special revenue governmental funds, which are added together and presented in single columns in the basic financial statements.

Figure 1
Organization of East Bethel
Annual Financial Report

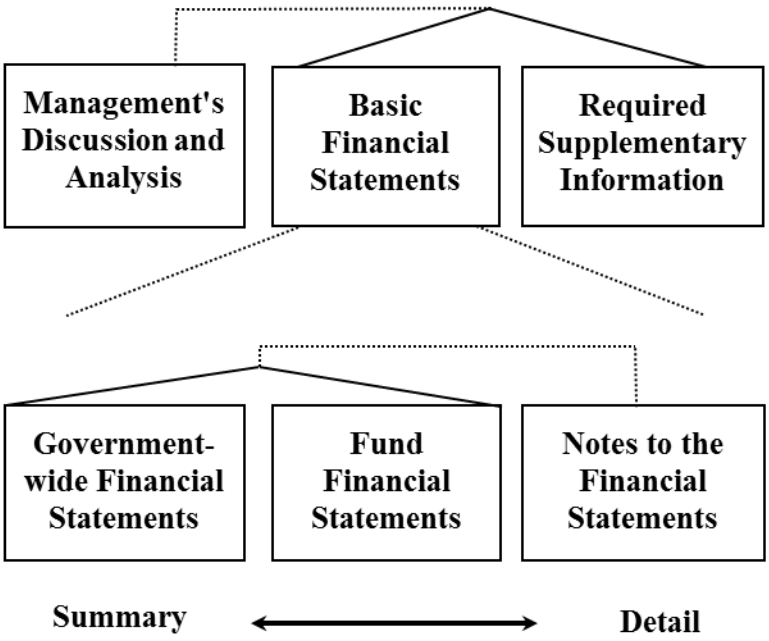


Figure 2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure 2
Major features of the Government-wide and Fund Financial Statements

		Fund Financial Statements	
	Government-wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire City government and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, public works and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statements of Net Position • Statements of Revenues, Expenses and Changes in Net Position • Statements of Cash Flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid
Type of in flow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows or resources, liabilities and deferred inflows of resources, with the difference between the them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, miscellaneous, and interest on long-term debt. The business-type activities of the City include an arena, wastewater treatment and water utility.

The government-wide financial statements start on page 27 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

***Governmental funds*.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 24 individual governmental funds, seven of which are Debt Service funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, Debt Service fund, and the Municipal State Aid Street Improvement fund, all of which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements or schedules* elsewhere in this report.

The City adopts an annually appropriated budget for its General fund and many of its special revenue funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements start on page 32 of this report.

Proprietary funds. The City maintains three enterprise funds and two internal service funds of the proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. Because the Internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sewer utility and arena operations. The City uses internal services funds for compensated absences and equipment replacement.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of c*ombining statements* elsewhere in this report.

The basic proprietary fund financial statements start on page 37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government–wide and fund financial statements. The notes to the financial statements start on page 43 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules start on page 70 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $31,321,437 at the close of the most recent fiscal year.

The largest portion of the City's net position $26,048,271 or 83.2 percent reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, sewer main lines and storm sewers, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities			Business-type Activities		
	2015	2014	Increase (Decrease)	2015	2014	Increase (Decrease)
Current and other assets	$ 9,629,140	$ 8,578,004	$ 1,051,136	$ 65,454	$ (97,819)	$ 163,273
Capital assets	28,633,569	42,316,722	(13,683,153)	15,866,279	3,762,701	12,103,578
Total assets	38,262,709	50,894,726	(12,632,017)	15,931,733	3,664,882	12,266,851
Deferred outflows of resources	208,063	-	208,063	-	-	-
Long-term liabilities outstanding	22,145,926	21,063,323	1,082,603	99,940	-	99,940
Other liabilities	562,726	854,420	(291,694)	43,292	34,016	9,276
Total liabilities	22,708,652	21,917,743	790,909	143,232	34,016	109,216
Deferred inflows of resources	229,184	-	229,184	-	-	-
Net assets						
Net investment in capital assets	10,181,992	24,049,342	(13,867,350)	15,866,279	3,762,701	12,103,578
Restricted	3,203,978	2,700,704	503,274	-	-	-
Unrestricted	2,146,966	2,226,937	(79,971)	(77,778)	(131,835)	54,057
Total net position	$ 15,532,936	$ 28,976,983	$(13,444,047)	$ 15,788,501	$ 3,630,866	$ 12,157,635

A portion of the of the City's net position $3,203,978 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position $2,069,188 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for its governmental activities.

Governmental Activities

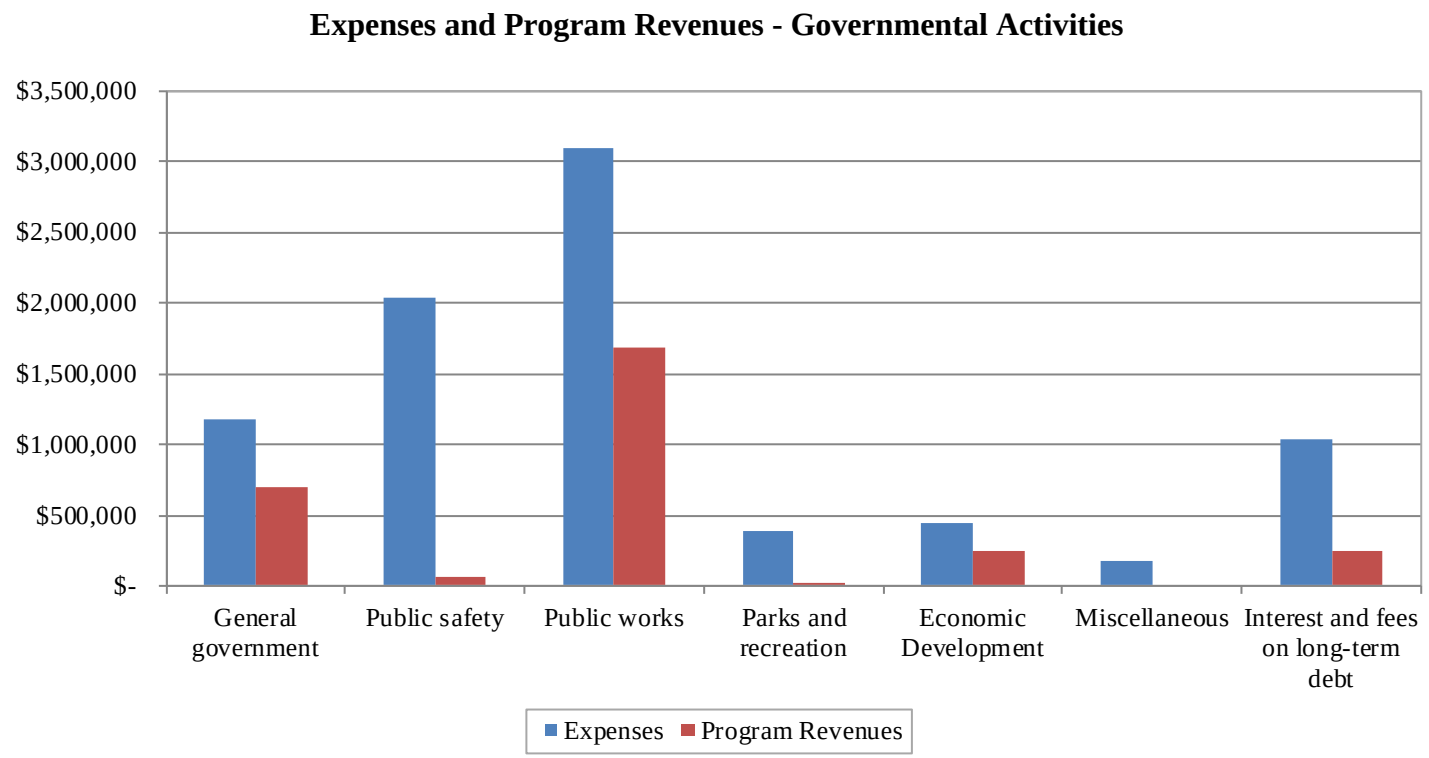
Governmental activities decreased the City's net position $12,777,707 and business-type net position increased by $12,157,635 during the year. Key elements of the changes in net position are as follows:

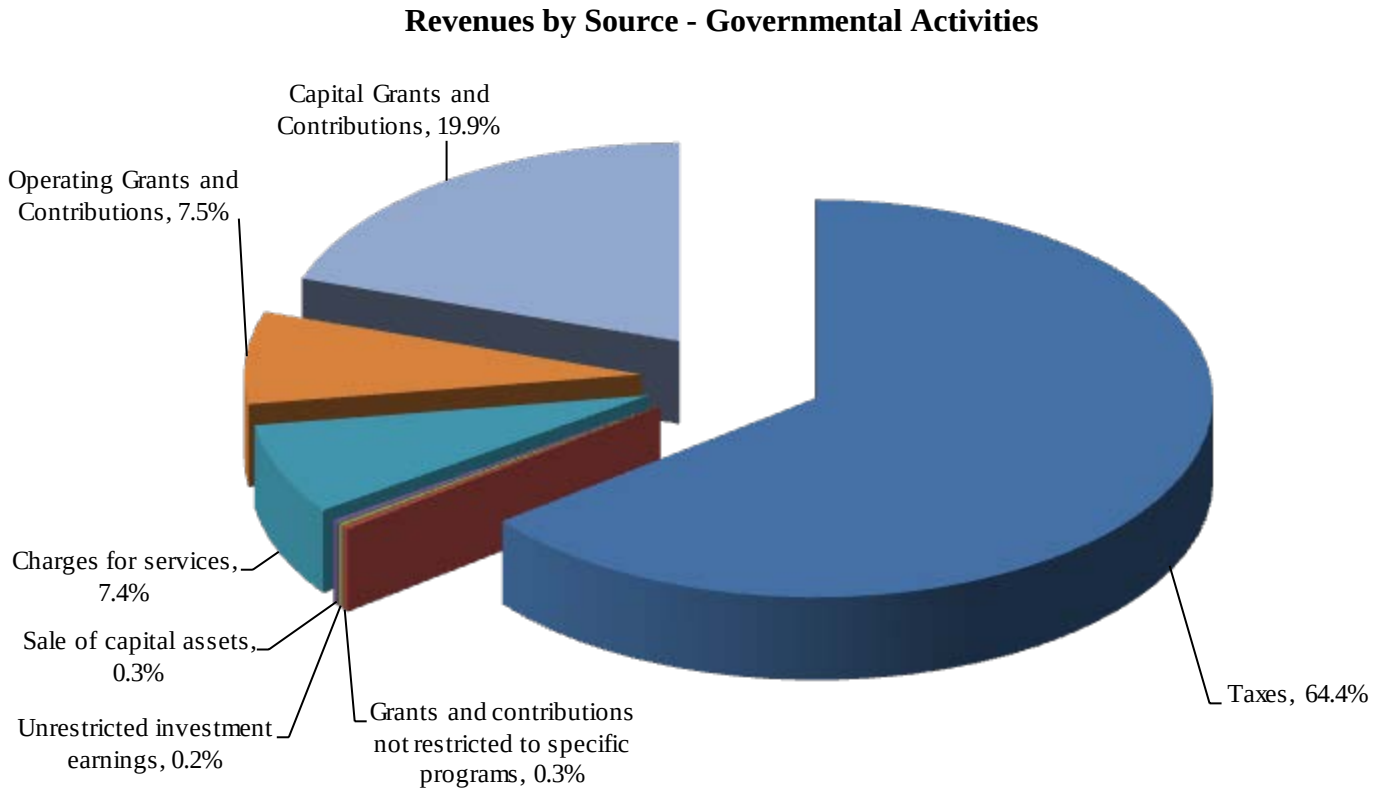
City of East Bethel's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2015	2014	Increase (Decrease)	2015	2014	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	$ 625,831	$ 600,465	$ 25,366	$ 403,772	$ 395,230	$ 8,542
Operating grants and contributions	635,455	545,666	89,789	-	-	-
Capital grants and contributions	1,676,343	918,042	758,301	45,292	-	45,292
General revenues						
Taxes	5,441,716	5,295,305	146,411	-	-	-
Grants and contributions not restricted to specific programs	24,210	32,071	(7,861)	-	-	-
Unrestricted investment earnings	20,257	6,148	14,109	161	68	93
Sale of capital assets	26,592	8,027	18,565	1,669	-	1,669
Total revenues	8,450,404	7,405,724	1,044,680	450,894	395,298	55,596
Expenses						
General government	1,183,009	1,128,363	54,646	-	-	-
Public safety	2,040,870	1,972,600	68,270	-	-	-
Public works	3,093,318	2,967,530	125,788	-	-	-
Parks and recreation	383,017	465,194	(82,177)	-	-	-
Economic Development	443,350	111,832	331,518	-	-	-
Miscellaneous	180,256	190,678	(10,422)	-	-	-
Water utility	-	-	-	326,508	169,060	157,448
Sewer utility	-	-	-	610,060	72,572	537,488
Ice arena	-	-	-	228,398	233,559	(5,161)
Interest on long-term debt	1,032,584	1,178,955	(146,371)	-	-	-
Total expenses	8,356,404	8,015,152	341,252	1,164,966	475,191	689,775
Change in net position before transfers	94,000	(609,428)	703,428	(714,072)	(79,893)	(634,179)
Capital transfer	(12,871,707)	-	(12,871,707)	12,871,707	-	12,871,707
Change in net position	(12,777,707)	(609,428)	(12,168,279)	12,157,635	(79,893)	12,237,528
Net position, January 1 as restated (Note 7)*	28,310,643	29,586,411	(1,275,768)	3,630,866	3,710,759	(79,893)
Net position, December 31	$ 15,532,936	$ 28,976,983	$(13,444,047)	$ 15,788,501	$ 3,630,866	$ 12,157,635

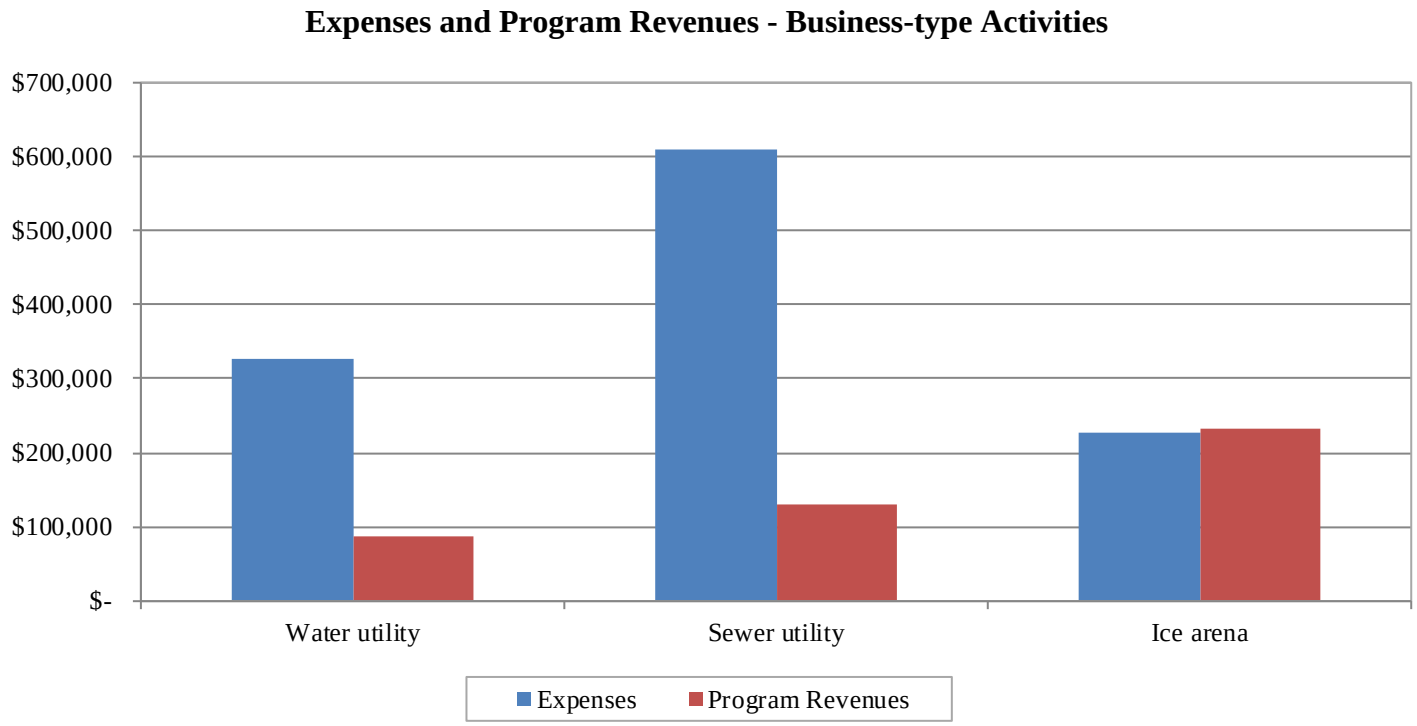
* GASB Statement No. 68 was implemented for the year ended December 31, 2015 and required a restatement of beginning governmental activities net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2014 and beginning net position on January 1, 2015. See Note 7.

Below are specific graphs which provide comparisons of the governmental activities program revenues and expenditures:





Business-type activities. Business-type activities increased net position by $12,157,635. Below are graphs showing the business-type activities revenue and expense comparisons:



All of the revenues from Business-type activities come from charges for services.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $6,970,977, an increase of $709,800 in comparison with the prior year. Approximately 37.5 percent of this total amount ($2,612,481) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance ($4,358,496) is not available for new spending because it is either 1) nonspendable $13,326 2) restricted ($3,167,049) or 3) assigned ($1,178,121). For further classification refer to Note 3F on page 58 of this report.

The General fund balance increased by $330,705 in 2015. The fund also transferred $525,000 to fund future capital projects.

The Debt Service fund has a total fund balance of $1,941,617 which is entirely restricted for the payment of debt service. The fund balance increased by $377,723 in 2015.

The Municipal State Aid Street Improvement fund increased $35,610 MSA monies exceeding costs associated with street projects.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to -$77,778. The total increase in net position for the funds was $12,157,635. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's budget was not amended in 2015 and called for no change in fund balance. Some of the line items with significant variances from the final budget are highlighted below:

During the year, revenues were more than budget by $193,290 and expenditures were less than budgetary estimates by $114,118. The net result was a $330,705 increase in the General fund. Some of the significant variances can be briefly summarized as follows:

- All revenues classifications were over budget, with the exception of fine and forfeitures which was under budget by $10,151.
- All expenditure departments were under budget with the exception of public safety which was over budget by $14,899.
- The General fund had transfers in of $23,297 which was due to the closing of funds.

Capital Asset and Debt Administration

Capital assets. The City's, investment in capital assets for its governmental and business type activities as of December 31, 2015, amounts to $44,499,848 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, sewer main lines, water lines and wells, storm sewers, and infrastructure.

East Bethel's Capital Assets
(net of accumulated depreciation)

	Governmental Activities			Business-type Activities		
	2015	2014	Increase (Decrease)	2015	2014	Increase (Decrease)
Land	$ 887,546	$ 887,546	$ -	$ 30,000	$ 30,000	$ -
Construction in progress	1,168,651	13,170,422	(12,001,771)	-	-	-
Buildings and structures	2,575,659	2,780,238	(204,579)	464,110	483,022	(18,912)
Machinery and equipment	1,916,194	2,063,698	(147,504)	11,808	7,763	4,045
Park improvements	644,917	699,419	(54,502)	-	-	-
Sewer main lines and storm sewers	1,075,029	1,096,966	(21,937)	-	-	-
Infrastructure	20,365,573	21,618,433	(1,252,860)	15,360,361	3,241,916	12,118,445
Total capital assets	$ 28,633,569	$ 42,316,722	$(13,683,153)	$ 15,866,279	$ 3,762,701	$ 12,103,578

Additional information on the City's capital assets can be found in Note 3C starting on page 53 of this report.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of $22,099,251 an increase of $1,163,140 from 2014.

All debt outstanding at year-end is general obligation debt, which are backed by the full faith and credit of the City. Some of the general obligation bonds have specific revenue sourced pledged other than property taxes, but in the event those other sources were insufficient, the City would be required to the he shortfall through property taxes.

The City's long-term debt at December 31, 2015 is as follows:

City of East Bethel's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2015	2014	Increase (Decrease)	2015	2014	Increase (Decrease)
General obligation improvement bonds	$ 2,495,000	$ 2,625,000	$ (130,000)	$ -	$ -	$ -
General obligation revenue bonds	18,529,997	18,311,111	218,886	-	-	-
Loan payable	-	-	-	99,940	-	99,940
Pension liability	974,314	-	974,314	-	-	-
Totals	$ 21,999,311	$20,936,111	$ 1,063,200	$ 99,940	$ -	$ 99,940

Standard and Poors upgraded the City's bond rating to AA for its latest bond issue.

State statutes limit the amount of general obligation debt a Minnesota city may issue to three percent of total Estimated Market Value. The current debt limitation for the City is $25,963,434. Of the City's outstanding debt, $1,175,000 is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 3E starting on page 55 of this report.

Economic Factors and next year's budget

- Residential building activity is expected to show improvement as the overall housing market improves.
- The City adopted a General Fund Budget for 2016 that was 2.6 percent higher than 2015.
- The City adopted an Overall City Levy for 2016 that was 1.5 percent higher than 2015.

Requests for Information. This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 2241 221st Avenue N.E., East Bethel, Minnesota 55011.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

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CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 8,614,598	$ 39,447	$ 8,654,045
Receivables			
Accrued Interest	7,812	-	7,812
Taxes	231,224	-	231,224
Special assessments	306,866	8,100	314,966
Accounts	8,411	17,832	26,243
Loans	10,223	-	10,223
Due from other governments	85,994	-	85,994
Prepaid items	13,326	75	13,401
Net pension asset	350,686	-	350,686
Capital assets			
Land and construction in progress	2,056,197	30,000	2,086,197
Depreciable assets (net of accumulated depreciation)	26,577,372	15,836,279	42,413,651
TOTAL ASSETS	38,262,709	15,931,733	54,194,442
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension resources	208,063	-	208,063
LIABILITIES			
Accounts and contracts payable	172,319	14,988	187,307
Due to other governments	-	11,400	11,400
Salaries payable	37,153	504	37,657
Accrued interest payable	295,441	-	295,441
Deposits payable	54,784	-	54,784
Unearned revenue	3,029	16,400	19,429
Noncurrent liabilities			
Due within one year	1,294,531	20,735	1,315,266
Due in more than one year	20,851,395	79,205	20,930,600
TOTAL LIABILITIES	22,708,652	143,232	22,851,884
DEFERRED INFLOWS OF RESOURCES			
Deferred pension resources	229,184	-	229,184
NET POSITION			
Net investment in capital assets	10,181,992	15,866,279	26,048,271
Restricted for			
Municipal state aid streets	39,584	-	39,584
Water infrastructure construction	270,146	-	270,146
Debt service	1,940,550	-	1,940,550
Recycling	55,566	-	55,566
Equipment	3,745	-	3,745
Housing and redevelopment	747,508	-	747,508
Economic development	116,758	-	116,758
Park development	30,121	-	30,121
Unrestricted	2,146,966	(77,778)	2,069,188
TOTAL NET POSITION	$ 15,532,936	$ 15,788,501	$ 31,321,437

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Government activities				
General government	$ 1,183,009	$ 609,239	$ 84,000	$ -
Public safety	2,040,870	-	66,249	-
Public works	3,093,318	6,049	-	1,676,343
Culture and recreation	383,017	4,870	-	-
Housing and economic development	443,350	-	239,885	-
Miscellaneous	180,256	-	-	-
Interest on long-term debt	1,032,584	5,673	245,321	-
Total government activities	8,356,404	625,831	635,455	1,676,343
Business-type activities				
Water utility	326,508	65,163	-	23,100
Sewer utility	610,060	106,888	-	22,192
Ice arena	228,398	231,721	-	-
Total business-type activities	1,164,966	403,772	-	45,292
Total primary government	$ 9,521,370	$ 1,029,603	$ 635,455	$ 1,721,635

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Tax increment
Franchise taxes
Gambling tax
Grants and contributions not restricted to specific programs
Unrestricted investment earnings
Sale of capital assets
Capital transfer

Total general revenues and capital transfers

Change in net position

Net position, January 1 as restated (Note 7)

Net position, December 31

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (489,770)	$ -	$ (489,770)
(1,974,621)	-	(1,974,621)
(1,410,926)	-	(1,410,926)
(378,147)	-	(378,147)
(203,465)	-	(203,465)
(180,256)	-	(180,256)
(781,590)	-	(781,590)
(5,418,775)	-	(5,418,775)
-	(238,245)	(238,245)
-	(480,980)	(480,980)
-	3,323	3,323
-	(715,902)	(715,902)
(5,418,775)	(715,902)	(6,134,677)
4,174,710	-	4,174,710
1,125,510	-	1,125,510
57,420	-	57,420
58,877	-	58,877
25,199	-	25,199
24,210	-	24,210
20,257	161	20,418
26,592	1,669	28,261
(12,871,707)	12,871,707	-
(7,358,932)	12,873,537	5,514,605
(12,777,707)	12,157,635	(620,072)
28,310,643	3,630,866	31,941,509
$ 15,532,936	$ 15,788,501	$ 31,321,437

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FUND FINANCIAL STATEMENTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

CITY OF EAST BETHEL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	101 General	300's Debt Service	402 Municipal State Aid Street Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 2,678,837	$ 1,923,107	$ 109,801	$ 2,314,563	$ 7,026,308
Receivables					
Taxes	185,957	40,048	-	5,219	231,224
Special assessments	-	272,115	-	34,751	306,866
Accounts	7,690	721	-	-	8,411
Loans	7,812	-	-	10,223	18,035
Due from other governments	13,393	-	-	72,601	85,994
Prepaid items	13,326	-	-	-	13,326
TOTAL ASSETS	$ 2,907,015	$ 2,235,991	$ 109,801	$ 2,437,357	$ 7,690,164
LIABILITIES					
Accounts and contracts payable	$ 88,919	$ -	$ 70,217	$ 18,767	$ 177,903
Salaries payable	31,569	-	-	-	31,569
Deposits payable	38,159	-	-	16,625	54,784
Unearned revenue	3,029	-	-	-	3,029
TOTAL LIABILITIES	161,676	-	70,217	35,392	267,285
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	119,532	23,318	-	3,245	146,095
Unavailable revenue - special assessments	-	271,056	-	34,751	305,807
TOTAL DEFERRED INFLOWS OF RESOURCES	119,532	294,374	-	37,996	451,902
FUND BALANCES					
Nonspendable	13,326	-	-	-	13,326
Restricted	-	1,941,617	39,584	1,185,848	3,167,049
Assigned	-	-	-	1,178,121	1,178,121
Unassigned	2,612,481	-	-	-	2,612,481
TOTAL FUND BALANCES	2,625,807	1,941,617	39,584	2,363,969	6,970,977
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,907,015	$ 2,235,991	$ 109,801	$ 2,437,357	$ 7,690,164

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

Amounts reported for governmental activities in the statement of net position are different because

Total fund balances - governmental	$ 6,970,977
Long-term assets from pensions reported in governmental activities are not financial and therefore are not reported as assets in governmental funds.	350,686
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	63,588,231
Less accumulated depreciation	(36,733,402)
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Noncurrent liabilities at year-end consist of	
Premium on bonds	(161,407)
Bonds payable	(20,863,590)
Pension liability	(974,314)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.	
Delinquent taxes receivable	146,095
Special assessments receivable	305,807
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	208,063
Deferred inflows of pension resources	(229,184)
Governmental funds do not report a liability for accrued interest until due and payable.	(295,441)
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities are included in the governmental statement of net position	3,220,415
Net position of governmental activities	$15,532,936

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	101	300's	402		
	General	Debt Service	Municipal State Aid Street Improvement Fund	Other Governmental Funds	Total
REVENUES					
Taxes	$ 4,156,080	$ 1,125,510	$ -	$ 180,880	$ 5,462,470
Licenses and permits	298,966	-	-	-	298,966
Intergovernmental	291,525	245,321	1,167,454	342,605	2,046,905
Charges for services	185,579	5,673	-	4,000	195,252
Fines and forfeitures	45,049	-	-	-	45,049
Special assessments	-	70,355	-	1,060	71,415
Interest on investments	10,377	2,073	313	5,116	17,879
Miscellaneous	54,414	-	-	13,430	67,844
TOTAL REVENUES	5,041,990	1,448,932	1,167,767	547,091	8,205,780
EXPENDITURES					
Current					
General government	1,047,189	-	-	3,898	1,051,087
Public safety	1,843,799	-	-	-	1,843,799
Public works	760,421	-	-	105,724	866,145
Culture and recreation	377,917	-	-	5,099	383,016
Housing and economic development	-	-	-	389,615	389,615
Miscellaneous	180,256	-	-	-	180,256
Capital outlay					
Public works	-	-	1,132,157	483,631	1,615,788
Culture and recreation	-	-	-	13,038	13,038
Housing and economic development	-	-	-	53,735	53,735
Debt service					
Principal	-	288,000	-	-	288,000
Interest and other	-	1,017,434	-	-	1,017,434
Bond issuance costs	-	179,067	-	-	179,067
TOTAL EXPENDITURES	4,209,582	1,484,501	1,132,157	1,054,740	7,880,980
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	832,408	(35,569)	35,610	(507,649)	324,800
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	11,850,000	-	-	11,850,000
Principal paid on refunded bonds	-	(11,465,000)	-	-	(11,465,000)
Transfers in	23,297	29,419	-	525,000	577,716
Transfers out	(525,000)	(1,127)	-	(51,589)	(577,716)
TOTAL OTHER FINANCING SOURCES (USES)	(501,703)	413,292	-	473,411	385,000
NET CHANGE IN FUND BALANCES	330,705	377,723	35,610	(34,238)	709,800
FUND BALANCES, JANUARY 1	2,295,102	1,563,894	3,974	2,398,207	6,261,177
FUND BALANCES, DECEMBER 31	$ 2,625,807	$ 1,941,617	$ 39,584	$ 2,363,969	$ 6,970,977

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Amounts reported for governmental activities in the statement of activities are different because

Net changes in fund balances - total governmental funds	$ 709,800
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(2,310,744)
Capital outlay	1,611,556
Capital contribution to enterprise funds	(12,871,707)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.	
Amortization of bond premium	8,114
Debt issued	(11,850,000)
Principal payments on bonds payable	11,753,000
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	155,803
Long-term pension activity is not reported in governmental funds.	
Pension expense	21,591
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	(20,754)
Special assessments	(23,292)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of internal service funds are reported with governmental activities	
Consolidation of internal service fund activities with governmental activities	38,926
Change in net position of governmental activities	$ (12,777,707)

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 4,093,500	$ 4,093,500	$ 4,156,080	$ 62,580
Licenses and permits	246,500	246,500	298,966	52,466
Intergovernmental	248,600	248,600	291,525	42,925
Charges for services	161,400	161,400	185,579	24,179
Fines and forfeitures	55,200	55,200	45,049	(10,151)
Interest on investments	2,000	2,000	10,377	8,377
Miscellaneous	41,500	41,500	54,414	12,914
TOTAL REVENUES	4,848,700	4,848,700	5,041,990	193,290
EXPENDITURES				
Current				
General government	1,074,900	1,074,900	1,047,189	27,711
Public safety	1,828,900	1,828,900	1,843,799	(14,899)
Public works	816,400	816,400	760,421	55,979
Culture and recreation	396,500	396,500	377,917	18,583
Miscellaneous	207,000	207,000	180,256	26,744
TOTAL EXPENDITURES	4,323,700	4,323,700	4,209,582	114,118
EXCESS OF REVENUES OVER EXPENDITURES	525,000	525,000	832,408	307,408
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	23,297	23,297
Transfers out	(525,000)	(525,000)	(525,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(525,000)	(525,000)	(501,703)	23,297
NET CHANGE IN FUND BALANCES	-	-	330,705	330,705
FUND BALANCES, JANUARY 1	2,295,102	2,295,102	2,295,102	-
FUND BALANCES, DECEMBER 31	$ 2,295,102	$ 2,295,102	$ 2,625,807	$ 330,705

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	601 Water Utility	**602** Sewer Utility	**615** Ice Arena	Total	
ASSETS					
CURRENT ASSETS					
Cash and investments	$ (63,984)	$ (53,265)	$ 156,696	$ 39,447	$ 1,588,290
Receivables					
Special assessments	5,679	2,421	-	8,100	-
Accounts	6,586	11,246	-	17,832	-
Prepaid items	-	-	75	75	-
TOTAL CURRENT ASSETS	(51,719)	(39,598)	156,771	65,454	1,588,290
NONCURRENT ASSETS					
Capital assets					
Land	-	-	30,000	30,000	-
Buildings and structures	-	-	1,535,440	1,535,440	-
Machinery and equipment	-	-	15,278	15,278	3,008,395
Infrastructure	8,021,242	8,775,139	-	16,796,381	-
Less accumulated depreciation	(790,131)	(645,890)	(1,074,799)	(2,510,820)	(1,229,655)
Total capital assets (net of accumulated depreciation)	7,231,111	8,129,249	505,919	15,866,279	1,778,740
TOTAL ASSETS	7,179,392	8,089,651	662,690	15,931,733	3,367,030
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	2,441	-	12,072	14,513	-
Due to other governments	-	11,875	-	11,875	-
Salaries payable	252	252	-	504	-
Compensated absences payable- current portion	-	-	-	-	121,531
Unearned revenue	-	-	16,400	16,400	-
Loan payable - current portion	-	20,735	-	20,735	-
TOTAL CURRENT LIABILITIES	2,693	32,862	28,472	64,027	121,531
NONCURRENT LIABILITIES					
Compensated absences payable - noncurrent portion	-	-	-	-	25,084
Loan payable - noncurrent portion	-	79,205		79,205	-
TOTAL NONCURRENT LIABILITIES	-	79,205	-	79,205	25,084
TOTAL LIABILITIES	2,693	112,067	28,472	143,232	146,615
NET POSITION					
Net investment in capital assets	7,231,111	8,129,249	505,919	15,866,279	1,778,740
Unrestricted	(54,412)	(151,665)	128,299	(77,778)	1,441,675
TOTAL NET POSITION	$ 7,176,699	$ 7,977,584	$ 634,218	$ 15,788,501	$ 3,220,415

The notes to the financial statements are an integral part of this statement.

