

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.
Date: September 5, 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 Public Forum**

7:48 PM **5.0 Consent Agenda**

Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration

- Page 4-8 A. Approve Bills
- Page 9-21 B. Meeting Minutes, August 15, 2012, Regular Meeting
- Page 22-25 C. Meeting Minutes, July 23, 2012, Special Meeting
- Page 26-35 D. Meeting Minutes, July 23, 2012, Work Meeting
- Page 36-43 E. Meeting Minutes, August 1, 2012 Work Meeting
- Page 44 F. Meeting Minutes, August 6, 2012, Special Meeting
- Page 45-48 G. Meeting Minutes, August 6, 2012, Work Meeting
- Page 49 H. Res. 2012-50 Proclaiming September 17-23, 2012 as Constitution Week
- Page 50 I. Res. 2012-51 Adopt-A-Park Rod and Norma Smith Park
- Page 51-57 J. Pay Estimate #15 S.R. Weidema for Phase 1, Project 1, Utility Improvements
- Page 58-59 K. Pay Estimate #6 Municipal Builders for Water Treatment Plant No. 1
- L. Approve Hire of Cable Technician

New Business

6.0 Commission, Association and Task Force Reports

- A. EDA Commission
- B. Planning Commission
- C. Park Commission
- D. Road Commission

7.0 Department Reports

- A. Community Development
- B. Engineer
- C. Attorney
- D. Finance

7:50 PM

- Page 60-63 1. 2013 Budget Discussion
- Page 64-66 2. Resolution 2012-52 Set Final Levy & Budget Date
- Page 67-69 3. Resolution 2012-53 Set the Preliminary Levy & Budget 2013
- Page 70-75 4. Resolution 2012-54 Set the Preliminary EDA Levy & Budget 2013
- Page 76-79 5. Consider Resolution 2012-55 Consenting to EBHRA Resolution 2012-05 Adopting a Tax Levy Collectible in 2013
- E. Public Works

- F. Fire Department
- G. City Administrator

8.0 Other

- 9:00 PM A. Council Reports
- 9:05 PM B. Other

9:10 PM **9.0 Adjourn**



Payments for Council Approval September 5, 2012

Bills to be Approved for Payment	\$339,600.04
Electronic Payments	\$49,169.65
Payroll City Council - August 15, 2012	\$1,636.07
Payroll Fire Department - August 15, 2012	\$10,358.58
Payroll City Staff - August 16, 2012	\$32,998.76
Payroll Elections - August 30, 2012	\$4,086.48
Payroll City Staff - August 30, 2012	\$39,812.65
Total to be Approved for Payment	\$477,662.23

City of East Bethel

September 5, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Dues and Subscriptions	2070	MN Ice Arena Mgr's Assoc	615	49851	145.00
Arena Operations	Electric Utilities	082112	Connexus Energy	615	49851	645.46
Arena Operations	Gas Utilities	336942672	Xcel Energy	615	49851	102.50
Building Inspection	Motor Fuels	2085602	Lubricant Technologies, Inc.	101	42410	368.43
Building Inspection	Printing and Duplicating	17618	Do All Printing.Com	101	42410	61.45
Building Inspection	Reimbursement-3rd Party Exp.	C0011541	League of MN Cities Ins Trust	101	42410	1,000.00
Building Inspection	Small Tools and Minor Equip	620717200001	Office Depot	101	42410	12.63
Building Inspection	Telephone	332373310-129	Nextel Communications	101	42410	21.66
Central Services/Supplies	Information Systems	09 2012	Midcontinent Communications	101	48150	1,278.00
Central Services/Supplies	Office Supplies	618917045001	Office Depot	101	48150	48.91
Central Services/Supplies	Office Supplies	618974413001	Office Depot	101	48150	57.83
Central Services/Supplies	Office Supplies	618974605001	Office Depot	101	48150	7.45
Central Services/Supplies	Office Supplies	619518324001	Office Depot	101	48150	18.71
Central Services/Supplies	Office Supplies	619739333001	Office Depot	101	48150	32.66
Central Services/Supplies	Office Supplies	619739733001	Office Depot	101	48150	15.30
Central Services/Supplies	Office Supplies	619739734001	Office Depot	101	48150	35.30
Central Services/Supplies	Office Supplies	620304167001	Office Depot	101	48150	78.35
Central Services/Supplies	Office Supplies	620717242001	Office Depot	101	48150	47.71
Central Services/Supplies	Office Supplies	621459879001	Office Depot	101	48150	35.20
Central Services/Supplies	Telephone	9996972	Integra Telecom	101	48150	220.95
City Administration	Office Supplies	618917045001	Office Depot	101	41320	9.62
City Administration	Telephone	332373310-129	Nextel Communications	101	41320	47.76
City Administration	Travel Expenses	082712	Jack Davis	101	41320	130.98
Engineering	Architect/Engineering Fees	30632	Hakanson Anderson Assoc. Inc.	101	43110	1,615.20
Fire Department	Clothing & Personal Equipment	124015	Aspen Mills, Inc.	101	42210	143.70
Fire Department	Clothing & Personal Equipment	124016	Aspen Mills, Inc.	101	42210	41.95
Fire Department	Conferences/Meetings	745	Gasaway Consulting Group	101	42210	650.00
Fire Department	Electric Utilities	082112	Connexus Energy	101	42210	944.34
Fire Department	Gas Utilities	336942672	Xcel Energy	101	42210	86.99
Fire Department	Lubricants and Additives	2089949	Lubricant Technologies, Inc.	101	42210	441.80
Fire Department	Motor Fuels	2085601	Lubricant Technologies, Inc.	101	42210	516.42
Fire Department	Motor Fuels	2085602	Lubricant Technologies, Inc.	101	42210	586.10
Fire Department	Motor Vehicle Services (Lic d)	16064	Swift Lube Plus Ham Lake	101	42210	34.20
Fire Department	Professional Services Fees	05 2012	City of East Bethel	231	42210	1,666.67
Fire Department	Professional Services Fees	06 2012	City of East Bethel	231	42210	1,666.67
Fire Department	Professional Services Fees	07 2012	City of East Bethel	231	42210	1,666.67
Fire Department	Professional Services Fees	2540	Sir Lines-A-Lot	101	42210	270.50
Fire Department	Refuse Removal	159616	Walters Recycling, Inc.	101	42210	39.41
Fire Department	Telephone	9996972	Integra Telecom	101	42210	138.11
Fire Department	Telephone	332373310-129	Nextel Communications	101	42210	119.22
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	76950365	Orkin Commercial Services	101	41940	38.05
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	470121060	Cintas Corporation #470	101	41940	21.78
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-08-12	Premium Waters, Inc.	101	41940	45.42
General Govt Buildings/Plant	Electric Utilities	082112	Connexus Energy	101	41940	1,313.77
General Govt Buildings/Plant	Electric Utilities	082112	Connexus Energy	101	41940	28.84
General Govt Buildings/Plant	Gas Utilities	336942672	Xcel Energy	101	41940	49.74
General Govt Buildings/Plant	Professional Services Fees	2540	Sir Lines-A-Lot	101	41940	489.00

City of East Bethel

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Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
General Govt Buildings/Plant	Refuse Removal	159616	Walters Recycling, Inc.	101	41940	29.48
Central Services/Supplies	Personnel Advertising	IP 00823388	ECM Publishers, Inc.	101	48150	90.00
Central Services/Supplies	Personnel Advertising	IQ 01802995	ECM Publishers, Inc.	101	48150	79.20
Jackson MSA Street Project	Architect/Engineering Fees	30635	Hakanson Anderson Assoc. Inc.	402	40326	2,886.61
Legal	Legal Fees	121350	Eckberg, Lammers, Briggs,	101	41610	6,966.41
Legal	Legal Fees	PC0009204	League of MN Cities Ins Trust	101		5,536.00
Legal	Legal Fees	PC0009204	League of MN Cities Ins Trust	101	41610	10,951.52
Mayor/City Council	Professional Services Fees	220500	Municipal Code Corp.	101	41110	974.26
MSA Street Construction	Architect/Engineering Fees	30630	Hakanson Anderson Assoc. Inc.	402	40200	956.21
MSA Street Construction	Architect/Engineering Fees	30631	Hakanson Anderson Assoc. Inc.	402	40200	571.50
Park Capital Projects	Street & Lot Restriping	2540	Sir Lines-A-Lot	407	40700	1,194.00
Park Maintenance	Bldg/Facility Repair Supplies	379149	Ham Lake Hardware	101	43201	3.20
Park Maintenance	Bldg/Facility Repair Supplies	62408696	John Deere Landscapes	101	43201	29.99
Park Maintenance	Bldg/Facility Repair Supplies	16239	Menards Cambridge	101	43201	240.96
Park Maintenance	Chemicals and Chem Products	378850	Ham Lake Hardware	101	43201	21.34
Park Maintenance	Clothing & Personal Equipment	470111429	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Clothing & Personal Equipment	470114617	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Clothing & Personal Equipment	470117848	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Electric Utilities	082112	Connexus Energy	101	43201	469.22
Park Maintenance	General Operating Supplies	378937	Ham Lake Hardware	101	43201	17.09
Park Maintenance	Heavy Machinery	01 1105634	Scharber & Sons	701	43201	290.90
Park Maintenance	Heavy Machinery	01 1105634	Scharber & Sons	701	43201	13,721.88
Park Maintenance	Sale of General Fixed Asset	01 1105634	Scharber & Sons	701	39101	(2,500.00)
Park Maintenance	Lubricants and Additives	377776	Ham Lake Hardware	101	43201	65.67
Park Maintenance	Motor Fuels	2085601	Lubricant Technologies, Inc.	101	43201	993.13
Park Maintenance	Motor Fuels	2085602	Lubricant Technologies, Inc.	101	43201	502.37
Park Maintenance	Small Tools and Minor Equip	332373310-129	Nextel Communications	101	43201	25.64
Park Maintenance	Telephone	9996972	Integra Telecom	101	43201	50.63
Park Maintenance	Telephone	332373310-129	Nextel Communications	101	43201	70.04
Park Maintenance	Tires	150005218	Pomp's Tire Service, Inc.	101	43201	408.54
Payroll	Insurance Premium	4923589	Delta Dental	101		774.90
Payroll	Insurance Premium	09 2012	Fort Dearborn Life Insurance	101		919.40
Payroll	Insurance Premium	28650145	Medica Health Plans	101		8,415.66
Payroll	Insurance Premium	09 2012	NCPERS Minnesota	101		128.00
Planning and Zoning	Escrow Reimbursement	081612	Larry Peterson	938		437.00
Planning and Zoning	Filing Fees	2031992.003	Anoka County Property Records	101	41910	46.00
Planning and Zoning	Office Supplies	621459879001	Office Depot	101	41910	38.48
Planning and Zoning	Telephone	332373310-129	Nextel Communications	101	41910	17.51
Police	Professional Services Fees	220070	Anoka County Treasury Dept	101	42110	249,788.00
Recycling Operations	Electric Utilities	082112	Connexus Energy	226	43235	116.71
Recycling Operations	Gas Utilities	336942672	Xcel Energy	226	43235	26.72
Recycling Operations	Postage/Delivery	479010	Gregory Cardey	226	43235	200.00
Recycling Operations	Refuse Removal	159616	Walters Recycling, Inc.	226	43235	247.31
Recycling Operations	Repairs/Maint Machinery/Equip	1539-165580	O'Reilly Auto Stores Inc.	226	43235	48.16
Sewer Operations	Bldg/Facility Repair Supplies	38246	Menards Cambridge	602	49451	273.08
Sewer Operations	Electric Utilities	082112	Connexus Energy	602	49451	867.92
Sewer Operations	Electric Utilities	082112	Connexus Energy	602	49451	78.53

City of East Bethel

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Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Sewer Utility Capital Projects	Architect/Engineering Fees	30634	Hakanson Anderson Assoc. Inc.	434	49455	323.88
Sewer Utility Capital Projects	Professional Services Fees	353857	Braun Intertec Corporation	434		384.76
Sewer Utility Capital Projects	Professional Services Fees	353857	Braun Intertec Corporation	434	49455	245.99
Street Capital Projects	Architect/Engineering Fees	30633	Hakanson Anderson Assoc. Inc.	406	40600	3,725.54
Street Maintenance	Bldgs/Facilities Repair/Maint	470111429	Cintas Corporation #470	101	43220	27.06
Street Maintenance	Bldgs/Facilities Repair/Maint	470114617	Cintas Corporation #470	101	43220	27.06
Street Maintenance	Bldgs/Facilities Repair/Maint	470117848	Cintas Corporation #470	101	43220	27.06
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-08-12	Premium Waters, Inc.	101	43220	45.41
Street Maintenance	Clothing & Personal Equipment	470111429	Cintas Corporation #470	101	43220	47.44
Street Maintenance	Clothing & Personal Equipment	470114617	Cintas Corporation #470	101	43220	47.44
Street Maintenance	Clothing & Personal Equipment	470117848	Cintas Corporation #470	101	43220	47.44
Street Maintenance	Electric Utilities	082112	Connexus Energy	101	43220	1,661.52
Street Maintenance	Equipment Parts	03 3067524	Isanti County Equipment	101	43220	320.61
Street Maintenance	Equipment Parts	PC001398968	Ziegler Inc.	101	43220	448.30
Street Maintenance	Gas Utilities	336942672	Xcel Energy	101	43220	21.77
Street Maintenance	Lubricants and Additives	2089949	Lubricant Technologies, Inc.	101	43220	441.80
Street Maintenance	Lubricants and Additives	2089950	Lubricant Technologies, Inc.	101	43220	343.05
Street Maintenance	Motor Fuels	2085601	Lubricant Technologies, Inc.	101	43220	2,462.97
Street Maintenance	Motor Fuels	2085602	Lubricant Technologies, Inc.	101	43220	217.69
Street Maintenance	Motor Vehicles Parts	1539-165053	O'Reilly Auto Stores Inc.	101	43220	128.73
Street Maintenance	Motor Vehicles Parts	1539-165054	O'Reilly Auto Stores Inc.	101	43220	228.36
Street Maintenance	Motor Vehicles Parts	1539-165059	O'Reilly Auto Stores Inc.	101	43220	0.67
Street Maintenance	Motor Vehicles Parts	1539-165146	O'Reilly Auto Stores Inc.	101	43220	23.98
Street Maintenance	Motor Vehicles Parts	1539-166210	O'Reilly Auto Stores Inc.	101	43220	15.37
Street Maintenance	Refuse Removal	159616	Walters Recycling, Inc.	101	43220	247.31
Street Maintenance	Safety Supplies	9894668889	Grainger	101	43220	95.08
Street Maintenance	Shop Supplies	189626	Unlimited Supplies, Inc.	101	43220	88.37
Street Maintenance	Small Tools and Minor Equip	24862	Menards Cambridge	101	43220	166.28
Street Maintenance	Telephone	9996972	Integra Telecom	101	43220	50.63
Street Maintenance	Telephone	332373310-129	Nextel Communications	101	43220	142.94
Street Maintenance	Tires	150004316	Pomp's Tire Service, Inc.	101	43220	169.14
Water Utility Capital Projects	Architect/Engineering Fees	30634	Hakanson Anderson Assoc. Inc.	433	49405	323.88
Water Utility Capital Projects	Architect/Engineering Fees	30636	Hakanson Anderson Assoc. Inc.	433	49405	1,157.54
Water Utility Capital Projects	Architect/Engineering Fees	30637	Hakanson Anderson Assoc. Inc.	433	49405	579.93
Water Utility Capital Projects	Professional Services Fees	7737	Northern Technologies, Inc	433	49405	235.00
Water Utility Operations	Electric Utilities	082112	Connexus Energy	601	49401	182.61
Water Utility Operations	Electric Utilities	082112	Connexus Energy	601	49401	132.19
Water Utility Operations	Gas Utilities	081612	CenterPoint Energy	601	49401	12.82
Water Utility Operations	Repairs/Maint Machinery/Equip	3376456 RI	Hawkins, Inc	601	49401	502.75
						\$339,600.04

City of East Bethel

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Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Electronic Payments						
Payroll	PERA					\$10,834.18
Payroll	Federal Withholding					\$12,029.47
Payroll	Medicare Withholding					\$3,275.10
Payroll	FICA Tax Withholding					\$11,744.97
Payroll	State Withholding					\$4,632.66
Payroll	MSRS					\$6,653.27
						\$49,169.65



City of East Bethel City Council Agenda Information

Date:

September 5, 2012

Agenda Item Number:

Item 5.0 A-L

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, August 15, 2012, Regular Meeting

Meeting minutes from the August 15, 2012 Regular City Council Meeting are attached for your review and approval.

Item C

Meeting Minutes, July 23, 2012, Special Meeting

Meeting minutes from the July 23, 2012 Special City Council Meeting are attached for your review and approval.

Item D

Meeting Minutes, July 23, 2012, Work Meeting

Meeting minutes from the July 23, 2012 City Council Work Meeting are attached for your review and approval.

Item E

Meeting Minutes, August 1, 2012 Work Meeting

Meeting minutes from the August 1, 2012 City Council Work Meeting are attached for your review and approval.

Item F

Meeting Minutes, August 6, 2012, Special Meeting

Meeting minutes from the August 6, 2012 Special City Council Meeting are attached for your review and approval.

Item G

Meeting Minutes, August 6, 2012, Work Meeting

Meeting minutes from the August 6, 2012 City Council Work Meeting are attached for your review and approval.

Item H

Res. 2012-50 Proclaiming September 17-23, 2012 as Constitution Week

The Daughters of the American Revolution, Anoka Chapter, requested that Council adopt a resolution proclaiming September 17-23, 2012 as Constitution Week.

Staff recommends adoption of Resolution 2012-50 Proclaiming September 17-23, 2012 Constitution Week.

Item I

Res. 2012-51 Adopt-A-Park Rod and Norma Smith Park

The City has received an application for the Adopt-A-Park Program to adopt Rod and Norma Smith Park from the Cedar/East Bethel Lions.

Staff recommends adoption of Resolution 2012-51 recognizing the Cedar/East Bethel Lions' commitment to help maintain Rod and Norma Smith Park as part of the Adopt-A-Park program.

Item J

Pay Estimate #15 S.R. Weidema for the Phase 1, Project 1 Utility Improvements

This item includes Pay Estimate #15 to S.R. Weidema for the construction of the Phase 1, Project 1 Utility Improvements. The major pay items for this pay request include milling and overlaying 187th Lane, placement of wear course throughout the project and other miscellaneous punch list items. Two separate payments will be made. One payment will be to S.R. Weidema and the other will be to the escrow account established at TCF Bank. Staff recommends partial payment of \$188,553.26. A summary of the recommended payment breakdown is as follows:

Contractor Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	\$5,006,090.03	\$4,936,045.94	\$67,044.09
City	\$4,016,341.09	\$3,907,259.60	\$109,081.49
Total	\$9,022,431.13	\$8,843,305.54	\$179,125.59
Escrow Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	\$263,478.42	\$259,791.89	\$3,686.53
City	\$211,386.37	\$205,645.24	\$5,741.13
Total	\$474,864.80	\$465,437.13	\$9,427.67

The payment includes \$179,125.59 to S.R. Weidema and \$9,427.67 to the escrow account for a total of \$188,553.26. Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of the Pay Estimate is attached.

Item K

Pay Estimate #6 Municipal Builders for Water Treatment Plant No. 1

This item includes Pay Estimate #5 to Municipal Builders, Inc. for the construction of Water Treatment Plant No. 1. This pay estimate includes payment for site grading, parking lot

construction, and process piping and equipment. Staff recommends partial payment of \$284,630.85. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 1,579,623.07
Less 5% Retainage	\$ 78,981.15
Less Previous Payments	<u>\$ 1,216,011.07</u>
Total payment	\$ 284,630.85

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate #6 is attached.

Item L

Approve Hire of Cable Technician

The cable technician, Bryce Kastning, approved for hire by Council on June 20, 2012 did not submit his background check information as required as a condition of employment. Therefore, Mr. Kastning was not offered the position.

The position was re-advertised and staff interviewed two candidates for the position. McCrae Olsen is staff's recommendation for this position at a pay rate of \$14.00 per hour. There are no benefits associated with this position and it is anticipated that the annual cost of this employee will be \$3,000 in 2013. This cost would be covered in the proposed City Council and Planning Budgets in 2013. The costs for the remaining portion of 2012 are included in the City Council Budget.

Contracting this service saves approximately \$4,800 when compared to utilizing staff at overtime costs to perform this duty. Staff recommends hiring McCrae Olsen as the Cable Technician at a wage rate of \$14.00 per hour.

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

August 15, 2012

The East Bethel City Council met on August 15, 2012 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bill Boyer Bob DeRoche Richard Lawrence
 Heidi Moegerle Steve Voss

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

Call to Order **The August 15, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the August 15, 2012 City Council Agenda. Voss seconded; all in favor, motion carries.**

Sheriff's Report Davis explained that Lt. Orlando will give the sheriff's report for the month of July, 2012.

