

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: August 1, 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 Presentation**

Page 1-5 A. Resolutions Recognizing 2012-2013 East Bethel Royalty

7:43 PM **5.0 Public Forum**

8:00 PM **6.0 Consent Agenda**

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

Page 9-11 A. Approve Bills

Page 12-28 B. Meeting Minutes, July 18, 2012, Regular Meeting

Page 29-31 C. Pay Estimate #5 Municipal Builders for Water Treatment Plant No. 1

Page 32 D. Res. 2012-43 Ordering Bids for Jackson Street and Sandy Drive Seal Coat

E. Replacement of Rhino Wide Area Mower

Page 33 F. Resolution 2012-44 Proclaiming August 7, 2012 Night to Unite

New Business

7.0 Commission, Association and Task Force Reports

A. EDA Commission

B. Planning Commission

C. Park Commission

D. Road Commission

8.0 Department Reports

A. Community Development

8:05 PM B. Engineer

Page 34-44 1. DNR- Beaverbrook WMA

C. Attorney

8:15 PM D. Finance

Page 45-51 1. Assessing Contract

Page 52 2. Appoint Financial Consultants

Page 53-54 3. Set Budget Work Session

E. Public Works

F. Fire Department

8:40 PM G. City Administrator

Page 55-60 1. Aggressive Hydraulics Gap Financing

	9.0	Other
9:00 PM		A. Council Reports
9:05 PM		B. Other
9:10 PM	10.0	Adjourn



City of East Bethel City Council Agenda Information

Date:

August 6, 2012

Agenda Item Number:

Item 3.0

Agenda Item:

Financial Services Selection

Requested Action:

Consider the appointment of a Financial Services Advisor

Background Information:

Council solicited RFP's for the position of Financial Services Advisor and four firms responded and were interviewed. The interviews and selection discussions were conducted on August 1, 2012. However, a majority vote for the choice was not obtained. As a result, Council has scheduled a Special Meeting for Monday, August 6, 2012 at City Hall at 6 PM to reconsider this matter.

The four firms under consideration are:

- 1.) Springsted, Incorporated;
- 2.) Ehlers, Incorporated;
- 3.) The PFM Group; and
- 4.) Northland Securities

Fiscal Impact:

Funds for these services are provided when specific projects are requested, such as in a Bond Issuance or Economic Development programs.

Recommendation(s):

Staff requests Council consider the appointment of the Financial Services Advisor from those firms interviewed at the Work Meeting held on August 1, 2012.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

Item 4.0 C

Agenda Item:

Resolutions Acknowledging East Bethel Royalty for 2012-2013

Requested Action:

Consider adoption of Resolutions 2012-40, 2012-41, and 2012-42 Acknowledging the East Bethel Royalty for 2012-2013.

Background Information:

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

Attachment(s):

1. Resolution 2012-40 A Resolution Recognizing East Bethel Royalty for 2012-2013 Miss East Bethel Veronica Cich
2. Resolution 2012-41 A Resolution Recognizing East Bethel Royalty for 2012-2013 Junior Miss East Bethel Terra Mann
3. Resolution 2012-42 A Resolution Recognizing East Bethel Royalty for 2012-2013 Little Miss Amanda Smith

Fiscal Impact:

None

Recommendation(s):

Staff recommends adoption of these resolutions recognizing the East Bethel Royalty for 2012-2013.

City Council Action

Motion by: _____

Second by: _____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

RESOLUTION NO. 2012-40

RESOLUTION RECOGNIZING THE 2012-2013 EAST BETHEL ROYALTY

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

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

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

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

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

Adopted this 1st day of August, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

Bill Boyer, Council Member

Robert DeRoche, Jr., Council Member

Heidi Moegerle, Council Member

Steven Voss, Council Member

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2012-41

RESOLUTION RECOGNIZING THE 2012-2013 EAST BETHEL ROYALTY

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

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

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

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

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

Adopted this 1st day of August, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

Bill Boyer, Council Member

Robert DeRoche, Jr., Council Member

Heidi Moegerle, Council Member

Steven Voss, Council Member

ATTEST:

Jack Davis, City Administrator

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

RESOLUTION NO. 2012-42

RESOLUTION RECOGNIZING THE 2012-2013 EAST BETHEL ROYALTY

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

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

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

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

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

Adopted this 1st day of August, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