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CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	601 Water Utility	**602** Sewer Utility	**615** Ice Arena	Total	
OPERATING REVENUES					
Ice rentals and related revenue	$ -	$ -	$ 183,387	$ 183,387	$ -
Rentals, signs, lockers and tower	-	-	8,175	8,175	-
Dry floor events	-	-	5,430	5,430	-
Concession revenue	-	-	2,229	2,229	-
Charges for services	65,163	106,888	32,500	204,551	279,290
TOTAL OPERATING REVENUES	65,163	106,888	231,721	403,772	279,290
OPERATING EXPENSES					
Personnel services	19,360	19,412	-	38,772	19,590
Repairs and maintenance	4,039	167	11,301	15,507	-
Utilities	19,525	3,767	49,031	72,323	-
Professional services	801	-	80,232	81,033	-
Supplies	9,825	295	12,453	22,573	2,595
Other services and charges	1,480	4,695	191	6,366	-
Depreciation	271,478	292,505	75,190	639,173	247,149
TOTAL OPERATING EXPENSES	326,508	320,841	228,398	875,747	269,334
OPERATING INCOME (LOSS)	(261,345)	(213,953)	3,323	(471,975)	9,956
NONOPERATING REVENUES (EXPENSES)					
Sale of capital assets	-	1,669	-	1,669	26,592
Interest on investments	-	-	161	161	2,378
Loss on disposal of capital asset	-	(189,279)	-	(189,279)	-
Financing charge	-	(99,940)	-	(99,940)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	-	(287,550)	161	(287,389)	28,970
INCOME (LOSS) BEFORE CONTRIBUTIONS	(261,345)	(501,503)	3,484	(759,364)	38,926
CAPITAL CONTRIBUTIONS	4,512,318	8,404,681	-	12,916,999	-
CHANGE IN NET POSITION	4,250,973	7,903,178	3,484	12,157,635	38,926
NET POSITION, JANUARY 1	2,925,726	74,406	630,734	3,630,866	3,181,489
NET POSITION, DECEMBER 31	$ 7,176,699	$ 7,977,584	$ 634,218	$ 15,788,501	$ 3,220,415

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	601 Water Utility	**602** Sewer Utility	**615** Ice Arena	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 67,438	$ 107,126	$ 248,121	$ 422,685	$ -
Receipts from interfund services provided	-	-	-	-	279,103
Payments to suppliers	(39,729)	3,039	(165,517)	(202,207)	(8,628)
Payments to employees	(19,889)	(19,941)	-	(39,830)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	7,820	90,224	82,604	180,648	270,475
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Payments received on interfund loan	-	-	-	-	2,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	(60,323)	(60,323)	(134,890)
Connection fees received	23,100	22,192	-	-	-
Proceeds from sale of capital assets	-	1,669	-	1,669	26,592
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	23,100	23,861	(60,323)	(6,822)	(108,298)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received on investments	-	-	161	161	2,377
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,920	114,085	22,442	167,447	167,476
CASH AND CASH EQUIVALENTS, JANUARY 1	(94,904)	(167,350)	134,254	(128,000)	1,420,814
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ (63,984)	$ (53,265)	$ 156,696	$ 39,447	$ 1,588,290

The notes to the financial statements are an integral part of this statement.

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	601 Water Utility	**602** Sewer Utility	**615** Ice Arena	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	$ (261,345)	$ (213,953)	$ 3,323	$ (471,975)	$ 9,956
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities					
Depreciation expense	271,478	292,505	75,190	639,173	247,149
(Increase) decrease in assets					
Accounts receivable	5,414	119	-	5,533	-
Special assessments receivable	(3,139)	119	-	(3,020)	-
Prepaids	652	704	305	1,661	-
Increase (decrease) in liabilities					
Accounts payable	(4,711)	11,259	(12,614)	(6,066)	(6,033)
Accrued salaries/compensated absences payable	(529)	(529)	-	(1,058)	19,403
Unearned revenue	-	-	16,400	16,400	-
Total adjustments	269,165	304,177	79,281	652,623	260,519
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 7,820	$ 90,224	$ 82,604	$ 180,648	$ 270,475
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Disposal of capital assets	$ -	$ 189,279	$ -	$ 189,279	$ -
Transfer of capital assets from governmental activities	$ 4,489,218	$ 8,382,489	$ -	$ 12,871,707	$ -
Financing charge	$ -	$ 99,940	$ -	$ 99,940	$ -

The notes to the financial statements are an integral part of this statement.

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Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of East Bethel, Minnesota (the City) was incorporated in 1958 and has operated under the State of Minnesota Statutory Plan A form of government since 1974. The governing body consists of a five-member City Council elected by voters of the City.

The City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units for which the City has been determined to be financially accountable can be blended with the primary government or be included as a discrete presentation. Included in the City's reporting entity, based upon the application of these criteria, are the following blended component units.

The City has two component units - the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA), both of which are considered blended component units.

Housing and Redevelopment Authority

The HRA was created by the City to carry out certain redevelopment projects. The five-member Board of Directors is appointed by the City Council and currently is comprised of the members of the City Council. The City can significantly influence the programs and activities and the City has a financial benefit and burden related to the HRA. The HRA is accounted for using the modified accrual basis of accounting, and as such is reported as a special revenue fund. Separate financial statements for the HRA are not prepared.

Economic Development Authority

The EDA was created by the City to carry out economic development with the City. The seven-member Board consists of two city council members and five appointed members. The City can significantly influence the program and activities and the City has a financial benefit and burden related to the EDA. The EDA is accounted for using the modified accrual basis of accounting, and as such is reported as a special revenue fund. Separate financial statements for the EDA are not prepared.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Description of funds

The City reports the following major governmental funds

The *General fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Municipal State Aid Street Improvement fund* is used to account for municipal state aid received for street improvement projects.

The City reports the following major proprietary funds

The *Water Utility fund* accounts for water service activities to operate the water utility system.

The S*ewer Utility fund* accounts for sewer service activities to operate the sanitary sewer system.

The *Ice Arena fund* accounts for operations of the City's ice arena.

Additionally, the City reports the following fund type:

Internal service funds are used to account for the costs associated with employees' compensated absences and to account for the funding of major equipment necessary for City operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, sewer, and arena enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for an allowable use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position/fund balance

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, commercial paper, government securities and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Investments for the City are reported at fair value. Earnings on investments are allocated to the individual funds based upon the average of month-end cash and investment balances. The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.

2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.

3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.

4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.

5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.

6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.

7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.

8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Minnesota Municipal Money Market (4M) fund operates in accordance with appropriate state laws and regulations. The 4M fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool shares. Financial statements of the 4M fund can be obtained by contacting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes

The City Council annually adopts a tax levy and certifies it to the County in December for collection in the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and December each year. Delinquent taxes receivable include the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred inflow of resources for taxes not received within 60 days after year end in the governmental fund financial statements.

Accounts receivable

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2015. The City annually certifies delinquent water, sewer and storm sewer accounts to the County for collection in the following year. Therefore, there has been no allowance for doubtful accounts established.

Special assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivable upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than the amounts defined below (amounts not rounded) and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized to the value of the assets constructed. For the year ended December 31, 2015, no interest was capitalized in connection with construction in progress. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives and are capitalized according to the following thresholds:

Asset Category	Value Threshold
All assets not referenced in this schedule	$ 5,000
Parking lots, sidewalks, fencing, park shelters, land improvements	25,000
Buildings and building improvements	50,000
Infrastructure improvements: water, sewer, storm drainage, streets	100,000

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Life in Years
Miscellaneous office equipment, copiers, computer hardware, light trucks, mowers, attachments, other light equipment	5
Loaders, dump trucks, graders, trailers, other heavy equipment, telephone and radio systems, pumps, generators	10
Fire rigs, playground equipment, irrigation systems	20
Buildings, park shelters, fences, paved streets, sidewalks, parking lots, signs	25
Water trunks, mains, towers; sewer trunks, mains, lift stations; storm drainage trunks, mains, ponds	30

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by East Bethel Fire Department Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. At year-end, each employee's accrued obligation is expensed to their home department and revenue is recognized in the compensated absences internal service fund to fund the City's obligation. The compensated absences internal service fund is typically used to liquidate governmental compensated absences payable. It is assumed that these amounts will be payable only upon employees' severance from employment. Vacation and sick leave used during employees' tenure with the City is assumed to closely match the leave earned during that year. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences,* no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. A liability is recognized in the internal service fund for that portion of accumulating sick leave benefits that is vested as severance pay.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred inflows of resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund balance classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributions; or constraints imposed by State statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Administrator is to assign fund balance that reflects the City Council's intended use of those funds and approved by motion of the City Council.

Unassigned - is the residual classification for the General fund and also reflects negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's policy is to maintain a minimum assigned fund balance of 40 percent of the next year's property tax levy for cash-flow timing needs.

Net position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

b. Restricted net position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Recycling fund, HRA fund, and the EDA fund. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the fund level. There were no budget amendments made during 2015.

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

B. Excess of expenditures over appropriations

For the year ended December 31, 2015, expenditures exceeded appropriations in the Recycling fund by $72,224, which was funded by actual revenues in excess of budget and fund balance. Expenditures exceeded appropriations in the EDA fund by $1,433 which was funded by actual revenues in excess of budget.

Note 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was $1,267,615 and the bank balance was $1,303,226. Of the bank balance, $462,621 was covered by federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the City's name.

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Investments

As of December 31, 2015, the City had the following investments that are insured or registered, or securities held by the City or its agent in the City's name:

Investment Type	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Pooled investments			
4M fund	N/A	less than 6 months	$ 5,588,871
Certificates of deposits	N/A	1 to 3 years	1,797,409
Total investments			$ 7,386,280

(1) Ratings are provided by various credit rating agencies where applicable to indicate associated credit risk.
(2) Interest rate risk is disclosed using the segmented time distribution method.
N/A indicates not applicable or available

The investments of the City are subject to the following risks:

- *Credit Risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the City's investments to the list on page 46 of the notes.

- *Custodial Credit Risk* for investments is the risk that, in the event of the failure of the counterparty to a transaction, a governmental will not be able to recover the value of investment or collateral securities that are in possession of an outside party. The City's investment policy limits its exposure by obtaining collateral or bond for all uninsured amounts on deposit and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

- *Interest Rate Risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by disallowing purchases of investments that, at the time of investment, cannot be held to maturity. The City's investment policy states the City's investment portfolio, as much as possible, will contain both short-term and long-term investments. The City attempts to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

- *Concentration of Credit Risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy does not address concentration of credit risk, placing no limit on the amount that may be invested in any one issuer.

A reconciliation of cash and temporary investments as shown on the Statement of Net Position for the City follows:

Carrying amount of deposits	$ 1,267,615
Investments	7,386,280
Cash on hand	150
Total	$ 8,654,045

B. Loan receivable

The City has issued one loan to a local business to finance water and sewer access charges totaling $10,223. The loan will be amortized for five years at 5 percent.

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

C. Capital assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 887,546	$ -	$ -	$ 887,546
Construction in progress	13,170,422	1,179,047	(13,180,818)	1,168,651
Total capital assets, not being depreciated	14,057,968	1,179,047	(13,180,818)	2,056,197
Capital assets, being depreciated				
Buildings and improvements	5,542,755	-	-	5,542,755
Park improvements	1,381,979	13,038	-	1,395,017
Machinery and equipment	4,091,772	140,410	(366,797)	3,865,385
Streets	51,002,065	678,105	-	51,680,170
Storm sewers	2,012,144	44,958	-	2,057,102
Total capital assets, being depreciated	64,030,715	876,511	(366,797)	64,540,429
Less accumulated depreciation for				
Buildings and improvements	(2,762,517)	(204,579)	-	(2,967,096)
Park improvements	(682,560)	(67,540)	-	(750,100)
Machinery and equipment	(2,028,074)	(287,914)	366,797	(1,949,191)
Streets	(29,383,632)	(1,930,965)	-	(31,314,597)
Storm sewers	(915,178)	(66,895)	-	(982,073)
Total accumulated depreciation	(35,771,961)	(2,557,893)	366,797	(37,963,057)
Total capital assets being depreciated, net	28,258,754	(1,681,382)	(733,594)	26,577,372
Governmental activities capital assets, net	$ 42,316,722	$ (502,335)	$ (13,914,412)	$ 28,633,569

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental activities	
General government	$ 128,075
Public safety	125,332
Public works	1,963,468
Culture and recreation	93,869
Depreciation on capital assets held by governmental internal service activities charged to each function based on use	247,149
Total depreciation expense - governmental activities	$ 2,557,893

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

	Beginning Balance	Increases	Decrease	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	$ 30,000	$ -	$ -	$ 30,000
Capital assets, being depreciated				
Buildings and improvements	1,480,690	54,750	-	1,535,440
Machinery and equipment	9,705	5,573	-	15,278
Infrastructure	4,223,535	12,871,707	(298,861)	16,796,381
Total capital assets, being depreciated	5,713,930	12,932,030	(298,861)	18,347,099
Less accumulated depreciation for				
Buildings and improvements	(997,668)	(73,662)	-	(1,071,330)
Machinery and equipment	(1,942)	(1,528)	-	(3,470)
Infrastructure	(981,619)	(563,983)	109,582	(1,436,020)
Total accumulated depreciation	(1,981,229)	(639,173)	109,582	(2,510,820)
Total capital assets being depreciated, net	3,732,701	12,292,857	(408,443)	15,836,279
Business-type activities capital assets, net	$ 3,762,701	$ 12,292,857	$ (408,443)	$ 15,866,279

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type activities	
Water utility	$ 271,478
Sewer utility	292,505
Ice Arena	75,190
Total depreciation expense - business-type activities	$ 639,173

Construction commitments

As of December 31, 2015, the City has signed contracts in place for one construction projects. The following summarizes these commitments:

Project	Spent to date	Remaining Commitment
Lincoln, Laurel, Longfellow Reconstruction Project	$ 888,304	$ 27,473

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

D. Interfund transfers

The composition of interfund transfers for the year ended December 31, 2015 is as follows:

	Transfer in			
Fund	General Fund	Debt Service Fund	Nonmajor Capital Project Fund	Total
Transfer out				
General	$ -	$ -	$ 525,000	$ 525,000
Debt Service Fund	1,127	-	-	1,127
Nonmajor governmental	22,170	29,419	-	51,589
Total	$ 23,297	$ 29,419	$ 525,000	$ 577,716

The City annually budgets transfers for specific purposes. Annual transfers included transfer for debt service and transfers made as part of capital improvement plans. The City made the following one-time non-budgeted transfers for the year ended December 31, 2015:

- Nonmajor governmental funds and Debt Service funds transferred $22,170 and $1,127, respectively to the General fund to close the funds.

E. Long-term debt

G.O. improvement bonds

The following bonds were used to finance improvements and buildings. They will be repaid with ad valorem taxes and special assessments levied against the properties. The bonds are backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2005B	$ 495,000	2.95-3.80 %	9/15/2005	2/1/2016	$ 60,000
G.O. Improvement Bonds, Series 2010C	1,260,000	3.20-3.45	12/15/2010	2/1/2017	1,260,000
G.O. Public Safety Bonds, Series 2013A	1,250,000	3.00	11/13/2013	2/1/2026	1,175,000
Total G.O. Improvement Bonds					$ 2,495,000

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Annual requirements to maturity for the G.O. improvement bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Principal
2016	$ 845,000	$ 65,653	$ 910,653
2017	655,000	40,946	695,946
2018	95,000	28,425	123,425
2019	100,000	25,500	125,500
2020	100,000	22,500	122,500
2021-2025	575,000	62,775	637,775
2026	125,000	1,875	126,875
Total	$ 2,495,000	$ 247,674	$ 2,742,674

G.O. revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future tax levies and/or sewer and water access charges.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Sewer Revenue Bonds, Series 2008A	$ 1,715,000	3.00-4.70 %	5/1/2008	2/1/2029	$ 980,000
G.O. Water Revenue Note Series 2010	69,190	1.00	2/17/2010	8/20/2029	53,590
G.O Refunding Bond Series 2014A	5,485,000	3.00-4.00	3/4/2014	2/1/2040	5,485,000
G.O Refunding Bond Series 2015A	11,850,000	3.50-4.00	4/23/2015	2/1/2040	11,850,000
Total G.O. Revenue Bonds					$ 18,368,590

Annual requirements to maturity for the G.O. revenue bonds are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2016	$ 328,000	$ 623,633	$ 951,633
2017	248,000	612,541	860,541
2018	269,000	602,311	871,311
2019	514,000	587,921	1,101,921
2020	529,000	569,481	1,098,481
2021-2025	2,060,000	2,624,532	4,684,532
2026-2030	3,325,590	2,206,094	5,531,684
2031-2035	5,260,000	1,508,100	6,768,100
2036-2040	5,835,000	539,988	6,374,988
Total	$ 18,368,590	$ 9,874,601	$ 28,243,191

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

Loan payable

In 2015, the City entered into an agreement with Met Council for a reserve capacity loan related to sewer infrastructure constructed. The City has annual connection requirements and revenue in order to meet the required payments to Met Council. Any shortfalls on a yearly basis, will be added to the reserve capacity loan and capped at $2,000,000. Once the balance reaches the $2,000,000, the City will begin paying this amount back with interest over a period of 10 to 20 years at 2.73 percent.

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Increases		Decreases	Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable						
G.O. improvement bonds	$ 2,625,000	$ -		$ (130,000)	$ 2,495,000	$ 845,000
G.O. revenue bonds	18,141,590	11,850,000		(11,623,000)	18,368,590	328,000
Issuance premium	169,521	-		(8,114)	161,407	-
Total bonds payable	20,936,111	11,850,000		(11,761,114)	21,024,997	1,173,000
Pension liability	-	1,102,689	*	(128,375)	974,314	-
Compensated absences	127,212	140,934		(121,531)	146,615	121,531
Total governmental activity long-term debt	$ 21,063,323	$ 13,093,623		$(12,011,020)	$ 22,145,926	$ 1,294,531
Business-type activities						
Loan payable	$ -	$ 99,940		$ -	$ 99,940	$ 20,735

* Includes 1/1/2015 pension liability balance related to GASB Statement No. 68 implementation. See Note 7 for further detail.

Refunding bond

On April 23, 2015 the City issued $11,850,000 of General Obligation Refunding Bonds, Series 2015A. The bond issued refunded the Taxable General Obligation Water Utility Revenue Bonds, Series 2010A on May 7, 2015. As a result of the refunding issue, the City will save $1,178,293 in debt service payments and achieve an economic gain (the present value of the difference between the old and the new debt service) of $695,192.

Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED

F. Components of fund balance

At December 31, 2015, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

Purpose	General Fund	Debt Service	Municipal State Aid Street Improvement Fund	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepaid items	$ 13,326	$ -	$ -	$ -	$ 13,326
Restricted					
Water infrastructure construction	$ -	$ -	$ -	$ 270,146	$ 270,146
Debt service	-	1,941,617	-	-	1,941,617
Recycling	-	-	-	55,566	55,566
Equipment	-	-	-	3,745	3,745
Housing and redevelopment authority	-	-	-	747,215	747,215
Economic development authority	-	-	-	79,055	79,055
Park development	-	-	-	30,121	30,121
Municipal state aid streets	-	-	39,584	-	39,584
Total Restricted	$ -	$ 1,941,617	$ 39,584	$ 1,185,848	$ 3,167,049
Assigned to					
Park capital projects	$ -	$ -	$ -	$ 125,001	$ 125,001
Street capital projects	-	-	-	824,444	824,444
Other capital projects	-	-	-	228,676	228,676
Total Assigned	$ -	$ -	$ -	$ 1,178,121	$ 1,178,121

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. Plan description

The City participates in the following defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

B. Benefits provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

GERF benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

C. Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.25 percent, respectively, of their annual covered salary in calendar year 2014. Coordinated Plan members contributed 6.50 percent of pay in 2015. In calendar year 2014, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent of Coordinated Plan members. In 2015, employer rates increased to 7.5 percent in the Coordinated Plan. The City's contributions to the GERF for the year ending December 31, 2015, 2014 and 2013 were $89,225, $78,532 and $80,271. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

D. Pension costs

At December 31, 2015, the City reported a liability of $974,314 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportionate share was 0.0188 percent which was a decrease of 0.0023 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the City recognized pension expense of $73,854 for its proportionate share of GERF's pension expense.

At June 30, 2015, the City reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,141	$ 49,122
Changes in actuarial assumptions	59,571	-
Net difference between projected and actual earnings on plan investments	-	86,731
Changes in proportion	-	93,331
Contributions to GERF subsequent to the measurement date	46,467	-
Total	$ 116,179	$ 229,184

Deferred outflows of resources totaling $46,467 related to pensions resulting from the City's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2016	$ 49,226
2017	49,226
2018	84,082
2019	(23,062)
2020	-

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

E. Actuarial assumptions

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active member payroll growth	3.50% per year
Investment rate of return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent effective every January 1st until 2034, then 2.5 percent for GERF

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014. Experience studies have not been prepared for PERA's other plans, but assumptions are reviewed annually.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic stocks	45.00 %	5.50 %
International stocks	15.00	6.00
Bonds	18.00	1.45
Alternative assets	20.00	6.40
Cash	2.00	0.50
Total	100.00 %	

F. Discount rate

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED

G. Pension liability sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.90%)	Current (7.90%)	1 Percent Increase (8.90%)
GERF	$ 1,531,967	$ 974,314	$ 513,777

H. Pension plan fiduciary net position

Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately-issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION

A. Plan description

All members of the East Bethel Department (the Department) are covered by a defined benefit plan administered by the East Bethel Fire Relief Association (the Association). As of December 31, 2015, the plan covered 36 active firefighters and 4 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

B. Benefits provided

A fire fighter who completes at least 20 years as an active member of the Department is entitled, after age 50 to 100 percent of the pension amount.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed a minimum of 10 years of service.

C. Contributions

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed $59,194 in fire state aid to the plan on behalf of the Department for the year ended December 31, 2015, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City's statutorily-required contributions to the plan for the year ended December 31, 2015 were $14,000. The City's contributions were equal to the required contributions as set by Minnesota statute. The City made no voluntary contributions to the plan. Furthermore, the firefighter has no obligation to contribute to the plan.

Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION - CONTINUED

D. Pension costs

At December 31, 2015, the City reported a net pension asset of $350,686 for the plan. The net pension asset was measured as of December 31, 2014. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by VanIwaarden applying an actuarial formula to specific census data certified by the Department as of December 31, 2015. The following table presents the changes in net pension liability (asset) during the year.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Beginning balance January 1, 2015	$ 1,361,706	$ 1,798,055	$ (436,349)
Changes for the year			
Service cost	62,875	-	62,875
Interest on pension liability (asset)	81,913	(9,494)	91,407
Contributions (employer)	-	14,000	(14,000)
Contributions (State)	-	59,194	(59,194)
Administrative costs	-	(4,575)	4,575
Total net changes	144,788	59,125	85,663
Ending balance December 31, 2015	$ 1,506,494	$ 1,857,180	$ (350,686)

For the year ended December 31, 2015, the City recognized pension expense of $6,221.

E. Actuarial assumptions

The total pension liability at December 31, 2015 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 50 percent of age 50-64 with 20-29 year of service, 100 percent at 30 years of service	
Retirement eligibility at 100 percent over the age of 65.	
Salary increases	2.75% per year
Cost of living increases	4.00% per year
Investment rate of return	5.75%
20 year municipal bond yield	3.57%

There were no changes in actuarial assumptions in 2015.

The 5.75 percent long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION - CONTINUED

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	54.54 %	5.25 %
Fixed income	37.89	1.75
Cash	7.57	0.25
Total	100.00 %	

F. Discount rate

The discount rate used to measure the total pension liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension liability sensitivity

The following presents the City's net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	1 Percent Decrease (5.00%)	Current (6.00%)	1 Percent Increase (7.00%)
Defined benefit plan	$ (315,196)	$ (350,686)	$ (384,799)

H. Pension plan fiduciary net position

The Association issues a publicly available financial report. The report may be obtained by writing to the East Bethel Fire Relief Association, 2241 221st Ave NE, East Bethel, MN 55011.

Note 6: OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City has no deductible. The City has selected the regular premium option for its coverage. Under this option, the City's premium is calculated based on City payroll, by class. The premium is adjusted by an experience modification factor, which reflects the City's previous loss experience. This option is a "fully insured" option; premium payments are the City's only liability. Property, casualty, and automobile insurance coverage are also provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portions. These deductibles are considered immaterial to the financial statements. The City continues to carry commercial insurance for all other risks of loss, including employee health and disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. Federal and state funds

The City receives financial assistance from county and state governmental agencies primarily in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at December 31, 2015.

Note 7: CHANGE IN ACCOUNTING STANDARDS

During 2015, the City implemented several new accounting pronouncements issued by the Governmental Accounting Standards Board (GASB), including Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68,* for the year ended December 31, 2015. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2014 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 4.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2014 balances to the December 31, 2015 financial statements:

	December 31, 2015		
Fund	Net Position January 1, 2015 as Previously Reported	Prior Period Restatement (1)	Net Position January 1, 2015 as Restated
Governmental activities	$ 28,976,983	$ (666,340)	$ 28,310,643

(1) To record beginning net pension liability, deferred inflows or resources, and deferred outflow of resources at December 31, 2014.

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INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

CITY OF EAST BETHEL, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015

Schedule of employer's share of PERA net pension liability

	Required Supplementary Information						
Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/15	0.018800 %	$ 974,314	$ -	$ 974,314	$ 1,189,667	81.9 %	78.2 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of employer's PERA contributions

	Required Supplementary Information				
Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/15	$ 89,225	$ 89,225	$ -	$ 1,189,667	7.5 %

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available

Schedule of employer's Fire Relief Association contributions

	Required Supplementary Information		
Year Ending	Actuarial Determined Contribution (a)	Actual Contributions Paid (b)	Contribution Deficiency (Excess) (a-b)
12/31/15	$ 73,194	$ 73,194	$ -
12/31/14	69,354	69,354	-

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and investments	$ 806,102	$ 1,508,461	$ 2,314,563
Receivables			
Taxes	5,219	-	5,219
Special assessments	34,751	-	34,751
Loans	10,223	-	10,223
Due from other governments	72,601	-	72,601
TOTAL ASSETS	$ 928,896	$ 1,508,461	$ 2,437,357
LIABILITIES			
Accounts and contracts payable	$ 6,084	$ 12,683	$ 18,767
Deposits payable	-	16,625	16,625
TOTAL LIABILITIES	6,084	29,308	35,392
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	3,245	-	3,245
Unavailable revenue - special assessments	34,751	-	34,751
TOTAL DEFERRED INFLOWS OF RESOURCES	37,996	-	37,996
FUND BALANCES			
Restricted	884,816	301,032	1,185,848
Assigned	-	1,178,121	1,178,121
TOTAL FUND BALANCES	884,816	1,479,153	2,363,969
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 928,896	$ 1,508,461	$ 2,437,357

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes	$ 123,460	$ 57,420	$ 180,880
Intergovernmental	102,720	239,885	342,605
Special assessments	-	1,060	1,060
Charges for services	-	4,000	4,000
Interest on investments	2,356	2,760	5,116
Miscellaneous	6,511	6,919	13,430
TOTAL REVENUES	235,047	312,044	547,091
EXPENDITURES			
Current			
General government	-	3,898	3,898
Public works	105,724	-	105,724
Culture and recreation	5,099	-	5,099
Housing and economic development	149,730	239,885	389,615
Capital outlay			
Public works	-	483,631	483,631
Culture and recreation	-	13,038	13,038
Economic development	-	53,735	53,735
TOTAL EXPENDITURES	260,553	794,187	1,054,740
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(25,506)	(482,143)	(507,649)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	525,000	525,000
Transfers out	-	(51,589)	(51,589)
TOTAL OTHER FINANCING SOURCES (USES)	-	473,411	473,411
NET CHANGES IN FUND BALANCES	(25,506)	(8,732)	(34,238)
FUND BALANCE, JANUARY 1	910,322	1,487,885	2,398,207
FUND BALANCE, DECEMBER 31	$ 884,816	$ 1,479,153	$ 2,363,969

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015

	226 Recycling Fund	227 Miscellaneous Grants/ Donations Fund	230 HRA Fund	232 EDA Fund	Total
ASSETS					
Cash and investments	$ (12,951)	$ 3,745	$ 747,159	$ 68,149	$ 806,102
Taxes receivable	-	-	349	4,870	5,219
Special assessments	-	-	-	34,751	34,751
Due from other governments	72,601	-	-	-	72,601
Loans receivable	-	-	-	10,223	10,223
TOTAL ASSETS	$ 59,650	$ 3,745	$ 747,508	$ 117,993	$ 928,896
LIABILITIES					
Accounts payable	$ 4,084	$ -	$ -	$ 2,000	$ 6,084
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	293	2,952	3,245
Unavailable revenue - special assessments	-	-	-	34,751	34,751
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	293	37,703	37,996
FUND BALANCE					
Restricted	55,566	3,745	747,215	78,290	884,816
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 59,650	$ 3,745	$ 747,508	$ 117,993	$ 928,896

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015

	226 Recycling Fund	227 Miscellaneous Grants/ Donations Fund	230 HRA Fund	232 EDA Fund	Total
REVENUES					
Taxes	$ -	$ -	$ 185	$ 123,275	$ 123,460
Intergovernmental	102,720	-	-	-	102,720
Interest on investments	39	7	1,045	1,265	2,356
Miscellaneous	1,211	5,300	-	-	6,511
TOTAL REVENUES	103,970	5,307	1,230	124,540	235,047
EXPENDITURES					
Current					
Public works	105,724	-	-	-	105,724
Culture and recreation	-	5,099	-	-	5,099
Housing and economic development	-	-	25,275	124,455	149,730
TOTAL EXPENDITURES	105,724	5,099	25,275	124,455	260,553
NET CHANGE IN FUND BALANCES	(1,754)	208	(24,045)	85	(25,506)
FUND BALANCES, JANUARY 1	57,320	3,537	771,260	78,205	910,322
FUND BALANCES, DECEMBER 31	$ 55,566	$ 3,745	$ 747,215	$ 78,290	$ 884,816

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - RECYCLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Intergovernmental	$ 31,000	$ 31,000	$ 102,720	$ 71,720	$ 73,357
Interest on investments	-	-	39	39	26
Miscellaneous	2,500	2,500	1,211	(1,289)	1,581
TOTAL REVENUES	33,500	33,500	103,970	70,470	74,964
EXPENDITURES					
Current					
Public works	33,500	33,500	105,724	(72,224)	69,351
NET CHANGE IN FUND BALANCES	-	-	(1,754)	(1,754)	5,613
FUND BALANCES, JANUARY 1	57,320	57,320	57,320	-	51,707
FUND BALANCES, DECEMBER 31	$ 57,320	$ 57,320	$ 55,566	$ (1,754)	$ 57,320

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - HRA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Property taxes	$ -	$ -	$ 185	$ 185	$ 63
Interest on investments	-	-	1,045	1,045	503
Miscellaneous	-	-	-	-	400
TOTAL REVENUES	-	-	1,230	1,230	966
EXPENDITURES					
Current					
Housing and economic development	26,600	26,600	25,275	1,325	15,270
NET CHANGE IN FUND BALANCES	(26,600)	(26,600)	(24,045)	2,555	(14,304)
FUND BALANCES, JANUARY 1	771,260	771,260	771,260	-	785,564
FUND BALANCES, DECEMBER 31	$ 744,660	$ 744,660	$ 747,215	$ 2,555	$ 771,260

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CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - EDA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUES					
Property taxes	$ 123,022	$ 123,022	$ 123,275	$ 253	$ 122,942
Interest on investments	-	-	1,265	1,265	12
Miscellaneous	-	-	-	-	16,400
TOTAL REVENUES	123,022	123,022	124,540	1,518	139,354
EXPENDITURES					
Current					
Housing and economic development	123,022	123,022	124,455	(1,433)	62,914
NET CHANGE IN FUND BALANCES	-	-	85	85	76,440
FUND BALANCES, JANUARY 1	78,205	78,205	78,205	-	1,765
FUND BALANCES, DECEMBER 31	$ 78,205	$ 78,205	$ 78,290	$ 85	$ 78,205

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015

	404	411	506, 588	433	406
	Park Acquisition Fund	Minard Street Fund	Improvements of 2003 Fund	Water Infrastructure Fund	Street Capital Fund
ASSETS					
Cash and investments	$ 30,121	$ 39,787	$ -	$ 288,305	$ 795,806
LIABILITIES					
Accounts and contracts payable	$ -	$ -	$ -	$ 1,534	$ 11,149
Deposits payable	-	-	-	16,625	-
TOTAL LIABILITIES	-	-	-	18,159	11,149
FUND BALANCES					
Restricted	30,121	-	-	270,146	-
Assigned	-	39,787	-	-	784,657
TOTAL FUND BALANCES	30,121	39,787	-	270,146	784,657
TOTAL LIABILITIES AND FUND BALANCES	$ 30,121	$ 39,787	$ -	$ 288,305	$ 795,806

407	408, 409	401	435	233	
Park Capital Fund	Utility Improvement Fund	Building Fund	TIF No. 1-1	Anoka County CDBG Grant Fund	Total
$ 125,001	$ -	$ 228,676	$ 765	$ -	$ 1,508,461
$ -	$ -	$ -	$ -	$ -	$ 12,683
-	-	-	-	-	16,625
-	-	-	-	-	29,308
-	-	-	765	-	301,032
125,001	-	228,676	-	-	1,178,121
125,001	-	228,676	765	-	1,479,153
$ 125,001	$ -	$ 228,676	$ 765	$ -	$ 1,508,461

CITY OF EAST BETHEL, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015

	404	**411**	**506, 588**	**433**	**406**
	Park Acquisition Fund	Minard Street Fund	Improvements of 2003 Fund	Water Infrastructure Fund	Street Capital Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	1,060	-	-
Intergovernmental	-	-	-	-	-
Interest on investments	39	53	32	576	1,532
Charges for services	4,000	-	-	-	-
Miscellaneous	-	6,000	-	-	-
TOTAL REVENUES	4,039	6,053	1,092	576	1,532
EXPENDITURES					
Current					
General government	-	-	-	-	-
Housing and economic development	-	-	-	-	-
Capital outlay					
Public works	-	-	-	54,904	428,727
Culture and recreation	-	-	-	-	-
Housing and economic development	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	54,904	428,727
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,039	6,053	1,092	(54,328)	(427,195)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	425,000
Transfers out	-	-	(22,170)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(22,170)	-	425,000
NET CHANGE IN FUND BALANCES	4,039	6,053	(21,078)	(54,328)	(2,195)
FUND BALANCES, JANUARY 1	26,082	33,734	21,078	324,474	786,852
FUND BALANCES, DECEMBER 31	$ 30,121	$ 39,787	$ -	$ 270,146	$ 784,657

407 Park Capital Fund	408, 409 Utility Improvement Fund	401 Building Fund	435 TIF No. 1-1	233 Anoka County CDBG Grant Fund	Total
$ -	$ -	$ -	$ 57,420	$ -	$ 57,420
-	-	-	-	-	1,060
-	-	-	-	239,885	239,885
189	10	327	2	-	2,760
-	-	-	-	-	4,000
870	49	-	-	-	6,919
1,059	59	327	57,422	239,885	312,044
-	-	3,898	-	-	3,898
.	-	-	-	239,885	239,885
-	-	-	-	-	483,631
13,038	-	-	-	-	13,038
-	-	-	53,735	-	53,735
13,038	-	3,898	53,735	239,885	794,187
(11,979)	59	(3,571)	3,687	-	(482,143)
50,000	-	50,000	-	-	525,000
-	(29,419)	-	-	-	(51,589)
50,000	(29,419)	50,000	-	-	473,411
38,021	(29,360)	46,429	3,687	-	(8,732)
86,980	29,360	182,247	(2,922)	-	1,487,885
$ 125,001	$ -	$ 228,676	$ 765	$ -	$ 1,479,153

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CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
REVENUE					
Taxes					
Property	$ 4,050,500	$ 4,050,500	$ 4,072,004	$ 21,504	$ 4,048,832
Franchise	43,000	43,000	58,877	15,877	56,160
Gambling	-	-	25,199	25,199	-
Total	4,093,500	4,093,500	4,156,080	62,580	4,104,992
Licenses and permits					
Business	34,000	34,000	40,967	6,967	34,935
Nonbusiness	212,500	212,500	257,999	45,499	262,848
Total	246,500	246,500	298,966	52,466	297,783
Intergovernmental					
State					
Local government aid	14,000	14,000	13,940	(60)	23,470
MSA	185,000	185,000	201,066	16,066	192,114
Agricultural market value credit	-	-	8,147	8,147	6,478
PERA	2,100	2,100	2,123	23	2,123
Fire aid	47,500	47,500	66,249	18,749	62,204
Total	248,600	248,600	291,525	42,925	286,389
Charges for services	161,400	161,400	185,579	24,179	109,988
Fines and forfeitures	55,200	55,200	45,049	(10,151)	50,514
Interest on investments	2,000	2,000	10,377	8,377	1,164
Miscellaneous					
Refunds and reimbursements	41,500	41,500	54,414	12,914	74,491
TOTAL REVENUES	4,848,700	4,848,700	5,041,990	193,290	4,925,321
EXPENDITURES					
General government					
Mayor and Council					
Personnel services	33,600	33,600	31,434	2,166	31,003
Other services and charges	45,700	45,700	38,845	6,855	42,047
Total Mayor and Council	79,300	79,300	70,279	9,021	73,050
Elections					
Supplies	-	-	-	-	235
Other services and charges	2,000	2,000	2,560	(560)	9,242
Total elections	2,000	2,000	2,560	(560)	9,477

CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
EXPENDITURES - CONTINUED					
General government - continued					
Planning and zoning					
Personnel services	$ 154,100	$ 154,100	$ 145,975	$ 8,125	$ 140,605
Supplies	100	100	193	(93)	584
Other services and charges	14,300	14,300	4,891	9,409	15,602
Total planning and zoning	168,500	168,500	151,059	17,441	156,791
Administration/support					
Personnel services	509,200	509,200	501,277	7,923	459,693
Supplies	500	500	53	447	110
Other services and charges	33,900	33,900	39,513	(5,613)	42,432
Total administration/support	543,600	543,600	540,843	2,757	502,235
General government buildings					
Supplies	3,500	3,500	2,112	1,388	3,227
Other services and charges	39,500	39,500	35,415	4,085	28,987
Total general government buildings	43,000	43,000	37,527	5,473	32,214
Miscellaneous					
Contractual services	238,500	238,500	244,921	(6,421)	218,815
Total general government	1,074,900	1,074,900	1,047,189	27,711	992,582
Public safety					
Fire protection					
Personnel services	320,600	320,600	334,495	(13,895)	319,541
Supplies	49,200	49,200	44,329	4,871	49,070
Other services and charges	196,200	196,200	211,952	(15,752)	186,641
Total fire protection	566,000	566,000	590,776	(24,776)	555,252
Police protection					
Other services and charges	1,024,000	1,024,000	1,018,494	5,506	986,330
Building inspection					
Personnel services	224,700	224,700	218,075	6,625	214,530
Supplies	6,500	6,500	4,966	1,534	5,878
Other services and charges	7,700	7,700	11,488	(3,788)	7,906
Total building inspection	238,900	238,900	234,529	4,371	228,314
Total public safety	1,828,900	1,828,900	1,843,799	(14,899)	1,769,896

CITY OF EAST BETHEL, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
EXPENDITURES - CONTINUED					
Public works					
Street maintenance					
Personnel services	$ 423,000	$ 423,000	$ 420,510	$ 2,490	$ 390,917
Supplies	162,800	162,800	113,452	49,348	148,154
Other services and charges	230,600	230,600	226,459	4,141	238,662
Total public works	816,400	816,400	760,421	55,979	777,733
Culture and recreation					
Personnel services	306,100	306,100	289,392	16,708	297,287
Supplies	44,100	44,100	48,214	(4,114)	36,297
Other services and charges	46,300	46,300	40,311	5,989	35,556
Total culture and recreation	396,500	396,500	377,917	18,583	369,140
Miscellaneous					
Supplies	10,000	10,000	6,693	3,307	8,536
Other services and charges	197,000	197,000	173,563	23,437	182,142
Total miscellaneous	207,000	207,000	180,256	26,744	190,678
TOTAL EXPENDITURES	4,323,700	4,323,700	4,209,582	114,118	4,100,029
EXCESS REVENUES OVER EXPENDITURES	525,000	525,000	832,408	307,408	825,292
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	23,297	23,297	48,526
Transfers out	(525,000)	(525,000)	(525,000)	-	(1,561,430)
TOTAL OTHER FINANCING SOURCES (USES)	(525,000)	(525,000)	(501,703)	23,297	(1,512,904)
NET CHANGE IN FUND BALANCES	-	-	330,705	330,705	(687,612)
FUND BALANCES, JANUARY 1	2,295,102	2,295,102	2,295,102	-	2,982,714
FUND BALANCES, DECEMBER 31	$ 2,295,102	$ 2,295,102	$ 2,625,807	$ 330,705	$ 2,295,102

CITY OF EAST BETHEL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015

	301 2005/2013A Safety Bond	**303** 2005B Street Improvement Debt	**308** 2008A Sewer Revenue Bond
ASSETS			
Cash and investments	$ 100,469	$ 61,140	$ (3,460)
Receivables			
Taxes	6,385	-	6,078
Special assessments	-	-	130,000
Accounts	-	-	-
TOTAL ASSETS	$ 106,854	$ 61,140	$ 132,618
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	$ 4,455	$ -	$ 3,406
Unavailable revenue - special assessments	-	-	130,000
TOTAL DEFERRED INFLOWS OF RESOURCES	4,455	-	133,406
FUND BALANCES			
Restricted	102,399	61,140	(788)
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 106,854	$ 61,140	$ 132,618

309 2010 Water Revenue Note	**310** 2015A Revenue Bond	**311** 2014A GO Refunding Bond	**312** 2010C Improvement Bond	Total
$ 36,382	$ 268,943	$ 156,562	$ 1,303,071	$ 1,923,107
-	16,443	11,142	-	40,048
-	142,115	-	-	272,115
721	-	-	-	721
$ 37,103	$ 427,501	$ 167,704	$ 1,303,071	$ 2,235,991
-	$ 9,214	$ 6,243	$ -	$ 23,318
-	141,056	-	-	271,056
-	150,270	6,243	-	294,374
37,103	277,231	161,461	1,303,071	1,941,617
$ 37,103	$ 427,501	$ 167,704	$ 1,303,071	$ 2,235,991

CITY OF EAST BETHEL, MINNESOTA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015

	301 2005/2013A Safety Bond	**303** 2005B Street Improvement Debt	**308** 2008A Sewer Revenue Bond
REVENUES			
Property taxes	$ 128,283	$ -	$ 180,041
Intergovernmental	-	-	-
Charges for services	-	-	-
Special assessments	-	28,125	17,000
Interest on investments	47	68	-
TOTAL REVENUES	128,330	28,193	197,041
EXPENDITURES			
Debt service			
Principal	75,000	55,000	155,000
Interest and other charges	37,725	4,623	42,954
Bond issuance costs	-	-	-
TOTAL EXPENDITURES	112,725	59,623	197,954
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,605	(31,430)	(913)
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Principal paid on refunded bonds	-	-	-
Transfers in	-	-	-
Transfers out	-	(1,127)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,127)	-
NET CHANGE IN FUND BALANCES	15,605	(32,557)	(913)
FUND BALANCES, JANUARY 1	86,794	93,697	125
FUND BALANCES, DECEMBER 31	$ 102,399	$ 61,140	$ (788)

309 2010 Water Revenue Note	**310** 2015A Revenue Bond	**311** 2014A GO Refunding Bond	**312** 2010C Improvement Bond	Total
$ -	$ 487,111	$ 330,075	$ -	$ 1,125,510
-	245,321	-	-	245,321
5,673	-	-	-	5,673
-	25,230	-	-	70,355
41	64	33	1,820	2,073
5,714	757,726	330,108	1,820	1,448,932
3,000	-	-	-	288,000
566	699,458	189,025	43,083	1,017,434
-	179,067	-	-	179,067
3,566	878,525	189,025	43,083	1,484,501
2,148	(120,799)	141,083	(41,263)	(35,569)
-	11,850,000	-	-	11,850,000
-	(11,465,000)	-	-	(11,465,000)
29,419	-	-	-	29,419
-	-	-	-	(1,127)
29,419	385,000	-	-	413,292
31,567	264,201	141,083	(41,263)	377,723
5,536	13,030	20,378	1,344,334	1,563,894
$ 37,103	$ 277,231	$ 161,461	$ 1,303,071	$ 1,941,617

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015

	702 Compensated Absences	**701** Equipment Replacement	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 146,957	$ 1,441,333	$ 1,588,290
NONCURRENT ASSETS			
Capital assets			
Machinery and equipment	-	3,008,395	3,008,395
Less accumulated depreciation	-	(1,229,655)	(1,229,655)
Net capital assets	-	1,778,740	1,778,740
TOTAL ASSETS	146,957	3,220,073	3,367,030
LIABILITIES			
CURRENT LIABILITIES			
Compensated absences payable - current portion	121,531	-	121,531
NONCURRENT LIABILITIES			
Compensated absences payable - noncurrent portion	25,084	-	25,084
TOTAL LIABILITIES	146,615	-	146,615
NET POSITION			
Investment in capital assets	-	1,778,740	1,778,740
Unrestricted	342	1,441,333	1,441,675
TOTAL NET POSITION	$ 342	$ 3,220,073	$ 3,220,415

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	702 Compensated Absences	**701** Equipment Replacement	Total
OPERATING REVENUES			
Charges for services			
Services to departments	$ 19,590	$ 259,700	$ 279,290
OPERATING EXPENSES			
Personnel services	19,590	-	19,590
Supplies	-	2,595	2,595
Depreciation	-	247,149	247,149
TOTAL OPERATING EXPENSES	19,590	249,744	269,334
OPERATING INCOME	-	9,956	9,956
NONOPERATING REVENUES			
Sale of capital assets	-	26,592	26,592
Interest on investments	187	2,191	2,378
TOTAL NONOPERATING REVENUES	187	28,783	28,970
CHANGE IN NET POSITION	187	38,739	38,926
NET POSITION, JANUARY 1	155	3,181,334	3,181,489
NET POSITION, DECEMBER 31	$ 342	$ 3,220,073	$ 3,220,415

CITY OF EAST BETHEL, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	702 Compensated Absences	701 Equipment Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 19,403	$ 259,700	$ 279,103
Payments to suppliers	-	(8,628)	(8,628)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	19,403	251,072	270,475
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments received on interfund loan	-	2,922	2,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(134,890)	(134,890)
Proceeds from sale of capital assets	-	26,592	26,592
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(108,298)	(108,298)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	187	2,190	2,377
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,590	147,886	167,476
CASH AND CASH EQUIVALENTS, JANUARY 1	127,367	1,293,447	1,420,814
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 146,957	$ 1,441,333	$ 1,588,290
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	$ -	$ 9,956	$ 9,956
Adjustments to reconcile operating income to net cash provided (used) operating activities			
Depreciation expense	-	247,149	247,149
Increase (decrease) in liabilities			
Accounts payable	-	(6,033)	(6,033)
Compensated absences	19,403	-	19,403
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 19,403	$ 251,072	$ 270,475

CITY OF EAST BETHEL, MINNESOTA
SUMMARY FINANCIAL REPORT
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

	Total		Percent Increase
	2015	2014	(Decrease)
REVENUES			
Taxes	$ 5,462,470	$ 5,306,229	2.94 %
Licenses and permits	298,966	297,783	0.40
Intergovernmental	2,046,905	1,224,630	67.14
Charges for services	195,252	141,402	38.08
Fines and forfeitures	45,049	50,514	(10.82)
Special assessments	71,415	76,494	(6.64)
Interest on investments	17,879	5,164	246.22
Miscellaneous	67,844	110,766	(38.75)
TOTAL REVENUES	$ 8,205,780	$ 7,212,982	13.76 %
Per Capita	$ 708	$ 622	13.83 %
EXPENDITURES			
Current			
General government	$ 1,051,087	$ 992,582	5.89 %
Public safety	1,843,799	1,771,896	4.06
Public works	866,145	847,084	2.25
Culture and recreation	383,016	372,071	2.94
Housing and economic Development	389,615	111,832	248.39
Miscellaneous	180,256	190,678	(5.47)
Capital outlay			
Public works	1,615,788	1,247,085	29.57
Parks and recreation	13,038	-	N/A
Debt service			
Principal	288,000	908,000	(68.28)
Interest and other charges	1,017,434	1,237,333	(17.77)
Bond issuance costs	179,067	-	N/A
TOTAL EXPENDITURES	$ 7,880,980	$ 7,678,561	2.64 %
Per Capita	$ 680	$ 663	2.56 %
Total Long-term Indebtedness	$ 21,024,997	$ 20,936,111	0.42 %
Per Capita	1,814	1,807	0.39
General Fund Balance - December 31	$ 2,625,807	$ 2,295,102	14.41 %
Per Capita	227	198	14.65

The purpose of this report is to provide a summary of financial information concerning the City of East Bethel to interested citizens. The complete financial statements may be examined at City Hall, 2241 221st Avenue NE, East Bethel, MN 55011. Questions about this report should be directed to Mike Jeziorski, Finance Director at (763) 367-7852.

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OTHER REQUIRED REPORTS

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2015

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ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated March 22, 2016.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 22, 2016

5201 Eden Avenue, Suite 250
Edina, MN 55436
952.835.9090 | Fax 952.835.3261

ABDO EICK & MEYERS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of East Bethel, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 22, 2016

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2016-17

RESOLUTION ACCEPTING AND ADOPTING THE 2015 CITY OF EAST BETHEL ANNUAL FINANCIAL REPORT

WHEREAS, the 2015 Annual Financial Report of the City has been prepared; and

WHEREAS, the City's auditing firm, Abdo, Eick & Meyers LLP, has completed its review of the financial report; and

WHEREAS, the audit opinion finds that the financial report presents fairly, in all material respects, the financial position of the City as of December 31, 2015.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council hereby accepts and adopts the 2015 Annual Financial Report and directs its submission to the State Auditor.

Adopted this 6th day of April, 2016 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
City Council
Agenda Information

* *

Date: April 6, 2016

* *

Agenda Item Number: Item 6.0 A-E

* *

Agenda Item:

Consent Agenda

* *

Requested Action:

Consider approval of the Consent Agenda

* *

Background Information:

Item A

Approve Bills

Item B

March 16, 2016 Council Meeting Minutes

Meeting minutes from the March 16, 2016 City Council Meeting are attached for your review.

Item C

March 23, 2016 Council Special Meeting Minutes

Meeting minutes from the March 23, 2016 City Council Special Meeting are attached for your review.

Item D

March 23, 2016 Council Work Meeting Minutes

Meeting minutes from the March 23, 2016 City Council Work Meeting are attached for your review.

Item E

Consider Adoption of Res. 2016-18, Establishing Municipal State Aid Streets and Res. 2016-19, Revoking Municipal State Aid Streets

The final Council approved alignment of the west Trunk Highway 65 Service Road from 187th Lane to Viking Boulevard is shown on Exhibit 1. The original alignment, which is shown on Exhibit 2, directed traffic to Jackson Street instead of Viking Boulevard. In order to use municipal state aid funds on this project, the original route needs to be removed from the state aid roads system and the new route needs to be added to the system. Attached Resolution 2016-18 summarizes the street alignment to be added to the state aid system and Resolution 2016-19 summarizes the street alignment to be removed from the state aid system.

A copy of Resolution 2016-18, Establishing Municipal State Aid Streets and Resolution 2016-19, Revoking Municipal State Aid Streets are attached. These resolutions need to be approved by the City Council and forwarded to Mn/DOT to complete the process.

City of East Bethel
April 6, 2016
Payment Summary

Payments for Council Approval	
Bills to be approved for payment	$76,008.55
Electronic Payroll Payments	$29,882.00
Payroll - City Council, March 15, 2016	$1,775.35
Payroll - Fire Department, March 15, 2016	$7,537.22
Payroll - City Staff, March 24, 2016	$34,630.29
Total to be Approved for Payment	$149,833.41

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
215-221st 65 Service Rd	Architect/Engineering Fees	35891	Hakanson Anderson Assoc. Inc.	402	43125	$790.00
Arena Operations	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	615	49851	$155.53
Arena Operations	Electric Utilities	032116	Connexus Energy	615	49851	$3,408.70
Arena Operations	Gas Utilities	494277327	Xcel Energy	615	49851	$2,540.48
Arena Operations	Telephone	332373310-172	Sprint Nextel Communications	615	49851	$24.31
Building Inspection	Motor Fuels	266380	Mansfield Oil Company	101	42410	$187.80
Central Services/Supplies	Office Equipment Rental	7217052-MR16	Pitney Bowes	101	48150	$151.32
Central Services/Supplies	Office Equipment Rental	300367463	US Bank Equipment Finance	101	48150	$269.50
Central Services/Supplies	Office Supplies	IN1118739	Innovative Office Solutions	101	48150	$27.38
Central Services/Supplies	Software Licensing	221290	City of Roseville	101	48150	$48.00
Central Services/Supplies	Telephone	332373310-172	Sprint Nextel Communications	101	48150	$86.94
City Administration	Professional Services Fees	M21983	TimeSaver Off Site Secretarial	101	41320	$297.00
City Administration	Travel Expenses	033016	Jack Davis	101	41320	$201.96
Economic Development Authority	Professional Services Fees	032216	Gail E. Gessner	232	23200	$100.00
Engineering	Architect/Engineering Fees	35894	Hakanson Anderson Assoc. Inc.	101	43110	$477.90
Engineering	Architect/Engineering Fees	35894	Hakanson Anderson Assoc. Inc.	101	43110	$19.94
Engineering	Architect/Engineering Fees	35908	Hakanson Anderson Assoc. Inc.	101	43110	$618.08
Finance	Auditing and Acct g Services	361302	Abdo, Eick & Meyers, LLP	101	41520	$11,000.00
Finance	Conferences/Meetings	031716	Jackie Campbell	101	41520	$25.00
Finance	Travel Expenses	031716	Jackie Campbell	101	41520	$19.17
Fire Department	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	101	42210	$545.16
Fire Department	Bldg/Facility Repair Supplies	67754	Aker Doors, Inc.	101	42210	$229.50
Fire Department	Bldg/Facility Repair Supplies	67756	Aker Doors, Inc.	101	42210	$292.75
Fire Department	Bldg/Facility Repair Supplies	67757	Aker Doors, Inc.	101	42210	$139.00
Fire Department	Clothing & Personal Equipment	87849	Fire Safety USA, Inc.	101	42210	$315.00
Fire Department	Electric Utilities	032116	Connexus Energy	101	42210	$476.20
Fire Department	Electric Utilities	032116	Connexus Energy	101	42210	$170.98
Fire Department	Electric Utilities	032116	Connexus Energy	101	42210	$9.92
Fire Department	Electric Utilities	032116	Connexus Energy	101	42210	$110.03
Fire Department	Gas Utilities	494277327	Xcel Energy	101	42210	$1,323.78
Fire Department	Motor Fuels	266234	Mansfield Oil Company	101	42210	$135.18
Fire Department	Motor Fuels	266380	Mansfield Oil Company	101	42210	$298.76
Fire Department	Motor Vehicle Services (Lic d)	5393	Kirvida Fire, Inc.	101	42210	$406.98
Fire Department	Motor Vehicle Services (Lic d)	5394	Kirvida Fire, Inc.	101	42210	$137.88

City of East Bethel
April 6, 2016
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Fire Department	Repairs/Maint Machinery/Equip	29356	Alex Air Apparatus, Inc.	101	42210	$1,265.00
Fire Department	Repairs/Maint Machinery/Equip	59252	Ancom Communications	101	42210	$21.50
Fire Department	Repairs/Maint Machinery/Equip	59253	Ancom Communications	101	42210	$129.50
Fire Department	Repairs/Maint Machinery/Equip	59254	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59255	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59256	Ancom Communications	101	42210	$21.50
Fire Department	Repairs/Maint Machinery/Equip	59257	Ancom Communications	101	42210	$21.50
Fire Department	Repairs/Maint Machinery/Equip	59259	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59260	Ancom Communications	101	42210	$129.50
Fire Department	Repairs/Maint Machinery/Equip	59261	Ancom Communications	101	42210	$21.50
Fire Department	Repairs/Maint Machinery/Equip	59262	Ancom Communications	101	42210	$129.50
Fire Department	Repairs/Maint Machinery/Equip	59263	Ancom Communications	101	42210	$129.50
Fire Department	Repairs/Maint Machinery/Equip	59264	Ancom Communications	101	42210	$21.50
Fire Department	Repairs/Maint Machinery/Equip	59265	Ancom Communications	101	42210	$129.50
Fire Department	Repairs/Maint Machinery/Equip	59266	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59267	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59268	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	59269	Ancom Communications	101	42210	$15.00
Fire Department	Repairs/Maint Machinery/Equip	59270	Ancom Communications	101	42210	$108.00
Fire Department	Repairs/Maint Machinery/Equip	6037	Emergency Response Solutions	101	42210	$691.84
Fire Department	Repairs/Maint Machinery/Equip	6038	Emergency Response Solutions	101	42210	$691.84
Fire Department	Repairs/Maint Machinery/Equip	6039	Emergency Response Solutions	101	42210	$223.84
Fire Department	Small Tools and Minor Equip	712863	Tierney Brothers Inc.	101	42210	$108.30
Fire Department	Small Tools and Minor Equip	712975	Tierney Brothers Inc.	101	42210	$444.95
Fire Department	Small Tools and Minor Equip	712977	Tierney Brothers Inc.	101	42210	$262.00
Fire Department	Telephone	332373310-172	Sprint Nextel Communications	101	42210	$7.24
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	12198	Menards Cambridge	101	41940	$173.99
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	12266	Menards Cambridge	101	41940	$45.87
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	11927	Betz Mechanical, Inc.	101	41940	$345.48
General Govt Buildings/Plant	Cleaning Supplies	IN1124539	Innovative Office Solutions	101	41940	$66.01
General Govt Buildings/Plant	Electric Utilities	032116	Connexus Energy	101	41940	$781.87
General Govt Buildings/Plant	Electric Utilities	032116	Connexus Energy	101	41940	$15.70
General Govt Buildings/Plant	Electric Utilities	032116	Connexus Energy	101	41940	$130.44
General Govt Buildings/Plant	Gas Utilities	494277327	Xcel Energy	101	41940	$656.22
Mayor/City Council	Commissions and Boards	2016-02	Sunrise River WMO	101	41110	$5,136.07
Mayor/City Council	Conferences/Meetings	IN1118739	Innovative Office Solutions	101	41110	$25.27
MSA Street Construction	Architect/Engineering Fees	35889	Hakanson Anderson Assoc. Inc.	402	40200	$665.00
MSA Street Construction	Architect/Engineering Fees	35891	Hakanson Anderson Assoc. Inc.	402	40200	$521.50
MSA Street Construction	Architect/Engineering Fees	35892	Hakanson Anderson Assoc. Inc.	402	40200	$11,655.28
Park Maintenance	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	101	43201	$155.53
Park Maintenance	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	101	43201	$25.00
Park Maintenance	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	101	43201	$25.00
Park Maintenance	Cleaning Supplies	3001160	Dalco	101	43201	$603.60
Park Maintenance	Cleaning Supplies	12197	Menards Cambridge	101	43201	$11.97
Park Maintenance	Clothing & Personal Equipment	1182597427	G&K Services - St. Paul	101	43201	$19.00

City of East Bethel
April 6, 2016
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Park Maintenance	Clothing & Personal Equipment	1182608908	G&K Services - St. Paul	101	43201	$19.00
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$31.96
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$13.50
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$37.47
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$13.50
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$13.50
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$37.71
Park Maintenance	Electric Utilities	032116	Connexus Energy	101	43201	$16.16
Park Maintenance	Equipment Parts	282382	S & S Industrial Supply	101	43201	$46.11
Park Maintenance	General Operating Supplies	566615	Ham Lake Hardware	101	43201	$30.38
Park Maintenance	General Operating Supplies	282400	S & S Industrial Supply	101	43201	$12.23
Park Maintenance	Lubricants and Additives	P44069	MN Equipment	101	43201	$17.34
Park Maintenance	Motor Fuels	266234	Mansfield Oil Company	101	43201	$259.98
Park Maintenance	Motor Fuels	266380	Mansfield Oil Company	101	43201	$256.08
Park Maintenance	Other Equipment Rentals	99733	Jimmy's Johnnys, Inc.	101	43201	$70.00
Park Maintenance	Personnel Advertising	321374	ECM Publishers, Inc.	101	43201	$144.00
Payroll	Insurance Premiums	04 2016	Dearborn National Life Ins Co.	101		$1,290.84
Payroll	Insurance Premiums	04 2016	NCPERS Minnesota	101		$144.00
Payroll	Union Dues		MN Public Employees Assn	101		$429.00
Recycling Operations	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	226	43235	$21.29
Recycling Operations	Electric Utilities	032116	Connexus Energy	226	43235	$131.26
Recycling Operations	Gas Utilities	494277327	Xcel Energy	226	43235	$190.24
Recycling Operations	Other Equipment Rentals	99733	Jimmy's Johnnys, Inc.	226	43235	$70.00
Recycling Operations	Professional Services Fees	04 2016	Cedar East Bethel Lions	226	43235	$1,200.00
Recycling Operations	Refuse Removal	02 2016	Freimuth Enterprises LLC	226	43235	$516.60
Sewer Operations	Electric Utilities	032116	Connexus Energy	602	49451	$35.19
Sewer Operations	Electric Utilities	032116	Connexus Energy	602	49451	$53.99
Sewer Operations	Electric Utilities	032116	Connexus Energy	602	49451	$302.02
Street Maintenance	Auto/Misc Licensing Fees/Taxes	2016	Anoka County	101	43220	$36.69
Street Maintenance	Bldgs/Facilities Repair/Maint	1182597427	G&K Services - St. Paul	101	43220	$5.33
Street Maintenance	Bldgs/Facilities Repair/Maint	1182608908	G&K Services - St. Paul	101	43220	$5.33
Street Maintenance	Chemicals and Chem Products	253604	Unlimited Supplies, Inc.	101	43220	$332.80
Street Maintenance	Cleaning Supplies	12198	Menards Cambridge	101	43220	$14.97
Street Maintenance	Clothing & Personal Equipment	1182597427	G&K Services - St. Paul	101	43220	$17.96
Street Maintenance	Clothing & Personal Equipment	1182608908	G&K Services - St. Paul	101	43220	$17.96
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$80.28
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$169.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$350.10
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$125.61
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00

City of East Bethel
April 6, 2016
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$440.14
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$123.11
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$178.50
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$16.51
Street Maintenance	Electric Utilities	032116	Connexus Energy	101	43220	$5.00
Street Maintenance	Equipment Parts	2162112	MacQueen Equipment, Inc.	101	43220	$96.09
Street Maintenance	Equipment Parts	1539-438503	O'Reilly Auto Stores Inc.	101	43220	$21.56
Street Maintenance	Equipment Parts	1539-440036	O'Reilly Auto Stores Inc.	101	43220	$53.96
Street Maintenance	Equipment Parts	159022-IN	Zarnoth Brush Works, Inc.	101	43220	$1,324.00
Street Maintenance	Gas Utilities	494277327	Xcel Energy	101	43220	$717.52
Street Maintenance	Motor Fuels	266234	Mansfield Oil Company	101	43220	$644.76
Street Maintenance	Motor Fuels	266380	Mansfield Oil Company	101	43220	$110.96
Street Maintenance	Refuse Removal	576	A Family Tree & Brush Service	101	43220	$250.00
Street Maintenance	Repairs/Maint Machinery/Equip	7245	Hydraulic Plus & Consulting	101	43220	$277.50
Street Maintenance	Repairs/Maint Machinery/Equip	02-356955	Lano Equipment, Inc.	101	43220	$600.69
Street Maintenance	Street Maint Materials	71466484	Compass Minerals	101	43220	$10,984.83
Street Maintenance	Street Maint Materials	253221	Unique Paving Materials Corp	101	43220	$271.25
Street Maintenance	Telephone	332373310-172	Sprint Nextel Communications	101	43220	$70.43
Water Utility Capital Projects	Architect/Engineering Fees	35893	Hakanson Anderson Assoc. Inc.	433	49405	$360.00
Water Utility Operations	Electric Utilities	032116	Connexus Energy	601	49401	$276.89
Water Utility Operations	Electric Utilities	032116	Connexus Energy	601	49401	$986.01
Water Utility Operations	Electric Utilities	032116	Connexus Energy	601	49401	$59.36
Water Utility Operations	Gas Utilities	031616	CenterPoint Energy	601	49401	$117.30
Water Utility Operations	Gas Utilities	031616	CenterPoint Energy	601	49401	$77.86
						$76,008.55

City of East Bethel
April 6, 2016
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Electronic Payroll Payments						
Payroll	PERA					$6,423.16
Payroll	Federal Withholding					$5,907.47
Payroll	Medicare Withholding					$1,920.40
Payroll	FICA Tax Withholding					$8,211.16
Payroll	State Withholding					$2,412.62
Payroll	MSRS/HCSP					$5,007.19
						$29,882.00

BETHEL CITY COUNCIL MEETING
MARCH 16, 2016

The East Bethel City Council met on March 16, 2016, 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

1.0 Call to Order

The March 16, 2016, City Council meeting was called to order by Mayor Voss at 7:00 p.m.

2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

3.0 Adopt Agenda

Harrington stated I'll make a motion to adopt tonight's agenda. Under the Consent Agenda, I'd like to add Item G, Supplemental Payment Summary. Mundle stated I'll second. Voss asked any discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentation
4.0A Presentation of POW-MIA Flag

Davis stated the Council is requested to approve Resolution 2016-15, A Resolution Accepting and Expressing Appreciation of Donation of a POW-MIA Flag from Ken and Jeanette Langmade. Upon approval of the Resolution, Ken Langmade, East Bethel resident and World War II Veteran, will be introduced to present a POW-MIA Flag to the East Bethel Fire Department.

Staff is recommending that City Council consider Resolution 2016-15, Acceptance of POW-MIA Flag and accept the donation from Mr. Ken Langmade.

Ronning stated move to adopt Resolution 2016-15, A Resolution Accepting and Expressing Appreciation of Donation of a POW-MIA Flag from Ken and Jeanette Langmade. Koller stated I'll second. Voss asked any discussion? Want to read through the Resolution? Recite the Resolution for everyone's sake?

Ronning stated the Resolution reads:

RESOLUTION ACCEPTING AND EXPRESSING APPRECIATION OF DONATION OF A POW-MIA FLAG FROM KEN AND JEANETTE LANGMADE

WHEREAS, Ken and Jeanette Langmade have made a donation of a POW-MIA Flag to the City of East Bethel Fire Department on behalf of all Veterans and active Military personnel; and

WHEREAS, the City of East Bethel recognizes the symbolic nature of this Flag and are forever grateful for those who have sacrificed their lives and have suffered confinement as prisoners of war in service to our Country; and

WHEREAS, The City of East Bethel accepts this donation to display the City's support for POWs and MIAs of foreign wars; and

DRAFT

4.0A Presentation of POW-MIA Flag

WHEREAS, This Flag will be prominently displayed at East Bethel Fire Department Station # 1;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: The City Council hereby accepts the donation of the Flag by Ken and Jeanette Langmade and expresses its thanks and appreciation to the donors and those to whom the Flag is dedicated.

Voss stated to the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.** Those in attendance responded with a round of applause.

Ken Langmade displayed and then presented the MIA-POW Flag to Fire Chief DuCharme. He stated on behalf of all veterans, it gives me great pleasure to present this to the City of East Bethel Fire Department to be displayed in your Hall. Thanks a lot.

DuCharme stated I just want to say that you and I had talked before and yes, all the fire fighters know about this and they were very excited, especially that it's coming from you. You're held in highest regard with our fire fighters and your service to our country and service of all the veterans that this Flag represents is just outstanding. We are forever indebted. Like I say, the fire fighters, it makes it that much more that this is coming from you and Jeanette. Thank you so much.

DuCharme stated we invite you, next Monday, to come 7 o'clock to the Fire Station and you can tell these fire fighters exactly where you want to go. And, like I say, you'll be in charge and they'll do exactly what you want them to do. So, thank you so much. Langmade thank you, it's been an honor.

4.0B Sheriff's Department Report

Commander Shelly Orlando it is a hard act to follow and seeing this crowd here, it kind of reminds me of the 'old days.' She presented the February 2016, Sheriff's Report.

DWI's – There was one DWI arrest in February. The driver was stopped for speeding and showed signs of impairment. The female failed field sobriety tests and tested with a blood alcohol content of .09.

Motor Vehicle Theft – A report was made to Deputies involving a rental car with Nebraska plates that was stolen from a residence. The female victim advised her boyfriend was in an altercation with two male acquaintances and she believed that they had taken the vehicle. She advised that neither male had permission to take the vehicle. A short time later, the vehicle was recovered in Ham Lake in a ditch, unoccupied. The vehicle was brought to ACSO Crime Lab for processing. The case is still under investigation.

Felony Warrant Arrest / 5th Degree Controlled Substance / Gross Misdemeanor Introduce Contraband into Jail Facility – A Deputy was doing some extra patrol at a known drug house when he saw a male he recognized enter the house. The Deputy ran the male and found he had a felony warrant for his arrest. The suspect then got into a vehicle and was leaving. The Deputy conducted a traffic stop and took the suspect into custody on the warrant. The Deputy located five small pills in a baggie in the male's pocket. The male was transported to jail at which time the Deputy requested a thorough search of the suspect. Two hypodermic needles and a small baggie containing a crystal substance were located in the groin area. The substance tested positive for methamphetamine.

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4.0B Sheriff's Department Report

Orlando stated on some current scams that are going on right now:

Jury Duty Scam – Residents receive a phone call from a male identifying himself as Lt. Brian White and references Hennepin County and Anoka County Courts and the Anoka County Sheriff's Office. The male states that the person receiving the call (or a family member of theirs) missed jury duty and they have a warrant out for their arrest. The male demands payment to satisfy the warrant. This is a scam and not a legitimate call!

IRS Scam – Callers receive an automated message from the IRS stating that legal proceedings are being initiated against them. There will be a lien placed on your assets and bank account. A bill collections officer will visit you soon to complete paperwork. A tax default phone number is then left to contact. Upon calling the number, a male with a foreign accent will tell you an amount that is owed. He will say that if payment is not made within 45 minutes, all your assets will be frozen and liens placed.

IRS Scam using the Anoka County Sheriff Office's Chief Deputy's Name – An individual is calling Anoka County residents and identifying himself as Chief Deputy of the Anoka County Sheriff's Office. The male is telling the caller that they owe money to the IRS and they have a warrant for their arrest as the money has not been paid. The male tells the called to purchase a pre-paid Visa card and to transfer the money to an IRS vendor account. In some cases, a spoofing software is used so that the caller ID shows the legitimate number of Anoka County Sheriff's Office. Anoka County Sheriff's Office does not collect IRS debt and no law enforcement agency will demand you make payments over the phone, under the threat of being arrested.

If you get any suspicious phone calls like these, please hang up, call 911 and report the incidents.

Orlando stated I know we've had several in Anoka County. Actually, one of our Lieutenants at our work got the IRA phone call. So, he called the gentleman and proceeded to call him every minute for an hour. And the gentleman, in his foreign accent, said, 'Quit calling me.' So, just to make people aware. It was on the news about the IRS scams last night. I saw it 5, 5:30, 6 o'clock news. Something on there. Just to make people aware that the IRS is not going to call you. If they converse with you, it's going to be by letter and things of that nature. They're not going to ask you for payment over the phone either. Voss asked questions from Council?

Mundle asked with the slightly warmer weather, has there been any uptake in vandalism by young adults? Orlando stated there was nothing in February because I looked at the month of February. Nothing that I noticed in February but I'm sure, as the weather does get warmer and it stays lighter and warmer, that we will see a progression in those numbers.

Voss stated we had 'car shoppers' through our neighborhood one night. I saw them. Orlando stated yes. Voss stated and I called it in. Orlando asked did they catch them? No? Voss stated unfortunately. Orlando stated yeah, that's a good reminder too is, you know, don't leave valuables in your car even if you lock your car. They'll break a window and go in and take what they want. So, keep your valuables hidden. Voss stated even if it doesn't look valuable, they'll do it. Orlando stated yeah, and a lot of times if it's younger teenagers, they'll take a quarter or a pocket's worth of change that they see is worth breaking a window to get in and take. So, what you might not see as being too valuable is valuable to someone. Voss asked any other questions? Any questions from the audience for the Sheriff's Department? All right, thank you. Orlando stated thank you.