DWI Arrests: There were 2 DWI's and 1 BWI (Boating While Intoxicated) arrests for the month of July. One DWI arrest was the result of a deputy who saw two motorcycles going the wrong way on Viking Blvd. The deputy attempted to stop the motorcycles at which time one of the drivers lost control and crashed. The motorcyclist did sustain injuries and was transported to the hospital. The motorcyclist smelled of an alcoholic beverage and did submit to a blood test at the hospital. Charges are pending. The other arrest was the result of a suspicious occupied vehicle being called in by a business. The female driver was arrested for DWI. The boating while intoxicated arrest was a result of a person being on a personal watercraft after hours. The person was stopped and smelled of an alcoholic beverage. He was arrested for BWI.

Burglaries: There were four burglaries reported. Two of the burglaries involved homes being broken into. One involved a pole barn being broken into and several pounds of scrap metal being taken. The last burglary involved items taken from a business. There were no signs of forced entry to the business and it did not have an alarm system.

Property Damage: There were seventeen reports of damage to property. Two reports involved vehicles traveling over newly poured concrete in the construction zone on Viking Boulevard to turn into a business. The drivers did not realize that there was newly poured concrete. There were four reports of damage that occurred when a vehicle left the roadway and drove through yards. Three of the reports were in the same area on the same day in the 23800 block of Johnson, 23800 block of Monroe, and 22700 block of Buchanan. There was a report of a boat strap cut and gas siphoned from a vehicle in the 4500 block of 195th Ave. There were two reports of damage to windows of buildings or residences. One report of a broken windshield that occurred while driving.

Thefts: There were 33 theft reports taken in June. Six reports involved credit card transactions where stolen credit cards were utilized in transactions in other states, one being a stolen credit card that was used in transactions in Minnesota which is under investigation. There was a series of thefts of gas being siphoned out of vehicles. This occurred in the 4500 block of 195 Ave NE, however on different dates. There was also a theft of a lawn mower

from that same area, and a theft of a lawn mower battery (which occurred four days prior to the theft of lawnmower) and tires. There was also a theft of a driveshaft in the 4400 block of 200th Ln NE. There were three thefts from vehicles where items were taken out of parked vehicles overnight. These thefts were not in the same area, nor on the same dates. There were two theft reports that involved items being taken from a house. Two theft reports involved items being taken from a yard overnight. Two people were arrested in July for shoplifting.

DeRoche, "That BWI was that on Coon Lake?" Lt. Orlando, "Yes it was." Moegerle, "What does after hours mean?" Lt. Orlando, "The personal watercraft has to be off the lake at least one hour before sunset." DeRoche, "That is sunset according to the DNR book." Boyer said he has to ask, with the car parts this is not a case of building a car one part at a time? Lt. Orlando, "I am not too sure. I am not knowledgeable on cars." Lawrence, "Scrap metal."

Moegerle, "On the consent agenda we have "Acknowledgment of Domestic Violence Month". Do you have any words of what is going on in the City and how domestic violence trends are going?" Lt. Orlando, "Domestic arrests in July were down for the month. Year-to-date they are a little bit higher than last year. July was a good month. And it usually is a heavy month because of the heat and people being confined together and holidays and all that, we tend to see a rise. Fairly low to what I thought it could be. It is good to see that number low."

Voss asked with regards to gas thefts on 185th, that is East Front Boulevard, Tri Oaks area, it is continuing. There were more thefts this week. Lt. Orlando, "When I put together my report and saw that pattern, I did e-mail all of our East Bethel deputies and let them know that this is what has been going on in July. So please provide some extra patrol in that area at night because something is going on." Voss said it seems like it would be the same people doing it. They are right off of Viking Boulevard. There have been other thefts there too. Lawrence, "Do you think the construction has anything to do with this?" Lt. Orlando, "I would say no." Voss said I am sure it is someone local. It is the same vehicles they are taking this from. Lt. Orlando, "One homeowner was hit twice."

DeRoche, "There has been a lot of traffic going the wrong way on 22. I called on Saturday night." Lt. Orlando, "With the construction that has been a real problem this summer." Boyer said well people are getting confused. Voss said it is confusing, because when I pulled into the gas station I almost drove off. There are just cones there. There is no signage. Voss said hopefully it is done soon.

Moegerle, "I have a question about radio calls and incident reports respectively. Radio calls are up 2% and incident reports are up 5%, compared to 2011. Is that statistically significant?" Lt. Orlando, "We have been seeing a trend of the radio calls across the whole county going up so far in 2012." Moegerle, "Is that attributable to the warmer than average weather and the economy?" Lt. Orlando, "It is hard to pinpoint what is the cause behind it. With warmer weather you have more people out doing what they should be doing. With the economy being what it is there is a lot of theft of scrap metals."

Boyer asked if there have been any other wild pig sightings? Lt. Orlando, "I have not heard of any."

Lawrence, "On the accident reports is that related to the construction on we have all over East

Bethel right now? I know we have been nailing them pretty hard County 22 and Hwy. 65. Incident reports.” Lt. Orlando, “No, the traffic citations would be under the traffic arrests. They are not included in the incident reports. But yes, there is a fairly large increase in your traffic arrests in July as opposed to June. And part of that is we had the speed wave that went through every Saturday for four hours. We had a car dedicated to enforcing speeding laws and some stuff like that.” Lawrence, “Is the law still enforceable that the fine is double in work zones? Because people should realize if they are going to speed through there they are going to get double fined.” Lt. Orlando, “Yes, it will get doubled automatically in a construction zone.”

Boyer asked for an update on the motorcycle accident? Lt. Orlando, “There has been a few. On Viking, I can check.” Moegerle, “Are the decreases in felony arrests and DUI arrests significant? I see that it is 13 this year compared to 41 last year for felonies and DUI are 25 compared to 35. That seems significant.” Lt. Orlando, “It can be. Some establishments aren’t driving the crowd that they did previously. Then you have fewer drivers that are intoxicated. Another thing that can come into play is the deputies that are working the contract. Some deputies are very proactive in DWI enforcement and some are more reactive to those types of things. So they might not be getting as many of those types of arrests as the guy that worked for you last year. But, they are out there and if they see it, they will stop it.”

DeRoche, “A lot of these accidents that are happening are they alcohol related or are they just people being stupid?” Lt. Orlando, “The majority of the ones that we have had recently on 65 are not alcohol related. Maybe some distracted driving going on.”

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

Consent Agenda **Voss made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, August 1, 2012, Regular Meeting; C) Res. 2012-45 Proclaiming October Domestic Violence Awareness Month; D) Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy and Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1; E) Resolution 2012-48 Awarding Bid for Jackson Street Project; F) Resolution 2012-49 Awarding Bid for Sandy Drive Project; G) Accept Letter of Resignation from Stephanie Hanson, City Planner; H) Approve Amendment No. 1 to the Agreement for Residential Recycling Program with Anoka County.** DeRoche pulled Item G) Accept Letter of Resignation from Stephanie Hanson, City Planner. Boyer pulled Item D) Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy and Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1. Moegerle pulled items C) Res. 2012-45 Proclaiming October Domestic Violence Awareness Month; E) Resolution 2012-48 Awarding Bid for Jackson Street Project; F) Resolution 2012-49 Awarding Bid for Sandy Drive Project. **DeRoche seconded; all in favor, motion carries.**

Item C – Res. 2012-45 Proclaiming October Domestic Violence Moegerle, “I reason I asked to pull the resolution regarding Domestic Violence Awareness Month. It is written as it is Anoka County. I think that this is of value to East Bethel residents and I would like to amend Resolution 2012-45 to say “and City of East Bethel” wherever the words Anoka County are written.

Moegerle made a motion to adopt Resolution 2012-45 Proclaiming October Domestic

Violence Awareness Month with additions of “and City of East Bethel” every place the words Anoka County are written. Boyer seconded; all in favor, motion carries.

Item D – Res. 2012-46
Setting Public Hearing Date for Adoption of a Business Subsidy Policy and Res. 2012-47 and Resolution 2012-47
Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1

Boyer said he urges Council not to adopt this. It is a slippery slope. But he is not going to get on a high horse about it. Boyer said he does want to be on record as voting against it.

Voss made a motion to adopt Res. 2012-46 Setting Public Hearing Date for Adoption of a Business Subsidy Policy. Moegerle seconded. Moegerle, “Minority opinions are very important. It is education to the public and residents and I would like the benefit of your rationale so I can understand it as well.” Boyer said we have had this discussion before. And it strikes me that when subsidizing businesses whether it is for the purposes of allowing businesses to move here or not, it is patently unfair to businesses that exist here. We don’t subsidize them. And secondly, what you normally find happens is the next business that wants to move here wants a subsidy just as well. It is much better to invest your economic development dollars in hard infrastructure that doesn’t leave when businesses leave. There are whole categories of businesses that essentially exist by moving to a community, accepting their 5 or 10 year Tax Incremental Financing and then moving the day it expires. To strike a new deal with another City. There are entire books on this; one of the better ones is the “Great American Jobs Scam”.

Moegerle, “Mr. Vierling, hasn’t TIF Financing evolved where clawback provisions are in those so that if that kind of action occurs, such as a business moves at the end of the financing, a City is secured?” Vierling, “You certainly have those provisions in Abatement policies and often you have them in TIF Plans. You specifically have these features in TIF Plans on Pay As You Go where really the business is only reimbursing themselves. So if they never make the payment, they never get the credit back.” Boyer said businesses cost City taxpayers money. Just by their existence, we provide services. We provide fire service. For example if we build a three story building, the fire department is going to have to go out and buy a ladder truck.

Moegerle, “Are you educating me to the fact that the new jobs that are created by a business that might come, don’t compensate for the TIF district and the cost? Is that the gist of your point?” Boyer said let’s keep in mind that it is the City of East Bethel’s taxpayers dollars that are subsidizing the businesses. Yes, there might be a small incremental amount of increase in businesses, say a gas station or a lunch restaurant. But usually that is not enough to compensate. The City would realize that from that increase that there is not enough money to spend.

Moegerle, “I know this is a little bit of above and beyond, but we have 45 days until the public hearing is scheduled. Could you send me some information on that? I would like to learn more about that.”

DeRoche, “What is the proposed district? I haven’t seen anything on that. What is all going to be included in this district?” Davis, “That is what is being worked on now. The definition of the district will be defined, sent to you and we will have at least one work session to go over the proposals for the district. It can be modified. The district can include everything in the sewer area. Some places actually included the whole City, so that they don’t have to go back and do it again. In this case it will probably be restricted to the project itself.” DeRoche, “The business subsidy thing, I would hate to set a precedent that we are going to subsidize this business and then another one and another one.”

Davis, "I think the business subsidy thing, the way it is called, it is a loan. In this case, it is a "Pay As You Go". It is proposed for this one that it is part of their financial contribution to the project. The City would essentially have no risk on the TIF portion of this. The loan is part of the business subsidy plan. We will be developing standards that define what you need to do to get a loan from the City. Or what we will do to consider TIF financing. Those will probably be in the form of you need to create "x" number of jobs, provide a wage at "X" number of dollars per hour. Things we can set as a standard so it doesn't open it up to everyone. Granted, you are correct, once this is done, the precedent is set. But, once again, I would like to emphasize that I don't think we will have any development in East Bethel unless we have some incentives to offer to businesses. We are competing with Blaine, Forest Lake, Isanti and Cambridge. All these people have this in their toolbox to work with. And without this we are going to be very handicapped in trying to get the development we need to raise the revenues we need to pay for our sewer project."

Moegerle, "Typically, I am very opposed to these types of things, like what they did for the Colts and the Vikings. On the other hand, with regard to paying for this infrastructure, no plan was there as how it [business] was going to come. What I am saying is that the natural attraction of just having the infrastructure doesn't seem to be enough to bring the businesses here (from the information we have gotten from Ady Voltedge and those kinds of things). What is going to bring those businesses here and more importantly what is going to help us pay for the bonds? If there is an option besides a Pay Go TIF District, I am on it. I really want to know about it."

Boyer said the most commonly used option is infrastructure. Putting in traffic lights to benefit a business for an example. Or turn lanes. Those types of things that stay with the community. They can't be picked up and moved.

Davis, "And in this case that is what this TIF financing will be used for. It will be used for the street extension. And storm water improvements. So you are correct, if something ever happens to the company, we will have these, and they can't take those with them." Boyer said the only other issue he would bring up is (not picking on this company) they don't hardly use residential units here. Moegerle, "They are the only ones that have said, "I want to come to East Bethel." I appreciate that. I would love to have a waterpark here that would use gallons and gallons. But nobody has said, "I want to come to East Bethel and use your state-of-the-art water treatment system". Please, we need everybody. If you know someone that wants to come do that, let us know. Because as EDA President, I will be on it."

Davis, "As far as the ERUs go, that site was originally projected to generate 45 ERUs. This business will have 16 and utilize only 40% of the sites space. So it is still on target for the projected ERUs." Boyer said my point is putting in a car lot for example, which takes 40 acres of prime sewered property, hardly makes sense. It is going to use 2 ERUs and eat 40 acres of land. It is very important the type of business that one attracts. And to do this for this type of business doesn't make sense.

Voss said I haven't been a fan of TIF and I agree with Boyer's concerns. But, I think we need to not lose sight of the fact that the only reason we are doing this in this case is this is a business that was trying to make it work financially and they are short because their appraisal came in less. Davis, "That is correct." Voss said they had no intentions of coming to the City and asking for any kind of financial assistance. They got into basically a pickle in terms of making this deal work. Initially, our thought was to make a straight loan out of EDA. Don't think we have to keep doing it. Might be other types of vehicles to do this. Don't

necessarily equate it with how other kind of communities are doing TIF districts.

Lawrence, "This type of business doesn't just pick up & move. And they are a good fit for East Bethel. And this is a special case. This is a TIF, but a very safe TIF." Voss asked are we going to define it just to this area? Davis, "I am assuming that we will keep it defined just to the project area."

Moegerle, "To your point Boyer, about the car lot not being the best use of 40 acres that has sewer and water, my question is, in response to that, wouldn't the value of that property be greater to a business that uses that so that the car lot would naturally evolve out and the higher and best use of that property would be achieved because of the increased property value of that?" Boyer said no, look at White Bear Avenue. It is all sewered and water and it is all car lots. There are reasons that happen.

DeRoche, Lawrence, Moegerle, Voss, aye; Boyer, nay; motion carries.

Voss made a motion to adopt Resolution 2012-47 Setting Public Hearing Date for the Proposed Establishment of Development District No. 1 and Proposed Adoption of Tax Increment Financing District No. 1-1. Moegerle seconded. DeRoche, Lawrence, Moegerle, Voss, aye; Boyer, nay; motion carries.

Item E -
Resolution
2012-48
Awarding Bid
for Jackson
Street Project;
F) Resolution
2012-49
Awarding Bid
for Sandy
Drive Project

Moegerle, "I pulled both items E and F so that the information could be added to it where the source of this money is coming from. Because it is not coming from the general operating budget. If the city administrator could explain where the money is coming from and how we have budget for that."

Davis, "Funds are available for both of these projects from our MSA Street Capital fund. That money comes from the State of Minnesota. We received approximately \$700,000 a year. Approximately 80% of that goes to construction projects. And we currently have the excess in that fund to do this work."

Moegerle made a motion to adopt Resolution 2012-48 Awarding the Bid for the Jackson Street Project to Rum River Contracting in the amount of \$1,188,238.40. Voss seconded; all in favor, motion carries.

Moegerle made a motion to adopt Resolution 2012-49 Awarding the Bid for the Sandy Drive Project to Pearson Bros. Inc., Alternate #1 in the amount of \$55,631.05. Voss seconded. Boyer said we have been doing the sealcoat project at Davis's urging for a number of years. Do we have enough years under our belt to determine whether this is cost effective? Davis, "In my opinion, yes it is. We started this process in 2007, so this is five years we have had. Sealcoating usually has a five to eight year span so we are still in that range. We should get the eight years out of it. In terms of overlays, the sealcoat work is anywhere from a quarter to 1/6 the cost of an overlay project, I feel there is still value in this." Boyer said I was looking for the overall useful life of the road at that point. Davis, "The seal coat will extend it another eight years generally speaking. Overlay would be 12-20 depending on traffic and other considerations. Overall, when you consider costs the better value is still sealcoating. **All in favor, motion carries.**

Item G -
Accept Letter
of Resignation
from

DeRoche, "I just pulled G, the letter of resignation from Stephanie Hanson, city planner. She has been with the City since 2005. She is moving on to Andover to be their city planner. Thought she did a bang up job here and now we will have to find someone to replace her."

Moegerle, "I would like to second that. I think she did a great job here and she has been an asset to the City. We are going to be sorry to see her go, but we are glad she has the opportunity to make a better place, an opportunity in Andover."

Moegerle made a motion to accept the letter of resignation from Stephanie Hanson, city planner. DeRoche seconded; all in favor, motion carries.

2013 Budget
Discussion

Davis explained that the budget work sessions were held on July 23 and August 6, 2012. The budget review was not completed during the work sessions. The discussion for this meeting will focus on the 2010 A, B & C Bonds and their projected deficit for 2013.

Alternatives to address the deficit issue could range from using General Fund balances, 2013 budget contingencies or other sources of City reserves to a tax increase to fund the projected \$91,376 shortfall.

Prior to September 15, 2012 the City Council must adopt a preliminary budget and levy for 2013 to be provided to the Anoka County Auditor. The preliminary levy will be used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy are then adopted by City Council in December.

At this time we will open discussion on how Council wishes to handle the projected shortfall for the bond payments and any other budget issues you would like to address.

Moegerle, "In regard to the 67 connection fees and 5600 ERUs; I know there has been some discussion at some point about us allowing our current businesses to make payments of that ERU payment over time. And so my question is, "Is the \$375,200 a realistic expectation of what we can get, even though we haven't had that ordinance in front of us and made that policy decision about allowing (access charge) payments over time." Davis, "The payments over time were not directed toward the ERUs or the SAC and WAC fees. This was the assessment fees. So that doesn't affect that figure. The only thing that affects the 67 connection figure is all of those will have to be verified by Met Council. They will give a final determination on their SAC charges which is something that the ordinance we are doing now will probably recommend that we follow Met Council's determination on that. That could vary by 10-15% either way. I would suspect from the information we have received so far that it could go up. I know of a couple instances where it will go down. I know of one business that has a car wash in that area, that has closed the car wash. They will receive a reduction in their ERU or SAC determination. The others will probably stay the same or they actually could go up."

Moegerle, "Part of my concern is with regard to Muller Theatre. At one time they agreed to 30+ ERUs, at one time there was an e-mail where they agreed to 13 ERUs. And so under this there is no reduction under what Met Council determines." Davis, "This 67 was done by Bolton and Menk and preliminary Met Council figures. There is no reduction in ERUs in this. We talked about an ERU reduction policy. But I am not sure that we want to go down that road." Moegerle, "With a net negative balance I don't see how we could afford to."

Davis, "The only thing we might want to consider there is if you wanted to do something with the ERU fees. Balance would be due the first year and let them pay part of it the first of the next year. We are going to need to collect those fees to be able to make an attempt to cash flow this. In the original plans, it shows that these would be assessed up to a period of 10 years. We do show some preliminary assessment numbers. Those could change and

potentially go up. But, we won't know until the project is completed and all the final costs are in and the assessment hearings have been conducted as to what that number is going to be."

Davis, "As far as shortfall goes we do have several options to consider. Number one, there was money that was earmarked and set aside in last year's budget when the sheriff's services were reduced in case that needed to be increased. A little less than \$50,000. We do have a little bit of contingency in this budget that is getting close to \$40,000. Depending on what we do as far as final budgets, those two contingencies could be used to meet that deficit. Assuming our scenario of 67 connections comes through and is all collectable, we do have the HRA funds, which could do a loan to cover this. And there is also the option of a tax increase to cover this. Those are the three options we are presenting for consideration."

Moegerle, "A question I have is my concerns on page 42, where we see increasing deficits, \$91,000 and then we are looking at \$727,000 in 2014 with no new ERUs and a whopping 200 new ERUs in 2015. If we don't get those 1.120 million dollars, we are going to be 1.4 million dollars in the hole. Not only do we need to plan for 2014, I think we need to plan to pay for that. I hate to see a tax increase, but I am not hearing from staff that we are being contacted by businesses or residential developers that say "We can get you those 200 ERUs that you need by 2015." Davis, "No we have not and it may be a little preliminary even for 2015 for that to happen. While we can't guarantee anything, we think there is going to be something happening at the corner of Hwy. 65 and County Road 22, in the near term. What that will bring for development and SAC terms is yet to be determined. I agree that this thing needs to be looked at long range, as well as year to year. Unfortunately, anything we look at long range, we start making assumptions. We can make good assumptions or we can make bad assumptions."

