

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: April 17, 2013



- | | Item | |
|---------|--------------|--|
| 7:30 PM | 1.0 | Call to Order |
| 7:31 PM | 2.0 | Pledge of Allegiance |
| 7:32 PM | 3.0 | Adopt Agenda |
| 7:33 PM | 4.0 | Report/Presentations |
| | Page 3 | A. Sheriff's Report |
| | Page 4-56 | B. East Bethel Firefighters Relief Association (EBFRA) By-Law Amendments |
| 8:03 PM | 5.0 | Public Forum |
| 8:20 PM | 6.0 | Consent Agenda |
| | | <i>Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration</i> |
| | Page 59-63 | A. Approve Bills |
| | | B. Approve Hire of Seasonal Maintenance Employees |
| | Page 64 | C. 2013 Class 5 Project Bids |
| | Page 65-74 | D. March 20, 2013 City Council Work Meeting Minutes |
| | Page 75-88 | E. April 3, 2013 City Council Regular Meeting Minutes |
| | | New Business |
| | 7.0 | Commission, Association and Task Force Reports |
| 8:25 PM | | A. Economic Development Authority |
| | Page 89-97 | 1. Meeting Minutes, March 18, 2013 |
| | | B. Planning Commission |
| | | C. Park Commission |
| | | D. Road Commission |
| | 8.0 | Department Reports |
| 8:27 PM | | A. Community Development |
| | Page 98-103 | 1. Building Department Report |
| | Page 104-115 | 2. Utility Infrastructure Loan Funds for Municipal Water Area |
| 8:40 PM | | B. Engineer |
| | Page 116-118 | 1. Fence for Water Treatment Plant |
| | Page 119-121 | 2. Castle Towers/Whispering Aspen Foremain Update |
| | | C. Attorney |
| 8:50 PM | | D. Finance |
| | Page 122-125 | 1. Res. 2013-17 Amending Fee Schedule to Adopt Water and Sewer Rates for East Bethel Water Utilities Project |
| | | E. Public Works |
| 9:00 PM | | F. Fire Department |
| | Page 126-131 | 1. Fire Department Report |

G. City Administrator

9.0 Other

- 9:10 PM A. Staff Reports
- 9:20 PM B. Council Reports
- 9:25 PM C. Other

9:30 PM **10.0 Adjourn**



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 4.0 A

Agenda Item:

Monthly Sheriff's Report

Requested Action:

Information Only

Background Information:

Lt. Orlando will review the monthly statistics and report on activities for the month of March 2013.

Fiscal Impact:

None

Recommendation(s):

Information Only

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: X



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 4.0 B

Agenda Item:

East Bethel Firefighters Relief Association By-Laws

Requested Action:

Consider the approval of the revised EBFRA By-Laws

Background Information:

The Bethel Firefighters Relief Association (EBFRA) provides firefighter pensions that must meet certain requirements. From time to time, by-laws and benefits of the EBFRA are modified and/or updated as a result of statutory or regulatory changes. Currently, the by-laws of the EBFRA have gone through an update to incorporate changes and clarifications in state statute. The changes that are proposed for Council consideration were approved by the members on April 1, 2013.

Below is a summary of the proposed changes.

New:

- Add a provision for "Return to Service".
- Added Section on Conflict of Interest
- Added two additional items that the Special fund can be used for.
- Added three additional limitations on by-law changes that require member approval
- Uniformed Service – Survivor benefit
- Allow for survivor benefit to be paid to a trust

Clarifications:

- Designated Check Signer
- How to reschedule a meeting
- Municipal trustee terms
- Voting on trustees – adding "runoff voting" as an option
- Officer terms start dates
- Benefit payment requests \ forms of payment
- Unclaimed benefits
- Right of appeals
- Domestic relations orders
- Uniformed service (leaves of absence)

These changes are based on changes brought forth by changes in state statute. There is no change to the pension amount and these changes will not affect funding levels for the EBFRA Special fund. The EBFRA is not requesting approval for a benefit increase at this time only the approval of the By-Law changes. The changes in bylaws have no fiscal impact to the EBFRA or the city of East Bethel.

The bulk of the changes are related to the statute changes relating to Return to Service. There are many reasons for rehiring a firefighter with experience that left employment with the fire department in good standing. The decision to rehire a firefighter is a decision made by city council following the recommendation of the fire chief (following fire department guidelines). The clarifications in the bylaws dictate how the pension is determined when this situation occurs.

Attachments

- Attachment 1-Current EBFRA By-Laws
- Attachment 2-Proposed EBFRA By-Law Changes
- Attachment 3-EBRFA By –Law Changes, Clean Copy
- Attachment 4- Return to Service Position Statement

Fiscal Impact:

None at this time

Recommendation(s):

This matter is pending and for consideration of Council.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

RESTATED BYLAWS
OF
EAST BETHEL FIREFIGHTERS
RELIEF ASSOCIATION

The Bylaws of the Relief Association are hereby amended and restated effective as of May 5, 2009.

ARTICLE I
NAMES

As provided in the Articles of Incorporation, the name of this organization shall be the East Bethel Firefighters Relief Association (the "Association").

ARTICLE II
DEFINITIONS

General Definitions

The following words and phrases when used herein shall have the following meanings except as otherwise required by the context:

"Active Member" is a member of the Association who is eligible for benefits and is currently meeting the minimum firefighter and service standards with the Fire Department. As of July 1, 2006, Active Members must be Volunteer Firefighters as defined in Section 2.1 of the Plan attached hereto.

"Board of Trustees" or "Board" shall mean the Board of Trustees of the Relief Association, and shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes Chapter 317A.

"Deferred Member" is a member of the Association who is no longer meeting the minimum firefighter and service standards with the Fire Department but has not yet taken a full distribution of accrued benefits.

"Fire Department" is the Fire Department serving the Municipality.

"General Fund" shall mean the fund established pursuant to Minn. Stat. 424A.06 and that holds the funds received from dues, fines, initiation fees, entertainment revenues and any money or property donated, given, granted or devised by any person, for unspecified uses.

"Municipality" is the City of East Bethel.

"Municipal Trustees," formerly known as 'ex-officios,' are members of the Board of Trustees designated solely by the Municipality and shall include the two appointed or elected officials and the fire chief, as further defined in Section 5.1 herein.

"Special Fund" shall mean the fund as defined in Section 2.1 of the Plan attached hereto.

ARTICLE III PURPOSE

As provided in the Articles of Incorporation, the purpose of the Association is to provide retirement relief and other benefits to members and their dependents. For purposes of Chapter 424A of Minnesota Statutes, the Association is a governmental entity that receives and manages public funds to provide retirement and ancillary benefits for individuals providing the governmental services of firefighting and, if applicable, emergency response. The Association may also raise funds from private sources to furnish fire and emergency equipment for the Fire Department, and for other purposes deemed necessary and appropriate by the Association to the extent permitted by law. Benefits paid to members and their dependents shall be funded exclusively through governmental sources and, to the extent provided by State law, through restricted donations.

ARTICLE IV MEMBERSHIP

4.1 Admission. An application for membership shall be completed on the Membership Application and Beneficiary Designation form to become eligible for benefits in the Association. All firefighters of the Fire Department are members of the Association and shall be eligible for benefits, except as otherwise stated in these bylaws. Upon approval of the member's application, such member shall accrue service credit for all active service while in probationary status.

4.2 Membership Duties. The Association does not require membership duties.

4.3 Membership Dues. The Association does not require membership dues.

4.4 Member Voting Rights. Each Active Member shall be entitled to one (1) vote on any matter voted upon by the membership. Deferred Members are not entitled to vote. Voting by proxy/absentee ballot is permitted following the procedures set forth in Section 4.5.

4.5 Member Voting by Proxy/Absentee Ballot. If permitted by the Board prior to a meeting, voting members may cast votes by submitting an absentee ballot provided by the Board that is signed by the member and deposited in the ballot box set out by the Board. Submission of an absentee ballot shall constitute a proxy to the officer of the Association designated and authorized on the ballot who is bound to cast the member's vote in accord with the member's ballot choices. The member may withdraw his/her proxy/absentee ballot by attending a meeting

and voting in person. Use of proxies/absentee ballots may only be used on items listed on the ballot and may not be used when trustees and/or officers are elected from the floor during the meeting.

4.6 Separation. Any member who becomes a Deferred Member with the Association prior to requesting retirement benefits shall complete and submit a Membership Separation Form.

4.7 Termination. Any member who is terminated by the Fire Department or Municipality shall cease accruing benefits under the Association as of the date of termination.

ARTICLE V BOARD OF TRUSTEES

5.1 Composition. The Board of Trustees shall consist of nine (9) members. Six (6) trustees shall be elected from the membership of the relief association. There shall be three (3) officials drawn from the Municipality. The three (3) Municipal Trustees must be one (1) elected municipal official and one (1) elected or appointed municipal official who are designated as municipal representatives by the municipal governing board annually and the chief of the municipal fire department. The Municipal Trustees must be designated annually by the city council of the Municipality.

5.2 Duties. The Board of Trustees shall perform the functions and assume the same duties as a Board of Directors under Section 317A of the Minnesota Statutes. In addition, the Board of Trustees shall:

- (a) Have exclusive control and management of all funds received by the Treasurer pursuant to the statutes of the State of Minnesota and all moneys or property donated, given, granted or devised for the benefit of the Association.
- (b) Examine the books, papers, funds, securities and property in the custody of the Treasurer, and generally accounts, funds and securities, and property of the Association.
- (c) Examine and approve the validity of all claims prior to payment by the Treasurer.
- (d) Provide the forms on which members may submit claims to the Board of Trustees for their approval.
- (e) On an annual basis or more frequently as may be required to determine eligibility for benefits, confirm minimum firefighter and service standards pursuant to the Volunteer Firefighter definition in Section 2.1 of the Plan attached hereto.

- (f) Assume such additional duties as may be described in Article IX herein and in Association policies and procedures or required by state law including the establishment of any committee deemed necessary or appropriate.

ARTICLE VI OFFICERS

6.1 Number. The number of officers of the Association and their duties shall be as set forth below.

6.2 President. It shall be the duty of the President of the Association to:

- (a) Countersign all checks, along with the Treasurer, issued by the Association;
- (b) Have general active management of the business of the corporation;
- (c) When present, preside at meetings of the Board and of the members;
- (d) See that orders and resolutions of the Board are carried into effect;
- (e) Sign and deliver in the name of the corporation bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the Board to another officer or agent of the corporation;
- (f) Maintain records of and, when necessary, certify proceedings of the Board and the members; and
- (g) Perform other duties prescribed by the Board.

6.3 Pro Tem Officers. In the absence of the President and Vice President, if applicable, the Board of Trustees shall appoint an interim President from the existing Officers and/or Trustees other than the Municipal Trustees who shall perform the duties incident to the office.

6.4 The position of Vice President shall not exist.

6.5 Secretary. It shall be the duty of the Secretary of the Association to:

- (a) Keep a record showing the correct addresses of all members and request the names of their beneficiaries.
- (b) Keep or cause to be kept an accurate record of all meetings of the Association and of all meetings of the Board of Trustees.
- (c) Conduct and direct the investigation of all claims.

- (d) Keep a record of all monies received and paid out by the Treasurer.
- (e) Provide access to the Association's Articles, Bylaws, minutes, and financial statement on the last annual accounting period to all members or all Board of Trustees (including the Municipal Trustees), for any proper purposes they may have, in accord with Minnesota Statutes Section 317A.461.

6.6 Treasurer. It shall be the duty of the Treasurer of the Association to:

- (a) Countersign all checks, along with the President, issued by the Association;
- (b) Receive and receipt all monies due the Association from members and other sources and to keep accurate accounts and records of all the money so received.
- (c) Have custody of all monies and securities belonging to the Association.
- (d) Furnish a surety bond in favor of the association for the faithful performance of all duties involving the Association and for the safekeeping of, or accounting for, all monies and securities that may come into its possession. The bond shall be in an amount equal to at least 10% of the assets up to a maximum of \$500,000.
- (e) Pay all properly approved claims for benefits, and to pay all bills incurred in the way of necessary expenses in the conduct of the business of the Association.

6.7 General Duties.

- (a) The officers shall annually prepare an annual financial report of the Association's receipts, disbursements, and balances in the Special and General Funds for the preceding calendar year on a form prescribed by the Office of the State Auditor. They shall transmit the report to the city clerk of the Municipality for inspection, signature and transmission to the State Auditor pursuant to law.
- (b) Pursuant to the Volunteer Firefighter's Association Guidelines Act of 1971, the officers of the Association shall, annually, determine the financial requirements of the Special Fund for the following year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement.

6.8 Compensation. No compensation is authorized for services to the Association by any officer or trustee.

ARTICLE VII ELECTIONS

7.1 Trustee Terms. The Trustees shall be elected to staggered two-year terms. There will be three (3) Trustees elected by the membership each year at the annual meeting of the Association. The term of each appointed Municipal Trustee is one (1) year or until the person's successor is qualified, whichever is later.

An individual Trustee may serve an unlimited number of terms.

7.2 Voting on Trustees. Each of the six positions on the Board of Trustees who are not the Municipal Trustees or fire chief shall be voted on separately by the Active Members in attendance at the annual meeting. No nominations of slates of candidates or cumulative voting shall be allowed. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority of those present at the meeting is needed to elect. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. A trustee who was elected by the membership may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

7.3 Officer Terms. The offices of President, Secretary, and Treasurer shall be elected to one-year terms.

7.4 Voting on Officers. Officers shall be elected by the Board of Trustees from among the elected Trustees. Voting for officer positions by the Board of Trustees will take place at the first Association Board Meeting following the Annual Meeting. Each position will be nominated and elected separately at this meeting. A simple majority is needed for an officer to be elected. The officer in charge of the vote shall ask for a show of hands *but shall not allow* for a secret ballot, and each vote shall be recorded in a public journal. An officer may be removed with or without cause by a simple majority vote of the Trustees in any subsequent annual, regular or special meeting.

No individual may hold more than one (1) officer position at one (1) time.

7.5 Vacancies. In the case of death, resignation or removal from office for any elected officer or Trustee of the Association, except a Municipal Trustee, the vacancy shall be filled by the Board of Trustees from the membership at a Board meeting to be duly called for the purpose of filling out this term.

ARTICLE VIII MEETINGS

8.1 Annual Meeting of the Members. The annual meeting of the members shall be held on the fourth Monday of October of each year except that if that day is a holiday, said meeting shall be held on the next succeeding Monday. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.2 Regular Meetings of the Members. The regular meetings of the members shall be held on the fourth Monday each month except that if that day is a holiday, said meeting shall be held on the next succeeding Monday. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees. The schedule of the regular meetings on file at primary offices is sufficient for notice unless time or location is changed.

8.3 Special Meetings of the Members. Special meetings of the members may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees, or six (6) voting members of the Association. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.4 Notice of Meetings of the Members. A notice of every annual and any special meetings of the members shall include the date, time, place and purpose of the meeting and be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minn. Stat. §317A.231, each voting member shall be *provided* at least five (5), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.5 Member Quorum. Fifty-one (51) percent of the Active Members of the Association shall constitute a quorum for the transaction of business at their meetings.

8.6 Member Voting. Each Active Member present at the meeting shall be entitled to one (1) vote. All votes, unless specified prior to the vote, shall be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. A voting "majority" is majority of the quorum, not majority of the entire association membership.

8.7 Regular Meetings of the Board of Trustees. Meetings of the Board of Trustees shall be held on the fourth Monday of January, April, July and first Monday in November except that if that day is a holiday, said meeting shall be held on the next succeeding Monday. Meetings of the Board of Trustees shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.8 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees. The place of the meeting shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minn. Stat. §13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minn. Stat. §13D.04 which requires at a minimum that:

- (a) a schedule of any regular meetings of the Board of Trustees be kept on file at the Association offices, and
- (b) for special meetings, a notice stating the date, time, place and purpose of the meeting be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minn. Stat. §317A.231, each Trustee shall be *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.10 Board Quorum. A majority of the Board of Trustees then in office shall constitute a quorum for the transaction of business at its meetings.

8.11 Board Voting. Unless the Articles or Bylaws specify otherwise, an action of the Board shall be effected by a majority vote of the Trustees present and eligible to vote once a quorum has been achieved. The officer in charge of a vote shall ask for a show of hands *but shall not allow* for a secret ballot *nor proxy*, and each vote shall be recorded in a public journal. No action shall be considered once a quorum has been lost.

8.12 Electronic Meeting Prohibited. Any meeting of the Board of Trustees or the membership by solely electronic means (e.g., e-mail, simulchat or phone conference) that is not accessible to the public at a set meeting location is prohibited.

8.13 Order of Business. At any annual, regular and all special meetings, the order of business shall be as follows:

- (a) Calling to order by the President
- (b) Roll call (verify quorum)
- (c) Secretary's Report (reading of previous minutes)
- (d) Treasurer's Report
- (c) Report of the Board (member meeting)
- (d) Report of other committees (Board or member meeting)
- (e) Election of Trustees and Officers, if applicable (annual member meeting)
- (f) Old Business
- (g) New Business
- (h) Adjournment

ARTICLE IX FIDUCIARY RESPONSIBILITY

9.1 Board of Trustees. Each member of the Board of Directors, also acts as a trustee of the Special Fund. The Board of Directors therefore also acts as the Board of Trustees. The Board of Trustees is charged with administering retirement and ancillary benefits under the Special Fund and are fiduciaries subject to the standard of care set forth in Minnesota Statutes

Section 356A.04. This includes specifically assuming such additional duties as may be described in Association policies and procedures or required by state law, including:

- (a) adopting an investment policy;
- (b) providing written investment restrictions to brokers;
- (c) securing certificates of insurance; and
- (d) establishing a continuing education plan in order to keep abreast of their fiduciary responsibilities.

9.2 Prohibited Transactions. No fiduciary of the Association shall cause the Association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one (1) of the following direct or indirect transactions:

- (a) sale or exchange or leasing of any real estate between the Association and a Board member;
- (b) lending of money or other extension of credit between the Association and a Board member or member of the Association;
- (c) furnishing of goods, services, or facilities between the Association and a Board member;
- (d) transfer to a Board member, or use by or for the benefit of a Board member, of any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law; or
- (e) sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arm's-length transaction.

9.3 Fiduciary Responsibilities Apart from the Special Fund. Although the title "Trustee" is applied to members of the Board of Directors of the Association, the fiduciary standard that Directors are subject to is two-tiered as a matter of State law. With respect to the Association's Special Fund, Trustees are required to meet a standard of care that applies to fiduciaries under Minnesota Statutes Section 356A.04, as described above. With respect to business and management decisions not including decisions related to the Special Fund, all Trustees are required to meet a standard of care that applies to nonprofit corporation Directors under Minnesota Statutes Section 317A.251. These decisions include, but are not limited to, business decisions regarding fund-raising activities, and disposition of and management of the General Fund. Accordingly, in their decision-making and management, Trustees must discharge the duties of their position in good faith, in a manner the Director reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Directors are not, in accord with that same statutory section, considered "Trustees" with respect to the Association or with respect to property held or administered by the Association.

ARTICLE X FUNDS

10.1 Funds. All money received by the Association shall be kept in two (2) separate funds, the General Fund and the Special Fund. Disbursements from the funds shall be in accordance with Minnesota Statutes and Rules and the Bylaws of the Association.

10.2 General Fund. The funds received by this Association from: dues, donations, fines, initiation fees, entertainment revenues and any moneys donated for unspecified uses shall be kept in the General Fund and may be disbursed upon a majority vote of the membership or of the Board of Trustees for any purpose reasonably suited to promote the welfare of the Association and its members. All expenses shall be paid out of the General Fund, except as specifically authorized to be disbursed from the Special Fund. These records shall be open for inspection by any member of the relief association at reasonable times and places.

10.3 Special Fund. All funds received by this Association from any tax sources and other money which may be directly donated or transferred to said funds, shall be kept in a separate account on the books of the Treasurer known as the Special Fund and shall be disbursed only for the following purposes:

- (a) Payment of members' service pension benefits in accordance with these Bylaws.
- (b) Payment of ancillary benefits in accordance with these Bylaws.
- (c) All administrative expenses authorized under Minn. Stat. Sect. 69.80.

These records shall be public and open for inspection by any member of the relief association, any officer or employee of the state or municipality, or any member of the public, at reasonable times and places.

10.4 Deposits. All money belonging to this Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustee may designate. Board of Trustees shall make deposits in conformance with Minnesota Statutes, the Bylaws and the investment policy.

ARTICLE XI APPENDICES INCORPORATED IN BYLAWS

The following appendices attached hereto are expressly incorporated herein as a component of these Bylaws, with the same legal force and effect of Bylaws.

Appendix A: Bylaw Amendment History.

Appendix B: East Bethel Firefighters Relief Association Defined Benefit Lump Sum Retirement Plan.

Appendix C: Benefit Levels.

ARTICLE XII AMENDMENTS

12.1 Amendment of Articles of Incorporation by Members. Amendments to the Articles of Incorporation must be approved by a majority of the Board of Trustees and by a majority of the Active Members. If an amendment is initiated by the Directors, proper notice of the proposed amendment must precede a meeting of the members at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed, the members may demand a meeting of the Board of Trustees within 60 days for consideration of the proposed amendment if a regular meeting of the Board would not occur within 60 days.

12.2 Amendment of Articles of Incorporation by Board when Authorized by Members. When authorized by Active Members, the Articles of Incorporation may be amended by the Board of Trustees by the affirmative vote of a majority of the Trustees then in office, at a meeting for which notice of the meeting and the proposed amendment have been given. The members may prospectively revoke the authority of the Board to exercise the power of the members to amend the Articles. Nothing in this Section shall be construed to permit the Board to adopt, amend, or repeal provisions in the Articles that would alter the rights of the membership.

12.3 Amendment of Bylaws by Board. The Bylaws of the Association may be amended by the Board at any regular or special meeting of the Board by a vote of the majority present and voting, provided that a quorum is present; and provided further that a notice of date, time, place, purpose of the meeting and proposed amendment be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room, *and* in accord with Minn. Stat. §317A.231, each Trustee has been *provided* at least thirty (30), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, purpose of the meeting and proposed amendment.

Board Limitations of Bylaw Amendments. Nothing in this section shall be construed to permit the Board to adopt, amend or repeal provisions regarding:

- (a) Decreasing any benefit level set forth in the Plan attached hereto
- (b) Changing the vesting schedule set forth in the Plan attached hereto
- (c) Membership (Article IV)
- (d) Compensation (Section 6.8)
- (e) Elections (Article VII)
- (f) Member Quorum (Section 8.5)

- (g) or limit the right of at least ten percent of the membership to propose a resolution for action by the members to adopt, amend, or repeal Bylaws that the Board has taken action to adopt, amend or repeal pursuant to this section.

12.4 Amendment of Bylaws by Members. The Bylaws of the Association may be amended at any regular or special meeting by a vote of two-thirds of the Active Members present and voting, provided that a quorum is present; and provided further that notice of any proposed amendment(s) shall be given by posting or reading the same at any regular or special meeting not more than thirty-one (31) days preceding that upon which such amendment(s) are to be acted upon, and that a notice is mailed to each member at last known address not less than ten (10) days prior to such meeting.

12.5 Ratification of Amendments by Municipality. If the Association amends its bylaws to affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses, it may be necessary to obtain ratification of the amendment by the Municipality as described in Section 8.1 of Appendix B.

I certify that the preceding pages and the appendices attached are an accurate and complete copy of the Bylaws of the Association and are duly adopted on the latter of the Board (if authorized under 12.3) or Member meeting held on 5-4-2009 date

RA Name: EAST BETHEL FIREFIGHTERS RELIEF ASSOCIATION

Officer Signature: 

Officer Name: TROY J. LACHINSKI

Officer Position: SECRETARY

These model documents are drafted to conform to Minnesota state laws relating to relief association pension plans for volunteer firefighters. The model documents are not drafted to meet the requirements of tax-qualified retirement plans under the Internal Revenue Code. Minnesota Firefighter Pension Consultants, LLC (MNFPC, LLC) makes no representation regarding the status of the plans under federal or state tax laws.

MNFPC, LLC is not a law firm. We recommend review by your legal counsel of model documents before adoption.

"Material Financial Interest" is a financial interest or expectation of any kind on the part of a Board member or Relative, which is substantial enough to reasonably affect the judgment of the Trustee who has a conflict of interest. The term "financial interest" includes any and all monetary expectations and exists when a Board member or Relative has rights (whether or not a Deferred Member or beneficiary) to be paid compensation, retiree benefits, or to have their expenses reimbursed or obligations or other liabilities repaid, etc. (See Article IX Fiduciary Responsibility.)

"Municipality" is the City of East Bethel.

"Municipal Trustees," formerly known as "ex-officios," are members of the Board of Trustees designated solely by the Municipality and shall include the two appointed or elected officials and the fire chief, as further defined in Section 5.1 herein.

"Relative" is a member of one's family and includes spouses, parents, children, siblings, in-laws, aunts, uncles, first cousins, step-parents, step-children, and may include other family members such as common-law partners or long-time companions, of a Trustee who has a conflict of interest. (See Article IX Fiduciary Responsibility.)

"Special Fund" shall mean the fund as defined in Section 2.1 of the Plan attached hereto.

"Supermajority" is required when there is a conflict of interest on an item to be voted on by the Board of Trustees because one or more Trustees have a Material Financial Interest. A Supermajority is the majority of those Trustees after subtracting the Trustee(s) who has a conflict of interest (e.g., Nine (9) Trustees less two (2) with a conflict = Seven (7). Supermajority would require four (4) Trustees to vote in favor to pass the motion). (See Article IX Fiduciary Responsibility.)

ARTICLE III PURPOSE

As provided in the Articles of Incorporation, the purpose of the Association is to provide retirement relief and other benefits to members and their dependents. For purposes of Chapter 424A of Minnesota Statutes, the Association is a governmental entity that receives and manages public funds to provide retirement and ancillary benefits for individuals providing the governmental services of firefighting and, if applicable, emergency response. The Association may also raise funds from private sources to furnish fire and emergency equipment for the Fire Department, and for other purposes deemed necessary and appropriate by the Association to the extent permitted by law. Benefits paid to members and their dependents shall be funded exclusively through governmental sources and, to the extent provided by State law, through restricted donations.

Rebecca Stanlund 3/5/13 7:47 PM

Deleted: "Municipal Trustees," formerly known as "ex-officios," are members of the Board of Trustees designated solely by the Municipality and shall include the two appointed or elected officials and the fire chief, as further defined in Section 5.1 herein.

Rebecca Stanlund 3/5/13 7:47 PM

Deleted:

ARTICLE IV MEMBERSHIP

4.1 Admission. All firefighters of the Fire Department are members of the Association and shall be eligible for benefits, except as otherwise stated in these bylaws. An application for membership shall be completed on the Membership Application and Beneficiary Designation form to become eligible for benefits in the Association. Upon approval of the member's application, such member shall accrue service credit for all active service while in probationary status.

4.2 Membership Duties. The Association does not require membership duties.

4.3 Membership Dues. The Association does not require membership dues.

4.4 Member Voting Rights. Each Active Member shall be entitled to one (1) vote on any matter voted upon by the membership. Deferred Members are not entitled to vote. Voting by proxy/absentee ballot is permitted following the procedures set forth in Section 4.5.

4.5 Proxy/Absentee Ballot. *Member Voting:* If permitted by the Board prior to a meeting, voting members may cast votes by submitting an absentee ballot provided by the Board that is signed by the member and deposited in the ballot box set out by the Board. Submission of an absentee ballot shall constitute a proxy to the officer of the Association designated and authorized on the ballot who is bound to cast the member's vote in accord with the member's ballot choices. The member may withdraw his/her proxy/absentee ballot by attending a meeting and voting in person. Use of proxies/absentee ballots may only be used on items listed on the ballot and may not be used when trustees and/or officers are elected from the floor during the meeting.

Counting Ballots: If ballots were used because there were more than two candidates for any Trustee position up for election as indicated under Section 7.2, an officer of the Association who is not standing for election shall count the ballots as follows: All first choices are counted, and if no candidate wins a majority of first choices, then the last place candidate is eliminated. Ballots of voters who ranked the eliminated candidate first are redistributed to their next choice candidates, as indicated on each voter's ballot. Last place candidates are successively eliminated and ballots are redistributed to next choices until one candidate remains or a candidate gains a majority of votes.

In case of a tie resulting from the above procedure, the candidates receiving the two highest number of votes shall be placed into new balloting to be effected at the meeting. The previously submitted proxy/absentee ballots shall be recounted using the above procedures for the two candidates who have tied. Simultaneously, members present at the meeting will recast their vote for the two candidates who have tied. Additional balloting including the proxy/absentee ballots for said office shall continue until one candidate shall receive a majority of votes cast on a rebalot and he shall be elected to said office.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: All firefighters of the Fire Department are members of the Association and shall be eligible for benefits, except as otherwise stated in these bylaws.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: Member Voting by

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: 4.6 Separation. Any member who becomes a Deferred Member with the Association prior to requesting retirement benefits shall complete and submit a Membership Separation Form. (1)

4.6 Separation. For records retention and administration of the Association, the Board may request that a Deferred Member complete and submit a Membership Separation Form.

4.7 Member Recognition. The Association may continue to honor members whose status has changed between volunteer/paid on-call and full- or part-time employee of the same Fire Department. The members shall adopt written policies and procedures, including any eligibility or types of recognition.

4.8 Termination. Any member who is terminated by the Fire Department or Municipality shall cease accruing benefits under the Association as of the date of termination.

ARTICLE V BOARD OF TRUSTEES

5.1 Composition. The Board of Trustees shall consist of nine (9) members. Six (6) trustees shall be elected from the membership of the relief association. There shall be three (3) officials drawn from the Municipality. The three (3) Municipal Trustees must be one (1) elected municipal official and one (1) elected or appointed municipal official, who are designated as municipal representatives by the municipal governing board annually, and the chief of the municipal fire department. The Municipal Trustees must be designated annually by the city council of the Municipality.

5.2 Duties. The Board of Trustees shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes, Chapter 317A. In addition, the Board of Trustees shall:

- (a) Have exclusive control and management of all funds received by the Treasurer pursuant to the statutes of the State of Minnesota and all moneys or property donated, given, granted or devised for the benefit of the Association.
- (b) Examine the books, papers, funds, securities and property in the custody of the Treasurer, and general accounts, funds and securities, and property of the Association.
- (c) Examine and approve the validity of all claims prior to payment by the Treasurer.
- (d) Provide the forms on which members may submit claims to the Board of Trustees for their approval.
- (e) On an annual basis or more frequently as may be required to determine eligibility for benefits, confirm minimum firefighter and service standards pursuant to the Volunteer Firefighter definition in Section 2.1 of the Plan attached hereto.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: Section 317A of the

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (a)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (b)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: generally

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (c)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (d)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (e)

- (f) Assume such additional duties as may be described in Article IX herein and in Association policies and procedures or required by state law including the establishment of any committee deemed necessary or appropriate.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (f)

ARTICLE VI OFFICERS

6.1 Number. The number of officers of the Association and their duties shall be as set forth below.

6.2 President. It shall be the duty of the President of the Association to:

- (a) Have general active management of the business of the corporation;
- (b) When present, preside at meetings of the Board and of the members;
- (c) See that orders and resolutions of the Board are carried into effect;
- (d) Sign and deliver in the name of the corporation bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the Board to another officer or agent of the corporation;
- (e) Maintain records of and, when necessary, certify proceedings of the Board and the members; and
- (f) Perform other duties prescribed by the Board.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (a) Countersign all checks, along with the Treasurer, issued by the Association; (c...

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: c...