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4.0C Fire Department Report

Fire Chief DuCharme stated good evening Council. My report for February 2016 is that during February, we ran 29 calls. Interesting that I've been telling the Council in 2015 how we were running 15% to 20% higher on our call volume. And, I think we ended up the year at about 15% higher. Well now, we're about 15% lower. So, I guess, that kind of evens out. Although those numbers, the first half of March, all went to heck anyway.

DuCharme stated in February, we did run 29 calls and, incidentally of those calls, 23 of those were medically related. So, most of our calls were just medically related. But we did have some interesting calls. We did have a fish house that was on fire but it wasn't on the lake. It was in somebody's back yard who decided they were going to burn it. And, we can't burn fish houses. So, we advised the owner and took care of that.

DuCharme stated grass fires are starting to happen and I realize we had over an inch of rain in East Bethel the past 24 hours but I want to remind everybody that all that vegetation out there is dead. And it takes about two hours for it to totally dry after the rain stops. So, we've got to be extremely careful. With that said, on March 21st, next Monday, the DNR will be putting fire restrictions on. So, burning permits for pile burns will not be available from the City or the Fire Wardens. Although the DNR will issue their own variances with special causes, that restriction will be on until what we call the green-up and that's usually about four weeks, depending on the weather and so forth.

DuCharme stated we had another interesting call where, in the middle of February, just down the street here on 222nd and Bataan, a telephone pole caught on fire. What really caught the pole on fire was the propane tank that was thawing the ground for the utility company. We've talked to the utility company and agreed that we've got to be more careful on that.

DuCharme stated getting back to the grass fires, I realize we've got spring clean up coming up and we do not allow for leaves and grass clippings and yard waste to be burned. You cannot dispose of it that way. So, just a reminder. When the fire restrictions do come on that the DNR will issue on Monday, rec fires will be allowed. And, I've said this for years, if people would just, or residents, would just take an extra five minutes and let their neighbors know that they're going to do some recreational fire burning <u>before</u> they light the fire, I think they'd save everyone a lot of work. It's also good for the neighbor to know in case they don't want the smoke or smell in the house, they can close the windows.

DuCharme stated we also, this time of year, talk about the change of weather coming in. The change of weather, of course, our biggest risk in the year is coming up with storms. And, we do have all of our weather sirens up and running except for the one that is being replaced because of the car accident. We're still about four weeks out on getting that installed. So, everybody listen to the radio as far as weather goes and make sure you've got your safe place.

DuCharme stated our inspection program continues to move on. We actually did quite a few City properties in February for inspections and also did a couple plan reviews. So, are there any questions by the Council?

Mundle asked how is the grass fire season shaping up? Is there a forecast on it yet? DuCharme stated there is. We've been talking with the DNR for quite some time now. In fact, we did a special training where we had the DNR come out and do some training with our fire fighters, classroom training, in February. And, the consensus by the DNR is that

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4.0C Fire Department Report

this year is shaping up very closely to 1998. Anybody remembers, 1998, that was some, I believe that was the first Carlos Avery fire and there was quite a few grassland fires. And they're specifically concerned about this part of Anoka County where we're on the sand plain and we don't keep a lot of moisture. Then that's when we start talking about one-hour and two-hour fuels. That's the vegetation that only, you know, you could have three inches of rain and within an hour or two, that vegetation's dry. And, it's dry enough to burn. So, we have had some of our grass fires that have gone to the trees, especially the pine trees. That's not a good situation. We also have worked on some mutual aids with Linwood on some grass fires and things like that. You never know. We try to look at trends. We try to predict what we're going to have and although we never know, we want to be ready for what happened in 1998. Voss asked any more questions?

DuCharme stated we've got some special trainings coming up in the next few months and will be passing those on to you. The first one's coming up next month in April where we're going to work with the Met Council at their waste water facility and going to do some special training and work on some special rescue on some of their equipment. So, we'll keep you informed. Thank you. Voss stated thank you Mark.

5.0 Public Forum

Voss stated tonight we had one person sign up, David Landes, if you'd like to come forward for Public Forum.

Dave Landes, 1747 237th Avenue NE, stated my subject, of course, is the CST project, ongoing with that and wish to address some additional things that may not have been covered in previous discussions and also neighbor Cole Robert visited the site and took some photos that we took the liberty to enlarge for the sake of those who may not have visited the site. We did visit the site and got the 'shock treatment' first hand but some of the folks may not have the opportunity to see that. I think the pictures do well to give a better impression versus the typical architect drawing and something, minimizing-type of photos that I feel we saw previously. So Jack was kind to get us an easel here. I'll just flip through these and then I'll talk after that just to give people the opportunity to see it.

Landes stated you folks have all seen these shots but in case not. *(Landes displayed enlarged photographs on an easel.)* These blew up kind of low resolution for the purpose but you can see. This just gives what appears to be their product. Voss asked Mr. Landes, can you talk into the microphone? Landes stated I want to make clear that I don't have official or first-hand knowledge of these things so please understand this is what I've observed. I'm not claiming to make any statements for anyone else other than what I've observed myself. I'm trying to be factual.

Landes stated this appears to be their product that they distribute and store. I believe on the plan there's some mention of a specific number of acres of this type of storage that they are proposing. *(Landes displayed another enlarged photograph.)* That's another shot from kind of up, I recognize that shot because we saw that from just overlooking the property. Their current site, I believe, Jack you said is 13 acres that they currently occupy in this location and here they want close to 40 acres. So, understand there's considerable more volume of all of this in the proposal than there is in the current location.

(Landes displayed another enlarged photograph.) Landes stated the proposed mentioned there is no composting because of their methods and so on. Some steaming of product would maybe lend some question to that. I think any time you pile vegetation material up on a pile like that, it's inevitable it heats up and generates additional discharge due to that.

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5.0 Public Forum

(Landes displayed another enlarged photograph.) Landes stated I believe when the Tofts spoke, they said they were intending to have their piles a maximum of, I thought, it was 17 to 20 feet. Currently, I have no idea how high these piles are but clearly, they're in excess of that by probably double or more. Again, keep in mind their intending growth so I think it's safe to assume that there could be more material on the new site than the current.

(Landes displayed another enlarged photograph.) Landes stated this gives some perspective of the size with the machine moving the material. Again, you judge for yourself how high you think that pile might be. I don't know. *(Landes displayed another enlarged photograph.)* Landes asked how high is a pole? *(Landes displayed another enlarged photograph.)* Landes stated just the right number to fit on the easel. Again, just more of the same. Then over here *(referring to a different enlarged photograph),* I'll get this out a little bit. Just another shot. This, I believe, was taken off Facebook. As I understand, they stockpile starting in possibly late fall and into winter so that maybe was an early winter shot or something. But, it's pretty impressive.

Landes stated I'll keep this brief as this, I don't believe, was on the agenda so I appreciate you giving us the opportunity to present. This is the Comprehensive Plan that the City maintains. My wife, I came home one day and she had spent her whole day reading this cover to cover and made comments. If each of you haven't read this word for word, I'd urge you to because I believe here's your ticket. It's quite impressive in its content. It's not prefect by any means, anybody would say, but it does have a lot of information in there that is real useful.

Landes stated one of the things we were impressed with was the value that, whenever this was generated, was put on the resources that the City has. Namely, the Cedar Creek Preserve. It gives a lot of attention to the value of preserving that. One of my thoughts on that was this project really, literally, is at the front door to the Cedar Creek Preserve. I don't think it really fits the model of what that is. People come from literally, according to this, other parts of the world to study and do research on environmental issues. It's apparently unique, maybe a lot of us don't fully appreciate what it is. So, it should be considered because it is the intent in here to take into consideration what development does to these resources. So, it's in here.

Landes stated some other things, what we gathered from this is the Plan has a lot of intent in here. It's just overall, there's a tone that you get for what the overall plan for what is good for the City and how it's generally referred to. There's long-range, it mentions long-range benefit to citizens and I would say it's difficult to imagine how this particular project could be considered of long-range benefit to enhancement of the community. The Comp Plan does not adequately describe what cannot comply as well as some other plans.

Landes stated one of the residents pulled up Blaine's zoning descriptions and I think everyone would agree that whatever their zoning is, apparently hasn't obstructed their development. They seem to be doing just fine in that department. One of the things that is real useful in that and would be in this case, is they're light industrial has some wording there that could be worth looking at as far as enhancing our own Code. I'll read from it. 'Such light industrial should be located next to heavy industrial, commercial, and airport districts, shall be free of hazardous or objectionable elements such as noise, odor, dust, smoke, glare or other pollutants.' Then it goes on to say: 'Manufacturing, compounding processing, packaging, storing, treatment, or assembly of products, materials, within a

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5.0 Public Forum

structure, except for renderings, slaughtering, refining, etc.' And, then it says there would be no outdoor storage and only a number of trucks that is equal to docks or bays. The outdoor storage, I thought was really descriptive and useful in giving a tool to decide what is appropriate for a location.

Landes stated further, I would say that this Plan seems intended to give you folks what you need to guide you in deciding. Apparently, you're supposed to have some flexibility in what you can and cannot permit. Otherwise, what is the purpose of it at all. I guess I would say that if that's not what it's for, what would it be. And, I'd further say apparently there is some things that would not be considered appropriate by, again extension of logic, and so I would say if this one does not go beyond, what would be considered appropriate for this location. I would have to wonder what would. I just can't imagine they could get much worse for this particular location.

Landes stated it looks like they have a fine growing business going and I respect that and wish them well. But, I think that there's a better location that would not only serve their purposes better for the future but be of benefit to everyone including themselves.

Landes stated I'm just going to read for you, if you'll allow me to, a couple of excerpts in here and I want to read them word-for-word so it's not something I would stumble on. Voss asked but you're still going to be brief? Landes stated I'm going to be brief, I'm still being brief.

Landes stated this is pretty important so even the time it takes to read. This is under the light industrial: "Light Industrial District intended and designed to provide areas of City suitable for activities uses that are industrial in nature. Industrial uses of this District are limited to those that do not generate noise, odor, vibration, or other discharge discernable from outside the parcel on which this is located. This category is aimed towards industrial uses that are lower in intensity of activity such as offices, warehousing, research laboratories, and light manufacturing.' Again, it's hard to imagine how you can exceed this more drastically than what this project does.

Landes stated another says: 'The City will work to enhance performance standards to protect public and private investment.' Protect private investment. Big in our case. Again, I don't know how you could get more of an indictment on what would be harmful to private investment in this case.

Landes stated then another spot. It says: 'Development should be designed to enhance the needs of the community.' I get my little trailer behind my truck and I've got two choices to get mulch. North or south so there is no need for this commodity as far as the citizens are concerned. And, another, my own add-on mentioned: 'The City will protect residents from encroachment, impact of industrial development.' And, by their own information, and this is not my, any assumption on my part, their operation is up to 22 hours and this is before their growth. From 4:30 in the morning to 2:30 in the morning, or 2 o'clock or something like that. That is so close to a 24-hour operation that they might as well go 24 hours. And, this is next to a residence.

Landes stated I'll close by saying these folks have options. They'll find a better place to build their growing business and they can do it without destroying the current community and the property values of those who are currently there. And, maybe a little 'tongue in cheek' but not really, can we assume that if this is approved that you'll welcome our calls

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5.0 Public Forum

each and every day and night we are subjected to the zoning violations of noise, odor, vibration, or other discernable discharge outside the parcel of which CST is located? Even if you're not re-elected because you will have approved it? So with that I'll close and again, request that you folks do the right thing and find a way. This is what you took the job for, to do the 'heavy lifting' and find a way to legally deny this use of this property. Thank you. *Some audience members offered a round of applause.*

Voss stated thank you. Mr. Landes was the only one that signed up. Is there anyone else here tonight that wishes to speak before the Council at Public Forum? An unidentified audience member stated I think he spoke well for all of us. Voss stated if not, we'll move on.

6.0 Consent Agenda

Item A Approve Bills

Item B February 24, 2016 Council Work Meeting Minutes
Meeting minutes from the February 24, 2016 City Council Work Meeting are attached for your review.

Item C March 2, 2016 Council Meeting Minutes
Meeting minutes from the March 2, 2016 City Council Meeting are attached for your review.

~~Item D City of Wyoming, Septic Review and Inspection Contract~~
This item was removed from the Consent Agenda.

Item E Engineering Costs for AV Project Improvements
Nate Elam with EPA Audio Visual presented a proposal to Council at the February 24, 2016 Work Meeting for a system upgrade for our audio visual and broadcast equipment. In his presentation, he stated that their engineer would need to prepare quotes for design options. The cost for the engineering of the system would be $980.00. This cost would be applied to the project costs should Council decide to contract the project with EPA.

EPA's initial estimate of costs was $85-95,000. Other comparable proposals ranged from $101,000 to $107,000 but these did not include the Tightrope broadcast equipment for Channel 10. Staff is requesting authorization to direct EPA to proceed with the engineering required to present Council with design options for the City Hall A-V Project.

Item F Connexus Easement
Connexus Energy has requested an easement along the entrance drive to the City Public Works Building. The easement would used to install underground electrical service to the Verizon Cell Tower. The proposed easement would not present any issues with access or operation of the Public Works Department. The Easement is attached for review.

Item G Supplemental Payment Summary

Ronning stated move to adopt the Consent Agenda as printed. Harrington stated I'll second. I'd like to pull D. Voss stated okay, anything else? Motion's been made and seconded. All in favor say aye? **All in favor.** Voss asked opposed? That motion passes. **Motion passes unanimously.**

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6.0D City of Wyoming, Septic Review and Inspection Contract

It was noted that the City of East Bethel contracts with the City of Wyoming for Type 4 and 5 Septic Plan Reviews and Inspections. The current arrangement is by request and it is recommended that an agreement for this service be memorialized by contract. City Inspectors are licensed for systems up to and including Type 3. The Agreement with red line changes by the City Attorney was provided for the Council's review.

Harrington stated the City contract says '2015' for Wyoming. I want to change it to '2016" and are you okay with that change? Voss stated and if I get to it, there's a typo. I thought I had it tagged. On page 73 of our packet, page 3 of 5 of the redlined contract, the second sentence on the top. It's a small typo. 'The City shall submit payment to the Wyoming…' See that Mark? Vierling answered yeah.

Mundle stated would you like it: '…to the City of Wyoming.' Voss stated I think it's the 'City of Wyoming' yeah. Okay, any other changes to that item? Harrington stated no. Voss stated I'll entertain a motion for that.

Harrington stated I'll make a motion with the change, to approve the change. Koller stated I'll second. Voss stated okay, any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? Okay, that motion passes.

Mundle asked was that motion just to approve the changes? Or, to approve the entire? Voss stated yeah, we'll need a motion to approve the item. Mundle stated okay. Voss stated we need a motion to approve the Septic Review and Inspection Contract with the City of Wyoming. **Koller stated I'll make the motion to approve the contract with the City of Wyoming for Septic. Mundle stated second.** Voss stated motion's made and seconded. Any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? Okay, that motion passes also.

7.0 New Business

Commission, Association and Task Force Reports

7.0A Planning Commission

None.

7.0B Economic Development Authority

None.

7.0C Park Commission

None.

7.0D Road Commission

7.0D1 Sims Road Pedestrian Crosswalk

Davis presented the staff report, indicating City staff has received a request from residents who live in the residential neighborhood north of Sims Road to install a crosswalk on Sims Road at Polk Street. As Sims Road is not a City street, the decision and cost to install the crosswalk would be upon Anoka County. The residents are asking the City of East Bethel provide this request to Anoka County Board of Commissioners for their consideration.

All of the neighborhoods located around both elementary schools are serviced by scheduled school bus service, but some children choose to walk to school. The City has a crosswalk at Polk Street and 212th Avenue that has flashing crosswalk signs. Anoka County has flashing

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7.0D1 Sims Road Pedestrian Crosswalk

signs along Sims Road that are active before and after school and display the school zone speed limit and the approaching vehicles speed but do not have crosswalk signs or a zoned area for crossing.

Staff contacted ISD 15 and they are supportive of the request and will be submitting an endorsing resolution on behalf of this proposal.

Staff recommends Council consider approval of Resolution 2016-16, A Resolution Endorsing the Installation of a Crosswalk on Sims Road to Provide Pedestrian Access to the East Bethel and Cedar Creek Community Schools.

Mundle stated make a motion to approve Resolution 2016-16, A Resolution Endorsing the Installation of a Crosswalk on Sims Road. Harrington stated I'll second. Voss asked any discussion?

Ronning asked Jack, are you familiar? This is Sims Road and Polk Street? Not the street that goes into it is 212th? Davis stated the proposal for the new crosswalk would be on Sims Road. The existing crosswalk that we have now is right across from the intersection at 212th and Polk. Ronning stated okay, thank you.

Voss asked Jack, we've got two options listed on this drawing? Is there a reason why there's two? Or, is there just, are we leaving it up to the County to get the right location? Davis answered we're leaving it up to the County. Those would be the two locations that we would recommend as alternates. Voss stated okay.

Voss asked any other discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

8.0 Department Reports

None.

8.0A Community Development

8.0B Engineer

None.

8.0C City Attorney

None.

8.0D Finance

8.0D.1 Finance Committee Meeting

Davis stated City staff is requesting that City Council consider setting a date for a Finance Committee. The Finance Committee meeting is made up of two Councilpersons. Those persons are appointed by the Mayor and approved by the Council. This year's Finance Committee is composed of Mayor Voss and Councilperson Ronning. The Committee gives direction to staff to set parameters for the development of the 2017 budget. I'm sorry, Mr. Koller instead of Mr. Ronning. Upon which the City presents a preliminary budget to the Council in July for review, modification, so the City can actually submit a preliminary and certified budget to the County at their first meeting in September. This is a preliminary budget and the budget can be cut at this point but it cannot be increased. The final budget will be presented to City Council the first meeting of December for final approval for submission to the County.

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8.0D Finance

8.0D.1 Finance Committee Meeting

Davis stated City staff would like to propose two meeting dates. One would be tomorrow, March 17, at 3 p.m. or Tuesday, March 22, at 3 p.m., or other dates that would be convenient for either of you.

Voss stated I can't make it tomorrow. Koller stated I'm open for either one. Voss asked next Tuesday? Koller stated that works. Voss asked the 22nd? We're fine for the 22nd. Davis stated all right, thank you.

8.0E Public Works

None.

8.0F Fire Department

None.

8.0G City Administrator

8.0G.1 CST Update

Davis presented the staff report, indicating staff and City Council have answered a number of e-mails, responded to calls, and have met with two individuals relating to the proposed CST location at 23805 Highway 65, since the March 2, 2016, Council Meeting.

Staff met with CST on March 8, 2016, regarding the concept plan submitted to the City. Staff provided CST with the following information relating to the Site Plan Review Process:

- CST was advised that their timeline for the project was overly optimistic. Any considerations for approval would occur no earlier than June and depending on the need of for additional information, those times could be pushed back to a later date.
- CST was advised of the petition opposing their location at 23805 Highway 65. The prospect of a community meeting to allow CST to address concerns of the project were discussed. CST was advised that the City would have no role in the meeting other than to offer a location for the gathering.
- CST was advised that the submission of their Site Plan was only partial and that City staff had until March 15, 2016, to provide notification of the additional items required for submittal. Items that were incomplete or not submitted related to environmental issues, wetland delineation, status of permits, signage, Fire Department review, hours of operation report, and general concerns related to traffic, appearance and visual impact.
- CST was advised that the burden of proof relating to noise, dust, particulate matter, and other requirements contained in Code must be provided to address the conditions set forth in City Ordinance and CST must clearly demonstrate to the City that these issues do not have any impact beyond their proposed site.
- CST was advised that they must obtain all required permits from the DNR, MPCA, Anoka County Highway Department, and any other regulatory or permitting agencies that have jurisdictional authority over these matters before the City could issue any permits relating to this project.
- CST was also advised that platting of the service road right-of-way would be required.

CST is proceeding with their application. The April 26, 2016, Planning Commission Meeting will be next scheduled session that this issue will be addressed as an <u>actionable</u> agenda item.

Updates and reports may be presented at the March 22, 2016, Planning Commission and April 6 and 20, 2016, Council Meetings.

The process for the Site Plan Review per City Code, Zoning, Appendix A, Section 4 is:

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8.0G.1
CST Update

Once a concept plan has been reviewed by the City staff, the applicant shall submit an application to the City for Site Plan Review. The Site Plan Review process shall be as follows:

1) The applicant(s) shall submit a completed application and all required Site Plan Review materials to the City;
2) City Staff shall review the application and forward a report and recommendation, including all conditions, to the Planning Commission;
3) The Planning Commission shall review the submitted Site Plan Review application and recommendation from staff and make a formal recommendation to the City Council. The recommendation from the Planning Commission shall include all conditions or modifications to the Site Plan Review application;
4) The Site Plan Review application shall be placed on the City Council's regular meeting agenda for final decision;
5) The City Council may remove, alter, or impose additional conditions to the Site Plan Review application. A Site Plan Review application shall receive a majority vote by the City Council for approval. If an application is denied by the City Council, the application may not be resubmitted for a period of three months following the date of denial. A vote denying the Site Plan Review approval along with its findings shall be formally recorded;
6) In evaluating its recommendation and approval, the Planning Commission and City Council shall take into consideration the following:
   a) Consistency with the City Comprehensive Plan;
   b) Compliance with City Ordinance;
   c) The preservation of the site in its natural state, to the extent practicable, by minimizing tree loss, soil removal, and grading;
   d) The harmonious relationships between buildings, open spaces, natural site features, architectural details, and vehicular and pedestrian circulation; and,
   e) The protection of adjacent and neighboring properties.

Davis stated this is the information that was presented to CST and we've had no form of meeting since then. Myself and Councilpersons Ronning and Harrington visited the site on Monday and were given a tour of the operations. I believe Mr. Koller has also been there. Mr. Voss, I think, visited the site on Monday afternoon. So, the Council is aware of the conditions on the property.

Voss stated thanks Jack, that's a good summary. I think for, with the assumption that most of the folks here are interested in this topic, kind of the operative word here is April 26th. That's when it's officially, well the first date that it'll officially be considered by the Planning Commission.

Davis stated that would be the earliest. Voss stated the earliest so you're certainly welcome to attend any and all Council meetings but probably until that time, there's not going to be a whole lot of more additional information to provide. Nor will there be any decision making by the Council. So that's, again, I don't want to discourage anyone from coming to Council but just for your information. Is that a fair summary Jack? Davis answered it is. Voss stated you may still have updates from time to time. That will be on the agenda on-line so you can see what the updates are. Jack basically read the update that was in our packet.

Davis stated if we have any meetings with them or anything of significance happens, we will provide an update. And, as the Mayor said, you can get it on line. We will present it publicly to the Council too. But it will be an information only item.

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8.0G.1
CST Update

Mundle asked generally when do packets get put on line? On the website? Davis stated they're available on the website the Friday afternoon prior to the Wednesday Council meeting. Mundle stated okay. Davis stated or, if you have any questions, don't hesitate to give me a call.

An unidentified audience member stated so if we attend that meeting on the 26th, and you guys say no, so if I understand this right, they have another three months before you guys? Voss stated no, again, what Jack stated was that it goes to the Planning Commission on the 26th. Assuming the Planning Commission acts on it that night, and that's the earliest it could be on the 26th, if they act on it that evening it will be on probably the next Council agenda or the middle of May. One of the two.

Davis stated it depends. The earliest it can be on the Council, the earliest, would be the first meeting in May. Voss stated which is the first meeting in May. Then if it is passed on from Planning & Zoning to City Council, the first meeting in May is when this body considers the application.

An unidentified audience member stated my point is like if you decide, if there was something you didn't like and you shut them down, they could have like three months before they can. Voss explained by ordinance they can't reapply for three months. That's by ordinance.

An unidentified audience member made an inaudible comment. Voss stated that's the limit of our information. So, whether the property is sold or not, that's not germane to the Council.

Davis stated one of the things I would like to add is all of the members of the Planning Commission have also been encouraged to visit the site so they'll have first-hand information of the operation.

An unidentified audience member stated the thing is though, with you guys going to visit the site over there, I suggest that you guys go June, July, or August when it's really hot and steamy. That's when you're going to find out if the odors because they say that they don't smell this time of year. So going over there now is kind of useless.

Davis stated well, as I stated in here, the burden of proof is on them to clearly demonstrate that they're not impacting adjacent or abutting properties. An unidentified audience member stated the way I understand it too, there's no other properties around it like our residents. Davis stated yeah but that is not related to this. They'll have to prove it to our situation.

Voss stated as Jack stated, these are all the things we're going to be considering. As I've stated, I think in the past couple of meetings, staff is following up on, it's safe to say, every concern brought up by the public and by Council. So, we're following up on everything. Some things, a few things, maybe, we've got answers for. There's quite a few we're waiting on answers for.

Davis stated I have one other thing, if you'll give me one more comment. There are things in our Ordinance that there may be some minor inconsistencies on. The City Attorney is going to be reviewing some of those and provide a report to us within the next couple of days as to what the priority is with those and which ones are applicable and how those are

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8.0G.1
CST Update

applied and in what order. So, we're looking at this from every situation. Again, as I've stated before, we take this very seriously from the Council and the staff and there will be a complete and thorough review of the while issue. Voss stated okay, real quick.

An unidentified audience member stated I want to let everybody know what J-brakes sound like on trucks. Hauling 50 trucks in and out of there all day. There's going to be brakes. Voss stated that is one of the issues we've been talking about. An unidentified audience member stated and having back-up beepers. Voss stated yeah, that is another issue we've been talking about too. The City's been talking with them. An unidentified audience member stated thank you.

Informational; no action required at this time.

8.0G.2
City Hall
ADA
Project

Davis presented the staff report, indicating the East Bethel City Hall was constructed in 1980 prior to the enactment of American with Disabilities Act (ADA) requirements for handicap access. Title III of the Act has application to existing facilities and it speaks to the failure to remove architectural features as a condition of discrimination. This means that even facilities that have not been modified or altered in any way after the ADA was passed still have obligations. The standard is whether removing barriers, typically defined as bringing a condition into compliance with the ADA, is readily achievable and easily accomplished without excessive difficulty or expense.

The front door entry to City Hall and the Senior Center do not meet ADA accessibility standards. These doors require manual operation to open and we have had two complaints within the past year regarding this condition at City Hall. This matter was considered during the City Hall renovation in 2007 but was not included in the plans or the project.

The question of the City's obligation to comply with the Act was reviewed by the City Attorney and his opinion supported Staff's interpretation of the ADA requirements.

In order to address this situation for both City Hall and the Senior Center, staff developed specifications and received three proposals for automatic door openers for these entrances. The bids ranged between $9,954 and $16,530. RAK Construction of East Bethel was the low bidder. In addition, RAK Construction was the only firm that bid the product specified by the City.

Staff met with RAK Construction to discuss the details of their bid and is satisfied that their proposal provides a product and warranty that will address the needs of access into both buildings.

Staff recommends that Council consider the approval of the bid by RAK Construction Company of $9,954 to install automatic door openers at the main entrance to City Hall and the Community and Senior Center.

The costs for the proposed project would be, as mentioned, $9,954 and funds are available from the Building Capital Fund.

Ronning stated move to provide $9,954 for the purpose of RAK Construction Company to install automatic door openers at the main entrance to City Hall and the Community and Senior Center. Koller stated I'll second. Voss stated motion's been made and seconded. Discussion?

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8.0G.2 City Hall ADA Project

Voss asked do the doors themselves, the widths of the doors, meet ADA? Davis answered they do. Voss asked including the second door going into the Community Center? Davis answered yes. Voss asked so both those doors are going to have the controllers? Davis stated that's correct and the same way out here in this lobby. All these doors will have automatic door openers. Voss asked both sides? Davis stated no one side but both doors, the exterior and interior foyer door. Voss stated and that width meets ADA? Davis replied yes. Voss stated I'd hate to go through all this if the width wasn't right. Okay.

Voss asked any other discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

8.0G.3 March 23, 2016 City Council Work Meeting

Davis presented the staff report, indicating the March 23, 2016, Work Meeting, which is a regular scheduled Meeting on the City's calendar, proposes to discuss three items:

1. Town Hall Meeting Format;
2. Amendment to City Ordinance Chapter 70, Regulating Snowmobiles; and,
3. Amendment to City Ordinance Chapter 10, Regulating Requirements for Domestic Farm Animals.

Is scheduled to be on the agenda. City staff is seeking direction as to setting the meeting and setting the agenda with these items or any other items you wish to add.

Voss asked is everyone in agreement with having a Work Meeting? Koller stated that's fine with me. Mundle stated I've got no issues. Ronning stated I can find something if you're… Voss stated well, we're going to talk about snowmobiles. I think that's a good topic. Yeah, I'm fine with it. I can make it. Do you have a time in mind?

Davis stated 6 o'clock. In addition to the Work Meeting, I would like to request a Special Meeting be scheduled for 6 p.m. We received the JPA bids for the Street Maintenance Materials Project today. Those bids are due to be approved and submitted back to the City of Coon Rapids by March 30th. The issue we have is this is a month where we have five Wednesdays and there won't be another Council Meeting until April the 6th. So if we can schedule a Special Meeting just to consider the approval of the JPA bids for the street maintenance materials, it would be a three-minute meeting so we can vote on that, approve it, if we do, and then be able to submit it to Coon Rapids so we can get in on their schedule.

Voss asked so procedurally? We just need a motion for a Special Meeting? Vierling stated correct. Voss stated okay. **Mundle stated make a motion for a Special Council Meeting on March 23rd at 6 p.m. Harrington stated I'll second.** Voss asked any discussion? And, that will be the only item on the agenda? Davis stated that's correct. Voss asked any other discussion? To the motion, all in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.** Mundle stated and the Work Meeting will start after? Davis stated correct.

9.0 Other

9.0A Staff Reports

Town Hall Meeting

Davis stated I just want to remind everyone that the Town Hall Meeting is scheduled for April the 19th at 6 p.m. There'll be several interesting presentations in our first session, which is at the Senior Center Hall. We'll be having representatives from Mn/DOT to be able to answer questions regarding the proposed reduced conflict intersection. Also, there'll be representatives here from Mid-Continent if anyone wants to come and has any questions about cable service or extension of service or any issues you have with Mid-Continent. Please plan to attend and you can talk to these individuals one-on-one and they'll be there to answer your questions.

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Employees with Class C	Davis stated I'd also like to announce that two of our Public Works employees, Jay Hehir and Chad Citrowske, passed their Class C water test so now we have a back up to the operator for our water plant off Taylor Street.
Gravel Road Issues	Davis stated also we've had a lot of issues with dirt roads with the frost coming out of the ground and the rain and the warm weather. These will be issues that are going to be on the next couple of Road Commission Meetings. The Road Commission meets the first Tuesday of the month so if you have any issues or concerns with that, please attend and let those people know what they are.
Generator	Davis stated we anticipate the delivery of our generator next week sometime so the pad is already in. We'll get the electricians out there and as soon as it gets in, hopefully within ten days to two weeks, we can have it operational. Voss stated that's right before the season. Is that it? Davis stated that's it.
9.0B Council Report – Member Mundle Upper Rum WMO	Mundle stated I had Upper Rum River Water Management Organization meeting. We were given an update on the Watershed Plan, the Ten-Year Plan, and how that is proceeding. And, a couple more meetings were set for that including one public meeting for public input. We reviewed the 2015 Work Results Report, we approved a budget to be presented to the cities of the Upper Rum River and I believe those were around $23,000. The increase above that were because of the Watershed Plan.
BR&E	Mundle stated many of us on the Council here know, the Business Retention Expansion had a retreat. That was an excellent meeting. Leadership Task Force members and business members of the community met to review the results of the Business Retention and Expansion Survey and proposed projects presented by the U of M based on the results. A lot of projects were discussed and some were chosen with volunteers to head them. They will be more elaborately explained at the Business Retention and Expansion Commencement Meeting. But, I did volunteer to be on the Internet Project and I'm really encouraged by this project just by some of the people who we've already recruited to be on this project. So, there's some 'big weights' behind this. Voss asked and Mid-Continent's going to be at the Town Hall meeting? Davis responded they will be. Voss stated okay, good. Mundle stated so I just wanted to update on that. That's it.
Council Member Koller Roads Committee	Koller stated I went to the Roads Committee and we discussed and made the recommendation for the crosswalk on Sims. We've been working on the Roads Capital Improvement Plan, which is going to be a lot of updating some dirt roads, bring in more Class V, because some are getting pretty washed out. And, surprisingly, the Roads Committee did not know much, hear much information at all about the CST project. Some residents showed up there and informed them and they were quite surprised at the scope of this project. That's about it.
Council Member Ronning	Ronning stated I don't have anything.

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Council Member Harrington

Harrington stated Pet Clinic, April 2nd, 9 to 12 at the Ice Arena. Spaghetti Dinner the 31st of March from 5:30 to 8 at the Senior Center. The proceeds benefit the East Bethel Scholarship Program.

Events

CST Tours

Harrington stated I attended, I went on a tour Monday over at the mulch place. Chad wanted me to tell you that anybody that wants to go through, if you want to go over there and go through a little tour, he'll take you through a tour. He said the guys are hiding up on the hill, taking pictures behind the trees. So, just come on down. He's willing to talk to you, walk you around. That's all I have to say.

Mayor Voss

Congressman's Staffer Available

Voss stated on Tuesday, March 22nd, next Tuesday, Congressman Tom Emmer is going to have office hours here at City Hall between 9 a.m. and 3 p.m., basically constituent services. If you just want to come up and meet Congressman Emmer, most of us don't really get that opportunity too much to meet our Congressman so there's an opportunity there. Again, that's Tuesday from 9 to 3 here at City Hall.

Grass Fire Season

Voss stated the only thing I wanted to add is the Fire Chief talked about the grass fires. I can imagine that we're going to have a season this year. It doesn't take much with the wind for a small fire to get out of hand. So, I think they've had a few more grass fires than the Chief actually let on tonight. They've had a few calls this week. That is all I have.

Davis stated one little correction there, and it may not have been clear on that. The Congressman will not be here. One of his staffers will be here. Voss stated oh, my apologies. So, we do not get to meet our Congressman in person. I'll change my calendar now. It's someone from their staff. Okay. That's important. People would be pretty disappointed there. So, it's not the Congressman. I apologize for that.

9.0C Other

None.

9.0D Closed Session Union Negotiations

Vierling stated thank you Mr. Mayor. For the benefit of the public and for the record, we'd note that the Council's is about to go into Closed Session, authorized under Minnesota Statute 13D.03, to deal with matters involving Union Negotiations with City employees. As is required by law, the Closed Session will be tape recorded with that tape being maintained for a period of two years. The Closed Session is following a recess of the Council, meaning that the Council will come back into Open Session following the Closed Session and announce any formal actions or motions that have been made at that time. With that being said, Mr. Mayor, I'd recommend that a motion be made to go into Closed Session for the purposes I've indicated.

Move to Closed Session

Mundle stated make a motion to go into Closed Session at 8:06 p.m. for the purposes that City Attorney's indicated. Koller stated I'll second. Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked any opposed? That motion passes. **Motion passes unanimously.**

Voss stated so we'll be back and if we do take action, it's the last item, right before we adjourn. Thank you all for being here again.

Reconvene Open Session

Vierling stated thank you Mr. Mayor and members of the Council. For the benefit of the public and for the record, we note the Council's back into Open Session after having concluded a Closed Session authorized under Minnesota Statute 13D.03, effecting matters of Union Negotiations. The Closed Session was tape recorded, as required by law, and was

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Reconvene Open Session	attended by all members of the Council, City Administrator Mr. Jack Davis, and myself as City Attorney. The Council reviewed issues of a strategy in negotiation with the City Administrator, provided input and direction, but no formal motions were made or taken. The Closed Session was concluded at 8:37 p.m. Thank you.
10.0 Adjourn	**Mundle stated I'll make a motion to adjourn. Koller stated I'll second.** Voss asked any discussion? All in favor say aye? **All in favor.** Voss asked opposed? **Motion passes unanimously.**
	Meeting adjourned at 8:39 p.m.