DeRoche, "So the assumption thing is we are committed to a certain amount of connections every year. So even though this year it is 67, next year we still have to make up. If we don't get the 67, that gets added on to the 55 and then 200?" Davis, "Actually our first year commitment is 100 and that increases 10% annually. So next year it is 100, year after that is 111, the next year is like 123 and so on. Then when you get out towards the end, it starts jumping up the last several years." DeRoche, "What happened to the money that was sandbagged to help start off paying for this?" Davis, "We have already made bond payments last year. About 1.2 million in bond payments. And of those bond payments we have received about \$500,000 in federal credits. So the money that was originally there for working capital we have started using that to make the payments already."

Moegerle, "In part, this infrastructure project was for the development of the northwest corner of Highway 65 and Viking. The idea was that would be a grocery store and types of business that go in grocery type of complexes aren't big users of water. They are the nail shops and clothing shops, those types of things. Assumptions are dangerous. How many ERUs would that type of development bring? A ballpark number? And second, page 44, forecast of 100 ERUs, there is \$109,000. Where does that number come into the budget?" Davis, "That is an additional fee if we don't meet the Met Council's goals that we would have to pay as a charge. They have provisions there if you don't pay it they have a reserve loan that you can use to satisfy it." Moegerle, "If we pay that loan, it would be less than that \$109,000 listed here? Is there interest on this?" Davis, "The problem we have is we need to be able to have tools to get development to locate here. Not only attract them." DeRoche, "I see part of the problem is the numbers Met Council gave us to begin with." Moegerle, "And our projected fees are higher than Andover and everybody that is connected down to Pig's

Eye.”

Davis, “We do have a meeting scheduled with Met Council to discuss the issue of a septage effluent facility here and also other options in regard to our financial obligations.” DeRoche, “Even if we go the septage route that is still more money out of our pocket. I think what needs to happen is Met Council needs to work with us because, again, it was their numbers and Bolton Menk’s numbers that made all the high projections. This was done after the economy went bad. They had time to scale back or come up with realistic numbers.” Davis, “That is the purpose of the meeting tomorrow to discuss other options for our financial obligations with Met Council. We need to have that meeting and find out what they are willing to discuss and consider.” Moegerle, “If we levied to get the \$200,000 shortfall that would be a 4% increase to the tax rate. Otherwise if we eliminate some of the reserve and the HRA, we limit some of the options there, if we want to solve some of the problems at Coon Lake Beach about septic systems that are in peril, or throughout the City systems, that are not up-to-date and inspected.” DeRoche, “We have existing businesses in the City that we have to figure out how to keep them. If we lose them, we have to come up with more money.” Moegerle, “That is more policy development and that is more meetings. And we can’t get the five of us together once a month. We need even minority opinions so we can refine our thinking and get the best results. I would like to hear what the 2010 Council’s plan was.”

Lawrence, “At this point we have the funds to cover the cash required for 2013.” Davis, “We project that we can potentially generate \$375,000 based on requiring those people in existing sewer area to connect. If we do that and collect that money, we would be approximately \$91,000 short of meeting our obligation.” DeRoche, “Until we know what Met Council brings to the meeting tomorrow we can’t make any decisions.” Moegerle, “Essentially it is a \$200,000 shortfall. If we let this get ahead of us too far, when the 200 ERUs are due in 2015.”

DeRoche made a motion to table the 2013 Budget Discussion until after the meeting tomorrow. Boyer seconded. Moegerle and Voss, nay, DeRoche, Lawrence and Boyer, aye, motion carries.

Moegerle, “I do have a request that this part of the transcript be provided to Met Council for our meeting tomorrow.” Davis, “How about we provide them with the actual DVD.”

Fire Dept.
Report

Chief DuCharme, “In July the fire department responded to 40 calls. The total call volume has been down 5%. We might attribute this to the spring being wet. Car accidents are taking place in construction areas. The north side of Viking shoulder is now paved. They have made the run from Hwy. 65 all the way from Vickers.” DeRoche, “We had asked Lt. Orlando about an accident on Viking Blvd. how bad it was?” DuCharme, “It was serious, broken bones, but a non-fatality.”

Moegerle, “Anything our residents could be doing better to save wear and tear on our volunteer fire fighters.” Chief DuCharme, “Two-thirds of our calls are medicals. Some of our calls, recreation fires. I have always maintained that if you are having a recreational fire, let your neighbors know. Recreational fires can be three feet high and three feet wide. And 25 feet away from a structure. And you can’t burn yard waste.” Lawrence, “Can you explain why you don’t burn treated lumber?” Chief DuCharme, “There are chemicals that are harmful to the environment, cancer causing.” Moegerle, “Davis and I were doing a tour of the beach. There was a vacant home that was surrounded by smoke. It was a recreational fire probably fueled by wet leaves.” Chief DuCharme, “We try to keep track of vacant homes.

Remember 25 feet is there so we don't burn down someone's house."

Website
Comm.
Recommen-
dation

Davis explained that at the June 6, 2012 City Council meeting, a Website Workgroup was appointed to review and propose upgrades to the current website and recommend a platform that would best suit our needs. Brian Mundle, Jr., Tanner Balfany, Randy Plaisance, Steve Voss and Heidi Moegerle and staff members Jack Davis and Wendy Warren were appointed to the committee.

The Workgroup held four work sessions at City Hall. During those work sessions, providers were brought forward by the workgroup members and many different websites were brought forward as examples for the members to assess and analyze. As a result of the first two meetings, the Workgroup members directed to staff to solicit additional information from Civic Plus and Vision Internet on the services they provide and their costs. GovOffice, the City's current website host, was eliminated by the Workgroup due to its restricted template offerings and more importantly, the limits of its search engine capabilities as compared to the other providers that were under consideration.

Proposals were requested from both firms and these were presented to the Workgroup by staff on July 10, 2012. Although the Workgroup was very impressed with both of the proposals, the pricing came in much higher than anticipated. Staff was directed to negotiate with the firms and see if they would consider a cost reduction or a payment plan where the cost could be paid over a three year period. Both firms responded with new proposals that reflected these requests and webinars for each proposal were then scheduled for the Workgroup.

Civic Plus and Vision Internet held webinars with the Workgroup and explained their proposals on July 31, 2012. After a thorough review and discussion of the proposals, the Workgroup members unanimously agreed to endorse a recommendation to City Council to accept the proposal from Civic Plus for a redesign of the City website and hosting services. The Workgroup preferred the format, functionality and designs of the websites that were created by Civic Plus. Civic Plus is offering their Premium package which includes all the modules and a redesign at no cost in four years. The update would be provided in approximately four to six months.

Ady Voltedge was contacted as a reference for both firms. Ady Voltedge had no experience with Vision. They had worked with municipalities that used Civic Plus as their website platform and hosting services. Ady Voltedge reported that they felt Civic Plus was an asset as an economic development tool.

The total cost for this proposal is \$17,781 including the first year hosting fee. The annual hosting fee for 2013 and 2014 will be \$4,454 and fees for subsequent years will be subject to an annual 5% increase.

Our current hosting fee for the GovOffice template is \$900 per year. We also pay an additional \$120/month for the playback of the City Council meetings on the current website. With the new upgrade we can eliminate this cost and perform this activity in house, saving \$1,440 per year. The elimination of these fees from our current cost will reduce the hosting fees for the upgrade by \$2,340 annually. With these deductions, hosting fees for 2013 would be reduced to \$2,114.

The hosting fees are currently paid from our Central Services Budget. It is proposed that the

website construction fee of \$13,327 be paid from our EDA budget and the hosting fee be maintained in the Central Services Budget.

The Website Workgroup recommends that City Council consider the proposal from Civic Plus for Website Project Development and website hosting and annual support in the amount of \$17,781.

Moegerle made a motion to consider the proposal from Civic Plus for Website Project Development and website hosting and annual support in the amount of \$17,781. Voss seconded. Moegerle, "How long will it take us to get this new website to go on-line?" Davis, "Four to six months." Moegerle, "It is my understanding that while we are getting a premium package, we are not getting the super premium package. That there are going to be certain things we won't have, like certain design options. Is that the way you understood it?" Davis, "No, this is the one with all the bells and whistles." Moegerle, "Well, I understand what the modules are. But I thought that the design was going to be a little scaled back."

DeRoche, "I am looking here and it is \$17,781 just to get it down. Then looking at almost \$5,000 a year to maintain it." Moegerle, "Part of this is this is an economic development tool. And it came out of Economic Development Authority that business principals or residents looking to come to East Bethel are going to look at the City website before they come here. More importantly it is the principal businesses. That is our face to the world. That face should be one that is a tool to attract businesses and residents, work, live and play." DeRoche, "15, 20 minutes ago, we were discussing ERUs and trying to pay for them. Maybe that is the norm; I haven't talked to other cities. We are going from \$900 a year to \$5,000. Other than the design, what are they offering for that extra \$4,000?" Davis, "One of the upgrades is the search engine. The search engine on GovOffice is rather limited. The search engine on this more in line with what we need to offer." Boyer, "The search engine we have is abysmal. And I hear that from people that try to use our website all the time." Moegerle, "The new search engine is like Google."

DeRoche, "Who are we designing this for? Most of the older folks don't have computers." Boyer asked did anyone check to see what our computer ownership rate is in the City? You can get that off the census. Moegerle, "One of the things that came out of the LMC Conference I went to, was you have to plan for the next generation. We have kids that are six and eight years old that are more computer literate than we are." Boyer said I haven't looked at that number in a long time. Davis, "We know as far as the number of people that have computers, we can check that. This is being designed as a multi-purpose tool. First for residents. The functionality of it will increase the use for seniors." Moegerle, "There is some fluff in there. And the primary purpose is for economic development and to present a brighter face to the world of who we are." Voss said if we are serious about moving this City forward, this is one of the changes that has to happen. Both platforms were good. This one I felt and the committee felt was superior to the other one and is far superior to what we have now. Voss said \$5,000 a year to maintain is very affordable. Vierling, "The motion that was made was to consider, but I think you meant to accept." Moegerle, "Correct." **All in favor motion carries.**

Fall Town
Hall Meeting

Davis explained that over the past several years, City Council has directed that a Town Hall meeting be convened in the spring and fall of the year. These meetings allow for citizens to find out about projects and items of interest in the City and interact with Council members and City staff on an individual basis as well as provide a forum for questions and answers regarding City activities.

In the past, the fall event has been held in November after the election. Election Day 2012 is on November 6th. Regular Council Meeting dates in November are on the 7th and 21st. Due to the Thanksgiving Holiday, Wednesday, November 14th or Thursday, November 15th, 2012 may be the most suitable dates, if the second Town Hall meeting for 2012 is to be scheduled.

It had been suggested that a single annual event be considered until such time as there are more topics and projects to discuss outside those that can be addressed on the Public Forum at City Council meetings. A Town Hall meeting was conducted on April 26, 2012.

Staff is requesting Council direction on the need for scheduling a Fall Town Hall meeting and a date for this meeting if it is approved by Council.

Moegerle made a motion to have a Fall Town Hall meeting. Voss seconded. Moegerle, "I guess part of it is, there will be two to three new members in on Council in November and that might be a good time for introduction. We might get more discussion then we had in April. We need more civic engagement." Boyer asked are you going to pick a date? Voss said the 14th is a park meeting. Moegerle, "If I can add to my motion at a time when all five of us can be present. It is hard to plan in August for November." Davis, "We would like a date so we can get this in the newsletter." **All in favor, motion carries.** Davis, "We can do it on Wednesday, November 14, 2012 and make provisions for the Park Commission meeting to be rescheduled."

Council
Reports –

Boyer asked if there is an update on the wild pig. Davis, "It was kenneled at Gratitude Farms." DeRoche, "I think the Animal Control Officer found a home for the pig."

Council
Reports –

Moegerle, "EDA meeting has been moved to August 29th. Coon Lake Beach is in the middle of pre-paving process. We have a lot of trucks out there and cutting of curbs. Tomorrow there is a meeting with the Met Council reps here. So, hopefully, we can make some progress and clarify our situation. Is there any interest in amending the home occupation ordinance so that businesses that are home occupations, but don't have permits can't put up signs? I am seeing a lot of signs for little businesses that I don't think have a home occupation permit. And I didn't know if there would be an interest in that. I know in the past there has been discussion of our sign ordinance and it seems to me that these signs are in violation of our sign ordinance. The EDA survey is still on website and I am working on an EDA Survey that is designed particularly for Coon Lake Beach and those people that have access to retail opportunities in Forest lake and Blaine at the Villages that are more direct than coming to East Bethel. With the idea that what businesses along 65 would draw them to shop at that area rather than Forest Lake and Blaine.

Council
Reports –

Voss asked what is the status or where are we are going with the reader sign. Davis, "The reader sign was tabled until we got indication with 2013 Budget." Voss asked the EDA or City budget. I am just curious because I keep seeing that broken sign out there.

Council
Reports -

DeRoche, "I went to the 3M Golf tournament. It was a nice place. We had a chat on the patio with a young lady who was representing Warner Stellan. She mentioned that they were looking to expand. Asked if she had driven through East Bethel and she said she didn't see a family friendly place to do that. Unfortunate because Route 65 has good food and families do eat there. I gave her my business card and she said you have two car lots. And that was their concern." Moegerle, "The other part of the conversation was that there was development on the other side of 65 and there might be room for them there." DeRoche,

“People coming through the channel, had a lot of complaints Friday or Saturday there was a Bass Tournaments and people weren’t even slowing down. Always seems to happen when deputies aren’t there. It is marked “No wake”, but until something happens, slow down. Be considerate when throwing lures on boat covers and seats. Getting where we would rather they don’t have tournaments out there.”

Council Reports -

Lawrence, “I would like to thank the election judges for working the primaries. They did a great job. And I want to thank the staff that helped them. I also want to thank the public works employees that set everything up for the elections, they do a great job. I also was able to get out and do the Night to Unite. I saw Lt. Orlando out there. It was a good time. I made two stops; it was a lot of fun.”

Closed Session – Personnel Issue

Moegerle made a motion to adjourn to closed session to consider Agenda Item 9.0 C Personnel Issue and 9.0 D Teamster #320 Union Negotiations. DeRoche seconded.

Vierling, “For the benefit of the public, we would note that the Council is going into two closed sessions. One session is the matter of union negotiations. This is closed per MN Statute 13.D and will be tape recorded. Following the closed session the Council will return to announce any action taken during that time.

The second closed session will be a personnel issue with regard to Mr. Randy Vados. Council will be reviewing that matter in closed session. We note for the record at this time that the Council has not received any demand from Mr. Vados to have this session held in open session. Consequently we will be going into closed session.

All in favor, motion carries.

Closed Session – Teamster #320 Union Negotiations

Vierling, “For the benefit of the record and for the public. We would note that the Council is back in open session after holding two closed sessions. The first closed session was with regard to 9.0 C closed session personnel issue, Mr. Randy Vados. The Council reviewed matters with the City Administrator. I should note that the session was attended by Fire Chief, Mark DuCharme all members of the City Council including the Mayor, myself as City Attorney and Jack Davis, City Administrator. After review of the personnel record and review of progressive discipline, a motion was made by Council Member Moegerle and seconded by Council Member Boyer to terminate Mr. Randy Vados. That motion passed 5-0.

The second matter that was addressed in closed session 9.0 D was dealing with the Teamster #320 Union Negotiations. The council reviewed a demand from the Teamsters in regard to their initial demand for the upcoming contract, gave advice to the city administrator but made no motions specifically at this time.

Adjourn

Moegerle made a motion to adjourn at 9:50 PM. DeRoche seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL SPECIAL MEETING

July 23, 2012

The East Bethel City Council met on July 23, 2012 at 6:00 PM for a special meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS ABSENT: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator

Call to Order **The July 23, 2012 City Council special meeting was called to order by Mayor Lawrence at 6:00 PM.**

Adopt Agenda **Moegerle made a motion to adopt the July 23, 2012 City Council special meeting agenda. DeRoche seconded; all in favor, motion carries.**

DNR – Beaverbrook Wildlife Management Area Land Acquisition Davis explained that Council has been requested to approve Resolution 2012-38 Approving the Sale of 44.97 Acres of Land in the City of East Bethel to the Minnesota Department of Natural Resources to become part of the Beaverbrook State Wildlife Management Area.

Davis, “The staff recommendation at that time was they had no objections to the purchase, provided the DNR grants easements and right of ways along Klondike Drive as outlined by the City Engineer. I think that the City Engineer had submitted some original easement requests to the DNR that showed the original drainage easement requests. Since then he has talked with the DNR and maybe with Brian and he has modified this somewhat which is included in one of your attachments and significantly shrinks the footprint of that. I went out and looked at this today and it seems to be reasonable. I did speak to the City Engineer about the dedication of right of way and he agrees with us that the dedication is essential instead of the existing easement over this property. I feel we would want to condition our approval on the dedication of this right of way. We have spoken with Brian Lueth from the DNR about the possibility of this today and he will brief us on the process of doing this.”

Brian Lueth, DNR, “As you are aware there is an existing conservation easement held by the Minnesota Land Trust and Anoka Conservation District on this property. And so, the DNR is unable to grant this right of way, because those interests are protected by that easement. So, any negotiations or additional right of way is going to have to be approved by the Anoka Conservation District and the Minnesota Land Trust as co-holders of that easement. So, if the approval is conditional upon the DNR approving that, it is a deal killer. We can’t do that, we don’t have the authority to grant that interest, because that interest is held by these other parties under the conservation easement. We would like to separate the two issues. Those issues are going to be there whether it is private property, the city, the county. But, we have a window of opportunity here to purchase the remaining interest in that property. This whole Sand Hill Crane Natural Area has been supported by the City in the past. Anoka County, Pollution Control Agency, now the Minnesota Land Trust and actually the LCC (lottery proceeds) were used to purchase that property. So now ultimately perhaps the Legislative Commission on Resources might have to approve this, because their money was involved and they usually have some strict languages about what their money is used on. But there again, I can’t speak for them.”

Lueth, “I also sent a recommendation that the Anoka Conservation District prepared for the Anoka County Board. In summary it says that yes, we would be an ideal landowner given

the nature of that easement. And then another letter I added from the Minnesota Land Trust also supporting us. But, again, these are two distinct issues and the DNR cannot promise anything because that is not something that we hold as an interest. That is something that is held by as you are aware, (existing conservation easement) the Minnesota Land Trust and the Anoka Conservation District.”

Davis, “Lueth what is the possibility of this property becoming part of the Sandhill Crane Natural Area instead of the Beaverbrook WMA. And, would that make the conservation easement go away?” Lueth, “No, that conservation easement is perpetual, binding on the property.” Davis, “So regardless of ownership, or what we do, or what we call it, the conservation easement runs with the property.” Lueth, “Right. It runs with the property. On the owner, on the property.” Lawrence, “How does that affect your purchase?” Lueth, “We are buying it. We are going to have to deal with it just like any other landowner would.”

DeRoche, “An easement is one thing, but I am really having trouble with not having the right of way. I have talked to some people and looked into some things. It is great that there is an easement, but, if we don’t have the right of way on Klondike. That road has issues now, so we would have to go up against the current landowners or the county and state later. I just don’t feel comfortable not having the right of way. From a legal standpoint, once we sign off on this, we have no recourse.” Lueth, “The letter from the land trust doesn’t say, “No way, no how, never ever.” It says that we need to protect the interests that the conservation easement.” DeRoche, “All of us up here are here to protect the interests of the City. That is paramount to me over anything else. And why they wouldn’t be willing to commit now and say, “Okay East Bethel, if there is a problem with that road, we are not going to give you grief. We will let you go in there and do what you need to do.” We are not going to go in there and tear the whole area up. You guys are more familiar with the roads.”

Davis, “What we have now and we are not sure precisely sure what it is. It could be just a prescriptive right of way, or it could be a dedicated right of way. However, we assumed the existing right of way is where the existing utility poles are and the fence. By the time we put all the drainage and back slopes in there, we would have to be over maybe another ten feet from what is currently delineated. We had talked today about submitting plans to the Minnesota Land Trust and Anoka Conservation District regarding this right of way, if we have our City Engineer contact them to get what they need, is this going to impair your efforts to close on this property?”

Lueth, “It might. We took out a two-month option but we are looking at extending that by another two months. I appreciate the quick turnaround to get me back here but it was too quick for the Minnesota Land Trust and the Anoka Conservation District. If it is something that is going to be done relatively quickly and directly with them. Because I can’t do it and speak for them.” Davis, “I understand the process now; we wouldn’t be working through the DNR to request the right of way. What I would request we do is have the City Engineer contact the Minnesota Land Trust and Anoka Conservation District and see what is entailed in requesting that right of way from them. And then we will present that at our next Council meeting on August 1.” DeRoche, “And how about finding out what kind of easement it is?” Davis, “Yes, we will find out what kind of easement it is. It could be one of several, so that will determine where our perspective lies also.”

