

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: November 21, 2012



| | 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 |
| Page 1-3 | A. Sheriff's Report |
| 7:40 PM | 5.0 Public Forum |
| 7:50 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 6-9 | A. Approve Bills |
| Page 10-20 | B. Meeting Minutes, November 7, 2012, Regular Meeting |
| Page 21 | C. Meeting Minutes, November 14, 2012 Special Meeting Canvassing Election |
| Page 22-23 | D. Res. 2012-69 Final Certification of Delinquent Charges |
| | E. Water Treatment Plant Security Fence |
| | F. Change January City Council Meeting Dates |
| Page 24 | G. Res. 2012-70 Adopt-A-Park John E. Anderson Memorial Park |
| | New Business |
| | 7.0 Commission, Association and Task Force Reports |
| | A. Economic Development Authority |
| | B. Planning Commission |
| | C. Park Commission |
| | D. Road Commission |
| | 8.0 Department Reports |
| 7:55 PM | A. Community Development |
| | B. Engineer |
| | C. Attorney |
| | D. Finance |
| Page 25-29 | 1. 2013 Budget Discussion |
| | E. Public Works |
| 8:00 PM | F. Fire Department |
| Page 30-34 | 1. Monthly Report |
| 8:05 PM | G. City Administrator |
| Page 35-51 | 1. Sylvan Street License |
| Page 52-60 | 2. Liquor License Refund |
| Page 61-70 | 3. Electronic Reader Board Design |
| Page 71-81 | 4. Oak Grove Building Official & Inspection Services Contract |

| | | |
|---------|-------------|--------------------|
| | 9.0 | Other |
| 8:20 PM | | A. Council Reports |
| 8:25 PM | | B. Other |
| 8:30 PM | 10.0 | Adjourn |



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

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 October, 2012.

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

OCTOBER 2012

| ITEM | October-12 | September-12 | YTD 2012 | YTD 2011 |
|-------------------------|------------|--------------|----------|----------|
| Radio Calls | 370 | 407 | 4,018 | 4,055 |
| Incident Reports | 403 | 386 | 3,821 | 3,612 |
| Burglaries | 0 | 3 | 42 | 42 |
| Thefts | 17 | 17 | 217 | 203 |
| Crim Sex Conduct | 0 | 0 | 5 | 4 |
| Assault | 1 | 1 | 15 | 23 |
| Damage to Property | 4 | 1 | 69 | 70 |
| Harass Comm | 1 | 4 | 40 | 40 |
| Felony Arrests | 0 | 6 | 19 | 46 |
| Gross Misd Arrests | 1 | 0 | 4 | 6 |
| Misd Arrests | 14 | 9 | 134 | 82 |
| DUI Arrests | 3 | 2 | 34 | 48 |
| Domestic Arrests | 3 | 2 | 33 | 25 |
| Warrant Arrests | 3 | 4 | 53 | 43 |
| Traffic Arrests | 112 | 132 | 983 | 833 |

* Total Radio Calls for the month and YTD are the sum from City of East Bethel and Community Service Officer pages.

CITY OF EAST BETHEL – COMMUNITY SERVICE OFFICERS

OCTOBER 2012

| ITEM | October-12 | September-12 | YTD 2012 | YTD 2011 |
|-------------------------|------------|--------------|----------|----------|
| Radio Calls | 17 | 26 | 194 | 156 |
| Incident Reports | 18 | 28 | 211 | 171 |
| Accident Assist | 2 | 1 | 22 | 17 |
| Vehicle Lock Out | 2 | 2 | 23 | 57 |
| Extra Patrol | 34 | 31 | 326 | 365 |
| House Check | 0 | 0 | 0 | 15 |
| Business Check | 1 | 1 | 25 | 308 |
| Animal Complaints | 5 | 13 | 76 | 73 |
| Traffic Assist | 1 | 5 | 37 | 37 |
| Aids: Agency | 47 | 15 | 350 | 519 |
| Aids: Public | 33 | 43 | 231 | 318 |
| Paper Service | 1 | 0 | 32 | 49 |
| Inspections | 0 | 0 | 0 | 0 |
| Ordinance Violations | 0 | 0 | 13 | 2 |



Payments for Council Approval November 21, 2012

| | |
|--|---------------------|
| Bills to be Approved for Payment | \$132,495.14 |
| Electronic Payments | \$24,910.83 |
| Payroll City Staff - November 8, 2012 | \$27,595.51 |
| Payroll City Council - November 15, 2012 | \$1,636.07 |
| Payroll Fire Dept - November 15, 2012 | \$12,926.50 |
| Total to be Approved for Payment | \$199,564.05 |

City of East Bethel

November 21, 2012

Payment Summary

| Department | Description | Invoice | Vendor | Fund | Dept | Amount |
|--------------------------------|--------------------------------|--------------|--------------------------------|------|-------|-----------|
| 215-221st East 65 Service Rd | Architect/Engineering Fees | 30917 | Hakanson Anderson Assoc. Inc. | 402 | 43125 | 11,325.61 |
| Arena Operations | Auto/Misc Licensing Fees/Taxes | ABR0057625I | MN Dept Labor & Industry | 615 | 49851 | 30.00 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 9962391018 | Grainger | 615 | 49851 | 28.66 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 7731 | Menards Cambridge | 615 | 49851 | 179.70 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 7849 | Menards Cambridge | 615 | 49851 | (6.35) |
| Arena Operations | Bldgs/Facilities Repair/Maint | 7850 | Menards Cambridge | 615 | 49851 | 31.74 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 8177 | Menards Cambridge | 615 | 49851 | 47.66 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 1101255 | Rink Systems Inc. | 615 | 49851 | 1,842.04 |
| Arena Operations | Bldgs/Facilities Repair/Maint | 102912 | Wright-Hennepin Coop Electric | 615 | 49851 | 21.32 |
| Arena Operations | Concession Rental | 51 | Gibson's Management Company | 615 | | (500.00) |
| Arena Operations | Motor Fuels | 1072980751 | Ferrellgas | 615 | 49851 | 208.24 |
| Arena Operations | Professional Services Fees | 51 | Gibson's Management Company | 615 | 49851 | 6,898.44 |
| Arena Operations | Repairs/Maint Machinery/Equip | 261834 | Printers Service Inc. | 615 | 49851 | 90.00 |
| Arena Operations | Small Tools and Minor Equip | 309297 | Viking Industrial Center | 615 | 49851 | 105.81 |
| Arena Operations | Telephone | 110112 | CenturyLink | 615 | 49851 | 113.73 |
| Building Inspection | Electrical Inspections | 110112 | Brian Nelson Inspection Svcs | 101 | | 1,023.00 |
| Building Inspection | Motor Fuels | 2127480 | Lubricant Technologies, Inc. | 101 | 42410 | 328.17 |
| Building Inspection | Professional Services Fees | 11 2012 | Kevin Tramm Construction, Inc. | 101 | 42410 | 322.00 |
| Building Inspection | Reimbursement-3rd Party Exp. | C0010375 | League of MN Cities Ins Trust | 101 | 42410 | 1,000.00 |
| Central Services/Supplies | Information Systems | 216651 | City of Roseville | 101 | 48150 | 2,140.16 |
| Central Services/Supplies | Office Supplies | 629832074001 | Office Depot | 101 | 48150 | 38.61 |
| Central Services/Supplies | Office Supplies | 630378444001 | Office Depot | 101 | 48150 | 9.60 |
| Central Services/Supplies | Office Supplies | 630378478001 | Office Depot | 101 | 48150 | 55.92 |
| Central Services/Supplies | Office Supplies | 630795577001 | Office Depot | 101 | 48150 | 57.96 |
| Central Services/Supplies | Office Supplies | 630803128001 | Office Depot | 101 | 48150 | 9.60 |
| Central Services/Supplies | Office Supplies | B00817948 | SHI | 101 | 48150 | 168.44 |
| Central Services/Supplies | Telephone | 110112 | CenturyLink | 101 | 48150 | 238.08 |
| Economic Development Authority | Legal Notices | IQ 01806689 | ECM Publishers, Inc. | 232 | 23200 | 123.00 |
| Elections | Office Supplies | 631194426001 | Office Depot | 101 | 41410 | 65.14 |
| Elections | Travel Expenses | 111412 | Wendy Warren | 101 | 41410 | 137.64 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 135.00 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 237.50 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 180.00 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 229.96 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 639.92 |
| Engineering | Architect/Engineering Fees | 30924 | Hakanson Anderson Assoc. Inc. | 101 | 43110 | 197.76 |
| Finance | Office Supplies | 629832074001 | Office Depot | 101 | 41520 | 55.08 |
| Fire Department | Auto/Misc Licensing Fees/Taxes | ABR0056840I | MN Dept Labor & Industry | 101 | 42210 | 20.00 |
| Fire Department | Bldgs/Facilities Repair/Maint | 102912 | Wright-Hennepin Coop Electric | 101 | 42210 | 5.32 |
| Fire Department | Dues and Subscriptions | 2012 | MN State Fire Dept Assn | 101 | 42210 | 288.00 |
| Fire Department | Employer Paid Expenses | 54 | MN State Fire Chiefs Assoc. | 231 | 42210 | 470.00 |
| Fire Department | Heavy Machinery | 33714 | North Shore Compressor | 101 | 42210 | 11,139.03 |
| Fire Department | Heavy Machinery | 8076 | Standard Electric | 101 | 42210 | 625.00 |
| Fire Department | Motor Fuels | 2127479 | Lubricant Technologies, Inc. | 101 | 42210 | 305.03 |
| Fire Department | Motor Fuels | 2127480 | Lubricant Technologies, Inc. | 101 | 42210 | 522.06 |
| Fire Department | Other Advertising | 127069 | Aspen Mills, Inc. | 231 | 42210 | 59.30 |
| Fire Department | Other Advertising | 127070 | Aspen Mills, Inc. | 231 | 42210 | 59.30 |

City of East Bethel

November 21, 2012

Payment Summary

| Department | Description | Invoice | Vendor | Fund | Dept | Amount |
|------------------------------|-------------------------------|--------------|-------------------------------|------|-------|-----------|
| Fire Department | Personnel Advertising | 45343 | The Courier | 231 | 42210 | 162.50 |
| Fire Department | Repairs/Maint Machinery/Equip | 33148 | Ancom Communications | 101 | 42210 | 253.29 |
| Fire Department | Repairs/Maint Machinery/Equip | 1921-450203 | O'Reilly Auto Stores Inc. | 101 | 42210 | 11.75 |
| Fire Department | Small Tools and Minor Equip | 212091741 | Alert - All Corp. | 231 | 42210 | 966.50 |
| Fire Department | Small Tools and Minor Equip | 367456 | Ham Lake Hardware | 231 | 42210 | 28.38 |
| Fire Department | Small Tools and Minor Equip | 106446 | River Country Cooperative | 231 | 42210 | 85.36 |
| Fire Department | Telephone | 110112 | CenturyLink | 101 | 42210 | 57.63 |
| Fire Department | Telephone | 110112 | CenturyLink | 101 | 42210 | 61.95 |
| Fire Department | Telephone | 110112 | CenturyLink | 101 | 42210 | 117.11 |
| Fire Department | Telephone | 110112 | CenturyLink | 101 | 42210 | 174.50 |
| General Govt Buildings/Plant | Bldgs/Facilities Repair/Maint | 10307 | Betz Mechanical, Inc. | 101 | 41940 | 424.97 |
| General Govt Buildings/Plant | Bldgs/Facilities Repair/Maint | 14886 | GHP Enterprises, Inc. | 101 | 41940 | 384.30 |
| General Govt Buildings/Plant | Bldgs/Facilities Repair/Maint | 455408-10-12 | Premium Waters, Inc. | 101 | 41940 | 2.14 |
| General Govt Buildings/Plant | Bldgs/Facilities Repair/Maint | 121133 | Robert B. Hill Company | 101 | 41940 | 19.24 |
| General Govt Buildings/Plant | Repairs/Maint Machinery/Equip | 12-17274 | Connexus Energy | 101 | 41940 | 884.63 |
| Jackson MSA Street Project | Architect/Engineering Fees | 30916 | Hakanson Anderson Assoc. Inc. | 402 | 40326 | 19,521.82 |
| Legal | Legal Fees | 10 2012 | Eckberg, Lammers, Briggs, | 101 | 41610 | 8,152.53 |
| Legal | Legal Fees | 123231 | Eckberg, Lammers, Briggs, | 101 | 41610 | 5,216.16 |
| Mayor/City Council | Dues and Subscriptions | 2012/2013 | League of MN Cities | 101 | 41110 | 30.00 |
| Mayor/City Council | Other Advertising | 45343 | The Courier | 101 | 41110 | 35.00 |
| Mayor/City Council | Professional Services Fees | 12-374 | North Suburban Access Corp | 101 | 41110 | 120.00 |
| MSA Street Construction | Architect/Engineering Fees | 30918 | Hakanson Anderson Assoc. Inc. | 402 | 40200 | 95.00 |
| Park Capital Projects | Bldg/Facility Repair Supplies | 90612 | Clearwater Recreation | 407 | 40700 | 1,257.92 |
| Park Maintenance | Bldg/Facility Repair Supplies | 9965093785 | Grainger | 101 | 43201 | 409.39 |
| Park Maintenance | Clothing & Personal Equipment | 470149906 | Cintas Corporation #470 | 101 | 43201 | 27.85 |
| Park Maintenance | Clothing & Personal Equipment | 470149906 | Cintas Corporation #470 | 101 | 43201 | 48.51 |
| Park Maintenance | Clothing & Personal Equipment | 470153156 | Cintas Corporation #470 | 101 | 43201 | 48.51 |
| Park Maintenance | Motor Fuels | 2127479 | Lubricant Technologies, Inc. | 101 | 43201 | 586.61 |
| Park Maintenance | Motor Fuels | 2127480 | Lubricant Technologies, Inc. | 101 | 43201 | 447.48 |
| Park Maintenance | Park/Landscaping Materials | 389369 | Ham Lake Hardware | 101 | 43201 | 12.81 |
| Park Maintenance | Park/Landscaping Materials | 10099 | Menards - Forest Lake | 101 | 43201 | 20.79 |
| Park Maintenance | Park/Landscaping Materials | 7621 | Menards Cambridge | 101 | 43201 | 542.20 |
| Park Maintenance | Repairs/Maint Machinery/Equip | W00150 | Suburban Lawn Center | 101 | 43201 | 115.77 |
| Payroll | Union Dues | 11 2012 | MN Teamsters No. 320 | 101 | | 602.00 |
| Planning and Zoning | Architect/Engineering Fees | 30913 | Hakanson Anderson Assoc. Inc. | 847 | | 720.42 |
| Planning and Zoning | Architect/Engineering Fees | 30914 | Hakanson Anderson Assoc. Inc. | 940 | | 928.16 |
| Planning and Zoning | Architect/Engineering Fees | 30914 | Hakanson Anderson Assoc. Inc. | 911 | | 370.04 |
| Planning and Zoning | Architect/Engineering Fees | 30915 | Hakanson Anderson Assoc. Inc. | 934 | | 2,624.56 |
| Planning and Zoning | Legal Fees | 123231 | Eckberg, Lammers, Briggs, | 940 | | 275.00 |
| Planning and Zoning | Legal Fees | 123231 | Eckberg, Lammers, Briggs, | 941 | | 3,075.00 |
| Planning and Zoning | Legal Fees | 123231 | Eckberg, Lammers, Briggs, | 936 | | 2,684.00 |
| Planning and Zoning | Professional Services Fees | 500 | Flat Rock Geographics, LLC | 101 | 41910 | 668.25 |
| Planning and Zoning | Professional Services Fees | 514 | Flat Rock Geographics, LLC | 101 | 41910 | 455.63 |
| Planning and Zoning | Professional Services Fees | 592 | Flat Rock Geographics, LLC | 101 | 41910 | 698.63 |
| Police | Professional Services Fees | 53221 | Gopher State One-Call | 101 | 42110 | 11.60 |
| Police | Professional Services Fees | 10 2012 | Gratitude Farms | 101 | 42110 | 1,065.59 |
| Recycling Operations | Professional Services Fees | 11 2012 | Cedar East Bethel Lions | 226 | 43235 | 1,000.00 |

City of East Bethel

November 21, 2012

Payment Summary

| Department | Description | Invoice | Vendor | Fund | Dept | Amount |
|--------------------------------|--------------------------------|--------------|-------------------------------|------|-------|---------------------|
| Sewer Operations | Bldgs/Facilities Repair/Maint | 3517 | North Star Pump Service | 602 | 49451 | 3,833.69 |
| Sewer Operations | Bldgs/Facilities Repair/Maint | 21237 | Westco Environmental Services | 602 | 49451 | 3,655.80 |
| Sewer Operations | Bldgs/Facilities Repair/Maint | 102912 | Wright-Hennepin Coop Electric | 602 | 49451 | 24.53 |
| Sewer Operations | Professional Services Fees | 82025 | Utility Consultants, Inc. | 602 | 49451 | 492.50 |
| Sewer Utility Capital Projects | Architect/Engineering Fees | 30922 | Hakanson Anderson Assoc. Inc. | 434 | 49455 | 714.99 |
| Sewer Utility Capital Projects | Architect/Engineering Fees | 30923 | Hakanson Anderson Assoc. Inc. | 434 | 49455 | 571.71 |
| Street Capital Projects | Architect/Engineering Fees | 30919 | Hakanson Anderson Assoc. Inc. | 406 | 40600 | 11,148.12 |
| Street Maintenance | Auto/Misc Licensing Fees/Taxes | ABR0056840I | MN Dept Labor & Industry | 101 | 43220 | 20.00 |
| Street Maintenance | Bldg/Facility Repair Supplies | 8328 | Menards Cambridge | 101 | 43220 | 206.13 |
| Street Maintenance | Bldgs/Facilities Repair/Maint | 470149906 | Cintas Corporation #470 | 101 | 43220 | 27.20 |
| Street Maintenance | Bldgs/Facilities Repair/Maint | 470153156 | Cintas Corporation #470 | 101 | 43220 | 27.20 |
| Street Maintenance | Bldgs/Facilities Repair/Maint | 455408-10-12 | Premium Waters, Inc. | 101 | 43220 | 2.14 |
| Street Maintenance | Bldgs/Facilities Repair/Maint | 102912 | Wright-Hennepin Coop Electric | 101 | 43220 | 21.29 |
| Street Maintenance | Clothing & Personal Equipment | 470149906 | Cintas Corporation #470 | 101 | 43220 | 47.91 |
| Street Maintenance | Clothing & Personal Equipment | 470153156 | Cintas Corporation #470 | 101 | 43220 | 47.91 |
| Street Maintenance | Lubricants and Additives | D10368 | Gregory Cardey | 101 | 43220 | 75.51 |
| Street Maintenance | Lubricants and Additives | 1539-181296 | O'Reilly Auto Stores Inc. | 101 | 43220 | 72.63 |
| Street Maintenance | Motor Fuels | 2127479 | Lubricant Technologies, Inc. | 101 | 43220 | 1,454.81 |
| Street Maintenance | Motor Fuels | 2127480 | Lubricant Technologies, Inc. | 101 | 43220 | 193.90 |
| Street Maintenance | Motor Vehicles Parts | 2734 | Hydraulics Plus & Consulting | 101 | 43220 | 80.24 |
| Street Maintenance | Motor Vehicles Parts | 2125588 | MacQueen Equipment, Inc. | 101 | 43220 | 175.77 |
| Street Maintenance | Motor Vehicles Parts | 1539-180911 | O'Reilly Auto Stores Inc. | 101 | 43220 | 96.18 |
| Street Maintenance | Motor Vehicles Parts | 248860 | S & S Industrial Supply | 101 | 43220 | 20.39 |
| Street Maintenance | Repairs/Maint Machinery/Equip | 101822 | Rogers Electric | 101 | 43220 | 181.10 |
| Street Maintenance | Street Maint Materials | 125138 | City of St. Paul | 101 | 43220 | 1,080.85 |
| Street Maintenance | Telephone | 110112 | CenturyLink | 101 | 43220 | 68.79 |
| Water Utility Capital Projects | Architect/Engineering Fees | 30920 | Hakanson Anderson Assoc. Inc. | 433 | 49405 | 10,285.38 |
| Water Utility Capital Projects | Architect/Engineering Fees | 30921 | Hakanson Anderson Assoc. Inc. | 433 | 49405 | 212.12 |
| Water Utility Capital Projects | Architect/Engineering Fees | 30922 | Hakanson Anderson Assoc. Inc. | 433 | 49405 | 714.99 |
| Water Utility Operations | Bldgs/Facilities Repair/Maint | 102912 | Wright-Hennepin Coop Electric | 601 | 49401 | 26.67 |
| Water Utility Operations | Telephone | 110112 | CenturyLink | 601 | 49401 | 111.03 |
| | | | | | | \$132,495.14 |
| Electronic Payments | | | | | | |
| Payroll | PERA | | | | | \$5,040.30 |
| Payroll | Federal Withholding | | | | | \$5,181.03 |
| Payroll | Medicare Withholding | | | | | \$1,684.28 |
| Payroll | FICA Tax Withholding | | | | | \$6,040.13 |
| Payroll | State Withholding | | | | | \$2,179.42 |
| Payroll | MSRS | | | | | \$4,785.67 |
| | | | | | | \$24,910.83 |



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 6.0 A-G

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, November 7, 2012 Regular City Council

Meeting minutes from the November 7, 2012 Regular City Council Meeting are attached for your review and approval.

Item C

Meeting Minutes, November 14, 2012 Special Meeting Canvassing Election

Meeting minutes from the November 14, 2012 Special City Council Meeting Canvassing the election are attached for your review and approval.