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

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EAST BETHEL CITY COUNCIL SPECIAL MEETING

MARCH 23, 2016

The East Bethel City Council met on March 23, 2016, at 7:00 p.m. for the special City Council meeting at City Hall.

MEMBERS PRESENT:	Ron Koller	Tim Harrington
	Brian Mundle	Tom Ronning
MEMBER ABSENT:	Steve Voss	
ALSO PRESENT:	Jack Davis, City Administrator	

1.0 Call to Order

The March 23, 2016, special City Council meeting was called to order by Mayor Pro Tem Ronning at 7:00 p.m.

2.0 Adopt Agenda

Koller stated I'll move to adopt tonight's agenda. Mundle stated I'll second. Ronning asked all those in favor? **All in favor.** Ronning stated the ayes have it. **Motion passes unanimously.**

3.0 JPA Street Maintenance Bids

Davis presented the staff report indicating the following projects were recommended to bid as part of the 2016 JPA Street Maintenance program by City Council approval on January 20, 2016. These projects have been identified in the 2016-2020 Street Capital Improvement Plan (CIP) and include:

1. Crack sealing of approximately 50,000 linear feet of street as part of the annual street maintenance program; and,
2. Striping of approximately 150,000 linear feet of City MSA streets.

These projects will be funded from the Street Capital Fund as identified in the 2016-2020 Capital Improvement Plan and the 2016 Street Maintenance Budget. On Friday, March the 11th, the City of Coon Rapids received and opened bids for the North Metro Street Maintenance Program. The total of the bids for our portion of the JPA project was $46,238.80. The bid results were consistent with past costs and budgeted for in the 2016 Street Capital Fund.

Staff has reviewed the bids and recommend acceptance of the 2016 JPA Street Maintenance Agreement in the amount of $46,238.86 and authorization to submit a letter of concurrence to the City of Coon Rapids indicating our participation in this project.

Ronning asked motion to adopt the recommendation? **Harrington stated I'll make a motion to recommend acceptance the 2016 JPA Street Maintenance Agreement bids in the amount of $46,238.86 and authorize to submit a letter of concurrence to the City of Coon Rapids indicating our participation in this project. Mundle stated I'll second.** Ronning asked any discussion? Those in favor? **All in favor.** Ronning asked opposed? The ayes have it. **Motion passes unanimously.**

4.0 Adjourn

Mundle stated motion to adjourn. Harrington stated I'll second. Ronning asked any discussion? Those in favor? **All in favor.** Ronning asked opposed? The ayes have it. **Motion passes unanimously.**

Special Meeting adjourned at 6:02 p.m.

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

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EAST BETHEL CITY COUNCIL WORK MEETING
MARCH 23, 2016

The East Bethel City Council met on March 23, 2016, at 6:03 p.m. for the City Council Work Meeting at City Hall.

MEMBERS PRESENT:	Ron Koller	Tim Harrington
	Brian Mundle	Tom Ronning
MEMBER ABSENT:	Steve Voss	
ALSO PRESENT:	Jack Davis, City Administrator	

1.0 Call to Order

The March 23, 2016, City Council Work Meeting was called to order by Mayor Pro Tem Ronning at 6:03 p.m.

2.0 Adopt Agenda

Harrington stated I'll make a motion to adopt the agenda for tonight's Work Meeting. Mundle stated I'll second. Ronning stated any discussion? In favor? **All in favor.** Ronning asked opposed? The ayes have it. **Motion passes unanimously.**

3.0 Town Hall Format

Davis presented the staff report, indicating the Spring Town Hall Meeting is scheduled for April 19, 2016. Due to a number of issues that are of interest to residents, it is anticipated that attendance at this meeting may exceed the ability to seat those present and the occupancy rating for the Council Chambers.

The entire meeting could be conducted in the Senior Center. Should this be an option, we would need to arrange for recording of the meeting.

In addition to establishing the location, the Council may wish to discuss the agenda and any change in the format of the proposed meeting.

Davis stated, I would recommend that we consider doing the whole meeting in the Senior Center. I would expect that we'll have a larger number of people than we usually do. We can get Brian to bring his camera that he uses for the North Metro TV to record it. We also have a number of wireless microphones over there that we can use and pass out to the audience. And, I think it would be a much better site to accommodate a larger crowd.

Davis stated we have 60 seats in here and I'm sure they'll all be filled up. I just want to make sure that everybody that comes has a seat and nobody has to stand out in the lobby again. Koller stated yes, that would make sense. Ronning stated yes

Davis stated if you want to, we can investigate that and make sure that we can get the recording done and then we can bring back a recommendation at the April 6th City Council meeting, if you all think that site will be suitable for conducting the Town Hall Meeting.

Ronning stated sounds good to me. Koller stated yes.

Davis stated we're going to have, Mn/DOT's here in the 6-7 o'clock session. They'll have somebody here to answer questions about the Reduced Conflict Intersection proposal and have some displays. Mid-Continent is also going to be here so anybody that has any cable issues or questions or concerns about service, they'll be here to answer those questions.

Davis stated also, there'll be the Department Heads being available for any questions and

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3.0 Town Hall Format

Commissioner Julie Braastad will be here.

Davis stated once we finish the first session, if there are still some people that have questions about the improvements to the 22/65 intersection proposal, we could do an agenda and have that first; so the Mn/DOT people could be here to answer any questions and if they want to leave, then they could go ahead and leave. The same way with the cable company. If anybody had any questions of those, we could set up two specific agenda items for them. So, if they do not want to participate in the rest of the meeting, some of them have a little distance to travel, they can get out of here.

Koller stated I'm sure we're going to have allot a lot of time for the CST. Davis stated I'm sure we'll have many comments on that. Are there any other items that you think we need to bring up and just open up for any type of public discussion?

Mundle stated when Congressman Emmer's representative was here, I did extend an invitation for him to attend the Spring Town Hall Meeting. I don't know if anything will come of it. Davis stated I had done the same thing a couple months ago and was told he was scheduled for that night. However, if he changes his mind, he's more than welcome.

Davis stated another couple of things I want to make sure that we get out at the Town Hall Meeting and at the next Council Meeting is the Local Board of Assessment and Appeals will be meeting on April the 20th. I want to make sure that everybody knows that that's the meeting you come to if you have any questions about the valuation of your property. If you want to appeal that, then that's the meeting; the only opportunity you have, to appeal that to the County. So, we want to get that message out.

Davis stated that's essentially the recommendation tonight I have for the format for the meeting. I think it would be essentially the same except maybe when we have the middle part for public comment that we do have the two agenda items for the Mn/DOT and Mid-Continent. So, in case those people want to leave, that will get them out of here at a decent hour.

Ronning stated that seems like most of it. Then the rest of the time is pretty much for residents. Davis stated yes, and then it'll be open to whatever anybody wants to discuss.

City Council supported staff's recommendation to hold the Town Hall Meeting in the Senior Center and ask staff to report at the April 6th City Council Meeting relating to the ability to record the Town Hall Meeting.

4.0 Ordinance Amendment Snowmobiles

Davis presented the staff report, indicating that Mike Harris, 421 226th Avenue, spoke at the Public Forum at the February 3, 2016, City Council Meeting. Mr. Harris' concern related to the City Ordinance requirements for the operation of snowmobiles.

City Ordinance states that snowmobiles in platted subdivisions must be ridden upon the most right-hand lane of a City street and snowmobiles in un-platted subdivisions must be ridden on ditch bottoms or outside slope, or shoulder when necessary, of City streets.

As there are a mixture of platted and metes and bounds subdivisions in the City, the requirements of the Ordinance can be confusing and don't provide a reasonable means of identifying the areas within City streets where snowmobiles can be operated.

City Council discussed this issue and directed staff to investigate the history of the City Ordinance. Staff performed an electronic search and found two items relating to this issue. As indicated in Attachment 6, it appears that the change was made to clarify Ordinance 44B. Even

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4.0 Ordinance Amendment Snowmobiles

though the clarification provided a clear standard in terms of definition, it still may not be practical in application in terms of the mix of the different types of subdivisions within the City.

Davis stated what we found out, and if you'll turn to Page 22, there's an old write up for a Council agenda that directed the City Council to amend the Snowmobile Ordinance because the definition wasn't clear. The old Snowmobile Ordinance actually was in place when the City was a Village. Based on that discussion, there was a proposal which still didn't clarify it and there was another change in the language and on Page 19 in 2005 which is Ordinance 44B, which is what we have today. The reason the numbers have changed is we switched to Municode. They changed the arrangement of everything as far as the numbering system. This was done previously to clarify some misconceptions where a snowmobile could operate. In my opinion, it didn't go far enough. I think the issue we have here is there are two areas where you can ride. Two areas of the City's right-of-way. One's in a platted subdivision, which says you have to ride on the paved portion on the right-hand travel lane. The other, if it's an unplatted subdivision, then you have to ride on the shoulder, ditch bottom, out-slope or in-slope.

Davis stated the problem is nobody knows what's a platted or what's metes and bounds when you're on a snowmobile. The only real way you can do it is to go to the City website, then look it up on GIS. It's listed there. But, that's the only listing that I've ever seen that shows it on a map. And, I don't think anybody's going to carry a map around with them.

Davis stated if you're interested in changing the ordinance, I've also attached what Ham Lake does. Ham Lake is a little more restrictive than we are. St. Francis is very restrictive. They only have certain areas that you can ride and you've got to have a card and you can only ride on that portion until you get to a snowmobile trail. Oak Grove does not address snowmobiles in their city ordinance. In Oak Grove, you can ride a snowmobile anywhere within the city right-of-way. Blaine's ordinance is a little confusing too. But, it more or less restricts you to city street but in some cases you can ride in ditch bottoms and shoulders and slopes. To me, the simplest clarification of this would be to allow the operation of snowmobiles within the City right-of-way.

Davis stated the other issue we have with the snowmobiles too is if you have no snow, the City streets are plowed, and you're in a platted subdivision, you can't ride it in the ditch bottoms, the shoulders, or the slopes. So, you've got to ride on pavement until you get to a metes and bounds subdivision.

Koller stated I think let him ride on any City right-of-way would be fine. Trying to determine what is and isn't platted, whether you can ride here or here, or there, it's to hard. Davis stated it was discussed that maybe part of that distinction was made because maybe in platted subdivisions you had, maybe, more developed lawns down towards the street edge. But, I don't see any difference. They can be platted or metes and bounds and the landscaping doesn't seem to vary because of the type of subdivision.

Davis stated generally, in any areas where the vegetation's disturbed in City right-of-way over the winter, whether it's by snowplow damage or any other means, the City does go back and repair those. If something happens on private property, then it's not a City matter. Then it becomes a civil issue between the property owner and a snowmobile rider. But, I think, in my opinion, the way to keep this thing as simple and as understandable and as enforceable as possible, is to make no distinction between the two different types of subdivisions for riding.

Mundle stated well the simplest would be allow in City right-of-way until we may get complaints and then we may have to discover another way to do it. But, if there's been no complaints over the last how many years, 11 years, if this is the first complaint that's arisen, it's

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4.0 Ordinance Amendment Snowmobiles

not a huge deal.

Koller stated it was a complaint that they didn't understand the rules, not that there was a problem with it. Davis stated yes and the complaint wasn't about damage. Like I say, that was the first compliant that I've received since I've been here about snowmobile use. Now you get all kinds of complaints about, well, 'snowmobiles are up in my yard.' Well, that's unfortunate but unfortunately, we have no jurisdiction or authority on that.

Davis stated you see people that do put up fences. You can put up a fence on your property line but you can't put the fence up in City right-of-way. We've got one issue with that now and the property owner was told to remove it because he extended the fence all the way down his driveway to the edge of the pavement. We told him that since there was no snow and no snowmobilers, that he had until the frost got out of the ground to remove his posts so he said he would take care of it. If we do this and there are issues, I think then you have to make adjustments to kind of react to that. But, I don't see that there's going to be too many issues based on past history.

Koller stated if nobody knew there was a rule about it, they didn't know they were breaking the rule. And, we haven't really got complaints other than a few trespass ones but that won't change that.

Harrington asked can you please repeat that? How far down? You know when you were talking about that guy putting a fence down his yard, how far down? Davis stated he put the fence all the way down to the edge of the pavement. So your property line on most City streets is going to start 33 feet from the centerline of the road. Harrington stated okay, well I put a fence up in my yard because of my septic and my drainfield. But I've got my posts right down to the road. So, I supposed that fence shouldn't be there? We just don't want the snowmobiles running across my drainfield and my septic system, you know. Davis stated if you put it across your front property line, you're okay. Legally, you can't put anything on the City right-of-way unless you get permission from the City.

Ronning stated just for the record, could you kind of indicate what the City right-of-way includes? I know you spoke to it. Are there any other? Davis stated, the City right-of-way is a strip of land that's owned by the City for the purpose of locating a City street. Within that right-of-way, there's enough width for the pavement and also for drainage, ditch lines, snow storage. Most City streets have a 66-foot wide right-of-way. So, if the street is in the middle of the right-of-way, then your property line starts 33 feet from the center of the street. So, you may mow and maintain right up to the edge of the pavement, but generally from the edge of the pavement to your property line is going to be about 12-15 feet. Ronning stated that sounds like it's safe enough. Koller agreed and stated yes.

Davis asked so do you want us to proceed to present some kind of draft ordinance? Koller stated yes, a simplified ordinance. Ronning stated yes. Davis stated I think this is a good time to do it, well before the next season gets under way. We can have that ready for the next Council meeting then. Mundle stated sounds good.

Koller stated our ATV Ordinance, most people don't even know about. Ronning stated well, there's a lot of things a lot of us didn't know about. Koller asked do you have an ATV? An unidentified gentleman in the audience responded yeah, I do. Koller asked do you know the ordinance in East Bethel? The unidentified gentleman stated no, well I know you couldn't ride your ATV if it's like a State trail. Koller stated you can ride on the shoulder of City streets in East Bethel. Mundle stated I thought you could ride in them, on the street. Koller stated on the street, on the side there. Mundle stated as long as you're a resident of East Bethel. Koller

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4.0 Ordinance Amendment Snowmobiles

stated yes, you can even, in City streets but not County and State roads.

The unidentified gentleman asked can you ride them right now? Koller and Davis answered yes. The unidentified gentleman asked even *(inaudible)* can ride them? Koller stated well, you can't ride down the ditch. You ride right on the road as long as it's a City street you can. Mundle added and you're a resident of East Bethel.

The unidentified gentleman stated oh, I can't ride on a County road, right? Koller replied not on a County road, that's County controlled and the State highway is State. But, any City street and I think Bob DeRoche pushed that through quite a few years ago and nobody even knows about it. Ronning stated in 2011 or 2012.

The unidentified gentleman asked if I get a permit, can I ride on a County road? Koller stated I don't know how the County works it. Davis stated I don't think they give permits. The unidentified gentleman stated well, I've been on an ATV run up in McGregor *(inaudible)* and we could ride on a county road. Just for that day. Koller stated oh, that's nice. The unidentified gentleman stated but he had to take out liability insurance. Koller stated liability yes. But, in East Bethel, you can drive on the City streets. If you want to go visit your neighbor or something, you can, without getting arrested

City Council requested staff to draft an amendment to simplify the Snowmobile Ordinance, as discussed, to make no distinction between the two different types of subdivisions for snowmobile riding, for consideration at the April 6, 2016, City Council Meeting.

5.0 Ordinance Amendment Large Animals

Davis presented the staff report, indicating at the November 4, 2015, the City Council meeting, Ms. Jerolyn. Williams appealed a City Staff decision to not allow a miniature horse on her property at 19715 Tri Oak Circle. Staff's decision was based on requirements of City Code, Chapter 10, Article IV, Section 10-116, 'no animal regulated by this article can be kept on a parcel of land located within a platted subdivision or on any parcel of land less than three acres provided further, that if 80 percent of the lots within a platted subdivision are larger than three acres, an IUP for keeping a regulated animal may be issued for any of those lots larger than three acres.' The exception does not apply in this situation.

19715 Tri Oak Circle is a platted lot of 2 acres in size and is located in the Viking Knoll Subdivision. The other platted lot in this subdivision is 2.28 acres. There are no distinctions between horse breeds or size included in the City Code. Section 10-115 that provides definition for animals, parcels and platted subdivisions.

The Planning Commission previously discussed this issue and the consensus at that time was that the lot size of three acres regardless of the size of the horse should remain in effect. It was a discussion item only and no formal recommendation was made to the City Council. The topic was re-introduced to the Planning Commission at their meeting on January 26, 2016, and there was a lengthy discussion as to amending the ordinance to address this particular request.

The concern expressed by the Planning Commission was the establishment of the precedence of reactionary revisions that only address an individual's specific or unique request. After much discussion, the recommendation of the Planning Commission was to keep the Farm Animal Ordinance, Chapter 10, Article V, unchanged in relation to the miniature horse issue. The Planning Commission voted 6 to 1 to recommend the Farm Animal Ordinance relating to the keeping of horses remain as written.

The City Council discussed this item at their regular meeting on February 17, 2016 and directed

DRAFT

5.0 Ordinance Amendment Large Animals

staff to investigate that. At this time, the City staff and the Planning Commission recommend that no changes be made to accommodate this request.

Should Council desire to proceed with consideration of a change to the Ordinance, a sample revision is included in Attachment 3 for discussion. The basic changes needed to address this situation are the addition of a definition of miniature horse, eliminating the requirement of limiting the animal within platted subdivisions, establishment of a minimum lot size, restrictions or no restrictions to residential zoning districts, and number of animal units per acre.

Davis stated staff's recommendation is based on the fact that there is some concern that this may set a precedence for some of the stranger pets that are coming out like fainting goats; people that want to buy two fainting goats so they don't have to mow their yard; or screaming goats that actually scream like a human; potbellied pigs; and, other types of what are considered to be domestic but exotic animals. If we allow the miniature horses, there's concern that this just 'opens the door' to set the precedence for having to approve these other types of animals.

Mundle stated I have nothing against miniature horses, anything like that, and in the future if the need arises, it could be something that could be changed, but I think, I tend to agree with the Planning Commission and their recommendation not to change anything at this time. Koller stated I would agree with that.

Ronning stated I'm the one that was objecting for the most part and only the people that were there and doing whatever that was at the time, as far as intent goes, know what the intent actually is. I noticed there's two places for exceptions in there. So, the people that wrote that, opened it up to exceptions. Not that it was a closed, 'to death do you part' ordinance or anything. And, the other thing that's a little conflicting is it's for large animals. This isn't a large animal. Mundle stated its equine and by definition, it's a horse. So that's where it is.

Davis stated there's two sections in the ordinance that actually deal with this, under large animals and farm animals. One of the reasons that we recommend, if there is a change, it would have to be done in two places because both of them refer back to that platted subdivision issue. One of the issues we have in our ordinances is it permits something in one spot but then it's not consistent throughout. So, if you read one of these and it wasn't included in this, you saw that it wasn't permitted, you would think it wasn't permitted. Or, if you read and saw it's permitted in one, you'd think it was in the other.

Davis stated a miniature horse, what's the definition of a large animal? Miniature horse is, according to the definition doesn't exceed 38 inches at the withers. Is that a good-sized animal? Some people would say, 'Yes.' Some, a horse person would probably say, 'No, it isn't.' But I think if there is a change, it should be in both of those sections just so when you read one, there's consistency with the other because it does go back and reference the platted subdivision requirement.

Mundle stated well if you're comparing a miniature horse to a standard horse, yes it's a smaller animal. But if you consider, say, dog breeds, it's certainly not a Chihuahua. So and you could compare it to a Great Dane or a Mastiff and those are, obviously, larger animals. Now if they jump up on you, put their paws on your shoulder, and look you in the eye. Ronning stated probably more destructive animal than a miniature horse.

Davis stated our only other concern too was, is this just something temporary. In relation to this case, the person requesting this may only be interested in a miniature horse for a couple of years and then that person may be gone because kids grow up and they do move away.

DRAFT

5.0 Ordinance Amendment Large Animals

Ronning stated as I said at that meeting, I'm one that thinks we're here to help keep the place running but we're also here to try to help people get where they want to be. If the miniature horse lasted for a week, there'd be no harm. No harm to the City.

Koller stated but if you opened the ordinance up, you've got, 'Well, I want sheep.' Ronning asked how about chickens? Koller stated we did chickens. Mundle stated but there was a large demand for chickens. Ronning stated yes, I'm not sure how much. Mundle stated it was more than one person. Ronning stated more than one person, certainly. Mundle stated and we're not the only city that developed a chicken ordinance in the last five years. Ronning stated we followed Blaine. We discussed it for a year or so and then we followed Blaine after it was done.

Harrington stated I guess I'm kind of with Brian and Ron. I'd just as soon keep it. I don't want to open a 'can of worms.' I mean, we do a miniature horse then, like you said, the next guy comes in and says, 'Hey, I've got a goat.' Or, 'I've got a pot bellied pig.' Then the 'floodgates' open. I'd like to help this person out but.

Mundle stated I commend the daughter for raising the funds and the hard work that she put into it. Harrington stated yes. Mundle stated that's something pretty extraordinary for a teenager to do, to be that dedicated towards something. Harrington stated but if you open it up for one, you know down the line somebody else is going to come with something. It's just a matter of time.

Ronning stated no doubt and we'll consider it. Harrington stated yes. Ronning stated it's not as though because this is no good and something else wasn't, that nothing in the future is going to change. Harrington stated right. Ronning stated so it's something to look at with an open mind.

Mundle stated this isn't just about allowing a miniature horse. It's to what standard do we change our ordinance for. Do we change it just because somebody wants it changed? Or, do we change it because there's something wrong with it, like the Snowmobile Ordinance? Or, that the ordinance is outdated and no longer applies to today's living situations? Or, is there a great need, a big demand for that change?

Ronning stated if she goes out and gets some kind of a class project, or something, for it, she fits right within the ordinance. It's all perfectly well and fine. So if the school's involved, how come it's good? But, if it's a person, only a person? I'll just recommend to her go get somebody involved with it and bring it back and say it's a project.

Mundle stated if they want to do that, that's their prerogative. And, if they fit into the ordinance, then that's great. Ronning stated and that's okay. But if you want it without a project it's not okay. So, it's okay and not okay in the same location, same position, same everything. Mundle stated I understand what you're saying exactly.

Davis stated the only thing under that exception, it says, 'The permittee must comply with all other farm animal regulations set forth in the Code.' And, in this case, I thought of the same thing. You know, if there's a way to do this without changing the ordinance. You know, join the 4-H. Say, 'One of my projects with 4-H is to see if a miniature horse can successfully be kept on a small urban lot.' But the problem is when it says, '…permittee must comply with all other farm animal regulations…' the farm animal regulations say you can't have it in a platted subdivision of less than three acres.

Ronning stated we changed something else on the acres not that long ago, didn't we? Mundle asked with the out buildings? Davis stated yes that change allowed for the construction of accessory structures on smaller lots. We reduced the acreage requirements for accessory

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5.0 Ordinance Amendment Large Animals

structures.

Ronning stated I mention it, just don't think of it in the sense of a horse. Think of it in the sense of also history that rules have been changed. Mundle stated but we also had big demand for that to be changed. There was numerous people. I was on Planning, that came forth asking for a variance because their neighbor that has 3.01 acres can have a pole building but myself, I have 2.96 acres, I have to make a stick built building. There's a large price difference between the two. We said, well, just because the price differences are not a hardship, we had to turn numerous variance requests for those down. So that's where part of that desire to change those requirements came from.

Ronning stated and they should have been changed. I don't understand why there's that sort of limit in the City to begin with. I mean, you're not going to put up a rodeo sort of a thing. But if it fits and it matches the structures and stuff, what the hell. But, that was there before us.

Davis stated with what I'm hearing, since we don't take any action, we won't proceed on this until, unless it comes up again. Mundle stated I'm fine by that. Ronning stated yes. Davis stated all right. Ronning stated democracy at work. Davis stated that's all I've got

City Council did not recommend that Staff proceed with an ordinance amendment to consider miniature horses.

6.0 Adjourn

Harrington stated I'll make a motion to adjourn. Mundle stated I'll second. Ronning asked all those in favor? **All in favor.** Ronning asked opposed? The ayes have it. **Motion passes unanimously.**

Meeting adjourned at 6:37 p.m.

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

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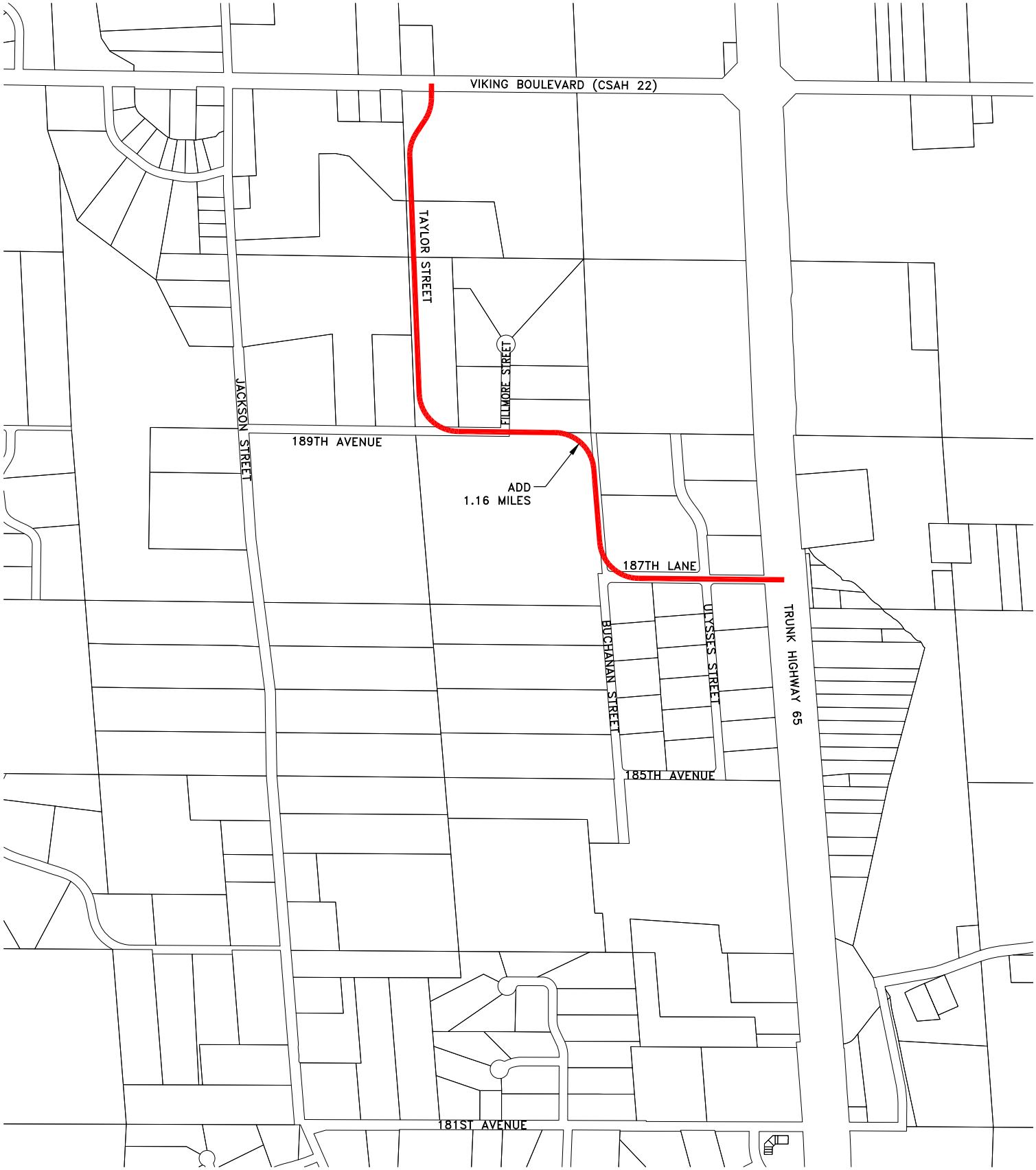


LEGEND

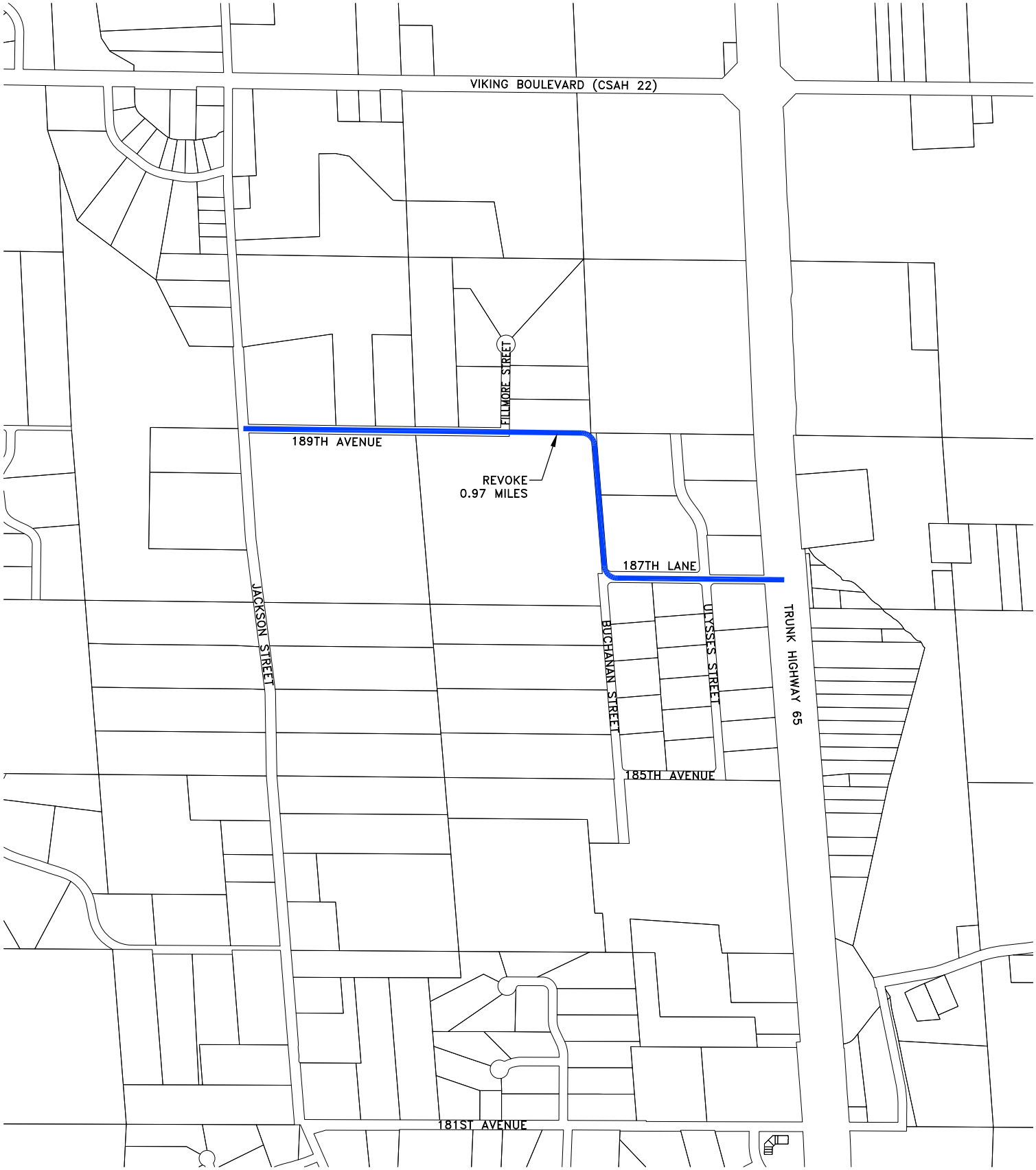
ROUTE TO BE ADDED TO THE STATE AID SYSTEM

N

500 0 500 1000
SCALE IN FEET

Mar 29, 2016 – 8:06am
K:\cad_eng\PROJECTS\MUNICIPAL\EB301-2015\dwg\EB301-2015-SA ROAD REVISIONS.dwg

EXHIBIT 1
STATE AID ROUTE ADDITIONS



LEGEND

ROUTE TO BE REVOKED FROM THE STATE AID SYSTEM

N

500 0 500 1000
SCALE IN FEET

EXHIBIT 2
STATE AID ROUTE TO BE REVOKED

Mar 29, 2016 – 8:07am
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CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2016-18

RESOLUTION ESTABLISHING MUNICIPAL STATE AID STREETS

WHEREAS, it appears to the City Council of the City of East Bethel that the streets hereinafter should be designated as Municipal State Aid Streets under the provisions of Minnesota Law.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: The streets described as follows, to-wit:

- **MSAS 111 Taylor Street/189th Avenue/Buchanan Street/187th Lane –** Viking Boulevard to TH 65 (0.25 existing miles and 0.91 non-existing miles for a total of 1.16 miles)

be, and hereby are established, located, and designated as Municipal State Aid Streets of said City, subject to the approval of the Commissioner of Transportation of the State of Minnesota.

BE IT FURTHER RESOLVED THAT: The City Clerk is hereby authorized and directed to forward two certified copies of this resolution to the Commissioner of Transportation for their consideration, and that upon their approval of the designation of said streets or portion thereof, that same be constructed, improved and maintained as Municipal State Aid Streets of the City of East Bethel, to be numbered and known as Municipal State Aid Streets.

Adopted this 6th day of April 2016 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. 2016-19

RESOLUTION REVOKING MUNICIPAL STATE AID STREETS

WHEREAS, it appears to the City Council of the City of East Bethel that the streets hereinafter described as Municipal State Aid Streets under the provisions of Minnesota Law;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: The streets described as follows, to-wit:

- **Part of MSAS 111 189th Avenue/Buchanan Street/187th Lane –** Jackson Street to TH 65 (0.62 existing miles and 0.35 non-existing miles for a total of 0.97 miles)

be, and hereby are revoked, as Municipal State Aid Streets of said City subject to the approval of the Commissioner of Transportation of the State of Minnesota.

BE IT FURTHER RESOLVED THAT: The City Clerk is hereby authorized and directed to forward two certified copies of this resolution to the Commissioner of Transportation for their consideration.

Adopted this 6th day of April 2016 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
City Council Meeting
Agenda Information

* *

Date:
April 6, 2016

* *

Agenda Item Number:
7.0 A.1

* *

Agenda Item:
Final Plat Sauter's Commercial Park 2nd Addition, 1052 189th St NE East Bethel MN 55011

* *

Requested Action:
Consider approval of Final Plat and Developers Agreement

* *

Background Information:
At their March 22, 2016 meeting, The Planning Commission approved the Final Plat for Sauter Commercial Park 2nd Addition.

This property is zoned Light Industrial. The PIN for this parcel is 32033-23-22-0002 and the owner is T & G Land Inc. The Applicant has completed all the requirements of platting as required in the City Subdivision Ordinance Chapter 66 including:

- All changes recommended by the City Engineer have been made on the Preliminary Plat.
- The Applicant submitted a Joint Application for Activities affecting Water Resources. A wetland delineation was completed and found there would be no impact to existing wetlands.
- Lot 1, Block 2 will remain a single family residence at this time
- The Applicant has included the dedication of the right of way for the future extension of Buchanan Street and 189th Avenue in the Final Plat.
- A Developer's agreement has been drafted and included as an Attachment.

Attachments:

1. Final Plat
2. Developer's Agreement
3. Planning meeting minutes

* *

Fiscal Impact:
To be determined.