DeRoche, “When you were in here before you mentioned there was no camping allowed out there. But yet, in this easement, there is camping allowed.” Lueth, “Typically, in state wildlife management areas camping is only allowed by a permit from the area wildlife manager. And the problem is, we are not set up for camping very well. We are so close to so

many people, that allowing one it will open the floodgates for all kinds of people. And again, we are a portion of the outdoor recreation system that is a little bit unique. We don't have a lot of facilities on our wildlife management areas. There are other components to the wildlife areas, state parks for example, they are in the business of providing camping, but we are not."

DeRoche, "I am looking at "3.4 Recreational & Educational Uses on page 12, where it states minor rustic structures such as tents, tent platforms, benches, duck blinds, deer stands and informational kiosks that do not impair or interfere with the natural habitats may be placed on the property, etc..." So you are telling me no?" Lueth, "Yes, we as a landowner typically don't allow camping on state wildlife management areas. I think this language was put in here with the thought that it could be anybody owning this. So they wanted to keep as many options that they didn't feel would be a detriment to the conservation values." DeRoche, "Well, that is fine, but you have to understand this is the information I am going off of. And from what you have said. If anything else, this might need to be tweaked." Lueth, "If a private landowner owned it, he/she would be able to restrict what goes on there too." DeRoche, "So basically you can't do it anymore unless the DNR says you can do it, correct?" Lueth, "Yes, if we own the property, we control access. It's going to be pigeon-holed into our state management wildlife area and those types of rules will apply."

Lawrence, "How much of this is wetland?" Lueth, "Not a lot. Just around the edge of the lake and then there are some pothole wetlands scattered in the area." Moegerle, "There is language in here, "3.6 utilities and driveways" and those sorts of things. It could mean that they will allow us to have the right of way too." Lueth, "What I understood that to mean was provide utilities to that building." Moegerle, "It doesn't sound like the Minnesota Land Trust is being draconian with this easement." Lawrence, "The easement seems to be the big sticking point here. But, whether you own the land or not, you have nothing really to do with it." Lueth, "That is correct."

Lawrence, "So the easement is all on a different entity taking care of that, so what is the issue with the easement?" Davis, "The issue with the easement is there are three co-holders that have to approve the easement. The Minnesota Land Trust, Anoka Conservation District and right now, Mr. Gombold." Lawrence, "Do we have any problem with that?" Davis, "We don't know what easement exists and we will need to get information on that. And then we will get them the information they need and find out what the process is for them to consider our request." Moegerle, "Paragraph 7.2 allows this conservation easement to be amended. So it could be amended to give the right of way to the City and that doesn't seem to be inconsistent with what the plan is. It is just "What does it takes and is Mr. Gombold understanding of that."

Moegerle, "If we had reasonable assurances that the conservation easement would be amended so that we get our right of way. Obviously, this takes time. What may be a reasonable acceptable assurance to me might not be to everyone here."

Lawrence, "On the easement, what is the main holdup. We don't have enough information to get this figured out?" Davis, "We haven't had the opportunity to do the legal research on this to see what kind of easement it is. And as you are well aware, an easement can just be allowing us to pass over the property. Where right of way gives us total control. If we are doing a road project it can limit us if we have an easement. As a matter of policy we try to get right of way in these situations."

Moegerle, "The remaining tracts 9-14, I understand there is some interest for these to also

come on board. Should the City be writing these neighbors to find out if they have these conservation easements as well?" Lueth, "These easements get attached to the deed. A deed search will tell you if they are there or not."

Moegerle made a motion to table Resolution 2012-38 Approving the Sale of 44.97 Acres of Land in the City of East Bethel to the Minnesota Department of Natural Resources to Become Part of the Beaverbrook State Wildlife Management Area until August 1, 2012 or until otherwise available. Lawrence seconded; all in favor, motion carries.

Adjourn

Moegerle made a motion to adjourn at 7:26 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL WORK MEETING

July 23, 2012

The East Bethel City Council met on July 23, 2012 at 6:00 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS ABSENT: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator
Rita Pierce, Fiscal & Support Services Director
Stephanie Hanson, City Planner
Mark DuCharme, Fire Chief
Nate Ayshford, Public Works Manager
Troy Lachinski, President East Bethel Fire Relief Association

Call to Order **The July 23, 2012 City Council work meeting was called to order by Mayor Lawrence at 7:27 PM.**

Adopt Agenda **Moegerle made a motion to adopt the July 23, 2012 City Council work meeting agenda. Lawrence seconded; all in favor, motion carries.**

2013
Proposed
Budget Davis explained that tonight is the night that we begin the discussion and review of the 2013 budget. We have staff department heads here to present their budget requests and be available for any questions.

Troy Lachinski explained that there are three trustees from the Relief Association here tonight. Myself, I am the president; Mark DuCharme and Rita Pierce are municipal trustees. I am happy to cover the Relief Association briefly for you. We are a separate organization from City. We are a corporation that provides monetary benefits to the members who have met the requirements. Pension is available upon retirement when you achieved at least 10 years of service and you are 50 years of age.

The goals of the relief association are to provide a pension benefit that attracts and retains volunteer fire fighters. We want to maintain a fully-funded pension plan that never requires a mandatory City contribution. We want to provide benefits in an accurate and timely manner. And monitor the investment performances. One of the things I am really happy about is that we have had the opportunity to meet with council on an annual basis the last three years to discuss the benefits and we are on the same page long-term.

Our short term goals, as far as monetarily, is we always want to maintain a 110% funded plan. This means there should never be a mandatory contribution from the City. We would like to come before you every year and ask for a voluntary contribution, but we don't want for there to be a mandatory contribution. The way the relief association works is it is run by state statute and every year right around now, we have to turn in some paperwork where it takes some numbers from our financials, number of members we have, benefit level and it calculates out if we are funded or under-funded. If we are underfunded that trips a mandatory municipal contribution. We had a mandatory contribution we believe for the first time, in 2008 when the stock market crashed and we lost about 40% in one year. That caused a mandatory contribution in the amount of \$40,000.

The way the state does it, is they put you on a 10 year plan to get back to a 100% funded, so

it was \$40,000 the first year, \$28,000 the second year. And then the stock market popped back up to where it should have been and we were a 100% funded and didn't require a mandatory contribution last year. So, last year we came in front of you and said, "What we would like to do is ask for the same amount every year." Then you could budget for this and plan for this. We came up with a rough number of about \$500 per fire fighter. Just speaking what fire fighters make in the City, I am roughly a 40% fire fighter (make about 40% of the fire calls) and last year I was paid roughly \$1,200. It comes out to about \$300 per 10%. That is a pretty good value for the City for the services that are provided. Most of the fire fighters aren't in it for the money. Where the money comes in is you have to be vested and get the pension. Currently if you are in it for 20 years, you will get the \$68,000 when you retire.

Lawrence, "What is your investment time?" Lachinski, "You have to be in for ten years to be vested. If you are only in for nine years you get nothing, it just goes back into the pool. The short-term goal is to maintain a plan that never requires a mandatory contribution. The long-term goal is to build up our account where we can raise our benefit level up to \$5,000 per year. This would give the member a benefit of \$100,000 for a benefit after 20 years of service. And, we wouldn't ask the City for more money. We just would like to maintain a strong fund and offer a great pension to keep our members for a long time. The key is to remain prudent and have a good plan/pension so that the members want to stay.

The first three to four years we are training these people. After that, they are scene smart. They make good decisions. You want those people to stay. You don't want them to quit after seven years. They are just getting to the point where they are very valuable. Basically, after the stock market crash we were underfunded for a little while, and for 2008 we were underfunded. Normally, we always have a good cushion. We have assets so we don't have to ask for mandatory money to get solvent.

Our money basically comes from three sources, investments, state fire aid and local government aid. Bulk of the money is from our own investments. We are requesting that we receive from the City a contribution of \$17,500, roughly \$500 per fire fighter. The same amount as last year. We are also asking that you approve a raise in our benefit level. Last year you approved for it to go up from \$3,400 to \$3,500. But there was one glitch. Last year we failed the test to allow us to increase our benefit even though we had a great standing financially, because of those two bad years. We did the worksheet again this year and it shows we could go up to \$3,800, but with the volatility of the stock market I don't think it is prudent to go all the way up to the maximum. We could always raise it by a couple hundred this year and go up again later. I just think it makes sense to go up a little and make sure we are a 100% funded.

We have to update our by-laws anyways, because of changes in the legislature regarding return to service. So, later on this year, we are going to be bringing updates to you on the by-laws anyways. And what we will do is look at the stock market at that time and if it seems to be doing well, we will ask for a benefit increase. I just want to throw that out there so that you know that might be coming. The fiscal change to the City will be none. It is not like you will be paying us the difference immediately. That is just if the stock market goes really bad and we are underfunded again, then the City will be on the hook to help us cover that until we get back on track."

Moegerle, "I appreciate what the fire department does. If we are in a year where we can't offer a 5% increase (and I think that is what the \$3,400 would be is 5%) to our employees, how do we justify it to the taxpayer that you get 5%? And if the stock market goes down, then the ability of the City to pay for it also goes down. When we are already down and out,

to have an additional burden does not seem prudent. How do you respond to that when we talk to taxpayers about this?"

Lachinski, "We are not asking actually for any more money from the City right now. The only way you would have to pay more money is if we were not able to maintain our 100%" Moegerle, "It goes back to our future; when we are down and out and have to pay you more. So, we are putting ourselves in a worse situation. Can you address that a little bit more?" Lachinski, "I have a much bigger presentation, but I was asked to cut it down. I can share it with you and it will explain this better. The way it works is the pot is roughly a million dollars. Every year roughly the state gives us \$40,000 and if the City gives us roughly \$15,000 and let's say we make 1% on our investments. Which gives us another many thousands of dollars. That all just continues to build in this pot. So, at some point we are going to have \$2,000,000. If we never raise our benefit, our value is going to be at 150%."

Moegerle, "I understand this is on a good day, if the market continues to do well. What I am saying is if Joe Average off the street says to me, "Heidi what you have done is when it is good it is great, but when it is bad, it is terrible. How could you do this to us because our tax rates are going to go up when the stock rates go down?" What do I say to that?" Lachinski, "It is fairly easy, because this is a separate fund and you don't have to give a voluntary contribution ever." Moegerle, "Even if we raise the benefit?" Lachinski, "Raising the benefit has no fiscal impact on the City." Moegerle, "In the short term." Lachinski, "Even in the long term." Lawrence, "What she is saying is was the two years that we gave a mandatory contribution, don't we have to give that if your funding levels go down to a certain point?" You don't have to give a contribution. Lawrence, "Isn't there a mandatory contribution if it goes down to a certain point?" Lachinski, "If you are at least 95% funded there is no mandatory contribution. Because the state knows things can go up and down a little bit. But, you are right, if the stock market completely tanks, like in 2008."

Lawrence, "Do you have a dollar amount when you say increase that this impacts the City?" Lachinski, "Yes, I do. \$0." Lawrence, "No, when we are talking fire fighters that make really little, when we are talking an increase there must be an impact." Lachinski, "That is where it gets real confusing, because I am not talking a dollar amount." Lawrence, "This is a retirement fund, so instead of getting the \$3,400 per year they would get the \$3,600." Lachinski, "That is right." Moegerle, "It becomes the issue of an unfunded pension. And down the road we may be creating a mandatory contribution." Lachinski, "I would love to talk to any of you in more detail about this. Sit down and discuss this in more detail. Just give me a call or send me an e-mail."

Mark DuCharme, fire chief, "The fire department 2013 budget is located on page 33 and your page 40. It is a flat budget 0%. It is hard to predict fire calls and incidents. But it looks like this year is going to mirror last year so I did hold the same amount of calls, right around 500. We seem to have the same average of fire fighters turn out per call whether it is a medical, fires or car accidents.

One of the things that we did take a look at is Item 434. This item is training and although it is listed under conferences and meetings, we are proposing a \$1,000 increase in that. This is the last year in the SAFER Grant. A lot of training was paid for by the SAFER Grant. It was only a four year grant. There are other avenues for training. This week we will be asking for \$3,000 in reimbursement from the Minnesota Fire Fighter Training Board. We are being assured the benefit level for next year will be about \$3,000 if not a little bit higher. That money is dedicated money that comes in through insurance policies also.

One thing on Item 402 Repairs maintenance, machinery and equipment. A lot of that goes to the sirens. We have 15 of them and it runs about \$1,000 for yearly maintenance.” DeRoche, “What goes bad on them?” DuCharme, “Radios, GFI circuits and battery backup. The batteries are recycled every three years.” DeRoche, “What kind of warranty came with the sirens?” DuCharme, “I believe it was a three years warranty. If you remember last year we replaced the radios in the sirens and we did that with Anoka County Grant funds. We don’t know if a siren is bad. They are tested daily. If signal comes back on a failed siren three days in a row, we get reports on it.” Moegerle, “Why would it fail one time and not another?” DuCharme, “Line of site and radios are in them.”

Moegerle, “You told us earlier that following that fatal accident some equipment would need to be replaced. What category does that come from?” DuCharme, “Item 214. It is all of the turnout gear. At least half of it is 1999 vintage. We are slowly replacing it. We do 5-6 a year. The price has gone up about \$150 from last year.” DeRoche, “Isn’t that every five years that they should be replaced?” DuCharme, “We like to get 7-10 years out of it. But, sometimes it might only last 2-3 years. One of the big things is some departments are leasing turnout gear. The NFPA cleaning standard, when it is leased, they do that once a year.” DeRoche, “What happens to our older gear? I know some people that send it to the Third World countries and go over and train them?” DuCharme, “I think in the past it has gone to Third World Countries. There can be liability issues with giving it to other departments.”

Moegerle, “Do you know the status of the Homeland Security Grant application on the fence?” DuCharme, “It is in what we call Limbo. The FEMA people have been in Minnesota so we have had some good communication. Anytime a state is declared a disaster there is special consideration given to things. One of the issues is they look at that as more construction.”

Moegerle, “With the fatal where we lost equipment, are there any ordinances that we should have that would allow us to recoup some of those monies from the insurance company or the responsible party?” DuCharme, “When East Bethel goes out on a mutual aid call, like Sartell, if we would have broke anything, the mutual aid agreement provides for them to replace that. On fatal accidents, we get a lot of phone calls when people receive the bills. It is better if we can direct bill the insurance companies. It is one of the things that is going to come online with the county-wide record management system.” Davis, “If we explore that option, we need to look at a third party to do the billing.”

Stephanie Hanson, city planner, “Not much of difference from 2012 to 2013. Just calculated it out and it went up \$149. The biggest decrease is with vehicle charges. Years ago it was \$5,000, in 2012 it was \$2,500 and now for 2013 it is \$1,000. It is page 26 of the book. With planning Item 307 professional services fees, the GIS services have remained steady for the last three years now. They have remained at a flat rate. Flatrock has agreed again not to raise their prices again with us.” DeRoche, “Do they upgrade everything every year? Or what do they do?” Hanson, “Yes, they actually come in twice a month for 6 hours each day. They update data parcels. Also, they update layers in the GIS program. Otherwise everything is the same in this budget. Any questions?”

Moegerle, “What could we be doing differently, so that not all of the taxpayers are paying for this. The classic example is the ALJ was \$3,400 that we paid for and that was a great value. But how do we help defray some of these costs? Does a permit fee represent what your time and investment is in it?” Hanson, “Probably not. Our permit fees are pretty comparable to the permit fees in the metro area so we don’t want to raise those up. That is

my opinion with the land use applications. But with the planning department we don't have fees that come in that I generate that supports the planning department, except for application fees which are really minimal. Most of the fees for planning are things we have to do by law. Like the public hearing notices and filing of agreements. Of course, we always get stuck with software licensing and GIS." Moegerle, "So are our application fees lumped in the same group as permit fees? So that we wouldn't want to increase the application fees?" Hanson, "Right, I wouldn't recommend increasing land use application fees. The fees I collect for land use applications aren't part of the planning budget. That just goes into general I believe." Moegerle, "Under printing and duplicating, is there money to be saved, as well as staff time, if the planning commission packet was done electronically as opposed to hard copies?" Hanson, "Well, printing and duplicating we don't take money out of that for copying the planning packet." Moegerle, "Where does it come from?" Hanson, "We do have a couple planning commission members that do not have internet access. This is more so for when I need to make copies of the comprehensive plan and the zoning code and such. Because we typically will source that out." Moegerle, "So, where is that in the budget for making the copies of the planning commission packet?" Davis, "Under General."

Nate Ayshford, public works manager, "I have the Parks, Roads, Recycling, Existing Sewer Fund and Existing Water Fund. In the Parks budget we had a goal to keep this as low as possible without missing any of the services provided. Our drop was 1% of the overall budget. Most items we kept flat where they had been in the past. These are pretty well established costs so we know pretty much where we are going to be on these. I think our biggest ones we have been running into this year is the costs of working on equipment. The newer engines require more computer skills that our guys just don't have, so we have to take them in." DeRoche, "Would it be worth getting somebody trained?" Davis, "Well the problem with that is we don't have the diagnostic equipment to do that." Lawrence, "It is pretty minimal maintenance when they go in, isn't it? The overall equipment is pretty strong for repair?" Ayshford, "The biggest piece of equipment we have had that needed fixing on parks in the John Deere Tractor. It is also our roadside mower. It is a multi-use piece of equipment."

Moegerle, "Has there been any cost savings in the parks with the Adopt-A-Park program?" Ayshford, "They haven't started really yet. They will do a fall clean-up this year. This is more of a public outreach." DeRoche, "Park and landscape supplies, I am kind of curious because when Eric Hagen did his article "East Bethel Sees Into the Future", on roads and parks, said the city was going to give them mandatory a \$100,000 for the parks. What comes out of that? The dedication fees were zeroed out but it said the city was going to give them another \$100,000 this year." Ayshford, "For capital improvements." DeRoche, "What does that do?" Ayshford, "Usually that is for playground, any kind of athletic field, backstops, and things like that. Fence upgrades. The roof at the community center." Davis, "Those are essentially for new projects. What Nate is presenting here is just the general operating budget. The \$100,000 that the City transfers to the Parks Capital Fund is only for new projects in the City in the parks. The budget we are presenting here is what it is going to take to maintain all of that."

DeRoche, "All these developers that did their plats ten years ago, we have chewed up all their fees. Or as time goes on we have used that?" Davis, "Yes, there hasn't been any contribution to the Park Acquisition and Development fund for three years because there hasn't been any development in the City. Those fees are based on a formula." DeRoche, "So it wasn't real prudent to collect fees for all these developments when they were developed." Davis, "The way the ordinance was written, they were due when the plat was filed. I think since that time there has been some changes in the requirements. What we

need is development.”

Ayshford, “Streets and Maintenance Budget. Here again the goal was to keep cost as low as possible while providing the same amount of service. It went up a little because of an increase in street materials and some electric utilities. Street maintenance would include sulfur for snow and ice control, Class V for roads and blacktop material for patching roads.” DeRoche, “Have we gotten any good response from the county on Klondike?” Ayshford, “So far we got a response that they were not going to partake in that.”

Davis, “We are getting a traffic counter out there. So we can compare now, compared to what it was before the construction. And we can use this as a case to make another request to Anoka County with some hard and fast figures. We don’t think the application of the magnesium chloride that we put on the road will last through the construction project because of the traffic that we have there now. I was out there today for about a half hour and there were about 20 to 30 cars going each way. The increase in traffic there has just been tremendous. We spent \$4,200 on chloride treatment for Klondike. And it was something that we had to do regardless of whether the highway department participates or not because of the dust conditions and the traffic was just beating it all to pieces.” Ayshford, “We were blading it every day. Had to have a guy out there running that road every day.”

Lawrence, “Do we have an estimated cost of what it is costing us to keep Klondike at this level. Versus getting it blacktopped?” Davis, “We have developed some numbers. There is probably 1.4 miles that would have to be paved. That would be well north of a million dollars it would cost us. And it costs us generally about \$1,000 a week to grade it.” DeRoche, “Wasn’t that brought up at the Road Commission meeting that the residents ask that it be paved and then the costs came up of what the assessments would be and then they said no?” Davis, “I am not sure that those residents ever requested it. But there are so few residents/property owners along there that the assessments would probably exceed what is allowed by the state.” Lawrence, “Could we designate that as a MSA road?” Davis, “It is an MSA road and we could use MSA funds to do that. But, we have already obligated our MSA funds for other streets that have much higher traffic counts and probably a much higher need.”