Bill Boyer, Council Member

Robert DeRoche, Jr., Council Member

Heidi Moegerle, Council Member

Steven Voss, Council Member

ATTEST:

Jack Davis, City Administrator



Payments for Council Approval August 1, 2012

Bills to be Approved for Payment	\$41,662.36
Electronic Payments	\$20,616.20
Payroll City Staff - July 19, 2012	\$29,560.08
Total to be Approved for Payment	\$91,838.64

City of East Bethel

August 1, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
2010 GO Water Revenue Note	Bond Interest	071112	MN Public Facilities Authority	309	30900	327.95
2010 GO Water Revenue Note	Debt Srv Bond Principal	071112	MN Public Facilities Authority	309	30900	3,000.00
Arena Operations	Gas Utilities	332995728	Xcel Energy	615	49851	76.46
Arena Operations	Refuse Removal	143632	Walters Recycling, Inc.	615	49851	163.96
Building Inspection	Motor Fuels	2076111	Lubricant Technologies, Inc.	101	42410	364.94
Building Inspection	Telephone	332373310-128	Nextel Communications	101	42410	24.52
Central Services/Supplies	Office Supplies	617011864001	Office Depot	101	48150	60.16
Central Services/Supplies	Telephone	9893167	Integra Telecom	101	48150	222.79
City Administration	Telephone	332373310-128	Nextel Communications	101	41320	17.50
City Administration	Travel Expenses	072412	Jack Davis	101	41320	140.42
Elections	Legal Notices	IQ 01801754	ECM Publishers, Inc.	101	41410	102.50
Fire Department	Employer Paid Expenses	1028	MFSCB	231	42210	225.00
Fire Department	Equipment Parts	1921-427395	O'Reilly Auto Stores Inc.	101	42210	29.45
Fire Department	Gas Utilities	332995728	Xcel Energy	101	42210	80.87
Fire Department	Motor Fuels	2076110	Lubricant Technologies, Inc.	101	42210	455.20
Fire Department	Motor Fuels	2076111	Lubricant Technologies, Inc.	101	42210	580.58
Fire Department	Motor Vehicles Parts	1539-157328	O'Reilly Auto Stores Inc.	101	42210	30.98
Fire Department	Other Advertising	122987	Aspen Mills, Inc.	231	42210	59.30
Fire Department	Personnel Advertising	2568783	Jones & Bartlett Learning, LLC	231	42210	43.24
Fire Department	Refuse Removal	143632	Walters Recycling, Inc.	101	42210	39.01
Fire Department	Safety Supplies	1110015872	Allina Health System	101	42210	611.74
Fire Department	Telephone	9893167	Integra Telecom	101	42210	139.26
Fire Department	Telephone	332373310-128	Nextel Communications	101	42210	134.67
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	9872855029	Grainger	101	41940	272.91
General Govt Buildings/Plant	Bldg/Facility Repair Supplies	63915	Menards Cambridge	101	41940	111.67
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	10157	Betz Mechanical, Inc.	101	41940	477.62
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-06-12	Premium Waters, Inc.	101	41940	29.21
General Govt Buildings/Plant	Gas Utilities	332995728	Xcel Energy	101	41940	49.88
General Govt Buildings/Plant	Refuse Removal	143632	Walters Recycling, Inc.	101	41940	29.69
Legal	Legal Fees	120568	Eckberg, Lammers, Briggs,	101	41610	5,846.49
Legal	Legal Fees	48033	State of Minnesota	101	41610	16.50
Mayor/City Council	Professional Services Fees	12-316	North Suburban Access Corp	101	41110	120.00
Park Maintenance	Bldg/Facility Repair Supplies	61966645	John Deere Landscapes	101	43201	22.86
Park Maintenance	Bldg/Facility Repair Supplies	61970111	John Deere Landscapes	101	43201	0.43
Park Maintenance	Bldg/Facility Repair Supplies	64590	Menards Cambridge	101	43201	79.27
Park Maintenance	Cleaning Supplies	2486042	Dalco	101	43201	116.58
Park Maintenance	Clothing & Personal Equipment	470848598	Cintas Corporation #470	101	43201	48.03
Park Maintenance	General Operating Supplies	373665	Ham Lake Hardware	101	43201	25.01
Park Maintenance	General Operating Supplies	04 4046770	Suburban Lawn Center	101	43201	52.67
Park Maintenance	Lubricants and Additives	04 4046651	Suburban Lawn Center	101	43201	91.38
Park Maintenance	Motor Fuels	2076110	Lubricant Technologies, Inc.	101	43201	875.40
Park Maintenance	Motor Fuels	2076111	Lubricant Technologies, Inc.	101	43201	497.64
Park Maintenance	Motor Vehicles Parts	FP146899	Crysteel Truck Equipment	101	43201	14.81
Park Maintenance	Small Tools and Minor Equip	04 4046815	Suburban Lawn Center	101	43201	290.89
Park Maintenance	Telephone	9893167	Integra Telecom	101	43201	51.05
Park Maintenance	Telephone	332373310-128	Nextel Communications	101	43201	70.04
Payroll	Insurance Premiums	4898774	Delta Dental	101		886.25