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: d

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: e

6.3 Pro Tem Officers. In the absence of the President and Vice President, if applicable, the Board of Trustees shall appoint an interim President from the existing Officers and/or Trustees other than the Municipal Trustees, who shall perform the duties applicable to the office.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: f

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: g

6.4 The position of Vice President shall not exist.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: incident

6.5 Secretary. It shall be the duty of the Secretary of the Association to:

- (a) Keep a record showing the correct addresses of all members and request the names of their beneficiaries.
- (b) Keep or cause to be kept an accurate record of all meetings of the Association and of all meetings of the Board of Trustees.
- (c) Conduct and direct the investigation of all claims.
- (d) Keep a record of all monies received and paid out by the Treasurer.

- (e) Provide access to the Association's Articles, Bylaws, minutes, and financial statement on the last annual accounting period to all members or all Board of Trustees (including the Municipal Trustees), for any proper purposes they may have, in accord with Minnesota Statutes, Section 317A.461.

6.6 Treasurer. It shall be the duty of the Treasurer of the Association to:

- (a) Receive and receipt all monies due the Association from members and other sources and to keep accurate accounts and records of all the money so received.
- (b) Have custody of all monies and securities belonging to the Association.
- (c) Furnish a surety bond in favor of the Association for the faithful performance of all duties involving the Association and for the safekeeping of, or accounting for, all monies and securities that may come into its possession. The bond shall be in an amount equal to at least 10% of the assets up to a maximum of \$500,000.
- (d) Pay all properly approved claims for benefits, and to pay all bills incurred in the way of necessary expenses in the conduct of the business of the Association and to keep accurate accounts and records of all the money so paid.

6.7 General Duties.

- (a) It shall be the duty of the President, along with the Treasurer to countersign all checks issued by the Association.
- (b) The officers shall annually prepare an annual financial report of the Association's receipts, disbursements, and balances in the Special and General Funds for the preceding calendar year on a form prescribed by the Office of the State Auditor. They shall transmit the report to the city clerk or clerk-treasurer of the Municipality for inspection, signature and transmission to the State Auditor pursuant to law.
- (c) Pursuant to the Volunteer Firefighter Relief Association Financing Guidelines Act of 1971, the officers of the Association shall, annually, determine the financial requirements of the Special Fund for the following year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement.

6.8 Compensation. No compensation is authorized for services to the Association by any officer or trustee.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (a) Countersign all checks, along with the President, issued by the Association; (2)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: c

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: d

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: association

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: c

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (a)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted:

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (b)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: Firefighter's

**ARTICLE VII
ELECTIONS**

7.1 Trustee Terms. The Trustees shall be elected to staggered two-year terms. There will be three (3) Trustees elected by the membership each year at the annual meeting of the Association, and begin their individual terms on January 1 after the meeting at which they are elected.

Each appointed Municipal Trustee term is one (1) year or until the person's successor is qualified, whichever is later. The term of a Municipal Trustee shall terminate upon termination of the Trustee's position with the Municipality.

An individual Trustee may serve an unlimited number of terms.

7.2 Voting on Trustees. Each of the positions on the Board of Trustees who are not the Municipal Trustees shall be voted on separately by the Active Members in attendance at the annual meeting. No nominations of slates of candidates or cumulative voting shall be allowed. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority of those present at the meeting is needed to elect. If a simple majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. A trustee who was elected by the membership may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

If allowed by the Board of Trustees under Section 4.5, a proxy/absentee ballot may be used to perform "runoff voting" if there are more than two candidates for any Trustee position up for election and Active Members must rank candidates by order of preference. See Section 4.5 for counting ballots.

7.3 Officer Terms. The offices of President, Secretary, and Treasurer shall be elected to one-year terms, and begin their individual terms at the end of the meeting at which they are elected.

7.4 Voting on Officers. Officers shall be elected by the Board of Trustees from among the elected Trustees. Voting for officer positions by the Board of Trustees will take place at the first Association Board Meeting following the Annual Meeting. Each position will be nominated and elected separately at this meeting. A simple majority is needed for an officer to be elected. The officer in charge of the vote shall ask for a show of hands *but shall not allow* for a secret ballot, and each vote shall be recorded in a public journal. An officer may be removed with or without cause by a simple majority vote of the Trustees in any subsequent annual, regular or special meeting.

7.4 Voting on Officers. Officers are elected by the Active Members each year at the annual meeting of the Association from among the elected Trustees. Each position will be nominated and elected separately at this meeting. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority is needed for an officer to be elected. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. An officer may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: The term of each

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: six

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: or fire chief

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: Voting by proxy/absentee ballot will be allowed under Section 4.5.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

No individual may hold more than one (1) officer position at one (1) time.

7.5 Officer and Trustee Vacancies. In the case of death, resignation or removal from office for any elected officer or Trustee of the Association, except a Municipal Trustee, the vacancy shall be filled by the Board of Trustees from the membership at a Board meeting to be duly called for the purpose of filling out this term. In the event an officer fails to retain his position as an elected Trustee, he must vacate his officer position pursuant to Minnesota Statutes, Chapter 424A Volunteer Firefighters' Retirement.

ARTICLE VIII MEETINGS

8.1 Annual Meeting of the Members. The annual (regular) meeting of the members shall be held on the fourth Monday of October each year unless a different date is designated by the Board. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.2 Regular Meetings of the Members. Other regular meetings of the members shall be held on the fourth Monday each month except if that day is a holiday. If it is a holiday, the majority of the Board can set an alternate meeting date, by following the notice procedures under Section 8.4 below. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees. The schedule of the regular meetings on file at primary offices is sufficient for notice unless time or location is changed.

8.3 Special Meetings of the Members. Special meetings of the members may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees, or six (6) voting members of the Association. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.4 Notice of Meetings of the Members. A notice of every annual and any special meetings of the members shall include the date, time, place and purpose of the meeting and be posted on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; and in accord with Minnesota Statutes, Section 317A.433 Subd 4, business at a special membership meeting must be limited to the stated purpose; and further in accord with Minnesota Statutes Section 317A.435, each voting member shall be provided at least five (5), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.5 Member Quorum. Fifty-one (51) percent of the Active Members of the Association shall constitute a quorum for the transaction of business at their meetings.

8.6 Member Voting. Each Active Member present at the meeting shall be entitled to one (1) vote. All votes, unless specified prior to the vote, shall be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. A voting "majority" is majority of the quorum, not majority of the entire association membership.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: of

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: except that if that day

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: a holiday, said meeting shall be held on the next succeeding Monday. The place of the meeting shall be

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: and may be changed from time to time

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: of Trustees.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: The schedule of the regular meetings on file at primary offices is sufficient for notice unless time or location is changed.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: Minn. Stat. §317A.231

8.7 Regular Meetings of the Board of Trustees. Meetings of the Board of Trustees shall be held on the fourth Monday of January, April, July and first Monday in November except that if that day is a holiday, if it is a holiday, the majority of the Board can set an alternate meeting date, by following the notice procedures under Section 8.9 below. Meetings of the Board of Trustees shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.8 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees. The meeting shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minnesota Statutes, Section 13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minnesota Statutes, Section 13D.04 which requires at a minimum that:

- (a) a schedule of any regular meetings of the Board of Trustees be kept on file at the Association offices, and
- (b) for special meetings, a notice stating the date, time, place and purpose of the meeting be posted on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; and in accord with Minnesota Statutes, Section 317A.231, each Trustee shall be provided at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.10 Board Quorum. A majority of the Board of Trustees then in office shall constitute a quorum for the transaction of business at its meetings.

8.11 Board Voting. Unless the Articles or Bylaws specify otherwise, an action of the Board shall be effected by a majority vote of the Trustees present and eligible to vote once a quorum has been achieved. The officer in charge of a vote shall ask for a show of hands but shall not allow for a secret ballot nor proxy, and each vote shall be recorded in a public journal. No action shall be considered once a quorum has been lost.

8.12 Electronic Meeting Prohibited. Any meeting of the Board of Trustees or the membership by solely electronic means (e.g., e-mail, simulchat or phone conference) that is not accessible to the public at a set meeting location is prohibited.

8.13 Order of Business. At any annual, regular and all special meetings, the order of business shall be as follows:

- (a) Call to order by the President
- (b) Roll call (verify quorum)
- (c) Secretary's Report (reading of previous minutes)

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: 8.7 - Regular Meetings of the Board of Trustees. Meetings of the Board of Trustees shall be held on the fourth Monday of January, April, July and first Monday in November except that if that day is a holiday, said meeting shall be held on the next succeeding Monday. Meetings of the Board of Trustees shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: place of the

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: 8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minn. Stat. §13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minn. Stat. §13D.04 which requires at a minimum that:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: Calling

- (d) Treasurer's Report
- (e) Report of the Board (member meeting)
- (f) Report of other committees (Board or member meeting)
- (g) Election of Trustees and Officers, if applicable (annual member meeting)
- (h) Old Business
- (i) New Business
- (j) Adjournment

**ARTICLE IX
FIDUCIARY RESPONSIBILITY**

9.1 Board of Trustees. Each member of the Board of Directors, also acts as a trustee of the Special Fund. The Board of Directors therefore also acts as the Board of Trustees. The Board of Trustees is charged with administering retirement and ancillary benefits under the Special Fund, and the Trustees are fiduciaries subject to the standard of care set forth in Minnesota Statutes, Section 11A.09 and Section 356A.04. This includes specifically assuming such additional duties as may be described in Association policies and procedures or required by state law, including:

- (a) adopting an investment policy;
- (b) providing written investment restrictions to brokers;
- (c) securing certificates of insurance; and
- (d) establishing a continuing education plan in order to keep abreast of their fiduciary responsibilities.

9.2 Prohibited Transactions. No fiduciary of the Association shall cause the Association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one (1) of the following direct or indirect transactions:

- (a) sale or exchange or leasing of any real estate between the Association and a Board member;
- (b) lending of money or other extension of credit between the Association and a Board member or member of the Association;
- (c) furnishing of goods, services, or facilities between the Association and a Board member;
- (d) transfer to a Board member, or use by or for the benefit of a Board member, of any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law; or
- (e) sale, exchange, loan, or lease of any item of value between the Association and a fiduciary of the Association other than for a fair market value and as a result of an arm's-length transaction.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (c)
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (d)
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (e)
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (f)
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (g)
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: (h)

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: a plan
Rebecca Stenlund 3/5/13 7:47 PM
Deleted: plan

9.3 Fiduciary Responsibilities Apart from the Special Fund. Although the title "Trustee" is applied to members of the Board of Directors of the Association, the fiduciary standard that Directors are subject to is two-tiered as a matter of State law. With respect to the Association's Special Fund, Trustees are required to meet a standard of care that applies to fiduciaries under Minnesota Statutes, Section 11A.09 and Section 356A.04, as described above. With respect to business and management decisions not including decisions related to the Special Fund, all Trustees are required to meet a standard of care that applies to nonprofit corporation Directors under Minnesota Statutes, Section 317A.251. These decisions include, but are not limited to, business decisions regarding fund-raising activities, and disposition of and management of the General Fund. Accordingly, in their decision-making and management, Trustees must discharge the duties of their position in good faith, in a manner the Director reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Directors are not, in accord with that same statutory section, considered "Trustees" with respect to the Association or with respect to property held or administered by the Association.

9.4 Conflict of Interest Procedures. When a member(s) of the Board of Directors has a conflict:

- (a) Each member of the Board of Directors, whether acting as a Director or as an Officer of the Association, has a duty to disclose to the Board (or to any committee of the Board) the material facts of any proposed transaction or action of the Association in which they or a Relative have a Material Financial Interest.
- (b) The disclosure required under (a) (above) *must be made, to the extent possible, prior to any consideration of such proposed transaction or action* by the Board of Directors or by any applicable committee of the Board of Directors. If a Board member does not recognize the existence of a conflict prior to the Board of Director's decision regarding the transaction, that person has a duty to disclose the material facts of the conflict as soon as the conflict is recognized.
- (c) The Board member having a conflict shall not participate in the deliberation or decision regarding the matter under consideration and shall leave the room during deliberations except when he has been invited by the Board or committee to participate, after consideration of the significance to the Association of the disclosed conflict. The Board of Directors or committee may also request that he provide the Association with any relevant information known to the Board member regarding the matter.
- (d) Any proposed transaction or action in which the Board of Directors has determined that a Director has a conflict of interest that is not "de minimis" is to be approved by a *majority of all the Board of Directors then-serving who would be entitled to vote* and who are not interested Board members at a meeting at which a quorum is present (i.e., by a Supermajority of the entire Board of Directors not including a Board member(s) who has a conflict of interest), even

though the non-conflicted directors may constitute less than a quorum). Deliberations by the Board of Directors regarding the conflict shall be documented in Board minutes no later than 60 days following the subject meeting. The votes of each Board member in support or in opposition to the transaction or action shall be noted.

- (e) All Board members are obligated to notify the Board of Directors if they believe another Board member has failed to disclose a conflict, and this procedure shall be followed by the Board of Directors in all such instances.

ARTICLE X FUNDS

10.1 Funds. All money received by the Association shall be kept in two (2) separate funds, the General Fund and the Special Fund. Disbursements from the funds shall be in accordance with Minnesota Statutes and Rules and the Bylaws of the Association.

10.2 General Fund. The funds received by this Association from: dues, donations, fines, initiation fees, entertainment revenues and any moneys donated for unspecified uses shall be kept in the General Fund and may be disbursed upon a majority vote of the membership or of the Board of Trustees for any purpose reasonably suited to promote the welfare of the Association and its members. All expenses shall be paid out of the General Fund, except as specifically authorized to be disbursed from the Special Fund. These records shall be open for inspection by any member of the relief association at reasonable times and places.

10.3 Special Fund. All funds received by this Association from any tax sources, membership dues, except for dues payable as contributions to the General Fund, and other money that may be directly donated or transferred to said funds, shall be kept in a separate account on the books of the Treasurer known as the Special Fund and shall be disbursed only for the following purposes:

- (a) Payment of members' service pension benefits in accordance with these Bylaws.
- (b) Payment of ancillary benefits in accordance with these Bylaws.
- (c) Payment of fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota Area Relief Association Coalition.
- (d) Payment of insurance premiums to the Volunteer Firefighters Benefit Association, or an insurance company licensed by the State of Minnesota offering casualty insurance, and
- (e) All administrative expenses authorized under Minnesota Statutes, Section 69.80.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: which

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: .

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: .

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: c

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: Minn. Stat. Sect.

These records shall be public and open for inspection by any member of the relief association, any officer or employee of the state or municipality, or any member of the public, at reasonable times and places.

10.4 Deposits. All money belonging to this Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustees may designate. Board of Trustees shall make deposits in conformance with Minnesota Statutes, the Bylaws and the investment policy.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted: Trustee

ARTICLE XI APPENDICES INCORPORATED IN BYLAWS

The following appendices attached hereto are expressly incorporated herein as a component of these Bylaws, with the same legal force and effect of Bylaws.

Appendix A: Bylaw Amendment History.

Appendix B: East Bethel Firefighters Relief Association Defined Benefit Lump Sum Retirement Plan.

Appendix C: Benefit Levels.

ARTICLE XII AMENDMENTS

12.1 Amendment of Articles of Incorporation by Members. Amendments to the Articles of Incorporation must be approved by a majority of the Board of Trustees and by a majority of the Active Members. The exception is changing the relief association's physical address; in that case, the Board of Trustees may amend the Articles of Incorporation without member approval. If an amendment is initiated by the Directors, proper notice of the proposed amendment must precede a meeting of the members at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed, the members may demand a meeting of the Board of Trustees within 60 days for consideration of the proposed amendment if a regular meeting of the Board would not occur within 60 days.

12.2 Amendment of Articles of Incorporation by Board when Authorized by Members. When authorized by Active Members, the Articles of Incorporation may be amended by the Board of Trustees by the affirmative vote of a majority of the Trustees then in office, at a meeting for which notice of the meeting and the proposed amendment have been given. The members may prospectively revoke the authority of the Board to exercise the power of the members to amend the Articles, with the exception of amending the relief association's physical address, which the Board can amend without member approval. Nothing in this Section shall be construed to permit the Board to adopt, amend, or repeal provisions in the Articles that would alter the rights of the membership.

Rebecca Stenlund 3/5/13 7:47 PM
Deleted:

12.3 Amendment of Bylaws by Board. The Bylaws of the Association may be amended by the Board at any regular or special meeting of the Board by a vote of the majority present and voting, provided that a quorum is present; and provided further that a notice of date, time, place, purpose of the meeting and proposed amendment be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room, *and* in accord with Minnesota Statutes, Section 317A.231, each Trustee has been *provided* at least ~~three (3)~~, but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, purpose of the meeting and proposed amendment.

Board Limitations of Bylaw Amendments. Nothing in this section shall be construed to permit the Board to adopt, amend or repeal provisions regarding:

- (a) Amending in any way the definition of "Active Service" set forth in the Plan attached hereto
- (b) Decreasing any benefit level set forth in the Plan attached hereto
- (c) Changing the deferred interest percentage set forth in the Plan attached hereto
- (d) Changing the vesting schedule set forth in the Plan attached hereto
- (e) Membership (Article IV)
- (f) Compensation (Section 6.8)
- (g) Elections (Article VII)
- (h) Member Quorum (Section 8.5)
- (i) Revise the number of Members required to amend the Bylaws (Section 12.4)
- (j) or limit the right of at least ten percent of the membership to propose a resolution for action by the members to adopt, amend, or repeal Bylaws that the Board has taken action to adopt, amend or repeal pursuant to this section.

12.4 Amendment of Bylaws by Members. The Bylaws of the Association may be amended at any regular or special meeting by a vote of two-thirds of the Active Members present and voting, provided that a quorum is present; and provided further that notice of any proposed amendment(s) shall be given by posting or reading the same at any regular or special meeting not more than thirty-one (31) days preceding that upon which such amendment(s) are to be acted upon (excluding the date of the meeting).

12.5 Ratification of Amendments by Municipality. If the Association amends its bylaws to affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses, it may be necessary to obtain ratification of the amendment by the Municipality as described in Section 8.1 of Appendix B.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: Minn. Stat. §

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: thirty (30)

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted: , and that a notice is mailed to each member at last known address not less than ten (10) days prior to such meeting.

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

Rebecca Stenlund 3/5/13 7:47 PM

Deleted:

4.6 Separation. Any member who becomes a Deferred Member with the Association prior to requesting retirement benefits shall complete and submit a Membership Separation Form.

4.7

(a) Countersign all checks, along with the President, issued by the Association;

(b)

of Trustees.

8.2 Regular Meetings of the Members. The regular meetings of the members shall be held on the fourth Monday each month except that if that day is a holiday, said meeting shall be held on the next succeeding Monday

8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minn. Stat. §13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minn. Stat. §13D.04 which requires at a minimum that:

- (a) a schedule of any regular meetings of the Board of Trustees be kept on file at the Association offices, and
- (b) for special meetings, a notice stating the date, time, place and purpose of the meeting be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minn. Stat. §317A.231, each Trustee shall be *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

RESTATED BYLAWS
OF
EAST BETHEL FIREFIGHTERS
RELIEF ASSOCIATION

The Bylaws of the Relief Association are hereby amended in their entirety and restated effective as of _____, 20_____.

ARTICLE I
NAMES

As provided in the Articles of Incorporation, the name of this organization shall be the East Bethel Firefighters Relief Association (the "Association").

ARTICLE II
DEFINITIONS

General Definitions

Whenever appropriate, words used herein in the singular shall include the plural, the plural may be read as the singular, and the masculine shall include the feminine.

The following words and phrases when used herein shall have the following meanings except as otherwise required by the context in which they are used:

"Active Member" is a member of the Association who is eligible for benefits and is currently meeting the minimum firefighter and service standards with the Fire Department. As of July 1, 2006, Active Members must be Volunteer Firefighters as defined in Section 2.1 of the Plan attached hereto.

"Board of Trustees" or "Board" shall mean the Board of Trustees of the Relief Association, and shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes, Chapter 317A.

"Deferred Member" is a member of the Association who has retired or been terminated from the Fire Department but has not taken a distribution of benefits.

"Fire Department" is the Fire Department serving the Municipality.

"General Fund" shall mean the fund established pursuant to Minnesota Statutes, Section 424A.06 that holds the funds received from dues, fines, initiation fees, entertainment revenues and any money or property donated, given, granted or devised by any person, for unspecified uses.

“Material Financial Interest” is a financial interest or expectation of any kind on the part of a Board member or Relative, which is substantial enough to reasonably affect the judgment of the Trustee who has a conflict of interest. The term “financial interest” includes any and all monetary expectations and exists when a Board member or Relative has rights (whether or not a Deferred Member or beneficiary) to be paid compensation, retiree benefits, or to have their expenses reimbursed or obligations or other liabilities repaid, etc. (See Article IX Fiduciary Responsibility.)

“Municipality” is the City of East Bethel.

“Municipal Trustees,” formerly known as ‘ex-officios,’ are members of the Board of Trustees designated solely by the Municipality and shall include the two appointed or elected officials and the fire chief, as further defined in Section 5.1 herein.

“Relative” is a member of one’s family and includes spouses, parents, children, siblings, in-laws, aunts, uncles, first cousins, step-parents, step-children, and may include other family members such as common-law partners or long-time companions, of a Trustee who has a conflict of interest. (See Article IX Fiduciary Responsibility.)

“Special Fund” shall mean the fund as defined in Section 2.1 of the Plan attached hereto.

“Supermajority” is required when there is a conflict of interest on an item to be voted on by the Board of Trustees because one or more Trustees have a Material Financial Interest. A Supermajority is the majority of those Trustees after subtracting the Trustee(s) who has a conflict of interest (e.g., Nine (9) Trustees less two (2) with a conflict = Seven (7). Supermajority would require four (4) Trustees to vote in favor to pass the motion). (See Article IX Fiduciary Responsibility.)

ARTICLE III PURPOSE

As provided in the Articles of Incorporation, the purpose of the Association is to provide retirement relief and other benefits to members and their dependents. For purposes of Chapter 424A of Minnesota Statutes, the Association is a governmental entity that receives and manages public funds to provide retirement and ancillary benefits for individuals providing the governmental services of firefighting and, if applicable, emergency response. The Association may also raise funds from private sources to furnish fire and emergency equipment for the Fire Department, and for other purposes deemed necessary and appropriate by the Association to the extent permitted by law. Benefits paid to members and their dependents shall be funded exclusively through governmental sources and, to the extent provided by State law, through restricted donations.

ARTICLE IV MEMBERSHIP

4.1 Admission. All firefighters of the Fire Department are members of the Association and shall be eligible for benefits, except as otherwise stated in these bylaws. An application for membership shall be completed on the Membership Application and Beneficiary Designation form to become eligible for benefits in the Association. Upon approval of the member's application, such member shall accrue service credit for all active service while in probationary status.

4.2 Membership Duties. The Association does not require membership duties.

4.3 Membership Dues. The Association does not require membership dues.

4.4 Member Voting Rights. Each Active Member shall be entitled to one (1) vote on any matter voted upon by the membership. Deferred Members are not entitled to vote. Voting by proxy/absentee ballot is permitted following the procedures set forth in Section 4.5.

4.5 Proxy/Absentee Ballot. *Member Voting:* If permitted by the Board prior to a meeting, voting members may cast votes by submitting an absentee ballot provided by the Board that is signed by the member and deposited in the ballot box set out by the Board. Submission of an absentee ballot shall constitute a proxy to the officer of the Association designated and authorized on the ballot who is bound to cast the member's vote in accord with the member's ballot choices. The member may withdraw his/her proxy/absentee ballot by attending a meeting and voting in person. Use of proxies/absentee ballots may only be used on items listed on the ballot and may not be used when trustees and/or officers are elected from the floor during the meeting.

Counting Ballots: If ballots were used because there were more than two candidates for any Trustee position up for election as indicated under Section 7.2, an officer of the Association who is not standing for election shall count the ballots as follows: All first choices are counted, and if no candidate wins a majority of first choices, then the last place candidate is eliminated. Ballots of voters who ranked the eliminated candidate first are redistributed to their next choice candidates, as indicated on each voter's ballot. Last place candidates are successively eliminated and ballots are redistributed to next choices until one candidate remains or a candidate gains a majority of votes.

In case of a tie resulting from the above procedure, the candidates receiving the two highest number of votes shall be placed into new balloting to be effected at the meeting. The previously submitted proxy/absentee ballots shall be recounted using the above procedures for the two candidates who have tied. Simultaneously, members present at the meeting will recast their vote for the two candidates who have tied. Additional balloting including the proxy/absentee ballots for said office shall continue until one candidate shall receive a majority of votes cast on a rebalot and he shall be elected to said office.

4.6 Separation. For records retention and administration of the Association, the Board may request that a Deferred Member complete and submit a Membership Separation Form.

4.7 Member Recognition. The Association may continue to honor members whose status has changed between volunteer/paid on-call and full- or part-time employee of the same Fire Department. The members shall adopt written policies and procedures, including any eligibility or types of recognition.

4.8 Termination. Any member who is terminated by the Fire Department or Municipality shall cease accruing benefits under the Association as of the date of termination.

ARTICLE V BOARD OF TRUSTEES

5.1 Composition. The Board of Trustees shall consist of nine (9) members. Six (6) trustees shall be elected from the membership of the relief association. There shall be three (3) officials drawn from the Municipality. The three (3) Municipal Trustees must be one (1) elected municipal official and one (1) elected or appointed municipal official, who are designated as municipal representatives by the municipal governing board annually, and the chief of the municipal fire department. The Municipal Trustees must be designated annually by the city council of the Municipality.

5.2 Duties. The Board of Trustees shall perform the functions and assume the same duties as a Board of Directors under Minnesota Statutes, Chapter 317A. In addition, the Board of Trustees shall:

- (a) Have exclusive control and management of all funds received by the Treasurer pursuant to the statutes of the State of Minnesota and all moneys or property donated, given, granted or devised for the benefit of the Association.
- (b) Examine the books, papers, funds, securities and property in the custody of the Treasurer, and general accounts, funds and securities, and property of the Association.
- (c) Examine and approve the validity of all claims prior to payment by the Treasurer.
- (d) Provide the forms on which members may submit claims to the Board of Trustees for their approval.
- (e) On an annual basis or more frequently as may be required to determine eligibility for benefits, confirm minimum firefighter and service standards pursuant to the Volunteer Firefighter definition in Section 2.1 of the Plan attached hereto.

- (f) Assume such additional duties as may be described in Article IX herein and in Association policies and procedures or required by state law including the establishment of any committee deemed necessary or appropriate.

ARTICLE VI OFFICERS

6.1 Number. The number of officers of the Association and their duties shall be as set forth below.

6.2 President. It shall be the duty of the President of the Association to:

- (a) Have general active management of the business of the corporation;
- (b) When present, preside at meetings of the Board and of the members;
- (c) See that orders and resolutions of the Board are carried into effect;
- (d) Sign and deliver in the name of the corporation bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by the articles or bylaws or by the Board to another officer or agent of the corporation;
- (e) Maintain records of and, when necessary, certify proceedings of the Board and the members; and
- (f) Perform other duties prescribed by the Board.

6.3 Pro Tem Officers. In the absence of the President and Vice President, if applicable, the Board of Trustees shall appoint an interim President from the existing Officers and/or Trustees other than the Municipal Trustees, who shall perform the duties applicable to the office.

6.4 The position of Vice President shall not exist.

6.5 Secretary. It shall be the duty of the Secretary of the Association to:

- (a) Keep a record showing the correct addresses of all members and request the names of their beneficiaries.
- (b) Keep or cause to be kept an accurate record of all meetings of the Association and of all meetings of the Board of Trustees.
- (c) Conduct and direct the investigation of all claims.
- (d) Keep a record of all monies received and paid out by the Treasurer.

- (e) Provide access to the Association's Articles, Bylaws, minutes, and financial statement on the last annual accounting period to all members or all Board of Trustees (including the Municipal Trustees), for any proper purposes they may have, in accord with Minnesota Statutes, Section 317A.461.

6.6 Treasurer. It shall be the duty of the Treasurer of the Association to:

- (a) Receive and receipt all monies due the Association from members and other sources and to keep accurate accounts and records of all the money so received.
- (b) Have custody of all monies and securities belonging to the Association.
- (c) Furnish a surety bond in favor of the Association for the faithful performance of all duties involving the Association and for the safekeeping of, or accounting for, all monies and securities that may come into its possession. The bond shall be in an amount equal to at least 10% of the assets up to a maximum of \$500,000.
- (d) Pay all properly approved claims for benefits, and to pay all bills incurred in the way of necessary expenses in the conduct of the business of the Association and to keep accurate accounts and records of all the money so paid.

6.7 General Duties.

- (a) It shall be the duty of the President, along with the Treasurer to countersign all checks issued by the Association.
- (b) The officers shall annually prepare an annual financial report of the Association's receipts, disbursements, and balances in the Special and General Funds for the preceding calendar year on a form prescribed by the Office of the State Auditor. They shall transmit the report to the city clerk or clerk-treasurer of the Municipality for inspection, signature and transmission to the State Auditor pursuant to law.
- (c) Pursuant to the Volunteer Firefighter Relief Association Financing Guidelines Act of 1971, the officers of the Association shall, annually, determine the financial requirements of the Special Fund for the following year. The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement.

6.8 Compensation. No compensation is authorized for services to the Association by any officer or trustee.

ARTICLE VII ELECTIONS

7.1 Trustee Terms. The Trustees shall be elected to staggered two-year terms. There will be three (3) Trustees elected by the membership each year at the annual meeting of the Association, and begin their individual terms on January 1 after the meeting at which they are elected.

Each appointed Municipal Trustee term is one (1) year or until the person's successor is qualified, whichever is later. The term of a Municipal Trustee shall terminate upon termination of the Trustee's position with the Municipality.

An individual Trustee may serve an unlimited number of terms.

7.2 Voting on Trustees. Each of the positions on the Board of Trustees who are not the Municipal Trustees shall be voted on separately by the Active Members in attendance at the annual meeting. No nominations of slates of candidates or cumulative voting shall be allowed. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority of those present at the meeting is needed to elect. If a simple majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. A trustee who was elected by the membership may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

If allowed by the Board of Trustees under Section 4.5, a proxy/absentee ballot may be used to perform "runoff voting" if there are more than two candidates for any Trustee position up for election and Active Members must rank candidates by order of preference. See Section 4.5 for counting ballots.

7.3 Officer Terms. The offices of President, Secretary, and Treasurer shall be elected to one-year terms, and begin their individual terms at the end of the meeting at which they are elected.

7.4 Voting on Officers. Officers shall be elected by the Board of Trustees from among the elected Trustees. Voting for officer positions by the Board of Trustees will take place at the first Association Board Meeting following the Annual Meeting. Each position will be nominated and elected separately at this meeting. A simple majority is needed for an officer to be elected. The officer in charge of the vote shall ask for a show of hands *but shall not allow* for a secret ballot, and each vote shall be recorded in a public journal. An officer may be removed with or without cause by a simple majority vote of the Trustees in any subsequent annual, regular or special meeting.

7.4 Voting on Officers. Officers are elected by the Active Members each year at the annual meeting of the Association from among the elected Trustees. Each position will be nominated and elected separately at this meeting. All votes unless specified prior to the vote, shall be conducted by a voice vote. A simple majority is needed for an officer to be elected. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. An officer may be removed with or without cause by a simple majority vote of the Active Members in any subsequent annual, regular or special meeting.

No individual may hold more than one (1) officer position at one (1) time.