Ayshford, “Recycling Operations, here again there is no real increase in the budget.” DeRoche, “How are we doing with that? When we did the recycling day at Coon Lake Beach clean-up, was there any recycling out of that?” Ayshford, “We got a load of scrap metal out of that.” Davis, “The only income we generate out of there is the recycled metal. We allow the Lions to take the batteries.” Moegerle, “Should the City be paying for the Coon Lake clean-up day, when we are only getting the metal? Is it a service we provide or should the center host it? Davis, “The roll-offs cost us about \$1,200.” Moegerle, “I am wondering if we are not going to have a recycle day there, should we have a clean-up day? Because certainly we could do a clean-up at Village Green and Castle Towers and all these others. Do we want to have them rotate this thing every three years and next year we go to Castle Towers, next time at Village Green and whatever.”

Davis, “Prior to 2008 or 2009, all the City did was provide the roll-off container for the scrap metal and organize the event. The community center actually paid for the roll-off container. At some point between those two years they requested that the City pay for the roll-off because they couldn’t afford it any longer.” DeRoche, “What I am hearing is they are doing rather well.” Davis, “We don’t have that designated for any area, so we could look at this at a later time.”

Moegerle, “Utility costs for that is \$2,500 a year? For gas and electric? Is there some way

we can insulate that so we are not paying so much money for that? I understand that the building is pretty bare bones. Is there money available for grants to insulate and make more energy efficient those types of buildings?" Ayshford, "There is, and we just submitted a grant for equipment in there that is past its useful lifetime as well as a trailer for hauling some of the cardboard. But, it is something we can look at for the next grant period." Moegerle, "Do we keep it warm all the time? I understand they go there on Mondays." Ayshford, "That number might be a little high. If we look at what we spent in 2010 and 2011. That is probably a worst case scenario." Davis, "They do have a schedule that varies. It is an older building; there is insulation in the ceiling. Other problem is the way it is designed with open chutes." DeRoche, "Isn't there some ways we could put rubber over those?" Ayshford, "Recycling has a lot of grant money available. Might not be until next year, but we could have Connexus come out and do an energy audit of your building." DeRoche, "What is this \$4,000 for hazardous waste? Don't we get paid for that?" Davis, "People do drop off a lot of strange looking chemicals there. Drop them at the front door and we are stuck with them." DeRoche, "We need people to realize that if they dump it there, we have to pay for it. If they bring it there, it is free. This may seem like nitpicking, but it all adds up."

Ayshford, Water Utility Operations, "There is a slight increase in this budget to reflect chemical prices and small supply stuff." Moegerle, "Again, \$6,400 for utilities, is that for the community center to stay warm?" Ayshford, "The big expense is electric for well pumps." DeRoche, "Does Mr. Mundle pay utilities at all?" Davis, "No. There are two wells there. One has a high level of radium which we have taken off-line. The other well has a high pressure tank."

Moegerle, "Is there the availability of grants to make this water better? Such as filters or water conditioners for everyone there?" DeRoche "I was at the meeting when they addressed this. The response was get together with your neighbors and pay more for the chemicals. To the high water cost, it was just don't water your grass. But, I think there has to be a better solution than that." Davis, "There might be PFA Loans. But we only have 42 customers on there. Regardless of what we do those rates are going to be high compared to other places. Sad part of it is, they don't cover our costs now. But since we put the new well on line, I haven't received any calls about water quality. As far as cost goes, saddled with cost up there until we get 400-500 customers."

Ayshford, Sewer Utility Operations, "This one basically is a \$2,000 increase and this is the cost for chemicals, Item 216. This will go away once we decommission the waste water treatment plant." Davis, "With the schedule that exists now, 70-80% of this will be expected next year." Moegerle, "What is that sewer penalty?" Pierce, "When people don't pay their sewer bill on time or there can be penalties on special assessments. We collect the penalties on bills and the county on special assessments. What you don't see here is there is a lot of staff time spent doing the billing, etc."

Davis, Arena Operations, "We currently lease the operations of the Arena to Gibson Management. We do have revenues projected of \$250,000 and expenses of \$191,000. There is still debt on this. It is going down consistently every year. As each year goes by, we are going to have to look at equipment replacement. We have a huge investment there in a HVAC system and chiller system." DeRoche, "Wasn't that replaced a few years ago?" Davis, "Certain parts were replaced a few years ago." DeRoche, "How are we doing on concessions?" Davis, "Gibson will lease the concession area. They will pay us \$500 a month." DeRoche, "What about the equipment? That isn't even our insurance deductible." Davis, "The equipment is ours and that is part of their lease fee." Pierce, "Most of our

equipment is in good condition in the concessions. Might be small equipment like a microwave that might need to be replaced.” Davis, “What we are looking at here if we go with this lease agreement is loss of revenue of about \$9,000 from last year, to a gain of \$6,000.”

Moegerle, “How much is that whole thing worth? I mean if you were to put it on the market today, assuming there is a buyer, is it a million dollars?” Davis, “If you had a buyer that wanted it for an Ice Arena, it would probably be closer to 2 million. But for anything other than that use, probably south of a million.” Pierce, “There is no air conditioning in it. Utility costs would be too much. This past year, because the weather was so nice, we didn’t put the turf in. Funding for the teams has gone down, they are finding other venues, can’t afford the rental.”

Davis, “St. Francis Youth Hockey utilizes about 80% of our ice time. Prime time is \$185 an hour and off time is \$140 an hour.” DeRoche, “Do we have any public skating like Aldrich Arena has?” Pierce, “Currently, we have just two open skating events, but since we don’t have skates to rent out, and anything you can charge people a nominal fee of \$5 an hour wouldn’t recoup the staff time of the ice being there to stay open for that time. Because the City and the contract with Gibson Management actually pays for the Zamboni driver and everything. So you are paying for a Zamboni driver and utilities at prime time, when you are getting how many citizens in there?” Moegerle, “What about renting it out from 9:00 p.m. to midnight for Ice Skating parties.” Pierce, “St. Francis rents it out until 10:30 p.m. or so. We have looked at renting it out for a smaller fee.”

DeRoche, “Is Gibson Management there every day for certain hours?” Pierce, “Most days when ice is in. If he takes a day off, someone else is there.” DeRoche, “So we are paying them year round, but it is staffed mostly just in the winter?” Davis, “Yes, but it is staffed 16 hours a day sometimes in the winter. They have staff, Zamboni drivers, and cleaners.” Moegerle, “Because it is not air-conditioned and well vented, summer expos for businesses are not going to rent it?” Pierce, “Yes.”

Pierce, “I have passed out information on the bond payments. A cash schedule of all debt. Where we see ourselves at the end of 2013. The biggest items are water and sewer bonds. Two biggest are \$550,000. The next two pages are projections for water and sewer bonds depending on when connections come in and special assessments come in. I don’t know how Council will want to address \$550,000 anticipated shortfall if we get no connections in 2013. Towards the bottom of the spreadsheet there are ways to cover the bond payments. Moegerle, “What are uses?” Pierce, “Principle and Interest.” DeRoche, “We were going to get a rebate. And then we were going to finance and have a couple million to make payments for the first couple years.” Pierce, “The federal tax credits is under “sources”, which is where they are coming in. Where you see \$476,980 that is tax credit we get from the IRS to offset the interest.” Lawrence, “How much interest does it offset?” Pierce, “45% of 2000A Bonds and 35% of 2000B Bonds.”

Moegerle, “Is the difference between projection 1 and projection 2 simply that we get no ERUs in 2013?” Pierce, “That is correct.” Moegerle, “It is over a million dollars in the end?” Pierce, “We have also because 55 connections were planned the first two years and then were bumped up to 200 connections. So when you delay it one year.” Davis, “These are the same projections used in the previous discussions. Projection 1 is 55 connections, which is doable if Aggressive Hydraulics materializes and then we will have to get all the hookups in the sewer districts. That will still leave us \$150,000 short of what we need for bond payments.”

Davis, "Once you get into this thing and you see what kind of time it takes once you get a business to show interest, to actually commit to open their doors. It can take up to two years." Moegerle, "Should we be investing money in recruiting these businesses? Do we need to hire an outside recruiter to bring in the businesses? People don't know about us." Davis, "One thing we really need to do and I know it is difficult not to look at this thing and point fingers. At least publically we are going to have to put a positive spin on this. We recognize our problem and want to solve it. We still have to address these financial issues." Moegerle, "Do we hire recruiters, do we make Council recruiters, do we make ambassadors. I told the Greater MSP no one else has our problem, so no one has our solution either."

Pierce, "For now we have to plan for 2013 and go with what we know and what we can count on. When you are talking businesses coming in, that is a great idea. That is what we need. But, like Jack said it might be a two year thing. We have to be very realistic on these connections and plan for borrowing funds internally. Then we will know about businesses." DeRoche, "Most cities that do TIF districts and loans, they have money or collateral to do that. If we do that, go and take our HRA money, and use it somewhere else, then we can't use it to pay this off." Pierce, "That is correct."

Davis, "The thing about TIF though, and we need to realize we will need to use some of these tools. We will get the monies back, they will be repaid. If we do TIF District, generally about two years before you receive monies from it. If we are not prepared to do loans or TIF things, we might as well shut the doors. Because that is what we have to do for business transactions. We have to do sound loans to make sure the City is protected. Economic TIF development has to be paid back in eight years." Moegerle, "How are we going to get businesses in?" Davis, "One thing he is going to caution about hiring consultants is, sometimes you get really good stuff from consultants and sometimes you don't get really any value from them." Moegerle, "I am not disagreeing. But, so how are we going to recruit businesses. Do we write a letter from the City Administrator? Is that going to grab somebody's attention? Do we, as Council people, need to knock on doors? If we don't do anything by way of recruitment, we are done."

Lawrence, "Last year, we reduced the sheriff's budget by \$50,000." Pierce, "If you didn't spend it any other way, it would go in the general budget." Moegerle, "Can we put it in a contingency fund?" Pierce, "It will just stay in the general fund until the Council puts it in a debt fund. In the current 2013 budget there is a current \$40,000 contingency." Moegerle, "Not being a political person, [do you think we] should we not cut taxes at all, which would give us a little more contingency and start saving for the rainy day?" DeRoche, "I have heard it in the public because we didn't raise everything up, that people are not strapped because we have not raised the budget." Davis, "We recognize that, and we have tried to keep costs down and take on more responsibilities." DeRoche, "That is why I asked that staff be here to explain their budgets, because it is one thing to look at it on paper. But, it is pretty obvious there isn't much there. And anyone that decides to read this will understand that." Moegerle, "The staff has taken a hit, is it time to say okay now, it is time for the taxpayers. At what time do we implement "We are going to start easing you into this." If we slowly do this, it is gentler."

Lawrence, "I thought I saw a 1.5% increase in salaries." Davis, "This budget proposes a 1.5% increase in salaries." Lawrence, "Could I see some numbers on surrounding cities?" Davis, "I sent you that in the update." Lawrence, "If we are already the highest paid city, do we get a raise every year just because we showed up?" Davis, "The reason we proposed one this year is, we are entering into negotiations with the union. And this may be the time to consider an increase. So we have talked with the union and told them we are proposing an

increase for this year but, right now, anything beyond that we don't know if it is sustainable. They are well aware of the situation." Lawrence, "How many union employees do we have?" Davis, "We have eleven union employees." DeRoche, "How many of those live in the city?" Davis, "One." DeRoche, "I don't care if they live in the City, but people that live in the City probably understand a little better when we tell people we can't give you this big raise because we just don't have it." Davis, "At this point there is no request for a big raise. Different people have different perspective of what the situation is. Some people listen, some don't."

Moegerle, "A demoralized employee is an inefficient and expensive employee. That is not saying you have to give them 1.5% every time. On the other hand, an employee that is saying, "They are not paying me what I am worth," and is demoralized is going to cost you a heck of a lot of money. And I don't say you have to purchase a moral and a work ethic but it is a tough decision." Lawrence, "I have been on both sides of the coin. I have been underpaid and quit. And I was offered a \$1.50 later and turned it down. I worked for other companies and when you reached the top, you sat there." Davis, "Most everyone has reached the top of their scales; this is more of a morale thing than anything else. I am not saying that there is a loss of morale, but it does help with the other negotiations going on." Lawrence, "I didn't see any performance reviews come forth."

Davis, "This raise is based on all staff has taken on additional responsibilities. Staff came in under budget by \$250,000. We are also going to try to pay for this raise in reducing health care costs. We are raising our co-pays to keep our premiums down. And try to look at cutting cafeteria benefits." Lawrence, "I am not against the raise; I just want to make sure people have earned the raise. I would like some information why we are going to get a raise." Davis, "Everyone has taken on additional duties."

Adjourn

Moegerle made a motion to adjourn at 8:29 PM. Lawrence seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL WORK MEETING

August 1, 2012

The East Bethel City Council met on August 1, 2012 at 6:10 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS EXCUSED: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator

Call to Order **The August 1, 2012 City Council work meeting was called to order by Mayor Lawrence at 6:10 PM.**

Adopt Agenda **Lawrence made a motion to adopt the August 1, 2012 City Council Work Meeting Agenda. DeRoche seconded; all in favor, motion carries.**

RFPs for Financial Services Davis explained that Council has directed staff to solicit RFP's for the position of Financial Services Advisor and four firms have responded to the request that was placed on the League of Minnesota Cities website.
The four firms submitting proposals are:
1.) Springsted, Incorporated;
2.) Ehlers, Incorporated;
3.) The PFM Group; and
4.) Northland Securities

Northland Securities is here to present.

George Ellertson introduced himself and Tammy Almdahl. Ellertson, "There are three things I want to cover. First, I wanted to introduce ourselves and what we do and who we work with. Second, tell you about Northland Securities, what we provide and why working with us would be a benefit for you. Third is what are the key factors we see facing East Bethel in the very near term and in the coming years.

I have been in public finance since 1990. I was pleased to be working with East Bethel from 1998 to 2004. I helped refinance the Ice Arena, Minard Lakes, (purchased the sewer facility there), and in conjunction with that we did the Aberdeen project. We work with some of your neighbors, some similar characteristics such as Forest Lake, Bethel, St. Francis, Isanti, Otsego, Columbus, and Ramsey."

Almdahl, "I have been with Northland for about a year. I have been in financial services for about 20 years. I worked as the deputy city manager in Burnsville and prior to that I served as budget director for the city of Minneapolis. I serve as manager of strategies for Northland. What does that mean? I am the person that is responsible for leading the economic development tax increment financing work. Any special projects. I am a strong believer in my career and what has served the cities well in long term financial planning. When you are doing economic development, it cannot be done in a vacuum. It needs to be done broadly and looking at the city as a whole. Looking at infrastructure projects, etc.

I want to real quickly touch on Northland and why are we a good choice for East Bethel. We are part of a larger investment bank. This means we can bring that market acumen that our competitors simply cannot bring. You may never decide to avail yourself of our ability to underwrite your bonds. We do complete sale, we act just like an independent financial consultant. One reason I went to Northland is that ability to have broader access to the market. We can simply walk down the hall and test things. We can speak to the traders because they are our co-workers. That makes a difference.

Ellertson, "We are market savvy, by virtue of having a bond trading desk within our firm, which provides a lot of insight that we can share with the cities that we work with. Just a couple things we see on a daily basis, daily updates on interest rates from non-rated bonds to triple rated bonds; something we use on a daily basis. Update on the market in general. One of the articles talks about enhanced disclosure for communities. The third item is the potential refinance your 2005A bonds.

The third thing we wanted to talk about before we take questions is the three key factors we see facing East Bethel. The potential economic development project. We have talked to Andy Pratt about this; we have a good working relationship with Eckberg Lammers. We have reviewed your project and Tammy has some comments." Almdahl, "We are not the sales staff for Northland; we are the people you would work with. These tie back to long term planning. Use of special assessments. Broader prospective is something unique we would bring to the table."

Ellertson, "We are looking to help you have a win/win scenario. While at the same time protecting the city. We have all heard stories of "build it they will come." Look at economic development opportunity. Second is management of long term debt. 2010 some large bond issues were done. We work pretty close with your auditors as well. We discussed this with them. This is one of the key points they made, "Make sure city manages this correctly." We have helped other cities get their long term debt more in sync with revenue level.

Third is we see the market opportunity. It is not so good on investing side, pretty good on borrowing side. In that handout I provided, there are a couple comparisons here. Back in March here are the savings when you considered it. Looking forward to yesterday, you are looking at negative arbitrage that has been reduced. So, the benefit there and benefit of the market improving. Savings was bumped up about \$16,000. The market did improve. One final comment on that, I saw in your minutes that you could only advance refund the bond once. The benefit of the market is that you can do advance call dates on bond issues now. Two years ago, when a previous council issued bonds, there was a call feature in 2021. We can now do bonds with features of calling them in 2019. So that is one way you can issue a bond in this market and not have the call date so far away in case the market improves again."

DeRoche, "I was one that was against doing the bonds and probably made that statement. Because what I had read was you could do it one time and one time only. Because at that point and time we were at and probably still are, "How do we make this work to the best for our situation." And my personal thoughts were we didn't have good enough advice?" Ellertson, "You are talking about back in March and the refinance." DeRoche "Right."

Ellertson, "I appreciate your feelings. One of the most confusing aspects of Public Safety Bonds is the refunding. It is one that is important that we take the time to explain to you so you understand it. It is true that you can only do this once, but you can put a second call date on it. And now you can issue an earlier call date."

Moegerle "I was also opposed to refunding at that time because as it was explained to me, if you wait until 2013 you can save more. Looking at what you have provided us and what you have said, we were wise to wait. One of the reasons I think you are here tonight is, during the refunding presentation, the 2010 debt was brought up. They said, "We didn't look to see how you were going to repay it." And I thought that was incredibly insensitive and unwise. Because we have a responsibility to taxpayers and by going to you we share that responsibility. So I think there was a grave concern in my mind as to whether the advice we were getting was a money making project for us or for our advisors. I am glad that you have provided us information that we were wise to wait."

Almdahl, "I am sorry to keep bringing this up, but that is why that long term planning is so important. So you have your own target set for savings. Otherwise you have a lot of firms showing up like ours saying, "Here is a refunding. You should be doing this now and this is why." If you have your plans in place and targets for savings, and once you are at those levels you can decide then if you want to do this."

DeRoche, "What is your philosophy on "build it and they will come"? One of my concerns is we bring on professionals because we need information that is correct and if somebody is not giving us the right information, it can lead us down the wrong path." Almdahl, "Build it and they will come, rarely works. It also depends on what is the city's exposure in that scenario? I am working with a City in the south metro and they did some "build it and they will come", but the circumstances were such that the City financially was not at a risk. They had some money to be able to do that. The other piece, with respect to "build it and they will come" is having those longer term plans. What are your goals? Are you willing to accept that risk?"

Moegerle, "With regard to our debt from the 2010 investment, what can we do with that other than look at TIF Districts and those kinds of things. Is it we just have to live with it?"

Almdahl, "There are always choices. Again, it is always that longer term planning."

DeRoche, "It is not like we are expecting a miracle, but a ray of hope would be nice."

Lawrence, "Do you have much development experience with TIF Districts?" Almdahl, "Our experience is extensive, both as an employer and as my current role with Northland. But tax increment financing is a tool; it is not a magic bullet. I used to use the term "It needs to be a win/win" when I worked in municipal government. It needs to be win situation for the City and it needs to be a win situation for the developer."

Davis, "Your firm is a bond counsel, financial advisor, and an underwriter. How do you separate the responsibilities between being a consultant and advisor and being an underwriter?" Almdahl, "By determining the roles up front. And who determines that? The City determines that. If you want us to act as just a financial advisor, we act as just a financial advisor. That is what makes us uniquely qualified."

Ehlers, Inc. Todd Hagen, introduced himself and Stacie Kvilvang. Hagen, "I have been at

Ehlers for eleven years. I was at a law firm practicing public finance for 15 years before that. We work as a team at Ehlers; we have a lead and a second. You will always see somebody at a Council meeting or any workshop you have. We have lots of people back at the office that help us. I have only done public finance.”

Kvilvang, “I have been with the firm for a little over 10 years. Prior to that I was at the City of Brooklyn Park in Housing, Redevelopment and Economic Development. I have spent a lot of time, not only in bond work, but also in development, redevelopment, doing grant writing for cities that don’t have the staff in the City to take on the projects that they need to get done. I want to touch on a few highlights that were in our presentation sent to you and then we will take any questions that you have. Ehlers is a full service firm. Not only do we do debt service, management and oversight, but we also do financial planning. We work with a lot of communities and do long range planning. We do a lot of economic development work from Tax Increment Financing (TIF) to Tax Abatement. We work a lot of times as an extension of staff helping projects go forward, doing negotiations with developers, helping determine how much assistance is appropriate and is actually warranted.

In our debt management, we also do arbitrage calculations and dealing with the IRS. In addition to that we also have investment services that are available to our clients. So we really have a smorgasbord of services that are available. Some cities use one, some use all. When it comes to debt issue and bond issues, we are ranked number one for the number of proposals in the State of Minnesota. Our bread and butter really is our smaller bond issues. We really do have a deep bench. We have a whole office of other folks. Why we always partner is that, if one of us is on vacation you don’t have an interruption in services. You will always have someone there for you.”