Item D

Res. 2012-69 Final Certification of Delinquent Charges

City Code of Ordinances, Chapter 74, Sec. 74-126 (b) and Chapter 30, Sec. 30-105 requires that the City Council adopt the final assessment resolution certifying the final amounts to county auditors for collection with property taxes in 2013. Resolution 2012-69 provides for that certification.

Item E

Water Treatment Plant Security Fence

Staff was directed by Council to review the possibility of providing grant funds for the perimeter fence around the Water Treatment Plant. No grant funds are available for the perimeter fence. If there are bond proceeds remaining after the construction of the current planned infrastructure improvements staff is recommending that the perimeter fence be constructed around the plant. At this time staff is requesting approval to obtain quotes for the perimeter fence. Quotes would be presented to council along with the proposed funding source.

This portion of the change order was omitted from the change order approval that was passed at the November 7, 2012 Council Meeting (Voss made a motion to approve Change Order No. 2, Alternate Bid No. 3 – Irrigation for Municipal Builders for the Water Treatment Plant. Lawrence seconded; all in favor, motion carries.).

Item F

Change January City Council Meeting Dates

A council member-elect can take the oath of office anytime between the time the results have become official (canvassed) and the time they take office. However, State law provides that the new term of office starts the first Monday in January (January 7th, 2013). Our first meeting of the year is before this date, so the old council would preside over the meeting if it is held as scheduled on January 2, 2012.

As a result of this statutory requirement, it is recommended that the January 2013 City Council meeting dates be changed to January 9th and January 23, 2013. As January 2013 has five Wednesday's, the regular meeting schedule of the 1st and 3rd Wednesday's of the month could be resumed in February 2013.

Item G

Resolution 2012-70 Adopt-A-Park John E. Anderson Memorial Park

The City has received an application for the Adopt-A-Park Program to adopt John E. Anderson Memorial Park from Boy Scout Troop 733. Troop 733 has performed two Eagle Scout Projects at this location.

Staff recommends adoption of Resolution 2012-70 recognizing the commitment from Boy Scout Troop 733 to help keep John E. Anderson Memorial Park clean as part of the City of East Bethel's Adopt-A-Park program.

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: _____

EAST BETHEL CITY COUNCIL MEETING

November 7, 2012

The East Bethel City Council met on November 7, 2012 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle
Steve Voss

MEMBERS EXCUSED: Bill Boyer

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

Call to Order **The November 7, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Voss made a motion to adopt the November 7, 2012 City Council Agenda. Moegerle seconded, all in favor, motion carries.**

Public Hearing – Drainage and Utility Easement Vacation for AHI, Investments, LLC & Village Bank Davis explained that Classic Commercial Park was platted in 2006. At that time, the plat was approved with a temporary cul-de-sac easement on the north end of Ulysses Street. The Final Plat of Classic Commercial Park is included as Attachment 1. The developer has replatted Classic Commercial Park as Classic Commercial Park 2nd Addition. As part of the replatting process, the developer constructed a cul-de-sac as shown on Attachment 2. A new easement for the current location of the cul-de-sac has been prepared and filed. The right of way to the north property line is still in place.

Ulysses Street would only be extended north in the future to service the property north of Classic Commercial Park 2nd Addition therefore if a new cul-de-sac was constructed it would terminate north of the current plat line. For this reason the current easements for Street, Drainage and Utility that would service a future cul-de-sac on the north end of Ulysses Street are not needed.

As part of the vacation process, state statutes require a public hearing. A public hearing notice has been published in the Anoka County Union and adjacent landowners have been notified of the hearing by mail.

Staff recommends that Council conduct the public hearing and receive public comment as required by state statutes for the vacation of a portion of the Street, Drainage and Utility Easements on Lot 1, Block 1 and Outlot A, Classic Commercial Park that are intended for a future cul-de-sac on the north end of the platted right of way for Ulysses Street.

Mayor Lawrence opened the public hearing for any comments from public. Since there were no comments the public hearing was closed.

Public Hearing – Delinquent Utility and Davis explained that East Bethel Code of Ordinances, Chapter 74, Sec. 74-126 (b) provides for the collection of delinquent utility bills through the property tax system. East Bethel Code of Ordinances, Chapter 30, Sec. 30-105 provides for the collection of unpaid

Emergency
Services
Charges

emergency services through the property tax system in the county which the recipient of the services owns property. These ordinances provide an opportunity for property owners that are delinquent in payments to the City for utility services and for emergency services to come before the City Council to explain their specific situation. The Public Hearing this evening is that hearing required in the ordinances.

The Public Hearing must be conducted and property owners must be provided an opportunity to be heard before the final certification of delinquent amounts is forwarded to the County for collection with property taxes.

At its September 19, 2012 meeting, Council set November 7, 2012 as the Public Hearing date for individuals wishing to object to the delinquent charges being collected through the property tax system. All affected property owners have been notified via U.S. Mail of the opportunity to appear before the City Council on Wednesday evening. Requests to be heard at the Public Hearing as provided for by ordinance were accepted through October 19, 2012. As of this date, no property owners have notified the City of their intent to be heard before the City Council.

Two emergency service charges remain unpaid. One of the unpaid amounts is for the fire department's response to a motor vehicle accident at Hwy 65 & Viking; the other unpaid charge is for an emergency response to a fall off of a three-wheeler.

Final certification date will be November 21, 2012. The final list must be provided to the County no later than November 30, 2012 (Minnesota Statute 429.061, Subd. 3 requires the City to certify its assessments to the county auditor by November 30).

At this time staff recommends the public hearing be opened.

Mayor Lawrence opened the public hearing for public comments. There were no public comments so the public hearing was closed.

Public Forum

Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda.

Davis, "Before Mr. Meyer addresses the Council, I would like to point out that Mr. Meyer and Mr. John Busick appeared before the Planning Commission at their meeting in October. They brought up the subjects that will be addressed tonight. And there was no real discussion of those. That is why they are back here tonight for City Council."

Harlan Meyer, of Bentley Realty, "I am representing my client, PVS Auto. I trust that each of you got a copy of this proposal. And I would entertain any questions. But the purpose is that my client wishes to purchase the seven acre parcel that is presently known as Lambert Lumber and they wish to use it as storage and expansion of their present business. Their present business is located at 1681 Radisson Road in Blaine. We are looking for approval from Council to move forward and purchase the property, but, before doing that, we want assurance that the City of East Bethel will approve the business that is attended to go in there. And that is storage of auto parts and storage of semi-trailers which will be stored inside. So in appearance it will look much like it does now, but it will be cleaned up. Buildings will be improved. There are a couple buildings that, according to your building inspector, should be removed and my client intends to do that. Should it be necessary to improve the septic system or drainfield they have also agreed to do that. They want to improve the property to

make it look like it is a successful business going in, rather than the weeds and grasses and everything that is in there now.”

“According to your city’s B-2 Business District designation the uses I suggested to you are approved within the parameters of your jurisdiction. And should we get your approval to proceed, we would certainly apply for an Interim Use Permit (IUP) or Conditional Use Permit (CUP); whichever you would choose them to have in this location. Also, I know what the intent of this land is. The big picture for East Bethel, to have that intersection developed into a retail commercial area. Probably that is not going to happen overnight. My client would be willing to sign documents that stating that if and when this happens he would be willing to sell the property back to either the City or the developer at current market value.”

Vierling, “Has there been an application filed for this?” Davis, “No there has not.” Vierling, “I am not exactly sure what the nature of the proposal is. But, certainly Council is aware that this matter may require an IUP or a CUP. And there is a public hearing process to go through before the Council is allowed to indicate any issue on the matter. The application would have to go forward. I appreciate people want to have certain commitments before they go ahead and buy, but that is why we have an application process to go through and a public hearing process to go through so that can be vetted out before we get to Council.”

DeRoche, “This came before the Planning Commission at their last meeting. I don’t know who caught that meeting, but they choose not to hear anything about it.” Voss asked it wasn’t an application at Planning Commission either, correct? Vierling, “There has not been anything formally filed, fees paid and public notices published, anything of that nature?” Davis, “No and I think this came before, number one to determine if this is an acceptable use within the B-2 zone. There are questions about whether it is or isn’t. This is a grey area. In the case of Mr. Meyer’s proposal, my interpretation is, if the use is conducted as described and there is no exterior storage involved on the property, only use of internal portions of property, then the use of the property as it is changed any. The only change would be some cosmetic improvements to the re-habitable buildings and the removal of some buildings that aren’t structurally sound. But, we were trying to determine at the Planning Commission level if this is an acceptable use under the B-2 zoning requirement.”

Vierling, “I appreciate that. And certainly an informal discussion is appropriate and many cities have those. But in terms of the individual looking for a legal commitment from the City, I don’t think you are in a position to give that. First of all, if it is a permitted use he doesn’t need your permission or at Council level to go forward. But, if it turns out to be an accessory or an IUP or CUP, then he does. And depending upon what actually ends up being put on the property, and the use that may come into play. But, that is why we have an application process to formally vet that process out.” Davis, “And that is what we were trying to determine is if it was an acceptable use within the existing zoning code. Then an IUP or, in this case, probably a CUP is not required. And that is a determination that will have to be made before we go further with either one or the others.”

Voss asked isn’t this intersection also a Planned Unit Development (PUD)? Davis, “This has a Planned Business Overlay District on it. This would be for new development. If this is considered an existing use, it can be grandfathered in. What they are proposing is not altering the property. So, would that be considered new development? The Planned Business Overlay District refers to new development.” Voss said along those lines, this is B-2? Davis, “That is correct.” Voss said and the fact that the business has been vacant for a couple years does that change anything as far as the use?” Davis, “It doesn’t change the zoning. In terms of a business where it is a non-conforming use and then not used for a year then it does

revert back to the other zoning. In this case, the zoning is correct and it is still in a business use.”

Lawrence, “How is your business structured on the sale part? Obviously, you want to sell these cars you are bringing in.” Harlan, “They will just be stored here and sold at the Blaine office. They will move back and forth.” Davis, “Just so I am correct on this from our discussions, Mr. Meyer, there is no exterior storage associated with the business on this site. In the B-2 zone exterior storage is limited to 100 square feet. We did have another gentleman, Mr. John Busick, that was also inquiring about this property come before Council. He wanted to set up a multi-tenant office for used car dealers to operate an office out of to meet state licensure requirements. But, they would have had to have five stalls dedicated to each office. That would have been an open lot type of sales so it would have exceeded the 100 feet of exterior storage. In my opinion, this did not meet the requirements of the B-2 zoning.”

Lawrence, “When you say parts, what are you talking about?” Meyer, “All types of parts, used auto parts. They don’t bring vehicles in to cut them up there. They are already broken down.” DeRoche, “What is done with the hazardous materials? Used parts usually have oil, grease, etc.” Meyer, “That is all taken care of prior to bringing them on-site.” Voss asked so it is just storage, no retail? Meyer, “Absolutely, no retail.” Voss asked and no wholesale? Meyer, “No wholesale. Not out of this location.” Lawrence, “Where do you sell your used parts at?” Meyer, “I would have to ask, but I assume to anyone that needs used car parts.”

Meyer, “Did I understand the City Attorney to say that we don’t need an IUP?” Vierling, “No. I did not say that. I said basically if you are taking the position that what you are doing is within the permitted uses section of the ordinance that would be a permitted use. But, certainly there are permitted uses, accessory uses, interim uses, conditional uses and they are all listed out in the ordinance. I am looking at the permitted use in the section of the ordinance for B-2 and I am not seeing storage in and of itself. There is retail sales services, but you are not conducting retail sales from what you report. And the rest of the uses A-N that are listed in that section, I don’t see it as applying to what you are describing to us.” Meyer, “Under conditional uses 4.G.”

Vierling, “If you look at 4.G Exterior storage in conjunction with retail sales and services, then you go back to if it is a conditional use. The Council is not in a place to comment on conditional uses. We have an application, a public hearing, published notice, community input and then a ruling on it. We are putting the cart before the horse here. Technically by law, both by statute and by ordinance they are duty bound to give the public an opportunity to comment before they issue any type of a permit or indicate that a conditional use is permissible on a premises. They are not in a position to do that until we have gone through that process.”

Davis, “If it is a Conditional Use, it has to go before the Planning Commission. It has to be approved by them and then referred to City Council.” Vierling, “Typically that is where your public hearing is going to be conducted is the Planning Commission, and then they make a recommendation to City Council.” Meyer, “So if we made application for a CUP, then we could proceed, assuming it would be granted. Then we could proceed from that point, correct?” DeRoche, “Don’t assume anything.” Voss said, yes, don’t assume anything.

Vierling, “There is a process outlined in the ordinance that outlines the application process and how it goes through the various channels. From there, you can certainly see where the timeline might be. Going from application, to staff review, to Planning Commission, to City

Council. And you could gauge your due diligence efforts and what you need to do on your end accordingly.”

Voss asked the City attorney, if it is a permitted use under conditions, isn't that Council or Planning will set that conditions, but it is still permitted under those conditions. You can't say "No" if it meets the permitted use. Vierling, "You certainly can. The general parameters of a conditional use permit, the assumption is the underlying use is reasonable and will be permitted. But the Council has the opportunity to impose conditions on the use that might mitigate any adverse effects through the community. And, certainly there are times when a use, as proposed, is not going to be acceptable and the Council will say "No." But, nine times out of ten, a conditional use is going to be allowed with the level of conditions that are acceptable in there. And to the business owner, sometimes those conditions are acceptable to what you want to do and sometimes they are not.”

Lawrence, "I am wondering if you could have your proposal on the property sale contingent on approval from the Council." Meyer, "Basically I have already done that." Voss asked the city administrator, I don't understand what you are saying. It seems like you are saying, in your opinion, this meets the requirements of B-2. Davis, "This could meet the requirements of B-2 if you say this use is no use. Does B-2 dictate what you can regulate for use within the building? There will be actually no change on the property, the only change is they are going to store some parts inside the property. There are no retail sales. So, if you look at it from that argument, there is no change in the use of the property with their purchase. And what I am trying to do is determine if that is the case, comply them with the B-2 zoning regulations." Moegerle, "You are looking at 'J' and looking at 'I', Retail sales, multi-tenant office use but it might be another place it could fit as well.”

DeRoche, "We have learned in the past that making an assumption doesn't work well for the City Council." Voss said, functional question; with the reconstruction at 221st does the median change the access to the property? Davis, "The median terminates right before the access to this property." Voss said I am thinking about semi traffic. It is one thing for vehicles to get through, but another for semis. DeRoche, "Speaking of traffic, what kind of trucks are we talking here. This road was just redone." Meyer, "They are semi-trailers." Voss said which the road is constructed for.

Davis, "There is another question here too. We are going to have some properties that we may need to consider some type of interim use on them, as long as they are consistent with the goals of the City and the corridor. It is kind of a balancing act. Are you going to say no property can be used for an alternate function unless it meets X, Y, Z. And we let it sit there and either it deteriorates further or we spend a lot of staff time with the owner to keep it up-to-date. Or it becomes a blighted area.”

DeRoche, "We have most recently been talking about redoing the comp plan and the Business Overlay District on that intersection, redoing it. How does this play into that?" Davis, "This would be to me. And I have discussed this with Mr. Meyer. This property is slightly less than eight acres. With the current Business Overlay requirements, you have to have twenty acres before you can do a new development. In order to comply with that, unless the acreage changed, this property would either have to be sold to the adjacent land owner, or they would have to buy a property to get the acreage to do a new development.”

DeRoche, "If this is currently a 20 acre area, and this property is seven/eight acres, then how can he do this anyways?" Davis, "It is not new development. It is still part of an existing use; "existing use of a property that was grandfathered in." Even if someone wanted to come

in there and open up another lumberyard or another point of retail sales. As long as it wasn't a new type of retail development, then the business would comply." Voss said I like the suggestion you have in your proposal of purchasing the property or an option for a developer or the city for future development. That is the kind of forward planning that is important when developing areas, so when it does happen it makes it easier. Meyer, "I will continue my discussions with Mr. Davis and proceed from there."

Davis read a statement from Mr. John Busick, who was also interested in purchasing the property and cannot be here tonight. "We were interested in the Sylvester's seven acres and put in a tentative purchase agreement. It is contingent on the City approval to operate as a used vehicle and storage site. We have several operations where we rent out a small office and give the dealer five car stalls to display vehicles. In our Forest Lake location, we have six dealers and one car is presently in the lot. The dealers for the most part are only part-time and are usually there only once per week to do paperwork. This property has been for sale for a couple years and no other inquiries for purchase that I know of are piggy-backing our proposal. We would like to consummate our sale if the City okays used vehicle zoning and outside storage.

Davis, "To me, this one definitely does not fit the category of B-2." Lawrence, "Doesn't the B-2 zone if auto sales require internet only?" Davis, "That is in B-3. I did tell Mr. Busick that I would read his statement tonight for everyone's benefit." Moegerle, "I just don't see how it meets in permitted uses, even in conditional uses." Davis, "Not with exterior storage."

There were no more comments so the Public Forum was closed.

Consent Agenda

DeRoche asked to remove B) Meeting Minutes, October 17, 2012, Regular Meeting and G) Change Order No. 2 Sprinkler System & Fencing Municipal Builders for Water Treatment Plant. Moegerle asked to remove C) Schedule Special Meeting to Canvass Election Results and H) Approve Hire of Community Development Director/City Planner.

Voss made a motion to approve the Consent Agenda including: A) Approve Bills; D) Pay Estimate #8 to Municipal Builders for Water Treatment Plant No. 1; E) Pay Estimate #1 to Rum River Contracting for the Jackson Street Reconstruction Project; F) Res. 2012-65 Accepting Work of Traut Wells for Municipal Wells No. 3 & 4; I) Res. 2012-66 Accepting Donation from Boy Scout Troop 733. DeRoche seconded; all in favor, motion carries.

B) Meeting Minutes, October 17, 2012, Regular Meeting

DeRoche, "I removed Item B) Meeting Minutes, October 17, 2012, Regular Meeting. After reviewing them there are numerous problems with them. I had asked the city attorney if we could use the DVD as an official record and he stated "No". So, the minutes have to be pulled and re-gone through. An example is: motion was made, all in favor, motion carries. Boyer opposed. If all in favor, can't really have someone in opposition. Voss asked what page? Moegerle, "Page 20." DeRoche, "A lot of statements are made where they aren't finished, just chopped off. If comments are made about items, need to identify it." Moegerle, "When I read these, I identify said, or asked. Glad I didn't do it this time. Send them back to go through." Lawrence, "Page 26, Moegerle made a motion to approve, I did not approve that one." DeRoche, "Was that a non-vote?" Lawrence, "Yes that was a non-vote." Moegerle, "Issue you mentioned earlier, also repeated on page 23. Certainly not the structure we are accustomed to."

DeRoche made a motion to table Item B) Meeting Minutes, October 17, 2012, Regular Meeting. Lawrence seconded; all in favor, motion carries.

C) Schedule

Special
Meeting to
Canvass
Election
Results

Moegerle, "I asked to have this pulled because we have far too many meetings. We are having a Town Hall Meeting on the following day. This was originally scheduled for Tuesday. If we schedule this for Wednesday at 5:45 p.m. we can canvass the results before the Town Hall Meeting. So long as there is a quorum there, we can get it done. And save, at least in my case, a twenty mile round trip.

G) Change
Order No. 2
Sprinkler
System &
Fencing
Municipal
Builders for
Water
Treatment
Plant

Moegerle made a motion to schedule the Special Meeting to Canvass the Election Results on Wednesday, November 14, 2012 at 5:45 p.m. DeRoche seconded. Voss said the only comment he has is he won't be around on either Tuesday, Wednesday or Thursday. **Voss no vote, rest in favor, motion carries.**

DeRoche, "I know we had discussed doing a fence, wasn't aware of an irrigation system." Davis, "The fence and irrigation system were part of the original bid. The contracts agreed to reinstate these back into the project as a change order with no additional cost. These two were removed for additional exploration. It was thought, at the time, that Homeland Security may be a source for the fencing. But they will not cover this since there is another source of funding for it. It was covered in the project bid. We do recommend that the irrigation system be put back in. We have a nice facility up there and it is going to be something that we are going to have people around. Business prospects, development prospects and if it is just a burnt up patch of sandburs it is not going to look too attractive. DeRoche, "Is this in the budget?" Davis, "Yes, it was part of the original bid." Jochum, "There is excess of \$7,664 a couple allowances in computers and furniture that weren't used." Voss asked is the irrigation going to be on the treated side of the system. Davis, "Yes." DeRoche, "What kind of furniture and computer did we get for \$13,000?" Davis, "The whole system can be run from a cell phone. Furniture was basic." Jochum, "That is why we have the savings. Only \$5,000 was spent."

Voss made a motion to approve Change Order #2 to approve Alternate Bid #3 for the Irrigation System. Lawrence seconded; all in favor, motion carries.

H) Approve
Hire of
Community
Development
Director/City
Planning

Moegerle, "I pulled 'H' because I think when we hire a position as important as a Community Development Director/City Planner, it should be something that is not on the consent agenda. We have gotten great information about Colleen Winter who, it has been recommended, we appoint as Community Development Director/City Planner. And it was an exemplary discussion about her skills and what she could bring to the City.

Moegerle made a motion to hire Colleen Winter as the Community Development Director/City Planner. Voss seconded. Winter, "I am very much looking forward to working with the City of East Bethel. I am officially going to be starting December 4. However, I have already been at a couple of the staffing meetings. I will attend as many meetings as my schedule allows to get to know what the City is all about. I don't plan on coming in here and making sweeping changes or suggesting crazy things. It is really an opportunity for me, especially in the first month, to get to know what the Council is about, the Planning Commission is about. It is as much education for me, as I hope I can bring some of my knowledge and some of the things I know to both the Planning Commission and the Council level. I am looking forward to working with staff. If you have questions I am happy to answer them. You are in a critical time with development. There are a lot of things that are happening. In the long term, I think it is an opportunity to grow in a way that is positive."