7.5 Officer and Trustee Vacancies. In the case of death, resignation or removal from office for any elected officer or Trustee of the Association, except a Municipal Trustee, the vacancy shall be filled by the Board of Trustees from the membership at a Board meeting to be duly called for the purpose of filling out this term. In the event an officer fails to retain his position as an elected Trustee, he must vacate his officer position pursuant to Minnesota Statutes, Chapter 424A Volunteer Firefighters' Retirement.

ARTICLE VIII MEETINGS

8.1 Annual Meeting of the Members. The annual (regular) meeting of the members shall be held on the fourth Monday of October each year unless a different date is designated by the Board. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.2 Regular Meetings of the Members. Other regular meetings of the members shall be held on the fourth Monday each month except if that day is a holiday. If it is a holiday, the majority of the Board can set an alternate meeting date, by following the notice procedures under Section 8.4 below. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees. The schedule of the regular meetings on file at primary offices is sufficient for notice unless time or location is changed.

8.3 Special Meetings of the Members. Special meetings of the members may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees, or six (6) voting members of the Association. The place of the meeting shall be designated and may be changed from time to time by the Board of Trustees.

8.4 Notice of Meetings of the Members. A notice of every annual and any special meetings of the members shall include the date, time, place and purpose of the meeting and be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minnesota Statutes, Section 317A.433 Subd 4, business at a special membership meeting must be limited to the stated purpose; *and further* in accord with Minnesota Statutes Section 317A.435, each voting member shall be *provided* at least five (5), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.5 Member Quorum. Fifty-one (51) percent of the Active Members of the Association shall constitute a quorum for the transaction of business at their meetings.

8.6 Member Voting. Each Active Member present at the meeting shall be entitled to one (1) vote. All votes, unless specified prior to the vote, shall be conducted by a voice vote. If a majority cannot be determined by voice vote, the officer in charge of the vote shall ask for a show of hands or for a secret ballot. Voting by proxy/absentee ballot will be allowed under Section 4.5. A voting "majority" is majority of the quorum, not majority of the entire association membership.

8.7 Regular Meetings of the Board of Trustees. Meetings of the Board of Trustees shall be held on the fourth Monday of January, April, July and first Monday in November except that if that day is a holiday. If it is a holiday, the majority of the Board can set an alternate meeting date, by following the notice procedures under Section 8.9 below. Meetings of the Board of Trustees shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.8 Special Meetings of the Board of Trustees. Special meetings of the Board of Trustees may be called at any time upon the written order of the President and one (1) other member of the Board of Trustees. The meeting shall be held at the Fire Station unless noticed for another place within the City as designated by the Board.

8.9 Notice of Meetings of the Board of Trustees. The association is governed by Minnesota Statutes, Section 13D.01 which requires that all meetings of the Association's Board of Trustees be open to the public with rare exceptions. All notices provided for in this Article shall comply with Minnesota Statutes, Section 13D.04 which requires at a minimum that:

- (a) a schedule of any regular meetings of the Board of Trustees be kept on file at the Association offices, and
- (b) for special meetings, a notice stating the date, time, place and purpose of the meeting be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room; *and* in accord with Minnesota Statutes, Section 317A.231, each Trustee shall be *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, and purpose of the meeting.

8.10 Board Quorum. A majority of the Board of Trustees then in office shall constitute a quorum for the transaction of business at its meetings.

8.11 Board Voting. Unless the Articles or Bylaws specify otherwise, an action of the Board shall be effected by a majority vote of the Trustees present and eligible to vote once a quorum has been achieved. The officer in charge of a vote shall ask for a show of hands *but shall not allow* for a secret ballot *nor proxy*, and each vote shall be recorded in a public journal. No action shall be considered once a quorum has been lost.

8.12 Electronic Meeting Prohibited. Any meeting of the Board of Trustees or the membership by solely electronic means (e.g., e-mail, simulchat or phone conference) that is not accessible to the public at a set meeting location is prohibited.

8.13 Order of Business. At any annual, regular and all special meetings, the order of business shall be as follows:

- (a) Call to order by the President
- (b) Roll call (verify quorum)
- (c) Secretary's Report (reading of previous minutes)

- (d) Treasurer's Report
- (e) Report of the Board (member meeting)
- (f) Report of other committees (Board or member meeting)
- (g) Election of Trustees and Officers, if applicable (annual member meeting)
- (h) Old Business
- (i) New Business
- (j) Adjournment

ARTICLE IX FIDUCIARY RESPONSIBILITY

9.1 Board of Trustees. Each member of the Board of Directors, also acts as a trustee of the Special Fund. The Board of Directors therefore also acts as the Board of Trustees. The Board of Trustees is charged with administering retirement and ancillary benefits under the Special Fund, and the Trustees are fiduciaries subject to the standard of care set forth in Minnesota Statutes, Section 11A.09 and Section 356A.04. This includes specifically assuming such additional duties as may be described in Association policies and procedures or required by state law, including:

- (a) adopting an investment policy;
- (b) providing written investment restrictions to brokers;
- (c) securing certificates of insurance; and
- (d) establishing a continuing education plan in order to keep abreast of their fiduciary responsibilities.

9.2 Prohibited Transactions. No fiduciary of the Association shall cause the Association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one (1) of the following direct or indirect transactions:

- (a) sale or exchange or leasing of any real estate between the Association and a Board member;
- (b) lending of money or other extension of credit between the Association and a Board member or member of the Association;
- (c) furnishing of goods, services, or facilities between the Association and a Board member;
- (d) transfer to a Board member, or use by or for the benefit of a Board member, of any assets of the Association. Transfer of assets does not mean the payment of Association benefits or administrative expenses permitted by law; or
- (e) sale, exchange, loan, or lease of any item of value between the Association and a fiduciary of the Association other than for a fair market value and as a result of an arm's-length transaction.

9.3 Fiduciary Responsibilities Apart from the Special Fund. Although the title “Trustee” is applied to members of the Board of Directors of the Association, the fiduciary standard that Directors are subject to is two-tiered as a matter of State law. With respect to the Association’s Special Fund, Trustees are required to meet a standard of care that applies to fiduciaries under Minnesota Statutes, Section 11A. 09 and Section 356A.04, as described above. With respect to business and management decisions not including decisions related to the Special Fund, all Trustees are required to meet a standard of care that applies to nonprofit corporation Directors under Minnesota Statutes, Section 317A.251. These decisions include, but are not limited to, business decisions regarding fund-raising activities, and disposition of and management of the General Fund. Accordingly, in their decision-making and management, Trustees must discharge the duties of their position in good faith, in a manner the Director reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Directors are not, in accord with that same statutory section, considered “Trustees” with respect to the Association or with respect to property held or administered by the Association.

9.4 Conflict of Interest Procedures. When a member(s) of the Board of Directors has a conflict:

- (a) Each member of the Board of Directors, whether acting as a Director or as an Officer of the Association, has a duty to disclose to the Board (or to any committee of the Board) the material facts of any proposed transaction or action of the Association in which they or a Relative have a Material Financial Interest.
- (b) The disclosure required under (a) (above) ***must be made, to the extent possible, prior to any consideration of such proposed transaction or action*** by the Board of Directors or by any applicable committee of the Board of Directors. If a Board member does not recognize the existence of a conflict prior to the Board of Director’s decision regarding the transaction, that person has a duty to disclose the material facts of the conflict as soon as the conflict is recognized.
- (c) The Board member having a conflict shall not participate in the deliberation or decision regarding the matter under consideration and shall leave the room during deliberations except when he has been invited by the Board or committee to participate, after consideration of the significance to the Association of the disclosed conflict. The Board of Directors or committee may also request that he provide the Association with any relevant information known to the Board member regarding the matter.
- (d) Any proposed transaction or action in which the Board of Directors has determined that a Director has a conflict of interest that is not “de minimis” is to be approved by a ***majority of all the Board of Directors then-serving who would be entitled to vote*** and who are not interested Board members at a meeting at which a quorum is present (i.e., by a Supermajority of the entire Board of Directors not including a Board member(s) who has a conflict of interest), even

though the non-conflicted directors may constitute less than a quorum). Deliberations by the Board of Directors regarding the conflict shall be documented in Board minutes no later than 60 days following the subject meeting. The votes of each Board member in support or in opposition to the transaction or action shall be noted.

- (e) All Board members are obligated to notify the Board of Directors if they believe another Board member has failed to disclose a conflict, and this procedure shall be followed by the Board of Directors in all such instances.

ARTICLE X FUNDS

10.1 Funds. All money received by the Association shall be kept in two (2) separate funds, the General Fund and the Special Fund. Disbursements from the funds shall be in accordance with Minnesota Statutes and Rules and the Bylaws of the Association.

10.2 General Fund. The funds received by this Association from: dues, donations, fines, initiation fees, entertainment revenues and any moneys donated for unspecified uses shall be kept in the General Fund and may be disbursed upon a majority vote of the membership or of the Board of Trustees for any purpose reasonably suited to promote the welfare of the Association and its members. All expenses shall be paid out of the General Fund, except as specifically authorized to be disbursed from the Special Fund. These records shall be open for inspection by any member of the relief association at reasonable times and places.

10.3 Special Fund. All funds received by this Association from any tax sources, membership dues, except for dues payable as contributions to the General Fund, and other money that may be directly donated or transferred to said funds, shall be kept in a separate account on the books of the Treasurer known as the Special Fund and shall be disbursed only for the following purposes:

- (a) Payment of members' service pension benefits in accordance with these Bylaws,
- (b) Payment of ancillary benefits in accordance with these Bylaws,
- (c) Payment of fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota Area Relief Association Coalition,
- (d) Payment of insurance premiums to the Volunteer Firefighters Benefit Association, or an insurance company licensed by the State of Minnesota offering casualty insurance, and
- (e) All administrative expenses authorized under Minnesota Statutes, Section 69.80.

These records shall be public and open for inspection by any member of the relief association, any officer or employee of the state or municipality, or any member of the public, at reasonable times and places.

10.4 Deposits. All money belonging to this Association shall be deposited to the credit of the Association in such banks, trust companies, or other depositories as the Board of Trustees may designate. Board of Trustees shall make deposits in conformance with Minnesota Statutes, the Bylaws and the investment policy.

ARTICLE XI APPENDICES INCORPORATED IN BYLAWS

The following appendices attached hereto are expressly incorporated herein as a component of these Bylaws, with the same legal force and effect of Bylaws.

Appendix A: Bylaw Amendment History.

Appendix B: East Bethel Firefighters Relief Association Defined Benefit Lump Sum Retirement Plan.

Appendix C: Benefit Levels.

ARTICLE XII AMENDMENTS

12.1 Amendment of Articles of Incorporation by Members. Amendments to the Articles of Incorporation must be approved by a majority of the Board of Trustees and by a majority of the Active Members. The exception is changing the relief association's physical address; in that case, the Board of Trustees may amend the Articles of Incorporation without member approval. If an amendment is initiated by the Directors, proper notice of the proposed amendment must precede a meeting of the members at which the amendment will be considered and must include the substance of the proposed amendment. If an amendment is proposed, the members may demand a meeting of the Board of Trustees within 60 days for consideration of the proposed amendment if a regular meeting of the Board would not occur within 60 days.

12.2 Amendment of Articles of Incorporation by Board when Authorized by Members. When authorized by Active Members, the Articles of Incorporation may be amended by the Board of Trustees by the affirmative vote of a majority of the Trustees then in office, at a meeting for which notice of the meeting and the proposed amendment have been given. The members may prospectively revoke the authority of the Board to exercise the power of the members to amend the Articles, with the exception of amending the relief association's physical address, which the Board can amend without member approval. Nothing in this Section shall be construed to permit the Board to adopt, amend, or repeal provisions in the Articles that would alter the rights of the membership.

12.3 Amendment of Bylaws by Board. The Bylaws of the Association may be amended by the Board at any regular or special meeting of the Board by a vote of the majority present and voting, provided that a quorum is present; and provided further that a notice of date, time, place, purpose of the meeting and proposed amendment be *posted* on the bulletin board of the Association, or if no bulletin board, on the door of its usual meeting room, *and* in accord with Minnesota Statutes, Section 317A.231, each Trustee has been *provided* at least three (3), but not more than sixty (60) days, before the meeting, (excluding the date of the meeting) with notice setting forth the date, time, place, purpose of the meeting and proposed amendment.

Board Limitations of Bylaw Amendments. Nothing in this section shall be construed to permit the Board to adopt, amend or repeal provisions regarding:

- (a) Amending in any way the definition of “Active Service” set forth in the Plan attached hereto
- (b) Decreasing any benefit level set forth in the Plan attached hereto
- (c) Changing the deferred interest percentage set forth in the Plan attached hereto
- (d) Changing the vesting schedule set forth in the Plan attached hereto
- (e) Membership (Article IV)
- (f) Compensation (Section 6.8)
- (g) Elections (Article VII)
- (h) Member Quorum (Section 8.5)
- (i) Revise the number of Members required to amend the Bylaws (Section 12.4)
- (j) or limit the right of at least ten percent of the membership to propose a resolution for action by the members to adopt, amend, or repeal Bylaws that the Board has taken action to adopt, amend or repeal pursuant to this section.

12.4 Amendment of Bylaws by Members. The Bylaws of the Association may be amended at any regular or special meeting by a vote of two-thirds of the Active Members present and voting, provided that a quorum is present; and provided further that notice of any proposed amendment(s) shall be given by posting or reading the same at any regular or special meeting not more than thirty-one (31) days preceding that upon which such amendment(s) are to be acted upon (excluding the date of the meeting).

12.5 Ratification of Amendments by Municipality. If the Association amends its bylaws to affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits or disbursements other than administrative expenses, it may be necessary to obtain ratification of the amendment by the Municipality as described in Section 8.1 of Appendix B.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Statement of Position Volunteer Fire Relief Member's Return to Service

Legislative changes in 2009, 2010 and 2012 altered the way resumption of active service after retirement or a break in service is handled. A volunteer firefighter who returns to the same volunteer fire department from which he or she separated from service may now earn additional credit for service, if the break in service was at least 60 days long and if the bylaws of the fire relief association permit it.

Changes in the Law

The legislative changes provide greater flexibility for volunteer fire relief associations in dealing with return-to-service issues and provide greater clarity to those who must calculate service pensions for members returning from breaks in service. The new law applies to all breaks in service, including approved leaves of absence, except breaks in service mandated by federal or state law (*e.g.*, military or FMLA leave).

The new law may assist volunteer fire departments, especially those located in Greater Minnesota, recruit and retain volunteer firefighters. It does this in at least two ways: First, the new law eliminates the requirement that members repay any previously-received service pension before returning to active service.¹ Second, the law allows the relief association to provide credit for additional service to members who have returned from a break in service, if the bylaws of the relief association permit it.²

Some relief associations have expressed a desire to protect their plan from deferred members returning to active service for a short period of time to take advantage of benefit increases that occurred while the member was inactive. Such concerns may be addressed when the association's bylaws are amended, so long as the conditions set out in any amendment are consistent with the new law.

Amendments enacted in 2010 provide any member with an approved leave of absence,

¹ The 2009 law repeals Minn. Stat. § 424A.02, subd. 9b, which provided that, if a retired volunteer firefighter returns to active service in the same volunteer fire department, "no additional service pension amount is payable to the person, no additional service is creditable to the person and the person shall repay any previously received service pension."

² Minn. Stat. § 424A.01, subd. 6 (Return to active firefighting after break in service).

Reviewed: June 2012
Revised: June 2012

2009-2005

not exceeding one year, an automatic exemption to the minimum period of resumption service requirement in the relief association's bylaws. This is a requirement, separate from the vesting requirement, that a member must meet upon a resumption of service. A relief association defines the resumption of service requirement in its bylaws. Relief associations that wish to encourage the resumption of active firefighting service and relief association membership after a break in service may choose a short resumption of service requirement (e.g., six months), while associations wishing to discourage the resumption of service may choose a longer resumption of service requirement. For relief associations that pay lump-sum or monthly service pensions, the bylaws may prohibit a member from receiving benefit increases that occurred during a break in service if the member fails to meet the resumption of service requirement before ceasing firefighting duties again. The law also allows the relief association, through its bylaws, to exempt members with a break in service (e.g., an unapproved leave) not exceeding one year from the resumption service requirement, provided that the member hasn't been paid a benefit.

How the Law Works

The new law provides several options so that each relief association has the flexibility to decide for itself within the limits of the law how to handle return to service issues. The content of the bylaws and the decisions of the individual volunteer firefighter determine what benefits will be paid.

For lump-sum service pensions (see Attachments A & B), for example, a member met the vesting requirements before the break in service and was paid a lump sum benefit. The member then returned to service after a 60-day separation. The member met the vesting requirements again based on the resumption period of service, as required by the bylaws, before ceasing firefighting duties. The member may then be paid a lump sum calculated as a separate second benefit at the current benefit level. If the vesting requirements for the resumption of service were not met, no additional lump sum benefit can be paid.

If a lump-sum benefit had not been paid, the member had met the minimum vesting requirement, and had served the minimum period for resumption of service, the lump-sum payment would be calculated for all years of service at the current benefit level. If the minimum period for resumption of service was not met, the member would be paid a lump sum calculated for all years of service at the current benefit level or, if provided for in the bylaws, at the original benefit level.

For defined contribution service pensions (see Exhibits C & D), for example, a member met the vesting requirements before the break in service and was paid a defined contribution lump-sum benefit. The member then returned to service after a 60-day separation. The member met the vesting requirements again based on the resumption period of service, as required by the bylaws, before ceasing firefighting duties again. The member may then be paid a lump-sum calculated as a separate second benefit that includes credits allocated to the member's individual account during the resumption period and deductions for administrative expenses, if applicable. If the vesting requirements for the resumption of service were not met, no additional lump-sum benefit

would be paid.

If a defined contribution lump-sum benefit had not been paid, the member had met the minimum vesting requirement based on the original and resumption years of service, the lump-sum payment would be calculated to include credits allocated to the member's individual account and deductions for administrative expenses, if applicable, less any amounts previously forfeited. Members of defined contribution plans are not subject to a separate resumption period of service requirement.

For monthly service pensions (see Attachments E & F), as another example, a member met the vesting requirements when first separating from service and a monthly benefit was paid. The member then returned to service after a 60-day break in service. Upon return to service, the monthly benefit payments may continue if allowed by the bylaws. If the bylaws do not allow for the continuation of monthly benefit payments, the payments must be suspended until the member separates from active service. The member met the vesting requirements again for the resumption period of service, as required by the bylaws, before ceasing firefighting duties again. The member would then be paid the original monthly benefit, plus an additional monthly benefit calculated at the current benefit level. Alternatively, if the vesting requirements for the resumption of service had not been met, the original monthly benefit payments would continue or resume, with no additional service credit.

If the monthly benefit had not been paid, the member had met the vesting requirements before the break in service, and served the minimum period for resumption of service, the monthly payment would be calculated for all years of service at the current benefit level. If the minimum period for resumption of service had not been met, the member would be paid a monthly benefit calculated for all years of service at the current benefit level or, if provided for in the bylaws, at the original benefit level.

Amending Bylaws to Conform with the Law

By amending its bylaws, a relief association can choose to allow members who have a break in service to return and resume active membership. The law now requires a 60-day period of separation and allows certain bylaw restrictions, such as requiring a minimum period of resumption of service to receive benefit increases.

To allow members to resume active membership after retirement or a break in service, the bylaws must be amended and the amendment must specify the requirements for accruing additional service credit. Relief associations may establish only those conditions that are consistent with the new law. If a relief association has previously established in its bylaws conditions on return to service, the relief association should promptly review its bylaws to ensure that the conditions comply with the new statutory requirements.



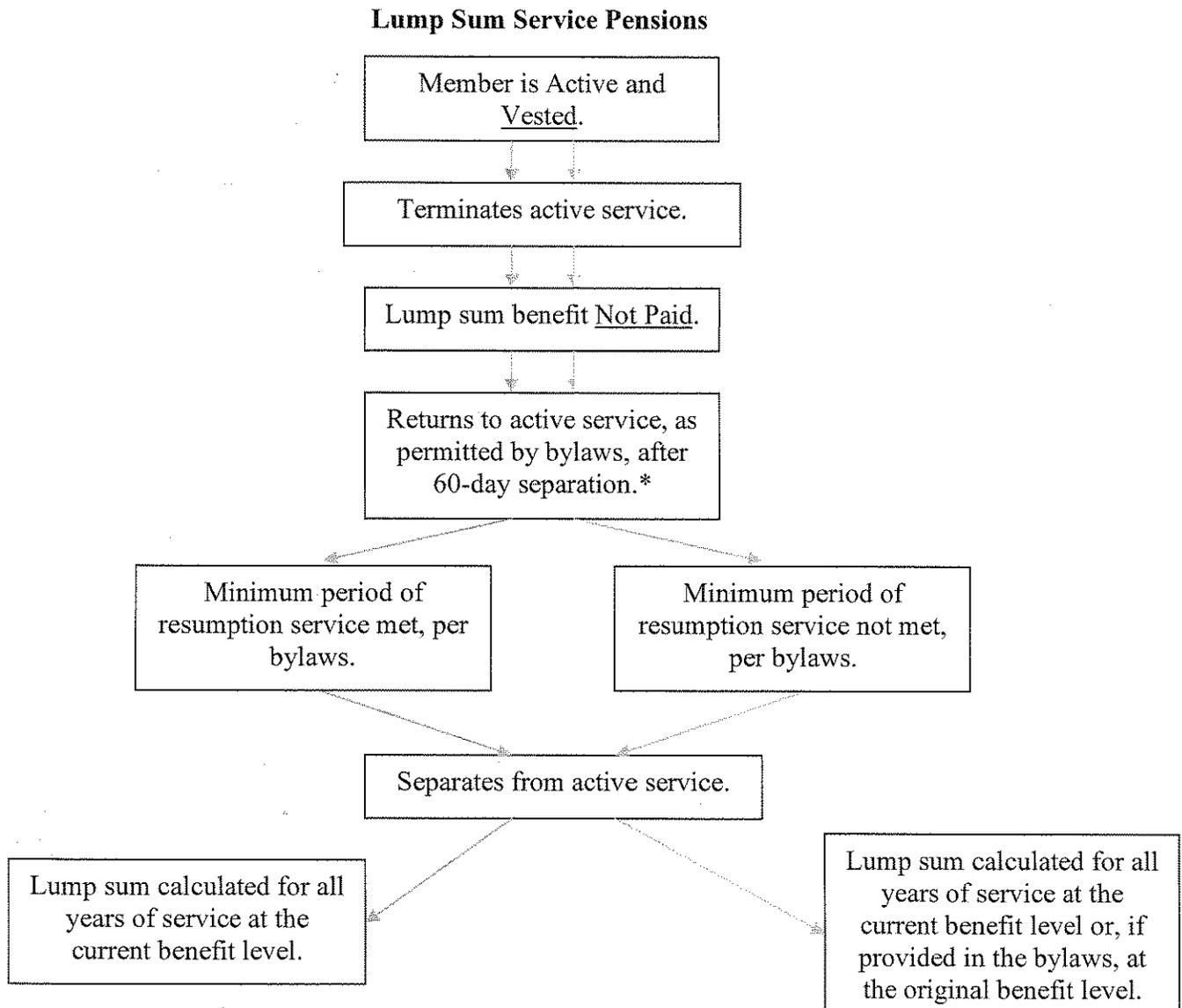
REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit A Return to Service Flow Chart Lump Sum Benefit Recipient, Benefit Not Yet Paid



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



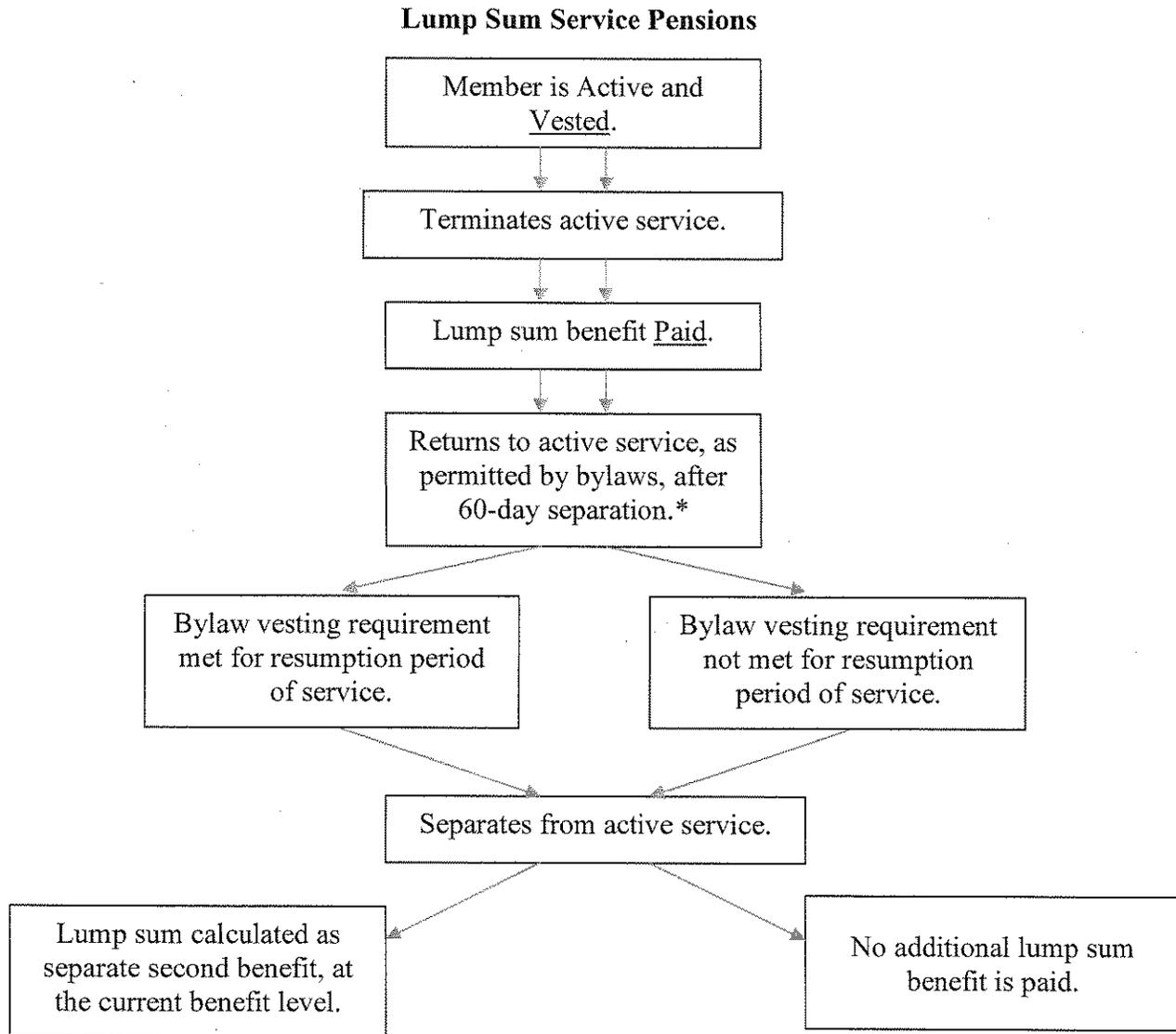
REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit B Return to Service Flow Chart Lump Sum Benefit Recipient, Benefit Has Been Paid



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



REBECCA OTTO
STATE AUDITOR

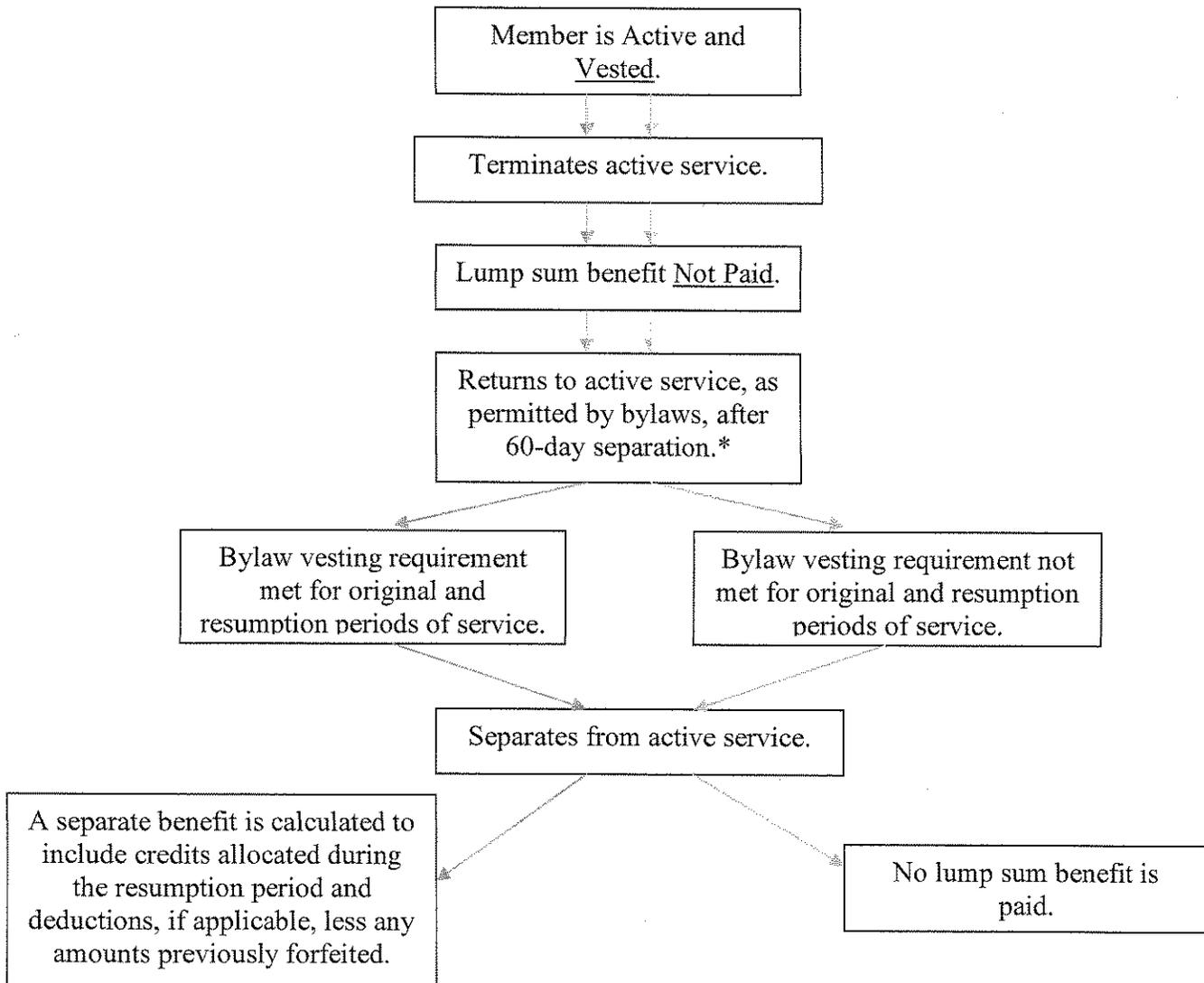
STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit C Return to Service Flow Chart Defined Contribution Benefit Recipient, Benefit Not Yet Paid