* *

Recommendation(s):
Staff recommends City Council consider approval of the Final Plat and the Developers Agreement.
* * * *

PRELIMINARY COPY
PRINTED 3/15/16

SAUTER'S COMMERCIAL PARK SECOND ADDITION

City of East Bethel
County of Anoka
SEC. 32, TWP. 33, RNG. 23

KNOW ALL PERSONS BY THESE PRESENTS: That T & G Land, Inc., a Minnesota corporation, owner of the following described property:

The Northwest Quarter of the Northwest Quarter of Section 32, Township 33, Range 23, except that part platted as SAUTER'S COMMERCIAL PARK, Anoka County, Minnesota.

Has caused the same to be surveyed and platted as SAUTER'S COMMERCIAL PARK SECOND ADDITION and does hereby dedicate to the public for public use the public ways and the drainage and utility easements as shown on this plat.

In witness whereof said T & G Land, Inc., a Minnesota corporation, has caused these presents to be signed by its proper officer this _____ day of _____, 20____.

T & G LAND, INC.

_____
Thomas C. Sauter, President

STATE OF MINNESOTA
COUNTY OF_____

This instrument was acknowledged before me this _____ day of _____, 20____ by Thomas C. Sauter, President of T & G Land, Inc., a Minnesota corporation, on behalf of the corporation.

_____

_____
Notary Public, _____ County, Minnesota
My Commision Expires_____

I Jason E. Rud do hereby certify that this plat was prepared by me or under my direct supervision; that I am a duly Licensed Land Surveyor in the State of Minnesota; that this plat is a correct representation of the boundary survey; that all mathematical data and labels are correctly designated on this plat; that all monuments depicted on this plat have been, or will be correctly set within one year; that all water boundaries and wet lands, as defined in Minnesota Statutes, Section 505.01, Subd. 3, as of the date of this certificate are shown and labeled on this plat; and all public ways are shown and labeled on this plat.

Dated this _____ day of _____, 20_____.

_____
Jason E. Rud, Licensed Land Surveyor
Minnesota License No. 41578

STATE OF MINNESOTA
COUNTY OF_____

This instrument was acknowledged before me this _____ day of _____, 20____ by Jason E. Rud.

_____

_____
Notary Public, _____ County, Minnesota
My Commision Expires_____

CITY COUNCIL, CITY OF EAST BETHEL, MINNESOTA

This plat of SAUTER'S COMMERCIAL PARK SECOND ADDITION was approved and accepted by the City Council of the City of East Bethel, Minnesota at a regular meeting thereof held this _____ day of _____, 20____, and said plat is in compliance with the provisions of Minnesota Statutes, Section 505.03, Subd. 2.

City Council, City of East Bethel, Minnesota

By _____ Mayor By _____ Clerk

COUNTY SURVEYOR

I hereby certify that in accordance with Minnesota Statutes, Section 505.021, Subd. 11, this plat has been reviewed and approved this _____ day of _____, 20____.

_____
Larry D. Holum
Anoka County Surveyor

COUNTY AUDITOR/TREASURER

Pursuant to Minnesota Statutes, Section 505.021, Subd. 9, taxes payable in the year 20___ on the land hereinbefore described have been paid. Also, pursuant to Minnesota Statutes, Section 272.12, there are no delinquent taxes and transfer entered this _____ day of_____, 20____.

_____
Property Tax Administrator

By _____, Deputy

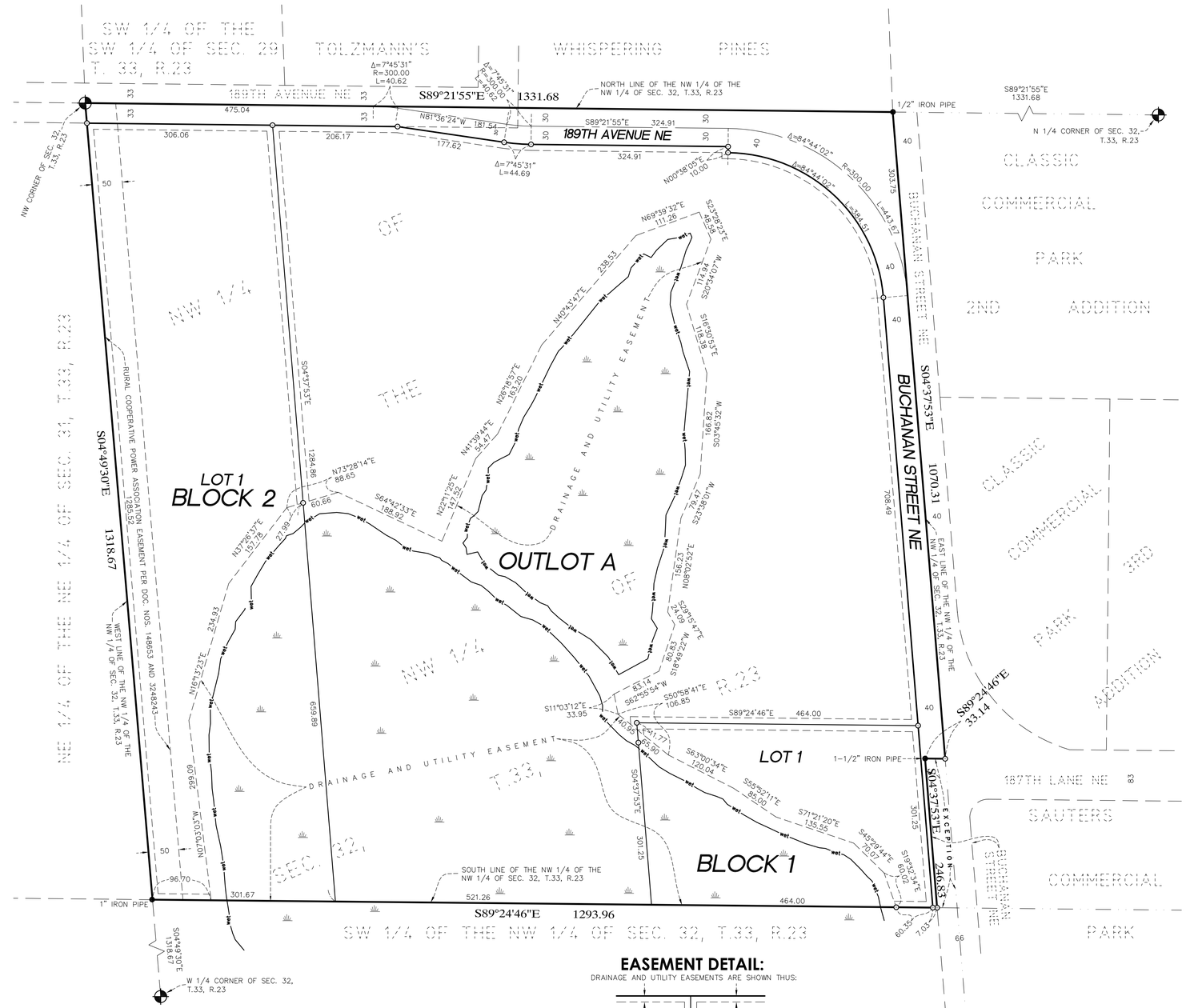
COUNTY RECORDER/REGISTRAR OF TITLES

COUNTY OF ANOKA, STATE OF MINNESOTA

I hereby certify that this plat of SAUTER'S COMMERCIAL PARK SECOND ADDITION was filed in the office of the County Recorder/Registrar of Titles for public record on this _____ day of _____, 20___, at ____ o'clock ___M. and was duly recorded in Book _____ Page _____, as Document Number _____.

_____
County Recorder/Registrar of Titles

By _____, Deputy



DENOTES ANOKA COUNTY CAST IRON MONUMENT.

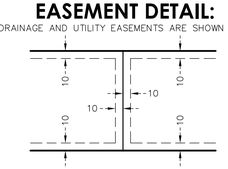
DENOTES 1/2 INCH BY 14 INCH IRON PIPE MARKED BY RLS NO. 41578.

DENOTES IRON PIPE FOUND AS NOTED.

FOR THE PURPOSES OF THIS PLAT THE NORTH LINE OF NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 33, RANGE 23, ANOKA COUNTY, MINNESOTA IS ASSUMED TO HAVE A BEARING OF SOUTH 89 DEGREES 21 MINUTES 55 SECONDS EAST.

EASEMENT DETAIL:

DRAINAGE AND UTILITY EASEMENTS ARE SHOWN THUS:



BEING 10 FEET IN WIDTH, ADJOINING ALL LOT LINES, UNLESS OTHERWISE SHOWN ON THIS PLAT.

GRAPHIC SCALE

100 0 50 100 200 400

(SCALE IN FEET)
1 inch = 100 feet

E. G. RUD & SONS, INC.
EST. 1977
Professional Land Surveyors

NORTH

DEVELOPMENT AGREEMENT

AGREEMENT, made this _____ day of _____, 2016, between the City of East Bethel, a municipal corporation under the laws of the State of Minnesota, ("City") and T&G Land Inc., a corporation under the laws of the State of Minnesota, ("Developer").

1. **Request for Plat Approval.** The Developer has requested that the City approve a plat entitled SAUTER COMMERCIAL PARK 2ND ADDITION, (hereinafter the "Plat"), the subject land being legally described as:

THE NW1/4 OF THE NW1/4 OF SEC 32 T33 R23; EX PRT PLATTED AS SAUTERS COMMERCIAL PARK; ALSO EX RD; SUBJ TO EASE OF REC

2. **Conditions of Plat Approval.** The City agrees to approve the Plat on condition (i) that the Developer enter into this Agreement and perform the undertakings and furnish the security required herein; (ii) that the Developer comply with all requirements of the City's approval of the preliminary plat of SAUTER COMMERCIAL PARK 2ND ADDITION; and (iii) that the Developer comply with all requirements of the City's ordinances for final plat approval.

3. **Right to Proceed.** Within the plat of SAUTER COMMERCIAL PARK 2ND ADDITION or the land to be platted, the Developer may not construct any buildings until all the following conditions have been satisfied: (i) this Agreement has been fully executed by all parties and filed with the City offices and Anoka County; (ii) all conditions contained in the Agreement have been met; and (iii) the security required pursuant to Section 13 hereof has been received by the City.

4. **Development Plans.** The plat of SAUTER COMMERCIAL PARK 2ND ADDITION will be developed in accordance with the plans on file in the Community Development office of the City of East Bethel and the conditions stated below. If the plans vary from the written terms of this Agreement, the written terms will control. The plans (hereinafter the "Development Plans") are:

A. Preliminary Plat of SAUTER COMMERCIAL PARK 2ND ADDITION, prepared by E.G. Rud and Sons, Inc., dated 3-15-16.
B. Certificate of Survey prepared by E. G. Rud and Sons, Inc., dated 2-12-16.
C. Joint Application/wetland delineation report dated September 15, 2015, and all Agency comments.

All written comments and requirements of the City Engineer prior to the date of this Agreement also are part of the plans and documents and are incorporated herein by reference, including but not limited to the City Engineer, Hakanson Anderson Reviews Nos. 1 and 2 dated February 24, 2016 and April 1, 2016, respectively, and on file in the Community Development office at City Hall, 2241 221st Avenue NE, East Bethel MN 55011.

In the case of any dispute regarding the Development Plans and the Developer's obligations under the Plans and this Agreement, the decision of the City Engineer will control and be final.

5. **Improvements.** The Developer will perform, install, and pay for all improvements (hereinafter the "Improvements") as shown in the Development Plans. Security will be provided for the remaining Improvements listed below:

A. Each lot will need to meet all current city and state stormwater requirements for water quality and rate control. Provide a narrative regarding what is planned for stormwater control for this property, including regional ponding and outlets needed on the service road.

B. Areas that are identified as zone "A" on the 100 year floodplain maps will need to obtain Elevation certificates and a Letter of Map amendment (LOMA) will need to be submitted to FEMA for their review.

C. Lot 1, Block 2 shall remain a single family home at this time.

6. **Other Requirements:**

A. Developer will provide, without cost to the city, temporary construction easements under a separate agreement at the time the City of East Bethel will improve and construct a new City street/Service Road on Buchanan St NE and 189th Avenue NE.

B. The Developer shall dedicate and survey all drainage and storm water holding ponds as required by the City and to be shown on the final plat. The Developer shall be responsible for storm sewer cleaning and holding pond dredging, as required, by the City prior to completion of the development.

C. Outlot A cannot be sold or developed until the requirements of Chapter 66 of the East Bethel Code of Ordinances have been met.

7. **Erosion Control** – The Developer is required to provide adequate erosion control as required by the City Engineer.
The Developer shall control soil erosion ensuring:

a. All development shall conform to the natural limitations presented by the topography and soil of the subdivision in order to create the best potential for preventing soil erosion. The Developer shall submit an erosion control plan, detailing all erosion control measures to be implemented during construction, said plan shall be approved by the City prior to the commencement of site grading or construction.

b. Erosion and siltation control measures shall be coordinated with the different stages of development. Appropriate control measures as required by the City Engineer shall be installed prior to development and as may be necessary to control erosion.

c. Land shall be developed in increments of workable size such that adequate erosion and siltation controls can be provided as construction progresses. The smallest practical area of land shall be exposed at any one period of time.

d. Where the topsoil is removed, sufficient arable soil shall be set aside for respreading over the developed area. The topsoil shall be restored to a depth of at least four (4) inches and shall be of a quality at least equal to the soil quality prior to development.

8. **Grading, Drainage, Surveying and Erosion Control Plans –** Grading will be in accordance with the approved plans. The Developer will provide the City with an "As Built" grading plan including certification by a registered Land Surveyor or Engineer that final elevations are complete and ready for a building to be placed on Lot 1, Block 1. The Developer shall place iron monuments at all lot and block corners and at all other angle points on boundary lines. Iron monuments if disturbed by grading shall be replaced after all grading in order to preserve the lot markers.

9. **Connection to City Sewer and Water –** All lots shall be connected to City sewer and water and pay the respective SAC/WAC charges as outlined in the City of East Bethel fee schedule. The Developer is responsible for all extensions beyond the termination of city services.

10. **Clean Up –** The Developer will promptly clean any and all dirt and debris from streets resulting from construction work by the Developer, its agents, or assigns. Warning signs shall be placed when hazards develop in streets to prevent the public from traveling on same and directing attention to detours. The repair of any damage done to the streets or public utilities by Developer or any of its Contactors or Subcontractors shall remain the financial responsibility of the Developer. The repair of any damage done to the streets or public utilities by Developer or any of its Contractors or Subcontractors, shall remain the financial responsibility of the Developer

11. **Park/Trail Dedication –** The Developer must pay a cash contribution in the amount $7,140.00 which shall include all of the premises described in Section 1 above and no additional dedication fee shall be required in connection with the replatting of Outlot A.

12. **Final Plat –** Upon execution by the City shall be recorded in the office of Anoka County.

13. **Security Deposit** -. To ensure compliance with the terms of this agreement, the Developer will furnish to the City cash or cashier's check in the amount of $5,000.00 for escrow. In the event the Developer does not meet the obligations as outlined in this Agreement the City shall utilize the escrow to complete the project. If the amount required to complete the project exceeds the escrow amount, the Developer shall be billed for all outstanding costs. If the project

is completed and meets the obligation of this Agreement, all outstanding balance in the escrow will be returned to the Developer.

14. **Notices** – Notices to the City will be in writing and will be either hand delivered to the Community Development Department or mailed to the City by registered mail at the following address, Attention:

Community Development Director
City of East Bethel
2241 221st Ave NE
East Bethel, MN 55011

Notices to Developer will be in writing and will be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by registered mail at the following address:

T&G Land Inc.,
Tom Sauter
6651 141st Ave
Ramsey, MN 55303

15. **Warranty of Title –** By its execution hereof Developer hereby warrants and represents that it has the exclusive and marketable fee title to the subject property. Developer further warrants and represents that there are no liens or encumbrances against the title and that it is fully authorized to execute this agreement as the fee owner of the subject lands.

16. Utility Locations in City Right of Way.

In order to maintain compliance with regulations promulgated from the Minnesota Office of Pipeline Safety the developer, its contractors, subcontractors, and agents shall comply with the following requirements:

1. All right of way work shall require an application with a plan that shall be submitted for city review prior to any work performed in the right of way areas.
2. The layout of utilities, including depths, off-sets and materials shall be documented during construction and confirmed with city staff during the installation process.
3. All lots are required to submit an accurate tie card showing the utilities installed and measurements from fixed objects (corner of structures, fire hydrants, etc.) to the curb stop, location pins, clean outs and tie in points for all utilities.
4. Commercial lots must provide, in addition to the above, professional as built drawings confirmed by field survey, showing the required information. In addition Engineering grade GPS coordinates in the Anoka County coordinate system shall be

supplied by the builder. These will allow the coordinates to be electronically incorporated in to future city mapping.

5. All installations will require pins be installed directly above all utility lines where they cross lot lines. A corrosion protected trace wire shall be installed six inches below final grade directly above all new utility installations at a minimum through the right of way. The trace wire and tail shall be terminated in a capped vertical conduit that is within two inches of the final grade and pin located at the lot line.
6. The Developer shall hold harmless and indemnify the City of East Bethel from any and all loss or damage resulting from its failure to comply with these requirements including but not limited to expenses the City incurs in correcting errors in information provided by Developer its agents or contractors or remediating problems resulting there from in the right of way.
7. Upon failure to provide full documentation as required the City shall notify he Developer who shall have 30 days to secure full compliance. Failure to comply will result in the work being assigned by the City to an outside professional for completion of the necessary work. Any costs incurred in resolving these requirements shall be assessed to the property or offset from security required under this agreement.
8. City staff shall document the time and materials required to review, confirm and accept the installation documentation and shall invoice Developer for the costs based on the actual work involved or on a fee schedule adopted by the City Council.

17. **Binding Effect** – The terms and provisions hereof shall be binding upon and insure to the benefit of the heirs, representatives, successors and assigns of the parties hereto and shall be binding upon all future owners of all or any part of the subdivision and shall be deemed covenants running with the land. References herein to Developer, if there be more than one, shall mean each and all of them. The Agreement, at the option of the City, shall be placed on record so as to give notice hereof to subsequent purchasers and encumbrances of all or any part of the Subdivision and all recording fees, if any, shall be paid by the Developer.

CITY OF EAST BETHEL

BY: _____
IT'S MAYOR

BY: _____
IT'S CITY ADMINISTRATOR

DEVELOPER
T & G Land, Inc.

_____
Tom Sauter, its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Steven Voss and Jack Davis, the Mayor and City Administrator of the City of East Bethel, a Minnesota municipal corporation, on behalf of the City and pursuant to the authority of the City Council.

_____
Notary Public

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RANK)

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by T&G Land Inc., a corporation under the laws of the State of Minnesota, by Tom Sauter its_____.

_____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Colleen Winter
Community Development Director
2241 221st Ave NE
East Bethel, MN 55011

REVIEWED BY:
Mark Vierling
City Attorney
Eckberg Lammers
1809 Northwestern Ave
Stillwater, MN 55082

EAST BETHEL PLANNING COMMISSION MEETING
March 22, 2016

The Planning Commission met for a regular meeting at 7:00 pm at East Bethel City Hall.

MEMBERS PRESENT: Randy Plaisance, Chair Glenn Terry Tanner Balfany
Eldon Holmes Lou Cornicelli

ABSENT: Lorraine Bonin
Sherry Allenspach

ALSO PRESENT: Colleen Winter, Community Development Director
Tim Harrington, City Council Liaison

1. Call to Order — Chair Plaisance called the meeting to order at 7:00 pm.

2. Adopt Agenda — **Mr. Holmes moved and Mr. Balfany seconded to approve the agenda as presented. Motion carried.**

3. Approval of 2/23/16 Minutes — Mr. Terry questioned why on page 7 all of the discussion made by the Planning Commission on the item of the proposed CST business was summarized in the sentence "The Commission consensus was that visual impact, traffic issues, and environmental issues all need to be addressed." Mr. Terry stated that there were a lot of serious points and discussion raised and that he didn't know why that was omitted and so tersely abbreviated. Ms. Winter offered to go back and review the tape and add the comments back into the minutes. She reminded the commission that the format of the meeting minutes are no longer verbatim minutes, but are summary minutes. Mr. Terry noted all audience member comments were verbatim. Ms. Winter reiterated that Commission comments could be added to the minutes. Mr. Terry believes that that is important, as there were issues raised that were not brought up by the public and that that is a very impactful design and issue that should be looked at. Ms. Winter suggested the Chair table approval of these minutes until the April meeting when a revised set of minutes that reflects a more verbatim style can be presented for approval. Chair Plaisance asked if there were further changes to the minutes. Mr. Holmes said that the minutes could be passed, except that section on CST. Chair Plaisance stated he thought that the minutes needed to be approved as completed minutes, Mr. Holmes stated that was not the case. Chair Plaisance stated he thought the minutes should be tabled until the next Planning Commission meeting and recommended same. Mr. Terry made a recommendation to not reprint the whole of the minutes for the next packet, but only the amended portion.

4. Final Plat for Sauter's Commercial Park 2nd Addition — Final Plat – Sauter's Commercial Park 2nd Addition
Property Owner: T & G Land Inc.,/Tom Sauter
Address: 1052 189th St. NE, East Bethel, MN 55011
PIN: 32-33-23-22-0002
Zoning: Light Industrial

Requested Action: Final Plat approval

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Background Information:
At the February 23, 2016 Planning Commission meeting a Preliminary Plat for Sauter Commercial Park 2nd Addition was approved. Before you is the Final Plat of Sauter Commercial Park 2nd Addition. At this time Mr. Sauter is proposing to plat only two lots and an Outlot.

Comments:
1. All required documents as outlined in our Subdivision Ordinance Chapter 66 have been submitted and review and comments have been given per our City Engineer, all appropriate changes were made on the Preliminary Plat to align with the future Service Road.
2. The Applicant submitted a Joint Application form for Activities affecting Water resources and there will be no impact to existing wetlands. A wetland delineation was completed.
3. Lot 1, Block 2 will remain a single family residence at this time.
4. Mr. Sauter has agreed to dedicate the right of way for the City of East Bethel to complete the extension of a Service Road (Buchanan St and 189th).
5. A Developer's agreement will be drafted and approved by the City Council at the same time as the Final Plat.

Mr. Balfany moved and Mr. Holmes seconded to approve Final Plat Sauter's Commercial Park 2nd Addition as presented. Motion carried.

5. CST Update

Chair Plaisance noted this is an information only item and that no action is required.

Background Information:
Staff and City Council have answered a number of e-mails, responded to calls and have met with 2 individuals relating to the proposed CST location.

Staff met with CST on March 8, 2016 regarding the concept plan and site plan application submitted to the City. Staff provided CST with the following information relating to the Site Plan

Review Process:

• CST was advised that their timeline for the project was overly optimistic and was given a revised timeline. The first actionable item – Site Plan approval will come before the Planning Commission at the regular meeting scheduled on April 26, 2016.
• CST was advised of the petition opposing their location at 23805 Hwy. 65. The prospect of a community meeting to allow CST to address concerns of the project was discussed. CST was advised that the City would have no role in the meeting other than to offer a location for the gathering.
• CST provided a site plan application to the City on March 1, 2016 and additional items that need to be addressed included environmental concerns, wetland delineation, signage, traffic, and visual appearance.
• CST was advised that the burden of proof relating to noise, dust, particulate

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matter and other requirements contained in Code must be provided to address the conditions set forth in City Ordinance and CST must clearly demonstrate to the City that these issues do not have any impact beyond their proposed site.
• CST was advised that they must obtain all required permits from the DNR, MPCA, Anoka County Highway Department and any other regulatory or permitting agencies that have jurisdictional authority over these matters before the City could issue any permits relating to this project.

Mr. Terry asked if there was a specific number of how much ground water CST was projected to use and if that number was at their beginning stages or as the business is projected to intensify over time. Ms. Winter replied that a range was given at a different meeting, however, it was not a specific number. CST talked about usage at their beginning stages, current usage, as well as projected usage. CST is aware that they will have to work with the DNR and get appropriate permitting for water usage. There is no specific language in City Code on restricting water usage, however, the Code is clear on what permits are required from other agencies.

Mr. Cornicelli asked Mr. Holmes how this property came to be zoned light industrial across from residential zoning, as it has been an ag field for many years. Mr. Holmes said that when they went through this initially, the City needed x% of light industrial land, x% of multi-residential, x% business, etc. Mr. Cornicelli clarified that it wasn't that this space had to be zoned light industrial, but that it was chosen to fill the space. Ms. Winter stated her understanding is that when the City did the Comp Plan back in 2005-2007, one item reviewed was visioning for development in the city over a number of years. The City wanted to have continuous space designated as future light industrial to allow for businesses to locate in the future. Mr. Cornicelli noted that the road is not really set up for this type of activity. Questions regarding roads and traffic are for Anoka County to answer, rather than the City.

Chair Plaisance reminded audience members that this meeting is not an open forum, that it is an information update for the Commission. He did ensure the audience that their concerns and thoughts are important, however, this is not the meeting to be heard.

Mr. Balfany asked if CST made any comments on having a community meeting and if they are willing to move forward with a meeting. Ms. Winter said they have not, but that the owners have a willingness to show residents their current site.

Mr. Holmes reported on his 2.5 hour visit to CST's Elk River site on March 23. Chad (owner) was very congenial. When Mr. Holmes asked why CST wants to move, he was told that the business needs more space. Mr. Holmes circulated pictures he took of pallets (packaged pallets) and light wood piles. Currently, the piles are about 35' in height, however, CST prefers to keep the product piles at 15' or less, with a maximum height of 20', in order to avoid product loss to wind. CST is currently on 12.5 acres; the East Bethel site is 37-38 acres. Mr. Holmes saw maybe 6 or 7 employees, there are not a lot of

employees. Most truck traffic will be in the fall; generally 30-40 trucks per day that would start around 9:00 am. Trucks are not usually stored onsite, as the drivers take them home. Mr. Holmes was asked if they were grinding mulch while he was there. He stated that they don't grind mulch, they truck in the mulch from McGregor, from Shenandoah Forest. That is another reason why Chad would like to be on Hwy 65, because it is a lot closer. Mulch was being colored while Mr. Holmes was visiting. CST is willing to reuse some of the water it uses and is willing to hook up to the sewer system, if the City wants CST to hook up. Mr. Holmes asked specifically about fencing and safety precautions at the proposed site. Mr. Holmes' understanding is that CST is going to install a fence from the main building going south and then east back up to the northeast corner. There are no plans to fence the north side, however, if there is a problem, CST will fence the northern side. CST also plans on having 8' berms with trees. There are two proposed gates - one on the proposed main entrance and one behind the gas station. Mr. Holmes asked about there being a gate on the proposed service road site. Chad said that until a service road is installed, that location will have a gate.

Anoka County is reviewing the service road and the location further east and not behind the gas station. Mr. Cornicelli said that makes sense since realistically no matter how it is zoned, if they were talking about a Wal Mart it would be the same argument, there couldn't be more than 4 or 5 cars in the left turn lane until they're backed into the intersection. Anoka County decides locations of service roads.

Mr. Holmes continued with his report. While there he asked what type of dye is used and stated that it was literally coming out of the dye machine into the packaging and that he put his hand into it and that it left no color on his hand – it is a fast drying dye. The noise was unbelievably minimal. No smell to the product, even with the wind blowing into his face. Yes, there would be a smell if you were right next to the cedar, however, being 30' away there was no smell. Chair Plaisance stated there being a smell was one of his biggest concerns. Mr. Holmes was impressed with there being no smell. Mr. Terry asked if this operation was at a slow pace until the summer or later in the spring. Mr. Holmes said no, it's about the same pace all the time, until fall when there is heavy truck traffic going in and out to deliver the product. The mulch preparation and dying is being done longer than just the summer. Mr. Balfany's impression is that this business does most of its business throughout the winter as far as the dying, the mulching and deliveries and then it's just going out all summer. So it is building a stockpile during the winter months when it's not selling in preparation for the spring/summer season. Mr. Holmes said correct, as all the pallets in the pictures are frozen to the ground and have been sitting there since fall. However, fall is its busy time for trucking material. They do work year-round and they might work until 1:00 or 2:00 am, but this doesn't happen very often from what Chad said. Mr. Holmes reiterated that Chad was very cordial and willing to work with the City of East Bethel. Residents are encouraged to visit the Elk River site. Mr. Holmes said that if residents are really concerned, they should visit the site and talk with Chad. CST has a short window of time to move, since the changing of product

is in August. CST anticipates once the product is gone from the Elk River site, it will take about 2 days to move equipment. The packing house/bagging facility is currently a Quonset type plastic shelter heated with electric heaters. The new building will be insulated to deaden sound. Above ground storage tanks for dyes and such will be located north of the building. Again, Mr. Holmes stated Chad was very impressive to talk with and that he is willing to do what is necessary to keep residents and the City happy.

Chair Plaisance again asked audience members to not comment during this informational meeting. The last meeting was opened up for comments. It's not that the Commission is not concerned with the public's thoughts, it is. However, there are certain items the Commission has to get through and certain items on which the Commission has to be instructed. If residents want to talk with Commissioners, Chair Plaisance stated that most members would be willing to talk with them after the meeting. Right now, this item is for Commission discussion and edification, and to please keep their comments out of the current discussion.

Mr. Holmes believes he is a very good judge of character and he doesn't believe Chad is trying to steer the City of East Bethel down the road. [In response to an audience comment] Mr. Holmes stated he didn't appreciate an audience member calling him a liar. A concern Mr. Holmes has is that even though he saw 6-7 employees during his visit, he questions even if the business grows whether more employees will be hired from the East Bethel area; that is a consideration with incoming businesses. That is the only real drawback that Mr. Holmes had after visiting the site. Generally, people that want to hide something don't let you walk around and do whatever you want to do.

One thing that can't be seen from a visit and one of Mr. Terry's biggest concerns is groundwater. Even if everything else is above board and not all that impactful, if the groundwater is depleted, what is East Bethel going to do? How does the City have insurances that that won't be the case? Ms. Winter stated that is why the City relies on other agencies that have review authority over this, to be responsible to monitor and issue permits. Mr. Cornicelli stated that the City of Elk River must have some records of usage in order to calculate if the business is 20% larger, than the usage could be 20% more or minus, and that that current information would be useful. Ms. Winter said that is currently part of the whole application process they have to go through when they submit their applications for those permits. Due diligence is done through applications permits, etc. CST does fall under a different category as far as the DNR is concerned, so as part of their site plan, those applications are being put together now.

The City had discussion with CST regarding the original very aggressive timeline. The City put together a more realistic timeline given the need for information and steps involved. CST knows that the first potentially actionable item may be the end of April and that the timeline is expanded out.

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Mr. Cornicelli asked Ms. Winter when would be key spots during that timeline for residents will have the opportunity to speak out in a public forum. Depending on whether or not CST has to go through platting, which is not clear at this time due to the whole service road discussion, there could be an opportunity to have a public hearing. However, that public hearing is to deal with the plat only and not anything related to the project itself. City staff and commissioners, have been contacted by residents concerning CST. Ms. Winter said she believes ample opportunities have been provided for audience members to speak. From the Planning Commission's standpoint, if it's a planning site review, that is not a public hearing. That would not be an opportunity for public input, unless the Chair opened it up for public input. The best time for the public to be heard is during the public forum portion of City Council meetings. Mr. Balfany thanked Ms. Winter for the clarification and did tell audience members that they should be heard. Mr. Harrington reminded the audience that the Town Hall Meeting will be April 19th at 6:00 pm and that that will be another opportunity to be heard.

Chair Plaisance stated it would be good to see the reports from the various permitting agencies. Mr. Cornicelli ask that tangible information be given to the commissioners. Ms. Winter offered to provide a mid-line report throughout the timeline. Because this is a highly controversial issue that has an enduring impact on the community, Mr. Cornicelli believes any additional information will help the Commission to make the best recommendation to the City Council as possible. Mr. Holmes asked if they could have a current water use report from the regulatory authority. Mr. Cornicelli stated as previously discussed, it is important to know what the mitigation plan is for the wastewaters, the dye oil base vs. the water base, how much water are they truly going to be using, what is the real traffic flow, etc. Mr. Cornicelli noted that as Mr. Davis stated, hands are limited in light industrial space whether it is a fit or not, but these are reasonable questions to be asked before this is considered by the Commission.

Mr. Holmes did ask Chad how often trucks would be going from one pallet storage place to the other and he said 6-8 time a day. Chair Plaisance said that was his concern and one reason was because of the service road and if another company were to building behind CST, would that pose a traffic hazard. Mr. Cornicelli said he believes the current intersection at Hwy 65 and 237th is not set up for more than residential traffic at this time. Mr. Holmes is not thrilled about a service road anywhere on the property, but that he knows that that is what the City wants to do and that is what the City has planned. Chair Plaisance asked the City or the County. Mr. Holmes said the County wants it, but that the City also has wanted it for quite a while. Ms. Winter said it's part of the whole service road plan as you continue to move north. Any time you have development, you have to have a plan that indicates where traffic patterns are and where it makes sense to have service roads. With all the work East Bethel is doing with MnDOT, as well as with Anoka County, that is a huge priority item for them. MnDOT and Anoka County are working to limit access onto Hwy 65 and they have sort of charged East Bethel with the task of looking at service roads as another option for getting traffic to and from

places. Chair Plaisance asked if CST has a plan for moving product across the road for when it does become a service road. Mr. Holmes said that CST puts up stop signs for their drivers to go across. There is still a problem; it will be a forklift driver against a vehicle. That is why Mr. Holmes does not like having the service road there and would rather see it in the front, however, he does understand why others do not want it in front. He doesn't believe that can be located on the eastern side because of groundwater. Ms. Winter also noted that there are wetlands to deal with on the eastern side as well. Mr. Balfany would like to hear from MnDOT and Anoka County on the Hwy 65 situation. That in itself could put a hitch in everything, unless they are going to change the roads.

Mr. Holmes suggested each commissioner go visit the Elk River site. He went over there with a negative attitude, but it was much better than when he first went there.

6. Home Occupation Review

Background Information:
Home Occupations continue to be an enforcement problem for the City. Currently we have six complaints about home occupations. Those complaints range from operating without a permit, to exceeding total number of vehicles, junk and debris. Automobile repair seems to be the biggest problem, and our Home occupation ordinance does not do a good job of addressing this issue.

Staff is requesting that the Planning Commission consider the following:

• It is not uncommon for metro area cities to list occupations such as body shops, landscaping businesses, and motor vehicle repairs or sales as prohibited home occupations.
• Many cities do not allow any person, other than the property owner, whom must reside on the premise, to be engaged in the home occupation.
• In East Bethel, uses such as motor vehicle repair are allowed in the Highway Business District and Light Industrial district. A question to consider, should the city allow uses permitted in the B3 and I1 districts as home occupations?
• Because the existing ordinance does not specifically prohibit motor vehicle repairs or small engine repairs these businesses could be considered home occupations if they meet all of the other requirements of the ordinance.

This topic has been brought before the Planning Commission as a discussion item at past meetings. The Planning Commission discussed this back in 2011 and those minutes are attached for your review and again in 2014 there was a lengthy discussion and public hearing regarding this issue. At that time, the Planning Commission recommended only one minor change to the ordinance and that was approved by the City Council. Since that time the City has implemented a new code compliance system that allows us to better track complaints and we are working on making sure that all issued IUP's are in compliance. Automobile and small engine repair continue to still be an issue for the City and staff does not feel that these businesses should be allowed as permitted Home occupations.

The City currently has six active complaints. Complaints usually come from

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neighbors regarding the number of vehicles on site. When individuals are asked about the vehicles on site, they usually say they are fixing relatives' vehicles. By disallowing these types of businesses, those individuals claiming to be fixing relatives' vehicles will need to meet City requirements, i.e. five vehicle maximum all being licensed. It will also help the City to combat junk vehicles on properties. The same thing pertains to small engine. Trash heaps in front of and behind houses are covered under the junk vehicle and debris ordinance. Chair Plaisance is concerned that a blanket statement that prohibits working on cars or small engine will affect those individuals that truly are working on their own car or small engine.