DeRoche, "What is your approach towards community service? Yes you will be working with developers. But, you will also be working with residents. And sometimes they come in and might not understand things and there are two ways to approach that. Either shut them down or explain things. And, maybe work with them." Winter, "Obviously the second approach is a win/win for both. I don't think you ever benefit anyone by having them come in and shut the door. A lot is explaining to them in a way that they understand it and it makes sense and is relatable to them. Even if they don't agree with it. You always have to be very cooperative with the residents in the community." Moegerle, "Will you be working with the EDA?" Winter, "Yes, I think that is our intention. The administrator and I have a lot to talk about still." Moegerle, "Because you are currently at DEED." Winter, "Yes." **All in favor, motion carries.**

Planning
Minutes

Davis explained that the Planning Commission Meeting Minutes from October 23, 2012 are for your information and review.

Road Minutes

Davis explained that the Road Commission Meeting Minutes from October 9, 2012 are for your information and review.

Building
Department.
Report

Davis explained that permit fees collected through October 2012 total \$266,436.67. Revenue for fees from this department for 2012 was projected to be \$100,100. The increase in revenue is due primarily to the Aggressive Hydraulics project but also to an increase in home improvement activity and slight increase in new home and commercial construction. New residential construction has increased from 3 permits issued in 2011 to 4 permits for the first 10 months of 2012. New commercial construction has increased from 1 permit in 2011 to 3 permits issued through October 2012. Attached in your packet is a detailed inventory and breakdown of all permit fees collected.

DeRoche, "Under meetings it said sixteen meetings, what are those?" Davis, "Those are individual meetings with residents that the building official has when they request individual review of their plans, recommendations, discussions of projects, anything that has to do with plan review that is required. Moegerle, "On page 67, 'code violations', nine of those say resolved. The eleven remaining, have those been referred to the city attorney? Mr. Martin had a method of tracking complaints." Davis, "We have a method of tracking them too. We had this discussion before. We can list where those stages are. None of those have been referred to the city attorney for further prosecution. Our goal is to try to resolve them. But, it is inevitable that some will get there. But it goes back to working with the residents. Some people that don't know they are in a code violation, but they do express a desire to get this worked out as long as substantial progress is being made. There is one that will probably be referred to prosecution as soon as the building official returns from vacation." DeRoche, "I know for past Councils, prior to us, there was actually a breakdown given. Not necessarily the names, but the violations. Is it blight? Is it dog issues? Is it building issues? The numbers are fine, but 'code violation' could be just about anything." Davis, "We can supply that breakdown. I would like to err on the side on privacy. It is not good policy to parade people's names when they are working to correct these." DeRoche, "I am not looking for names, but I would like a little more detail. The numbers are numbers, but they don't mean much."

Moegerle, "On page 67 and septic inspections. Are we looking at those being undertaken by our residents? And those are just the permit fees that come in to have them inspected and pumped? Is that motivated by the homeowners or the City?" Davis, "That is generally motivated by the City and there are things that are in code that trigger the requirements for those compliance inspections. If you live in the shoreland district and apply for any type of a

building permit other than windows, siding or minor roof repairs, a compliance inspection is required as part of the permit.”

DeRoche, “What do we do if there is a septic system that is not compliant, possibly seeping, but there is not really anything being done? They were told unless they do some type of construction nothing is going to change. My concern is if it is seeping, and it is on the lake.” Davis, “If no one tells us, then we don’t know. If we are told, we will go out and do an inspection. If it is non-compliant, then the owner is given ten months to repair the system. We do track this. We do monitor this and send out letters to be pumped every three years. We don’t go out and just do compliance inspections.” DeRoche, “This has been going on for quite a few years. Was reported previously.” Davis, “Give me the information and we will see that problem is addressed.” Voss said and keep in mind that just because the system is non-compliant doesn’t mean there is a problem.

Municipal
Utilities
Project Update

Jochum explained that, as discussed at the last meeting, the main work components left on the utility project include approximately 1,400 lineal feet of watermain and sanitary sewer along Viking Boulevard and the east crossing under Viking Boulevard for the watermain, sanitary sewer, and forcemain.

The County plans to reconstruct Viking Boulevard in 2013, from Highway 65 to just west of 5th Street. The County and MCES have been in negotiations to coordinate the installation of the remaining utilities with the road construction. If an agreement is reached between the County and MCES, the sanitary sewer would be placed on granular fill and the proposed pilings would be eliminated from the construction. Also, the east crossing of the utilities would be constructed by open cut instead of by jacking.

Municipal wells #3 and #4 are complete. Final payment was made on those tonight. Training started this week.

Water Treatment Plant No. 1

Staff training on the plant operations has begun.

Water Tower No. 1

The tower has been filled and is ready to go. Moegerle, “Are we going to keep water in the tower all winter?” Jochum, “A minimal amount to keep it from freezing. The tower will need to be exercised.” Moegerle, “Is the water coming at the quality that was represented when we drilled the well and tested it back in March?” Jochum, “Yes, through the treatment plant.”

Lawrence, “How much water is in the tank right now?” Jochum, “Half a million gallons. They need that to do their testing, so they have been draining and filling.” Lawrence, “The soil, when you use the granular fill. Will that support this satisfactorily? Versus they were going to use the granular fill to lieu of the pilings for the sanitary sewer system?” Jochum, “Yes. The prior design they weren’t going to remove the peat soils. Now they would go down thirty feet excavation with clean fill. This will be a much better system if it all works out.” Davis, “That is why the Met Council is working on the Anoka County Highway Department on the reconstruction of 22 and Highway 65. A lot of that will be mucked out and clean fill will be brought in to minimize the possibility of shifting of the gravity/sewer/water line. I was informed yesterday that they have just about come to an agreement on some cost-sharing for that. Might start fairly early spring.” Lawrence, “This is a cost saving to Met Council, so it won’t be passed on to us?” Davis, “No, that is all Met Council’s line.” Jochum, “It would likely be a wash anyways, because there is a tremendous amount of fill that has to be brought in.”

Res. 2012-67
Granting the
Vacation of
Street,
Drainage,
Utility
Easements
Located on
Lot 1, Block 1
and Outlot A,
Classic
Construction
Commercial
Park

Jochum explained that a public hearing was conducted under Agenda Item 4.0 A to receive public comments on the vacation of Street, Drainage and Utility Easements on Lot 1, Block 1 and Outlot A, Classic Commercial Park.

Attached for Council review and approval is Resolution 2012-67, which grants the vacation of the street, drainage and utility easements. As described on the resolution, vacation of the street, drainage and utility easements would be subject to the following:

1. The City Administrator is hereby authorized and directed to execute all such other documents and make such other determinations or actions as are necessary to complete this transaction.

Staff is recommending approval of Resolution 2012-67 Granting Vacation of Street, Drainage and Utility Easements on Lot 1, Block 1 and Outlot A, Classic Commercial Park.

Voss made a motion to adopt Resolution 2012-67 Granting Vacation of Street Drainage and Utility Easements on Lot 1, Block 1 and Outlot A, Classic Commercial Park. Moegerle seconded.

Moegerle, "How is Lot 2 going to be accessed?" Davis, "At the end of the cul-de-sac." Moegerle, "Is there a street platted here at the north end?" Davis, "There is a street platted here, 189th Avenue, but I see no value for that street to ever be built." Voss said isn't it just platted on the north side? Davis, "That is correct." Moegerle, "So you are suggesting by vacating this that northern road will never be developed?" Davis, "Even if it is, Ulysses will tie into that. The western part of it is one of our service road plans. The cul-de-sac there is no value to the property and it is holding up their closing."

Voss asked, so what is shown dark is what is going to be constructed and is what they have out there now? Jochum, "Just the cul-de-sac wings are being vacated." Voss asked when did these wings get on there? Jochum, "They have been on there since 2005." Voss said and then when the bank came, we didn't make them develop it. Moegerle, "The title makes it sound like more than just 'wings'." DeRoche, "Will we have problem with drainage where these wings were supposed to be?" Davis, "Only if you built a cul-de-sac. We still retain a 66 foot right-of-way there." **All in favor, motion carries.**

2013 Budget
Discussion

Davis explained Council approved a preliminary budget and levy on September 5, 2012 and submitted this to the Anoka County Auditor. The preliminary levy was used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy will then be adopted by City Council in December. The final levy adopted in December 2012 cannot be increased from the preliminary levy, but can be reduced.

At the October 17, 2012 City Council meeting, a list of potential reductions to the proposed budget was reviewed. City Council directed that the proposed budget be reduced by the items on the list, less the \$21,000 for the delay in hiring of a Public Works employee in 2013. The reductions are listed in Attachment #1 along with the resulting revenue and expenditure summary. All attachments proposing different alternatives include these reductions in expenditures.

In addition to these reductions, provision of services for other municipalities could produce other potential sources of non-tax revenues, such as proposed building inspection services to Oak Grove. Attachment #2 – Alternative #1 is a revenue summary that includes \$60,000 of additional revenue for building inspection services. This would produce a levy reduction of 0.97%.

Attachment #3 –Alternative #2 is a revenue & expenditure summary that reflects delaying the hiring of a Building Inspector until April 2013, if an agreement for building inspection services with Oak Grove is not entered into for 2013. This would reduce expenditures \$18,550 and produce a levy reduction of 0.05%

The proposed reductions listed in the attachment do not address the projected \$91,000 bond payment deficit for 2013. The following are the more common means by which this item or other MCES obligations could be considered:

- 1.) Utilize the projected 2012 budget savings (amount staff projects the budget will be under the approved 2012 budget) of approximately \$125,000 to cover this cost;
- 2.) Use of 2011 Sheriff's Department escrow, 2013 budget contingencies and any necessary amounts from the 2012 budget savings to pay for the deficit;
- 3.) Utilize the potential revenue of approximately \$60,000 that could be derived from contractual services with other units of government and a combination of general fund monies, escrow carry-overs, 2013 budget contingencies or further reductions in 2013 budget to accommodate the balance; and/or
- 4.) Divert the required amount of funds from the City's transfer payments, either total or partial, from the Streets, Parks and/or Trails Capital fund or the City's HRA monies for this expense.

Unless otherwise directed, this debt is proposed be paid from the General Fund which has an adequate reserve to pay the projected \$91,000 deficit (\$91,000 is the difference between the 2012 project cash balance carry-over of \$241,812 and the projected 2013 SAC, WAC and assessment fees of \$375,200 that will be collected from the Municipal Utilities Project subtracted from the bond payments for 2013 of \$708,388).

The Fund Balance information for the General Fund is as follows:

| | |
|---|--------------------|
| December 31, 2011 Fund Balance | \$2,254,404 |
| Estimated 2012 Revenues over Budget: | \$15,000 |
| Estimated 2012 Expenditures under Budget: | <u>\$125,000</u> |
| Estimated December 31, 2012 Fund Balance | <u>\$2,394,404</u> |

Projected December 31, 2012 fund balance of \$2,394,404 is 49.8% of the preliminary 2013 General Fund Expenditures of \$4,811,223. If this projected fund balance is reduced by \$91,000 for bond payments, the projected December 31, 2012 fund balance of \$2,303,404 is 47.9% of proposed 2013 General Fund expenditures. The State Auditor recommends a fund balance between 35-50% of the following years' budgeted expenditures.

Staff is requesting Council direction for any or other proposed 2013 Budget adjustments.

Moegerle, "I think it is \$109,000 that is owed to Met Council next year? Is that accounted for in these numbers?" Davis, "That is a difference in what we project we will take in from SAC fees this year operating fund budget and will owe in fees to Met Council. This is a goal.

They are a moving target. It is something that could change. We will discuss this in the agenda item after the reader board. Met Council had agreed to some considerations in how we address these. These costs are associated with the project; enterprise fund costs. They are supposed to be paid by user fees, not as part of the general fund budget. Like our water and sewer funds we have at Whispering Aspen. There may some situations where we have to pay for these out of other funds than what is generated out of the project. This gives us a way to track those so eventually they can be repaid back to the City.” DeRoche, “Right. But the \$109,000 ‘maybe’ charges are based on the businesses that are currently down there. Have we communicated with them to find out if they have to mandatorily hook-up are they going to leave? Are they for it? We can sit here and say they are going to hook-up because we are going to make them, but what is going to be the repercussions of that?”

Davis, “The repercussions are that everyone is going to have to hook-up in that district and there will be an ordinance that will be presented to Council in December that will include the recommendation for mandatory hook-up. If we don’t have mandatory hook-up there is no way this project is going to succeed. People are going to have to hook-up to it to generate the revenue. Whether existing or new businesses. It may not be something we like, but it has to be done.”

DeRoche, “I understand that. But, I thought somewhere along the line we were going to discuss or pick their brains or bounce it off them, ‘If this comes along can you afford it or what are you going to do?’ It would be nice to get an idea where they stand. Because if we say it is mandatory you hook-up and they say, “You know what, we just can’t do it. We are out of here.” Davis, “That is something we are exploring in trying to develop this revolving loan program. We have looked at other ways of considering transferring ERU’s to other parcels, which I don’t think will work. But, we have had many discussions on what we can do to mitigate and limit the impact on people that are in this zone. I don’t think it was ever considered optional for these people to ever not hook-up.”

DeRoche, “I beg to differ on that one. But, whether it is coming from general fund or revenue bonds, if the revenues aren’t generated, then it is going to affect the budget. The money has to come out of there, correct?” Davis, “It will, but there will have to be a way to repay it. Remember too, that a lot of these things we really won’t know what the obligations or costs are for 2013 until the end of 2013. We will be collecting some user charges next year. There will be hook-ups. So, at that time, we will know what that final number is. That is something to address for the 2014 budget, rather than the 2013 budget. Also, Met Council is moving everything back a year.”

DeRoche, “They are not just moving it back. They are doing it with growth interest in mind.” Davis, “They are moving it back. Anything we do to alter their numbers or how their costs are calculated. So, if we reduce goals upfront and backload them on the end of the project, that is when there would be additional interest charges that would be imposed. And that is brought up in the other agenda item too.”

Moegerle, “I have a question on where we are at with the potential revenue derived from contractual services with Oak Grove?” Davis, “We have submitted the proposal to Oak Grove. Initial feedback is they are happy with the proposal. This will be submitted to their City Council next Tuesday for approval.” Moegerle, “I would like to go that way, because looking over other things in this packet and other concerns that we have, I think that so long as we have a contingency in our accounts (to pay for some of these major bills that are coming up with regard to that) it is all to the better. If we use the \$60,000 (and I forget; was it

a .97% decrease?).” Davis, “That is correct.” Moegerle, “It is one of those things I don’t think we should be counting on from year-to-year until we get some experience on whether it works with Oak Grove and it works with East Bethel. But, if I recall right, it is four hours a week.” Davis, “We would office there four hours a week, the rest of the services will be provided from this location.”

Moegerle, “Because I am looking at page 92 and that is two million dollars that we owe. 2014 net negative \$727,464.” Davis, “Here again, keep in mind that these are just projections. The only one that is for certain is the first year. And that is not certain either. There could be things that could increase that.” DeRoche, “All these figures are just the costs initially, correct? For the bonds?” Davis, “The chart on page 92 is just for the bond payment. The other charts that are presented in the MCES agenda item include SAC goals, changes in SAC rate; things that we just briefly touched on here in this discussion.” DeRoche, “So even if we assessed this year it is not in effect until next year.” Davis, “We will hold assessment hearings hopefully sometime this summer. Those assessments will not be payable until sometime in 2014.” Moegerle, “Because, it seems to me, that floating a \$109,000 could be covered by the budget savings under number one... if that realizes as we are thinking. And we could still cut taxes, not gut our rainy day fund. It is an uneasy compromise, but it does cut the taxes a little bit.”

DeRoche, “Like I said at the last meeting, nobody wants to raise taxes ever. But, I think enough people are aware of the fact that you have the City budget, you have the City services, and along comes this project that has to be paid for in some point in time. Taxes will go up in some point in time.” Moegerle, “And we are working very hard to prevent that.” Davis, “And you know I think everybody up here is extremely sensitive to that. I am. The goal is to avoid that. There may be some years that there is no growth. There may be years that there is more growth than we anticipate. This is going to have to be a year to year thing that we take a look at. There are too many variables in play.”

Lawrence, “You know that I do not want any kind of tax increase. One question I do have is we are approving a \$3,000 lighting system out front and looking at an electronic reader board for another \$80,000 more. How do we justify spending all this money when we can’t even provide a tax cut, or a zero levy tax on our current budget?” DeRoche, “At some point, you have to have a reader board. You have to have some kind of an identity. The reader board we had was trashed and it is part of the economic development. Somebody comes driving into this City and sees that.” Lawrence, “I am not saying we don’t do it.”

DeRoche, “You want justification and this is why. I heard people. ‘We want a pretty City. We want this,’ and ‘We want that.’ Well you know what? It is the identity of the City and a lot of the cities have them. It says something about the City. The light for City Hall should have been done a long time ago. It is something that if people aren’t familiar with it, they blow right by it. I think most people in this City are smart enough to reason this out and realize it is not frivolous spending. If you can explain why you are going to do what you are going to do, people find it a lot more acceptable. Rather than, ‘This is what we are going to do,’ and just moving on.”

Moegerle, “Also, for the reader board we have a budget of \$105,000 and the estimates here are \$80,000. And we can do that without raising taxes. I think it is wonderful we will be able to get these things without raising taxes. We are talking about almost a 1% net decrease.” Lawrence, “We have been chipping it off and getting it lower and lower, but we haven’t decided to get the levy to zero. The levy is still where it is at whether we lower the

budget or not.” DeRoche, “Well sure it is. The stuff we are adding, it is still lowering that and getting below the levy. We are saying, ‘We can cut here and do this.’ But, at some point, if we cut here it will affect the services. That is when we would have to raise.” Moegerle, “I am looking at page 89 and it is a net negative .134%. Alternative two is a negative .045% levy. I don’t see that these alternatives are unreasonable. We are doing better than a zero increase. We are doing a net negative increase.” DeRoche, “And still getting stuff done.”

Davis, “The preliminary budget that was approved on September 5th did reflect like a 6/10’s of a percent increase in the levy rate. We are having these budget discussions continuously until December to see if there are any further adjustments that you want to make. There won’t be any final budget until December, because the public hasn’t had a chance to comment on this. So, what we are offering here are two ‘under budget’ alternatives. One reflects a .05% decrease in the levy and one that reflects almost a .1% decrease in the levy. Both would be reductions and it would just depend on which way we want to go with it. One features \$60,000 more in revenue and other features an \$18,000 cut. We receive a lot of complaints, primarily from businesses, that we didn’t cut the levy. ‘Our taxes went up.’ Generally, taxes on businesses go up not because of the City. Sometimes, but not this year, because of the County. Sometimes, but not this year, because of the schools. But because the State of Minnesota imposes a property tax and there is a fiscal disparity cost that has to be borne. A lot of times when people complain that their taxes go up, they need to check all those items.”

DeRoche, “When I brought this up, about 10-13% is City tax, 10-15% is County tax, school tax was unbelievable. This was discussed at the businesses meeting at Route 65. And then someone actually gave me the numbers. Again, people need to actually look at their tax statement and see what part is the City. I don’t know of too many cities that can go a negative levy and still keep the services up. You still have fire, you still have police, and you are getting a sign put up. We are still taking care of things. At some point, you need to stop and say, “We can’t cut anymore.” Davis, “One other thing is to point out as far as tax cuts go, some of our surrounding cities have had tax reductions. A couple of those have used their general fund to fund that tax reduction. What we have done is gone back and cut items in the budget.”

Electronics Reader Board

Davis explained that at the June 6, 2012 City Council meeting, direction was given to staff to seek proposals for replacing the storm damaged City Billboard located at the intersection of Viking Boulevard and Hwy. 65. This item was presented to City Council on July 18, 2012 for consideration. At that time, the request to bid this project was tabled until the 2013 City Budget discussions had been concluded. At the September 19, 2012 City Council meeting, direction was given to staff to advertise for sealed bids using the approved bidding requirements.

Bids were received from two companies and opened on October 16, 2012.

Arrow Signs of East Bethel has provided references of previous work that includes the Maple Grove Community Center and Blaine Tire and Auto.

DeMars Signs of Coon Rapids has provided references of previous work that includes the City of Andover community billboards and the Anoka County Park Department electronic billboards.

BID RESULTS

| Company | Base Bid | Alternate #1 Color Display | Alternate #2 Upgraded Finishes | Alternate #1 & #2 |
|---|-----------------|---------------------------------------|---|----------------------------------|
| Arrow Sign (Daktronics 34 mm display) | \$70,455 | \$77,355 | \$74,930 | \$81,830 |
| DeMars Signs (Daktronics 34 mm display) | \$60,377 | \$67,917 | \$66,683 | \$74,223 |
| DeMars Signs (Watchfire 35 mm display) | \$52,877 | \$62,577 | \$59,183 | \$68,883 |
| DeMars Signs (Watchfire 25 mm display) | - | \$67,631 | - | \$73,937 |

Staff will provide samples of the material used for wrapping the posts under Alternate #2 at the November 7th City Council meeting.

Approximately 8-10 weeks will be required for installation. The project could be completed by early 2013. All of the LED message boards will have a 5 year warranty. Control of the sign would take place at City Hall and be transmitted via a cellular modem or broadband modem to the sign and would require a monthly fee for the cellular service. The monthly fee estimates range from \$30.00-\$70.00, depending on the service provider.