Defined Contribution Lump Sum Service Pensions



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



REBECCA OTTO
STATE AUDITOR

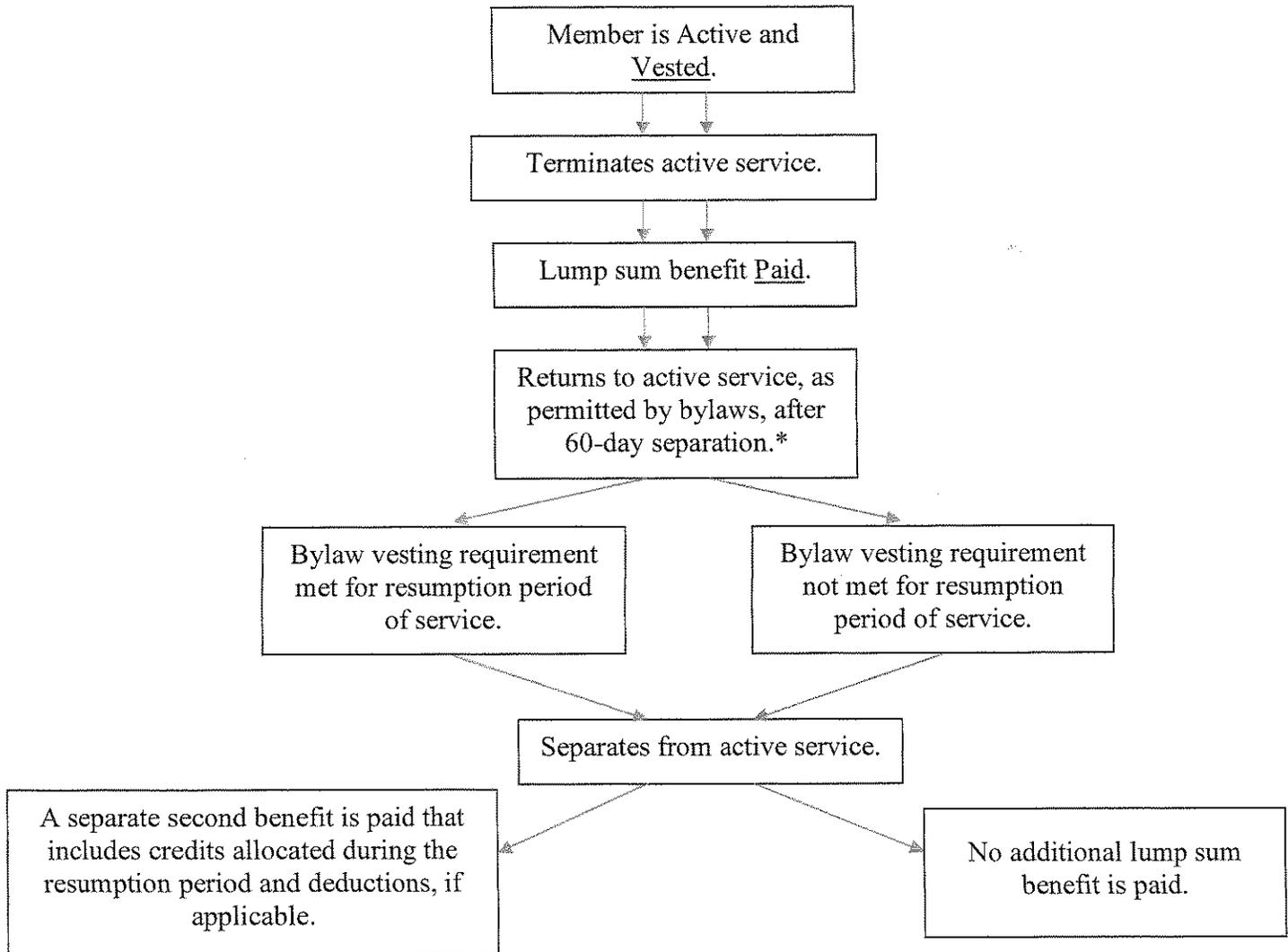
STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit D Return to Service Flow Chart Defined Contribution Benefit Recipient, Benefit Has Been Paid

Defined Contribution Lump Sum Service Pensions



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



REBECCA OTTO
STATE AUDITOR

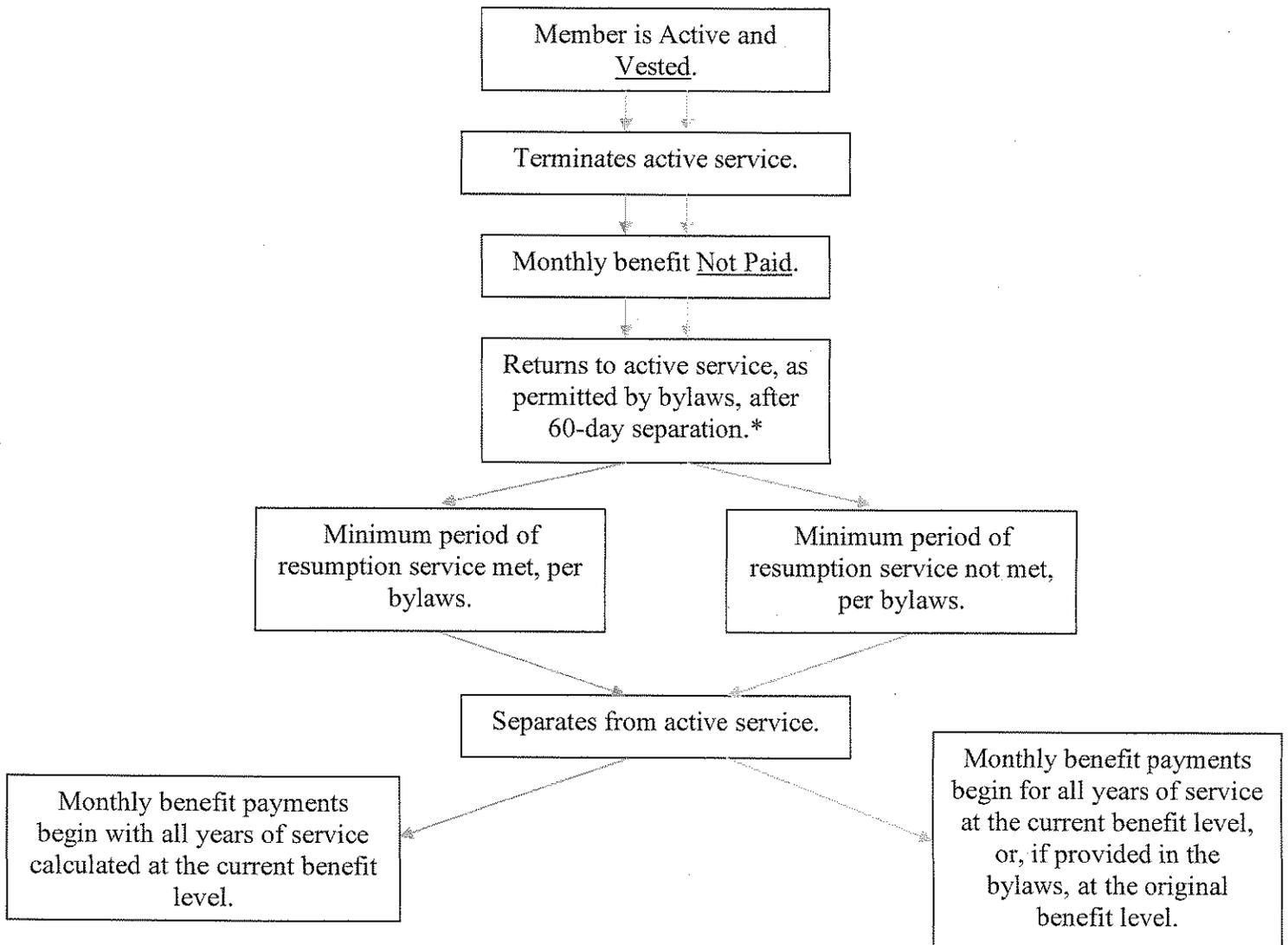
STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@osa.state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit E Return to Service Flow Chart Monthly Benefit Recipient, Benefit Not Yet Paid

Monthly Service Pensions



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



REBECCA OTTO
STATE AUDITOR

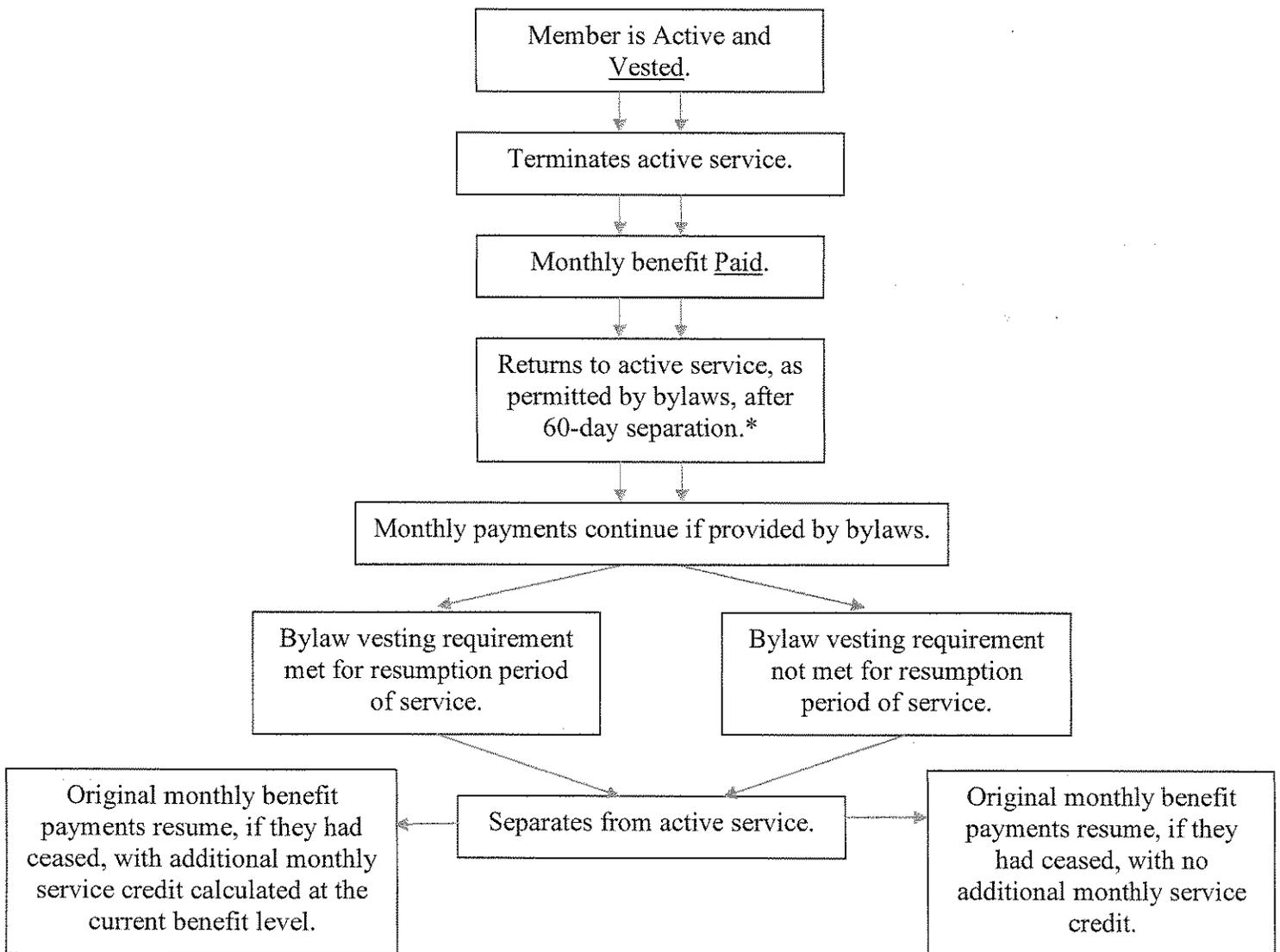
STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Exhibit F Return to Service Flow Chart Monthly Benefit Recipient, Benefits Being Paid

Monthly Service Pensions



* Members with an approved leave of absence not exceeding one year are not subject to a minimum period of resumption service upon their return to service. Members with a break in service, other than an approved leave, that did not exceed one year and who have not been paid a benefit may be exempt from the minimum period of resumption service requirement by the relief association bylaws.



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 6.0 A-E

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Bills/Claims

Item B

Approve Hire of Seasonal Maintenance Employees

The City Council recently approved the hiring of an additional seasonal maintenance employee along with a position provided for in the 2013 Budget. The City advertised for two positions, receiving only 8 applications. The Public Works Manager will conclude interviews for these positions an April 17, 2013.

Under the supervision and direction of the Public Works Manager, employees in theses positions will perform various types of manual labor in the general maintenance of the Parks and Streets Department for a period of up to 63 working days.

City staff is requesting approval to hire two seasonal employees from the list of finalists that include Matt Scheeler, Todd Sorenson, Charles Shear and Jake Lipski. The rate of pay is \$11.00 an hour with no benefits. Funding for one of these positions is provided for in the General Fund Budget for 2012 under the Parks Department budget for one of these positions. Funding for the other position will be provided by the savings in wages and benefits that will occur between the period of Darrin Hansen’s resignation and the time required to replace this position.

Item C

2013 Class 5 Project Bids

The 2012 Class 5 road resurfacing projects were the start of a new cycle of gravel road resurfacing. The initial cycle was completed in six years, however, with the increase in material and trucking costs and a budget that has remained the same over that timeframe, the next cycle may need to be extended out to seven or eight years.

At their March 12, 2013 meeting, the Road Commission and staff recommended approval of the following roads for Class 5 placement in 2013:

- 1.) Buchanan St 3,540'
- 2.) Quincy St 3,198'
- 3.) 216th Ave 2,424'
- 4.) 241st and London St (second) 2,500'
- 5.) 245th Ave 1,881'

\$35,000 has been budgeted in 2013 for gravel road maintenance. The costs for these projects are for material and delivery. The City conducts the grading, compaction and finishing of this material. Prior to the placement of any new Class 5 material, staff will reclaim the shoulders and reshape the existing road surface.

It is estimated that 3,100 tons of Class 5 material along with delivery will cost approximately \$11/ton for a total project cost of \$34,100. Attached is a map that lists the streets proposed for resurfacing.

The Road Commission recommends soliciting sealed bids for Class 5 material and delivery for resurfacing Buchanan St, Quincy St, 216th Ave, 241st Ave and London St, and 245th Ave.

Item D

March 20, 2013 City Council Work Meeting Minutes

Meeting minutes from the March 20, 2013 City Council Work Meeting are attached for your review and approval.

Item E

April 3, 2013 City Council Regular Meeting Minutes

Meeting minutes from the April 3, 2013 Regular City Council Meeting are attached for your review and approval.

Fiscal Impact:

As noted above.

Recommendation(s):

Recommend approval of the Consent Agenda as presented.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



Payments for Council Approval April 17, 2013

Bills to be Approved for Payment	\$208,274.66
Electronic Payments	\$24,632.06
Payroll City Staff - April 11, 2013	\$31,059.54
Total to be Approved for Payment	\$263,966.26

City of East Bethel

April 17, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Bldgs/Facilities Repair/Maint	31811667	Trane U.S. Inc.	615	49851	875.00
Arena Operations	Bldgs/Facilities Repair/Maint	032613	Wright-Hennepin Coop Electric	615	49851	21.32
Arena Operations	Electric Utilities	032113	Connexus Energy	615	49851	3,016.65
Arena Operations	Professional Services Fees	56	Gibson's Management Company	615	49851	6,030.71
Arena Operations	Telephone	040113	CenturyLink	615	49851	113.29
Assessing	Professional Services Fees	1st Qtr	Kenneth A. Tolzmann	101	41550	12,820.38
Building Inspections	Electrical Permits	040113	Brian Nelson Inspection Svcs	101		561.00
Central Services/Supplies	Information Systems	217319	City of Roseville	101	48150	2,392.33
Central Services/Supplies	Information Systems	04 2013	Midcontinent Communications	101	48150	1,278.00
Central Services/Supplies	Legal Notices	IQ 01812860	ECM Publishers, Inc.	101	48150	46.13
Central Services/Supplies	Office Equipment Rental	225303601	Loffler Companies, Inc.	101	48150	374.37
Central Services/Supplies	Office Supplies	648201388001	Office Depot	101	48150	53.43
Central Services/Supplies	Office Supplies	650669604001	Office Depot	101	48150	31.39
Central Services/Supplies	Office Supplies	650669699001	Office Depot	101	48150	56.10
Central Services/Supplies	Office Supplies	650675924001	Office Depot	101	48150	7.02
Central Services/Supplies	Office Supplies	651326166001	Office Depot	101	48150	106.66
Central Services/Supplies	Postage/Delivery	040513	Reserve Account	101	48150	500.00
Central Services/Supplies	Telephone	040113	CenturyLink	101	48150	236.59
Economic Development Authority	Conferences/Meetings	181839	League of MN Cities	232	23200	295.00
Economic Development Authority	Legal Fees	126855	Eckberg, Lammers, Briggs,	232	23200	528.00
Economic Development Authority	Legal Fees	126855	Eckberg, Lammers, Briggs,	232	23200	165.00
Economic Development Authority	Postage/Delivery	040513	Reserve Account	232	23200	500.00
Finance	Auditing and Acct g Services	309512	Abdo, Eick & Meyers, LLP	101	41520	10,000.00
Fire Department	Bldgs/Facilities Repair/Maint	032613	Wright-Hennepin Coop Electric	101	42210	5.32
Fire Department	Disability Insurance	14046405	The Hartford	101	42210	890.43
Fire Department	Electric Utilities	032113	Connexus Energy	101	42210	681.42
Fire Department	Office Supplies	650669604001	Office Depot	101	42210	154.55
Fire Department	Telephone	040113	CenturyLink	101	42210	410.27
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	14929	GHP Enterprises, Inc.	101	41940	382.88
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-03-13	Premium Waters, Inc.	101	41940	30.14
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	121875	Robert B. Hill Company	101	41940	19.24
General Govt Buildings/Plant	Electric Utilities	032113	Connexus Energy	101	41940	798.02
Legal	Legal Fees	03 2013	Eckberg, Lammers, Briggs,	101	41610	7,777.16
Legal	Legal Fees	126217	Eckberg, Lammers, Briggs,	101	41610	1,650.00
Legal	Legal Fees	126855	Eckberg, Lammers, Briggs,	101	41610	3,649.00
Park Maintenance	Cleaning Supplies	2590427	Dalco	101	43201	423.23
Park Maintenance	Clothing & Personal Equipment	040313	Darrin Hansen	101	43201	95.25
Park Maintenance	Clothing & Personal Equipment	1182437516	G&K Services - St. Paul	101	43201	19.56
Park Maintenance	Clothing & Personal Equipment	1182448844	G&K Services - St. Paul	101	43201	19.56
Park Maintenance	Electric Utilities	032113	Connexus Energy	101	43201	166.48
Park Maintenance	Repairs/Maint Machinery/Equip	V70364	Tri State Bobcat	101	43201	371.70
Payroll	Insurance Premiums	04 2013	NCPERS Minnesota	101		128.00
Payroll	Union Dues	03 2013	MN Public Employees Assn	101		419.00
Planning and Zoning	Professional Services Fees	652	Flat Rock Geographics, LLC	101	41910	744.19
Police	Professional Services Fees	02 2013	Gratitude Farms	101	42110	477.03
Police	Professional Services Fees	03 2013	Gratitude Farms	101	42110	684.06
Recycling Operations	Electric Utilities	032113	Connexus Energy	226	43235	131.15

City of East Bethel

April 17, 2013

Payment Summary

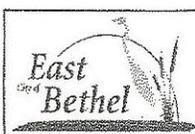
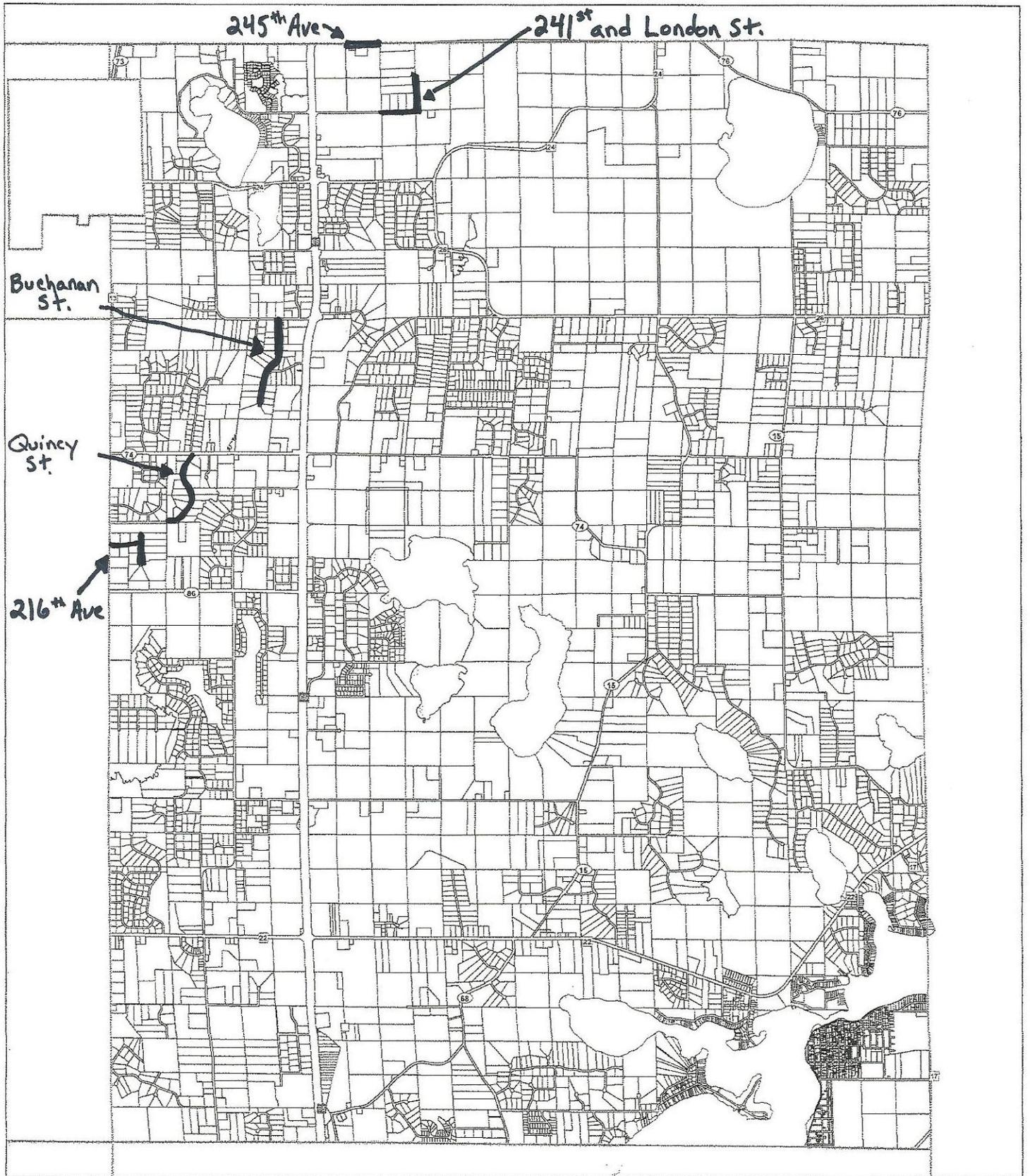
Department	Description	Invoice	Vendor	Fund	Dept	Amount
Recycling Operations	Other Advertising	48193	The Courier	226	43235	265.00
Risk Management	Automotive Ins	42936	League of MN Cities Ins Trust	101	48140	10,946.00
Risk Management	Bonding Insurance	42936	League of MN Cities Ins Trust	101	48140	422.00
Risk Management	General Liability Ins	42936	League of MN Cities Ins Trust	101	48140	35,945.00
Risk Management	General Liability Ins	42937	League of MN Cities Ins Trust	101	48140	9,973.00
Risk Management	Machinery Breakdown	42936	League of MN Cities Ins Trust	101	48140	1,771.00
Risk Management	Property Ins	42936	League of MN Cities Ins Trust	101	48140	35,470.00
Sewer Operations	Bldg/Facility Repair Supplies	3450552 RI	Hawkins, Inc	602	49451	908.44
Sewer Operations	Bldgs/Facilities Repair/Maint	3836	Northside Septic Svc, LLC	602	49451	300.00
Sewer Operations	Bldgs/Facilities Repair/Maint	032613	Wright-Hennepin Coop Electric	602	49451	24.53
Sewer Operations	Chemicals and Chem Products	3448455 RI	Hawkins, Inc	602	49451	593.16
Sewer Operations	Electric Utilities	032113	Connexus Energy	602	49451	865.71
Sewer Operations	Professional Services Fees	83027	Utility Consultants, Inc.	602	49451	437.00
Sewer Utility Capital Projects	Architect/Engineering Fees	154879	Bolton & Menk, Inc.	434	49455	12,064.61
Sewer Utility Capital Projects	Due From Other Governments	154879	Bolton & Menk, Inc.	434		25,260.64
Street Maintenance	Bldg/Facility Repair Supplies	26026	Aker Doors, Inc.	101	43220	25.00
Street Maintenance	Bldgs/Facilities Repair/Maint	1182437516	G&K Services - St. Paul	101	43220	5.70
Street Maintenance	Bldgs/Facilities Repair/Maint	1182448844	G&K Services - St. Paul	101	43220	9.80
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-03-13	Premium Waters, Inc.	101	43220	30.14
Street Maintenance	Bldgs/Facilities Repair/Maint	032613	Wright-Hennepin Coop Electric	101	43220	21.29
Street Maintenance	Clothing & Personal Equipment	1182437516	G&K Services - St. Paul	101	43220	14.47
Street Maintenance	Clothing & Personal Equipment	1182448844	G&K Services - St. Paul	101	43220	14.47
Street Maintenance	Electric Utilities	032113	Connexus Energy	101	43220	1,672.68
Street Maintenance	Equipment Parts	H87407	H&L Mesabi	101	43220	220.16
Street Maintenance	Equipment Parts	P05225	Isanti County Equipment	101	43220	130.15
Street Maintenance	Equipment Parts	P05375	Isanti County Equipment	101	43220	26.40
Street Maintenance	Equipment Parts	02-4381	Lano Equipment, Inc.	101	43220	218.87
Street Maintenance	Equipment Parts	2132451	MacQueen Equipment, Inc.	101	43220	336.00
Street Maintenance	Equipment Parts	P97184	RDO Trust # 80-5800	101	43220	189.17
Street Maintenance	General Operating Supplies	253794	S & S Industrial Supply	101	43220	33.88
Street Maintenance	Lubricants and Additives	1539-207455	O'Reilly Auto Stores Inc.	101	43220	92.24
Street Maintenance	Motor Vehicle Services (Lic d)	168704	Auto Nation SSC	101	43220	1,683.68
Street Maintenance	Motor Vehicles Parts	F-230860164	Allstate Peterbilt North	101	43220	66.78
Street Maintenance	Motor Vehicles Parts	3180658	Auto Nation SSC	101	43220	340.27
Street Maintenance	Motor Vehicles Parts	3182151	Auto Nation SSC	101	43220	123.38
Street Maintenance	Professional Services Fees	041013	Terry J. Bartz	101	43220	2,073.40
Street Maintenance	Safety Supplies	405949	Ham Lake Hardware	101	43220	24.35
Street Maintenance	Shop Supplies	199456	Unlimited Supplies, Inc.	101	43220	384.06
Street Maintenance	Small Tools and Minor Equip	199997	Unlimited Supplies, Inc.	101	43220	31.39
Street Maintenance	Street Maint Materials	47307	Plaisted Companies, Inc.	101	43220	656.10
Street Maintenance	Street Maint Materials	226449	Unique Paving Materials Corp	101	43220	133.59
Street Maintenance	Telephone	040113	CenturyLink	101	43220	68.62
Street Maintenance	Tires	1-30918	Steve's Tire Inc.	101	43220	280.39
Street Maintenance	Tires	1-30953	Steve's Tire Inc.	101	43220	280.39
Street Maintenance	Welding Supplies	91002	Metro Products, Inc.	101	43220	61.56
Water Utility Operations	Bldgs/Facilities Repair/Maint	032613	Wright-Hennepin Coop Electric	601	49401	26.67
Water Utility Operations	Chemicals and Chem Products	3448457 RI	Hawkins, Inc	651	49401	675.00

City of East Bethel

April 17, 2013

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Electronic Payments						
Payroll	PERA					\$5,829.56
Payroll	Federal Withholding					\$5,673.47
Payroll	Medicare Withholding					\$1,424.14
Payroll	FICA Tax Withholding					\$6,089.44
Payroll	State Withholding					\$2,347.55
Payroll	MSRS					\$3,267.90
						\$24,632.06



2013 CLASS 5 PROJECTS



EAST BETHEL CITY COUNCIL WORK MEETING

March 20, 2013

The East Bethel City Council met on March 20, 2013 at 6:00 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Heidi Moegerle
 Tom Ronning

MEMBERS EXCUSED: Richard Lawrence

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

Call to Order **The March 20, 2013 City Council work meeting was called to order by Council Member DeRoche at 6:00 PM.**

Adopt Agenda **Ronning made a motion to adopt the March 20, 2013 City Council work meeting agenda. Koller seconded; all in favor, motion carries.**

Proposed Amendments to the City Water and Sewer Ordinance Davis explained that in order to update our current city ordinance that regulates Waterworks, the attached amendments are proposed for Council's consideration. These revisions will allow us to more effectively administer and manage the operation of the Municipal Utilities System that will be accepting customers in May 2013.

The proposed amendments, developed by staff, were discussed at the Ordinance Committee Meeting on March 14, 2013 and those proposed revisions are outlined in Attachment #2. The City Attorney has reviewed the Ordinance and the proposed changes. Staff, city attorney and Ordinance Committee changes are included in the attachments.

The city attorney also recommends that the city council adopt a policy on mandatory connection by Resolution where municipal services are available. Although that is not needed immediately at this point we should begin the preparation of a draft for that for consideration.

I also sent you a redline copy and a clean copy on Monday, March 18, 2013. Hard copies have also been provided here tonight at the dais in case you don't have them. Staff is recommending the approval of the amendments to Ordinance 44, Second Series as presented in the attachment. This is a work meeting, we cannot take any action. We are just here to discuss the ordinance and review what is presented. I think the biggest addition in the ordinance was requiring a time limit when businesses would have to connect. And in the time, we are recommending that be six months. The other changes relate basically to changes in definitions or getting consistencies with the definitions. And, also, there is a section in there on how buildings and addresses are handled. Again, the major recommendation to the ordinance is the recommendation that would require the connections to be made in six months. That recommendation is done in order to hopefully generate the projected revenue that we had projected for this project. I understand that is probably a point of contention and one that we should discuss.

Ronning, "Would it be out of order to speak about the revenue? Personally I haven't seen any numbers or serious suggestions. There is a number of \$5,600 in here." Council Member Moegerle arrived. Davis, "I am passing out Water and Sewer Bond Cash Flows. The first portion of it for 2013 indicates the amount of revenues we would receive if all the required

connections were made in 2013. We were looking at a deficit of \$90,000 to meet our bond payments for this year. The second page is the one that says, "Updated 2013" and this shows what would happen if we don't get any of those connections and we only have the Aggressive Hydraulics connection. We also lose some of the federal credits on the Recovery Zone and Build America Bonds. In that case we would be facing a projected deficit of \$412,000."

DeRoche, "Now aren't we already in trouble with those bonds because of the sequestration?" Davis, "We could be. Up to 8.9%. That would amount to about \$41,000." Moegerle, "On Saturday I had a meeting initiated by State Senator Michelle Benson. I brought that message up to her about the RZED Bonds and sequestration. She apparently knows someone she knows in Michelle Bachmann's office about the importance of not losing those tax credits. But, of course, it would be beneficial if we all sent her letters as well."

Ronning, "What is the likelihood of those being retroactive? What is the pressure it will get fixed?" Davis, "We would receive these tax payments in February and August. The one we received in February was for the full amount. The one we would see in August, assuming there is no change. That is when we would see that reduction. So, hopefully they will be able to work it out and avoid that. I just wanted to put this in there to show the worst case scenario."