Moegerle, “One thing that was brought up by the previous presenters was they were talking about a need for a long term plan. And one of the things this Council has done, and I don’t think the previous Council did [see a need for] was a long term plan. I think the belief was we needed a greater tax base and if we did the infrastructure project that we would grow our tax base. So if we are going to start with a plan, if you recommend a plan, how do we start and what is the process and what would your role be in that?” Hagen, “It is your decision to start anything. At Ehlers, we don’t make a lot of recommendations, but we put all the options on the table for the Council and staff to make a good decision. We feel that is really important. Bonds are being rated more than ever. Typically a long range plan is part of a checklist. It is a great road map to have. We put all that together. We start out with needs of public safety, and those types of things. Things that are paid off with tax levies. We will add the bond issues in there too. Rates from public utilities. Growth projections. That all goes into the financial management plan.”

Kvilvang, “The big thing we do in the process is we sit down with staff and Council and figure out your goals. What do you want to do with capital expenditures you have. Look at all those and try to align what you have. Then look at goals. We try to figure out how we can balance everything.” Hagen, “Planning at the beginning is essential. We have worked out a problem that is what we do. Helped with trying to maintain local tax rate. Again, sometimes that existing debt has to be refinanced.”

DeRoche, “Have you had an opportunity to look into our bond issues we have from 2005

and 2010, which is quite a commitment. And what do you do with something like that? They are so new. I personally don't think people knew what "G.O." meant." Hagen, "Do a financial management planning and an enterprise study. I just worked on one for these in a little city, West Concord. We refinanced bonds where we could. We had surprises, there were bonds that were issued that were different than others."

Davis, "The main bonds we have are Recovery Zone, Economic Development and Build America bonds. Are those re-financeable?" Kvilvang, "They are not re-financeable at this time. You have standard calls in your bond issues."

Kvilvang, "To answer Council Member DeRoche's question, we can't come in and be miracle workers. I wish we could wave a magic wand, but we can't. But, what we can do is help you plan and see where the light at the end of the tunnel is. How can we change and structure some things so that you are not having such a high impact and maybe a levy increase." Lawrence, "What it looks like to me is, businesses are going to be coming. And when they come, they are going to be looking for a TIF or Tax Abatement. What kind of response do you have on this level for help for the City?" Kvilvang, "With every City we work with, we want to make sure you have a Tax Increment Policy and Tax Abatement Policy. But the big factor in that is when they are filling out the application, and providing the information, you do a thorough review to make sure there is a gap and you received good information. So what we do is spend a lot of time doing the gap analysis and internal analysis to determine what type of assistance if any is appropriate."

Moegerle, "Did you look at the advance refunding issue?" Hagen, "Again, we lay out the options on refinancing. There are a lot of things going on in the market right now. We are at a 45 year low, we know rates are low. It may go up tomorrow. It is not callable for a while. Those types of bond issues will show you an estimate because we do public bidding on most of the bonds. Not only for an interest cost savings, has a lot of bonds needed to be looked at for possible restructures. Present value saving is \$175,000. State law says 3% is what you need to hit at least. Any time you refinance a bond, call date/lock out date, think those 2010's are probably 2021 or sometime around there. You really should look at that in the context of finance plan. Maybe refinance now, but don't want to regret it a year from now because you didn't restructure that. You want you to see the big picture on this."

PFM Group, Heather Casperson and Matt Schnackenberg introduced themselves. Casperson, "We put together a brief presentation book to hit the highlights. Wanted to let you know who PFM is. We are Public Financial Management and we have a partner that is asset management. So we are a national firm. Our proposal response included our 2011 fiscal year-end rankings. First half of 2012, we are ranking #1 on issues nationally. We do provide a national presence locally. We do have our legislative issues that are local in Minnesota."

Schnackenberg, "Financial Advisory Services is the main services we would be providing through PFM. We have investment management that would come in and perform service related to that. Page 5 highlights the team. I would provide technical masses. Heather would be the project manager."

Casperson, "We are the primary people that would attend the meetings; if we need to pull in

an expert we would do that. Wanted to focus on the issues you are looking at. Current projects in the City on Page 6. We know in 2010 you had a very comprehensive utility improvement plan and that included sewer, water, roads and some property acquisition and easements. So that was a very big plan and you issued a lot of debt back in the end of 2010. So, what could we bring to the table to help you with that plan and debt and looking at your ongoing needs?"

Schnackenberg, "Look at annual operation, ongoing maintenance, capital needs in the future. Something you want to look at of course is where do your rates have to be. And part of that is where do you want your fund balance to be? I have done a number of these with water, sewer and liquor. If you are looking to bond for a capital need, it is very important for the future. It is important that it is not a surprise two years down the line. Something we do, is enterprise cash fund modeling. Something else we have capital enterprise fund model. We originally started this for the city of Wayzata and it has gone national now. Very important to look at all your enterprise funds. Also, to have a budget model that you can use as well."

Casperson, "And in the proposal response we gave some case studies where we worked with Nisswa, Bemidji, New Ulm and Baxter and we do enterprise modeling for all of them on an ongoing basis. Just Excel based models. Economic Development seems like it is very important to the City. You have a business on your agenda that is seems there is a financing gap in the plan. So one of the tasks your Council Members have to figure out tonight is how do you want to proceed with that. I do want to note that I was very impressed with the notes on your website, the meeting minutes. They are very comprehensive and thorough. Great that you are showing that transparency to your constituents. Not all cities do that. It is a thing to be proud of. You have a comprehensive view of what your options are. We tried to think of something out of the box. Something came to mind, "New Market Tax Credits", they pay you upfront, but unfortunately they have to be in a distressed area. TIF is a very valid and good choice. We noticed that the financing wanted to be in place all at one time. Have you talked to the developer about doing a pay as you go basis, or, that you could do a TIF note and they could use the TIF note for financing. That takes you kind of out of it."

Schnackenberg, "To give you an example city of Wayzata is working with Presbyterian Homes to develop a \$250,000,000 multi-use campus. We have been working with them for years. They are doing Pay Go TIF. We worked with re-developer to come up with an agreement for TIF Plan. And now they have broke ground. We had to de-certify the district and then re-certify the project. We do work on TIF plans. We do annual cash flows. We do assist in the annual report for the state."

Moegerle, "Economic development is helping them come. I don't know if you have taken a look at East Bethel. I am not optimist that they will come just because we have infrastructure. If that is correct, what are the most common types of financing? What do you see other cities of our size doing to develop?" Casperson, "They are certainly doing all of those kinds of financing. I can't say that one is more common than the other. But having a G.O. Bond is a little more common than the other." Moegerle, "The "Pay As You Go TIF, how difficult is that?" Casperson, "If the needs are for the developer that they need the funds up front, then it will not work for them. Schnackenberg, "It is important to note with doing G.O. TIF bond, is the research and modeling that goes in front of it so you know what kind of cash flow is coming off of it. That is something we have been very careful with." Davis,

“Assuming you have experience with creating TIF Districts?” Schnackenberg, “We have done this with Wayzata.”

Springsted, Inc., Doug Green and Tony Schertler introduced themselves and said they are here on behalf of Paul Steinman and Kathy Aho. Green, “We have had the opportunity to work with you in the past, but didn’t really get into this specific project. We have been headquartered in St. Paul for 60+ years. We work exclusively with public sector organizations. We do that to avoid conflict of interest that would be with being the buyer and seller of bonds. Or in economic development services, not turning around and working with a City on one project and then working for a developer on the other project. We are Minnesota based, but are a National firm. The yellow states are where we have done work. This is our home and where we are staying. You get local personalized service. Kathy lives in North Branch. This city really is our neighbor.

Most of you are familiar with our team, Kathy and Paul. And if you have been in local government you might know Jerry Sorenson, he heads up our bond services department. Springsted is unique, we have five practice groups. We have public finance, economic development, extensive human resources, planning and financial planning, and investment. What we try to do is develop services to touch every aspect of the development.”

Schertler, “Taking some of the new private value and redirecting it for public purpose. We only work for taxpayers, the public sector. Consequently we have a very conservative approach. The name of game is highest public outcome for the lowest public cost. A component of cost is risk. On the Tax Increment Financing; in Minnesota, it allows you to attach public purpose outcome from the new investment. You are allowed to trap the county and school districts portion of that and redirect it into a legitimate public purpose cost. Your Tax Increment Plan should conform to your Comprehensive Plan. It is a very fact specific kind of tool. We do this a lot. We have seen quite a few of examples in unanticipated types of development so we think we are pretty good at measuring those revenues. Part of the conversation is to make sure they only get what they need. You are the ultimate decider when we present the plan to you. We are looking at about four tests. You want to make sure your dollars are needed. What is driving the gap? What is the reason they can’t drive this on their own? The ultimate value that is created here can’t be created without these tools. Tax Increment Financing can increase tax base and jobs. Our expertise is primarily revenue projections. Our job is to make sure we know what it costs you to borrow money and make sure we sensitize that revenue stream. We always try to make a project pay for itself.”

Green, “Looking at a project this size, looking at the best way to finance that and get lowest cost of capital. I have outlined some things to think about. In financing terms, \$300,000 is very small. We would look at, “Can we do competitive sales?” Hopefully, we will get someone very aggressive and they are going to have a very good bid. We would go out and negotiate specifically with an underwriter. We should be able to get you an interest rate just as if you sold them competitively.”

DeRoche, “Are you just looking at Aggressive Hydraulics? Because the City has lot more commitments than just them.” Green, “It changes with the market, with solid credit rating, underwriters are to look at all the opportunities to bid on bonds and you get something too small and they are going to say it is not worth my time. We are not going to get any bids, or

just get one. The better option would be to negotiate directly. Next consideration would be whether we go to a bond underwriter or regional bank? Almost always a bond underwriter would be able to provide better rates. Look at value of credit rating. Would lower credit rating pay for itself. Then we get into tax options. If look at \$300,000 loan/bond annual difference isn't much, but would provide security."

Lawrence, "Obviously we are looking at a lot of TIF work coming up and we want to make sure we would get best bang for buck." Moegerle, "And the best advice too." Green, "Really anything. If you issue bonds to finance infrastructure the same finance options apply." Moegerle, "Page 3, at the top it says, "Proposed Development by the City would not reasonably be expected to occur..." Is that also Springsted's opinion?" Schertler, "What we would do is verify that fact so you would have those facts in the findings of your formal adoption of the TIF Plan. We would approach that by looking at the operating cash flow of the business. And understand what those debt costs would be. So, you can understand, if we don't help these guys, this is what the result would be."

Adjourn

DeRoche made a motion to adjourn at 7:30 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL SPECIAL MEETING

August 6, 2012

The East Bethel City Council met on August 6, 2012 at 6:23 PM for a special meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS ABSENT: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator
 Rita Pierce, Fiscal & Support Services Director

Call to Order **The August 6, 2012 City Council special meeting was called to order by Mayor Lawrence at 6:23 PM.**

Adopt Agenda **Moegerle made a motion to adopt the August 6, 2012 City Council special meeting agenda. DeRoche seconded; all in favor, motion carries.**

Financial **DeRoche made a motion to appoint Ehlers, Incorporated as the City of East Bethel**
Services **Financial Services Advisor. Moegerle seconded; all in favor, motion carries.**
Advisor

Adjourn **Moegerle made a motion to adjourn at 6:25 PM. DeRoche seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

EAST BETHEL CITY COUNCIL WORK MEETING

August 6, 2012

The East Bethel City Council met on August 6, 2012 at 6:26 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle

MEMBERS ABSENT: Bill Boyer Steve Voss

ALSO PRESENT: Jack Davis, City Administrator
Rita Pierce, Fiscal & Support Services Director

Call to Order **The August 6, 2012 City Council work meeting was called to order by Mayor Lawrence at 6:26 PM.**

Adopt Agenda **Moegerle made a motion to adopt the August 6, 2012 City Council work meeting agenda. DeRoche seconded; all in favor, motion carries.**

2013 Budget Discussion Davis explained that the 2013 Budget review will continue from the July 23, 2012 meeting and direction for sources within existing City funds for 2013 bond payments will be requested.

At this time we will start the budget review from of those items we didn't review at that last meeting. Davis, "We can start at the "Mayor and City Council" and go through the departments individually and see if there are any questions that you may have." DeRoche, "We pretty much already did this, didn't we?" Davis, "We pretty much already did the departments, but we didn't get to go through a few things. One of those things is under Mayor and City Council. It has been brought up and discussed about electronic packets. If you want to do that for 2013 now is the time to consider that so we can get that in the budget. We have done some preliminary numbers and checked on policies that other cities have. Ham Lake provides the little iPads. Some places, and what I think is best, is they give City council an allowance. So that way you can go out and purchase whatever you need, whether it be a laptop or a program. There is a number of ways to do it, but we have to decide if we are going to pursue this."

DeRoche, "What if the iPads are not necessarily the way to go. Because I think I heard from some Council Members at Ham Lake that there were some issues. When we talked to them they said there were some problems with running some programs on the iPads." Davis, "That is why we are asking you to consider what some of the other cities have done with a policy that allows the Council Member to get an allowance and purchase a laptop,(etc) or programs." Moegerle, "I really like having my laptop at the meetings. But, I wouldn't want a City laptop because I couldn't check my e-mail on there. The question is, "Is everything going to be electronic?" Because there are some spreadsheets we get from the City engineer that we may not be able to read if they are electronic. How would you deal with that? Would you have us print it out? Or, would you deliver that?"

Davis, "Everything wouldn't be electronic. Any oversize maps that need to be presented would still be prepared and delivered as a packet. Going electronic doesn't mean we are going totally paperless. There are things that couldn't be submitted electronically. And, if we had a Council Member say they didn't want to use this, then we would have to prepare a paper packet for them." Moegerle, "How much would we save from not doing paper packets?" Pierce, "I did a rough estimate looking at 30 packets a year, 200 pages each packet. Didn't put in paper, but put in staff time and copy machine cost. It is about \$650 for each Council Member a year." Davis,

“Using the figure of \$650 per Council Member a year, which is \$3,250, not counting the paper cost. What we were looking at, is Ramsey has a policy where they allow the Council Members an allowance of \$800 per term. Or even if we did \$1,000 that is \$6,000 over four years.” Pierce, “The City of Ramsey does this, you can do the allowance, it is your property. It is taxable. However you want to set it up.”

Moegerle, “Let’s try this as an experiment for the first three months of 2013. Because we are speaking for at least two people that aren’t here. I think it is worth a try.” Davis, “We will add this into the figures and see how we will handle this.”

Moegerle, “While we are on page 9, I think you are aware of my dismay that two of the absent members here are going to get paid exactly the same amount as us. And they didn’t show up and they didn’t do a lick of work. And that is not the American Way. I understand this is a work meeting and it is to be compensated in the \$475 a month. Would I like additional meetings to be compensated in addition to that, yes I would like these meetings to be compensated, but our budget would go way high. It is a poor example that they can miss six meetings and still get paid as if they are attending all the meetings.”

Lawrence, “I talked with a gentleman who was talking about running for Council. He asked what it was all about. I said, “You average two meetings every month. Then you will be on some commissions that will be another one or two days a month. And then there is always a special meeting that gets called.” And you are right; it is an issue when you miss 20 some days of meetings.” Moegerle, “The thing of it is, is that if you work for a business you are given so many sick days. And when you are looking at six and you can’t attend, it gets to be bad. Because we need the input of everybody here. So, I guess my question is, “I have asked the City Attorney to prepare an ordinance so we can change the way we get paid so we get paid when we work. Is there any interest in this?” Which means when we show up and attend a meeting.”

DeRoche, “He doesn’t know about this. I think it sends a bad message out there that East Bethel can’t get enough people to attend the meetings. So now they have to create an ordinance to make sure they get people there.” Moegerle, “But it is a real simple change. It only affects the five of us and the taxpayer dollars. Do you not think this is an issue on Council?” DeRoche, “Well sure it is. But, I am probably in the hole as far as money goes for how many meetings I attend between Council and Commissions. But, I am not in it for the money.”

Moegerle, “What message does it send to the City employees when we have people who get paid for not showing up and they (employees) can’t get a raise. Because we are spending money paying them (Council members) for doing nothing and these people are out here working and we can’t give them a raise. Doesn’t that bother you?” DeRoche, “Well, we are talking about two individuals.” Lawrence, “Realistically, Mr. Vierling has said this is common practice by other cities. They do this.” Moegerle, “I would like consideration of it, because I want to send a message out that we are responsible for the monies that are paid to us. Just like we expect the employees of the city to be responsible for the monies.” DeRoche, “When I came in here, we have so many ordinances. And it seems like if you can’t get something, you make an ordinance to do it. If two more people came in and it was the same issue, then I could maybe see it.” Moegerle, “I just think it is a poor use of taxpayers’ dollars that people get paid for doing nothing. And we wouldn’t want our employees doing this. Why does Council get special privileges?” Lawrence, “Why don’t we have Vierling bring an ordinance back for us to look at?” Moegerle, “If you have to pay them to get here, and then let’s do it. This is policing for everybody.” Lawrence, “Get the information and we will look at it later.”

Davis, “Next item is the City Administration budget. Again this budget proposed is a 1.5% raise

for city employees. Lawrence, "Is that for every employee?" Moegerle, "The current budget including union employees?" Davis, "That is correct." Lawrence, "The money we for City employees." Lawrence, "Is that for all employees, city-wide?" Davis, "That is correct."

Moegerle, "What is the total cost to the City of the 1 1/2%?" Pierce, "About \$23,250." Moegerle, "When was the last across the board increase given?" Pierce, "In 2011. There was a 1.5% increase." Davis, "In 2010 it was 0%, 2011 it was 1.5% and 2012 it was 0%." Moegerle, "I need to know more background of what other cities are doing at this point. I heard someone got 2%." Davis, "Did you get a chance to look at what I sent out on comparisons of what other cities were doing last year in your update? Everybody is in their budgeting process this year. Generally, most of those were in the 1 to 1.5% ranges. Some were a little higher. Some were even lower or nothing." Lawrence, "I look at it and realize it and it is averaging 3/4% over a year."

DeRoche, "For veterans and seniors there wasn't a COLA for years." Davis, "I know they didn't get one, but there has been one. It has only gone up, it has not gone down. We can furnish those figures to you. In fact as part of the City's pay plan, the union raises used to be based on the COLA and the COLA started going up 3, 4, and 5% per year. So, they had to revisit that and they capped it at 3%." Lawrence, "That is great for the employees." Davis, "That would be wonderful if we could afford it. But, unfortunately, we are in a situation where we can't. As part of the justification for requesting a pay increase is we do have a reduced staff. People have been taking on additional duties, and we did come up with a \$250,000 budget savings at the end of the year last year. And we hope to come up with a significant savings this year. It is because of staff's hard work, which is one of the reasons we are proposing the increase. This is not something you have to approve, but it is reflected in the figures we are presenting." Lawrence, "I don't think it is out of line." Moegerle, "I am going to reserve judgment."

Moegerle, "One of the things we were talking about two years ago is we had top salaries. And so, is there a top to the top? Or does the top keep going up?" Davis, "A COLA is a little different. For the most part our salaries are pretty much in line." Moegerle, "I think we need to discuss this and have it completely laid out. We need to be able to say here is the justification." Lawrence, "It is important to have all the justification for the people." DeRoche, "Population isn't necessarily the best perimeter to set up. But they have a lot different tax base." Davis, "We have stressed that too. A lot of cities staff's are not doing what we are doing. They have staff members that just do certain job duties. Our staff has been very willing to take on other duties and other assignments and they have performed them admirably." Moegerle, "What conferences and meetings will you go to?" Davis, "Only ones that I can drive to, no overnight stays if it is anything like this year."

DeRoche, "How is it that Linwood can drop their police coverage even more? I would like to know from the sheriff if we are paying for their coverage because they are paying less." Davis, "We are paying the same except for that little increase." DeRoche, "Right, but they are paying less." Davis, "Right, but they are getting less service though." DeRoche, "Right, but that is my question. They are dropping service and if something happens, our guys have to go over there." Davis, "Remember when Nowthen was going to drop their service and the sheriff said they would only answer certain calls." DeRoche, "I would like to see what calls our deputies do in East Bethel versus other cities." Davis, "If you drop below a certain amount of coverage, they will only respond to certain calls." DeRoche, "Other cities are cutting their budgets and we are paying for them." Davis, "I know Oak Grove and Ham Lake didn't cut theirs. So Linwood would be the only one." DeRoche, "Simple math tells me if they are cutting their police budget, the police aren't going to say, "We aren't going to respond." Davis, "They aren't going to dispatch our deputies for a dog call. We need to ask about this." Moegerle, "Do we need to look and see how many calls were taken by East Bethel in Linwood?" Davis, "We talked with

August 6, 2011

East Bethel City Council Work Meeting

Page 4 of 4

Orlando on this before. I thought they didn't have these records, but I will bring this up again."