There is currently \$50,000 in the 2012 EDA budget and a preliminary approval of \$45,000 for the 2013 EDA budget for an electronic reader board sign. The East Bethel Seniors have provided a donation of \$5,000 toward the sign and the City has received \$2,800 as a damage claim payment, bringing the total available funds for the project to \$102,800.

Staff is requesting Council approval for the selection of one of the presented options for an electronic reader board to be located on the NE corner of Viking Blvd and Hwy 65. Staff recommends the selection of both alternate bids from DeMars for \$73,937.00. The selection of this bid would provide full color and higher resolution signs that would be easier to read and more engaging for viewers. The higher resolution signs will also provide more opportunities for showing media in different formats as future needs require. Also, Ayshford has been in contact with the Hoffman's. Currently, the sign, where it is located, has no lease. He has worked with the city attorney to get a lease prepared. We will take this lease down to the Hoffman's and they have agreed to sign it. So, if the bids are approved, they would not be awarded officially until the lease is signed.

DeRoche, "On page 100, can this be reversed, can brick be on right?" Davis, "These are just displays of other signs. Page 99 shows the architectural treatment. We would cover up the other legs of the sign." Moegerle, "But, for the fact they couldn't spell 'Fourth of July', I really liked the one on page 97. I like the three-dimensional 'City of East Bethel'. I thought that was very attractive and I thought the rendering was very neat. When I look at page 99, it looks like Spongebob Squarepants with boots on." Davis, "The one on 99, I would look at what could be done as a representation with stone. The painting is a little off." DeRoche, "The one on page 100, how big is the platform?" Nate, "Both would have raised numbers. The 25 millimeter will have higher definition resolution."

DeRoche, "Is there any way to put something between the columns?" Davis, "You could. The architectural treatment could be done separate. The important thing is to get the reader board up and if a different treatment is to be considered, we can do that later. We had talked about this, stone around the columns and make them more pyramid." Voss said like they

have done with the billboards in White Bear. It is pyramids, but different.

Lawrence asked Ayshford, "Can you describe difference between Daktronics and Watchfire?" Ayshford, "Daktronics has been the industry standard for a long time. They do a lot of scoreboards at stadiums and such. Watchfire? The City of Andover has a Watchfire display and they have been very happy with it." DeRoche, "That is a spot where you get sun at different times and you have people driving up the highway. So it is going to have to be something that they are not going to have to try and focus on." Davis, "This faces east/west, so there will be times when sun is a little of a problem. If it was orientated the other way it would really be a problem."

Voss made a motion to approve Demars bid 25 mm, in the amount of \$73,937, option on page 99 with alternatives 1 & 2. Also request an alternative base design that is full base, instead of posts, with more of a monument look to be brought back to Council for approval. Moegerle, "I like the architectural standards of the monument, it looks established." Davis, "You could add a smaller curve to the top." Voss asked can we specify that it is LED? Ayshford, "Yes." DeRoche, "How tall is this?" Ayshford, "About 20 feet to the top of the sign." **DeRoche seconded. Moegerle, nay; DeRoche, Lawrence and Voss, aye; motion carries.**

MCES Proposal

Davis explained that staff has conducted three meetings with the MCES to explore means to lessen the fiscal impact of MCES charges for the City obligations for the Municipal Utilities Project. As a result of the meetings, the MCES acknowledges that the City is facing financial challenges relating to our water/sewer bond repayment schedule and as such, the MCES has agreed to offer the following adjustments to address these concerns:

1. Wastewater Service Agreement
 - a. MCES has proposed to move back the initial year for SAC collection from 2012 to 2013, since the wastewater reclamation facilities are scheduled for completion in fall, 2013.
 - b. MCES has proposed to modify the forecast growth rate for calculation of a payment schedule for debt service and capital costs. Under this proposal the projected annual SAC goals would be reduced in half, beginning in 2013 and that reduction would continue forward through the life of agreement. The annual increase for this proposal would increase at the rate of 17% annually as opposed to the current schedule of 10.6%. This change in acceleration of the increase is not related to the economic growth rate in the City but merely accounts for the MCES requirement to achieve the final numbers on the schedule adjusted for the change as proposed.
 - c. MCES is proposing to "grandfather" the Village Green Mobile Home Park into the system if the City can acquire their treatment facility. The owners of the facility have indicated a genuine interest in pursuing this proposal. A meeting with the owners will be scheduled for Friday of this week for the purpose of obtaining their commitment to an agreement to transfer the Village Green Sewer Treatment Facility to the City of East Bethel under terms satisfactory to both parties.
 - d. The 2013 SAC rate can remain at \$3,400, increasing approximately 3% annually. Alternately, MCES has proposed to reduce the 2013 SAC rate to \$3,000, increasing 3.7% annually or reduce the 2013 SAC rate to \$2,600 with 4.8% annual increases;

2. Construction Cooperation and Cost Sharing Agreement

The cost sharing for trunk sewer benefit (\$2,200,000) currently has a graduated payback schedule over 30 years. To assist the City through its near-term financial constraints, MCES has proposed to amend the agreement to defer City repayment for 10 years (interest would accrue, however). Under this proposal, the City would elect in 2017 to begin the 5 year deferment with payments due in 2018 or chose the 10 year deferment on payments to begin in 2023. If the City does not select either option, the principal and interest due in 2014 would be \$117,245.11 based on the hypothetical level amortization schedule included as Attachment #3. This is a system operational cost and would be separated into an Enterprise Fund. Only until we have the revenue/expense balances for 2013 for this item will be able to determine if this will be a deficit for consideration in the 2014 budget.

The acceptance and approval of these modifications may require an amendment to our agreement with MCES.

The purpose of the modifications of the MCES proposal is to allow the City some initial relief in the financial obligations of the first few years of our contract. The effect of these proposals would be to transfer or “backload” to the latter half of the schedules for payments. This would, hopefully, provide the City with an additional grace period while a customer base can be established and market conditions have a chance to be more conducive to development opportunities.

There is a cost to deferring these obligations and these costs would ultimately be passed along in the form of higher user charges or SAC fees if the pace of growth does not exceed the goals in the schedules that would allow keeping interest and principal payments current. The following are the additional interest charges that would accrue if the City chose to accept:

- a. Defer payment to 2018 results in an increased interest payment of \$284,436 over the life of the project; and
- b. Defer payment to 2023 results in an increased interest payment of \$585,628 over the life of the project.

If the City can afford to pay down the interest payments, these should be made in the year due. These interest costs are based on a rate of 3.6% of the beginning year balance. It does appear that it may be in the City’s interest to accept the change in the SAC rate reduction fee to \$2,600. Even though the SAC charges would rise from the proposed 3% annual rate to 4.7% per year, it would take until 2027 for these rates to equalize and at the end of 2030 there would only be a difference of \$140 between the two. The reduction in the SAC rate would place the City in a more competitive position in relation the charges of surrounding Cities with urban rates.

Staff recommends Council discuss the implications of the proposed adjustments to the MCES agreement as presented and if additional discussion is required, that a work meeting be scheduled at a time of Council’s convenience to further examine this proposal or any other budget matter.

Moegerle, “This was pretty heavy reading. ‘Unbelievable’ was first. And ‘mind-numbing’ was second. There were others that follow. I think that having an initial lower SAC rate will at least make us competitive with the surrounding areas. I realize that if you are doing that, now you are back loading it. And as a philosophical matter, we should pay as we go, and not

burden people down the road. On the other hand, the whole idea on this thing was 'While we would be a slow start-up, that we would thrive later.' While I am not sure I believe that, and if I vote to say 'Let's backload it and have the decreased rate now,' then that doesn't meet my philosophical view. So, I am really at a crossroads with this on what we need to do. But, I do think being competitive with the surrounding region is important."

DeRoche, "I am going to agree, but the annual increase at a rate of 17%. Right now we are not even doing four or three. And what we are doing is back loading it, but also adding interest. And part of the budget discussion tonight was 'We don't like to raise taxes.' Well, do you raise them a little and try to go into this? Or do you say, 'We are just going to go into this thinking money trees are going to sprout throughout the City and we are just going to pay for it all at once?' I would rather not kick it down the road."

Davis, "And we are not requesting that you vote on this tonight. I just wanted to present it. I do think this is something that does warrant a work session. To go over these schedules and more details. Also, that everyone is totally aware of the implications and the possibilities." DeRoche, "I know some of the conversations and numbers and but how did they come up with them? It was all part of how this negotiation came out. Do I think the City was given good numbers? No, I don't. It sounds like they think they are doing us a favor, but it is now. They recommended we grant the contractor another year because they didn't think we could successfully defend that. At some point, Met Council needs to sit down with us and say, 'We all made mistakes here.' Not, 'East Bethel, look what you have done.' If somebody could show me any numbers of growth. If we can't hit the 10.6% how are we going to hit the 17%? And what is going to happen, is we are going to be paying more subsidies and now we are also going to be paying more interest on it too. Eventually we are going to have to pay those SAC charges." Davis, "Those are not City SAC charges; those are Met Council SAC charges."

Lawrence, "I think that, looking at letter D on page 102, it talks about the SAC rate at \$3,400 at 3% and we would reduce it to \$3,000 at 3.7% annually. We have to get a little more explanation of what it means in the competitive market and what it will mean on the fiscal cost in the end." Davis, "To me, this is one that we are going to benefit. Even though the SAC rate is going to increase at a higher rate, it is going to take it to 2027 to equalize. And at the end of 2030 when it is projected to, it is only \$140 higher. If you want to call that 'back loading' it is much to our advantage to do this. The money we need for SAC and WAC rates are what we are going to use to pay off the bonds. These Met Council SAC rates go into their formula and calculations for their own costs. As long as our SAC rates aren't affected, it doesn't affect our ability to pay off the bonds. We should avoid the additional interest rates if at all possible. It would be better to have a couple hours to go over this at a work meeting."

Moegerle, "Should we do this before the Town Hall Meeting? When we talk about it at a work meeting, I would like to know more about page 129. Since we had that battle at the Planning Commission, it looks like this document, that was signed in November of 2010, talks about changes in the comp plan which I don't think we followed through with. So this is probably the time to go through that right now. If you can let us know if we have obligations to fulfill regarding that."

Davis, "The fulfillment requirements of the comp plan with Met Council is it has to be reviewed every ten years." Moegerle, "It says here, 'That the City shall adopt Official Controls to have planned, orderly, consistent plan as not to conflict with the Comprehensive Plan.' I am wondering whether the City adopted Official Controls or if signing this contract

required us to do other things.” Davis, “There was nothing to be done to my knowledge. And the Comp Plan was approved by Met Council prior to the signing of this agreement. That takes care of this provision.” Voss said the Official Controls are the zoning code. That was done in 2008. And we adopted the official map.

Moegerle, “In regard to page 143 and the Viking ‘muck out’ option? Pickart asks if you are talking to Council on that? This is the first I have heard of it.” Davis, “That is what I referred to earlier on: over excavation on the road construction project with agreement between Met Council and Anoka County. Met Council will probably agree to extra funding on this. But this is between Met Council and Anoka County.” Moegerle, “I have more questions about this, but when can we have a work meeting on this?”

Lawrence, “Voss what is your schedule?” Voss said every other Wednesday I have a City Council meeting. Let’s do it on a Council night. I have no interest in trying to dissect what staff has been working on with Met Council. Voss said I think the approach of being able to lower the initial fees onto our existing businesses that are going to be hooking up, is one of the goals we have had. And, I have heard time and time again how our SAC fees need to be more competitive. Voss said this is one means of doing that. And if the cost of doing that is to assume a higher rate of development in the future, then to me that is a risk worth that cost. Because by lowering that fee it will only make us in a better position to attract new development.

Moegerle, “I agree. I am wondering about these other options, A, B and C. D is a no-brainer, because in the end it is only a \$104 difference. But these other proposals have more long term ramifications and backload.” Voss said to me it gets us to that end point at a different rate of change. Moegerle, “Are you still talking about D or all of these?” Voss said I am talking in general. It seems like you want to go in and dissect forty pages of documents. DeRoche, “We sure have to look at it.” Voss said I looked at it before this meeting, so I was prepared for this meeting. But to sit and dissect what staff has prepared to sit and dissect what staff has been working on with Met Council is a bit ridiculous. But, to understand and support, in general, what staff is working on with Met Council is what is important here.

Davis, “One thing that is important to bring up here is we can pre-pay at any time. There is no penalty for that. We may want to try to pre-pay all that down and then, in 2018, exercise that option.” DeRoche, “I don’t think this is trying to dissect what staff is doing. I think that in 2010 the sewer and water should have never happened. But it did and we are moving forward. And now the option, the financing and the figuring out how we are going to pay for this should have been done before. Now we are trying to muddle through this.” Voss said the fact that you disagreed with it, doesn’t mean it wasn’t done before. DeRoche, “Certainly the repayment wasn’t done before, because no one has offered up any news of development or how the thing was proposed. We asked Boyer very nicely, ‘Is there something we are missing; was there some plan to repay this? How in the world did you guys expect to pay for it?’ How is it going to be paid for?”

Moegerle, “What is the status of your conversation with Village Green?” Davis, “We have a meeting set up for this Friday and we have three proposals to present to them as far as in what their costs would be. They are interested in discussion on this. What we have to do is work out something that is acceptable to both parties. And, if they are interested in pursuing this, then we have to work out some type of an agreement that if there is a transfer of their facility to us, it would have to be dated when they connect to the plant, we have to be taken out of the equation of operating it. There are some things in the options that Jochum has prepared

regarding the property that we might want to use some excess bond funds to pay for. It would help us get user fees.”

Moegerle made a motion to schedule a work meeting for November 21, 2012 at 5:30 p.m. to discuss the MCES Proposals & Options. DeRoche seconded. Voss asked what our agenda looks like for the meeting? Davis, “The agenda is light right now.” Voss said I would rather make it part of the meeting. **Voss, nay; DeRoche, Lawrence and Moegerle, aye, motion carries.**

Liquor
License
Refund

Davis explained that Troy Parker paid his City Liquor License fee on July 9, 2012. On or about August 19, 2012 Mr. Parker closed Fatboy’s Bar & Grill and is requesting a pro-rated refund of this City Liquor License fee of \$3,700 due to his claim of a “recent illness and hospitalization”.

City ordinance, Alcoholic Beverages, Section 6-54 reads:

No part of the fee paid for any license issued under this article shall be refunded except in the following instances upon application to the city council within 30 days from the happening of the event. There shall be refunded a pro rata portion of the fee for the unexpired period of the license, computed on a monthly basis when operation of the licensed business ceases not less than one month before expiration of the license because of:

- (1) Destruction or damage of the licensed premises by fire or other catastrophe that the licensee shall cease to carry on the licensed business;
- (2) The licensee's illness which can reasonably be expected to prohibit him from being actively engaged in the licensed business for the remainder of the period of the license;
- (3) The licensee's death;
- (4) A change in the legal status of the city, or some other event making it unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked.

Even though there is a condition in the City Ordinance that addresses license refunds for medical reasons, there is no description or provision as to how this claim for illness is to be substantiated. Staff is of the opinion that additional documentation be required to supplement the single source medical diagnosis supplied by the applicant for the refund in order to determine the reasonableness of the request.

At the October 17, 2012 meeting, Council directed staff to request more documentation from the applicant for the illness claim and provide that information within 30 days to the City. Staff contacted Mr. Parker and Mr. Parker did not supply any additional documentation. The attached e-mail represents Mr. Parker’s response to our request.

The City has never refunded a liquor license fee.

Approval of this request would entitle Mr. Parker to a refund of \$3,083.33. Should a refund be approved, staff recommends that the refund, at the very minimum, be reduced in an amount equal to the time over and above the ordinary effort that was required in the issuance of Mr. Parker’s 2012-2013 City Liquor License. This cost for the additional time for the City Administrator and City Clerk to accommodate Mr. Parker that was spent on this application

is estimated to be \$556.50.

The City Attorney has indicated (see attached correspondence) that we have no way to verify the claimed medical condition and if that condition had any impact on the operation of the business. Staff is seeking direction from Council on this matter.

Lawrence, "I have made contact with Mr. Parker's medical doctor since the information was sent to me. He said it was a genuine condition he has. I asked him if it was a genuine disability condition he has. He couldn't comment any further on that." Voss asked do we know what medical condition it was? Davis, "Yes, we do have an indication of the type of medical condition." Moegerle, "And we asked Boyer at the last meeting if it was anticipated when this ordinance was passed that it would be debilitating, such as hospitalization long-term. Several people have forwarded to me information from Troy's Facebook. But then he has come before us many times and to say and complain that he was being run out of business by taxes. And, so, you weigh it all together and I don't think he has as strong an argument as we would like because of other statements. Currently the ordinance sounds like catastrophe or death."

Lawrence, "I think the consensus is we just don't see it." DeRoche, "Voss have you ever run into this before?" Voss said you can ask staff, but I don't think so. Davis, "The city has never refunded a liquor license from our research. There was a request from the previous owner of Purple Reign. And we replied that we could not accommodate his request."

Davis asked the City attorney, "In your opinion if this is denied, what is our exposure in this?" Vierling, "Very limited. The provisions you have in your ordinance require you to make a judgment call. Not just that there is an illness, but that the illness prevented the owner from operating the business. You simply do not have any details that would allow you to make that conclusion. I can see where Council could defer to staff to make that conclusion if the individual wanted to release those medical records to staff to make that conclusion. It gets a little dicey on how to protect those records in the hands of city staff if someone demanded them." Voss said it is clear from the communications from Troy that this is not the sole reason the business struggled. So, how do you parse that out of the whole deal too? Voss said I interpreted the intent of that portion of our ordinance to be if there is a catastrophic event that makes the owner close the business. That is my interpretation. Lawrence, "That is my interpretation also." Moegerle, "This ordinance should be put on the list of ordinances that need to be tweaked." Voss said maybe, but you interpret it. Lawrence, "Would it be out of line to say we will wait for more information?" Voss said are we going to put this off again? Moegerle, "Well he had 30 days from the 16th, so he still has time. I think 30 days would be the 16th so we wait to see if he provides us with anything else." Lawrence, "We would need more information to make the call. Right now it is insufficient information to make that call."

Voss made a motion to table the Refund of Liquor License for Troy Parker until the next Council meeting. Lawrence seconded. Voss, nay; DeRoche, Lawrence, Moegerle, aye; motion carries.

Council
Reports –
DeRoche

DeRoche, "The fire department had a staff meeting on Monday. I wasn't aware of it, which struck me odd, since I am the liaison. I have no idea what the fire department is up to. There are still a few boats out fishing. The weather is changing. They are still working on the roads.

Council
Reports –
Moegerle

Moegerle, “As I struggled through the minutes, once again we had stupid criminal stories. It doesn’t reflect well on our sheriff’s department that they manage to capture stupid criminals. I would much rather have our time spent on saying how heroically they saved a dog from drowning or whatever. But I would rather hear heroism than stupid comedy and I was disappointed that we have gotten back to that. There was a drop-off day on the last Saturday of each month at the recycling center. What was the attendance?” Davis, “It was rather low. I think they had twelve people that dropped items off. It didn’t receive as much advance publishing as it should have. And I think it is worth continuing and see if there is any improvement.”

Moegerle, “Monday the office here is closed. Thank a Veteran. Thank you, Bob. I got an e-mail from Mary Spivey at Cedar Creek Ecosystem Science Reserve wanting to become more publicly engaged with East Bethel residents. Jack and I went up and met with her. She is excited to come and participate in Booster Days. They want to have a booth with a shuttle bus and the residents can shuttle up there and do citizen research and those kinds of things. They also would like to have a crossing signs on Fawn Lake Drive. We are going to have the Anoka County Commissioner involved in this. The Planning Commission? We have the meeting minutes here. There are some concerns there. And the last item on our agenda brings up the idea that we need to get a small committee together to go over our ordinances and tweak them a little and make them more clear.”

DeRoche, “I have one little tidbit I want to touch on. I did happen to watch that Planning Commission meeting. I don’t know if it was because it was an election year or what. But I felt that the City Administrator caught a lot of disrespect and I heard some comments that certain things are not the Planning Commission’s job and City Council isn’t doing their job so they are pushing it off on the Planning Commission. Davis was really polite at that meeting. If you are on a Commission and you don’t want to do the job, maybe you should find something else to be on. Because I think city staff works hard getting stuff together and there are things that maybe the City Council thinks the Planning Commission should be part of; like zoning, ethics, and if they feel that is no longer their job, then maybe something needs to be changed.

Council
Reports-
Lawrence

Lawrence, “We had the election of course on Tuesday, thank you for the votes. We will have two new Council Members coming in, Mr. Tom Ronning and Mr. Ron Koller. It has been a real busy week. Had a few complaints and handled those fairly well. Had complaints about Mr. Hoppe and dirt works. We need to have something changed to help the residents there because they need some peace and quiet there, not to have someone working.”

Closed
Session –
Litigation-
Employee
Veteran’s
Preference

Vierling, “We will note for the benefit of the public that the City Council is about to go into closed session pursuant to Minnesota Statute 13.D to review certain matters relative to Veteran’s Preference Litigation. After the closed session the City Council will come back into open session to announce any actions that have been taken at that time.”

DeRoche made a motion to go into closed session regarding Veteran’s Preference Litigation. Moegerle seconded. Moegerle, DeRoche, Lawrence, aye, (Voss was outside the Chambers), motion carries.

Vierling, “The Council met in closed session. All four members were present, Mayor Lawrence, and Council Members DeRoche, Moegerle and Voss. Council Member Boyer was not present. Also present were City Administrator Jack Davis and myself. We discussed the veteran’s preference issue, no actions were taken, but they received input and advice from

the city administrator and myself.