DeRoche, "The first thing I have a problem with is the six month time limit. (Ronning asked what page Bob was referring to.) Where the redlining starts, on both documents, page (P6) 3, bottom of the page." Moegerle, "What is the basis of your objection to the six months?" DeRoche, "To begin with this isn't a dictatorship. The second point I want to make is all along these people told you don't hook-up, you don't pay. I know that is ancient history but that is going to be part of this discussion. So now we are at a point where we are going to put sewer and water in and say you either hook-up in six months or we are going to come after you. I think that is a pretty crude way to go after it, whether it is a business or a resident." Moegerle, "But we have regulations that say you to have to do this or that within 30 days. You have to do it within 60 days. You have to do it within six months. There are reasons there are rules. And the reason there are rules here is so that this city doesn't go belly up and so that the residents aren't paying for something that benefits exclusively our commercial district. So far this room has not been filled with businesses saying, personally, they don't come to this council and say, "Please, please don't do this." And they have that right and they have that ability. So, one, they haven't been here. And two, for the past two years, since February 2011, since we changed the water treatment plant and said, "Yes, we have to go forward with this", they knew they would have to be hooked up. So, while you might want to go back to 2008 or 2010 that said, "Oh if you are an existing business you won't have to hook-up, (I agree that was said), but that was a political statement. Not based on any facts. And since February of 2011 we have been saying, you are an existing business you are going to have to hook-up. So when we pass this, twenty days, or six months, or whatever we put down, the notice is already out to these people. Not the official notice that says, "Now the time has come", but it is out on the public domain that they are going to have to hook-up and this will not be a surprise to them."

DeRoche, "You show me where it delineates between businesses and the residents. Because it doesn't in there." Moegerle, "There are no residents there. So far we are talking about the six months." DeRoche, "Exactly, but at some point it will get to the residents, correct? It is under the same ordinance." Moegerle, "And there aren't any residents there right now. That was your thesis when you started this about the six months." DeRoche, "Exactly, and that is why I am giving you the reason I am saying what I am. And that is why we are going back to 2008. Quit trying to find these excuses. We told people a certain thing. I voted against

the sewer and water and what it was going to cost because in my mind, it was going to cost more in the end. Now we are here and I don't think this six months or even a year is going to bankrupt city. I think we are in trouble no matter what and we need to work on a way to figure that out. And to go to them now and say you have six months."

Moegerle, "So, we are going to postpone getting that income. And, then when we postpone getting that income that we would get through the loan program or whatever, when we postpone that and there is that shortfall you know who that is going to fall on the backs of? Every voter, every resident out there, because these businesses a lot of them aren't owned by people that live here and so what happens is we burden our residents. And those are the people that vote. So if you want to go say to them, "Okay, we are going to give these commercial businesses a pass, but you Mr. Harry Homeowner, you are going to pay for it? That is your vote. But I will not burden the residents with that." DeRoche, "Are you running for office or something? And I am asking you this for this purpose. If you want to go and say, "Businesses you knew that if you were within the sewer district, you have to hook-up, that is different. But there is nothing in here that separates the residents from the businesses."

Moegerle, "Then your concern is not with the six months, but with the ordinance that doesn't specify between the residents and the businesses. And that is a real easy thing to do." DeRoche, "It is more than that. And as you always say, we have to talk to people. Well I have been down there talking to people. Have you been in there lately and talked to them and got a feel for what is going to happen?" Moegerle, "Which businesses?" DeRoche, "You go down there and talk to them." Moegerle, "Which businesses?" Ronning, "You don't have to highlight which businesses; there are a number of them. I have spoken with them too." Koller, "I have been down there and spoken with them too." DeRoche, "And the mind set is this. A few years back Bob, we had money in the bank, and business was good. And then it got to a point where we are running our business on working capital because there isn't enough money coming in. If this goes through, and we get assessed what we are looking at, we are going to have to leave."

Moegerle, "And have you looked at their financials and has that been proved to you? Because that is a great anecdote, and that is really easy to say, but if that is what it comes down to, then why aren't those people out here picketing us saying exacting those things?" Koller, "Because they don't trust the City Council anymore because we keep changing the rules. After I was out there being told three times myself that if they run the sewer down the road you won't be forced to hook-up to it." Moegerle, "And you are not going to be forced to hook-up to it." Koller, "It says right here I will be." Moegerle, "And that is a real easy thing to change, to put in that this is limited to businesses. That is real easy." Koller, "But it is not in there." Moegerle, "Okay, so where do you want to put it?"

Koller, "Personally, I don't like the mandatory at all. I have talked to business owners too, and I haven't found one that wants it." Moegerle, "It is not a matter of wanting it, it's here." Koller, "Than maybe it shouldn't be." Moegerle, "Than you take it out and your \$9,000,000 or \$50,000,000 to rip it out of there. It's yours." Koller, "I voted against it." Ronning, "That is very easy to say." Moegerle, "I did too." Koller, "I came up to the City Council and told them several times that I didn't want it. And the room was packed with people and not one of them wanted it. And it was pushed through." Moegerle, "Everybody that has been here has said exactly the same thing."

Ronning, "Once I was drafted, I wasn't going to not start it, I wasn't going to not finish it, but you don't say I am not playing the game. Once you are over there, you are over there. I understand what commitments are, I understand the person that made the commitment isn't always responsible, but the administration of the commitment is an open issue. I spoke

against this last week when we were meeting, I intend to do it now and I intend to do it in an hour and a half again. When I look at, there were ten change orders for Weidema, plus a one year delay that cost us a bucket of cash. And if we are going to treat our residents and businesses worse than that, there is something wrong with us. I am looking for a more palatable way, easier way to swallow this thing. I suggested that and I don't know what it is. But, if we can bend over backwards for that (Inappropriate Language) we can do something for our own people."

Moegerle, "And, I don't think we ever did. When did we bend over backwards for the (Inappropriate Language)?" Davis, "In my opinion we never bent over backwards for Weidema. We were placed in a very difficult position. The change order that caused the most heartburn was the one for the fuel adjustment and the adjustment for the increase in pipe. That was an approximately a \$330,000 change order split about halfway equal between both of those items. It was one of those things that were very difficult and we were advised that we didn't have a legal standpoint for denial on it. We could have chosen to fight it in court, but we felt it was easier and cheaper in the long run to go ahead and do it. The total dollar amount of change orders for the project has been less than \$300,000. Most of the change orders have been on the negative side. I understand where you are coming from."

Ronning, "I expect you are going to know more about it than I am. But, the number I remember sitting out there was \$300,000 for the fuel. It was close to 100,000 additional gallons of fuel. If he is in business for this stuff, he shouldn't underestimate this kind of stuff by 100,000 gallons." Davis, "Actually, the change order, only half was fuel cost, the rest was what he claimed pipe increased between when he bid the project and when he was authorized to start the project."

Moegerle, "Tell me about the issue of the word business versus residents, versus everybody is not included in the changes we have in this ordinance." Is that because the possibilities of high density housing might go in?" Davis, "We can't limit this to businesses. I think the key on this is where it says service is assessable. Does that mean if we extend service up the corridor and there is a new residential development, do they have to hook on? If we go by somebodies home, it has always been the policy (it has been stated in minutes, etc.) that residents don't have to hook-up. Maybe that needs to be clarified." Ronning, "It is clarified in here. It says they will." Koller, "You are running a forcemain to Castle Towers and every residential property along that line will have to hookup." Davis, "That would be impossible unless you put a pump station in. If that is something we need to clarify, we can do that. If you are an existing resident, you are not required to hook-up." Koller, "It does not say that. Is that something we change?"

Moegerle, "Do we want to define Customer as businesses or developers of high density housing? We can add that to the customer definition real easy. That is a real easy fix." Ronning, "Section 74-191 Sewer Availability Charges, subd. A, minimum charges for the availability for sewer service (new language) the city sewer availability charge (SAC) and the Met Council Environmental Services (MCES) SAC will be imposed for all premises abutting streets, or other places where city sewer pipe or lines are located." Moegerle, "Okay, so then this goes back to our definition section. Ronning, "And further, it is based on the smaller sized lot. If someone has ten lots, they are going to pay ten times. That is what it says in here."

Moegerle, "We also need to look at the assessment policy. But, let's go back to the definition for customer, 74-122 or do we want to have the change in real property? We have this issue that we know we want it to apply to businesses and high density housing. That is very clear. So where do we add that? In the definition of customer, or as a separate definition?" Ronning, "One thing I know about language, is that if it doesn't say it, it is

excluded. It isn't there. It just says everybody." Moegerle, "And that is why I am suggesting we add a new definition so all means businesses and high density developments."

Moegerle, "Do we have a definition of Sewer Availability District? From a zoning standpoint?" Davis, "No." DeRoche, "I thought that was the ¾ mile on each side of Highway 65." Moegerle, "Right, but it is not in our ordinance."

Ronning, "Here is a real life example. There has been discussion about Our Saviour's connecting on Jackson. If it goes up and goes south past Bud Anderson and four other homes there, they then are connected to utilities." Moegerle, "We are talking about the language so they don't have to do that. I am saying how are we going to solve the problem so we don't have individual homeowners connecting up? Let's focus on that problem." Davis, "Why don't you just put in there: Except for existing residents that occupy and set the date effective as of today's date. So that anybody that is an existing residence as of today's date is exempt from connecting." Ronning, "One of the hazards of that is when we go and change it, they say, "There they go again. The (Inappropriate Language) did the same damn thing they always do. They make it look good and then they stick it."

Moegerle, "Let's focus on the problem instead of politics." Ronning, "This whole thing is a problem." Moegerle, "Let's quit going back to December 2010 and go to the problem you have stated businesses versus residential. Okay, let's do a definition. Is it a definition of an area? Are we talking about real property for this section means commercial property?" Ronning, "That is what you wanted in, real property."

DeRoche, "Maybe what we need to do is I talked to the City of Andover and asked them how they work mandatory connections, how do they deal with that? Talked to Forest Lake, Anoka and Andover. Moegerle, "What expertise does he have about the City of East Bethel? And you didn't rely upon your city administrator who knows about our situation?" DeRoche, "Sure, Jack and I have talked about this. You make the statement that, "You don't trust staff". We are coming into a new situation here that should have been taken care of before and it wasn't. We can't read a book and say, "Geez that is the way things are going to go." We need to feel off of other cities and say, "How do you do it, how does it work. Do you make it mandatory hook-up?" Moegerle, "And what did you find out?" DeRoche, "I found out that new developments will hook-up. They do not come up to Harry Homeowner because the sewer goes by his house and if his system works, they don't say, "I don't care if your system works, we are going to make you hook-up to this one because we are here." Moegerle, "That is exactly what we have been saying all along. What we agree is there is a deficit in what we are saying here. Why don't we focus on the problem at hand on getting the definition such as: Mandatory hookups will be for existing commercial businesses and all other developments? Why aren't we focusing on that problem instead of making political statements?"

DeRoche, "We are Heidi. You know what else we need to focus on? Remember all the problems we sat in with meetings with people at Whispering Aspen who got stuck with those high water bills because of that?" Moegerle, "This is not on the agenda. On the agenda is this ordinance." DeRoche, "That is part of it, because the same thing could happen down here. We are going to have so many people and so many commitments and say, "Just because we don't have enough people we are going to sock you more for your rates." Ronning, "Our water estimates that Landform did a consulting thing. Blaine came in the cheapest, like \$47 a month and we were between \$115 to \$120 a month."

Moegerle, "Apparently we want to discuss about the philosophy of this and our unmet fees. So let's go around one by one and discuss this. How we are going to have these unmet fees and how we are going to pay for them and who is going to pay for them."

DeRoche, "I don't sit back and put my own philosophy in. I try to take the philosophy of all the people of the city. Because you know what?" Moegerle, "State the philosophy you support is short." DeRoche, "I understand there is a problem. But, I also have a problem with just coming down and saying, "You know what? A lot of the businesses if you recall spoke up and said they were glad the sewer and water was coming in because it was going to make their property worth more. It is not that I feel bad for them, because whatever commercial doesn't pick up, residential is going to have to." Moegerle, "I am going to have to ask you to answer my question." DeRoche, "I pass. Heidi, you are not going to be happy with anyone's answer because it's got to fit your vision." Moegerle, "What is the approach that you support? Not all of the background, because we have all of the background." Ronning, "I am going to interrupt. That is one of those, "Is it true you stopped beating your wife questions." Moegerle, "We have to solve this problem."

Ronning, "The answer is it is not going to happen, it can't be done." Moegerle, "So then let's turn off the lights, let's all walk away and let the city go black." Ronning, "How much do we have to pay this fall?" Davis, "\$708,000." Ronning, "How many businesses would it take to pay that at \$50,000 per hook-up to connect to pay that?" Davis, "Fourteen businesses." Ronning, "We are looking to bring business in. If we run them out, a lot of them rent. When we are trying to get them back in. A lot of them are saying they recommend nobody comes here." DeRoche, "I thought we originally talked about helping the people on the east side that is why we ran stubs over there. And when the \$750,000 was coming back from the HRA finally, it was to help them hook-up, clean up the businesses, do whatever we have to, to has to, to get those ERUs. Now, what has been done to do that?" Moegerle, "At this point it is my understanding that the east side is not part of the initial hook-up? Is that correct?" Davis, "That is correct." Moegerle, "So we are just dealing with the west side of 65 today."

Koller, "Is Village Green involved?" Davis, "No." Koller, "Why not?" Davis, "They were not delineated as part of the initial sewer project area. You ask a great question. We all wondered why. Why wasn't Village Green required to hook-up? Why didn't this project incorporate all the businesses on the east side, on the west side?" DeRoche, "And the northwest corner of 22 and Highway 65." Davis, "But it wasn't listed as an assessable property. It will only be assessable when it is developed. The only people that were mandatorily required to hook-up and sent the 429 notifications were the businesses in Classic Commercial Park. The bank, Marathon, theatre, etc."

Moegerle, "Can we send the 429 notices out now?" Davis, "You only get one shot at the apple. The only way to get this to pay for itself is to get a customer base established before you decide to spend the money. Then you can see what kind of revenue it will generate before you issue the bonds, so you know if you can pay it off. If you can't you don't do it. In this case it wasn't done." Koller, "According to Bolton and Menks feasibility study they gave to the Council, there is no way it is going to pay for itself." Moegerle, "We can keep fighting that, and it is absolutely true. But we have an opportunity here to start working towards paying for it so it is not on the backs of residents." DeRoche, "We are Heidi, but you have to understand that you and I and Richard have been at this for over two years. We have had a chance to vent, and work on things." Moegerle, "This doesn't move the city forward on what it needs to get done and makes us look like a bunch of yahoo's frankly." DeRoche, "That is your opinion."

Davis, "If you want to address the question of residents maybe this could be included in there: with exception of tax identified property owned as of today's date or whatever date you want to put in there."

DeRoche, "You got the six months mandatory, I got to hope the banks are going to work with these people if we can't come up with a good enough program for these people. Moegerle, "You have to remember that our revolving loan program is designed to be a last resort program. Jack will you address the issue of what the local banks have said to you about helping with that?" Davis, "The local banks have indicated that they will be willing to participate at a very competitive interest rate. People will have to meet stricter requirements for a bank loan. That is why we want to have this City SAC and WAC Loan in place so that if you can't get a bank loan, then you have a last source of financing resort to go to. And then the security on the loan would be the tax assessment should they default. But, the banks are willing to consider loans for this. We don't want to compete with the banks on this." DeRoche, "Has this been discussed with the businesses so they know this option is out there? That the bank may work with them?" Davis, "It hasn't been discussed with the business because we don't know if we are going to be able to offer anything to them." Winter, "Peoples Bank and Village Bank are supportive of this, however, they have said that if it is part of something else they are doing with the business it will probably be easier for them to throw that financing in as part of whatever they are doing to the business. If it is just going to be for SAC and WAC because of the regulations banks are under, it will be a little more difficult for them to justify for them to give people money for that part of it. That is the other side of the revolving loan fund you have to look at. It's another option they would have to be able to go to get specific financing for that."

Moegerle, "Here is a proposal for real property to be used only in this section: Real property means all real property except real estate owned by individual homeowners for residential purpose as of March 20, 2013."

DeRoche, "That is fine for a definition of real property, but the six months thing, I don't know if they can get it done in six months. I don't want to close someone down because they can't get it done in six months." Moegerle, "As a practical manner, in our experience working with homeowners that have blighted properties, have we jacked them around in six months? We don't have the reputation or experience in doing that." DeRoche, "We aren't always going to be here. We need to look in the future and how else many be sitting up here and taking their own interpretation of this. So to me, if it is not in writing someone can do whatever they want." Davis, "The six months is only applicable for the existing businesses that have been notified they have to connect." DeRoche, "I am looking out for the businesses that are here now. We have enough empty buildings. I understand the developers are going to know they have to hook-up. For right now, these businesses that are down there, the smaller places may have a tough time coming up with this in six months time." Moegerle, "So what is your proposal? Eight months? Ten months that the residents are going to support these people? They are going to be supporting the infrastructure, paying that debt."

DeRoche, "They are going to be paying it no matter what. I think the time limit is the problem. It depends on how much we are going to work with them. People were so distrustful of the old Council and administration that they don't understand that people are willing to work with them. I have dealt with this." Moegerle, "What is an appropriate time?" Ronning, "We will give them what Weidema got." DeRoche, "Six months to me, I don't know if they can do it. Maybe the banks can't deal with them because they aren't building anything else. Met Council has their own business down there. Do we know who the actual businesses are that own the actual properties down there?" Davis, "Met Council leases an office out of there. It would be very easy to find out who the property owners are over there."

Moegerle, "What if instead of six months, let's give them through December 31, 2013? That gives them nine months. Then we would have the money in by the end of our fiscal year."

Does that solve that problem?" Ronning, "I find it funny that we couldn't talk about this last week, it was shut-up and move on. And now it is okay to talk about it." Moegerle, "When someone comes, they are going to want to be in soon. All of our concern is getting these people hooked-up in a way that is comfortable for them and comfortable for us and we can pay our bills. Is that a compromise position?" DeRoche, "That is what we have been looking for anyway. I have a problem with slamming people."

Ronning, "You almost have to have an exception and the people that are required for such and such time." DeRoche, "Is there any way we can put a definitions paragraph in the beginning?" Moegerle, "We have to come back with a definition for initial customers, real property to exclude homeowners and a section to explain homeowner's exceptions." Ronning, "That is a little too quick. What you have to do these types of things is you have to put them down and come back and look at them, digest them." Moegerle, "This is what the work is for staff to bring back to us in two weeks." Ronning, "We have not given them the information that this will affect everybody." Davis, "We have done this with everything. Financing this is going to fall on every taxpayer in East Bethel."

Moegerle, "What other issues are there that we need to discuss?" Ronning, "Well in 74-191 it basically says if the pipe runs in front of your property you are going to get a SAC charge even if you don't hook-up." Moegerle, "But we just redefined "Real Property" so that should take care of this issue. I do think we need to make sure when we re-define real property that is one of them." Ronning, "The Sims Road example I gave the other day, they would have to do it. They would have to connect." Davis, "No. The forcemain is not available. The only way that will be available is if you go in and put in a pump station and then also a gravity system. A forcemain does not mean available service. You cannot go and do individual services to that line." Ronning, "For an information sense, how much of that will have to be done in the future?" Davis, "Connection to the forcemain? One at Sims, 221st and 241st. Then a little subsystem for development." Ronning, "To me it would be helpful how much will the future costs be?" Moegerle, "It would be nice to have some of this at the Town Hall meeting."

DeRoche, "In 74-125 I have a lot of concerns. There are issues that have happened in cities. We are telling people they can have a well for doing landscaping, but sorry happens to the city water we don't know what you are going to do. But we are not responsible for it." Davis, "That is a standard phrase that is in every cities ordinance. If there is a watermain break and you are out of water, then that is something you deal with when you have to hook-up to city water. Almost akin to what happens when you are pumping your well and a pump goes out, you are out of service until repairs are made. If for some reason there is a watermain break and the city has to shut the water off, then they are not liable for anything that would happen during that period." Moegerle, "Is this city attorney approved language?" Davis, "He has looked at this and has no issues. One example is if you had a watermain break and the city had to shut water off to work on a problem. Sometimes you can have hot water syphon out or backup and their hot water tanks burn up." Ronning, "Like when sign a waiver when you go on a carnival ride, you cannot sign your life away."

Koller, "On Jackson a guy sells his land off to a land developer and they run the sewer pipe down the road, who pays for the sewer pipe?" DeRoche, "The developer." Koller, "But according to Phase 1 of the original plan." Davis, "We eliminated those phases." Koller, "The trunk line goes through a ¼ mile of my property to get to Jackson Street." Moegerle, "And you get paid." Koller, "I don't want to get paid. I don't want all my trees to get cut down." Davis, "We by resolution eliminated all those phases." Ronning, "So a developer will have to pay to develop all of those lines that aren't there?" Davis, "That is right."

Ronning, "My experience when you do this type of thing is you change the language, then

you get back together and you decide, this doesn't do it, or this is perfect." Moegerle, "And I am just asking is there anything else we need to ask to have changed. This is thirteen pages. Koller, "If we give them so many months to hook-up and they just can't get the money, what happens?" Davis, "With this loan program, as long as they paid their taxes and they don't have any other outstanding debts with the city, we will loan them they money." Koller, "What if they haven't paid their taxes and they don't fall under those provisions to get a loan from the city?" Davis, "Well, if they haven't paid they taxes and such, I don't think we would want to give them the money." Koller, "So we just kick them out?" Davis, "We wouldn't kick them out." Koller, "Hate to put them out because they had a bad year." Davis, "This group will be here while we are working on this and we will do whatever we can to make sure we can get the businesses through this. Not only Council, but also staff will do whatever we can."

DeRoche, "Section 74-153 I have the same concerns. If the water goes by their business they are going to pay whether they hook-up or not." Moegerle, "If we change that definition it should cover that one too." Ronning, "No one wants to be part of the shall game." Koller, "No matter what we do; we are going to make people mad." Moegerle, "Do we have a policy on how this should be applied?" Davis, "No, the city attorney did recommend we draft a policy by resolution." DeRoche, "Division 2 on the water, number 6, ERUs will be established for non-residential users. The numbers will be established by current version of Met Council Environment Services SAC Procedure Manual. I don't know if you have been out to their website and read that and read their projections and what not. It is not a reality check." Davis, "It has to do with their population base numbers. It just says that we will base SAC changes based on what Met Council has established for these. They have historically tracked these in the past. It is the best baseline we have to use something that is established and accepted in the metro area." DeRoche, "Anyone that is involved in this knows the numbers don't jive." Davis, "This is just water use for businesses. I will be happy to see how Aggressive Hydraulics fits into their schedule." Moegerle, "We looked at lowering ERUs for water usage. I guess you could offer a scheme to substitute for this. Don't know how we can say we are not going to use it. Do, we have something that we can trust more?" DeRoche, "I don't know, that is why I am going to do some research." Moegerle, "What we do know is what we have to pay. What other things need to be brought back next time?" Ronning, "Like to see the ones we have now."

DeRoche, "In reading through this, are we going to be billing whoever the lessee is, or the person who owns the property?" Vierling, "Normally most of the communities will bill whomever the owner and the occupant agree should be billed. But regardless of that, under all ordinances the owner is ultimately liable and remains liable. There are commercial lessees that take over the bill, most communities work with the property owner. But understand that the property owner will get a lien on the property if the bill is not paid."

Loan Program for City SAC and WAC Charges

Davis explained that at a work meeting on March 6, 2013 the City Council received information regarding a Loan Program for sewer and water access charges. The concept was to provide low interest loans to those businesses that would be impacted by having to hook up to the City's new water and sewer systems. At that work meeting staff presented information regarding a possible loan program. This information was based on recommendations from the EDA and the basic framework was as follows:

The basic framework of the program is proposed as follows:

- The City HRA by resolution would loan the City \$XXX,XXX as seed money to create the loan fund. The city would repay the HRA as loan repayments were collected. The loan could be no interest or at a rate established by Council.
- Businesses that met the requirements of the loan policy could finance up to 10 SAC and WAC assigned units over a period of five years. The loan would subject to an

upfront payment of 20% of the charges and at an interest rate to be determined by Council.

- Businesses would be required to apply for the loan, meet loan policy requirements and pay an application fee of \$XXX. The application fee would cover the cost of staff time for processing the loan and discourage those that did not have a legitimate interest in the program. The loan would be approved by Council based on requirements of eligibility.
- The program could be utilized for other businesses as utilities are extended through the Hwy. 65 Corridor or it could be restricted to those existing businesses that will be required to connect to utility services as defined as the current assessable properties within the boundaries of the Phase I, Project I Municipal Utilities Project.
- The owner of record would need to execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement and payment of all property taxes or any other fees owed to the City must be current.
- This program would not be available to the construction of single family homes.

We are here to see if you want us to continue working on the loan program.

Koller, "Is this just for existing businesses, not for new ones coming in?" Davis, "We can do it either way. But, then in five years when all the businesses have paid, it just goes away." Moegerle, "Should there be a Sunset Clause?" Davis, "I don't think it is needed. If we cross the highway we can develop we can develop a whole a whole new program for them too." Ronning, "What if you define a time window? At the end, the city council may consider a resolution to identify future events." DeRoche, "How is this going to be financed?" Davis, "Transfer or internal loan from HRA to EDA. We gave an example of what amount would be needed. There maybe not be anyone that takes advantage of it. Koller, "Proceed." DeRoche, "Would there be a cap on number of ERUs?" Davis, "Ten ERUs is what we initially thought. Here is the kicker. The East Bethel Theatre is the only one that has more." DeRoche, "I am still thinking back to what we originally said we were going to do with the HRA money originally, on the other side." Davis, "We can still do that."

Adjourn

Moegerle made a motion to adjourn at 7:22 PM. Koller seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL MEETING

April 3, 2013

The East Bethel City Council met on April 3, 2013 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Ron Koller Richard Lawrence
 Heidi Moegerle Tom Ronning

ALSO PRESENT: Jack Davis, City Administrator
 Andy Pratt, Acting City Attorney
 Craig Jochum, City Engineer

Call to Order **The April 3, 2013 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the April 3, 2013 City Council agenda. Lawrence seconded. Lawrence, "I would like to add a closed session to discuss the purchase or property per MN Statute 13D.05, subd. 3.c. at the end of the meeting."** DeRoche, "I am just curious why the HRA meeting isn't first?" Davis, "The reason we didn't schedule it first is because we had the work meeting which took up the entire time before the regular meeting. Council normally starts at 7:30 p.m. The HRA is just a very simple budget and that is all we are asking for approval on." **Koller seconded the amendment. All in favor of the amendment; motion carries. All in favor of the agenda as amended; motion carries.**

Public Forum Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda. There were no comments so the Public Forum was closed.

Consent Agenda **Moegerle made a motion to approve A) Approve Bills; F) Approve Proposal from Dascom Systems Group for Assistive Listening System for Council Chambers, G) Declare Surplus Equipment John Deere Tractor, H) Equipment Purchases for Public Works, I) Pay Estimate #20, Phase 1, Project 1, Utilities, J) Pay Estimate #1, Viking Blvd. Turn Lane, S.R. Weidema and pulling items B) Meeting Minutes, March 6, 2013, Regular Meeting; C) March 6, 2013, Work Meeting Minutes; D) March 20, 2013, Regular Meeting Minutes, E) March 20, 2013, Work Meeting Minutes and add K) Resignation of Darrin Hansen effective April 19, 2013 and authorize staff to advertise to fill this position to be discussed separately. Lawrence seconded; all in favor, motion carries.**

B) Meeting Minutes, March 6, 2013, Regular Meeting Moegerle, "I pulled B) Meeting Minutes, March 6, 2013, Regular Meeting because there are quite a few changes in these fourteen pages. Starting with page one, 1st is abbreviated, needs to be spelled out. Waterboard is one word, needs to be two words, 2nd is abbreviated and should be spelled out. The punctuation changes I am not going to discuss. At the top of page 2, third word is there, it should be their. 2nd from bottom paragraph, starting with Moegerle, Metro, should be capitalized. Same in page 3. Mark Vierling, too bad he is not here tonight, has sentences starting on page 7, 3rd full paragraph, transcribed as which in two full sentences think he said what. Next paragraph we have interim city administrator, city administrator is always capitalized. Need a word check on page 9, 5th paragraph, Moegerle ... continued detail, not sure continued was the word there. On page 13 of the meeting minutes, there is a couple places where city is not capitalized and city administrator is not

capitalized. Council reports by Koller, fire department is not capitalized, and those are the most of the ones that are not the punctuation. Those are all of the ones I have.” Lawrence, “Okay, that is a handful.”

Moegerle made a motion to adopt B) Meeting Minutes, March 6, 2013, Regular Meeting with those changes. Lawrence seconded; all in favor, motion carries. ;

C) Meeting Minutes, March 6, 2013, Work Meeting

Moegerle, “I pulled C) Meeting Minutes, March 6, 2013 Work Meeting because these minutes are incomplete. We had a discussion with regard to the issue of revolving City loans and there was a question about finding information. And I did a “Google” while we were in that work meeting and I found 898,000 hits for revolving City loans. Then I also did Minnesota revolving City loans and I found 155,000 hits. And they are not referenced in these minutes so I pulled these minutes so they would be tabled and be made complete.”

Moegerle made a motion to table the minutes from March 6, 2013 City Council Work Meeting until this information is included. Lawrence seconded. Ronning, “was that a part of the meeting: Was the referenced in that specific term?” Moegerle, “It was omitted in here, it was part of the discussion, we have verbatim minutes. I object to verbatim minutes. But if we are going to have verbatim minutes, then they should be complete and correct. And these are incomplete and incorrect.” Ronning, “Which portion are you referring to?” Moegerle, “Because it is omitted, it is hard to be exact. But page 6 and third from bottom.” DeRoche, “Well that being said, I guess we can expect this at just about every meeting then that every single word isn’t in the minutes.” Moegerle, “I am saying that is an important point to be made here. And there was an important point being made here that there is information out there about revolving loans and there are many Minnesota cities with revolving loans. That is an important fact that needs to be in these minutes and out to the public if we are going to be completely transparent. I am sure there were other points that were lessor, but I think that is an important point.”

DeRoche, “Well that is fine. Everybody is worried about staff’s time and nitpicking. If that is the road we are going down, I will start nitpicking all the minutes so we can make sure every word is in there.” Lawrence, “I think it is being accurate is the point. We want to make sure they are accurate.” DeRoche, “That is fine; just understand the road we are going down.” Moegerle, “My view is we should have summary minutes. But, I am conceding to the majority. So, that is my point.” **Lawrence and Moegerle, aye; DeRoche, Koller and Ronning, nay; motion fails.**

DeRoche made a motion to approve the March 6, 2013 City Council Work Meeting minutes. Ronning seconded. Lawrence and Moegerle, nay; DeRoche, Koller and Ronning, aye; motion carries.

E) March 20, 2013 Work Meeting Minutes

Moegerle, “I also pulled the March 20, 2013 Work Meeting minutes because they are not in the packet. So obviously they will need to be tabled because they are not present for us to review.” **Moegerle made a motion to table the March 20, 2013 City Council Work Meeting minutes because they are not in the packet. Lawrence seconded.** Davis, “We were going to try to get these to you on Monday. But do to some staffing issues, those were not ready to send out to you and will be part of your next packet.” **All in favor, motion carries.**

D) March 20, 2013 Regular

Moegerle, “I also pulled D) March 20, 2013 Regular Meeting Minutes so I can object to minutes that are not in summary form. I will turn in all the corrections, spelling and the rest

later.” Ronning, “We don’t have a court reporter here and I don’t think you are going to have a court reporter minutes. I think we are going to have verbatim minutes to the best of the ability we have within our City. Based on my experience.” Moegerle, “And you are right. This is not a court and we don’t have court reporters. I just pulled this so we can have a regular vote on the meeting minutes and if anyone wants to approve the meeting minutes that is fine. I am not going to vote to approve these meeting minutes.”