Adjourn

DeRoche made a motion to adjourn at 7:00 PM. Moegerle seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

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

RESOLUTION NO. 2012-50

**RESOLUTION PROCLAIMING
SEPTEMBER 17 – 23, 2012 AS CONSTITUTION WEEK**

WHEREAS, September 17, 2012 marks the two hundred and twenty-fifth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and,

WHEREAS, it is fitting and proper to officially recognize this magnificent document and the anniversary of its creation; and

WHEREAS, it is fitting and proper to officially recognize the patriotic celebrations which will commemorate the occasion; and

WHEREAS, public law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as constitution week;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the week of September 17 - 23, 2012 be proclaimed Constitution Week.

Adopted this 5th day of September, 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
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2012-51

**RESOLUTION ACKNOWLEDGING THE CEDAR/EAST BETHEL LIONS
FOR THEIR ADOPTION OF ROD AND NORMA SMITH 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 the Cedar/East Bethel Lions for their commitment to help maintain Rod and Norma Smith Park as part of the Adopt-A-Park Program.

Adopted this 5th day of September, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

CONTRACTOR'S PAY REQUEST		DISTRIBUTION:
East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project		CONTRACTOR (1)
CITY OF EAST BETHEL, MN		OWNER (1)
PROJECT NO. C12.100028		ENGINEER (1)
Pay Estimate No. 15		BONDING CO. (1)
TOTAL AMOUNT BID		\$11,686,468.20
CHANGE ORDER NO. 1 (REVISED)		\$324,949.43
CHANGE ORDER NO. 2		\$43,536.10
CHANGE ORDER NO. 3		-\$9,078.08
CHANGE ORDER NO. 6		-\$137,342.33
EXTRA WORK		\$12,610.25
TOTAL AMOUNT BID PLUS APPROVED CHANGE ORDERS		\$11,921,143.57
MCES STORED MATERIALS TO DATE		\$1,294,983.05
EAST BETHEL STORED MATERIALS TO DATE		\$948,118.25
TOTAL, STORED MATERIALS TO DATE		\$2,243,101.30
DEDUCTION FOR MCES STORED MATERIALS USED IN WORK COMPLETED		\$1,179,503.25
DEDUCTION FOR EAST BETHEL STORED MATERIALS USED IN WORK COMPLETED		\$715,823.83
TOTAL DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED		\$1,895,327.08
TOTAL DUE MCES STORED MATERIALS TO DATE		\$115,479.80
TOTAL DUE EAST BETHEL STORED MATERIALS TO DATE		\$232,294.43
TOTAL DUE, STORED MATERIALS TO DATE		\$347,774.23
TOTAL, MCES COMPLETED WORK TO DATE		\$5,154,088.66
TOTAL, EAST BETHEL COMPLETED WORK TO DATE		\$3,995,433.04
TOTAL, COMPLETED WORK TO DATE		\$9,149,521.70
TOTAL, COMPLETED MCES WORK & STORED MATERIALS		\$5,269,568.46
TOTAL, COMPLETED EAST BETHEL WORK & STORED MATERIALS		\$4,227,727.47
TOTAL, COMPLETED WORK & STORED MATERIALS		\$9,497,295.92
MCES RETAINED PERCENTAGE (5%)		\$263,478.42
EAST BETHEL RETAINED PERCENTAGE (5%)		\$211,386.37
TOTAL RETAINED PERCENTAGE (5%)		\$474,864.80
TOTAL EARNED LESS RETAINAGE MCES TO DATE		\$5,006,090.03
TOTAL EARNED LESS RETAINAGE EAST BETHEL TO DATE		\$4,016,341.09
TOTAL EARNED LESS RETAINAGE TO DATE		\$9,022,431.13
TOTAL, MCES AMOUNT PAID ON PREVIOUS ESTIMATES		\$4,936,045.94
TOTAL EAST BETHEL AMOUNT PAID ON PREVIOUS ESTIMATES		\$3,907,259.60
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES		\$8,843,305.54
MCES THIS ESTIMATE		\$70,044.09
EAST BETHEL THIS ESTIMATE		\$109,081.49

PAY CONTRACTOR AS ESTIMATE NO. 15

\$179,125.59

Certificate for Partial Payment

I hereby certify that, to the best of my knowledge and belief, all items quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the contract amount for the period covered by this Estimate.

Contractor: S.R. Weidema, Inc.
17600 113th Avenue North
Maple Grove, MN 55369

By 

Name

Title

Date 8/29/12

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:

ENGINEER: BOLTON & MENK, INC., 2638 SHADOW LANE SUITE 200 CHASKA, MN 55318

By 

, PROJECT ENGINEER

Date 8/28/12

APPROVED FOR PAYMENT:

OWNER:

By _____

Name

Title

Date

And _____

Name

Title

Date

CITY BOND SPLIT CALCULATIONS

SECTION	SUBTOTALS	SEWER	WATER	DESCRIPTION	CHECK TOTALS
MOBILIZATION	\$183,978.74	\$90,321.94	\$93,656.80	Apportioned	
REMOVALS	\$84,886.61	\$41,673.97	\$43,212.65	Apportioned	
DISCHARGE PIPING	\$0.00	\$0.00	\$0.00	Apportioned	
STREET & STORM SEWER	\$349,541.20	\$171,602.66	\$177,938.54	Apportioned	
EROSION CONTROL & RESTORATION	\$61,031.18	\$29,962.46	\$31,068.73	Apportioned	
OPTION 1 PILING	\$0.00	\$0.00	\$0.00	Apportioned	
OPTION 2 PILING	\$0.00	\$0.00	\$0.00	Apportioned	
CHANGE ORDERS	\$346,380.62	\$173,190.31	\$173,190.31	50%	
STORED MATERIALS	\$ 232,294.43	\$ 541.88	\$ 231,752.55	By Type	
SANITARY SEWER	\$1,457,893.29	\$1,457,893.29			
WATERMAIN	\$1,511,721.40		\$1,511,721.40		\$232,294.43
TOTALS		\$1,965,186.50	\$2,262,540.97		\$3,995,433.04
Total - Retainage		\$1,866,927.17	\$2,149,413.92		\$4,016,341.09
PREVIOUS ESTIMATE 1		\$69,994.94	\$50,473.59		\$120,468.53
PREVIOUS ESTIMATE 2		\$286,687.28	\$276,737.92		\$563,425.20
PREVIOUS ESTIMATE 3		\$44,077.24	\$84,713.16		\$128,790.40
PREVIOUS ESTIMATE 4		\$191,282.62	\$235,041.58		\$426,324.20
PREVIOUS ESTIMATE 5		\$313,878.85	\$148,606.65		\$462,485.49
PREVIOUS ESTIMATE 6		\$181,701.39	\$102,733.31		\$284,434.70
PREVIOUS ESTIMATE 7		\$66,939.64	\$49,857.34		\$116,796.99
PREVIOUS ESTIMATE 8		\$305,900.74	\$0.00		\$305,900.74
PREVIOUS ESTIMATE 9		\$1,385.27	\$10,042.23		\$11,427.50
PREVIOUS ESTIMATE 10		\$52,826.63	\$136,304.28		\$189,130.91
PREVIOUS ESTIMATE 11		\$68,744.47	\$671,388.44		\$740,132.90
PREVIOUS ESTIMATE 12		\$210,686.86	\$170,005.16		\$380,692.02
PREVIOUS ESTIMATE 13		\$1,113.60	\$99,315.77		\$100,429.38
PREVIOUS ESTIMATE 14		\$21,933.72	\$54,886.92		\$76,820.64
THIS ESTIMATE		\$49,773.93	\$59,307.56		\$109,081.49
		Sewer Total	Water Total		Check Total

**PAY ESTIMATE #6
CITY OF EAST BETHEL
Water Treatment Plant No. 1**

August 23, 2012

Honorable Mayor & City Council
City of East Bethel
2241 - 221st Avenue N.E.
East Bethel, MN 55011-9631

RE: Water Treatment Plant No. 1
Contractor: Municipal Builders, Inc.
Contract Amount: \$1,882,300.00
Award Date: January 4, 2012

Dear Honorable Mayor and Council Members:

The following work has been completed on the above-referenced project by Municipal Builders, Inc.

Bid Schedule "A" - Base Bid - Water Treatment Plant No. 1

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	GENERAL CONSTRUCTION ALLOWANCE	1	LUMP SUM	\$30,000.00	0.36	\$ 10,863.80
2	FURNISHINGS ALLOWANCE	1	LUMP SUM	\$5,000.00		\$ -
3	COMPUTER ALLOWANCE	1	LUMP SUM	\$8,000.00		\$ -
4 *	WATER TREATMENT PLANT NO. 1	1	LUMP SUM	\$1,307,124.20	0.94	\$ 1,225,642.99
5	GENERATOR SYSTEM	1	LUMP SUM	\$51,000.00	1	\$ 51,000.00

Total Bid Schedule "A" - Base Bid - Water Treatment Plant No. 1

\$ 1,287,506.79

Bid Schedule "B" - Base Bid - Removals and Earthwork

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
6	REMOVALS	1	LUMP SUM	\$9,230.00	1	\$ 9,230.00
7	COMMON EXCAVATION	12,563	CU YD	\$3.85	14,063	\$ 54,142.55
8	GRANULAR BORROW (LV)	822	CU YD	\$8.40	293.33	\$ 2,464.00

Total Bid Schedule "B" - Base Bid - Removals and Earthwork

\$ 65,836.55

Bid Schedule "C" - Base Bid - Sanitary Sewer

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
9	4" PVC PIPE SEWER SDR 35	245	LIN FT	\$14.00	241	\$ 3,374.00
10	8" PVC PIPE SEWER SDR 35	27	LIN FT	\$21.00	13	\$ 273.00
11	CONNECT TO EXISTING SANITARY SEWER	2	EACH	\$300.00	2	\$ 600.00
12	CASTING ASSEMBLY	1	EACH	\$337.00		\$ -
13	CONSTRUCT SANITARY MANHOLE	1	EACH	\$1,686.00	1	\$ 1,686.00
14	CHIMNEY SEAL	1	EACH	\$261.00		\$ -

Total Bid Schedule "C" - Base Bid - Sanitary Sewer

\$ 5,933.00

Bid Schedule "D" - Base Bid - Watermain

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
15	4" DUCTILE IRON PIPE SEWER CL 50	17	LIN FT	\$32.00	10	\$ 320.00
16	10" DUCTILE IRON PIPE SEWER CL 50	22	LIN FT	\$47.00	20	\$ 940.00
17	DUCTILE IRON FITTINGS	6,104	POUND	\$3.20	6,204	\$ 19,852.80
18	CONNECT TO EXISTING WATERMAIN	4	EACH	\$1,096.00	4	\$ 4,384.00
19	4" GATE VALVE AND BOX	1	EACH	\$974.00	1	\$ 974.00
20	6" GATE VALVE AND BOX	5	EACH	\$1,231.00	5	\$ 6,155.00

**PAY ESTIMATE #6
CITY OF EAST BETHEL
Water Treatment Plant No. 1**

Bid Schedule "D" - Base Bid - Watermain (Continued)

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
21	8" GATE VALVE AND BOX	2	EACH	\$1,585.00	2	\$ 3,170.00
22	12" BUTTERFLY VALVE AND BOX	2	EACH	\$1,901.00	2	\$ 3,802.00
23	16" BUTTERFLY VALVE AND BOX	2	EACH	\$2,734.00	2	\$ 5,468.00
24	HYDRANT	5	EACH	\$3,002.00	5	\$ 15,010.00
25	6" PVC WATERMAIN	45	LIN FT	\$17.00	57	\$ 969.00
26	8" PVC WATERMAIN	1,078	LIN FT	\$19.00	1,088	\$ 20,672.00
27	12" PVC WATERMAIN	196	LIN FT	\$30.00	192	\$ 5,760.00
28	16" PVC WATERMAIN	453	LIN FT	\$43.00	466	\$ 20,038.00

Total Bid Schedule "D" - Base Bid - Watermain

\$ 107,514.80

Bid Schedule "E" - Base Bid - Pavements and Miscellaneous Construction

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
29	AGGREGATE BASE CLASS 5	1,288	TON	\$12.00	1,208.8	\$ 14,505.60
30	BITUMINOUS MATERIAL FOR TACK COAT	74	GALLON	\$2.50		\$ -
31	TYPE SP 12.5 WEARING COURSE MIXTURE (3,B)	186	TON	\$88.25		\$ -
32	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3,B)	186	TON	\$86.25	157.94	\$ 13,622.33
33	8X7 PRECAST CONCRETE BOX CULVERT END SECTION	1	EACH	\$7,850.00	1	\$ 7,850.00
34	18" RC PIPE APRON	2	EACH	\$772.00	2	\$ 1,544.00
35	18" RC PIPE CULVERT DESIGN 3006 CLASS III	48	LIN FT	\$29.00	48	\$ 1,392.00
36	RANDOM RIPRAP CLASS III	52.9	CU YD	\$65.00	52	\$ 3,380.00
37	GEOTEXTILE FILTER TYPE IV	158	SQ YD	\$2.00	158	\$ 316.00
38	4" CONCRETE WALK	585	SQ FT	\$5.00	585	\$ 2,925.00
39	CONCRETE CURB & GUTTER DESIGN B612	1,041	LIN FT	\$11.00	985	\$ 10,835.00
40	8" CONCRETE DRIVEWAY PAVEMENT	88	SQ YD	\$63.00	78	\$ 4,914.00
41	BOLLARD	16	EACH	\$150.00	10	\$ 1,500.00
42	PERMANENT BARRICADES	48	LIN FT	\$10.00		\$ -
43	WIRE FENCE DESIGN 72-9322	231	LIN FT	\$14.50		\$ -
44	VEHICULAR GATE - SINGLE	2	EACH	\$1,000.00		\$ -
45	SIGN PANELS TYPE C	6.3	SQ FT	\$20.00		\$ -
46	LANDSCAPING	1	LUMP SUM	\$3,200.00		\$ -
47	SILT FENCE, TYPE MACHINE SLICED	1,806	LIN FT	\$2.00	1,079	\$ 2,158.00
48	STORM DRAIN INLET PROTECTION	1	EACH	\$75.00		\$ -
49	FILTER LOG TYPE STRAW BIOROLL	180	LIN FT	\$2.50		\$ -
50	EROSION CONTROL BLANKETS CATEGORY 3	1,683	SQ YD	\$1.55	3,800	\$ 5,890.00
51	TURF ESTABLISHMENT	6.6	ACRE	\$400.00		\$ -
52	PAVEMENT MESSAGE (HANDICAPPED SMBOL) - EPOXY	1	EACH	\$265.00		\$ -
53	4" SOLID LINE WHITE - EPOXY	154	LIN FT	\$12.50		\$ -

Total Bid Schedule "E" - Base Bid - Pavements and Miscellaneous Construction

\$ 70,831.93

Bid Schedule "F" - Base Bid - Mobilization

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	MOBILIZATION	1	LUMP SUM	\$42,000.00	1.00	\$ 42,000.00

Total Bid Schedule "F" - Base Bid - Mobilization

\$ 42,000.00

**PAY ESTIMATE #6
CITY OF EAST BETHEL
Water Treatment Plant No. 1**

Alternate No. 1 - Filter No. 2

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	CONSTRUCT FILTER NO. 2 AND ALL APPURTENANCES	1	LUMP SUM	\$145,000.00		\$ -
Total Alternate No. 1 - Filter No. 2						\$ -

*** Contract Price Includes Change Order No. 1**

Total Bid Schedule "A" - Water Treatment Plant No. 1	\$ 1,287,506.79
Total Bid Schedule "B" - Removals and Earthwork	\$ 65,836.55
Total Bid Schedule "C" - Sanitary Sewer	\$ 5,933.00
Total Bid Schedule "D" - Watermain	\$ 107,514.80
Total Bid Schedule "E" - Pavements and Miscellaneous Construction	\$ 70,831.93
Total Bid Schedule "F" - Mobilization	\$ 42,000.00
Total Alternate No. 1 - Filter No. 2	\$ -
Total Work Completed to Date	\$ 1,579,623.07
Less 5% Retainage	\$ 78,981.15
Less Pay Estimate #1	\$ 42,845.00
Less Pay Estimate #2	\$ 290,272.79
Less Pay Estimate #3	\$ 185,579.51
Less Pay Estimate #4	\$ 531,361.48
Less Pay Estimate #5	\$ 165,952.29
WE RECOMMEND PAYMENT OF:	\$ 284,630.85

APPROVALS:

CONTRACTOR: MUNICIPAL BUILDERS, INC.

Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: Nathan Barbauer

Title: PROJECT COORDINATOR Date 8/30/12

ENGINEER: HAKANSON ANDERSON

Certification by Engineer: We recommend payment for work and quantities as shown.

Signed: _____

Title: _____ Date _____

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____



City of East Bethel City Council Agenda Information

Date:

September 5, 2012

Agenda Item Number:

Item 7.0 D.1

Agenda Item:

2013 Budget Discussion

Requested Action:

Review 2013 Budget and provide recommendations for the preliminary 2013 Budget

Background Information:

Budget work sessions were held in July and August 2012. The budget review was not completed during the work sessions.

Prior to September 15, 2012 the City Council must adopt a preliminary budget and levy for 2013 to be provided to the Anoka County Auditor. The preliminary levy will be used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy are then adopted by City Council in December. The final levy adopted in December 2012 cannot be increased from the preliminary levy, but can be reduced.

Please bring a copy of your proposed 2013 Budget notebook.

Changes to the 2013 proposed budget are proposed as follows:

City Assessor Department

307-Professional Services

Approved: \$151,700
Proposed: \$150,000
Increase: \$ 1,700

Reflects new agreement approved at the August 1, 2012 City Council meeting.

Transfers Out & Contingency

999-Contingency-On Call (Standby) Pay

Approved: \$ 0
Proposed: \$ 7,125
Increase: \$ 7,125

Reflects 1 hour of pay per day for staff that are required to be on call or standby during the work week (includes FICA, Medicare & PERA expense).

To make provisions for these proposed and potential changes, which increase the General Fund budget \$8,825, General Fund budgeted expenditures would increase by .18%. A General Fund

levy of \$4,223,907 is necessary. The General Fund proposed levy is \$32,437 or .77% more than last year's levy.

To service existing debt, a market based debt levy of \$149,638 is required to meet the debt service requirements for the 2005A Public Safety Bonds issued for the fire station and the weather warning sirens and a tax capacity based debt levy of \$180,000 is required to meet the debt service requirements for the 2008A Sewer Revenue Bonds.

The total property tax levy amount proposed is \$4,553,545 or an increase of 1.26% over last year's levy.

Discussion during work sessions has included the following items that have not been included in the proposed 2013 budget:

City Council: Reimbursable allowance of \$800 for each council member and the mayor for computer/software purchase for electronic packets. Total cost \$4,000.

Civic Events: Fireworks \$2,500

Attachment(s):

- 1. General Fund Revenue Summary
- 2. General Fund Expenditure Summary

Fiscal Impact:

As outlined above

Recommendation(s):

Staff is requesting review of the proposed 2013 budget and approval of preliminary budget for submission to the Anoka County Auditor.