Moegerle made a motion to appoint Mike Erickson to the panel with regard to the veteran's preference matter. Lawrence seconded; all in favor, motion carries.

Adjourn

DeRoche made a motion to adjourn at 10:16 PM. Voss seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

DRAFT

EAST BETHEL SPECIAL CITY COUNCIL MEETING

November 14, 2012

The East Bethel City Council met on November 14, 2012 at 5:45 PM to Canvass the 2012 General Election Results at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS EXCUSED: Steve Voss Bill Boyer

ALSO PRESENT: Jack Davis, City Administrator

Call to **The November 14, 2012 Special City Council meeting was called to order by Mayor**
Order **Lawrence at 5:47 PM.**

Adopt **Moegerle made a motion to adopt the November 14, 2012 Special City Council Agenda.**
Agenda **DeRoche seconded; all in favor, motion carries.**

Res. 2012- **Moegerle made a motion to adopt Resolution 2012-68 Canvassing the Returns of the**
68 **Mayoral and City Council Election. Lawrence seconded; all in favor, motion carries.**
Canvassing
Returns of
Election

Adjourn **Moegerle made a motion to adjourn the November 14, 2012 City Council Meeting at 5:49**
PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

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

RESOLUTION NO. 2012-69

**FINAL CERTIFICATION OF DELINQUENT CHARGES FOR COLLECTION WITH 2013
PROPERTY TAXES**

WHEREAS, East Bethel Code of Ordinance, Chapter 74, Sec. 74-126 (b) provides for the collection of unpaid utility bills through the property tax system; and

WHEREAS, East Bethel Code of Ordinances, Chapter 30, Sec. 30-105 provide for the collection of unpaid emergency services through the property tax system in the county which the recipient of the services owns property; and

WHEREAS, the attached list shows the delinquent amounts owed assuming a certification cutoff date of September 21, 2012 that reflects payments received through November 14, 2012; and

WHEREAS, certification will greatly improve the City's chances of collecting the relevant charges.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT THE COUNCIL approves the attached, final certification list.

Adopted this 21st day of November, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

**2013 CERTIFICATION LIST
OF DELINQUENT CHARGES**

| Address | Name | PID | Certification Amount |
|-----------------------------------|---------------|------------------|-------------------------|
| Anoka County - County Fund #84593 | | | |
| 1095 243rd Cir | Jornlin/Cline | 29-34-23-22-0118 | \$1,216.55 |
| 1142 243rd Ln | Bender | 29-34-23-22-0124 | \$2,396.90 |
| 1153 Pierce Path | Demarais | 29-34-23-22-0133 | \$566.49 |
| 24150 Whispering Cir | Bergstrom | 29-34-23-23-0185 | \$1,460.36 |
| 24235 Fillmore Cir | Weisbrod | 29-34-23-23-0170 | \$803.89 |
| | | | <u>\$6,444.19</u> |
| 22816 Buchanan St | Rynning | 05-33-23-22-0016 | \$403.33 |
| 3551 Viking Blvd | Schotl | 26-33-23-32-0011 | \$403.33 |
| Total Anoka County | | | <u>\$7,250.85</u> |

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

RESOLUTION NO. 2012-70

**RESOLUTION ACKNOWLEDGING BOY SCOUT TROOP 733 FOR THEIR ADOPTION OF
JOHN E. ANDERSON MEMORIAL PARK**

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

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

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

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Boy Scout Troop 733 for their commitment to help maintain John E. Anderson Memorial Park as part of the Adopt-A-Park Program.

Adopted this 21st day of November, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

2013 Budget

Requested Action:

Continue the Review of the 2013 Preliminary Budget and Levy

Background Information:

Council approved a preliminary budget and levy on September 5, 2012 and submitted this to the Anoka County Auditor. The preliminary levy was used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy will then be adopted by City Council in December. The final levy adopted in December 2012 cannot be increased from the preliminary levy, but can be reduced.

On October 17, 2012 City Council directed that the proposed budget be reduced by \$47,090 from a list of item provided by staff. These reductions are listed in Attachment #2.

Another alternative to lowering the tax levy was discussed at the November 7, 2012 City Council by providing building inspection services to the City of Oak Grove for additional revenues of \$60,000. The services contract is on the Council’s agenda this evening. The Revenue Summary (Attachment #1) reflects the additional revenue and levy reduction. The resulting 2013 levy for General Fund would decrease 1.63% or \$68,153 from the 2012 levy. The General Fund and Debt levy combined would result in a decrease of .97% or \$43,843 from 2012.

The proposed reductions listed in the attachment do not address the projected \$91,000 bond payment deficit for 2013. The following are the more common means by which this item or other MCES obligations could be considered:

- 1.) Utilize the projected 2012 budget savings (amount staff projects the budget will be under the approved 2012 budget) of approximately \$125,000 to cover this cost and/or additional revenues that could be obtained by other General Government Services Charges (Oak Grove Building Official and Inspection Services Contract);
- 2.) Use of 2011 Sheriff’s Department escrow, 2013 budget contingencies and any necessary amounts from the 2012 budget savings to pay for the deficit;
- 3.) Divert the required amount of funds from the City’s transfer payments, either total or partial, from the Streets, Parks and/or Trails Capital fund or the City’s HRA monies for this expense.

Unless otherwise directed, this debt is proposed be paid from the General Fund which has an adequate reserve to pay the projected \$91,000 deficit (\$91,000 is the difference between the 2012 project cash balance carry-over of \$241,812 and the projected 2013 SAC, WAC and assessment fees of \$375,200 that will be collected from the Municipal Utilities Project subtracted from the bond payments for 2013 of \$708,388).

The Fund Balance information for the General Fund is as follows:

| | |
|---|--------------------|
| December 31, 2011 Fund Balance | \$2,254,404 |
| Estimated 2012 Revenues over Budget: | \$15,000 |
| Estimated 2012 Expenditures under Budget: | <u>\$125,000</u> |
| Estimated December 31, 2012 Fund Balance | <u>\$2,394,404</u> |

Projected December 31, 2012 fund balance of \$2,394,404 is 49.8% of the preliminary 2013 General Fund Expenditures of \$4,811,223. If this projected fund balance is reduced by \$91,000 for bond payments, the projected December 31, 2012 fund balance of \$2,303,404 is 47.9% of proposed 2013 General Fund expenditures. The State Auditor recommends a fund balance between 35-50% of the following years' budgeted expenditures.

Attachment(s):

1. General Fund Revenue Summary
2. List of 2013 Budget Reductions
3. 2010 Bond Cash Flow Projections

Fiscal Impact:

As noted

Recommendation(s):

Staff is requesting Council direction for any or other proposed 2013 Budget adjustments. If there are no further changes staff recommends that the proposed budget as presented be submitted to Council for final approval, pending public comment, at the December 5, 2012 City Council meeting.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

GENERAL FUND REVENUE SUMMARY



| | 2010 Actual | 2011 Actual | 2012 Final Budget | 2013 Proposed Budget | 2013 vs. 2012 |
|--|--------------------|--------------------|-------------------------|----------------------------|---------------------|
| FUND 101 GENERAL FUND | | | | | |
| R 101-31010 Current Ad Valorem Taxes-LL | \$4,583,900 | \$4,428,762 | \$4,191,470 | \$4,123,317 | |
| R 101-31810 Franchise Taxes | \$35,945 | \$37,875 | \$35,000 | \$37,000 | |
| R 101-32110 Alcoholic Beverages | \$25,588 | \$29,795 | \$25,000 | \$29,000 | |
| R 101-32120 Garbage Hauler's License | \$1,800 | \$1,800 | \$1,800 | \$1,200 | |
| R 101-32130 Contractor's License | \$25 | \$20 | \$50 | \$50 | |
| R 101-32130 Tobacco Sales Licenses | \$2,850 | \$3,300 | \$3,000 | \$3,000 | |
| R 101-32180 Other Permits/Licenses | \$5,995 | \$4,188 | \$5,000 | \$4,000 | |
| R 101-32210 Building Permits | \$53,353 | \$57,487 | \$70,000 | \$60,000 | |
| R 101-32212 Septic System Install | \$7,760 | \$6,800 | \$6,000 | \$6,500 | |
| R 101-32230 Plumbing Connection Permits | \$1,515 | \$1,175 | \$1,500 | \$1,200 | |
| R 101-32255 ROW Permits | \$7,500 | \$4,800 | \$5,000 | \$5,000 | |
| R 101-33000 Misc Intergovernmental | \$0 | \$15,260 | \$4,000 | \$4,000 | |
| R 101-33404 PERA Aid | \$2,123 | \$2,123 | \$2,123 | \$2,123 | |
| R 101-33418 Muni State Aid St Maintenance | \$167,531 | \$182,423 | \$182,422 | \$175,000 | |
| R 101-33420 State Aid-Fire Relief | \$40,985 | \$39,383 | \$40,103 | \$39,383 | |
| R 101-34103 Zoning and Subdivision | \$2,760 | \$4,396 | \$4,000 | \$4,000 | |
| R 101-34104 Bldg Plan Reviews | \$14,429 | \$17,263 | \$15,000 | \$15,000 | |
| R 101-34105 Sale of Maps and Publications | \$127 | \$144 | \$150 | \$150 | |
| R 101-34107 Assessment Search Fees | \$160 | \$80 | \$60 | \$60 | |
| R 101-34109 Other General Gov't Charges | \$51,351 | \$37,548 | \$93,000 | \$153,000 | |
| R 101-34110 Election Filing Fees | \$35 | \$0 | \$20 | \$0 | |
| R 101-34111 Contractor License | \$15 | \$20 | \$100 | \$50 | |
| R 101-34112 Septic Pumping Tracking | \$1,370 | \$3,185 | \$2,500 | \$2,500 | |
| R 101-34202 Fire Protection Services | \$6,285 | \$3,600 | \$4,000 | \$3,000 | |
| R 101-34940 Cemetery Revenues | \$11,600 | \$8,775 | \$3,000 | \$5,000 | |
| R 101-35100 Court Fines | \$56,369 | \$49,292 | \$58,000 | \$50,000 | |
| R 101-35105 Tobacco Violation Fines | \$350 | \$0 | \$100 | \$100 | |
| R 101-35106 Liquor Violation Fines | \$1,800 | \$500 | \$0 | \$500 | |
| R 101-36210 Interest Earnings | \$3,985 | \$1,715 | \$5,000 | \$2,000 | |
| R 101-36220 Other Rents and Royalties | \$9,230 | \$6,033 | \$7,500 | \$6,000 | |
| R 101-36240 Refunds and Reimbursements | \$33,729 | \$34,674 | \$31,000 | \$32,000 | |
| TOTAL GENERAL FUND | \$5,130,465 | \$4,982,416 | \$4,795,898 | \$4,764,133 | -0.66% |
| TAX SUMMARY | | | | | |
| R 101-31010 Taxes, General Fund | \$4,532,030 | \$4,681,345 | \$4,191,470 | \$4,123,317 | |
| R 101-31010 Taxes, 2005 Public Safety Bonds | \$144,457 | \$144,756 | \$147,328 | \$149,638 | |
| R 101-31010 Taxes, 2008 Sewer Revenue Bonds | | \$109,500 | \$158,000 | \$180,000 | |
| Total Proposed Levy | \$4,676,487 | \$4,935,601 | \$4,496,798 | \$4,452,955 | -0.97% |
| City HRA Levy | \$0 | \$126,058 | \$0 | \$0 | |
| County HRA Levy | \$135,566 | \$187,920 | \$0 | \$0 | |
| City EDA Levy | \$0 | \$0 | \$163,428 | \$144,670 | |
| Total Levies, City & Special Levies | \$4,812,053 | \$5,249,579 | \$4,660,226 | \$4,597,625 | -1.34% |

2013 Budget Reductions

City Council directed that the following items within the preliminary budget be removed or reduced in consideration of the final 2013 budget:

| | |
|--|-----------------|
| Central Services and Supplies, Item 101-48150-421, laser fiche scanner | \$1,200 |
| Trails Capital Fund, Proposed Annual Transfer from the General Fund | \$5,000 |
| Fire Department, 101-42210-214, Clothing and Uniforms | \$2,100 |
| 101-42210-434, Training | \$2,000 |
| City Administration, 101-41320-433, Dues and Subscriptions | \$1,000 |
| Planning and Zoning, 101-41910-431, Equipment Replacement Charge | \$1,000 |
| Risk Management, 101-48140-307, Professional Service Fees** | \$1,500 |
| Engineering, 101-43110-302, Engineering Fees | \$2,000 |
| Park Maintenance, 101-43201-103, Part Time Employee | \$6,290 |
| Parks Capital Fund, Proposed Transfer from the General Fund | <u>\$25,000</u> |
| Total | \$47,090 |

** Reduction due to insurance RFP as approved by Council on September 19, 2012.

City of East Bethel
Water Sewer Bond Cash Flows
Updated

| | Sources | Uses | Balance |
|-----------------------------------|----------------|-------------|----------------|
| 2013 | | | |
| Beginning Cash Balances | | | \$241,812 |
| Debt Payments | | \$1,185,368 | -\$943,556 |
| Federal Tax Credits | \$476,980 | | -\$466,576 |
| 67 Connection Fees (\$5,600/ERU) | \$375,200 | | -\$91,376 |
| Ending Cash Balances | | | -\$91,376 |
| 2014 | | | |
| Beginning Cash Balances | | | -\$91,376 |
| Debt Payments | | \$1,185,368 | -\$1,276,744 |
| Federal Tax Credits | \$476,980 | | -\$799,764 |
| Special Assessment Income | \$72,300 | | -\$727,464 |
| Ending Cash Balances | | | -\$727,464 |
| 2015 | | | |
| Beginning Cash Balances | | | -\$727,464 |
| Debt Payments | | \$1,185,368 | -\$1,912,832 |
| Federal Tax Credits | \$476,980 | | -\$1,435,852 |
| 200 Connection Fees (\$5,600/ERU) | \$1,120,000 | | -\$315,852 |
| Special Assessment Income | \$72,300 | | -\$243,552 |
| Ending Cash Balances | | | -\$243,552 |
| 2016 | | | |
| Beginning Cash Balances | | | -\$243,552 |
| Debt Payments | | \$1,957,853 | -\$2,201,405 |
| Federal Tax Credits | \$476,491 | | -\$1,724,913 |
| 200 Connection Fees (\$5,600/ERU) | \$1,120,000 | | -\$604,913 |
| Special Assessment Income | \$72,300 | | -\$532,613 |
| Ending Cash Balances | | | -\$532,613 |

Assumptions:

Debt payments only - does not consider operations
 Required Connections in 2013 plus Aggressive Hydraulics
 No Connection in 2014



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 F.1

Agenda Item:

Fire Department Monthly Reports

Requested Action:

Informational only

Background Information:

Fire Department Monthly Report.

To aid in your understanding, staff has included as Attachment #1 the Incident Type Codes it appears on the reports.

Fiscal Impact:

None

Recommendation(s):

Informational only.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

INCIDENT TYPE CODES

- 100 Fire
- 200 Overpressure Rupture, Explosion, Overheat (No Ensuing Fire)
- 300 Rescue and Emergency Medical Service (EMS) Incidents
- 400 Hazardous Condition (No Fire)
- 500 Service Call
- 600 Good Intent Call
- 700 False Alarm and False Call
- 800 Severe Weather and Natural Disaster
- 900 Special Incident Type

**East Bethel Fire Department
Incident Call Report
October, 2012**

| Incident Number | Incident Date | Alarm Time | Location | Incident Type |
|-----------------|---------------|------------|---------------------------|--|
| 415 | 10/31/2012 | 15:02 | 181 AVE NE/ Jackson | 412 Gas leak (natural gas or LPG) |
| 414 | 10/31/2012 | 11:21 | 181 AVE NE/ Jackson | 412 Gas leak (natural gas or LPG) |
| 413 | 10/31/2012 | 05:42 | 1610 NE 245 AVE | 131 Passenger vehicle fire |
| 412 | 10/28/2012 | 21:55 | 24355 65 HWY NE | 321 EMS call |
| 411 | 10/28/2012 | 15:04 | 2717 183 AVE NE | 321 EMS call |
| 410 | 10/28/2012 | 13:28 | 65 HWY NE | 143 Grass fire |
| 409 | 10/27/2012 | 19:40 | 336 Laurel Rd | 631 Authorized controlled burning |
| 408 | 10/25/2012 | 11:53 | 24355 65 HWY | 321 EMS call |
| 407 | 10/25/2012 | 01:00 | 3091 212 AVE NE | 321 EMS call |
| 406 | 10/24/2012 | 22:09 | Kenyon ST | 321 EMS call |
| 405 | 10/24/2012 | 13:29 | 19919 East Bethel Blvd NE | 321 EMS call |
| 404 | 10/23/2012 | 07:45 | 4491 194 AVE NE | 814 Lightning strike (no fire) |
| 403 | 10/21/2012 | 21:06 | 18164 65 HWY NE | 321 EMS call |
| 402 | 10/21/2012 | 18:28 | 18540 Everglade DR NE | 321 EMS call |
| 401 | 10/20/2012 | 18:09 | 4401 231st LN | 500 Service Call |
| 400 | 10/20/2012 | 14:51 | 1836 NE 209th CT | 321 EMS call |
| 399 | 10/20/2012 | 02:38 | 4532 229 AVE NE | 671 Carbon Monoxide |
| 398 | 10/18/2012 | 20:22 | 19512 East Tri Oak CIR NE | 611 Dispatched and cancelled en route |
| 397 | 10/18/2012 | 20:18 | 3504 190th LN NE | 611 Dispatched and cancelled en route |
| 396 | 10/17/2012 | 11:16 | 197 Forest RD NE | 321 EMS call |
| 395 | 10/16/2012 | 19:24 | 21803 Quincy ST | 111 Building fire |
| 394 | 10/16/2012 | 11:00 | 22443 7th ST NE | 412 Gas leak (natural gas or LPG) |
| 393 | 10/14/2012 | 16:39 | 1341 187th LN | 611 Dispatched and cancelled en route |
| 392 | 10/13/2012 | 17:58 | 18512 Everglade DR NE | 531 Smoke or odor removal |
| 391 | 10/13/2012 | 09:06 | 21730 Zumbrota ST NE | 321 EMS call |
| 390 | 10/12/2012 | 16:19 | 3528 217 AVE NE | 321 EMS call |
| 389 | 10/11/2012 | 20:08 | 21730 NE Zumbrota ST NE | 611 Dispatched and cancelled en route |
| 388 | 10/11/2012 | 23:57 | 26 Viking BLVD NE | 611 Dispatched and cancelled en route |
| 387 | 10/10/2012 | 07:40 | 20204 Hwy 65 | 321 EMS call |
| 386 | 10/09/2012 | 19:30 | 455 195 AVE NE | 321 EMS call |
| 385 | 10/09/2012 | 18:13 | 20400 Jackson St NE | 321 EMS call |
| 384 | 10/09/2012 | 17:17 | 22753 London ST NE | 143 Grass fire |
| 383 | 10/08/2012 | 22:08 | 1150 216 AVE NE | 321 EMS call |
| 382 | 10/08/2012 | 17:06 | 21210 NE Polk ST NE | 745 Alarm system activation, no fire |
| 381 | 10/08/2012 | 12:41 | 225 LN NE | 143 Grass fire |
| 380 | 10/08/2012 | 08:59 | 19444 5th ST | 322 Motor vehicle accident with injuries |
| 379 | 10/07/2012 | 10:58 | 18321 Jackson ST NE | 321 EMS call |
| 378 | 10/05/2012 | 14:47 | SB Highway 65 NE | 321 EMS call |
| 376 | 10/05/2012 | 12:30 | 2751 Viking BLVD | 550 Special Detail at Station |
| 377 | 10/05/2012 | 11:49 | 24355 65 HWY NE | 321 EMS call |
| 375 | 10/05/2012 | 11:34 | 3863 221st AVE NE | 321 EMS call |
| 374 | 10/05/2012 | 05:31 | 20024 Jefferson ST | 611 Dispatched and cancelled en route |
| 373 | 10/04/2012 | 11:49 | 700 200 AVE NE | 412 Gas leak (natural gas or LPG) |
| 372 | 10/02/2012 | 17:29 | 18128 Fillmore ST NE | 321 EMS call |
| 371 | 10/02/2012 | 13:16 | 3863 221st AVE NE | 321 EMS call |
| 370 | 10/01/2012 | 16:19 | 4632 210 LN | 143 Grass fire |
| 369 | 10/01/2012 | 10:49 | 18164 Hwy 65 | 321 EMS call |
| Total | | | | 47 |

City of East Bethel

Subject: Fire Inspector Report

October 1–31, 2012

| City of East Bethel Fire Inspection List | | |
|--|--------------------------------|--|
| Name | Address | Comments |
| Truck Body Specialist | 18581 Buchanan St. | No Violations |
| S&S Industrial Supply | 18541 Hwy 65 | No Violations |
| City Hall | 2241 221 st Ave | Fire extinguishers checked |
| Classic Cont. | 18542 Ulysses St | Lock Box Application |
| American Tool & Grinding | 23773 Johnson St. | Emergency lights, fire extinguishers, egress, pressure cylinders |
| Shade Tree Company | 23035 Ulysses St. | Emergency lights |
| St Andrew Church | 1450 237 th Ave St. | No Violations |
| Ray Jordan & Sons | 1901 Klondike Dr | No Violations |
| Top A Truck | 22418 Hwy 65 | No Violations |
| AAA Auto Salvage | 20418 Hwy 65 | No Violations |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| NOTE: First Inspections Unless Noted | | |

10 Businesses Inspected

Reported by: Mark Duchene
Fire Inspectors



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 G.1

Agenda Item:

Sylvan Street Right of Way License

Requested Action:

Review the license agreement for the Andy Nelson/Sylvan Street Agreement

Background Information:

On September 7, 2011 City Council approved a license agreement for Andy Nelson to utilize a portion of the Sylvan Street right-of-way for use as a septic tank and well location. Mr. Nelson appeared before Council on December 21, 2011 and expressed concern that the license did not address any terms of duration on the use. Mr. Nelson further requested that Council consider vacating the street or amending the agreement to include a fixed term for the license.