DeRoche made a motion to approve D) Meeting Minutes, March 20, 2013 City Council Regular Meeting. Koller seconded. Moegerle, aye; DeRoche, Koller, Lawrence and Ronning, nay; motion carries.

Moegerle, “I added this item, K) Accept Resignation of Darrin Hansen Public Works Maintenance Worker effective April 19, 2013 and authorize staff to advertise to fill this position. We have in front of us a letter of resignation.”

K)
Resignation
and Advertise

Moegerle made a motion to approve K) Accept Resignation of Darrin Hansen Public Works Maintenance Worker effective April 19, 2013 and authorize staff to advertise to fill this position. DeRoche seconded; all in favor, motion carries.

Planning
Minutes

Davis explained that the meeting minutes from the March 13, 2013 Park Commission meeting are included for your review. DeRoche, “Are we going to have any discussion on the Old School House?” Davis, “That is the next agenda item.”

Old School
House

Davis explained that The school building at Booster East Park was moved from its previous location on East Bethel Blvd to Booster East Park in September 2010. Approximately \$21,000 was spent to move the building and set it on a permanent foundation. There have been no City funds budgeted for additional improvements or renovations to the building. To date \$2,850.00 has been donated for the renovation of the school house. A portion of that money was used to purchase windows and doors so that the building could be secured, but have not been installed at this time. There is currently a balance of \$1,855 remaining in the donation account.

The City Building Official was asked to inspect the building and recommend what repairs were needed and if the building was safe for occupancy. His conclusion was that in its current state, the building is unsafe for use and presents a liability to the City. The repairs required are extensive and any attempts at renovation would leave very little of the original structure intact.

Staff has contacted numerous contractors for estimates concerning the cost of renovation but has been unsuccessful in getting contractors to quote the project. Contractors are reluctant to provide estimates due to the unknowns involved in the project and because they are aware that there is no dedicated funding for the renovation.

At their March 13, 2013 Park Commission meeting, the commission discussed what the requirements were for repairing and renovating the structure to make it safe and attractive as a public building in our park system. The commission was sensitive to the significance of the building and the local personal connections but after reviewing a slide show of the building, reading the memo provided by the building official and a description of the repair requirements, they passed a motion recommending the building be removed from the park. The commission also expressed an interest to provide a commemorative display or kiosk at City Hall or in Booster Park that reflected what life was like attending a one room school

house in the area.

If removal is approved by City Council, the next step would be to declare, by resolution, the building as surplus property. The building could then be advertised for sale. The sale price of the building could be set at \$1.00 or offered as a donation with the cost of removal and transport being the responsibility of the buyer or recipient. Should a sale or donation not be concluded within 30 days of advertisement on the City's and the League of Minnesota City's Website it would be necessary to consider demolition and transport to an off-site disposal facility as a means of removing the structure from the property. The floor joists of the building are large wooden beams that, although split, could be salvaged and repurposed for commemorative uses.

Donations for the renovation would be returned to the donors. The doors and windows that have been purchased with monies raised for the renovation could be donated to the Habitat for Humanity or sold and returned to the contributors with the decision for the refund pending their choice of options.

The City of Nowthen expressed an interest in the building, but upon inspection, deemed the structure uneconomical to renovate and coupled with the moving costs associated with transporting the structure, reported that they had no further interest in the building. Staff is obtaining quotes for the demolition costs of the structure should this be the final alternative for removal and should this be approved by City Council.

Staff and the Park Commission recommend the old school house in Booster Park East be declared surplus property and offered up for sale for a 30 day period, upon which time if no offers are made the building would be removed and disposed in the most appropriate manner.

DeRoche, "We have some people that I think would like to speak to the old school house." Moegerle, "Nate, do you have those pictures of the old school house?" Nate Ayshford, Public Works Manager, "Yes, I do have them with me." Moegerle, "Has all the Council seen the pictures?"

DeRoche made the motion to declare the old school house surplus property and to be offered up for sale for a 30 day period and if there are no offers the building would be removed and disposed in the most appropriate manner. Koller seconded.

DeRoche, "It was moved here with plastic because of lead paint, it is structurally not sound. City has about \$23,000 into, we can't burn it. We can't demolish it." Davis, "We can't burn it. We received a letter from the DNR stating that they will not grant a burning permit as a means of disposal for that building." DeRoche, "I am at a loss for thing to do with it, unless we put it up as surplus property. Ken and I talked about this, this morning. What do you do, we are caught between a rock and hard place." Moegerle, "At the Parks Commission we talked about this and there were quite a few people that were excited about possibility when this first happened. However, until it was moved here, they didn't have photographs. And, I am not sure if the minutes revealed their sentiments, but they were appalled at condition it was in but buyer's remorse kicked in pretty quickly for some of them. There is a sentimental value but there is a practical issue that it is a liability to the City due to its poor structural circumstances."

Lawrence, "I know there was a lot of research done to try to get it set up as a historical

building. But there are so many school houses they don't recognize them anymore. It is a tough one; you wind up with a building you can't do much with. Even if you fix it." DeRoche, "Even if you fix the floors, the walls, the ceiling, then it is not the old school house anymore. Now it is the replication of it." Lawrence, "We might be able to use some of the wood from it for the residents if they want a memorable piece." DeRoche asked Mr. Pratt, "What is your thought on that if it has lead paint on it?" Davis, "The joists are not painted; the only thing that is painted is the siding. So, that is what would have to be dealt with as far as lead paint issues." DeRoche, "And what do we do, we have \$23,000 into having it moved here and the slab cost." Davis, "The moving costs were \$14,000 and it was \$7,000 for the slab. So we have \$21,000 invested in the structure." Moegerle, "At the Park Commission we did discuss reuse of the slab for shuffleboard." **All in favor, motion carries.** Lawrence, "My apologies to all the people that have tried to put this together and get it to work."

Road Comm.
Minutes

Davis explained that the meeting minutes from the March 12, 2013 Road Commission meeting are included for your review. Lawrence, "The stripping in the Coon Lake Beach area, are we going to do that? The S curve?" Davis, "When the reconstruction is done this summer it will be stripped." Ronning, "For everyone else's information, there are several bid categories in here. Aggregate, 65,000 square yards, crack sealing, 100,000 feet, stripping, 55,000, contingency 5%, I am not sure what that is. I didn't catch that one myself." Davis, "The contingencies are always put on any estimate to cover any potential cost overruns or any unanticipated costs. That is just a standard item in an estimate. The administrative costs, the City of Coon Rapids is the one that administers this program, they handle putting all the bids together, handing it out, putting all the bids together. So, you pay a certain percentage of the project costs. We pay that to Coon Rapids and there is a cap on that, 1.5% not to exceed \$3,000. If we prepared the bids, Craig would have to do it. Legal would have to review it; it is a really good bargain."

DeRoche, "There was another discussion regarding the west side of Highway 65 and the service road and the expenditures of that. And they again were asking me why when the Road Commission voted against it, it was voted to go ahead with it. Davis, "That is a Council decision. Commissions can make recommendations to Council, but Council has the ultimate vote on how they want to develop. I know there was some concern about that and why there wasn't one in the sewer district. But, part of the reason for getting this money was being ready to close certain crossovers. There was talk about extending Ulysses or Jackson south to Viking Boulevard, but this wouldn't have qualified for the closure of an intersection. Plus it would have been a much more expensive project and I am not so sure that it would be one that would divert enough traffic in there. One of the things we have discussed is a project with MnDOT extending Ulysses or Johnson Street south and then east to give another connection into that area. Right now we have an issue, one of the trucks coming out of that area got stuck at that intersection and couldn't get out and traffic got backed up to the bus place. It took quite a while for that to clear up. Also, if there is ever an issue down there with public safety, there is only one way in and one way out. Also, an additional entrance and perhaps a signal south of there would probably enhance the development."

Water Park
Request for
Proposals
(RFPs)

Davis explained that the water park idea originated as a recreational amenity that was identified in a Booster Day/needs assessment survey that was conducted in July 2012 and has since evolved into an image that includes a vision of the City becoming a recreation destination for the North Metro Area. The concept is a bold and innovative approach that creates as many questions as it does opportunities for our economic development options

and initiatives. The conceptual phase of this proposition has evolved into a plan that proposes to attract a private developer to construct a hotel/resort with convention facilities and an attached indoor water park as the central focus of the project. It would also require the spin-off development of additional recreational and commercial facilities as peripheral attractions that are needed to provide the secondary support activities and services necessary for a development of this scale. Even though this type of facility would need to be located along the Hwy. 65 Corridor, no specific site has been recommended for this project.

Projects of this magnitude can have a tremendous economic impact and serve as the magnet/anchor to attract additional development. This proposed project is still in the discussion stage and has reached the point that requires Council advice as to the direction staff should follow concerning the advancement of the proposal.

The basic question regarding this project is one of marketability and the potential for attraction that would appeal to a private developer. That is the issue with this proposal and until we can provide that answer, the status of this proposal is indeterminate. The next step would be a feasibility study to provide the City necessary data that will be required to establish the practicality of this venture. The costs to perform a feasibility study could vary widely, with basic costs estimated to range between \$8,000 to \$25,000 depending on the depth of analysis that is requested. Should authorization be considered and approved, it would be advisable to put this out as a Request for Proposal (RFP) for a Water Park Feasibility Study. The feasibility study would provide the marketing information required for making a decision on this proposal. A draft attachment of an RFP for this proposal is attached for your review and consideration.

City Council gave direction to staff to prepare a draft RFP for consideration of this service at the March 6, 2013 Work Meeting.

There would no cost associated with the submission of a RFP requesting proposals for this service other than postage. Staff spent approximately 6 hours preparing the draft RFP and total staff time spent on the water park concept has not exceeded 16 hours.

Staff is requesting direction from City Council as to the preferred course of action concerning the approval and submission of the attached RFP for feasibility analysis of the Water Park/Resort Project.

Moegerle made a motion to direct staff to submit the RFP for a feasibility analysis of the Water Park/Resort Project. Lawrence seconded.

DeRoche, "For the same reasons I brought up last time this came up, I am complete against it, I thought it was only going to take a couple hours of staff time. Now we are at 16 hours of staff time. I thought it was going to be completely developer driven. Water parks for the most part are on the decline. We are not going to compete with Mall of America, we are not going to compete with Bunker Lake, and we are not going to compete with these other communities that have water parks in these little community centers." Moegerle, "Can I see the feasibility study that proves that please?" DeRoche, "Let me see the feasibility study that says it will work. I think to spend between \$8,000 and \$20,000 on a feasibility study is a waste of taxpayers' money."

Moegerle, "We don't know that cost. We are sending an RFP that is just the cost of staff, cost of postage for the ones that we don't put online. And then we will find out whether it is

\$8,000 or \$22,000 and we will have more information. We are trying to find out if this is a way to go. As far as high priority, I think anything that is reasonably to provide us with information on the way we can move our City forward is valuable. We did that marketing and branding study and we spent thousands of dollars on it. And some people who looked at that costly advice and threw it away. We need to move forward on this, and this is not the only one. We need to look forward to see if Data Centers are a possibility. We need to look at light industrial, in my opinion; we need to be sending out RFPs just about every meeting to find out how we make our infrastructure be fulfilled for its potential. When we say no, we are saying, if we build it they will come. This is just one option; we have got to get the information. Let's find out what experts have to say. The reason they haven't been building water parks is because of the recessions. They all went to Europe. If we can't spend the cost of postage, we already spent the staff time. If we can't spend the cost of postage, then it is real sad view of how we are going to take care of all the other options we have."

Ronning, "We have gone through this before and it is nothing new and there was no support for it at that time. When we say about this sixteen hours, we didn't have any input into the sixteen hours. And the estimate is a lot of money, \$8,000 to \$25,000." Moegerle, "That is what we are expecting the feasibility study to cost." Lawrence, "We are not to that point yet. It won't cost anything, except postage. Right now, what this proposal says is we are mailing out information to see what it is and if it is viable to do in East Bethel." DeRoche, "This came out of a survey that was done on Booster Day out of 12,000 people, you get 157 replies and 40 people said they wanted a Water Park. And now we have spent sixteen hours of staff time. And I knew there would be more staff time in it. There are four people up here that can vote on it. I think we ought to call the vote." Moegerle, "The vote was 4 to 1 to prepare the RFP because it didn't cost anything. It is only when you get back responses to the RFP and they say, "East Bethel it will cost you X amount of dollars. There are a lot of fail-safe's to build this project. I agree 40 is not a lot. But if you look out there in our audience and we only have four and those not associated with our commissions are two. I thought we were up here to create possibilities and to throw away a possibility without even looking at it bodes very ill for our City."

DeRoche, "You always have compliments on the rest of Council, but we have spent money, sixteen hours getting this far. I think back to 2010 when there was another feasibility study and people saying this and that and it stuck here. And you like to say, "That is history, forget it." Well no, I won't forget it. I don't think having a developer and the RFP is where we should go. You know why we don't have a lot of civic involvement out here? Because people go what is the difference. You are going to do what you want to do anyways." Moegerle, "We have 40 people who said this. What do you say to those 40 people that were interested in the water park? But we as residents can't put together a RFP and can't find out. You are our elected government officials. This is the strongest interest we have gotten from people to say anything about and you are going to thumb your nose at it. But more than that, everything is feasible; it is just how much you want to spend. Of course it is feasible; it is just what does it cost. In my mind it is we get a feasibility study and find out what it is going to cost for a developer to come in and want to do this. There are a lot of questions about how we are going to develop the City. I think we should be working on it. But, I think we should be working it until we know dollar cost. We have gotten this far, let's find out the answer. We got to get in the habit of getting the information before us to make an informed decision."

DeRoche, "You can put it in your own words as you always do. I think that sixteen hours would have been better spent we have a mile and a half of the sewer district that we have to

develop. Yes, we have a forcemain coming up, but unless someone is big enough to attach to it, we as a City and elected officials have a duty to our citizens to try to get the development down there so that they are not hit with the bill.” Moegerle, “Doesn’t water park fit that?” Lawrence, “What we are doing, this particular project, this is not something new that just came up. I recall the meetings you are referring to and this room was packed and everyone was saying no. I don’t see anyone saying no today. We have been kicking this around for a couple years. We don’t know if we will get a reply back. But the least we can do is send out the two bucks in stamps to find out.”

Moegerle, “We have to be planning for the future, how long would it take to get a water park? We have the East Bethel Properties, LLC and they are going to be breaking ground. Then many more will be breaking ground. This one is a longer term one, but we have the short term ones coming up. We don’t have a strategic plan, but this shows our dedication.” Ronning, “It says on second page, City Council gave direction to staff to prepare a draft RFP for consideration at March 6, 2013 work meeting. There was a consensus, I was opposed.” Lawrence, “I think what it came to, if my memory serves me correctly was Jack said it would take a few hours of staff time.” Davis, “The issue was discussed and there was not any general support for the project. However, the question was brought up to get direction from council to draft the RFP because that could be done at no cost. That was discussed and no vote was taken because it was a work meeting. The direction from Council was four to one to permit staff to draft an RFP and bring it back to Council for direction.” Moegerle, “And you kind of said, “Oh what the heck because there were no out-of-pocket expense.” Ronning, “I remember saying to Jack do you want my answer now or later, no.”

Lawrence, “Basically this whole thing has been structured and now we are to the end to find out what it is going to cost and it is stamps.” Ronning, “How many of these people in the survey were East Bethel residents?” Moegerle, “Dan Butler was there and was specifically advised to get these from residents. Think there were 80 from Booster Day and the balance were from the website and I think we asked them to say if they were residents.” Ronning, “So we don’t know if they were residents.” Moegerle, “We have a large probability, the whole point was that Dan Butler and I asked them if they were residents. We can do a feasibility study for a \$1,000 and then we can say we are already there. We can send these out for the postage. The time has already been spent.”

Koller, “I am not really for a water park but would be willing to find out if feasible.”

DeRoche and Ronning, nay; Koller, Lawrence, Moegerle, aye; motion carries.

Water &
Sewer
Ordinance

Davis explained that In order to update our current Ordinance that regulates Waterworks and Sanitary Sewer, the attached amendments are proposed for Council’s consideration. These revisions will allow us to more effectively administer and manage the operation of the Municipal Utilities System that will be accepting customers beginning in May 2013.

Other changes, including the time required to connect to the system and a statement exempting existing residential properties from mandatory connections along with a clarification of definitions, were recommended by Council. These changes are incorporated in the attached Ordinance revision.

The City Attorney also recommends that the City Council adopt a policy on mandatory connection by Resolution where municipal services are available. Although that is not needed immediately at this point we should begin the preparation of a draft for that for

consideration.

Moegerle, "What is the cost for a home to connect to the forcemain?" Jochum, "\$30,000 to \$50,000."

The time required for the existing businesses to connect to the system will have an impact on the project bond payment deficit for 2013. If payment for all those notified in the 429 notification process are required to pay their connection fees in 2013(14 businesses), our projected deficit for our bond payments will be \$91,376 depending on the outcome of the federal "sequestration" debate.

If an additional time extension beyond 2013 is given to the 429 noticed properties, our budget deficit for the bond payments could increase to \$412,873 for 2013(this accounts for a \$41,000 reduction in our federal tax credits which may or may not happen and includes the connection of Aggressive Hydraulics to the system).

In both cases these deficits would have to be covered from the City General Fund or other City reserves as directed by City Council.

Staff is recommending the approval of the amendments to Ordinance 44, Second Series, Chapter 74, Article V, Regulating Waterworks and Sanitary Sewer as presented in the attachments and direction to publish.

Ronning made a motion to suspend and hold in abeyance all amendments, additions or deletions to Chapter 74, Article V. of the City Code of Ordinances until such time as the completion of: The City of East Bethel shall research and produce a chronology of events and details concerning the Sewer and Water Project, including pertinent events, cost explanations and other necessary descriptions beginning at a point in time on or about the 3rd or 4th quarter of 2010 for review by City Council. Upon City Council review, the City shall produce adequate details as to be understandable by a layperson between the ages of 18 and 100. The City shall produce the Sewer and Water Project Information, to be distributed to the residents of East Bethel by means of written communications, town hall type meeting and through the City website. The purpose will be to create an awareness and understanding of the potential impact on City residents and City business so as to better prepare for possible shortfalls and potential necessary actions by the City to react with means necessary to maintain our community. Exceptions to this suspension shall include a shovel-ready connection that may be requested by Aggressive Hydraulics. Subject to Council vote of approval, this action is to provide adequate information to the residents that they may be advised of the present state of the Sewer/Water System and be aware of potential future necessary actions by the City. The conditions identified in the current Code of Ordinances, Chapter 74, Utilities, Article V. Regulating Waterworks and Sanitary Sewer, Division 1. Generally, Section 74-123 are suspended upon approval of this amendment. Upon satisfying the referenced information and distributions, conditions of these suspensions shall expire. Similar communications shall be updated for residents and business and shall be made available bi-annually thru 2015. DeRoche seconded.

Moegerle, I would like to table the motion." Ronning, "You can't make a motion on top of a motion." Moegerle, "Can we get a copy of that?" Ronning distributed copies. Moegerle, "Hasn't this already been done and wasn't this done in February 2011? We did a feasibility study review in February 2011 to create awareness regarding the potential impact on

businesses and residents. And we don't want the City to react, we want it to act." Ronning, "I am absolutely convinced the vast majority of this community does not know about what the City is facing. And further if someone is going to vote against informing the residents of the information like that, I would have to see it." Moegerle, "This has already been done in our feasibility study." Ronning, "My motion is in response to the recommendation that is on the table." Moegerle, "Jack, how long would it take to complete something like this? Would it take sixteen staff hours?" Davis, "It would depend on how much detail you want. Maybe a day." Ronning, "I would want to work with you so that it wouldn't be a waste of time. How many are here, 12,000? I would say 10,000 at a minimum don't have adequate information available to them that they can make a decision on. Such as if there is a cost like that \$30,000 coming up, people are going to have to decide do I buy a car or not. It will have to get there sooner or later." Davis, "The answer that Craig gave was that it wouldn't be feasible for a residential connection to be made to the system because it would be too costly. Nor is it intended or designed for that purpose. And the language in this new version specifically refers to non-residential property. Requiring residents to hook-up is not the intent of this ordinance."

Moegerle, "Are you suggesting that the City mail this document to every household. And if so, do you have a bond to reimburse this? Who is going to pay for doing this? I absolutely agree with you. Most residents don't know about it, don't want to know about it. They are totally befuddled by it and they don't understand how we got there and those kinds of things. But, what I find when I talk to people is they say, "I am glad you are on the job figuring this out, because it is real complex. So to this there is going to be a cost. So who is going to pay this cost?" DeRoche, "The same ones that are paying the sixteen hours preparing an RFP. This is informing residents of what they are really looking at. I don't think they really understand the sewer project. I recall when we ran for Council the platform was we were not going to push this project through. Because we knew somewhat of how it would come down to the residents." Moegerle, "Our plan is we were going to try to stop it. And then we learned that it would cost \$9,000,000 to stop it. That is twice what our budget was at that point. And we would have to pay that back immediately." DeRoche, "I never saw anything that said it would cost \$9,000,000. In lieu of, now we are into a \$35,000,000 deal."

Lawrence, "I need more information to even put this together to vote on this. I can't vote on something I don't have all the information on." Ronning, "We know that Weidema stopped work for 45 days last year and know that they were supposed to be done either June or July of last year. And, we gave them an extra year and we are paying 10's of extras dollars of cost because of them. Sixteen hours means crap to me!" Moegerle, "Did you get that (to the minute taker." Ronning, "If you didn't I have it. The residents deserve at least some of the multi-thousands of dollars we have given to Weidema."

Moegerle, "So we are going to not move forward with getting our work done as far as this ordinance. Why can't these be done at the same time. Because if we get this done, we can move forward with getting connections to this to pay for it. We just had the write-up and we are looking at in excess of \$400,000 that we need to make our payment. We are going to cost those residents if we don't get these businesses hooked-up by the end of the year."

DeRoche, "That isn't the figure I got out of the budget meeting we had a two days ago. There was another number that could happen next year possibly if some things don't happen." Davis, "This is for this year only. This is a real number for 2013, if we don't get the connections for this year, we will be short \$420,000." Ronning, "I am not going to be one of these regular politicians that tells people one thing and does another. If there is

transparency, there is. If there isn't close your eyes. I have been asking for guys to do this for two years and nothing has happened." Moegerle, "You are the one that that came up with the \$75,000,000 with interest." Ronning, "No it was \$51,000,000. And when you look at the amortization schedule the first fifteen years on the big mortgage is interest only. So that practically doubles the cost." Moegerle, "When the residents get this, does that mean they are going to be coming forward with ideas of how to pay for this, what is going to be the sign that you are satisfied that the residents of the City of East Bethel are well aware of this issue. Because I can see that we are going to tie up the whole City for an indefinite time until you get what you want and then you are going to come here and say, "But the Council Chambers are empty they must not understand this. I think this is too vague." Ronning, "I deliberately made sure it is not me that reviews it, it is the Council. I would like input."

Pratt, "From a legal prospective this certainly is not legal document, it is not meant for that and that is fine. I agree it is in the Councils discretion on how these conditions will be satisfied in the future if you adopt this motion. Number two; my question is the third paragraph from the bottom, Section 74-123 is mentioned that the regulations are suspended upon approval of this amendment. The way the ordinance reads now, before you have a blank and then a sentence that will be added to the bottom of it if you adopt the staff recommendation. The way the ordinance reads now, how would that be affected by this motion?" Ronning, "74-123 is the proposed six months mandatory, no additions, deletions or amendments, it is left to the city engineer to make changes. It is strange when some people came in here, they were opposed to this. Then within a few weeks, they started voting in favor of this. Voting for change orders for Weidema, etc. If you have to do it, reality is reality. To say our residents aren't entitled to as much information as they are." Moegerle, "I think you go too far." Ronning, "I can go back in minutes and get records for it."

Lawrence, "We have had many open houses to inform residents of what is going on openly; we have worked very hard to ensure they knew what was going on." Ronning, "I spoke at many of those. One time I spoke and asked Voss, "Did you know you were doing this?" and I went through the amortization schedule was there any other time that was given out?" Moegerle, "It is freely available to our residents. If we suspend this, will we get paid for the services at Castle Tower services?" Davis, "They will have to, even when we decommission the plant, and build a new one. We will get the ERUs from them." Davis, "I will be happy to provide this information and present it in any kind of format. We can bring it up at the Town Hall meeting. We need to move forward with this in August for our budget."

DeRoche and Ronning, aye, Koller, Lawrence and Moegerle, nay; motion fails.

Ronning, "Nobody wants to hear it, but I believe we failed."

Moegerle made a motion to approve Ordinance 44, Second Series, Chapter 74, Article V, Regulating Waterworks and Sanitary Sewer with the amendments as proposed and direction to publish. Lawrence seconded. Moegerle, "There was discussion about the issue of the definition of Customer and I like the changes that were made to Customer. If we get a Planned Unit Development, (PUD), business in residential. How do we get around that being residential? Davis, "By inserting today's date. The example that Jochum gave shows that most won't want to hook-up in that area if they don't have to." Moegerle, "I understand that the 429 process is a statute. Can we say, "pursuant to Statute 429" because a 429 assessment isn't a very clear term. For transparency. With regard to 74-123, I like the six months there and I like that initial customers must connect and pay all WAC and SAC fees. I would say prior to December 31, 2013." Lawrence, "I would like the six to go to nine months." Moegerle, "This is not for initial, this is for subsequent customers. That is why I

like the six months, because if they are here they are planning on doing it anyways.” Lawrence, “Okay, I see what you are saying.” Davis, “What about the time for the businesses that are existing, that received their assessment notices on this?” Moegerle, “By the end of the year. That way we won’t have the problem with the bond payment. We all hate it.” Andy, “Moegerle had mentioned the initial customer’s definition and the 429 procedure. I would agree to clarify that a little more with a statutory reference. Is there a time date on that you know you are an initial customer. That this process happened?” Davis, “Yes there are dates for that and they could be inserted in there.”

Lawrence asked Pratt “Have you read this document?” Pratt, “Yes Mayor.” Moegerle, “The highlighter section at 74-190, that is highlighted? Did I do that by accident?” Ronning, “Are these the revised ones following the last ordinance meeting?” Davis, “These are the changes from the work meeting Council had March 6th.” Ronning, “Who took the minutes and who made the corrections and changes?” Davis, “Wendy took the minutes and I made the corrections and changes to the ordinance.” DeRoche, “Didn’t Heidi just say she made the corrections, a lot of them? At the meeting it was my understanding that our ordinance committee was going to review these prior to it coming back to the Council. Apparently that step got missed.” Davis, “This went to the ordinance committee. Then we took their input and it went to the Council work meeting.” DeRoche, “It was my understanding that there would be others because we were in a hurry. Apparently when we set up committees we let them look at them once and them sometimes twice.” Moegerle, “I presided at that meeting and I took notes of what definitions we agreed on and then at the end of that we asked, “Is this good?”. Council said, “Make the changes and bring it back and we will look at it and make any other changes.” DeRoche, “I wanted clarification, I people to understand how this works.” Lawrence, “When you reviewed this did you see anything that stood out?” Pratt, “I reviewed this with Mark Vierling before the meeting. Generally this seems to be just fulfilling the issue of mandatory hook-ups for non-residential. I would second the concern about unfinished business of mandatory hook-ups for residential, but it sounds like it might be a moot point. Mark and I talked about adding that idea into the word customer, but that may not be effective for any residential people.”

DeRoche, “I just want to clarify is earlier in the evening we are talking about bringing businesses in, we are going to be the highest rates out there, and we told the people don’t worry if you don’t hook-up, you don’t pay. Now we are going to give them six months to pay and if they don’t pay within six months, from what I have read it is not that they will be billed monthly; it is that they will have to pay in 14 days or face a possible tax lien. So how much business do you think we are going to do?” Moegerle, “It is not six months; it is by December 31, 2013. Let’s be correct.” DeRoche, “There are a lot of smaller businesses down there. I was told if it comes down to this, they may be leaving. I think they need more time. They don’t even know if they can get a loan.” Moegerle, “Maybe the EDA should come up with another kind of loan program to help them. There are other possibilities. We have a willing staff. Davis, “We discussed the loan policy for SAC and WAC Policy. That is a way to spread the payments out for these people.” DeRoche, “Some people can’t do that. I do business at the hardware store. I go to the bar and have dinner. I go to the party bus place and talk to them. And Roger. We took the mays out and it is shall do this and shall do that. It is we will do this. To me it sounds dictorial.” Ronning, “We talked about money. We will all end up paying for this. There is no way you can get seventeen businesses to pay \$51,000,000 in costs. I believe people should have more information to know what they are in for.” Koller, “The changes they made are what you asked for at the last meeting.” **Koller, Lawrence and Moegerle, aye; DeRoche and Ronning, nay; motion carries.**

- Staff Update Davis, "We had a business breakfast for the East Bethel business community. I think we had 54 attend, biggest crowd to date. We generally talked about the some of the same issues that we talked about at the previous meetings. There were very few questions, so either they were disinterested or we just had good presentations. I did hear some good comments from some of the people afterwards especially about the information on the taxes and how that was very beneficial to them. Colleen and I did a little after assessment of the meeting and there will be a thank you letter sent out and we request any information that they would like to see addressed at any future meetings."
- Council Member Report – DeRoche DeRoche, "I also went to that meeting, and received numerous compliments on Wendy. That Wendy when they come in seems to know everything and when she is not here, they don't. Other than that, this was kind of a contentious meeting. As I have said before, there are five people up here; I am not going to vote for something I don't believe in. If I tell people something, if they can't watch it on cable or on the internet, at least they can read the discussion. Because to me summary minutes you get what the vote on was. They voted on the water, who voted and then you are down the road. They don't know everything that is around that. I have had numerous people say they are glad we are doing verbatim minutes because they don't have any other way to get the information. I remember Boyer saying when they were getting ready to pass those contracts in December of 2010, well there is nobody here, so nobody must care. I heard that same comment tonight. Irregardless, I understand our issues. Does Aggressive Hydraulics need to hook up, you bet they do. They are running into the same problems we did with some of the same people. I don't know if Jack can make a call to whoever this person's boss is and get it going. They need power, water and an analog connection. This is a promise we made to them. We told them when you are ready to go; we will make sure you have what you need. It looks like 22 is moving along. The sign looks the same. There are some panels from the old sign laying all over the place down there, and if we get a good wind, I have to think they are going to be all over the road." Davis, "That will be taken care of tomorrow."
- Council Member Report – Koller Koller, "Not a whole lot at the fire department. The mayor and I attended their Fire Relief Association meeting. They are proposing some changes to their rules. With the upturn in the economy their fund is well funded so we will not need to bail them at all." DeRoche, "The Fire Relief, I talked to Dan Butler, there is a proposal at the legislature for a proposed 5% on auto insurance and gas to supposedly pay their pension, but it is going in the general fund if it gets passed."
- Council Member Report – Moegerle Moegerle, "We had the Park Commission meeting and the discussion on the school house. That was an emotional discussion; a lot of people are emotionally connected to that. They wanted to vote against it, but after seeing how much it would cost the City and we were not getting recouped, they agreed that we cannot move forward with the previous plan. I have great sympathy on how they handled that. More importantly, I am not sure if you are familiar with the Sandhill Crane group. There was a meeting with the community members last Thursday. That group has been meeting since 2011, after a 3-5 year hiatus. They coordinate the state, county, and City primarily around the Sandhill Crane area. Because of the legislature they have a situation. The Governor has told the DNR who manages the state trust lands that they must produce monies for schools. We have three of these lands. Most of these lands have oak wilt. So, the proposal is to clear cut these properties and sell the wood. But, there are other ways to treat oak wilt. The situation is that they want to let the contract out for auction on May 1, with the auction being held on June 1. We are trying to make the

public aware of what is happening. The next meeting is scheduled for April 18th. I have a lot of meetings coming up next week, four meetings.”