Mr. Holmes' biggest problem, which may be due to shortage of staff, is that nothing seems to get done about his complaints and that the complaints get ignored. He believes the City has an ordinance for no reason. He has asked why staff isn't sent out to tell the people what is wrong and what needs to be changed and has been told people are being sent out there. To him the ordinance is non-useful. He has talked with people at the City and was told that someone has to say something about the violation before the City can do something about it. Mr. Holmes believes any city official should be able to stop and tell someone that they are not in compliance with an ordinance. Obviously, the City Inspector has to be driving by these homes; it wouldn't take much time to drop off a sheet listing the violation and a deadline for adherence to the ordinance. Another commissioner stated that by handing out a violation it now becomes an enforcement issue.

Ms. Winter interjected that the City has implemented a new code compliance system which has been very useful. Many more issues are being addressed in a much timelier way. A first letter, then if need be a second letter is sent. If the violation is still not resolved, it gets turned over to the City attorney or a fine is incurred, pending on the violation. However, fining someone doesn't always stop the violation. 98% of the time a clean-up is done after receipt of a second notice. There are frequent violators that continue to be a problem. To Mr. Holmes' point, Ms. Winter does believe the Building Inspector and Building Official do a good job when they are out. Their primary roles are Building Inspector and Building Official and those duties, not necessarily dealing with code-compliance. If they see a blatant violation, they will say something. Most violations against code are complaint driven due to the large geographical area of East Bethel. And, no, there isn't an employee to just deal with code complaints. Non-compliant septic systems makes up a big amount of code violations. However, with the sale of homes and other things that are done, there have been a lot of code compliances made. Again, Ms. Winter believes this is due to the new system in place.

Mr. Balfany agreed that enforcement is key and that understaffing is an underlying issue. Mr. Balfany does not agree that complaints are not being addressed.

Mr. Cornicelli agrees that the Commission does have to address what is

allowed in regard to home businesses fixing cars and having hazardous waste permits. Unless the City is going to address the big issue of hazardous waste, such businesses shouldn't be allowed. Based on the packet information, it appears most cities don't allow it. **Consensus of the Commission was to have City staff bring back revised Zoning Code language for review.** Mr. Balfany wants to be careful of blanket statements and wants to use correct verbiage.

7. Lowest Floor Elevation review

This is an informational item.

Background Information:
The City of East Bethel has had numerous discussions regarding this topic before and the request has been made to bring it back to the Planning Commission to consider changing the ordinance.

Current City ordinance in the Shoreland Management Areas:
New Construction and additions need to be located three feet above: Whichever is greater of the regulatory floodplain, highest known water level (mottled soils), or ordinary high water level.

These same rules are applied city wide per engineering standards.

Currently the Shoreland Management ordinance, Floodplain ordinance, Subdivision Ordinance and engineering manual all deal with lowest floor elevation differently. In order to be consistent and adopt the same standards, proposed changes to the minimum lowest floor elevation will be presented at the next Planning Commission meeting and will include better definitions, exceptions and decreased standards for existing structures.

Changing the lowest floor elevation provides an opportunity for home additions, accessory buildings, etc. to be built without having to follow a very stringent standard when it comes to mottled soils. There is argument with new home construction that 3' above mottle soil is excessive. Thus, City staff has asked the Commission to review this and consider 2' above. In most cases, rural residential new construction has already been engineered and are exempt, so if there is an existing sub-division that has been approved, those lowest floor elevations are determined as part of engineering requirements for that sub-division.

Mr. Holmes asked if this involves any floodplain items. Ms. Winter said it does where there are floodplains. City staff received a number of phone calls when the new floodplain maps were adopted, it changed many homes from being out of a floodplain to being in a floodplain. The problem is in most cases those base flood elevations haven't been determined. Fortunately, in the areas where there are engineered sub-divisions, floor elevation information can be given; this process is time consuming for City staff.

East Bethel's current lowest floor elevation is above 3' and the City would like it changed to 2'.

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Mr. Holmes noted that an engineer usually determines the correct level. He doesn't want to see the costs for this passed on to residents, nor to the City. Soil borings are required when building new home, so that cost is paid by the developer. It's those soil borings that determine the elevation and where the house could be built. Ms. Winter suggested City staff do more research on this item and bring back language to the next meeting. Changing the level from 3' to 2' will help with the elevation for a house, but not if the water level rises and floods can the homeowner then come back to the City because it changed the water level to 2'? Ms. Winter stated that is why the current language states "Whichever is greater of the regulatory floodplain, highest known water level (mottled soils), or ordinary high water level." Mr. Holmes wondered if changing it by 1' will affect much. Is it worth changing?

Chair Plaisance referred to the packet information for on lowest floor elevations for surrounding cities. Most are 3', with the exception of Oak Grove, which is 1'. Andover has 3' above the seasonal high water mark or 2' above the designated 100 year flood elevation, whichever is larger. Is East Bethel thinking to have a flat out 2' or a graduated difference depending upon the 100 year floodplain or whatever may be the case? Ms. Winter said you would still need to know the base flood elevation. She again requested to bring this item back to the Commission after talking with the City engineer. Chair Plaisance requested information on how many residents could be affected by making this change. Mr. Holmes noted that East Bethel probably has more groundwater than any of the surrounding cities, with the exception of St. Francis, so that too will need to be taken into consideration.

8. City Council Report

Mr. Harrington, City Council liaison reported:

-Council approved the variance setback for 19308 East Front Blvd. by Coon Lake.
-Council approved EDA request to participate in the 2016 MnCAR Expo (Minnesota Commercial Association of Realtors).
-Town Hall meeting is scheduled for April 19. Agenda items will most likely include CST, and Superstreet.
-Council is in closed session for negotiation of a new public works contract.
-Recycling day is April 23 from 8-noon at the ice arena.
-Pet clinic is April 2 from 9-noon at the ice arena.

9. Other Business

None

10. Adjourn

Mr. Balfany moved and Mr. Cornicelli seconded to adjourn at 8:11 pm. Motion carried.

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 3/25/16

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City of East Bethel
City Council Meeting
Agenda Information

* *

Date:
April 6, 2016

* *

Agenda Item Number:
Item 7.0 B.1

* *

Agenda Item:
2016 Business Retention and Recruitment Plan

* *

Requested Action:
Consideration of approval of the Business Retention and Recruitment Plan

* *

Background Information:
The Business Retention and Recruitment Plan is a document that outlines a broad strategy to address our efforts to recruit and retain business. This plan is a product of the discussions the EDA has conducted since July 2015. The EDA approved recommending City

There are 8 major components of the plan. These categories are not prioritized as their implementation will be, to a certain degree, concurrent and each piece is a part of and dependent on the components as a whole to achieve their goal. The plan elements include:

- Creation of a Business Friendly Image and Reputation
- Comprehensive Plan
- Financing
- Marketing
- Business Recruitment,
- Business Retention and Expansion
- Communication
- Business Assistance.

This plan provides direction for economic development priorities for 2016 and establishes goals for measurement of these activities.

Attachments:

1.) Draft Plan

* *

Fiscal Impact:
To be determined.

* *

Recommendation:
Staff requests that City Council consider approval of the Plan for Business Retention and Recruitment

* *

City Council Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

2016 City of East Bethel

Strategies and Directions for Business Retention, Expansion, and Recruitment

***Mission Statement**: The Mission of the City of East Bethel and the Economic Development Authority (EDA) is to promote the recruitment, retention and expansion of business as a means to further economic development in the City within the Hwy. 65 Corridor.*

The essential components required to achieve the objective of the Mission Statement are:

I. Dedication to and Promotion of a Business Friendly Environment

- Demonstrate and maintain the City'**s** positive, progressive and accommodating character in all contacts with the Public by **S**taff, Commissions and City Council.
- Evaluate City policies and procedures to insure the courteous, efficient and timely response to requests, provision of information, issuance of permits and action on issues requiring Commission or Council review and approval.

II. Update the Comprehensive Plan

- Complete the Comprehensive Plan update by 2017.
- Focus on those elements that will enhance opportunities for economic development and create a land use pattern within the Hwy 65 corridor that maximizes the growth potential of the Corridor.
- Examine existing and future land use within the Hwy. 65 corridor, and ensure that zoning addresses development needs in this area of the City.
- Develop a transportation plan component that identifies needs and prioritizes potential projects that advance highway safety, improve traffic flow and enhance access to areas with developmental potential.
- Identify utility needs and outline strategies for extensions of these services within the Hwy. 65 corridor.
- Implement policies to retain the rural nature of the City outside the hwy. 65 corridor.
- Utilize the comprehensive plan as a tool to guide the development goals of the City.

III. Financing business expansion and recruitment

- Develop connections with local, regional and state agencies that can assist the City in financing both existing and new development with grant and loan programs.
- Develop strong relationships with local banks and financing entities and encourage these institutions to become an investment partner to stimulate business retention, expansion and recruitment.
- Develop a plan for City business financing and assistance.

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IV. Marketing

- Define the vision of the City and develop a marketing concept that applies to achieving the realization of this objective.
- Prepare a marketing study that identifies target business and industry for the East Bethel market area.
- Evaluate the factors that make the City competitive/non-competitive within our geographic area and the region.
- Examine and incorporate all appropriate aspects of e-commerce and social media in promotional campaigns that are specific to the City.
- Network with local and commercial realtors and realty organizations to promote the City's available properties.
- Continually update the City marketing information to ensure that all information is current and appropriate.

V. Business Recruitment

- Develop policies and guidelines that minimize recruitment conflicts with existing business.
- Utilize data from the marketing study to obtain location needs of identified businesses and develop procedures for contact and follow-up meetings.
- Establish connections and associations with DEED, MSP and other related associations and organizations to develop our profile with these groups and increase our exposure for industrial prospect references.

VI. Business Retention and Expansion

- Continue to support and promote the BR&E program and projects.
- Continue efforts to recruit additional businesses to the BR&E program.
- Encourage expansion of membership in the East Bethel Chamber of Commerce.
- Continue to work with start-up businesses to provide guidance and information.

VII. Communication

- Develop and maintain a process of communication with the existing business community
- Maximize the use of existing means of communication and provide the necessary improvements required to advance the City's ability to disseminate information to the business community and
- Work with internet service providers to improve, sustain and expand service and enhance broadband capabilities, speed and access within the Hwy. 65 Corridor

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VIII. Evaluation of Strategies

- Provide a definition of Economic Development to provide a basis for establishment of the high level goals to assess program progress.
- Identify actionable goals that have reasonable expectations of attainment.
- Establish standards to gauge and measure progress of business retention, expansion, and recruitment.
- Examine initiatives of other City's that are successfully implementing and economic development programs and identify and apply those that are specific to the needs of the City of East Bethel.

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EAST BETHEL ECONOMIC DEVELOPMENT AUTHORITY MEETING
March 21, 2016

The Economic Development Authority (EDA) met for a regular meeting at 7:00 PM at City Hall.

MEMBERS PRESENT: Dan Butler, Chair, Doug Welter, Julie Lux, Brian Bezanson, Brian Mundle

ABSENT: Steve Voss

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

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

2. Adopt Agenda — **Mr. Bezanson moved and Ms. Lux seconded to approve the agenda as written. Motion carried.**

3. Approve 2/22/16 Minutes — **Mr. Bezanson moved and Mr. Welter seconded to approve the February 22, 2016 minutes as presented. Motion carried.**

4.0 Work Plan/Strategic Plan — The Business Retention and Recruitment Plan is a document that outlines a broad strategy to address our efforts to recruit and retain business. This plan is a product of the discussions the EDA has conducted since July 2015.

There are 8 major components of the plan. These categories are not prioritized as their implementation will be, to a certain degree, concurrent and each piece is a part of and dependent on the components as a whole to achieve their goal. The plan elements include: Creation of a Business Friendly Image and Reputation, Comprehensive Plan, Financing, Marketing, Business Recruitment, Business Retention and Expansion, Communication, and Business Assistance.

Mr. Welter asked if residential development is included in this plan. Mr. Davis responded that it is not in this plan, but it is in the Comprehensive Plan.

Ms. Lux moved and Mr. Welter seconded to adopt the Business Retention and Recruitment Plan. Motion carried.

5. CST Review — This is an informational update.

Since the February 22, 2016 EDA Meeting, staff and City Council have answered a number of e-mails, responded to calls, and have met with several individuals relating to the proposed CST location at 23805 Hwy. 65. This issue is controversial in nature, due to the proposed use and the potential impact on the surrounding neighborhoods and future development of the light industrial zone in the vicinity of the CST site.

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Staff met with CST on March 8, 2016 regarding their concept plan submitted to the City. Staff provided CST with the following information relating to the Site Plan Review:

*CST was advised that their timeline for the project was overly optimistic. Any considerations for approval would occur no earlier than June and depending on the need of for additional information those times could be pushed back to a later date.
*CST was advised of the petition opposing their location at 23805 Hwy. 65. The prospect of community meeting to allow CST to address concerns of the project was discussed. CST was advised that the City would have no role in the meeting other than to offer a location for the gathering.
*CST was advised that the submission of their Site Plan was only partial and that City Staff had until March 15, 2016 to provide notification of the additional items required for submittal. Items that were incomplete or not submitted related to environmental issues, wetland delineation, status of permits, signage, fire department review, hours of operation report and general concerns related to traffic, appearance and visual impact.
*CST was advised that the burden of proof relating to noise, dust, particulate matter and other requirements contained in Code must be provided to address the conditions set forth in City Ordinance and CST must clearly demonstrate to the City that these issues do not have any impact beyond their proposed site.
*CST was advised that they must obtain all required permits from the DNR, MPCA, Anoka County Highway Department and any other regulatory or permitting agencies that have jurisdictional authority over these matters before the City could issue any permits relating to this project.
*CST was informed that the right of way dedication for the service road must be platted per City Code.

CST is proceeding with their application. The April 26, 2016 Planning Commission Meeting will be the next scheduled session when this issue will be discussed as an actionable agenda item.

Updates and reports relating to the Site Plan Review may be presented at the March 22, 2016 Planning Commission and April 6 and 20, 2016 Council Meetings.

The process for the Site Plan Review per City Code, Zoning, Appendix A, Section 4 is: Once a concept plan has been reviewed by the city staff, the applicant shall submit an application to the City for site plan review. The site plan review process shall be as follows:

1) The applicant(s) shall submit a completed application and all required site plan review materials to the City;
2) City Staff shall review the application and forward a report and recommendation, including all conditions, to the planning commission;
3) The Planning Commission shall review the submitted site plan review application and recommendation from staff and make a formal recommendation

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to the City Council. The recommendation from the Planning Commission shall include all conditions or modifications to the site plan review application;
4) The site plan review application shall be placed on the City Council's regular meeting agenda for final decision;
5) The City Council may remove, alter, or impose additional conditions to the site plan review application. A site plan review application shall receive a majority vote by the City Council for approval. If an application is denied by the City Council, the application may not be resubmitted for a period of three months following the date of denial. A vote denying the site plan review approval along with its findings shall be formally recorded;
6) In evaluating its recommendation and approval, the Planning and Commission and City Council shall take into consideration the following:
a) Consistency with the City Comprehensive Plan;
b) Compliance with City Ordinance;
c) The preservation of the site in its natural state, to the extent practicable, by minimizing tree loss, soil removal, and grading;
d) The harmonious relationships between buildings, open spaces, natural site features, architectural details, and vehicular and pedestrian circulation;
e) The protection of adjacent and neighboring properties.

Mr. Welter asked about there being a CST/community meeting. Mr. Davis stated it is up to CST to initiate a meeting with the community. Mr. Bezanson believes East Bethel staff should be present at CST/community meetings in order to answer questions that may be asked. Mr. Davis reiterated that CST was advised that the City would have no role in the meeting other than to offer a location for the gathering. There will be at least three more official public meetings for East Bethel staff to answer questions.

The City Council will make the decision on the accuracy of the information CST provides relating to noise, dust, particulate matter and other requirements contained in City Code.

Henceforth, only significant updates will be given to the EDA.

Mr. Welter suggested applying CST to the newly approved Business Retention and Recruitment Plan to see if the Plan covers all areas.

6.0 MnCAR Expo

At the EDA meeting on February 22, 2016, the EDA voted to recommend that the City Council approve the City's participation in the 2016 MnCAR (Minnesota Commercial Association of Realtors) Expo. The City Council, at their March 2, 2016 meeting, approved the EDA's request to participate and spend up to $3,500.00 for the event. MnCAR hosts this annual event to provide the opportunity for the commercial real estate community to network and discuss current real estate ventures and issues. Involvement in this and similar activities should be an integral part of the City's marketing effort to support and advance the City's economic development goals. The event is scheduled for November 9, 2016.

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As an exhibitor, the City would receive:
- 8' x 10' display booth.
- Recognition in all event print and e-mail promotional materials, including media advertising which is distributed to 9,000+ commercial real estate industry professionals.
- Company name recognition on MnCAR website
- Recognition at event exhibitor banner and expo program.
- Two complimentary event tickets.

Staff recommends the EDA appoint a committee to prepare recommendations to the Authority regarding displays, promotional and marketing materials, staffing requirements, sponsors, and other needs necessary for exhibitors.

The approximate cost for a printed table cloth and signage is $250.00.

An idea for the booth is to have a laptop on continuous loop showing East Bethel's GIS system, available commercial properties, and other highlights. It is highly suggested to have some type of game, along with promotional items as handouts, in order to attract and foster interest in the booth.

Ms. Winter recommended paying the application fee, along with the additional cost for electricity and high speed internet. The EDA consensus was to proceed.

Both Ms. Lux and Mr. Butler volunteered to be on an expo committee. Ms. Winter will ask Chamber of Commerce members to volunteer also. City Staff will be the liaison between the EDA and City Council.

7. Chamber of Commerce Report

Since Mr. Butler is no longer on the Chamber Board, he suggested having Mr. Welter report on Chamber business. Mr. Welter reported that he did a presentation on the Business Retention and Expansion project at the March general membership meeting. The next meeting on April 14 is going to be a breakfast meeting starting at 7:30 am at Route 65 with a speaker from MN DOT on the proposed Superstreet at Viking Blvd. and Hwy 65. A program called Building Business Success will be initiated at the general membership meeting in May.

8. BR & E Update and Scatter Chart Analysis

Mr. Welter reported that the BR & E project surveys and data analysis have been done. There was a task force retreat meeting at Cedar Creek on March 3 with two U of M people and others to review the data results and recommended projects that came out of the U of M meeting. The task force picked three major projects to support businesses in East Bethel 1) broadband, 2) communication between city and businesses, and 3) business recruitment. These projects have not been outlined in great detail, this will be done at the project team meeting on March 30th with the goal to get more details on actionable items for the projects and prepare for the commencement meeting, which is the special City Council meeting on April 27th.

Mr. Bezanson met with an electrical engineer consultant that would like to bring a director of engineering to look at the City broadband.

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Mr. Welter reviewed the Scatter Chart Analysis. The Chamber of Commerce, Fire Department, and EDA rated high satisfaction/high importance. Some items that were ranked low satisfaction/high importance were communication, broadband speed, and recruitment, which is how the BR & E task force came up with the three major projects.

9. Business Report/April EDA Agenda

*Provided liaison services between MET Council and Super America relating to the opening of their car wash.
*Provided City zoning and ordinance requirements to an individual interested in building a cabinet shop.
*Working with a local developer interested in platting a rural subdivision.
*Provided City zoning, ordinance and utility requirements to a potential business interested in opening a HVAC/chimney cleaning business in Sauter's 2nd Addition.
* Continue to provide site location assistance to a potential with micro-brewery.
*Continue to provide zoning and ordinance requirement assistance to an LLC that is planning on opening and event center.
*Provided zoning and site plan review requirements to CST, a trucking, distribution and mulch company.
*Met with and provided information to a regional developer who is exploring the potential for a housing development in the northwest area of the City.
*Initiated discussion relating to location requirements with a real estate broker who represents Aldi grocery stores.
*Provided utility extension cost information to a local business owner that had an interest in City water and sewer service.
*Provided zoning and ordinance information to a prospective purchaser for the Hunter's Inn property.

Other Development Assistance Activities and Information:
*Classic Construction purchased the building at 18530 Ulysses St NE and expanded a portion of their operations to that location.
* The City issued 6 single family home building permits through March 18, 2016.
*Assistance provided to Tom Sauter for the Sauter Commercial Park 2nd addition plat.
*Assistance provide to support the efforts of the TH Hwy. 65 Coalition with a Transportation Survey.

Mr. Butler noted that he heard that Meier's Grocery Stores is talking about coming into the Mpls./St. Paul market.

10. City Council Report

An IUP application was submitted then pulled by Wandering Cellars.

City Council approved the Sauter's Commercial Park 2nd Addition Preliminary Plat.

City Council endorsed the installation of a crosswalk on Sims Road by East Bethel Community School.

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City will have an ADA project done to install automatic door openers at City Hall and at the Senior Center.

City Council continues to receive updates on CST.

Verizon tower construction has begun.

The next City Council work meeting is on Wednesday to discuss the snowmobile ordinance and large animal ordinance for miniature horses.

A POW flag was donated to the City by WWII Veteran Ken Langmade and is on display at Fire Station #1.

April 8th is the EDA commissioner application deadline.

11. Adjourn **Mr. Bezanson moved and Mr. Mundle seconded to adjourn at 7:36 pm. Motion carried.**

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 3/22/16

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City of East Bethel
City Council Meeting
Agenda Information

* *

Date:
April 6, 2016

* *

Agenda Item Number:
Item 7.0 C.1

* *

Agenda Item:
Sandhill Crane Natural Area

* *

Requested Action:
Information item

* *

Background Information:
City Staff and Council Liaison Tim Harrington met with the Anoka County Parks, DNR and MPCA to discuss the current status of the transfer of the School Trust Lands and grant funds for the Sandhill Crane Natural Area (SCNA) on Monday, March 21, 2016. The meeting was to update the agencies on the status of the SCNA County lease for forestry management with the DNR and grant programs for public access. The SCNA is a 570 acre natural area located around Ned and Deer Lakes that is owned and managed by the three public entities described above.

This management group met from 1999 to 2013 to plan for greater accessibility to the SCNA for the public. In 2013 the DNR Forestry Division presented a schedule to clear cut up to 80 acres of the School Trust Lands (those certain DNR lands statutorily designated and required to produce income for the State Education Fund) within the SCNA. This proposal was met with widespread opposition from City residents and the City, with invaluable support and assistance from Anoka County, was able to forestall the DNR's Forestry Division plans to clear cut the Trust Lands portion of the project area. 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.

To temporarily address the transfer issue, the DNR Forestry Division entered into a lease with Anoka County to manage the School Trust Lands within the SCNA. The lease, executed in 2013, was for 3 years at $5,000 per year and that lease expires at the end of this year. The permanent solution to the issue was a proposal to transfer the School Trust Land designation of the 80 acres within the SCNA to the Sand Dune State Forest (SDSF) in Sherburne County, thereby transferring the statutory requirement that School Trust Lands generate income to the SDSF.

This transfer was never completed due to Sherburne County's opposition to this assignment within the SDSF. There is the possibility that the SCNA School Trust Land designation could be reassigned elsewhere in the State Forest System but until this is done there is still the possibility of some type of managed cutting within the SCNA. The options for resolving this continuing issue are:

- Extend the County's Management Lease of the School Trust Lands within the SCNA
- Complete the SCNA School Trust Land Designation to other forest areas within those lands managed by the DNR
- Support the DNR's non forestry divisions funding request to the Legislature to purchase the School Trust Lands
- Support legislation to prevent clear cutting of School Trust Lands with the seven-county Metro Area.

Should this issue not be resolved by lease extension or other actions by the Legislature, the School Trust Lands would be added back into a 10-year rotation cut list. If this should occur, it would be 2018 before any cutting would be considered. We were informed by the DNR Wildlife Division and Anoka County Parks that clear cutting would probably not be considered as option for the SCNA. Any proposals for cutting would be selective and depending on the extent of the activity, this type of cutting could be beneficial.

We will continue to follow this matter closely and provide any action information to Council.

As part of the discussion of the clear cut issue in 2013, 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 were 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 have been used for resource restoration, site access and trail construction. A grant request of $1,060,000 was proposed for the project and was to be 100% funded by the NRD Program. No City or County Funds were to be required as a local share.

The proposed project was discussed 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 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 and a program for fund distribution is established.

The County and City will continue meeting to discuss our options for this project and potential for re-submittal of this or other grants. Prospects for NRDA funding do not appear to be optimistic at this time but the City, County and the DNR are seeking other program funding for this project.

Attachments:

1.) 2014 SCNA Grant Proposal

* * * *

Fiscal Impact:
To be determined.
* * * *

SANDHILL CRANE NATURAL AREA

NATURAL RESOURCES RESTORATION & SCENIC ENHANCEMENT GRANT PROPOSAL

NOVEMBER 2014

Anoka County
PARKS & RECREATION
Open Spaces in Nearby Places

SANDHILL CRANE NATURAL AREA

Natural Resources Restoration and Scenic Enhancement Proposal

Minnesota Landfill Cleanup Act Insurance Recovery Effort

October 28, 2014

ITEM 1 – PROPOSAL SUMMARY

Project Title:	Sandhill Crane Natural Area: Natural Resources Restoration and Scenic Access Enhancement Proposal		
Project Applicant:	Anoka County		
Contact Person:	Jeff Perry		
Title:	Park Planning and Resources Manager		
Address:	550 Bunker Lake Boulevard, Andover, MN		
Zip:	55304	County:	Anoka
Daytime Phone:	763-767-2861	E-mail:	jeff.perry@co.anoka.mn.us
Fax Number:	763-755-0320		
Project Location:	County: Anoka County	City:	East Bethel
Proposed Activities:	Restore 250 acres of native prairies, forests, and wetlands. Add scenic enhancements including natural surface trails, boardwalks, interpretive signs, boundary signs, wildlife viewing areas, and parking areas.		

Cost Breakdown:	Grant Request:	$1,772,000
	In-Kind Match:	$69,000
	Total Project Investment:	$1,841,000

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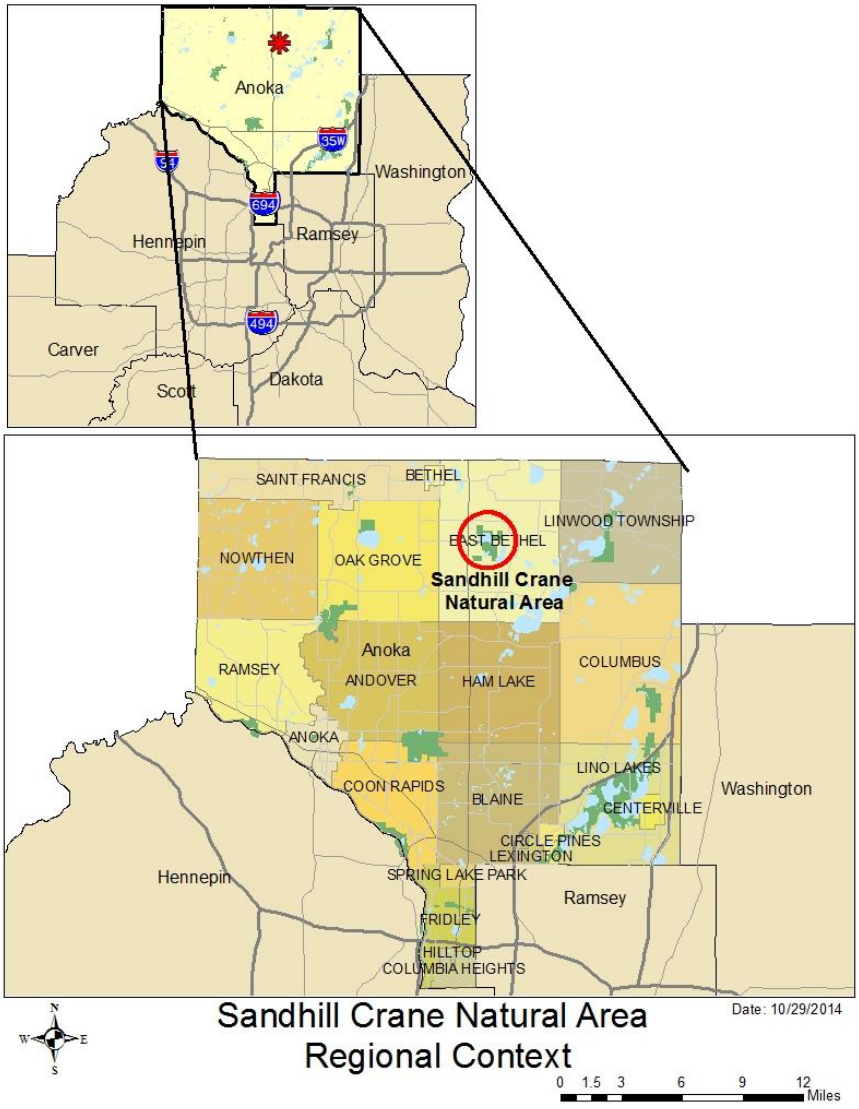
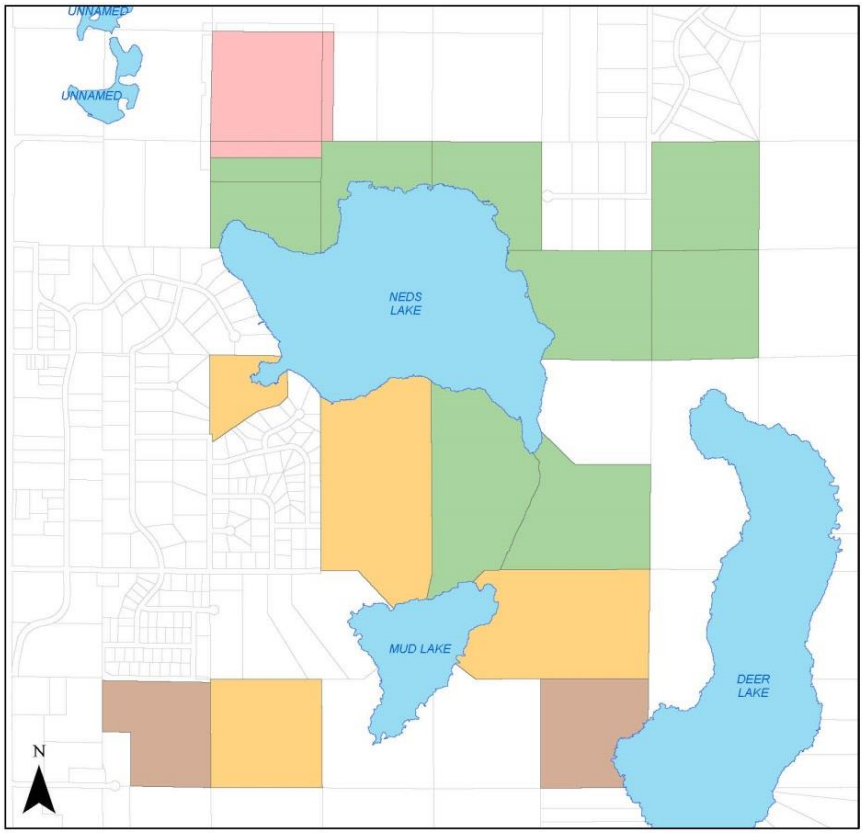
ITEM 2 – SANDHILL CRANE NATURAL AREA PROJECT BACKGROUND

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 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

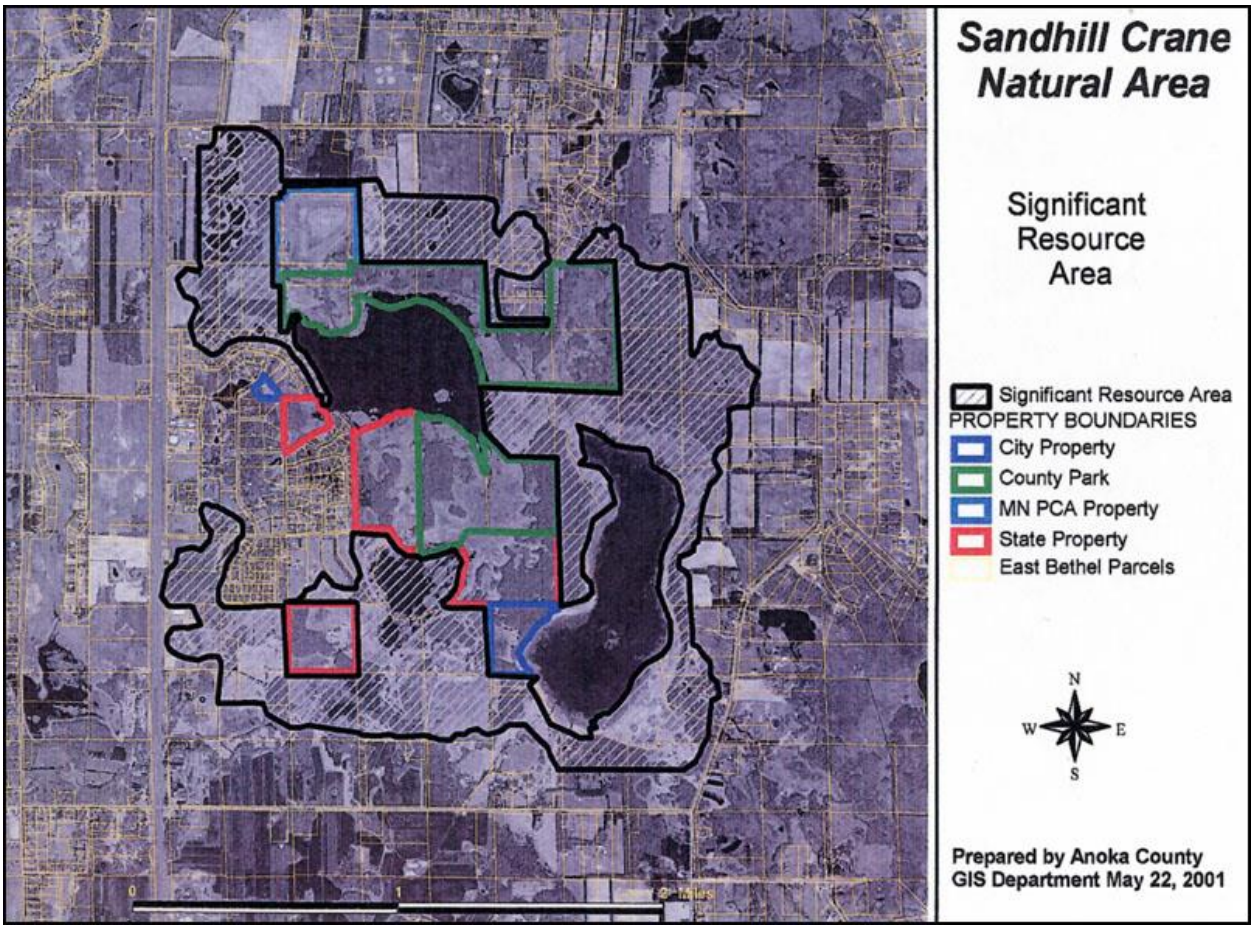
OWNER

- 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.