Per Council direction on December 21, 2011, staff was instructed to work with Andy Nelson, 4640 East Front Boulevard, to prepare a license agreement amendment that would address the issues of the use and term for a portion of the Sylvan Street right-of-way for a septic tank and well location. Staff was also instructed to work with the MPCA to determine if there were any programs that were applicable to this situation.

In addition, a public hearing was held to consider vacating the street but the petition for vacation was denied by Council. As a matter of concern for this issue, Council agreed to work with Mr. Nelson to attempt to resolve the question of a term for the license. The license agreement would serve a dual function, as it would permit Mr. Nelson to relocate his systems, which in turn, would permit Doug and Linda Foster, adjacent property owners on the east to Mr. Nelson, the space to correct deficiencies in their system. Staff checked with MPCA to see if there were any available assistance that might address this type of situation. Staff was told by MPCA that they had no programs that dealt with small scale issues of this nature and that their programs were directed toward public infrastructure projects.

Prior to the approval of the license, City Attorney, Mark Vierling, reviewed Mr. Nelson’s submittal and recommended changes that were summarized as follows:

“The term of this License Agreement and the License shall begin on the date stated in the first paragraph of this License Agreement and shall continue until the earlier of the following dates (which earlier date is herein referred to as the “Termination Date”, namely:

- a) the date on which public sanitary sewer service has been extended to and is available for immediate connection to the residence located on License Holder’s property or,*

b) the date on which the City has decided to open and improve the right-of-way of Sylvan Street as it abuts License Holder's Property by the construction of public street improvements within the right of way;

(c) the date upon which the City Council decides to vacate the right-of-way pursuant to Minn. Stat. 412.851; or

(d) the date upon which the City Council determines that it has a public use to which the land needs to be applied which is determined by the City Council to be inconsistent with the purpose of this License Agreement."

Council approved the changes to the license agreement on April 4, 2012. Mr. Nelson installed the system per the plans referenced in the license agreement but in the process removed four trees within the right of way without obtaining approval from City Staff. Mr. Nelson will present his documentation for the tree removal and his corrective action and restoration plan. Mr. Nelson will also be present to answer questions from Council regarding this matter.

Attachment(s):

- April 4, 2012 City Council Minutes
- Location map and Septic System Site Plan
- License Agreement
- Andy Nelson Letter

Fiscal Impact:

Recommendation(s):

The resolution of this matter is to be determined by City Council as to any damages or additional requirements on the licensee.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

Voss said back to original question about sheriff's office, haven't heard any comments either. But the comments he has heard, is right or wrong, or ordinance is most lenient of all. He has noticed more, never seen ATVs riding on Wild Rice before. That particular one bothers him because we just widened it for pedestrians. Lawrence, "One comment he heard from our sheriff's office was our ordinance was so vague and misleading, they couldn't enforce anything on it." Voss said that is a reason to clean up the ordinance. He said his only suggestion is to change it from "right-of-way" to "City street". Moegerle asked, "Where do you want to change that?" Voss said page 99 of the packet. Lawrence, "Do we have a licensing plan so if someone violates this we can turn them in?" DeRoche explained it is a state requirement to be licensed. He explained the license requirements. Boyer, "He has gotten a lot of complaints." Moegerle explained she has gotten an e-mail or two about issues. However she lives right at Coon Lake and hasn't seen any violations by adults. The violation she saw was at the pavilion and it was a kid. And she has heard complaints about the fact of the ordinance, but not heard (violation) complaints besides Doug Tierney's.

**Sylvan Street
License
Agreement**

Davis explained that on September 7, 2011 City Council approved a license agreement for Andy Nelson to utilize a portion of the Sylvan Street right-of-way for use as a septic tank and well location. Mr. Nelson appeared before Council on December 21, 2011 and expressed concern that the license did not address any terms of duration on the use. Mr. Nelson further requested that Council consider vacating the street or amending the agreement to include a fixed term for the license.

Per Council direction on December 21, 2011, staff was instructed to work with Andy Nelson at 4640 East Front Boulevard to prepare a license agreement amendment that would address the issues of the use and term for a portion of the Sylvan Street right-of-way for a septic tank and well location. Staff was also instructed to work with the MPCA to determine if there were any programs that were applicable to this situation.

In addition, a public hearing was held to consider vacating the street but the petition for vacation was denied by Council. As a matter of concern for this issue, Council agreed to work with Mr. Nelson to attempt to resolve the question of a term for the license. This license agreement would serve a dual function, as it would permit Mr. Nelson to relocate his systems, which in turn, would permit Doug and Linda Foster, adjacent property owners on the east to Mr. Nelson, the space to correct deficiencies in their system. Staff checked with MPCA to see if there were any available programs that might address this type of situation. Staff was told by MPCA that they had no programs that dealt with small scale issues of this nature and that their programs were directed toward public infrastructure projects.

City Attorney, Mark Vierling, has reviewed Mr. Nelson's submittal and recommends the changes that are presented in Attachment #2 to address the terms of the license and are summarized as follows:

"The term of this License Agreement and the License shall begin on the date stated in the first paragraph of this License Agreement and shall continue until the earlier of the following dates (which earlier date is herein referred to as the "Termination Date", namely: a) the date on which public sanitary sewer service has been extended to and is available for immediate connection to the residence located on License Holder's property or b) the date on which the City has decided to open and improve the right-of-way of Sylvan Street as it abuts License Holder's Property by the construction of public street improvements within the right-of-way; (c) the date upon which the City Council decides to vacate the right-of-way pursuant to Minn. Stat. 412.851; or (d) the date upon which the City Council determines that it has a

public use to which the land needs to be applied which is determined by the City Council to be inconsistent with the purpose of this License Agreement."

Staff recommends approval of the amended license with the definition as to the terms of the agreement as presented.

Boyer, "This seems to definitely have a term unless a, b, c or d happens." Vierling, "It doesn't have a definite term. Understand the applicants' concerns. In reality, the City can issue a license in this nature, but this is not really under state law, is not your property. You hold it in benefit for trust for the public, you have to have it available to the public so the conditions especially "c" and "d" keep with the City the authority to revoke the license at will. So it really comes down to a judgment call by the property owner as to whether or not they feel there is undue risk for them making that investment under those conditions.

Voss made a motion to approve the license agreement for Mr. Andy Nelson at 4640 East Front Blvd. NE as amended by the City Attorney. DeRoche seconded. Voss said this is essentially what we talked about last time, correct? Vierling, "Yes it is." Moegerle, "What about the issue of removal of trees? I know that Mr. Nelson has said he is not going to remove any trees but then he may not be there for as long as this license agreement is in place. Or is this specific to him and not to any successors?" Vierling, "The purpose of the license agreement is only for him to install his facility there. He doesn't have authority to do anything other than that. And he will have to coordinate with City Staff if there is a tree in the way of where he has to place a line. He doesn't have authority to do anything other than place it and maintain it." Moegerle asked "Does this move on to his successor and interest should he sell it?" Vierling said, "Yes." Boyer asked, "Mr. Nelson, since your neighbor needs land for theirs and you need land for yours, why don't you just swap some land?" Andy Nelson of 4640 East Front Blvd. NE, "The neighbor that needs to address his system, doesn't have land to give. Really a puzzle tightly to fit into the land." Boyer, "So you are saying you don't have the land to give." **All in favor, motion carries.**

Lowell Friday
– IUP
Discussion

Lowell Friday of 18215 Greenbrook Drive NE, "We propose the agreement with the Council. We had first met with the City Administrator to try to carry on a renewal. We ended up late. Got my paperwork filed two days before the deadline. Basically trying to solve the problem. Agreed in meeting with City Administrator and Mayor to cease my operation with horses, keep horses there, but wouldn't do boarding or stallion breeding. Can't move stallions because state law requires a 5'6" fence and some people are afraid of stallions. None of boarding places will take stallions, don't have facilities for them. Little kids in neighborhood come and play with mine. Have a stack of okays of neighbors that kids that can come play with mine. Got pictures of horses that were taken.

Vierling asked, "Mr. Friday, I don't mean to interrupt you, but can we frame the issue for the Council here? I received a call from your attorney today, Mr. Al Johns?" Friday, "That is one of his attorneys." Vierling explained, "As everyone is aware we have criminal matters pending in this matter. Mr. Friday's Interim Use Permit (IUP) expired on the 18th of March. He applied for a new one two days prior. City staff had been sending out letters to him regarding renewal. The old IUP, I've determined, and as I've instructed staff, has lapsed. Mr. Friday certainly has every right to apply for a new one. He has applied for a new one and will go through and have the hearings for that."

Vierling explained he thinks the issue that Mr. Friday wants to bring to you today is, "Is he going to be allowed to keep the animals he has on site now, or will he will be required to

BURIED
SEWER
SUPPLY
PIPE

PROPOSED
WELL
LOCATION

PROPOSED
SEPTIC
LOCATION
500 SQ.
FT.

EXISTING SHALLOW
WELL - TO BE
SEALED

EXISTING
2-BEDROOM
HOUSE

PROPOSED
SEPTIC
TANK
LOCATION

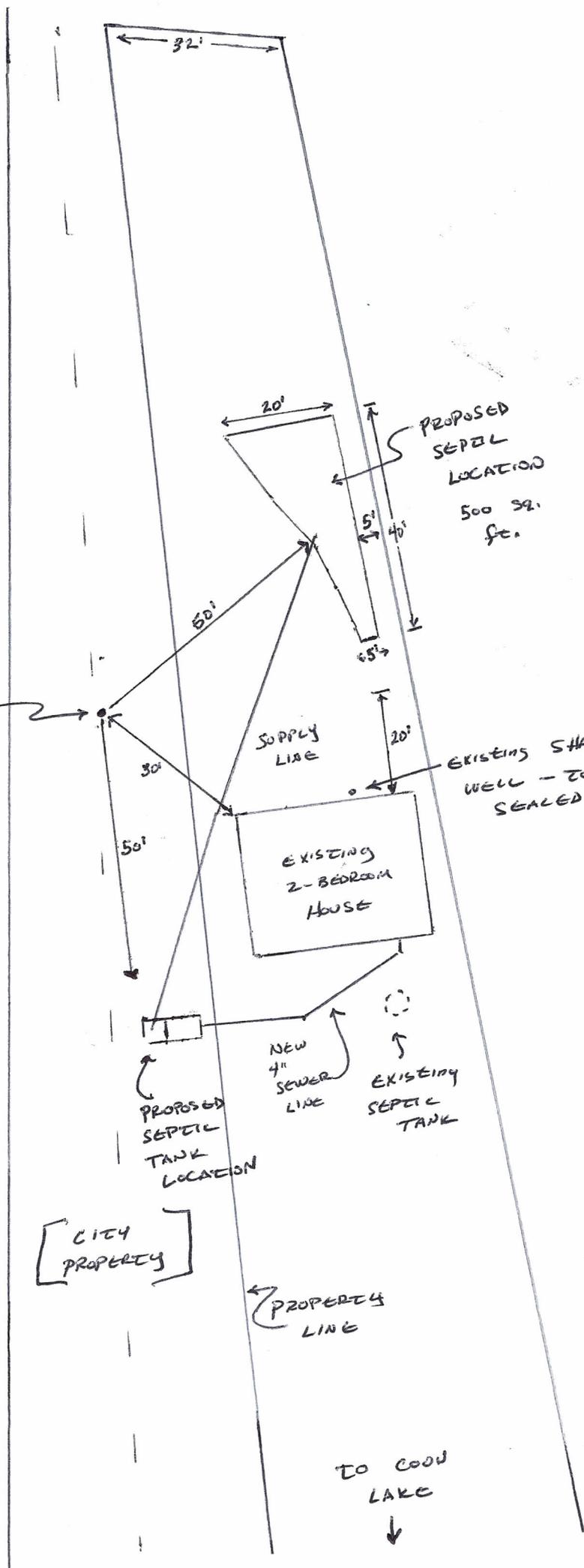
NEW
4" SEWER
LINE

EXISTING
SEPTIC
TANK

CITY
PROPERTY

PROPERTY
LINE

TO COON
LAKE





Scale 1:600

Aerial Photo: Flown Spring 2011



Prepared by Anoka County GIS Department

This is a compilation of records as they appear in the Anoka County Office of Mapping & GIS. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein contained.



LICENSE AND USE AGREEMENT

This License and Use Agreement (this "License Agreement") is made and entered into this ____ day of _____, 2012, by and between the City of East Bethel, a municipal corporation under the laws of the State of Minnesota (the "City"), and Andrew F. Nelson (the "License Holder").

RECITALS

A. License Holder is the fee owner of Real Property ("License Holder's Property") situated in the City of East Bethel, Anoka County, Minnesota, and legally described in Exhibit A attached hereto and incorporated herein by reference.

B. License Holder's Property is contiguous with the dedicated right of way of Sylvan Street, which is a dedicated but unimproved public street right of way. The License Holder has requested that he be permitted to use a portion of such street right of way for the uses and purposes stated in this License Agreement. That portion of such street right of way to be used by the License Holder is graphically depicted in Exhibit B attached hereto and incorporated herein by reference and is herein referred to as the "License Area".

C. The City has agreed to grant to License Holder a License to use the License Area for the uses and purposes and upon the terms and conditions stated in this License Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein and made a part of this License Agreement, and of the terms and conditions hereinafter stated, the City and the License Holder agree as follows:

1. **License.** Subject to all of the terms and conditions stated in this License Agreement, the City hereby grants to License Holder a nonexclusive license (the "License") for the uses and purposes stated in Paragraph 2 of this License Agreement, in, under, over and across

the License Area. The City hereby authorizes the License Holder to use the License Area on a nonexclusive basis, solely for the uses and purposes and on the terms and conditions set forth in this License Agreement. The License granted by this License Agreement shall continue for the term stated in Paragraph 4 of this License Agreement. By granting the License and entering into this License Agreement, the City makes no warranty that it has good and marketable title to the License Area nor does the City agree to warrant or defend the License or License Holder's interest from other parties who may claim any right, title or interest in the License Area. The License is appurtenant to License Holder's Property, and may not be transferred or assigned except to an owner of License Holder's Property in connection with the conveyance of License Holder's Property.

2. Purpose of License and Use of License Area. The License is granted for the sole purposes of permitting License Holder to construct, install and maintain a private septic or sewage treatment system and water well and associated underground piping within the License Area to provide sanitary sewer and drinking water service for the residential structure located on License Holder's Property. Such septic system and well shall be constructed, maintained and installed in compliance with applicable state and local ordinances and regulations and in a location approved by the City. The License and License Holder's use of the License Area are limited to the specific purposes and uses stated in this License Agreement. No other use of or encroachment within the License Area is permitted by this License Agreement.

3. **No Property Interest.** This License Agreement and the License are personal to License Holder. No interest in the title to the public right of way of Sylvan Street is granted, created or transferred by this License Agreement. This License Agreement and the License are subject and subordinate to the prior, superior and continuing right of the City to use such public right of way as a street and for other public uses and purposes consistent with the dedication of Sylvan Street as a public street.

4. **Term.** The term of this License Agreement and the License shall begin on the date stated in the first paragraph of this License Agreement and shall continue until the earlier of the following dates (which earlier date is herein referred to as the “Termination Date”, namely: a) the date on which public sanitary sewer service has been extended to and is available for immediate connection to the residence located on License Holder’s property or b) the date on which the City has decided to open and improve the right of way of Sylvan Street as it abuts License Holder’s Property by the construction of public street improvements within the right of way; (c) the date upon which the city council decides to vacate the right of way pursuant to Minn. Stat. 412.851; or (d) the date upon which the city council determines that it has a public use to which the land needs to be applied which is determined by the city council to be inconsistent with the purpose of this License Agreement. From and after the Termination Date, either party may terminate this License Agreement upon thirty (30) days written notice to the other party. Should either party wish to terminate the License Agreement and the License, such party shall serve written notice of termination on the other party and this License Agreement and the License shall terminate and be of no further effect thirty (30) days after the date on which notice of termination is given. The recordation of an Affidavit by either party that such notice of

Hand delivered notices shall be deemed to have been given on the date of delivery. If notice is given by certified mail, such notice shall be deemed to have been given on the next business day following the date of mailing.

8. Miscellaneous.

- a. This License Agreement is made and executed in the State of Minnesota, and shall be construed and enforced according to the laws of Minnesota.
- b. The invalidity or unenforceability of any provision of this License Agreement shall not affect or impair the validity of any other provisions, all of which shall remain in full force and effect.
- c. The paragraph or section titles and captions in this License Agreement are for convenience of reference only and do not define, limit or construe the contents of the sections and paragraphs of this License Agreement.
- d. This License Agreement shall be binding upon and inure to the benefit of the parties hereto and, subject to the restrictions and limitations herein contained their respective successors and assigns.
- e. Any modification to this License Agreement shall only be effective if in writing and signed by all of the parties to this License Agreement.

IN WITNESS WHEREOF, the City and License Holder have executed this License Agreement effective as of the date first above written.

City of East Bethel, Minnesota

By _____
Richard Lawrence, Its Mayor

By _____
Jack Davis, Its Administrator

EXHIBIT A

LICENSE HOLDER'S PROPERTY

EXHIBIT B
LICENSE AREA

To the City Council/Administrator of East Bethel

From Andy Nelson, 4640 East Front Blvd. N.E. on Coon Lake

Last year our neighbor was required to replace their failed septic system. To accomplish this we needed to replace our well and septic systems. With no other way to fulfill all the spacing requirements for the two properties we petition the city to vacate the Sylvan Street, the adjacent, unused city property next our property. Following several city council meetings in late 2011 and early 2012 it was decided to license the part of Sylvan Street need to accomplish the installment of these systems. In the spring of 2012 the well and septic systems were installed on the two properties utilizing the Sylvan Street space as planned as agreed upon in the licensing agreement.

The two local contractors completed their work in mid June leaving entire construction site barren of grass and plantings, with trenches, ditches and tracks left behind from numerous heavy-duty construction vehicles. Black dirt was brought and the site was re leveled. The night before the sod was to be laid, a large rain storm washed much of the exposed soil down hill. By the end of June the site was again re leveled and sod laid. One tree, a maple, on the border of our property and Sylvan Street was removed to accommodate the septic tanks and was replaced by a new Crab tree from Michmans.

In August we hired Bartlett Tree Care to assess several trees in the construction site that appeared to be stressed with loss of color and foliage. We contracted Bartlett (\$240) to perform a deep root invigoration on the large white pine and personally exposed and mulched an area 10 feet around its base. Four spruce trees were judged to be unsalvageable with little or no life. In cooperation with our neighbors on the other side of Sylvan Street we contracted with Tremendous Tree Care to remove the four spruce trees (\$850) and trim the red pine and white pine adjacent to the spruce and also affected by the construction. We, with our neighbors contracted with Rum River Tree Farm to install two 5 inch spire maples where the spruce were (\$1,200) and planted two white pines in that same area. All plantings as well as tree

protectors and mulch were under the advisement of these tree professionals and in cooperation with our neighbors.

We, I took responsibility for the impact of the septic and well systems construction that resulted in damages to the properties and have done the best I could to return and likely improve the site. After talking to several of you a couple of weeks ago I realize I should have notified the city of these issues and worked on a plan together. We have for over 60 years and will continue to be good stewards of Sylvan Street.

Thank you,

Andy Nelson



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

Liquor License Refund

Requested Action:

Consider a request from Troy Parker for a Liquor License refund

Background Information:

Troy Parker paid his City Liquor License fee on July 9 , 2012. On or about August 19, 2012 Mr. Parker closed Fatboy’s Bar & Grill and is requesting a pro-rated refund of this City Liquor License fee of \$3,700 due to his claim of a “recent illness and hospitalization”.

City ordinance, Alcoholic Beverages, Section 6-54 reads:

No part of the fee paid for any license issued under this article shall be refunded except in the following instances upon application to the city council within 30 days from the happening of the event. There shall be refunded a pro rata portion of the fee for the unexpired period of the license, computed on a monthly basis when operation of the licensed business ceases not less than one month before expiration of the license because of:

- (1)Destruction or damage of the licensed premises by fire or other catastrophe that the licensee shall cease to carry on the licensed business;
- (2) The licensee's illness which can reasonably be expected to prohibit him from being actively engaged in the licensed business for the remainder of the period of the license;
- (3) The licensee's death;
- (4) A change in the legal status of the city, or some other event making it unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked.

Even though there is a condition in the City Ordinance that addresses license refunds for medical reasons , there is no description or provision as to how this claim for illness is to be substantiated. Staff is of the opinion that it is the intent of the ordinance that additional documentation be required to supplement the single source medical diagnosis supplied by the applicant for the refund in order to determine the reasonableness of the request.

At the October 17, 2012 meeting, Council directed staff to request more documentation from the applicant for the illness claim and provide that information within 30 days to the City. Staff contacted Mr. Parker and Mr. Parker did not supply any additional documentation. The attached e-mail represents Mr. Parker’s response to our request.

This request was discussed at the November 7, 2012 Council meeting and tabled due to the 30 day time extension given to Mr. Parker to furnish additional information to document his claim. We have received no additional information per our request of October 19, 2012 from Mr. Parker at this time.

The City has never refunded a liquor license fee.