Council
Member
Report -
Ronning

Ronning, “I week ago yesterday, there was a Planning Commission meeting and accessory structures were discussed. Even to the extent on whether you can have outside storage and an example given was a plant garden place. At one point I believe they said, “We don’t want to make things too hard. The definition of Home Occupation also was discussed and parking vehicles in the street. This is East Bethel and I don’t think there is an issue of parking vehicles in the street, but that is their call. They seem to be wondering why are we getting these ordinances, what is the drive? Where are the mistakes? What is pushing this?” Davis, “Some of this is a means of cleaning up things that are inconsistent. Also to address some problem/grey areas where the ordinance didn’t cover things, for clarification.” Ronning, “Did you or who in the City had a problem with cleaning up the language? Or called attention to this?” Davis, “There have been several times we have had problems with language. One is outside storage and this almost precludes outside storage, it is 10 x 10.” Ronning, “You are very observant to come up with this.”

Mayor
Report –
Lawrence

Lawrence, “Ron and I attended the Fire Relief Association meeting. Also, I attended the breakfast meeting this morning. I met a lot of business owners and had some good conversations with those gentlemen also.”

Closed
Meeting –

Pratt, “The agenda was amended to add a closed session to discuss the offers/purchase of real or personal property per MN Statute 13D.05, subd. 3. The meeting will be tape recorded and the tape will be preserved for eight years and will be made available to the public after all real or personal property discussed at the meeting has been purchased or sold or the governing body has abandoned the purchase or sale. The real or personal property that is the subject of the closed meeting must be specifically identified on the tape. The properties that will be discussed are: PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Any purchase or sale price is public data.”

Moegerle made a motion to close the meeting to discuss the offers/purchase of real or personal property per MN Statute 13D.05 subd. 3c PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Lawrence seconded; all in favor, motion carries.

Pratt, “The City Council met in closed session to discuss consideration of any purchase of real or personal property PID numbers: 08-33-23-21-0001, 08-33-23-22-0001, 08-33-23-31-0001 and 08-33-23-24-0001. Attending were the Mayor and all four City Council Members. Also attending were Craig Jochum, city engineer, Jack Davis, city administrator, and myself. They received information from the city engineer on discussions that have taken place with the property owners. No decisions or actions were made.”

Adjourn

Moegerle made a motion to adjourn at 9:55 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 7.0 A.1

Agenda Item:

Economic Development Authority Meeting Minutes for March 18, 2013

Requested Action:

Information Only

Background Information:

Information Only. These minutes are in draft form. They have not been approved by the Economic Development Authority.

Fiscal Impact:

None

Recommendation(s):

Information Only

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: X

City of East Bethel
Economic Development Authority Special Meeting
March 18, 2013

The East Bethel Economic Development Authority (EDA) met on March 18, 2013 for a regular meeting at City Hall at 6:30 p.m.

MEMBERS PRESENT: Dan Butler Heidi Moegerle Richard Lawrence Brian Bezanson
Mike Connor

MEMBERS EXCUSED: Julie Lux John Landwehr

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

Call to Order Moegerle called the meeting to order at 7:00 p.m.

Adopt Agenda **Moegerle a motion to adopt the March 18, 2013 Economic Development Authority (EDA) agenda. Butler seconded. All in favor; motion carries unanimously.**

Connor asked if we would have an opportunity to talk about 6.0. He can wait and ask his questions at that time.

Website Update

Basically Winter wanted to let the Commission know Carrie is working on it. The responses we got from businesses for the website were in PDF not in JPEG. We have gone back to the businesses to ask for them the documents in the appropriate format.

Butler said he found something dysfunctional on the website. When he would go to a certain part of the website. It would flip him back to another page.

Moegerle said there are a lot of quirks.

Winter said there is a sensitivity when you move around. She will ask about it. Moegerle said the website committee will reconvene for follow up and tweaks. When will the date be set for that meeting, she wasn't sure if it would be at the Council meeting or another time? Moegerle said if you have any of those tweaks let her know. Winter said if the EDA wants changes, she asks they be emailed to her to get it done. Different staff is working on different area of the website.

Moegerle said the website says boards and commission and we don't have any boards. So that is a misnomer. Lawrence said it is hard to access the minutes. Moegerle said it is hard to find things. Lawrence asked who took the picture. Winter said if you want different pictures, we could look into that. Moegerle likes her older picture.

Conner wanted to know if the businesses in East Bethel would be listed on the web site. Winter said yes.

**Sunrise
Business
Breakfast
Meeting**

Winter said will be having a business meeting. There is a half sheet paper in your packet we ask that you fill out. We have the business listings from the old website and we want to make sure the information is as current as possible. If a business doesn't attend the meeting, we will contact them. The reason we provided a sheet for everyone to fill out, is so each business can determine what category they fall under. Connor wanted to know for his business, Unique Dining Experience, would people be able to go directly to him from this link. Winter said if you put down your website information, we will create the hyperlink. If you are listed under catering, they would find you. Moegerle said Anoka County has a similar site.

Winter said you all received the invitation in the mail or in your packet. This is the business breakfast meeting continuation. She has not met a lot of the business owners, so at this meeting she will introduce herself to them. She will bring them up to date on interest items. It is a meet and greet and a great opportunity to hear about the formulation of a new Chamber in the City of East Bethel.

**Chamber
Update**

Butler met with Jolynn Erickson. They have an office in the development north of Northway Sports. They offered to head up the endeavor of recruiting and contacting to start up a chamber. They have put together preliminary bylaws, and have talked with an attorney about reviewing them. Once they are complete they will file a 503.6. Butler will put together a presentation for the businesses in the City. He will keep the EDA posted on further developments. Moegerle wanted to know the time frame. Butler said once we get the filing from the Secretary of State. Butler said he is in the process of getting a mission statement put together.

**EDA Vision
and Strategic
Plan**

At the Economic Development Authority meeting on February 25, 2013, there was a lengthy discussion regarding a water park development and the level of interest in this type of facility in East Bethel. The EDA reviewed and examined the water park proposal and the geographic advantages and amenities of East Bethel as a potential recreation destination for Anoka County. The EDA did not take any action on the presentation.

At a special work meeting of the City Council that was held on March 6, 2013, the City Council also discussed a water park development and directed Staff to put together a Request for Proposal for a marketing and feasibility study for a water park in the City of East Bethel. In addition to the water park proposal, the EDA may have other types of businesses that they are interested in attracting to the community.

Staff is requesting that the EDA put together a common Vision Statement and Strategic Plan that can be shared with City Council regarding economic development in East Bethel. In past meetings, the EDA has had several discussions regarding a Vision for the community, and each of the EDA members was asked at an EDA meeting in June 2012 to come up with a Vision statement. A copy of those minutes is attached for your review. The EDA has also spent time talking about the Ady Voltedge report and discussed a work plan for accomplishing economic development activities in the City. Portions of that report and what has been accomplished to date are also included.

Staff Recommendation: To develop a common Vision and Strategic Plan that can be presented to the City Council for their consideration.

If you turn to the attachment, EDA recommendations.

- Review City Codes, Ordinances and Plans to determine their value and relevance to economic development goals.
- Review code enhancement. An ordinance committee has been formed. The

Planning Commission will be working on them.

- Prepare an executive summary to update the Comprehensive Plan.
- Review the Zoning Ordinance for consistency, significance and application in regards to economic development within the TH 65 Corridor. This is ongoing, and City Council has also addressed this.
- We also talked about preparing a corridor plan. We did look the corridor at our first meeting with Winter when we put things down on a white sheet. That information has been provided to staff. It has been talked about at Planning Commission.
- Develop City policy and strategy as it relates to business attraction and recruitment, existing business expansion and retention, and prepare an incentive plan for business assistance consistent with the City's financial ability to sustain these types of programs. This is EDA business expansion, incentives; in addition to that it is targeting very specific developers that could help market the sewer and water district.
- Insure the review and permitting process is streamlined. For a time, we were short staffed. We will be fully staffed in Community Development. Nick Shultz has been with the City since July of 2012. We have also hired a second building inspector, Steve Lutmer, and he will be starting on Monday. He will be reporting directly to Nick. We also have Joan who is the support person. Carrie is also helping support Economic Development activities.
- Work Force development – Develop a collaborative effort with the local school districts and colleges. Again this is something that staff has begun to work on. We have a positive relationship with St. Francis School district.
- Civic infrastructure – Winter really sees that as the new Chamber gets up and running, this will be a great ambassador relationship and positive press. Consider ways to market and manage events for eco-tourism. This will be something to work with the Park Board and the Chamber. Council member Moegerle will talk about this.
- Consider developing a new city logo. There was a lengthy discussion at one time on this.
- Other marketing activities, such as the website. We are currently working on that. We are also working on the economic development packet.

Winter wants to revisit key areas.

Business attractions – We need to develop the work plan. Parts of that might include keeping website up to date, and keeping in contact with available property owners, so they know we are here and will help market their properties. This is the first strategy that she will be asking for input on.

Butler said first of all, attraction, we need to put our best foot forward. The City Council has to be more amenable towards one another in meetings. They need to be professional in their appearances. Professional appearances at the City Council are important. The

demeanor also needs to change and it has to be forward looking and proactive, versus backward looking and reactive. In terms of attracting business and recruiting, he will travel a five state area and knock on doors. He has mulled over sending out packets, social media, but thinks if we want our packet to the head of the line we need to knock on doors. He just thinks the impact on personal meetings is important.

Moegerle said that is a labor-intensive effort. At what point do we do the personal visit? Butler said we make phone calls and we roll up our sleeves and do whatever is necessary. If we go in person, it makes a huge impact. They will carry that back to who ever the powers are. If we want people to come to East Bethel, they have to know that we want them. Moegerle said that sounds like something out of a sweat room college that you get from the mortgage companies.

Winter said it works if you have already done your first contacts. The businesses you know that will take advantage; such as we meet their demographics or maybe their CEO is a huge birding person and would like to be located near where we are, based on the red headed woodpeckers. That is when you make the face-to-face meetings. Moegerle asked what is involved at the strategic evaluations. Winter said she is not talking about everyone; the Target's, the Wal-Mart's, the CVS, etc, they know way more about our community than we do. What is going to tip the scale for them, at that point seeing someone face to face will make a difference?

Butler said in terms of the types outlined in the Ady Voltedge, retail and service markets in their presentation in terms of trading area. He is remiss in the fact that he didn't review that before tonight's meeting.

Bezanson said he had hoped for more from Ady Voltedge. When you say 'retail', that is a broad spectrum. Retail is a real common denominator. In his mind, the problem with retail is it can eat up a lot of land for what it can yield in ERUs. They have large parking lots. If you have a type of business, hopefully you will have one sharing a parking lot, day and night time clientele. In some cities they adjust the parking lot requirements so you had fewer pavements.

Winter said we are in the process of working with the U of M and Emmons Eco Engineering on minimum impact design standards. We are having a work meeting tomorrow night. With the minimum impact design standards we are trying to minimize the pavement, stay away from wetlands, and have higher density and not as many parking lots.

Bezanson said he looked at the sewer and water project. He was always anti-project, and it was forced. It was put in too soon and wasn't market driven. He just sees when the market is ready; things seem to happen. Our responsibility is to be ready ahead of time. So that when someone comes calling, we can react properly to it.

Winter said to paraphrase we need to have flexible standards in our zoning and a streamlined process. Bezanson said we didn't have PUDs when he was on the Council. Davis said we have identified there is about 2,000 developable acres. We need 6500 ERUs for this project. Of that we need that 5,000 need to come from residential, 1,000 commercial, 500 industrial. We need employment for residential. These are the precursors that attract residential.

Connor said he has some comments and questions. He wants to preface by making a comment about the EDA. He is very excited about what we are doing. The last two years there has been progress. Tonight he would summarize the EDA as a work in progress.

We are continuing to learn our role, as we work with the City Council. He read the background information pertaining to the water park. Obviously the EDA didn't take any action, yet he reads the Council did authorize that a RFP be prepared to be submitted. We are a work in progress. We are learning our role in how we support Winter, Davis and how we can be of value to the City Council. What prompted the City Council to take up this item on the 6th of March? The EDA sat here on the 25th of February choosing not to take any action. Was there an implication that the EDA was in support of the action that the Council took on the 6th? We want to be partner and a value to the City Council. He wants to make certain that we are a valuable partner to the City Council. We didn't talk about a feasibility study, yet the Council chose to go forward. He is not questioning their right as a council. He questions if we, as an EDA, are a genuine and a legitimate value to the Council and if we are not, let's recognize what we are in support to the Council, and not spend a lot of time talking about the what ifs. The second point he wanted to make - the vision statement; on our website, we define the purpose. Is that our mission statement? The third point, what he truly believes would be valuable for this EDA is to read Winter's job description and understand what it is you're doing. Butler talks about relationships and pounding on doors. Is that a function of your responsibility? He believes it would be of value to know what you do.

Davis addressed the water park question. It has been bounced around at the staff level. We are not going to do any further work on this until we receive direction from City Council. At the work meeting it was discussed. We, as staff, requested City Council to give us direction. They directed staff to put together an RFP to see how much it would cost to do a feasibility study.

Butler said to Connor's point. It seems odd they are doing a feasibility study. This is an economic development idea. Davis said this has been talked about at EDA and City Council. We, as staff, are caught between things. If there was no interest in pursuing it, it will die. Connor said he appreciates what you are trying to do. Staff simply needs direction. He doesn't want to over react. What we are doing is a work in progress and very committed and quite proud. Recognizing we are a work in progress. He thinks this conversation is a good example on where do we fit in. He doesn't want to stay here until 9:30 or 10:00 p.m. he wants to do something constructive with his time. We want to have dialogue if we are going to have discussions of value, so we can be of support and value to the Council and staff.

Moegerle wanted to know if Connor has watched the City Council meeting. Connor said yes, he believes he has. Bezanson said he hasn't had the opportunity to watch the City Council meeting. Could someone paraphrase it for him? Moegerle said there was some discussion by certain individuals that there needs to be a joint meeting of the City Council and EDA for a turf meeting. There is a rhetorical discussion for what the EDA is working on. There are individuals that believe the EDA is the idea engine for the City Council and others thought it wasn't that way. Butler said he is glad we are here to settle the mass confusion.

Connor said his comments were not driven by the discussions at the City Council meeting. Just in the last sixty seconds, this conversation supports the work in progress. There has to be dialogue. The question he raises on how the water park was part of the work meeting provided a dialogue. It is trying to learn and understand what we are going to do as a body that will support the City. He isn't upset because the City Council went forward on something the EDA chose not to take action on. He doesn't want to sit here and talk about ideas when things are a moot point.

Moegerle wanted to know what Connor's thoughts were on a future for the City. Connor

said months and months ago he suggested we hire an expert to help us understand who we want to attract. Moegerle said in addition to what Ady Voltedge did. Connor said utilize the work that Ady Voltedge did, he doesn't want to be involved in micromanaging. It seems to him, this would be clearly be a function of what Winter should be doing. As an EDA we should take four steps back and listen and look at things from a broad perspective. He is frankly more interested in what you recommend. Not what we think. He doesn't profess to know. He doesn't want to get too involved and give his input on what we need.

Moegerle said the more information the better. Connor said that is all. He respectfully asks, that sharing your job description with us that is simply intended to inform us. Winter said she is happy to send her job description. The City had a Planning Department before and Davis took care of economic development. When she was hired, she was hired to handle both. The City Administrator and Winter are meeting together with developers. Her job is to promote the city. In the form of new business, or different types of housing. It also means working with our existing business community. We need to foster our current businesses.

Connor said the website identifies the purpose of the EDA. Are you on board with that the statement? She is on board with it. Would you agree that is our mission statement? Winter said yes, it is certainly something that sums up what the EDA does. Connor said he would be interested in learning how you would describe the mission statement of the EDA. Winter said the EDA can be creative and innovative. We have to sustain the community. We have to be innovative in a different way, think outside the box. Connor asked if it is a fair statement to say that you would want to position yourself with the EDA, you drive that bus. You manage this EDA Commission to get what you want and are getting paid for results. How can we support you to get the results you glean? Winter said she has been in both roles where the EDA chair drives the bus or the staff drives the bus. She is new and is trying to sort it out too. Connor said he recognizes she is new, and we all want to work together.

Lawrence said the water park issue has been floating around for over two years. It is not something that has been brought up quickly, and the staff needed some direction.

Connor said the issue of senior housing has been discussed in previous meetings. We have identified senior housing or more housing along Hwy 65. Winter said Anoka County has done a recent study; it was a comprehensive study of housing in Anoka County. She is going to review the study and will provide the EDA with a summary. Moegerle said she knows there has been research done by Anoka County. There was a need for senior housing. They did have some areas that were free for senior housing, but since there were vacancies in Oak Grove, the HRA wouldn't undertake more projects.

Butler said the need for readily accessible services to the seniors in those developments; we have talked about that in the past. Davis said that is a good point: if you don't have certain types of public transportation, health care, and certain commercial opportunities. That is why Oak Grove might not be successful. The population of people over 62 is only 9% in East Bethel. Certain people have advocated that a building with 60 to 70 units would fill quickly in East Bethel. Butler said the counterpoint, if there is no senior housing available, the median age won't be there. Bezanson said you should amend your statement to quasi-public transportation.

Moegerle said when we looked for a marketing consultant; there were four firms we interviewed. SBP group out of St. Paul, their big point was you need to create a sense of place, so you can call this home and be proud of it. If this is not a place that represents

the essential part of East Bethel, we won't be anything more than 'the north Blaine'. It doesn't seem to be homey to what EB could be. For her, when she sees the vision, we need to focus on the rural amenities. There are people who say they are vacationing when they are here. The recreation destination is very compatible to what East Bethel is, with our natural resources.

Butler said that he was jumping ahead due to time. We have a number of things that are listed on the review. He knows that point 3; we have dealt with to prepare a plan for businesses. He doesn't know the minutia on what the Council wants to delve into on SAC and WAC loan funds. In review of City Council, we are not moving forward on that point. It is frustrating to him, and doesn't understand what the hold up is. Is it a matter of lack of understanding, history, etc? Why is the Council not doing anything on it? It was an issue that was put to bed by the EDA. The City Council is beating it to death. Moegerle said this is the turf war. Butler said this is knowledge issue. We have much bigger fish to fry. Mayor said it can be difficult for people to understand. Davis said it would be discussed on Wednesday night. Moegerle said she is at a place in her life where she has too much time to read on EDA. She is deeply concerned about economic development in East Bethel. She subscribes to emails from a variety of places.

Conner said he appreciates the comment from Lawrence on the significant role of the EDA is to think outside the box. Connor said his statements make him realize he needs to reflect on his thoughts. Our issue with brainstorming, will it be on the agenda each month. It would be valuable to get a summary from Winter on where she is at. Where are we at, what have we brought forward? He will conclude by saying he senses that this brainstorming will be something that we have on the agenda each month.

Davis said he thinks senior housing is a high priority. It is not implementable or achievable unless we have stuff (transportation, retail, medical) to support them.

Bezanson said if there is not a non-profit that wants to do it, it is a dead issue. To cut to the chase, when Our Saviours feels there is an enough demand, it will happen. Butler said if you look at Wyoming, the Fairview Wyoming operation, within the 500 yards away, it is a four level structure with probably 50 units on each level. Those two definitely go hand in hand.

Moegerle said all of this builds upon itself. While we are on the ground floor, we need to bring in new people like John and say this is where we have gone, let's move forward. She would like to see us moving forward a lot faster.

Bezanson motioned he is not in favor of revising, and spending time and resources on a new city logo. Butler seconded. Discussion: Connor supports that. Moegerle does not support it. All in favor, motion carries (Moegerle opposed.)

Winter said the vision for the EDA is to be progressive, responsible and sustainable. That means what Butler talked about. Responsive – customer service. Sustainable – social, economic and environment. It is balancing the needs of the community. The things that we are doing with the MIDS will really help. This is what her vision is for the EDA.

Other Reports

Lawrence said he thinks the EDA is on a good track. He is excited to hear about the Anoka County vision of housing. He would not be supportive of senior housing. He is looking for younger bodies.

Davis said Met Council park recreation and natural resources persons met with the City to be discussing how to obtain legacy funds. Met Council administers those for proposed

regional trails. Met Council doesn't administer the grant program. They distribute money to the County, and to be eligible, we have to be on the County's master plan. We have a meeting with the County on Thursday night to remedy the plan. We did talk to Met Council on transportation. Anoka County was doing a three year study on busing they might take over if successful. We also did talk to them about partnering with them on different areas. Butler asked if there is any possibility on trails legacy funds to get Anoka County parks people to get them in tune with other counties' trails, such as Hennepin County, or Washington County. What we had proposed would link Linwood, Island Lake and Lino Lakes trails that go into Ramsey County. If we tied into Wyoming, it would tie into the trail to North Branch and White Bear Lake. Moegerle said she also talked to the Mayor from Oak Grove.

Moegerle said on Saturday she had a meeting with State Senator Michelle Benson. She sent her an email on what she sent to the Met Council for the 1/4 % sales tax. She believes it is tomorrow there will be a conference on transit tax. She also talked to her about legislation that would limit the actions of a lame duck council.

Butler said the topic of the tax: he did speak with the County Commissioners, Robin West and Anoka County withdrawing from the vote that was taken a few years back. Once you are in the taxing district it is hard to get out of it. Butler said it was put to the counties a few years ago, and Carver and Washington opted out. Now they are getting a benefit and aren't part of the district.

Butler said again back to City Council; Planning and Zoning and EDA both suggested that summary minutes were the way to go. Moegerle said she asked for a cost analysis for summary minutes. The difference is \$5,000 to \$6,000 a year. He thinks he wants it on the record that the EDA is for summary minutes versus verbatim minutes. It doesn't make any sense.

Davis said we are currently not in the metro taxing district. Our tax difference is part of the metro taxing district. Ham Lake, Oak Grove, St. Francis, Bethel, etc are not part of it.

Adjourn

Conner made a motion to adjourn the Economic Development Authority meeting at 8:45 p.m. Lawrence seconded; all in favor, motion carries.

Respectfully submitted by:

Jill Anderson
Recording Secretary



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 A.1

Agenda Item:

March 2013 Building Inspection Report

Requested Action:

Information item

Background Information:

Total amounts billed for the Oak Grove Building Official and Inspections Services through the end of March are \$22,698. Total fees for this service for 2013 from Oak Grove were projected to be \$60,000.

Our cost for providing these services to Oak Grove through March 2013 has been \$10,669. This includes 107 hours for Nick Schmitz, 107 hours for Joan Steffen-Baker and 1,800 miles of travel at \$0.85/mile. Forty one per cent (41) of our time has been spent for Oak Grove Building Official and Inspection Services. Based on these costs through March, our projected costs for providing this service for 2013 is \$42,924.

Permit fees received within the City of East Bethel in March 2013 were \$12,799.74 and our year to date total for the City is \$23,732.71. Our projected fee revenue for the Department for 2013 is \$87,700 and we are on pace to collect \$94,930.

Attachments

March Building Department Report

Fiscal Impact:

As noted above

Recommendation(s):

None at this time

City Council Action

Motion by:_____

Second by:_____

Vote Yes: _____

Vote No: _____

No Action Required: _____

BUILDING DEPARTMENT MONTHLY REPORT FOR EAST BETHEL

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
Building Off. Calls & Counter	82	93	108					
Office Staff Calls & Counter	200	209	201					
Building Insp. Calls & Counter	0	0	4					
New Code Violations	5	0	4					
Code Violation Inspections	10	2	5					
Code Violations Resolved	7	1	0					
New Home Permits	0	0	1					
New Commercial Permits	0	0	0					
Mechanical Permits	5	11	3					
Plumbing Permits	10	2	1					
Septic System Permits	1	0	0					
Building Inspections	55	45	30					
Septic Inspections	0	0	0					
Sewer Connection Permits	0	0	0					
Sewer Connection Inspections	0	0	0					
Water Connection Permits	0	0	0					
Water Connection Inspections	0	0	0					
Total Permits	29	22	18					
Meetings	7	8	7					

NOTE: This report does not show time for plan reviews for any of the permits issued.

OAK GROVE BUILDING DEPARTMENT MONTHLY REPORT

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Building Off. Calls & Counter	12	25	26			
Office Staff Calls & Counter	60	40	85			
Building Insp. Calls & Counter	0	0	7			
Code Violation Inspections	0	0	0			
New Home Permits	0	3	2			
New Commercial Permits	0	0	0			
Inspections	42	32	36			
Total Permits	16	10	13			
Meetings	1	0	3			

NOTE: This report does not show time for plan reviews for any of the permits issued.

Permits Issued & Fees Report
Issued Date From: 3/1/2013 to 3/31/13

<u>Permit Type: BUILDING</u>		<u>Valuation</u>	<u>Revenue</u>	<u>Plan Check Fee</u>	<u>Surcharge</u>	<u>Total Fees</u>
COMMERCIAL ALTERATION	Mar					
	YTD	6,500.00	139.25			139.25
COMMERCIAL DEMOLITION	Mar					
	YTD		50.00		5.00	55.00
COMMERCIAL MISCELLANEOUS	Mar					8,200.00
	YTD					8,200.00
COMMERCIAL REMODEL	Mar					
	YTD	175,000.00	1,414.75	918.94	87.50	2,421.19
RESIDENTIAL ACCESSORY BLDG	Mar	20,000.00	372.25	208.81	15.00	596.06
	YTD	20,000.00	372.25	208.81	15.00	596.06
RESIDENTIAL ALTERATION	Mar					
	YTD	0.00	101.00		5.00	106.00
RESIDENTIAL BASEMENT FINISH	Mar					
	YTD	0.00	102.00		5.00	107.00
RESIDENTIAL DEMOLITION	Mar		50.00		5.00	55.00
	YTD		100.00		10.00	110.00
RESIDENTIAL HVAC	Mar					
	YTD		50.00		5.00	55.00
RESIDENTIAL NEW CONSTR	Mar	143,000.00	1,235.55	802.46	71.50	2,114.51
	YTD	143,000.00	1,235.55	802.46	71.50	2,114.51
RESIDENTIAL REMODEL	Mar					
	YTD	16,000.00	351.15	108.71	8.00	467.86
RESIDENTIAL REPAIR	Mar	16,451.74	280.25	181.51	8.23	469.99
	YTD	16,451.74	280.25	181.51	8.23	469.99
RESIDENTIAL ROOFING	Mar		101.00		5.00	106.00
	YTD		101.00		5.00	106.00
RESIDENTIAL SIDING	Mar		81.00		5.00	86.00
	YTD		243.00		15.00	258.00
RESIDENTIAL TEMP SIGN PERMIT	Mar					
	YTD					40.00
RESIDENTIAL WIN/DR REPLACE	Mar		250.00		25.00	275.00
	YTD		502.00		50.00	552.00
BUILDING - TOTALS	Mar	179,451.74	2,370.05	1,192.78	134.73	11,902.56
	YTD	376,951.74	5,042.20	2,220.43	290.23	15,797.86

Permit Type: MECHANICAL

		<u>Valuation</u>	<u>Revenue</u>	<u>Plan Check Fee</u>	<u>Surcharge</u>	<u>Total Fees</u>
COMMERCIAL HVAC	Mar					
	YTD	300,000.00	3,000.00		150.00	3,150.00
RESIDENTIAL FIREPLACE/ROUGH IN	Mar					
	YTD		100.00		10.00	110.00
RESIDENTIAL HVAC	Mar				5.00	
	YTD				70.00	
RESIDENTIAL HVAC - Residential Val	Mar	7,812.00	117.18		5.00	122.18
	YTD	7,812.00	117.18		5.00	122.18
RESIDENTIAL WATER HEATER	Mar		50.00		5.00	55.00
	YTD		50.00		5.00	55.00
Permit Type: MECHANICAL Totals	Mar	7,812.00	247.18		15.00	262.18
	YTD	307,812.00	4,180.35		240.00	4,420.35

Permit Type: PLUMBING

		<u>Valuation</u>	<u>Revenue</u>	<u>Plan Check Fee</u>	<u>Surcharge</u>	<u>Total Fees</u>
COMMERCIAL NEW CONSTRUCTION	Mar					
	YTD	69,000.00	690.00		34.50	724.50
COMMERCIAL REMODEL	Mar					
	YTD	20,000.00	200.00			200.00
RESIDENTIAL ADDITION	Mar					
	YTD		50.00		5.00	55.00
RESIDENTIAL ALTERATION	Mar					
	YTD		50.00		5.00	
RESIDENTIAL NEW CONSTRUCTION	Mar					
	YTD		75.00		5.00	
RESIDENTIAL REMODEL	Mar		30.00		5.00	
	YTD		180.00		20.00	
RESIDENTIAL WATER HEATER	Mar					
	YTD		180.00		20.00	200.00
Permit Type: PLUMBING Totals	Mar		30.00		5.00	35.00
	YTD	89,000.00	1,425.00		89.50	1,514.50

Permit Type: RIGHT OF WAY

COMMERCIAL ROW	Mar		300.00			300.00
	YTD		600.00			600.00
PUBLIC/INSTITUTIONAL ROW	Mar		300.00			300.00
	YTD		300.00			300.00
RESIDENTIAL ROW	Mar					
	YTD		900.00			900.00
Permit Type: RIGHT OF WAY Totals	Mar		600.00			600.00
	YTD		1,800.00			1,800.00

Permit Type: SEPTIC SYSTEM

RESDL NEW, BELOW GRADE	Mar					
	YTD					200.00
Permit Type: SEPTIC Totals	Mar					
	YTD					200.00

Report Totals		\$187,263.74	3,247.23	1,192.78	154.73	12,799.74
		\$773,763.74	12,447.55	2,220.43	619.73	23,732.71



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 A.2

Agenda Item:

Utility Infrastructure Loan Fund Program

Requested Action:

Review and Consideration of Loan Fund Program and Application

Background Information:

The City’s Municipal Utility project is substantial complete and there are several businesses that will be required to connect to the system. We understand that there is a substantial cost to these businesses owners for accessing the new utilities and over the past few months, the Economic Development Authority and City Council have been discussing ways to minimize that impact. The discussion has been to set up an Economic Development Loan Fund herein referred to as “The Utility Infrastructure Loan Program”. This program would provide loan funds to eligible applicants to assist them in paying for their utility costs in the event other resources are not available, or they are only able to obtain partial funding or they could not qualify for a bank loan for this purpose. This could provide an alternative and a last gap option of financing to those businesses that would be affected by the mandatory utility connections.

The basic framework of the program would be as follows:

- The City HRA by resolution would loan the EDA \$281,400 as seed money to create the loan fund. The city would repay the HRA as loan repayments were collected. The inter-fund loan rate would be set at 4%.
- Businesses that met the requirements of the loan policy could finance up to 4 SAC and WAC assigned units, and pay for other costs and fees associated with hooking up to the municipal system. The loan would be for five years with no penalty for early payment.
- Businesses would be required to apply for the loan, meet loan policy requirements and pay an application fee of \$200.00 and an escrow fee of \$300.00. The application fee would cover the cost of staff time for processing the loan and discourage those that did not have a legitimate interest in the program. The loan would be approved by Council based on requirements of eligibility.
- The owner of record would need to execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement and payment of all property taxes or any other fees owed to the City must be current.
- This program would not be available to the construction of single family homes.