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	May 2012 YTD	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	\$0	\$4,223,907	
R 101-31810 Franchise Taxes	\$35,945	\$37,875	\$35,000	\$13,070	\$37,000	
R 101-32110 Alcoholic Beverages	\$25,588	\$29,795	\$25,000	\$21,430	\$29,000	
R 101-32120 Garbage Hauler's License	\$1,800	\$1,800	\$1,800	\$0	\$1,200	
R 101-32130 Contractor's License	\$25	\$20	\$50	\$0	\$50	
R 101-32130 Tobacco Sales Licenses	\$2,850	\$3,300	\$3,000	\$0	\$3,000	
R 101-32180 Other Permits/Licenses	\$5,995	\$4,188	\$5,000	\$1,050	\$4,000	
R 101-32210 Building Permits	\$53,353	\$57,487	\$70,000	\$31,819	\$60,000	
R 101-32212 Septic System Install	\$7,760	\$6,800	\$6,000	\$3,100	\$6,500	
R 101-32230 Plumbing Connection Permits	\$1,515	\$1,175	\$1,500	\$795	\$1,200	
R 101-32255 ROW Permits	\$7,500	\$4,800	\$5,000	\$4,500	\$5,000	
R 101-33000 Misc Intergovernmental	\$0	\$15,260	\$4,000	\$0	\$4,000	
R 101-33404 PERA Aid	\$2,123	\$2,123	\$2,123	\$0	\$2,123	
R 101-33418 Muni State Aid St Maintenance	\$167,531	\$182,423	\$182,422	\$89,973	\$175,000	
R 101-33420 State Aid-Fire Relief	\$40,985	\$39,383	\$40,103	\$0	\$39,383	
R 101-34103 Zoning and Subdivision	\$2,760	\$4,396	\$4,000	\$3,405	\$4,000	
R 101-34104 Bldg Plan Reviews	\$14,429	\$17,263	\$15,000	\$12,279	\$15,000	
R 101-34105 Sale of Maps and Publications	\$127	\$144	\$150	\$75	\$150	
R 101-34107 Assessment Search Fees	\$160	\$80	\$60	\$60	\$60	
R 101-34109 Other General Gov't Charges	\$51,351	\$37,548	\$93,000	\$7,084	\$93,000	
R 101-34110 Election Filing Fees	\$35	\$0	\$20	\$0	\$0	
R 101-34111 Contractor License	\$15	\$20	\$100	\$45	\$50	
R 101-34112 Septic Pumping Tracking	\$1,370	\$3,185	\$2,500	\$585	\$2,500	
R 101-34202 Fire Protection Services	\$6,285	\$3,600	\$4,000	\$0	\$3,000	
R 101-34940 Cemetery Revenues	\$11,600	\$8,775	\$3,000	\$600	\$5,000	
R 101-35100 Court Fines	\$56,369	\$49,292	\$58,000	\$20,989	\$50,000	
R 101-35105 Tobacco Violation Fines	\$350	\$0	\$100	\$150	\$100	
R 101-35106 Liquor Violation Fines	\$1,800	\$500	\$0	\$250	\$500	
R 101-36210 Interest Earnings	\$3,985	\$1,715	\$5,000	\$2,832	\$2,000	
R 101-36220 Other Rents and Royalties	\$9,230	\$6,033	\$7,500	\$5,922	\$6,000	
R 101-36240 Refunds and Reimbursements	\$33,729	\$34,674	\$31,000	\$16,344	\$32,000	
TOTAL GENERAL FUND	\$5,130,465	\$4,982,416	\$4,795,898	\$236,357	\$4,804,723	0.18%
TAX SUMMARY						
R 101-31010 Taxes, General Fund	\$4,532,030	\$4,681,345	\$4,191,470	\$0	\$4,223,907	
R 101-31010 Taxes, 2005 Public Safety Bonds	\$144,457	\$144,756	\$147,328	\$0	\$149,638	
R 101-31010 Taxes, 2008 Sewer Revenue Bonds		\$109,500	\$158,000	\$0	\$180,000	
Total Proposed Levy	\$4,676,487	\$4,935,601	\$4,496,798	\$0	\$4,553,545	1.26%
City HRA Levy	\$0	\$126,058	\$0	\$0	\$0	
County HRA Levy	\$135,566	\$187,920	\$0	\$0	\$0	
City EDA Levy	\$0	\$0	\$163,428	\$0	\$144,670	
Total Levies, City & Special Levies	\$4,812,053	\$5,249,579	\$4,660,226	\$0	\$4,698,215	0.82%

GENERAL FUND EXPENDITURE SUMMARY						
				May 2012	2013	2013
				YTD	Proposed	vs.
	2010	2011	2012	Actual	Budget	2012
	Actual	Actual	Budget			
GENERAL FUND DEPARTMENTAL TOTALS						
Dept 41110 Mayor/City Council	\$68,814	\$76,911	\$85,604	\$27,819	\$83,059	-3%
Dept 41320 City Administration	\$193,124	\$242,927	\$208,093	\$78,168	\$211,061	1%
Dept 41410 Elections	\$9,556	\$0	\$11,191	\$0	\$2,170	-81%
Dept 41430 City Clerk	\$84,124	\$102,205	\$106,594	\$38,347	\$103,331	-3%
Dept 41520 Finance	\$217,771	\$224,841	\$223,206	\$82,181	\$226,086	1%
Dept 41550 Assessing	\$45,395	\$45,456	\$50,000	\$11,451	\$51,700	3%
Dept 41610 Legal	\$142,632	\$154,469	\$152,500	\$36,414	\$150,500	-1%
Dept 41810 Human Resources	\$110,666	\$26,166	\$2,975	\$0	\$2,975	0%
Dept 41910 Planning and Zoning	\$197,451	\$201,518	\$209,242	\$77,513	\$209,391	0%
Dept 41940 General Govt Buildings/Plant	\$32,706	\$34,063	\$46,260	\$23,660	\$44,750	-3%
Dept 42110 Police	\$1,014,037	\$1,036,087	\$959,272	\$252,439	\$961,144	0%
Dept 42210 Fire Department	\$537,042	\$513,332	\$539,591	\$165,413	\$541,883	0%
Dept 42410 Building Inspection	\$252,267	\$232,508	\$188,832	\$54,607	\$186,940	-1%
Dept 43110 Engineering	\$41,536	\$35,406	\$48,000	\$5,521	\$48,000	0%
Dept 43201 Park Maintenance	\$314,541	\$372,692	\$403,780	\$135,560	\$400,295	-1%
Dept 43220 Street Maintenance	\$750,946	\$679,882	\$732,587	\$266,524	\$752,408	3%
Dept 45311 Civic Events	\$4,791	\$4,737	\$2,500	\$2,500	\$0	-100%
Dept 48140 Risk Management	\$91,090	\$97,629	\$102,119	\$9,096	\$101,300	-1%
Dept 48150 Central Services/Supplies	\$81,612	\$79,330	\$96,807	\$28,179	\$100,605	4%
Dept 49360 Transfers Out	\$787,573	\$552,604	\$626,745	\$0	\$627,125	0%
TOTAL GENERAL FUND	\$4,977,674	\$4,712,763	\$4,795,898	\$1,295,392	\$4,804,723	0.18%





City of East Bethel City Council Agenda Information

Date:

September 5, 2012

Agenda Item Number:

Item 7.0 D. 2

Agenda Item:

Resolution 2012-52 Setting Date for Final Budget and Tax Levy Hearing

Requested Action:

Consider Resolution 2012-52 Setting the Date for the Final Budget and Tax levy for 2013

Background Information:

The legislature requires that on or before September 15, 2012, at the regularly scheduled meeting at which the City Council adopts a preliminary levy, the City Council must also announce the time and place of the City Council meeting at which the budget and final property tax levy will be discussed and adopted.

Resolution 2012-52 sets the date for Wednesday, December 5, 2012 at 7:30 p.m. at City Hall for discussion and adoption of the final budget and tax levy for 2013.

Attachments:

1. Resolution 2012-52 Setting Date for Final Budget and Tax Levy Hearing

Fiscal Impact:

None

Recommendation(s):

Staff recommends adoption of Resolution 2012-52 approving the date of Wednesday, December 5, 2012 at 7:30 p.m. at City Hall for discussion and adoption of the Final Budget and Tax Levy for 2013. Further, that a copy of the adopted resolution be transmitted to the County Auditor.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: _____

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

RESOLUTION NO. 2012-52

RESOLUTION SETTING DATE FOR FINAL BUDGET AND TAX LEVY HEARING

WHEREAS, Minnesota Statutes 275.065 requires that on or before September 15th of every year, at a regularly scheduled meeting of the City Council at which the City Council adopts a preliminary property tax levy, the City Council must announce the time and place of a regularly scheduled meeting at which the final property tax levy and budget will be discussed and the final property tax levy and budget will be determined.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL, MINNESOTA THAT: the regularly scheduled meeting on Wednesday, December 5, 2012 at 7:30 PM at City Hall is hereby designated as the meeting at which City Council will discuss and adopt of the final 2013 Property Tax Levy and 2013 Budget.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: a certified copy of this Resolution be provided to the Anoka County Auditor.

Adopted this 5th day of September, 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:

September 5, 2012

Agenda Item Number:

Item 7.0 D.3

Agenda Item:

Resolution 2012-53 Set Preliminary Tax Levy and Budget

Requested Action:

Consider Resolution 2012-53 setting the preliminary tax levy and budget for 2013.

Background Information:

Council, through its discussions at City Council meetings and work sessions in July and August, has directed that the preliminary property tax levy for 2013 be set such that funds are available to accomplish the goals and objectives Council has identified.

The proposed 2013 General Fund budget is \$8,825 more than the 2012 budget or an increase of .18%. A General Fund levy of \$4,223,907 is necessary. The General Fund proposed levy is \$32,437 or .77% more than last year's levy.

To service existing debt, a market based debt levy of \$149,638 is required to meet the debt service requirements for the 2005A Public Safety Bonds issued for the fire station and the weather warning sirens and a tax capacity based debt levy of \$180,000 is required to meet the debt service requirements for the 2008A Sewer Revenue Bonds.

The total property tax levy amount proposed is \$4,553,545 or an increase of 1.26% over last year's levy. Resolution 2012-53 provides for this property tax levy.

Attachment(s):

1. Resolution 2012-53 Establishing the Preliminary Property Tax Levy at \$4,553,545 and the Preliminary 2013 Budget at \$4,804,723 for General Fund and \$1,619,444 for the Debt Service Funds.

Fiscal Impact:

As outlined above

Recommendation(s):

Staff recommends adoption of Resolution 2012-53 approving the preliminary property tax levy for 2013 at \$4,553,545 and setting the preliminary General Fund and Debt Service Budgets at \$4,804,723 and \$1,619,444 respectively. Further, that a copy of the approved resolution be transmitted to the County on or before September 15, 2012.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

RESOLUTION NO. 2012-53

**RESOLUTION SETTING THE PRELIMINARY PROPERTY TAX LEVY AND
BUDGET FOR 2013**

WHEREAS, Minnesota Statutes Chapter 275.065 requires that the City Council adopt a preliminary property tax levy and budget on or before September 15; and

WHEREAS, the City Council has considered the operating needs and debt service needs for fiscal year 2013.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the preliminary property tax levies and budgets for the General Fund and the Debt Service Funds for 2013 are as follows:

<u>Levies:</u>	General Fund	\$4,223,907
	Debt Service	
	Tax Capacity Levy	\$ 180,000
	Market Value Levy	<u>\$ 149,638</u>
	Total Levy	\$4,553,545
<u>Budgets:</u>	General Fund	\$4,804,723
	Debt Service	\$1,619,444

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: a certified copy of this Resolution be provided to the Anoka County Auditor.

Adopted this 5th day of September, 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
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2012-53

**RESOLUTION SETTING THE PRELIMINARY PROPERTY TAX LEVY AND
BUDGET FOR 2013**

WHEREAS, Minnesota Statutes Chapter 275.065 requires that the City Council adopt a preliminary property tax levy and budget on or before September 15; and

WHEREAS, the City Council has considered the operating needs and debt service needs for fiscal year 2013.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the preliminary property tax levies and budgets for the General Fund and the Debt Service Funds for 2013 are as follows:

<u>Levies:</u>	General Fund	\$4,230,407
	Debt Service	
	Tax Capacity Levy	\$ 180,000
	Market Value Levy	<u>\$ 149,638</u>
	Total Levy	\$4,560,045
<u>Budgets:</u>	General Fund	\$4,811,223
	Debt Service	\$1,619,444

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: a certified copy of this Resolution be provided to the Anoka County Auditor.

Adopted this 5th day of September, 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:

September 5, 2012

Agenda Item Number:

Item 7.0 D.4

Agenda Item:

Resolution 2012-54 Set Preliminary EDA Tax Levy and Budget

Requested Action:

Consider Resolution 2012-54 setting the EDA preliminary tax levy and budget for 2013.

Background Information:

The East Bethel City Council passed enabling Resolution No. 2008-83 establishing the East Bethel Economic Development Authority (EBEDA) on July 16, 2008. Resolution No. 2011-27 amending Resolution No. 2008-83 was approved on August 17, 2011 and limited the powers of the EBEDA to levy a tax within the City of East Bethel.

The EBEDA is a special taxing district and the City of East Bethel is authorized by Minnesota Statute 469.107 to levy a tax in any year for the benefit of the authority. The tax must not be more than 0.01813 percent of the taxable market value.

The maximum levy allowed for pay 2013 taxes is \$144,670 (East Bethel Taxable Market Value of \$797,957,993 X 0.01813%). The resolution presented for your approval provides for the maximum tax levy for pay 2013.

The tax levy must be submitted to Anoka County by September 17, 2012.

Also attached is a proposed EBEDA budget for 2013 which was reviewed at the May 23, 2012 EBEDA meeting.

Attachment(s):

1. Resolution 2012-54 Establishing the Preliminary EBEDA Property Tax Levy at \$144,670 and the Preliminary EBEDA 2013 Budget at \$144,670.
2. EBEDA Proposed 2013 Budget

Fiscal Impact:

As outlined above

Recommendation(s):

Staff recommends adoption of Resolution 2012-54 approving the preliminary EBEDA property tax levy and proposed budget for 2013 at \$144,670. Further, that a copy of the approved resolution be transmitted to the County on or before September 17, 2012.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

RESOLUTION NO. 2012-54

**RESOLUTION SETTING THE PRELIMINARY ECONOMIC DEVELOPMENT
AUTHORITY PROPERTY TAX LEVY AND BUDGET FOR 2013**

WHEREAS, Minnesota Statutes Chapter 275.065 requires that the City Council adopt a preliminary property tax levy and budget on or before September 15; and

WHEREAS, the City Council has considered the operating needs of the Economic Development Authority for fiscal year 2013.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the preliminary property tax levy and budgets for the Economic Development Authority for 2013 are as follows:

Economic Development Authority General Levy	\$144,670
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Economic Development Authority Budget	\$144,670
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BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: a certified copy of this Resolution be provided to the Anoka County Auditor.

Adopted this 5th day of September, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



2013 Budget

FUND: 232 – Economic Development Authority
DEPT/ACTIVITY/PROJECT: 23200 – Economic Development Authority

DEPARTMENTAL PROFILE: The EDA addresses the City’s need to proactively deal with economic development, housing, and redevelopment issues within the city. It is responsible for making presentations to the EDA and City Council to facilitate their decision making. It also includes direct interaction with the business community.

DEPARTMENTAL GOALS: The East Bethel EDA goals are to assist in increasing the amounts and types of services offered within the city, help restore blighted properties by encouraging redevelopment activities, achieve commercial development, encourage development of housing with the city that is safe, diverse, and gives residents affordable options to own a home.

EXPENDITURE DETAILS

107-Commission and Boards
\$1,600

201-Office Supplies
\$200
Misc. office supplies

303-Legal Services
\$5,000
Contracted legal services

307-Professional Services Fees
\$15,000
Contract consulting services
Recording secretary for taking meeting minutes

322-Postage
\$500
Postage cost for mailings

331-Travel Expenses
\$300
Personal auto mileage and/or meal reimbursement while conducting EDA business

342-Legal Notices

\$200

Publication of legal notices

433-Dues and Subscriptions

\$640

Economic Development Association of Minnesota dues (EDAM), Metro North Chamber of Commerce dues \$400 and Finance & Commerce subscription

434-Conferences/Training

\$500

EDAM workshops and other economic development training

530-Improvements other than Buildings

\$45,000

City Sign

933-Transfer to City General Fund

\$56,000

Support Executive Director, City Planner, Fiscal Support Services Director, and Support Staff

999-Contingency

\$19,730

Funds to be allocated to specific projects

CAPITAL OUTLAY

None

STAFFING

Transfer of \$56,000 to City General Fund to Support from Executive Director, City Planner, Fiscal Support Services Director, and Administrative Staff.



	2010 Actual	2011 Actual	2012 Budget	July 2012 YTD Actual	2013 Proposed Budget
Dept 23200 Economic Development Authority					
REVENUES					
R 232-31010 Current Ad Valorem Taxes	\$0	\$0	\$163,428	\$82,608	\$144,670
	\$0	\$0	\$163,428	\$82,608	\$144,670
EXPENDITURES					
E 232-23200-107 Commission and Boards	\$0	\$120	\$1,600	\$0	\$1,600
E 232-23200-201 Office Supplies	\$0	\$0	\$200	\$37	\$200
E 232-23200-303 Legal Fees	\$0	\$88	\$5,000	\$143	\$5,000
E 232-23200-307 Professional Services Fees	\$0	\$55	\$25,000	\$48,355	\$15,000
E 232-23200-322 Postage	\$0	\$0	\$200	\$0	\$500
E 232-23200-331 Travel Expenses	\$0	\$0	\$300	\$0	\$300
E 232-23200-342 Legal Notices	\$0	\$82	\$200	\$0	\$200
E 232-23200-361 Insurance	\$0	\$0	\$1,300	\$0	\$0
E 232-23200-433 Dues and Subscriptions	\$0	\$596	\$640	\$0	\$640
E 232-23200-434 Conferences/Training	\$0	\$15	\$500	\$69	\$500
E 232-23200-530 Improvements other than Bldgs	\$0	\$0	\$50,000	\$0	\$45,000
E 232-23200-933 General Fund Reimburse Transfer	\$0	\$0	\$56,000	\$28,000	\$56,000
E 232-23200-999 Contingency	\$0	\$0	\$22,488	\$0	\$19,730
	\$0	\$956	\$163,428	\$76,604	\$144,670
REVENUES LESS EXPENDITURES	\$0	(\$956)	\$0	\$6,004	\$0



City of East Bethel City Council Agenda Information

Date:

September 5, 2012

Agenda Item Number:

Item 7.0 D.5

Agenda Item:

Resolution Consenting to East Bethel HRA Resolution 2012-05 Setting Final Budget and Tax Levy

Requested Action:

Consider Resolution 2012-55 Consenting to EBHRA Resolution 2012-05 setting the Final EBHRA Budget and Tax levy for 2013

Background Information:

The East Bethel City Council passed enabling Resolution No. 2009-36 establishing the East Bethel Housing and Redevelopment Authority (EBHRA) on May 20, 2009. The EBHRA is a taxing authority independent from the City of East Bethel and is authorized by Minnesota Statute 469.033 to adopt a levy on all taxable property within its area of operation, which is the City of East Bethel, Minnesota.

At the Wednesday, August 15, 2012 EBHRA meeting, a resolution adopting no tax levy collectible in 2013 was approved. The EBHRA 2013 Budget was reviewed at the April 4, 2012 HRA meeting.

Attachments:

1. Resolution 2012-55 Consenting to the EBHRA Adopting a Tax Levy Collectible in 2013
2. EBHRA Resolution 2012-05 Adopting No Tax Levy Collectible in 2013

Fiscal Impact:

As noted above.

Recommendation(s):

Staff recommends adoption of Resolution 2012-55 consenting to EBHRA Resolution 2012-05 approving the EBHRA Budget and Tax Levy for 2013.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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

RESOLUTION NO. 2012-55

**A RESOLUTION CONSENTING TO THE HOUSING & REDEVELOPMENT
AUTHORITY IN AND FOR THE CITY OF EAST BETHEL
ADOPTING A 2012 TAX LEVY COLLECTIBLE IN 2013**

WHEREAS, the Housing and Redevelopment Authority, in and for the City of East Bethel, at its meeting on August 15, 2012, adopted the attached HRA Resolution 2012-05: “Resolution Adopting No Tax Levy in 2012 Collectible in 2013”; and

WHEREAS, the City Council must consent to any Authority levy prior to it becoming effective, as required by Minnesota Statutes Section 469.033.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST BETHEL, MINNESOTA THAT the Council hereby consents to the HRA Resolution and to the levy described therein.

Adopted this 5th day of September, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2012- 05

RESOLUTION ADOPTING NO TAX LEVY IN 2012 COLLECTIBLE IN 2013

WHEREAS, Minnesota Statues Chapter 275.065 requires each taxing authority to adopt a property tax levy on or before September 15; and

WHEREAS, the Housing and Redevelopment Authority in or for the City of East Bethel finds it has sufficient funds and in the best interest of the City and the Authority to adopt no General Levy to accomplish the goals of the authority for fiscal year 2013.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY OF EAST BETHEL, MINNESOTA THAT: the following be levied for the current year, collectible in 2013, upon taxable property in the City of East Bethel.

Housing & Redevelopment Authority General Levy \$0

BE IT FURTHER RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE ACITY OF EAST BETHEL, MINNESOTA THAT:

1. The executive director of the Authority is hereby instructed to transmit a certified copy of this Resolution to the Anoka County Auditor.
2. The executive director of the Authority is hereby instructed to transmit a copy of this Resolution to the City of East Bethel City Council.

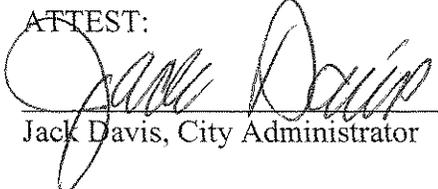
Adopted this 15th day of August, 2012 by the Housing and Redevelopment Authority of the City of East Bethel.

EAST BETHEL HOUSING AND REDEVELOPMENT AUTHORITY



Steven Voss, Chair

ATTEST:



Jack Davis, City Administrator



PUBLIC FORUM SIGN UP SHEET

September 5, 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.

NAME	ADDRESS	PHONE NUMBER	TOPIC