Attachment(s):

E-mail correspondence

Fiscal Impact:

Approval of this request would entitle Mr. Parker to a refund of \$3,083.33. Should a refund be approved, staff recommends that the refund, at the very minimum, be reduced in an amount equal to the time over and above the ordinary effort that was required in the issuance of Mr. Parker's 2012-2013 City Liquor License. This cost for the additional time for the City Administrator and City Clerk to accommodate Mr. Parker that was spent on this application is estimated to be \$556.50.

Recommendation(s):

The City Attorney has indicated (see attached correspondence) that we have no way to verify the claimed medical condition and if that condition had any impact on the operation of the business.

Staff is seeking direction from Council on this matter.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

Jack Davis

From: Troyparker5 [troyparker5@msn.com]
Sent: Friday, October 19, 2012 12:31 PM
To: Jack Davis
Subject: RE: Fatboys Bar & Grill

Jack. as a owner im not eligible for workmans comp and the ordinance dosent require a second opinion once a doctor has determined a disability. I deserve better treatment then this for being a major taxpayer in your county for 8 years. Troy

Sent from my Samsung Epic™ 4G Touch

Jack Davis <jack.davis@ci.east-bethel.mn.us> wrote:

Troy,

Your request was presented to City Council at their October 17, 2012 meeting. Council has requested any additional documentation you can provide to support your claim.....workman's comp disability rating, second opinion, etc. . Please submit this information within 30 days and Council can reconsider this request at their December 5, 2012 meeting.

Jack

From: TROY PARKER [<mailto:troyarker5@msn.com>]
Sent: Tuesday, September 04, 2012 7:14 AM
To: Jack Davis; Richard Lawrence; Robert H. DeRocheJr; Heidi Moegerle
Subject: Fatboys Bar & Grill

Mr. Davis , Mayor Lawrence & City Council :

As you are aware of , after 8 years in business in your city i have closed the restaurant. It has been a battle to say the least with the changing business environments in the last few year but it comes with great sorrow that i discontinue operations. I am sure you know i was a hands on owner that required my involvement in excess of 16 hours a day, my decision to close was based on that required involvement and the way it effected my health and with recent illnesses and hospitalization i can no longer continue that rigorous schedule and be actively engaged in the business.

The liquor license was just renewed in July and i ask that you prorate the license fee and refund the difference for the remaining 10 months, you can mail the check to po box 34, cedar ,mn , 55011.

Sincerely,

Troy Parker

General Manager/President

Jack Davis

From: TROY PARKER [troyparker5@msn.com]
Sent: Tuesday, September 04, 2012 7:14 AM
To: Jack Davis; Richard Lawrence; Robert H. DeRocheJr; Heidi Moegerle
Subject: Fatboys Bar & Grill

Mr. Davis , Mayor Lawrence & City Council :

As you are aware of , after 8 years in business in your city i have closed the restaurant. It has been a battle to say the least with the changing business environments in the last few year but it comes with great sorrow that i discontinue operations. I am sure you know i was a hands on owner that required my involvement in excess of 16 hours a day, my decision to close was based on that required involvement and the way it effected my health and with recent illnesses and hospitalization i can no longer continue that rigorous schedule and be actively engaged in the business.

The liquor license was just renewed in July and i ask that you prorate the license fee and refund the difference for the remaining 10 months, you can mail the check to po box 34, cedar ,mn , 55011.

Sincerely,

Troy Parker
General Manager/President

Jack Davis

From: Jack Davis
Sent: Saturday, September 22, 2012 7:19 AM
To: 'richard.lawrence@ci.east-bethel.mn.us'; 'William Boyer'; Robert H. DeRocheJr; Heidi Moegerle; Steve Voss; 'Andy Pratt'
Subject: Troy Parker

Troy Parker is attempting to claim that medical conditions have forced him to close Fatboys in an effort to seek a refund on his City Liquor License. City Code states:

Sec. 6-54. - License fees.

(a)

Each application for a license shall be accompanied by a receipt from the city clerk-treasurer for payment in full of the required fee for the license. All fees shall be paid into the general fund of the city. Upon rejection of any application for a license, the clerk-treasurer shall refund the amount paid.

(b)

All licenses shall expire on July 1 of each year. Each license shall be issued for a period of one year except that if a portion of the license year has elapsed when the application is made, a license may be issued for the remainder of the year for a pro rata fee. In computing such fee, any unexpired fraction of a month shall be counted as one month.

(c)

The annual fees for "on sale" and "off sale" licenses shall be established by city council resolution from time to time and filed in the city clerk-treasurer's office. The annual fee for a club license shall also be determined by city council, a portion of which shall be considered a local license fee.

(d)

No part of the fee paid for any license issued under this article shall be refunded except in the following instances upon application to the city council within 30 days from the happening of the event. There shall be refunded a pro rata portion of the fee for the unexpired period of the license, computed on a monthly basis when operation of the licensed business ceases not less than one month before expiration of the license because of:

(1)

Destruction or damage of the licensed premises by fire or other catastrophe that the licensee shall cease to carry on the licensed business;

(2)

The licensee's illness which can reasonably be expected to prohibit him from being actively engaged in the licensed business for the remainder of the period of the license:

(3)

The licensee's death;

(4)

A change in the legal status of the city, or some other event making it unlawful for the licensee to carry on the licensed business under his license, except when such license is revoked.

(Ord. No. 116, pt. B, § 4, 4-5-1978; Ord. No. 201, § 3, 12-7-2005)

Sec. 6-54 (d) (2) indicates an illness condition that would permit a refund. However, there is no policy or procedure in place that enables the City to substantiate a claim of this nature. This is something that needs to be considered as we move forward in this matter.

Jack

Jack Davis

From: Mark Vierling [MVierling@eckbergglammers.com]
Sent: Thursday, October 11, 2012 3:32 PM
To: Jack Davis
Subject: RE: Fatboys Bar & Grill

Jack,

We have no way to verify his medical condition and whether that had any impact at all on his operations of the Bar. Given that we are not in the position to make any recommendation on the matter

Mark J. Vierling, Esq.
Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P.

From: Jack Davis [mailto:jack.davis@ci.east-bethel.mn.us]
Sent: Thursday, October 11, 2012 2:20 PM
To: Mark Vierling
Subject: FW: Fatboys Bar & Grill

Mark,

Mr. Parker has inquired regarding his request for a pro rated reimbursement for his liquor license. Other than obtaining a second opinion or providing verifiable information that his condition was pre-existing prior to his decision to close, do you have any further recommendations as to a response to Mr. Parker. Thanks.

Jack

From: Mark Vierling [mailto:MVierling@eckbergglammers.com]
Sent: Tuesday, October 02, 2012 3:59 PM
To: Jack Davis
Subject: FW: Fatboys Bar & Grill

Hi!

Perhaps tomorrow if you get time we can talk this item over in advance of the meeting.

Thanks

Mark J. Vierling, Esq.
Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P.

From: Andy Pratt
Sent: Tuesday, October 02, 2012 12:28 PM
To: Mark Vierling
Subject: FW: Fatboys Bar & Grill

Mark:

After we went over the Aggressive Hydraulics public hearing information, Jack forwarded me this email sent last month from Troy Parker. Jack added that Mr. Parker later sent him a doctor's note which went into fuller detail as to the illness. Section 6-54 of the City Code allows for a pro rata refund of liquor licenses if the licensee has an "illness which can reasonably be expected to prohibit him from being actively engaged in the licensed business for the remainder of the period of the license." There is no elaboration as to how that is substantiated. I would think that the licensee would

have to affirmatively waive his federal law right to privacy in that health information; the City could not require intimate health information to be shared with it to substantiate this refund exception. But on the other hand, licensees shouldn't be able to hide behind the federal law privacy issue to get a refund without any explanation. I don't know quite how to fall on this matter. Jack added that besides this email and the doctor's note, Mr. Parker has not followed up with the City at all on a refund, so maybe he will let it go.

On another matter, Jack also mentioned a potential issue with written notification of 14 businesses in the City that will have to hook up to the new sewer system. Jack thinks there might be issues with the City's ordinance regarding required hook-up language, including penalties if someone refuses to hook up. The City would like to send out more formal notifications of the project and what the probable WAC/SAC charges will be. There might need to be some Code research done and subsequent action items.

Andy

From: Jack Davis [<mailto:jack.davis@ci.east-bethel.mn.us>]
Sent: Tuesday, October 02, 2012 11:59 AM
To: Andy Pratt
Subject: FW: Fatboys Bar & Grill

From: TROY PARKER [<mailto:troyarker5@msn.com>]
Sent: Tuesday, September 04, 2012 7:14 AM
To: Jack Davis; Richard Lawrence; Robert H. DeRocheJr; Heidi Moegerle
Subject: Fatboys Bar & Grill

Mr. Davis , Mayor Lawrence & City Council :

As you are aware of , after 8 years in business in your city i have closed the restaurant. It has been a battle to say the least with the changing business environments in the last few year but it comes with great sorrow that i discontinue operations. I am sure you know i was a hands on owner that required my involvement in excess of 16 hours a day, my decision to close was based on that required involvement and the way it effected my health and with recent illnesses and hospitalization i can no longer continue that rigorous schedule and be actively engaged in the business.

The liquor license was just renewed in July and i ask that you prorata the license fee and refund the difference for the remaining 10 months, you can mail the check to po box 34, cedar ,mn , 55011.

Sincerely,

Troy Parker
General Manager/President



City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 G.3

Agenda Item:

Electronic Reader Board

Requested Action:

Consider approving final design for electronic community reader board

Background Information:

At the November 7th City Council meeting, DeMars Signs was selected as the contractor for the construction and installation of an electronic community reader board at the NE corner of TH 65 and Viking Blvd. Their bid of \$73,937 included a 25mm Watchfire color display and upgraded stone columns around the existing support poles.

Staff has been directed to work with DeMars Signs to create a design with upgraded architectural elements around the support poles and possibly the upper sign cabinet. Attachment #1 is a basic rendering of the upgraded design. Stone veneer would be used for the bottom four feet of the support columns and painted aluminum would be used for the upper six feet of the support columns.

Staff discussed the possibility of enclosing the entire lower section with DeMars Signs, but due to wind loads and the support pole ratings, were advised against pursuing that option.

Approximately 8-10 weeks will be required for installation. The project could be completed by early 2013.

Council approved the bid for the reader board presented as, **“Voss made a motion to approve the bid from DeMars option on page 99 with the raised lettering, including the alternatives bids for the base design in the amount of \$73,937. Lawrence seconded.** Davis, “I think you should determine the design at after we give you more information.” DeRoche, “How big is this?” Ayshford, “Fifteen feet?” **Moegerle, nay; DeRoche, Lawrence, and Voss, aye; motion carries.** As this is a project that will be a permanent and visible fixture, an upgraded sign design is submitted for your review and consideration.

Attachment(s):

- 1-3) Architectural renderings of upgraded sign
- 4) Proposed Lease Agreement

Fiscal Impact:

There is currently \$50,000 in the 2012 EDA budget and a preliminary approval of \$45,000 for the 2013 EDA budget for an electronic reader board sign. The East Bethel Seniors have provided a donation of \$5,000 toward the sign and the City has received \$2,800 as a damage claim payment, bringing the total available funds for the project to \$102,800 in 2013. The approved bid amount for the sign is \$73,937.

Recommendation(s):

Staff recommends approval of an upgraded electronic reader board design. Staff also recommends approval of the lease agreement for the sign location pending a discussion on the proposed annual cost of the lease.

City Council Action

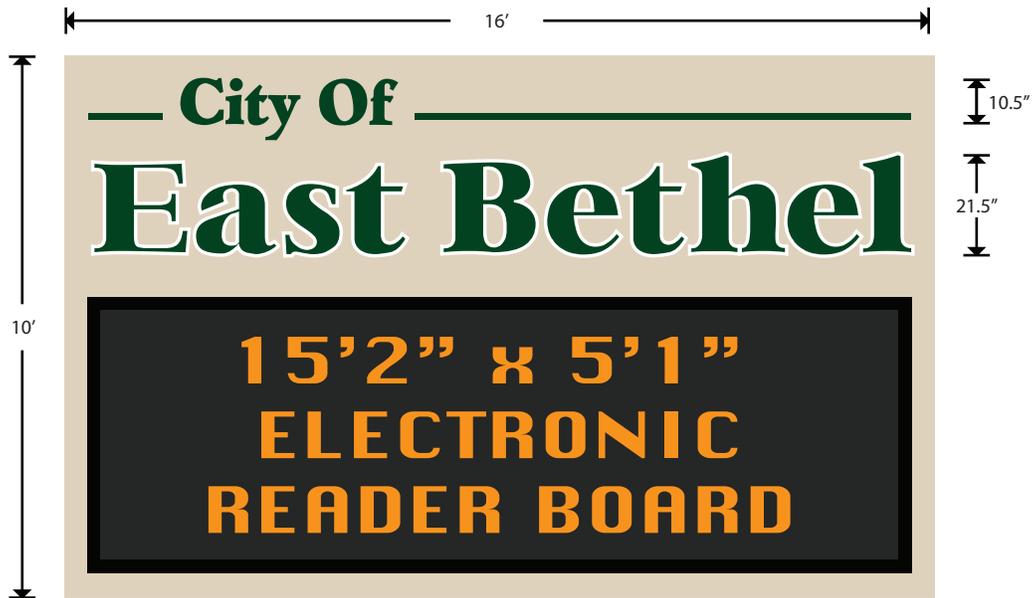
Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



10' x 16' sign mounted to existing poles
w/ new pole covers

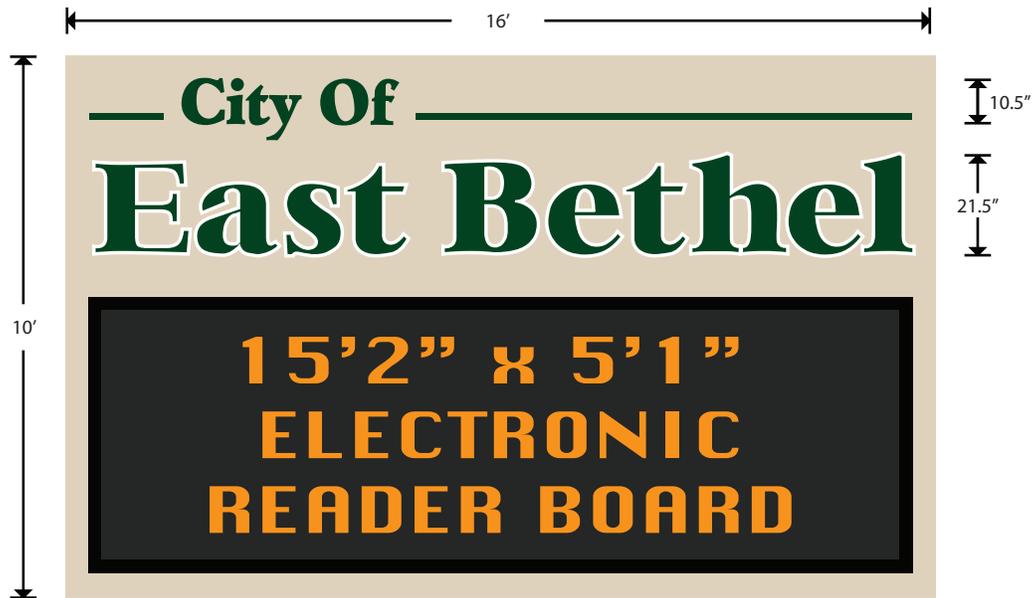


410 93rd Ave.^{NW}
Coon Rapids, MN 55432
763.786.5545

DATE: 11.16.12
 SALESMAN: Scott Maciej
 LOCATION: East Bethel
 NOTES: _____

These plans are the exclusive property of DeMars Signs Inc. and are the result of the original work of its employees. They are submitted to your firm for the sole purpose of your approval, assuming the signage will be manufactured by DeMars Signs Inc. Artwork and design may not be distributed outside your firm without written consent from DeMars Signs Inc. Use of this artwork and/or design without written consent is prohibited; DeMars Signs Inc. reserves the right to pursue legal action in violation of this agreement. This may include, but is not limited to: a) Reimbursement for creating above drawing. b) Any associated legal fees.

CUSTOMER APPROVAL X



10' x 16' sign mounted to existing poles
w/ new pole covers

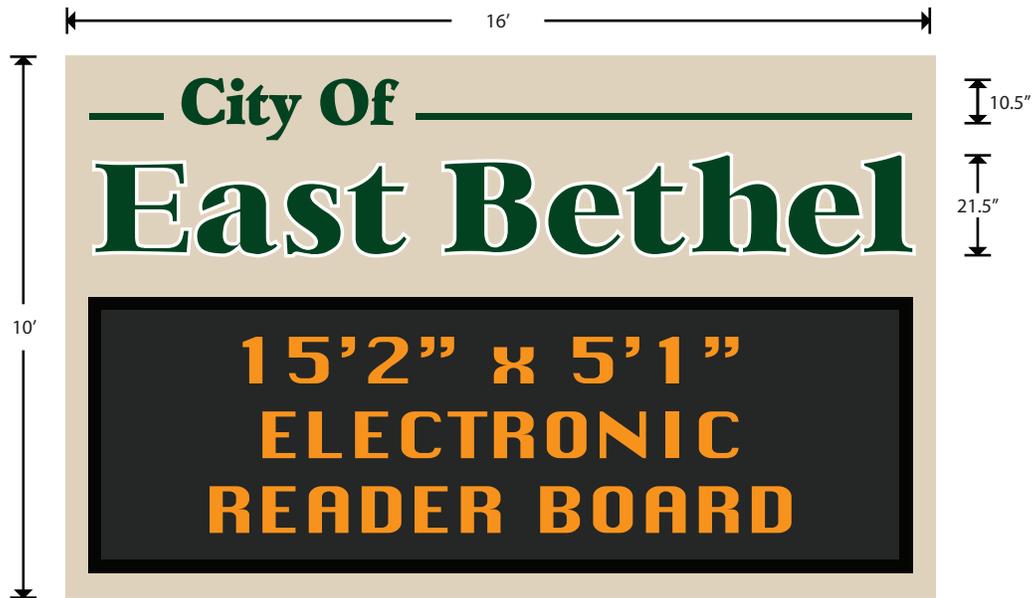


410 93rd Ave. NW
Coon Rapids, MN 55432
763.786.5545

DATE: 11.16.12
 SALESMAN: Scott Maciej
 LOCATION: East Bethel
 NOTES: _____

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CUSTOMER APPROVAL X



10' x 16' sign mounted to existing poles
w/ new pole covers



410 93rd Ave. NW
Coon Rapids, MN 55432
763.786.5545

DATE: 11.16.12
SALESMAN: Scott Maciej
LOCATION: East Bethel

NOTES: _____

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CUSTOMER APPROVAL X

Upon Recording, Return To:

Mark J. Vierling
Eckberg, Lammers, Briggs, Wolff
& Vierling, P.L.L.P.
1809 Northwestern Avenue
Stillwater, MN 55082
(651) 439-2878

Lease #2012-10-19

CITY OF EAST BETHEL: LESSEE

ARDIS L. HOFFMAN: LESSOR

Leasehold Site: PID# 29-33-23-13-0001 (Exhibit A)

This Agreement is made this _____ day of November, 2012, by and between **ARDIS L. HOFFMAN** (hereinafter called "LESSOR") and **CITY OF EAST BETHEL** (hereinafter called "LESSEE").

1. **PREMISES.** LESSOR does hereby lease and demise to LESSEE space for outdoor municipal signage purposes a portion of the real property located at 19455 Highway 65 NE, East Bethel Minnesota 55011 at a location mutually agreeable to the parties in the _____ section of the property at such location (such designated area hereinafter being identified in the attached site map (Exhibit B) and called the "Premises").

2. **TERM.** The term of this Lease shall be five (5) years beginning on the first day of December, 2012 and ending on the November 30, 2017, subject to the conditions of Paragraph 9 hereof.

3. **RENTAL.** The total rental payable during the term shall be Five Hundred and 00/100 Dollars (\$500.00/yr). Payments shall be made in one (1) annual installments of \$500.00 per year due on the first day of December on each year of the lease. Should Anoka County assess any additional real estate property tax to LESSOR as a result of this lease the same, to the proportion of the additional amount so assessed and as verified by the office of the Anoka County Assessor, shall be paid by LESSEE as and for additional rent.

4. **RENEWAL OPTION.** LESSEE shall have the right to renew this Lease for four additional five (5) year terms upon the same terms and conditions contained herein except for rental payment which shall be negotiated and agreed upon no less than thirty (30) days prior to the expiration of the original term. Should the parties fail to be able to come to an agreement on the amount of the lease rental the lease rental payment shall then be adjusted upon a change in the cost of living (using the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index Mpls. St. Paul, for all urban consumers (CPI-U) using the original year of the lease rental (2012) as the base year against the last year in the lease term. In subsequent years the year in which the lease rental was last adjusted shall be the base year.

5. **USE.** The Property is leased for the sole purpose of construction, operations and maintenance of a municipal outdoor reader-display(s) sign. The Lessee shall be solely responsible for providing and paying for electrical service to the sign. LESSOR shall cooperate with the placement of electrical service lines to the sign and not charge additional rents or assess fees therefore. LESSEE is herewith, subject to the conditions contained herein, the sole and exclusive right to display community messaging on the Premises unless otherwise specified in this lease agreement. The LESSEE shall have the right to erect, place and maintain a city sign structure and equipment therefore on the demised premises and to post, paint, illuminate and maintain messages on such structures. All structures, equipment and materials placed upon the said Premises by the LESSEE shall always remain the property of, and may be removed by the LESSEE at any time prior to or within a reasonable time after the expiration of the term hereof or any extension hereof, provided LESSEE shall first give LESSOR no less than one business day's prior notice of LESSEE's intention to service, maintain, erect, replace or remove any sign structure, equipment or other property placed upon the Premises by LESSEE.