This program has been discussed with EDA on numerous occasions and the Authority, at their meeting on February 25, 2012, voted to recommend that City Council consider adopting the Utility Infrastructure Loan Fund Program to include the necessary and appropriate details for the application and administration of the fund.

Attachments

- 1. Loan Fund Program
- 2. Application

Fiscal Impact:

\$281,400 inter-fund Loan from HRA to EDA with this amount repaid to the HRA upon expiration of the program and pay back of loan funds.

Recommendation(s):

Staff is seeking Council's final input and approval regarding this proposed program.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel

**Utility Infrastructure
Loan Fund Program**

April 12, 2013

PURPOSE

The purpose of the Utility Infrastructure loan is to establish a low interest loan program to provide assistance to those businesses and property owners in the Phase I, Project I Municipal Utility Infrastructure Improvement Project Area (hereafter referred to as Municipal I) hereby noted and referenced as Attachment 1. The assistance would be for costs associated with hooking up to the Municipal system and include: Sewer and water access charges, sewer and water inspection fees, private lateral line costs, purchase of water meter, and private sewer abatement.

PROJECT AREA

The initial phase of the loan program would include Phase I Project I Assessment Area as referenced Figure no. 6.1, Feasibility Study, August 10, 2010

GOALS OF THE LOAN PROGRAM

The Utility Infrastructure Loan program is designed to minimize the impact of costs associated with new utility connections and create a tool for assisting businesses and property owners. The City of East Bethel has established the following goals and priorities for the use of loan funds:

Priority No. 1 - City of East Bethel Sewer and Water Access Charges (SAC and WAC)/Metropolitan Council Access Charge: As part of the requirement to hook up to the municipal utility system business and property owners are required to pay Sewer and Water Access Charges based on Equivalent Residential Units (ERUs). An ERU is a unit of measure used to equate non-residential or multi-family residential water usage to a specific number of single-family residences. The Access charges are one time service charges and the cost will vary depending on the number of ERU's assigned to the business or property owner. In addition to the City of East Bethel's Access charges, the Metropolitan Council also charges a one time access charge to communities to maintain their wastewater systems. This charged is also based on ERU's.

Maximum Loan amount based on Priority No. 1 = SAC and WAC charges x 4 ERU's

Priority No. 2 – Other Costs and Fees: In addition to the SAC and WAC fees the City understands that there are other costs associated to businesses and property owners for hooking up to municipal utilities including: Private lateral line costs, water meter costs, private sewer abatement, and inspection fees.

The City will lend a business or property owner up to \$5,000 to help pay for other costs/fees associated with hooking up to municipal utilities.

Maximum Individual Loan Amount based on Priority No. 1 and Priority No. 2 = \$37,800

PARTICIPATING LENDERS

Whenever possible businesses and property owners affected by Municipal I shall work with financial institutions to obtain funding for their costs. If a financial institution will participate in a portion of the loan, then applicants will be pre-screened and qualify under that lender's ordinary credit review standards. Participating lenders shall then provisionally approve the application. The City of East Bethel and participating lenders shall close the loans, obtain properly executed mortgages, promissory notes and all other data required by regulations from recipients. The applicant is responsible for all hard loan costs such as title opinions, abstracting costs, recording fees and mortgage tax. Amounts collected on the loans shall be allocated first to interest due, then to principal due, then to reasonable collections costs.

If a business or property owner is not able to obtain financing from their financial institution, then the business or property owner will be required to provide the City of East Bethel with a letter from the financial institution stating that purpose if they wish to apply for a Utility Infrastructure Loan.

APPLICANT ELIGIBILITY

Applicants may be individual owners, partnerships, or corporations within the City of East Bethel and Municipal I. Applicants must provide documentation of entity status requested in the application forms.

All Eligible applicants must be in good standing with the City and all property taxes, applicable city licenses, and utilities must be current and paid.

All Eligible applicants will be required to submit an Economic Development Fund Application to the City of East Bethel.

All Eligible applicants will be required to pay an Economic Development Fund Loan Application Fee of \$200 and an Escrow Fee of \$300. Once the project has been completed and the Eligible applicant has satisfied the conditions of the loan agreement, then any money remaining in Escrow shall be reimbursed to the Eligible Applicant.

LOAN STRUCTURE

The maximum eligible dollar amount for this loan program is \$37,800 per Eligible Applicant in Municipal I.

Interest rate – 4%

Term of Loan – 5 years with no penalty for early payment

The applicant must execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement.

The Utility Infrastructure Loan Program is available to Eligible Applicants through Dec. 31, 2013

PAYMENT OF LOAN PROCEEDS

Loan proceeds shall be paid directly to applicants only after the work for which payment is requested has been performed. Applicant shall sign an agreement stating the nature, timelines, costs associated with the work to be performed. All work shall be performed in accordance with all applicable laws and ordinances and shall be inspected by the City Building Inspector or City designated representative, whether or not the work requires a permit, to insure compliance with specifications prior to final loan disbursement. All invoices and other related project costs shall be provided to the City of East Bethel's Community Development Department prior to the disbursement of funds.

CONFLICT OF INTEREST

The Applicant shall submit the name(s) or the owner(s), shareholder(s), partner(s), sole proprietor, corporation member(s), or other person(s) or business(es) with any financial interest in the project and its financing in order to preclude any conflict of interest in the Utility Loan Infrastructure loan review and approval process.

DISCRIMINATION PROHIBITED

The City of East Bethel will not discriminate against any applicant because of race, color, creed, religion, national origin, sex, sexual or affectional orientation, disability, age, marital status, status with regard to this program.



PROP. NO.	OWNER
1	SHAW TRUCKING INC
2	SHAW TRUCKING INC
3	SHAW TRUCKING INC
4	CITY OF EAST BETHEL*
5	SHAW TRUCKING INC
6	LANDBORG TIMOTHY S
7	ANDERSON EARL E & LAVERNE I
8	CARNIVAL PRODUCTS CORP
9	JAHNIKE DAVID W
10	VILLAGE BANK
11	RIVER COUNTRY COOPERATIVE
12	MULLER PROP OF E BETHEL LLC
13	MULLER PROP OF E BETHEL LLC
14	MULLER PROP OF E BETHEL LLC
15	MULLER PROP OF E BETHEL LLC
16	MULLER PROP OF E BETHEL LLC
17	T & G LAND INC
18	EBERTOWSKI DAVID
19	CLASSIC HOLDINGS LLC
20	LANDWEHR MARK & DEBBIE
21	MULLER PROP OF E BETHEL LLC
22	MULLER PROP OF E BETHEL LLC
23	LANDWEHR DEBBIE
24	CD PROPERTIES NORTH LLC
25	ROKEY PROPERTIES LLC
26	MERRIMAC CONSTRUCTION CO INC
27	NORTH BOUND WOODWORKS LLC
28	TRUCK BODY SPECIALISTS LLC
29	JP INVESTMENTS LLC
30	METROPOLITAN COUNCIL
31	HOPPE GORDON & VICKIE L
32	HEFFNER CHRISTOPHER
33	MURPHY WILLIAM P & KIM L
34	MURPHY GLADYS
35	T & G LAND INC

* Parcel not currently owned by East Bethel, but identified for Water Facilities



1,000 Feet

LEGEND

- Assessable Properties (Category 1)
- Future Lateral Benefit Assessment / Availability Change (Category 2)
- Not Buildable
- Property Number



FEASIBILITY STUDY

PHASE I PROJECT 1 ASSESSMENT AREA
FIGURE NO. 6.1

August 2010

City of East Bethel
ECONOMIC DEVELOPMENT FUND APPLICATION

Utility Infrastructure Loan Program Application

I. Contact Information

Legal Name of Business: _____

Project Site Address: _____

City / State / Zip: _____

Contact Person(s): _____

Business Phone: _____ Fax: _____

Cell Phone: _____ Email: _____

Check One: Proprietor Corporation Partnership

Social Security Number: _____

Federal ID#: _____ State ID#: _____

II. Nature of Loan Request

Which Loan Program Category are you applying for?

City Sewer and Water Access Charges (\$5,600)

Metropolitan Council Sewer Access Charges (\$2,600)

Private Lateral Line and Connection Costs (up to \$5,000)

Amount Requested: \$ _____ Total Project Cost: \$ _____

Please give a brief summary of your business and its products or service:

Please describe how this loan will impact your project:

III. Financing

<u>Actual Costs*</u>		ERU Assignments	Total
City of East Bethel		<i>(This portion to be completed by City)</i>	
Sewer Access Charge	<input type="text"/>		
Water Access Charge	<input type="text"/>		
Sub-total	<input type="text"/>		
Metropolitan Council			
Sewer Only Access Charge	<input type="text"/>		
Other Fees			
Sewer Inspection Fee	<input type="text"/>		
Water Inspection Fee	<input type="text"/>		
Other Costs			
Private Lateral Line Costs	<input type="text"/>		
Water Meter	<input type="text"/>		
Private Sewer Abatement	<input type="text"/>		
Total	<input type="text"/>		

*This does not include Project Assessments per MN Statute 429

Comments:

Proposed Sources of Financing

<u>Source</u>	<u>Name</u>	<u>Terms</u>	<u>Amount</u>
Bank Loan	_____	_____	\$ _____
Bank Loan	_____	_____	\$ _____
Other Private Funds	_____	_____	\$ _____
Applicant Contribution	_____	_____	\$ _____
Other	_____	_____	\$ _____
Total Financing	_____	_____	\$ _____

IV. Project Contacts

Attorney

Name: _____

Address: _____

Phone: _____

Accountant

Name: _____

Address: _____

Phone: _____

Financing Sources (lenders, partners, etc.)

Name: _____

Address: _____

Phone: _____

Name: _____

Address: _____

Phone: _____

Parent Company

Name: _____

Address: _____

Phone: _____

Others

Name: _____

Address: _____

Phone: _____

Name: _____

Address: _____

Phone: _____

V. Attachments Check List

Please attach the following:

A) Letter of Commitment from Applicant Pledging to Complete
During the Proposed Project Duration

B) Letter of Commitment from the Other Sources of Financing, Stating
Terms and Conditions of their Participation in Project

C) Loan Application Fee (\$200)

D) Escrow (\$300)

VI. Agreement

I / We certify that all information provided in this application is true and correct to the best of my / our knowledge. I / We authorize the City of East Bethel and the Review Group to check credit references and verify financial and other information. I / We agree to provide any additional information as may be requested by the City and the Review Group.

The applicant must execute an agreement and waiver wherein the amount of the loan shall be recorded and assessable to the property in the event of default according to the terms of the agreement.

Applicant Signature: _____

By: _____

Date: _____



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

Water Treatment Plant No. 1 Security Fence

Requested Action:

Approval to Solicit Quotes for a Perimeter Fence for Water Treatment Plant No. 1

Background Information:

At the time of the bidding for Water Treatment Plant (WTP) alternate bids were received for a perimeter fence. The fence bid was suspended and Staff was directed by Council to review the possibility of obtaining grant funds for the perimeter fence. No grant funds are available for the perimeter fence through Homeland Security, Minnesota Department of Health, Anoka County or other sources.

Given the isolated nature of this facility and the potential for vandalism of outside appurtenances, staff is requesting approval to solicit quotes for a perimeter fence. The perimeter fence layout is shown on Attachment 1. The estimated cost of the perimeter fence is \$30,000.

Attachments:

- 1. Perimeter Fence Layout

Fiscal Impact:

Quotes received on the fence would be brought to council for consideration at a later date. The estimated cost of the perimeter fence is \$30,000.

Recommendation(s):

Staff is requesting approval to obtain quotes on a perimeter fence for Water Treatment Plant No. 1.

City Council Action

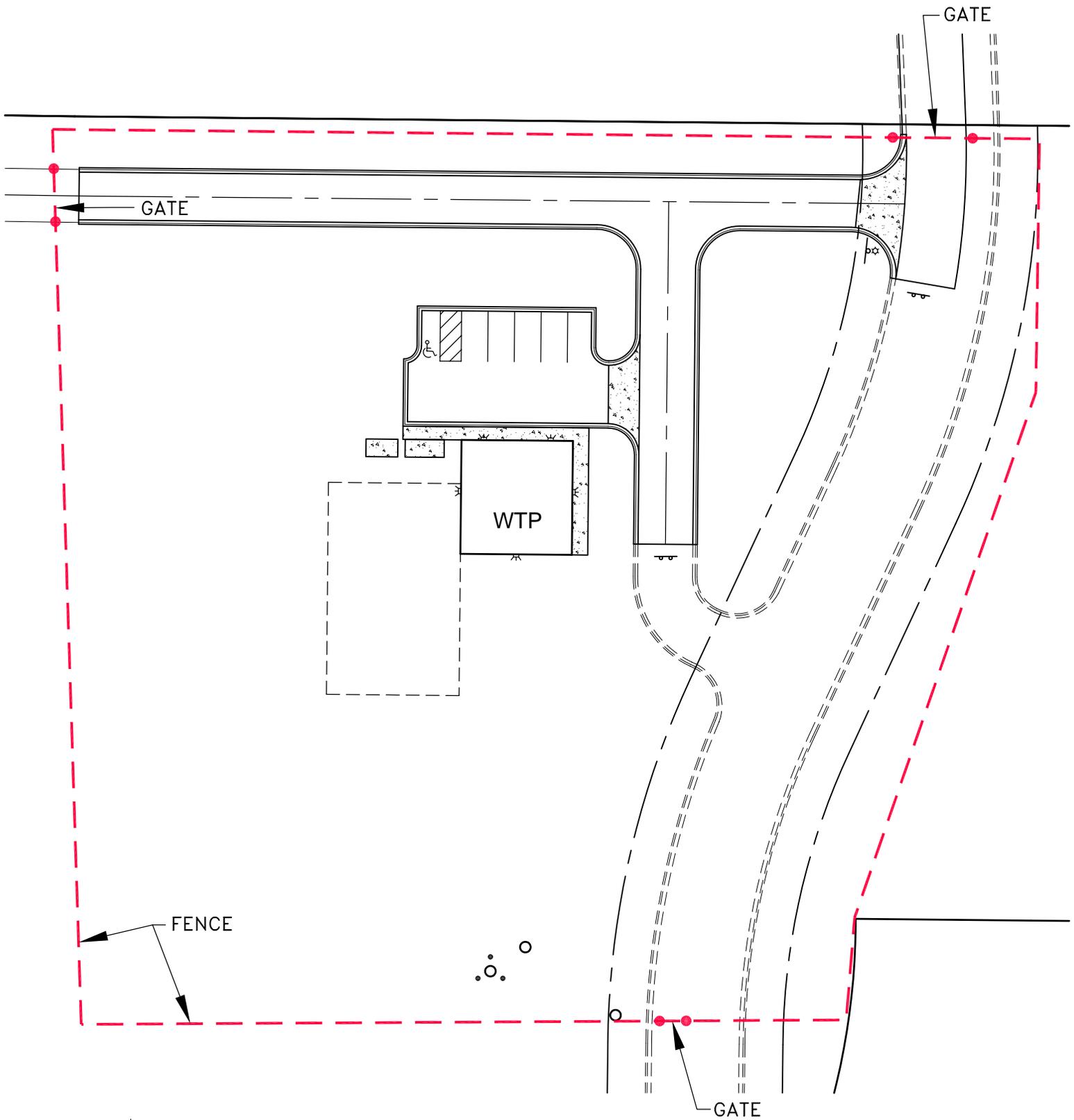
Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: _____



FENCE LOCATION EXHIBIT



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 B.2

Agenda Item:

Castle Towers/Whispering Aspen Forcemain Update

Requested Action:

No action requested.

Background Information:

As you are aware the City and the Metropolitan Council of Environmental Services (MCES) have entered into an agreement to construct a joint project from Viking Boulevard to 229th Avenue. The project consists of two pipes in a common trench. The City pipe will be used to convey sanitary sewer waste from the Castle Towers wastewater treatment plant to the MCES system at Viking Boulevard and the MCES pipe will convey treatment plant effluent to the two rapid infiltration basins. The forcemain that is required to complete the City connection from 229th Avenue to Castle Towers will be constructed as a City only project. Attachment 1 shows the proposed pipe routes and the location of the rapid infiltration basins.

MCES bid this project in November of 2012. The bids were higher than the engineers estimate and all bids were rejected. The MCES rebid the project on February 12, 2013. Four bids ranging from \$8,423,076 to \$9,454,255 were received. MCES concluded that the second bidder, S.M. Hentges and Sons, Inc., offered the lowest responsive bid of \$8,588,125.92. This bid will be recommended for award to the MCES Council at their April 10, 2013 meeting. The City's share of the construction is \$1,606,128.31.

The City forcemain project will consist of the construction of approximately 34,200 lineal feet of 6-inch, 8-inch and 10-inch forcemain and one lift station. Bids will be opened on May 9, 2013. Bids will be presented to the City Council at the May 15, 2013 meeting. A completion date of December 1, 2013 has been established in the contract documents.

Attachment(s):

- 1. Project Layout

Fiscal Impact:

Provided for informational purposes only.

Recommendation(s):

Provided for informational purposes only.

City Council Action

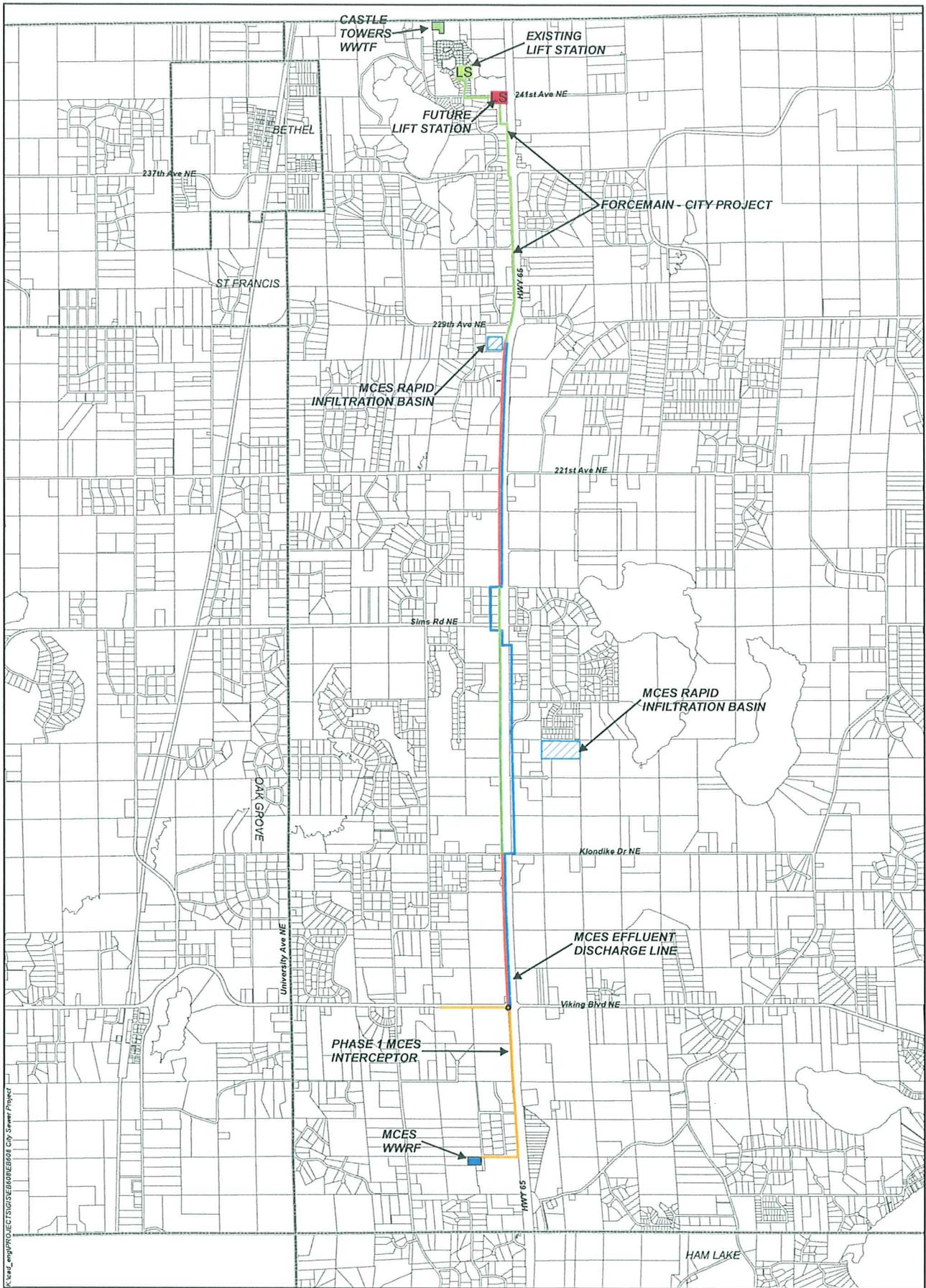
Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____



K:\env\proj\PROJECTS\GISE\BETHEL\BETHEL City Sewer Project



MCES/CITY FORCEMAIN PROJECT



SOURCE: ANOKA COUNTY SURVEY DEPARTMENT, MCES, CITY OF EAST BETHEL & MNDNR



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 D.1

Agenda Item

Modifying the 2013 Fee Schedule

Requested Action:

Approve amendments to the 2013 Fee Schedule

Background Information:

When the 2013 fee schedule was adopted by City Council on February 6, 2013, it did not include water and sewer rates for the Municipal Utilities Project area. Aggressive Hydraulics is connected to the system and rates must be adopted to provide a funding source for operations and maintenance.

The proposed water and sewer rates were presented as part of the Feasibility Study for Phase 1 Project 1 Utility Infrastructure Improvements in September 2010. These rates are the projections of the consultants and are the only basis we have for setting an initial rate. Until such time that sufficient data is available for an analysis of our costs water for operating the system, Staff recommends the adoption of these rates.

Attachment #2 compares the proposed water and sewer rates to the cities of Andover, Blaine and Isanti.

As an example, a business that has an assignment of 1 ERU and an average monthly usage of 7,500 gallons of water would be charged the following amounts:

Monthly Water Costs

Base Charge @ \$5.00/ERU	5.00
Plant Charge @ \$10.00/ERU	10.00
Usage Charge, 7,500 g.. @ \$3/1,000 g.	<u>22.50</u>
Total	\$37.50

Monthly Sewer Charges*

Base Charge @ \$5.00/ERU	5.00
MCES User Charge @ \$2/1,000 g.	12.50
City Usage Charge @ \$2.75/1,000 g.	<u>17.19</u>
Total	\$34.69

*Based on 6,250 gals.

Attachment(s):

1. Res 2013-17 Modifying the 2013 Fee Schedule
2. Annual User Charge Comparison

Fiscal Impact:

Provide water and sewer revenues for the Municipal Utilities Project area to provide a funding source for operations and maintenance from user fees.

Recommendation(s):

Staff requests approval of Resolution 2013-17 Modifying the 2013 Fee Schedule. Fees will be effective immediately.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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

RESOLUTION NO. 2013-17

**A RESOLUTION MODIFYING FEES TO BE COLLECTED BY THE CITY OF
EAST BETHEL IN 2013**

WHEREAS, The City Council of the City of East Bethel is the governing body of the City of East Bethel; and

WHEREAS, the 2013 Fee Schedule, originally adopted on February 6, 2013 as Resolution 2013-09, did not include Water & Sewer User charges for the Municipal Utilities Project area.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: Resolution 2013-09 Establishing 2013 Fee Schedule is hereby modified with the addition as follows:

UTILITY OPERATIONS:

Wastewater Treatment – Municipal Utility Project Area

Base Charge	\$5.00/ERU per Month
MCES Usage Charge	\$2.00 per 1,000 Gallons
Usage Charge	\$2.75 per 1,000 Gallons
(Non Residential based on monthly water use)	
(Residential based on water use during January, February & March)	

Water Use Charges – Municipal Utility Project Area

Base Charge	\$5.00/ERU per Month
Plant Charge	\$10.00/ERU per Month
Usage Charge	\$3.00 per 1,000 Gallons

Adopted this 17th day of April, 2013 by the City Council of the City of East Bethel.

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

Annual User Charge Comparison (per ERU)

Landform Presentation 2/19/2011

Item	East Bethel	Andover	Blaine	Isanti
Water	\$450	\$230	\$117	\$483
Sewer	416	230	179	497
Totals	\$866	\$460	\$296	\$980

Table reflects the fees that are being presented to City Council for approval.



City of East Bethel City Council Agenda Information

Date:

April 17, 2013

Agenda Item Number:

Item 8.0 F.1

Agenda Item:

Fire Department Report

Requested Action:

Informational only

Background Information:

The Fire Chief has provided reports of Fire Department emergency calls, fire inspections, and emergency medical calls from the previous month.

Fiscal Impact:

None

Recommendation(s):

Informational only.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

East Bethel Fire Department

March 2013 Response Calls

Incident Number	Incident Date	Alarm Time	Location	Incident Type
125	03/31/2013	09:21	18346 Lakeview Pt DR NE	EMS call
124	03/30/2013	23:38	412 NE Dahlia	EMS call
123	03/30/2013	04:18	23525 Ulysses ST NE	Carbon monoxide detector activation
122	03/28/2013	10:56	18164 65 HWY NE	EMS call
121	03/27/2013	20:23	1224 NE 226 AVE NE	Unauthorized burning
120	03/27/2013	10:03	19139 NE Staples ST NE	EMS call
119	03/26/2013	12:44	3411 217 AVE NE	EMS call
118	03/25/2013	22:40	745 NE 225 NE.	Carbon monoxide incident
117	03/22/2013	14:49	22435 Palisade ST NE	EMS call
116	03/22/2013	00:20	1851 NE 210 AVE	EMS call
115	03/21/2013	19:48	18546 NE Everglade DR	Unauthorized burning
114	03/21/2013	15:15	18128 Fillmore ST	Dispatched and cancelled en route
113	03/20/2013	07:49	3841 Edmar LN NE	EMS call
112	03/18/2013	13:07	405 196th LN NE	EMS call
111	03/18/2013	05:25	3774 209th AVE	Dispatched and cancelled en route
108	03/14/2013	23:46	18544 Everglade DR NE	EMS call
107	03/14/2013	12:39	21210 NE Polk ST NE	EMS call
110	03/14/2013	07:19	447 Cedar RD	EMS call
109	03/14/2013	06:45	235 dogwood RD NE	EMS call
106	03/13/2013	03:18	1046 181st LN NE	EMS call
105	03/12/2013	15:50	23420 Ulysses ST NE	EMS call
104	03/12/2013	11:55	4542 195th AVE NE	Building fire
103	03/11/2013	12:40	18920 Vickers ST	EMS call
102	03/11/2013	10:08	23759 65 HWY NE	EMS call
101	03/10/2013	10:53	SB Hwy 65 HWY	EMS call
100	03/10/2013	09:11	4537 Viking Blvd NE	EMS call
099	03/09/2013	08:40	4420 235th LN N	Smoke scare, odor of smoke
098	03/07/2013	11:04	Hwy 65 HWY NE	EMS call
097	03/06/2013	17:16	1851 210th AVE	EMS call
096	03/06/2013	07:42	Highway 65 HWY NE	Dispatched and cancelled en route
095	03/05/2013	16:08	4515 NE 224th AVE NE	EMS call
094	03/04/2013	13:59	Hwy 65	Dispatched and cancelled en route
092	03/03/2013	08:47	24355 HWY 65 HWY NE	EMS call
093	03/03/2013	08:00	2375 NE 221st AVE NE	Special type of incident
091	03/02/2013	22:19	3230 195 AVE NW	Building fire
090	03/02/2013	08:00	2751 Viking Blvd	Report of information
088	03/01/2013	11:04	19473 East Bethel BLVD	EMS call
087	03/01/2013	05:57	23558 ULYSSES ST NE	EMS call
Total				38

City of East Bethel

Subject: Fire Inspector Report

March 1 – 31, 2013

City of East Bethel Fire Inspection List		
Name	Address	Comments
American Tool	23773 Johnson St	No Violations
MSB	4817 Viking Blvd	Fire Extinguishers
Allstate	21471 Ulysses St.	Fire Extinguishers
Blue Sky Alpacas	21475 Johnson St	Emergency light
Go For It Gas	3255 Viking Blvd	Questions on moving fire extinguishers
Clear Vision Satellite	18553 Hwy 65	No Violations
Central Wood Products	19802 Hwy 65	No Violations
5K Auto Sales	18355 Hwy 65	Emergency lights and mount extinguisher
Landmark Concrete Inc.	18600 Ulysses St.	Emergency lights
The Pines	3301 Viking Blvd	No Violations
NOTE: First Inspections Unless Noted		

10 Businesses Inspected

Reported by Mark Duchene
Fire Inspectors

**East Bethel Fire Department
Type of Medical Calls**

March, 2013

Number of Medical Calls 27

Type	Number	Transport by Ambulance
Medical Complications	7	7
Short of Breath	2	2
Cardiac	3	3
Bleeding		
Illness	1	1
Trauma	8	8
Assist		
Other	3	3
Cancelled Medical Call	3	1
Totals	27	25

**East Bethel Fire Department
January 1 - March 31, 2013
Multiple Calls to Addresses**

122	3/28/2013	10:56	18164 Highway 65	EMS call
73	2/19/2013	4:38	18164 Highway 65	EMS call
61	2/9/2013	14:53	18164 Highway 65	EMS call
57	2/5/2013	17:56	18164 Highway 65	EMS call
54	2/4/2013	11:13	18164 Highway 65	EMS call
49	2/2/2013	4:04	18164 Highway 65	Fire/Smoke Alarm
48	2/1/2013	12:46	18164 Highway 65	EMS call
42	1/28/2013	12:23	18164 Highway 65	Dispatched & cancelled
36	1/26/2013	11:43	18164 Highway 65	EMS call
33	1/24/2013	12:53	18164 Highway 65	EMS call
26	1/22/2013	5:23	18164 Highway 65	Dispatched & cancelled
24	1/20/2013	11:11	18232 Hwy 65 NE	Dispatched & cancelled
23	1/20/2013	10:31	18232 Hwy 65 NE	EMS call
125	3/31/2013	9:21	18346 Lakeview Point DR NE	EMS call
84	2/28/2013	5:50	18346 Lakeview Point DR NE	EMS call
116	3/22/2013	0:20	1851 210th AVE	EMS call
97	3/6/2013	17:16	1851 210th AVE	EMS call
75	2/22/2013	3:24	1851 210th AVE	EMS call
107	3/14/2013	12:39	21210 NE Polk ST NE	EMS call
18	1/14/2013	18:04	21210 NE Polk ST NE	Fire/Smoke Alarm
117	3/22/2013	14:49	22435 Palisade ST NE	EMS call
1	1/1/2013	9:30	22435 Palisade ST NE	EMS call
38	1/27/2013	9:00	2419 216 AVE NE	EMS call
35	1/25/2013	18:18	2419 216 AVE NE	EMS call
92	3/3/2013	8:47	24355 Hwy 65	EMS call
5	1/2/2013	17:39	24355 Hwy 65	EMS call
98	3/7/2013	11:04	65 HWY NE	EMS call
96	3/6/2013	7:42	65 HWY NE	Dispatched & cancelled
94	3/4/2013	13:59	65 HWY NE	Dispatched & cancelled
82	2/26/2013	6:04	65 HWY NE	EMS call
69	2/14/2013	13:24	65 HWY NE	EMS call
39	1/27/2013	16:16	65 HWY NE	Dispatched & cancelled
19	1/16/2013	20:38	65 HWY NE	EMS call