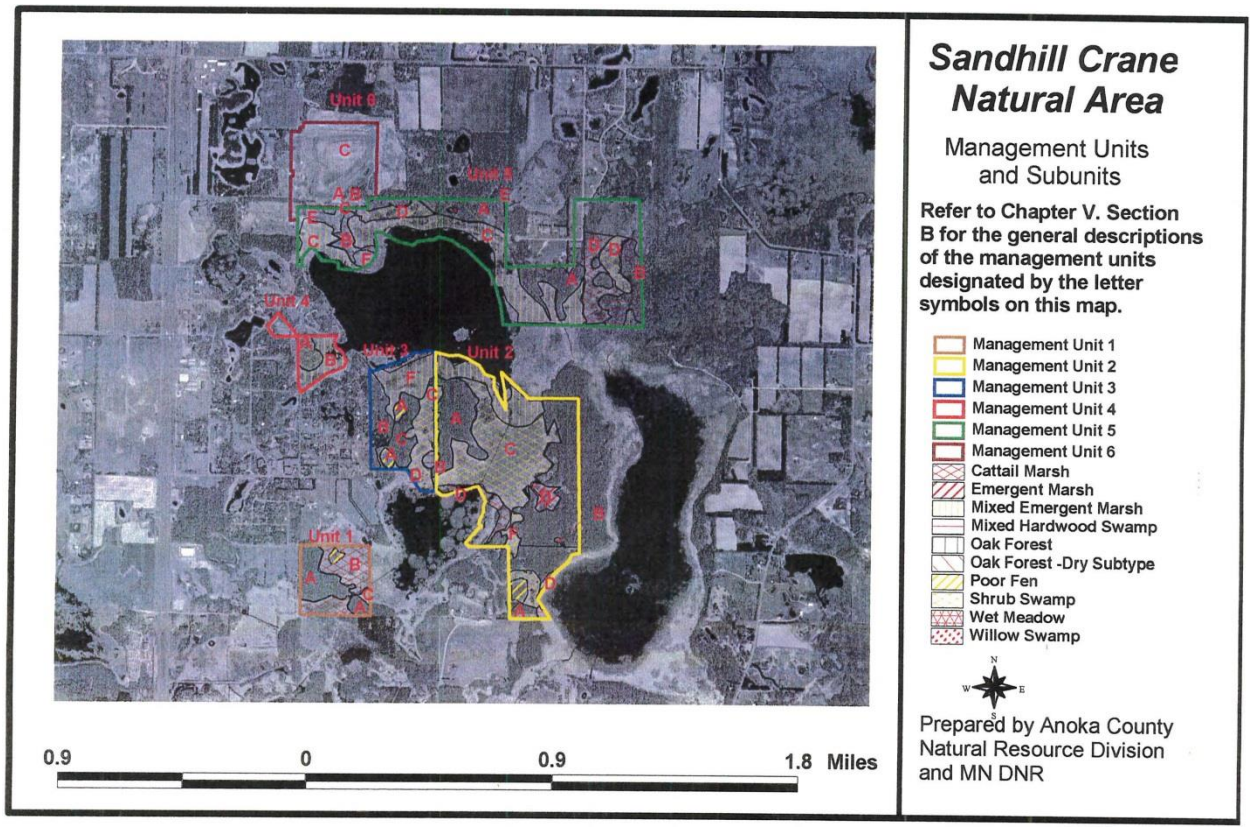
ITEM 3 – PROJECT NARRATIVE

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

Recreation Development Zone
- Trails
- Picnic Area
- Observation
- Landscape Restoration
P
Future Trail Development
Future Trail Development
Sandhill Crane Natural Area
Master Plan
Public Land Boundary
Parking
Natural Surface Trail
Boardwalk Trail
N
SANDHILL CRANE NATURAL AREA
Scale: 1" = 500'

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 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.

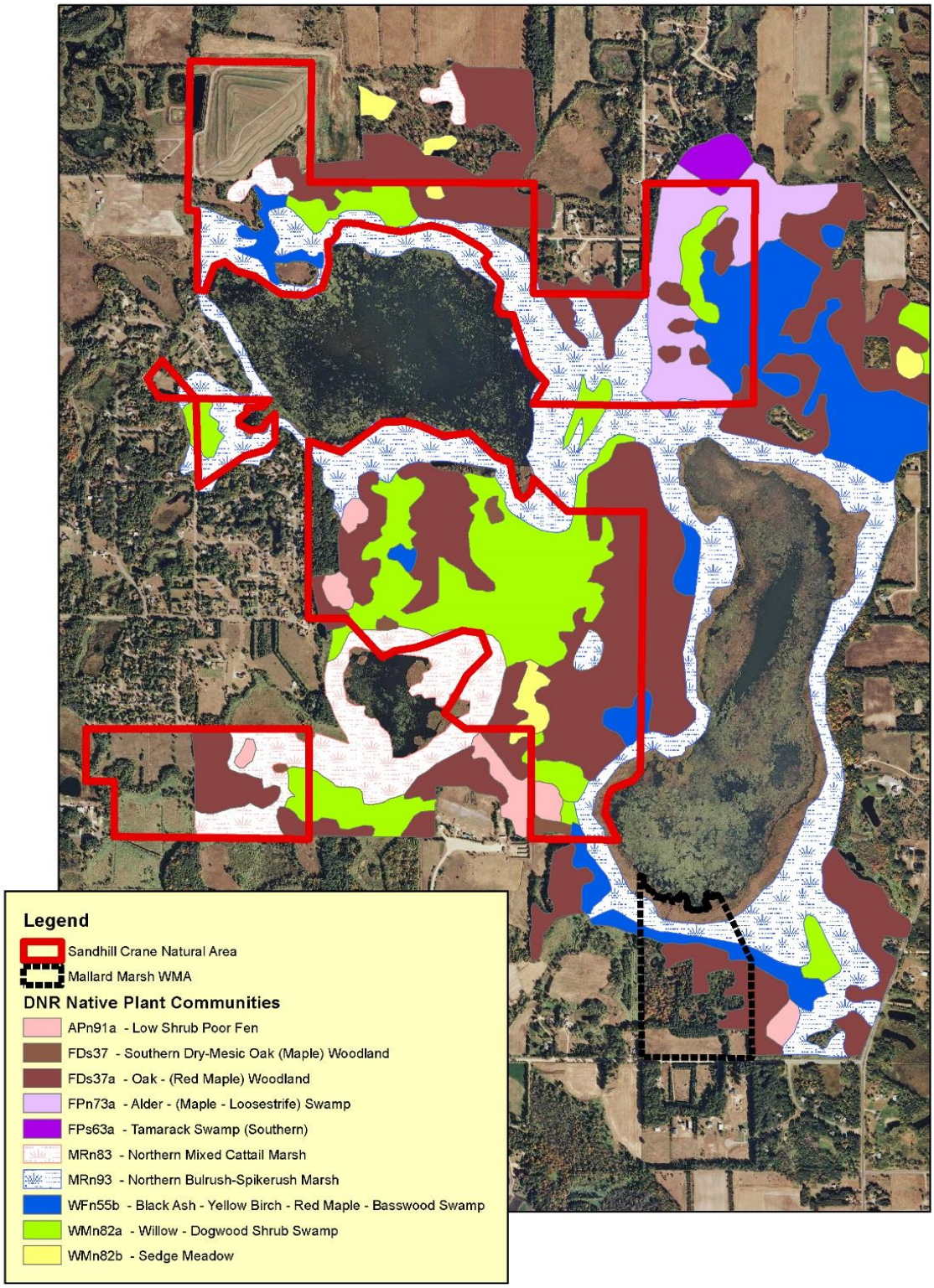
Rare Plant and Animal Species

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



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	$216,000
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	$175,000
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	$186,500
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

Name	Work	Amount	Grant/Match	In-kind/cash
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

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

Professional Services

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

Equipment/Supplies

Item	Purpose	Amount	Grant/Match	In-kind/cash
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

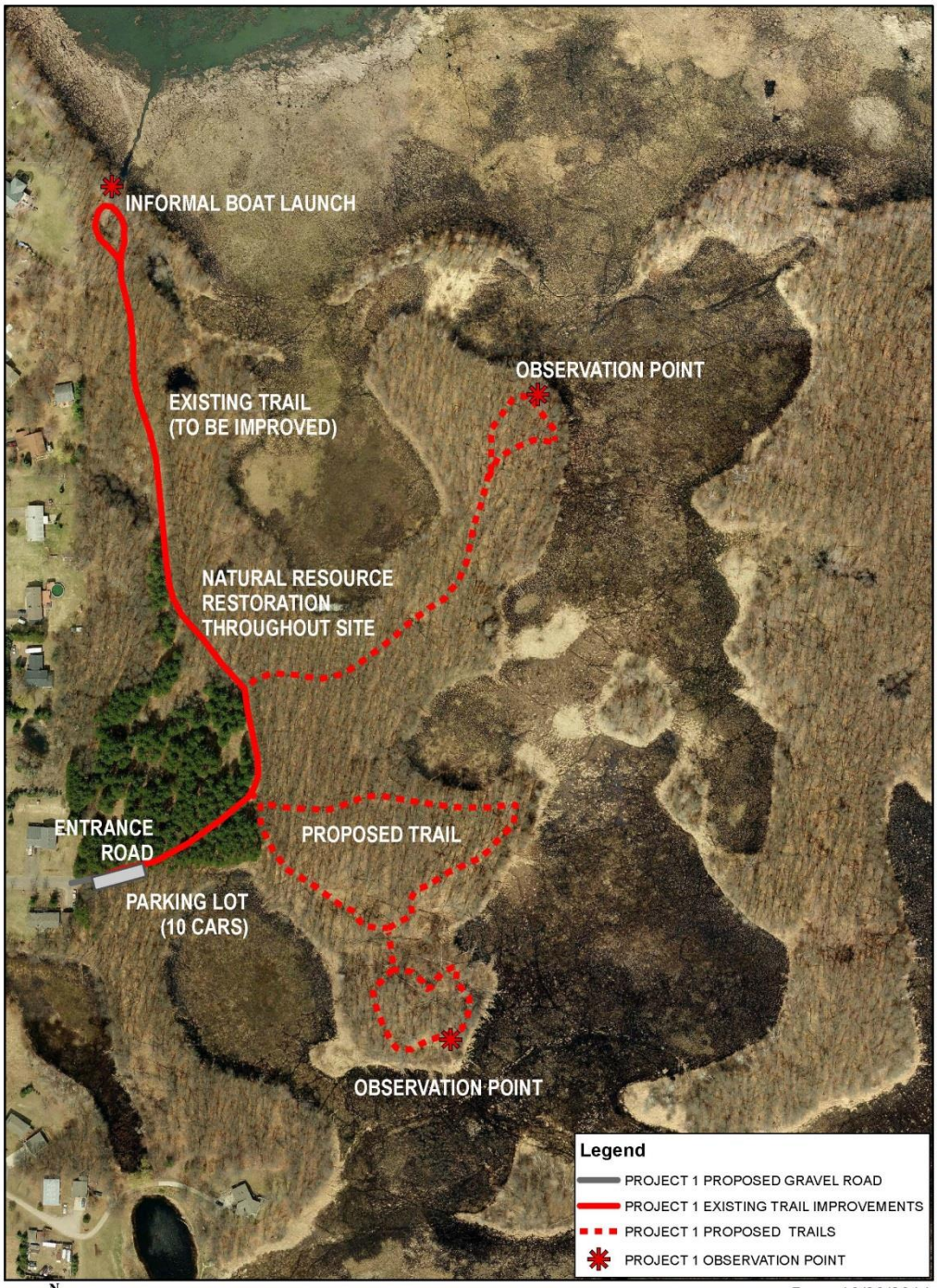
Budget Overview

Item Type	Grant	Match	Total
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



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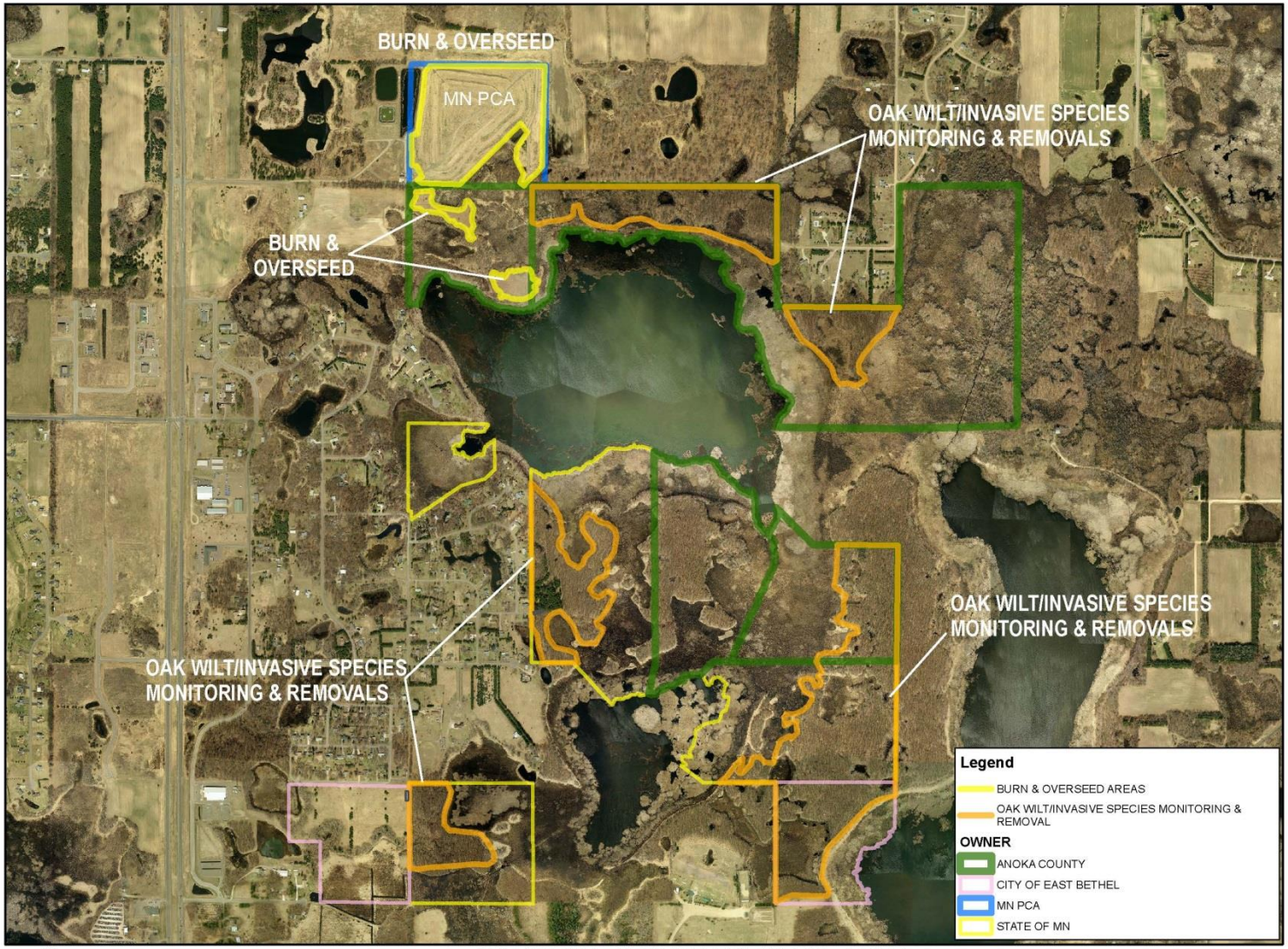
SANDHILL CRANE NATURAL AREA
PROPOSED DEVELOPMENT - CENTRAL
PROJECT 1

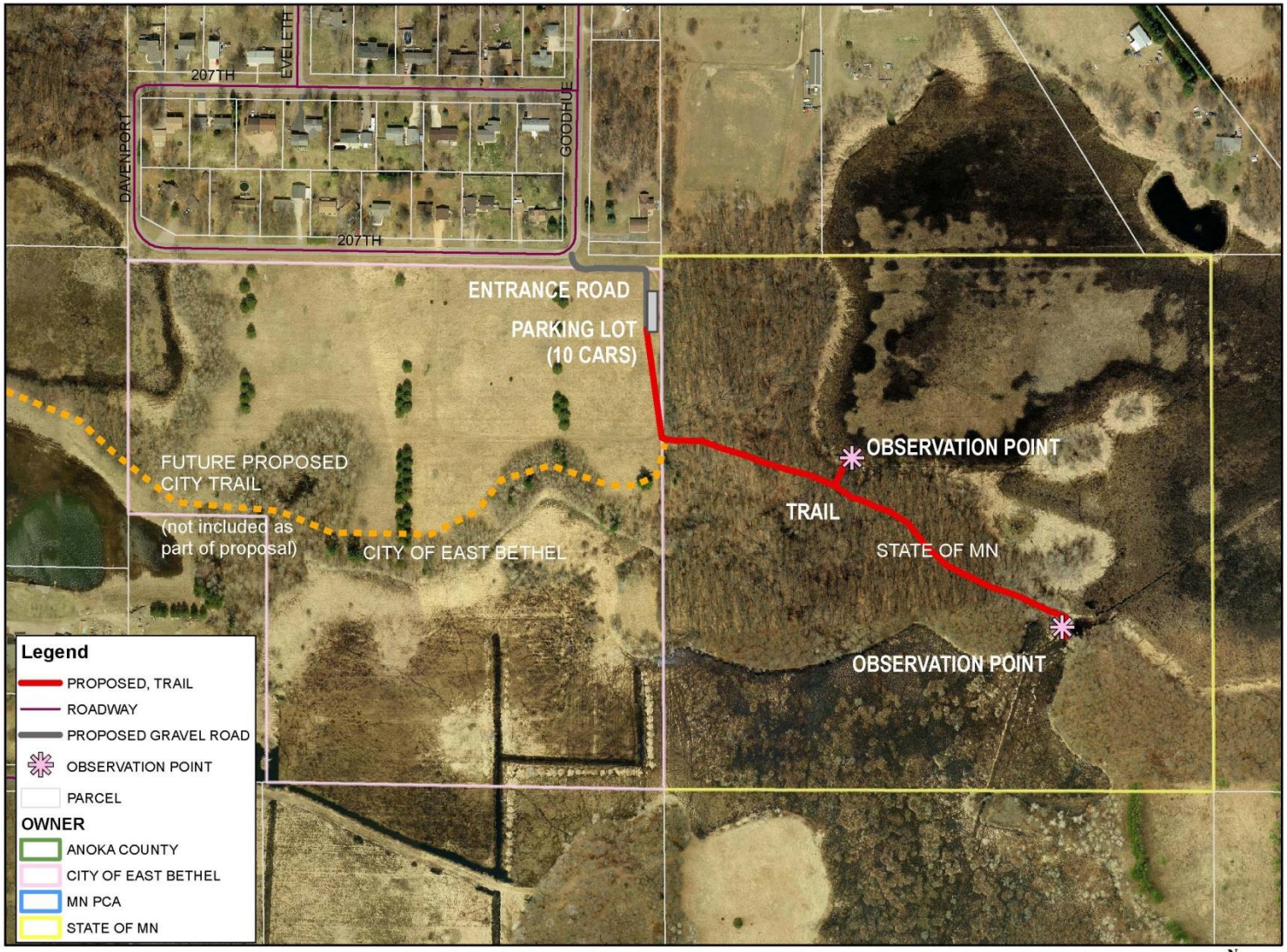
Date: 10/28/2014

0 90 180 360 540 Feet



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

0 550 1,100 2,200 3,300 Feet

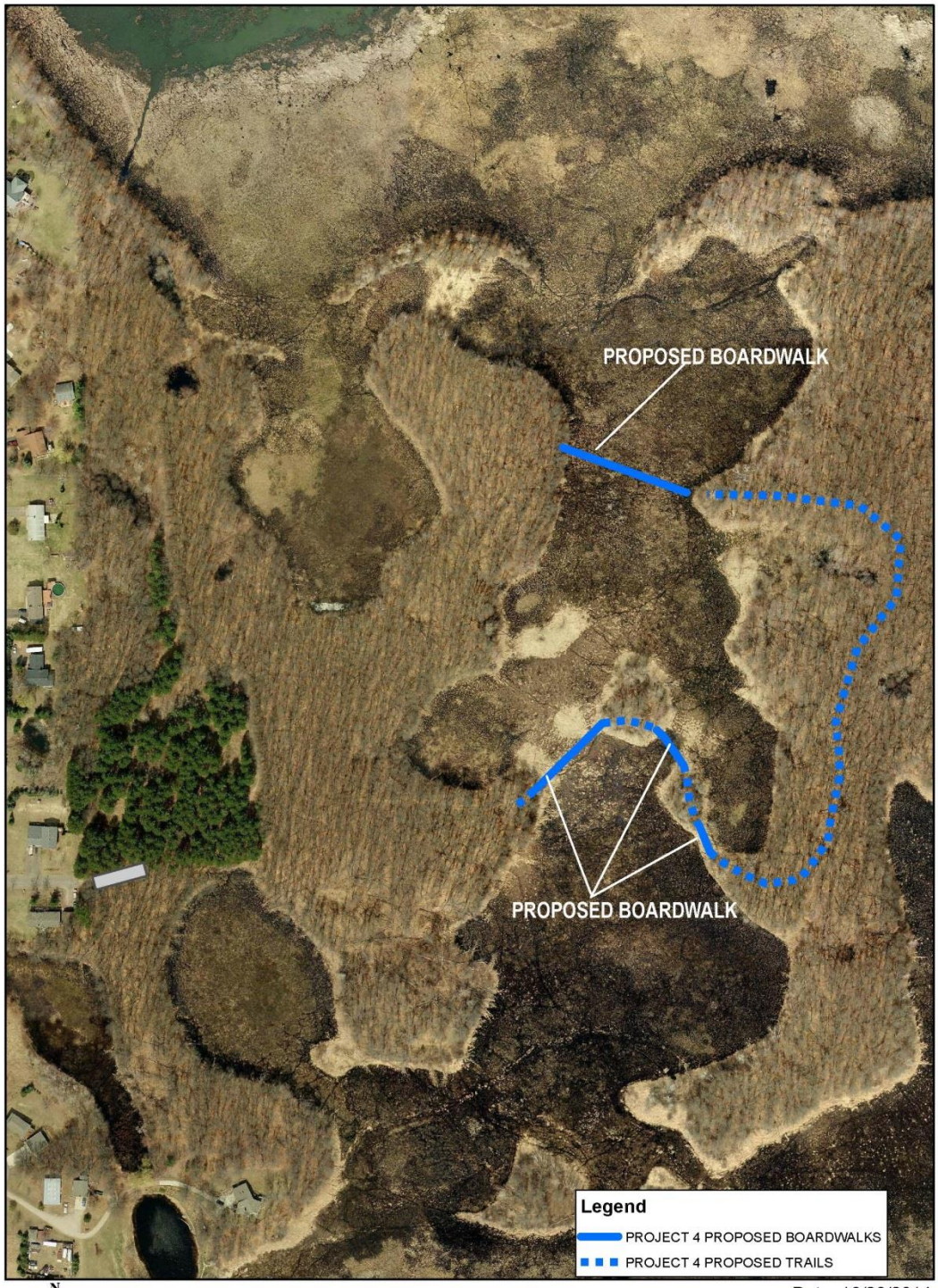


SANDHILL CRANE NATURAL AREA
PROPOSED DEVELOPMENT - SOUTH
PROJECT 3

0 170 340 680 1,020 Feet

N W E S

Date: 10/28/2014



SANDHILL CRANE NATURAL AREA
PROPOSED DEVELOPMENT - CENTRAL
PROJECT 4

Date: 10/28/2014

N W E S

0 90 180 360 540 Feet

ITEM 7 – RESOLUTION OF AUTHORIZATION

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2014-26

RESOLUTION OF SUPPORT FOR AN APPLICATION TO THE MINNESOTA NATURAL RESOUCES 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 Meeting
Agenda Information

* *

Date:
April 6, 2016

* *

Agenda Item Number:
Item 8.0 B.1

* *

Agenda Item:
City Engineer Report

* *

Requested Action:
Information Item

* *

Background Information:
The City Engineer will update Council on 2016 projects and provide an overview of groundwater withdrawal and aquifers tapped by private and public users in the City.

Attachments:

* *

Fiscal Impact:

* *

Recommendation:
No action required

* *

City Council Action:

Motion by: _____ Second by: _____

Vote Yes: _____ Vote No: _____

City of East Bethel
City Council Meeting
Agenda Information

* * * *

attachment #1

- **Sec. 70-140. - Definitions**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Operate means to ride in or on and control the operation of a snowmobile.

Operator means every person who operates or is in actual physical control of a snowmobile.

Owner means a person, other than a lienholder having the property in or title to snowmobile entitled to the use or possession thereof.

Person includes an individual, partnership, corporation, the state and its agencies and subdivisions, and any body of persons, whether incorporated or not.

Roadway means that portion of a highway improved, designed, or ordinarily used for vehicular travel.

Snowmobile means a self-propelled vehicle designed for travel on snow or ice steered by skis or runners.

(Ord. No. 44B, § 1, 3-2-2005)

- **Sec. 70-141. - Lawful operation of snowmobiles.**

(a)

Except as herein specifically permitted and authorized, it is only lawful for a person to operate a snowmobile within the corporate limits of the city:

(1)

Upon the most right hand lane of a city street within a platted residential subdivision which is used for vehicle traffic.

(2)

Upon the ditch bottom or outside slope, or shoulder when necessary, of city streets not within a platted subdivision which is used for vehicle traffic.

(3)

Upon private property or upon lands not belonging to the operator of such vehicle with the expressed permission of the landowner or other person entitled to the use and possession of such property provided that in the case of oral permission, the landowner or other person entitled to the use and possession of the property is present.

(b)

Operation of a snowmobile on public property not under the jurisdiction of the city is subject to the regulation of the public entity having jurisdiction upon said property.

(1)

Operation of a snowmobile upon the right-of-way of any state highway within the city is subject to the regulations of the state department of transportation.

(2)

Operation of snowmobile upon the right-of-way of any county road within the city is subject to the regulations of the county highway department.

(Ord. No. 44B, § 2, 3-2-2005)

- **Sec. 70-142. - Crossing streets.**

A snowmobile may make a direct crossing of a street or highway, except an interstate highway or freeway, provided that:

(1)

The crossing is made at an angle of approximately 90 degrees to the direction of the street or highway and at a place where no obstruction prevents a quick and safe crossing.

(2)

The snowmobile is brought to a complete stop before crossing the shoulder or main traveled way.

(3)

The driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard.

(4)

In crossing a divided street or highway, the crossing is made only at an intersection of such street or highway with another public street or highway.

(5)

If the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, both front and rear lights must be on.

(Ord. No. 44B, § 3, 3-2-2005)

- **Sec. 70-143. - Operation of snowmobile upon streets.**

City traffic ordinances shall apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application.

(Ord. No. 44B, § 4, 3-2-2005)

- **Sec. 70-144. - Entering intersections.**

No snowmobile shall enter any intersection without yielding the right-of-way to any vehicles or pedestrians at the intersection, or so close to the intersection as to constitute an immediate hazard.

(Ord. No. 44B, § 5, 3-2-2005)

- **Sec. 70-145. - Underage operation of snowmobile.**

(a)

No person under 14 years of age shall operate on streets or the roadway surface of highways or make a direct crossing of a trunk, county state-aid, county highway, or city street as the operator of a snowmobile. A person 14 years of age or older, but less than 18 years of age, may operate a snowmobile on streets and highways as permitted under this article and make a direct crossing of such streets and highways only if he has in his immediate possession a valid snowmobile safety certificate issued by the commissioner.

(b)

It is unlawful for the owner of a snowmobile to permit the snowmobile to be operated contrary to the provisions of this section.

(Ord. No. 44B, § 6, 3-2-2005)

- **Sec. 70-146. - Unlawful operation of snowmobile in city limits.**

It is unlawful for any person to operate a snowmobile within the limits of the city:

(1)

At any place, while under the influence of alcohol or drugs as defined in Minn. Stats. § 169A.01 et seq., which is hereby incorporated herein by reference;

(2)

At a rate of speed greater than reasonable or proper under all surrounding circumstances;

(3)

At any place in a careless, reckless, or negligent manner or heedlessly in disregard of the rights or safety of others or in a manner so as to endanger or be likely to endanger or cause injury or damage to any person or property;

(4)

During the hours from 11:00 p.m. to 7:00 a.m. of any day, closer than 100 feet to any dwelling which is usually occupied by one or more persons;

(5)

So as to tow any person or thing in a public street or highway except through use of a rigid tow bar attached to the rear of the snowmobile;

(6)

Within 100 feet of any fisherman, pedestrian, skating rink or sliding area where the operation would conflict with use or endanger other persons or property.

(Ord. No. 44B, § 7, 3-2-2005)

- **Sec. 70-147. - Unlawful operation of snowmobile unless equipped.**

It is unlawful for any person to operate a snowmobile in any place within the limits of the city unless it is equipped with the following:

(1)

Standard mufflers which are properly attached and which reduce the noise of operation of the motor to the minimum necessary for operation. No person shall use a muffler cutout, bypass, straight pipe or similar device on a snowmobile motor.

(2)

Brakes adequate to control the movement of and to stop and hold the snowmobile under any condition of operation.

(3)

A safety or so-called "dead-man" throttle in operating condition. A safety or "dead-man" throttle is defined as a device which, when pressure is removed from the engine accelerator or throttle, causes the motor to be disengaged from the driving track.

(4)

When operated between the hours of one-half hour after sunset to one-half hour before sunrise or at times of reduced visibility, at least one clear lamp attached to the front, with sufficient intensity to reveal persons and vehicles at a distance of at least 100 feet ahead during the hours of darkness under normal atmospheric conditions. Such headlamp shall be so aimed that glaring rays are not projected into the eyes of an oncoming snowmobile operator. It shall also be equipped with at least one red tail light plainly visible from a distance of 500 feet to the rear during the hours of darkness under normal atmospheric conditions.

(5)

Running lights or reflective material at least 16 square inches on each side, forward of the handlebars, so as to reflect or beam light at a 90-degree angle.

(Ord. No. 44B, § 8, 3-2-2005)

- **Sec. 70-148. - Leaving unattended.**

Every person leaving a snowmobile on a public place shall lock the ignition, remove the key and take the same with them.

(Ord. No. 44B, § 9, 3-2-2005)

- **Sec. 70-149. - Operation on public thoroughfare in emergency.**

Notwithstanding any prohibitions in this article, a snowmobile may be operated on a public thoroughfare in an emergency during the period of time when, and at locations where, snow upon the roadway renders travel by automobile impractical.

(Ord. No. 44B, § 10, 3-2-2005)

- **Sec. 70-150. - Killing animal prohibited.**

It is unlawful to intentionally drive, chase, run over or kill any animal with a snowmobile.

(Ord. No. 44B, § 11, 3-2-2005)

- **Sec. 70-151. - Penalty.**

Every person convicted of a violation of any of the provisions of this article shall, upon conviction, be guilty of a misdemeanor punishable as provided in section 1-14, and be required to complete eight hours of community service for each violation. Violators will be responsible for all costs of prosecution.

(Ord. No. 44B, § 12, 3-2-2005)

Proposed Ordinance Change

Sec. 70-141. - Lawful operation of snowmobiles.

(a) Except as herein specifically permitted and authorized, it is only lawful for a person to operate a snowmobile within the corporate limits of the city:

(1) Upon and within the ~~most right hand lane of a city street within a platted residential subdivision which is used for vehicle traffic.~~ City street right-of-way.

~~(2) Upon the ditch bottom or outside slope, or shoulder when necessary, of city streets not within a platted subdivision which is used for vehicle traffic.~~

(~~3~~2) Upon private property or upon lands not belonging to the operator of such vehicle with the expressed permission of the landowner or other person entitled to the use and possession of such property provided that in the case of oral permission, the landowner or other person entitled to the use and possession of the property is present.

(b) Operation of a snowmobile on public property not under the jurisdiction of the city is subject to the regulation of the public entity having jurisdiction upon said property.

(1) Operation of a snowmobile upon the right-of-way of any state highway within the city is subject to the regulations of the state department of transportation.

(2) Operation of snowmobile upon the right-of-way of any county road within the city is subject to the regulations of the county highway department.

(Ord. No. 44B, § 2, 3-2-2005)

Ham Lake

6-310 Registration

The registration of snowmobiles is governed by M.S.A. 84.88 and amendments thereto.

6-320 Operation

The provisions of M.S.A. 84.81 through 84.88 as they relate to the operation of snowmobiles are adopted to govern the operators of snowmobiles within the City of Ham Lake.

6-330 Other Prohibited Conduct

No person shall:

(7) No snowmobile shall be operated on any municipal street, except in the following manner.

a) Operation shall be restricted to the far right edge of the traveled portion of the roadway, in the same direction as the normal direction of traffic.

b) No snowmobile shall be driven at a speed in excess of 15 miles per hour.

c) Travel in ditches, side slopes, back slopes and boulevard areas is prohibited.

(3) City Permit Required

Notwithstanding the outcome of any criminal prosecution, if a snowmobile is observed being operated in violation of this Code on two occasions within any given twelve-month period, the owner of the snowmobile shall be required to obtain a City permit and display a City identification sticker on the snowmobile. Any operation of a snowmobile required to have a permit and identification sticker, without such permit and sticker, shall be prohibited. Upon the observation of a snowmobile required to have a City permit and sticker being operated without such permit and sticker, or evidence thereof, a peace officer shall immediately seize and impound the snowmobile as evidence pending a criminal prosecution of the operator and/or owner.

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St. Francis

An annual permit must be purchased in order to ride a snowmobile in the local access areas of St. Francis. The cost for the permit is $15. A color is assigned to the permit holder that is based on the address of the permit holder. The permit holder may take the most direct route from the primary residence to the state trail within the colored zone. Driving outside the colored zone or in the orange zone is not permitted. The local access sticker must be placed on the hood, visible from the left side. The year sticker must be placed directly below the local access sticker.

While in the local access areas, the operator shall not exceed 20 mph. Snowmobiles shall travel on the right side of the paved road within the curb line while in urban areas and within the curb point while on unpaved roads.

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Oak Grove

Oak Grove permits the operation of snowmobiles within the City Right of Way.

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Blaine

- **Sec. 82-195. - Snowmobiles; operation regulations.**

(a)

General restrictions. It shall be unlawful for any person to operate a snowmobile or for the owner to knowingly direct or permit the operation of any snowmobile within the city:

(1)

On the private property of another person without first securing the permission of the owner of such property or of the person entitled to possession and control of such property;

State Law reference— Similar provisions, Minn. Stat. § 84.90, subd. 2.

(2)

On publicly owned land and easements including park property, playgrounds, and recreational areas under the jurisdiction of the city, except where such areas are posted permitting snowmobiles to operate on such property;

State Law reference— Similar provisions, Minn. Stat. § 84.90, subd. 2.

(3)

On the boulevard of any roadway or in any residentially or commercially developed area, or any sidewalk, walkway or land designed for such use;

(4)

On Laddie Lake;

(5)

Directly across a city roadway unless:

a.

The operator is 18 years or more of age;

b.

An operator who is 14 years or more of age and less than 18 years of age possesses a valid snowmobile safety certificate issued by the state commissioner of natural resources;

c.

The crossing is made at an angle of approximately 90 degrees to the direction of the roadway and at a place where no obstruction prevents a quick and safe crossing;

d.

The snowmobile is brought to a complete stop before crossing the roadway;

e.

The driver yields the right-of-way to all oncoming traffic which constitutes an immediate hazard;

State Law reference— Direct crossing of streets by snowmobiles, Minn. Stat. § 84.87, subd. 1(b); required snowmobile training, Minn. Stat. § 84.862.

(6)

Along, on or upon a city roadway unless:

a.

The operator is 18 years or more of age;

b.

The operator who is less than 18 years of age and at least 16 years of age possesses a valid snowmobile safety certificate issued by the state commissioner of natural resources;

c.

The snowmobile is brought to a complete stop at each street intersection which it encounters;

d.

The snowmobile proceeds along the righthand side of the street in single file;

(7)

Along, on or upon a city roadway while towing a toboggan, sled or similar device unless such device is equipped with a rigid V-type hitch;

(19)

On all public property, including streets, roadways, shoulders and public right-of-way, lying east of State Highway 65 between the north and south corporate limits of the city, which streets, roadways, shoulders and public right-of-way abut property zoned R-1 single-family residence on either or