6. **CONSTRUCTION.** Construction of the outdoor advertising structures shall be comprised of the design and materials illustrated on the attaché Exhibit C. All construction shall be performed by LESSEE or LESSEE's agents, at LESSEE's sole cost and expense, in strict conformity with all applicable federal, state and local laws, rules and regulations. LESSEE shall have the right to access, make repairs and replacements to the signage at reasonable times.

7. **INSURANCE and INDEMNIFICATION.** LESSEE shall maintain, at LESSEE's sole cost and expense, liability insurance for any and all damages resulting in personal injury or property damage in connection with the erection, servicing, maintenance, removal, replacement of the sign structure(s), equipment and other property placed on the Premises by LESSEE and all other occurrences arising out of LESSEE's use of the Premises. Such insurance shall name LESSOR

as an additional insured/loss payee and shall be in an amount not less than \$100,000.00 and shall contain a provision that the policy shall not be terminated, amended or altered except upon 30 days prior written notice to LESSOR. LESSEE shall provide proof of such insurance no less frequently than annually.

LESSEE shall indemnify and hold LESSOR for the purposes of this Paragraph) from and against any and all liability arising out of LESSEE's use of, or act or omission in connection with, the Premises. Such indemnification shall included but not be limited to reimbursing LESSOR for all damages, costs, fees (including attorneys' fees), expenses and claims made against LESSOR arising out of LESSEE's use of the Premises but only to the limits specified in Minn. Stat 466.04.

8. TERMINATION. LESSEE shall have the right to cancel this Lease upon sixty (60) days prior written notice to LESSOR if any of the following occur:

(a) LESSEE's signs or structures on the Premises are or become entirely or substantially obscured or destroyed through no fault of LESSEE and LESSEE chooses not to repair said signs, LESSEE to make such determination within thirty (30) days after the event causing the destruction or obscuration; failure to make such determination shall be deemed a waiver by LESSEE of such right to cancel;

(b) The Premises are or become unsafe for maintenance of LESSEE's signs or structures, through no fault, act or omission of LESSEE;

(c) A permanent diversion of change of traffic occurs along the street or streets adjacent to, or leading past the Premises;

(d) LESSEE is prevented by an present or future law, regulation or ordinance from constructing or maintaining such signs on the Premises.

9. CONDITIONS PRECEDENT TO LEASE'S EFFECTIVENESS. This Lease shall become effective and rental due hereunder only upon LESSEE's receipt of all necessary permits for the erection or maintenance of such signs and upon the erection of said signs as LESSEE may desire to construct or maintain on the Premises; provided however, if such permits are not obtained and the signs erected within sixty (60) days following the commencement of this Lease, LESSOR shall have the unconditional right to terminate this Lease Agreement upon notice to LESSEE. Once such permits have been obtained, if they should subsequently be lost due to a failure of LESSEE or a desired change of use of the sign structures or Premises by LESSEE, rentals shall continue and shall not be abated.

10. LESSOR'S COVENANTS. LESSOR covenants to LESSEE that:

(a) It has the authority to make this Lease and is the fee owner of the property upon which the lease is located holding marketable title thereto;

(b) It will not permit any other reader boards or billboards to be erected on the Premises;

(c) It will not permit any shrubs, trees, vines, buildings, or other signs or billboards to be planted or erected on the Premises which would obstruct or materially impair the visibility of LESSEE's structure(s).

11. LESSEE'S COVENANTS. LESSEE covenants to LESSOR that it will:

(a) Promptly pay rental as due pursuant to this Lease and abide by all of its terms and conditions;

(b) Keep all signs, structures, billboard, equipment and related property placed on the Premises by LESSEE in good repair;

(c) Use reasonableness in its cutting and trimming of trees, bushes, brush or other vegetation upon the Premises;

(d) Use its best efforts to promptly attempt to procure all permits necessary for construction and maintenance of advertising structures on the Premises, all at LESSEE's sole cost and expense;

(e) Comply with all laws, regulations, ordinances and rules including but not limited to any and all environmental laws, rules and regulations, applicable to the construction, erection, maintenance, replacement and removal of signs, sign structures and equipment used or placed on the Premises.

(f) Not place in or on nor bring in or on to the Premises, any hazardous substance as such term is defined under state or federal law (whichever definition being more expansive).

(g) Not accept or place any advertising in or on any structure on the Premises for any entity or activity which competes with LESSOR or any affiliated entity of LESSOR.

12. MISCELLANEOUS. The use of gender shall include all genders. The singular number shall include the plural, or the plural the singular, as the context may require. This Agreement shall be binding on the respective successors, and to the extent assignable on the assigns or nominees of the parties hereto. Any notice required or permitted to be delivered hereunder shall be deemed received when sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to LESSOR or LESSEE, as the case may be, at the addresses set forth at the beginning of this Agreement or, in the alternative, via hand delivery or any recognized overnight delivery service. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. This Agreement may be recorded in any public office or repository. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement constitutes the complete, final and exclusive agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties in

connection with this subject matter. The Agreement and the terms and conditions herein may not be modified except by in writing and signed by all parties hereto. LESSOR may freely assign, hypothecate, transfer and convey any or all of its rights, privileges, duties and obligations hereunder. LESSEE shall not assign any of its rights, privileges, duties or obligations hereunder however, LESSEE may sublease the Premises provided it is in strict conformity with Paragraph 9 above. This Agreement may be executed in counterparts with each copy having the full force and effect as if one agreement were executed. This Agreement may be executed via facsimile with the same force and effect as if one agreement were executed concurrently by all parties in person.

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City of East Bethel City Council Agenda Information

Date:

November 21, 2012

Agenda Item Number:

Item 8.0 G.4

Agenda Item:

Building Official and Inspection Services Contract

Requested Action:

Consider the approval of contracting Building Official/Inspection Services to the City of Oak Grove.

Background Information:

On November 13, 2012, the City of Oak Grove approved the contract proposal with the City of East Bethel for Building Official and Inspection Services. This contract is the agreement that was approved by City Council on October 17, 2012 for submission for the City of Oak Grove’s consideration. Pending approval of the City of East Bethel, this service would commence January 1, 2013.

Attached is the proposed contract between Oak Grove and East Bethel. As part of the proposal, we would provide office hours at the Oak Grove City Hall from 8:30 to noon, one day per week or provide the same number of hours at another time that is mutually agreeable to both parties.

In order to provide this service to Oak Grove, the City will have to continue our current Building Inspector’s position. Funding for this position is provided in the preliminary 2013 Budget. \$74,000 for wages and benefits for this position is included in the preliminary 2013 Budget. It is anticipated that this position can be filled by no later than February 6, 2013.

Nick Schmitz, the City Building Official, has been involved in meetings and discussions regarding this proposal. Mr. Schmitz sees no issues or reductions in services to East Bethel residents with this agreement provided we continue the position of City Building Inspector.

Attachment(s):

Contract and Proposal for Services

Fiscal Impact:

The City of Oak Grove has paid Inspectron, Inc., their current service provider, \$47,000 for services through September 2012. This would project out to approximately \$60,000 as Oak Grove’s payments for this service for 2012.

It is anticipated that, based on the fee schedule in the contract, this service agreement with Oak Grove has the potential to generate approximately \$60,000 in additional revenue for the City of

East Bethel in 2013 and cover our costs associated with this service assuming no diminishment for their inspection needs .

Recommendation(s):

Staff is recommending approval of the Building Officials and Inspection Services Contract between the City of East Bethel and the City of Oak Grove.

As a second recommendation and pending the completed resolution of the employment status of the current Building Inspector, Emanuel Sackey, to the approval of the both the City and the employee, staff is requesting approval from Council to advertise to fill the position of Building Inspector.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

BUILDING OFFICIAL AND INSPECTION SERVICES CONTRACT

This agreement is entered into this 21st day of November, 2012 by and between the City of East Bethel, MN, a statutory City, with its principle place of business located at 2242 221st Ave NE , East Bethel, MN 55011(hereinafter "East Bethel") and the City of Oak Grove MN a Statutory Minnesota City, with its principle offices located at 19900 Nightingale Street NW Cedar, MN 55011 (hereinafter "Oak Grove").

WHEREAS, the Oak Grove has enacted the Minnesota Building Code (the "Code");

WHEREAS, Oak Grove requires designation of a building official, provision of building inspection services to ensure compliance with the Code, and provision of Subsurface Sewage Treatment System ("ISTS") inspections and services;

WHEREAS, East Bethel and or its employees are licensed to serve as the City's building official and provide such inspection services;

WHEREAS, Oak Grove desires to enter into an agreement for the purchase of building official and building inspection services with East Bethel; and

WHEREAS, East Bethel desires to provide such services to Oak Grove.

NOW TIHEREFORE, upon adequate consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **Inspection services.** During the term of this agreement, East Bethel agrees to perform inspection services as outlined in the proposal dated November 21, 2012 (attached hereto as Exhibit A), and as further detailed below:

- a. Provide all services necessary to fulfill designation as the Oak Grove's building official;
- b. Provide Code inspections as required by Minnesota Statutes and in accordance with applicable Oak Grove ordinances;
- c. Provide re-inspections as required;
- d. Issue occupancy permits upon final completion of the structure;
- e. Review building plans for compliance with building code requirements;
- f. Review ISTS designs for compliance with MN Rules 7080 and local ordinance, approve designs for installation; complete all required paperwork associated with ISTS installations; and
- g. Provide ISTS inspections as required by applicable law and Oak Grove ordinances.

East Bethel further agrees to assist in zoning enforcement matters as requested, including making interpretations, inspecting non-compliant sites, notifying violators, and follow-up as necessary to

gain compliance with Oak Grove ordinances and requirements. Such zoning enforcement work shall be compensated at the hourly rate for additional services as indicated in Exhibit A.

2. **Condition of Inspection Services**

- a) Oak Grove agrees to provide East Bethel with access to pertinent information, records, systems and data, as determined necessary in the discretion of the Building Official. Oak Grove shall provide all required forms. East Bethel shall assist in the responsibilities of administration and enforcement of the Oak Grove zoning ordinance by reviewing all building permits for final zoning approval and land use.
- b) East Bethel shall perform the services under this contract at such location and at such times as East Bethel deems appropriate while providing the coverage requested by the Oak Grove.
- c) East Bethel shall provide all tools, transportation, and communication devices it deems necessary to carry out the field services of this agreement.
- d) East Bethel agrees to proceed diligently and in accordance with its usual course and manner of business. East Bethel agrees to perform additional services, to which the parties agree during the term of this contract under the terms and conditions of this agreement.

3. **Term of Agreement.** This agreement is effective commencing January 1, 2013 and shall consist of a period of twelve months of service. Upon the mutual agreement of the parties, this agreement may be extended, in writing, upon the terms and conditions contained herein.

4. **Payment.** In consideration of such consulting work, the City of Oak Grove agrees to pay to the City of East Bethel under the following schedule:

- a) In accordance with the proposal attached as Exhibit A.

Hourly charges are inclusive of equipment charges, communication charges and overhead.

Work will be billed on a monthly basis and shall be due and payable upon receipt of such billing. Oak Grove upon receipt of such billing shall pay within 30 days.

Payments more than 30 days delinquent shall accrue a 1.5 percent monthly finance charge.

5. **Modification of Proposal.** Notwithstanding the terms outlined in the proposal attached as Exhibit A, Oak Grove does not by this Agreement, contract with East Bethel for a minimum number of hours per week. The number of hours required of East Bethel shall be at the sole discretion of East Bethel while providing the time necessary to carry out the terms of this agreement.

6. **Relationship.** Nothing in this agreement shall be construed to create employment, a partnership, joint venture, license or agency relationship and neither party shall have the right or authority to bind the other. For the purpose of this Agreement, East Bethel shall be deemed an independent contractor. East Bethel employees shall not be entitled to any employment benefits customarily given to Oak Grove employees.

7. **Termination.** This agreement may be terminated by either party upon thirty (30) days written notice. Such termination shall not affect the rights and obligations of the parties accrued prior to the termination date or rights under paragraph 3 and 4.

8. **Assignability.** This agreement shall not be assignable by either party without the written consent of the non- assigning party.

9. **Law.** This contract shall be governed by the law of the State of Minnesota. The parties agree that the venue of any legal action arising under the agreement shall be Anoka County, Minnesota. The parties further agree that in the event either party brings an action against the other to enforce any condition or covenant of this agreement the prevailing party shall be entitled to recover its court costs and reasonable attorney fees in the judgment rendered in such action.

10. **Severability.** If any provision of this agreement shall be held by any court to be illegal, invalid or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as to be legal, valid or enforceable. Such illegality, invalidity or unenforceability shall not have effect upon or impair the enforceability of any other provision of this agreement.

11. **Indemnification.** East Bethel shall indemnify, hold harmless Oak Grove, its officers and employees against any and all liability, loss, cost, damages, expenses, claims or actions resulting from omission or negligent acts of East Bethel employees during the performance of this Agreement.

Oak Grove shall indemnify, hold harmless East Bethel, its officers and employees against any and all liability, loss, cost, damages, expenses, claims or actions resulting from omission or negligent acts of City employees during the performance of this Agreement.

East Bethel shall further indemnify Oak Grove against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under employment insurance, social security and income tax laws with respect to the City of East Bethel employees engaged in performance of this Agreement.

Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to either party, whether set forth in Minnesota Statutes, Chapter 466 or otherwise. The purpose of this provision is to impose on the parties a limited duty to defend and indemnify the other for certain claims arising out of the performance of this Agreement, subject to the limits of liability under Minnesota Statutes, Chapter 466, and to simplify the defense of claims by eliminating conflicts between the parties, and to permit claims against both parties from a single

occurrence to be defended by a single attorney. Under no circumstances shall either city be required to pay on behalf of itself and the other any amounts in excess of the limits on liability established in Minnesota Statutes, Chapter 466 applicable to one city. The liability limits applicable to each party may not be added together to determine the maximum amount of liability under this Agreement.

12. **Entire Agreement.** This agreement constitutes the entire agreement between the parties. This agreement may be amended only by written agreement of both Oak Grove and East Bethel.

14. **Data Practices.** All data collected, created, received, maintained, or disseminated for any purposes by the activities of East Bethel because of this contract is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.

Trade Secrets: Assuming that the material that the organization would supply is not just proprietary, but also constitutes a trade secret under the Uniform Trade Secrets Act definition, it could be protected under Minn. Stat. Section 13.37 subd. 1(b) and subd. 2. The MGDPA definition of “trade secret information” tracks the language of the UTSA, and thus includes “government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.” If it meets this definition, then subd. 2 makes it nonpublic data with regard to data not on individuals, and private data with regard to data on individuals. Beyond the protections of this provision, it would be difficult for a city to keep a promise of confidentiality.

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

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

16. Merger and Modification.

A. It is understood and agreed that the entire Agreement between the parties is contained here and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter. All items referred to in this Agreement are incorporated or attached and are deemed to be part of this Agreement.

B. Any material alterations, variations, modifications, or waivers of provisions of this Agreement shall be valid only when they have been reduced to writing as an amendment and signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

Oak Grove

East Bethel

By: _____
Mark R. Korin, Mayor

By: _____
Richard Lawrence, Mayor

Attest:

Attest:

By: _____
City Clerk

By: _____
City Clerk

EXHIBIT A

City of East Bethel

Proposal for Building Inspection Services

To

**City of Oak Grove
Anoka County
State of Minnesota**

November 21, 2012

Proposal

Building Inspection Scope of Services

The City of East Bethel will provide full Building Code Administration, Onsite Sewage Treatment Service administration and Zoning Enforcement in accordance with applicable state laws and regulations and the Oak Grove City Code. This shall include but not be limited to full building department administration, plan review, permit issuance, field inspections, correction notice issuance and re-inspection, certificate of occupancy issuance, monthly, quarterly and annual reports to the Oak Grove City Clerk, City Council and outside agencies. We will also interact with project developers, contractors and general public on specific project issues; complaints; and code question. The City of East Bethel will calculate the project valuation for determination of state surcharge and building permit fees for every valuation based permit.

Residential service shall be considered 1 & 2 family dwelling units. Any structure containing more than 2 dwelling units shall be considered commercial buildings.

Permits will be issued for all construction work as required in MN State Building Code Chapter 1300.00120. These permits will include but not be limited to:

1. New construction, addition, alteration, repair, remodel, modification, demolition, or moving of all non-residential and accessory structures.
2. Roofing, siding, window replacement.
3. Signs
4. Plumbing new, addition, alteration, remodel, repair or modification.
5. Mechanical new, addition, alteration, remodel or modification.
6. Fire Suppression Systems
7. Fire Alarm Systems

The service will also include coordinating with the planning department for review of permit applications with the Oak Grove zoning ordinance and land use compliance. This will involve routing all permit application to the planners for compliance with setback dimensions, lot coverage limits and minimum lot dimensions. The project will be field inspected by the City of East Bethel to insure compliance with the zoning ordinance dimensional standards.

The average turnaround time for all non-maintenance projects will be 5-7 days after receipt of all necessary information. Project proponents will be encouraged to use handout materials from The East Bethel Building Department for completion of project plans to avoid delays and “code surprises” upon application for building permit.

A plan submittal checklist will be provided to all permit applicants outlining required submittals to accompany the application. Written plan review comments are provided to every applicant when plan review is performed.

Our office receptionist will schedule all inspections when the permit holder calls the East Bethel Building Department at 763-367-7856 or 763-367-7844. A 24-hour notice is required for all inspection. All inspections will be scheduled within 24 hours of the time requested.

Computerization

The City of East Bethel will prepare the electronic surcharge reports for submittal to the State Treasurer. The City shall forward the report with appropriate fees.

Fee Schedule

The City of East Bethel proposes to use the 1997 UBC Table 1-A fee schedule to establish building permit fees. The City of East Bethel will review the fee schedule with the Oak Grove City Clerk regularly for conformity with the needs of the City.

The building permit fee will be calculated on the valuation of the proposed project. The building official will calculate the project valuation using the Construction Cost Data published by the State Building Codes and Standard Division annually around the month of May.

A plan review fee of 100% of the valuation schedule will be charged for projects in accordance with the Oak Grove City Code.

In addition to the building permit and plan review fees the applicant must also pay a surcharge fee in accordance with Minnesota Statutes 16B.70.

Over the Counter Permits

Separate plumbing and mechanical permits will be required in addition to the building permit for all construction projects that involve installation or changes to the plumbing and mechanical systems.

The City of East Bethel will utilize the existing Oak Grove over the counter permits for the issuance of minor maintenance permits such as roofing, siding, windows, furnace and water heater replacement.

Terms

Payments for permits will be made by the applicants directly to the City of Oak Grove, with all checks made payable to the City of Oak Grove.

The City of East Bethel will have personnel available as needed 5 days per week to cover the building inspection services outlined in the Building Inspection Scope of Services. This schedule will be adjusted as necessary to meet the needs of the public and City staff.

The City of East Bethel will provide the services listed in the Building Inspection Scope of Services for 95% of the building permit fee plus 100% of the plan review fee. Services will be billed to the City on a monthly basis. A report of all building permit activity will be provided with the billing.

All transportation, communication, tools and insurance costs will be the direct responsibility of the City of East Bethel. All records will be maintained in accordance with the City's adopted

record retention schedule. The records will be available to the City for examination at anytime during normal business hours or any other pre-arranged time. Records for all closed projects will be delivered to the City on a quarterly basis.

Inspections requested outside of normal business hours, M-F 8:00 a.m. to 4:00 p.m. will be billed to the City of Oak Grove at \$60.00 per hour in addition to the permit fee. Any afterhours inspections must be approved by the City of Oak Grove. A 1-hour minimum will apply. The City of East Bethel will retain 100% of this fee.

Additional plan review required by changes, additions or revisions to an approved plan will be billed to the city of Oak Grove at \$60.00 per hour in addition to the permit fee. A 1-hour minimum will apply. The City of East Bethel will retain 100% of this fee. Minor adjustments or changes to the plan that do not affect the scope or structural elements of the project will not require additional review.

The City of East Bethel will bill the City an hourly rate of \$60.00 per hour for all other services requested by the City.

The City of East Bethel, at the direction for the City Council, will also perform General Nuisance zoning enforcement in accordance with the Oak Grove City Code and assist the City with development of a procedure and necessary forms to carry out this responsibility. This will include any junk and blight sweeps made in residential neighborhoods.

The City of East Bethel will provide Fire suppression plan review and inspection on all systems that may be required by the Building or Fire code. The City of East Bethel will do this work as required for the hourly rate of \$60.00.

The terms of this agreement will be reviewed and adjusted on an as needed basis.



PUBLIC FORUM SIGN UP SHEET

November 21, 2012

The East Bethel City Council welcomes residents and property owners to the Public Forum. The purpose of the forum is to provide residents and property owners an opportunity to respectfully inform the Council of issues they are concerned about.

The following guidelines apply to the Public Forum:

1. A resident/property owner may address the Council on any matter not on the agenda during the Public Forum portion of the agenda.
2. A person desiring to speak must sign up prior to the time the Council reaches the Forum on the agenda.
3. The Mayor will invite speakers up to the podium/microphone.
4. Once the Mayor has recognized the speaker, the speaker should state his/her name, address, and phone number.
5. Each speaker should attempt to limit their presentation to 3 minutes.
6. If a group of persons wish to address the Council regarding the same issue, the group should elect a spokesperson to present the group's issue to the Council.
7. The Council will listen to the issue but will not engage in dialogue or a Q & A session. If a majority of the Council would like to address the issue in more detail, it can be added to the agenda or can be addressed during the regular agenda of a future meeting.

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