City of East Bethel

August 1, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Payroll	Insurance Premiums	28344107	Medica Health Plans	101		10,358.66
Planning and Zoning	Escrow Reimbursement	072412	Eileen Frisch	933		194.00
Planning and Zoning	Legal Fees	120568	Eckberg, Lammers, Briggs,	933		77.00
Planning and Zoning	Legal Fees	120568	Eckberg, Lammers, Briggs,	934		330.00
Planning and Zoning	Office Supplies	600111115001	Office Depot	101	41910	60.88
Planning and Zoning	Office Supplies	617011864001	Office Depot	101	41910	50.33
Planning and Zoning	Telephone	332373310-128	Nextel Communications	101	41910	17.51
Recycling Operations	Gas Utilities	332995728	Xcel Energy	226	43235	26.72
Recycling Operations	Refuse Removal	143632	Walters Recycling, Inc.	226	43235	244.87
Sewer Operations	Bldg/Facility Repair Supplies	61654	Menards Cambridge	602	49451	23.25
Sewer Operations	Bldgs/Facilities Repair/Maint	2659	Arnes Excavating, Inc.	602	49451	1,000.00
Sewer Operations	Safety Supplies	336194 RI	Hawkins, Inc	602	49451	4,274.63
Street Capital Projects	Sign/Striping Repair Materials	100621	AAA Striping Service Co.	406	40600	3,710.72
Street Maintenance	Bldgs/Facilities Repair/Maint	470848598	Cintas Corporation #470	101	43220	27.06
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-06-12	Premium Waters, Inc.	101	43220	29.21
Street Maintenance	Cleaning Supplies	2486452	Dalco	101	43220	83.73
Street Maintenance	Clothing & Personal Equipment	470848598	Cintas Corporation #470	101	43220	47.44
Street Maintenance	Gas Utilities	332995728	Xcel Energy	101	43220	21.38
Street Maintenance	Motor Fuels	2076110	Lubricant Technologies, Inc.	101	43220	2,171.01
Street Maintenance	Motor Fuels	2076111	Lubricant Technologies, Inc.	101	43220	215.64
Street Maintenance	Motor Vehicle Services (Lic d)	IEB-0717-15982	North Metro Auto Glass	101	43220	227.56
Street Maintenance	Refuse Removal	143632	Walters Recycling, Inc.	101	43220	244.87
Street Maintenance	Street Maint Materials	123699	City of St. Paul	101	43220	576.35
Street Maintenance	Street Maint Materials	13312	Commercial Asphalt Co.	101	43220	126.21
Street Maintenance	Telephone	9893167	Integra Telecom	101	43220	51.05
Street Maintenance	Telephone	332373310-128	Nextel Communications	101	43220	142.61
Water Utility Operations	Chemicals and Chem Products	3361917 RI	Hawkins, Inc	601	49401	310.07
Water Utility Operations	Gas Utilities	071812	CenterPoint Energy	601	49401	12.82
						\$41,662.36
Electronic Payments						
Payroll	PERA					\$5,083.45
Payroll	Federal Withholding					\$4,709.53
Payroll	Medicare Withholding					\$1,287.80
Payroll	FICA Tax Withholding					\$4,618.49
Payroll	State Withholding					\$1,935.74
Payroll	MSRS					\$2,981.19
						\$20,616.20



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

Item 6.0 A-F

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, July 18, 2012 Regular City Council

Meeting minutes from the July 18, 2012 Regular City Council Meeting are attached for your review and approval.

Item C

Pay Estimate #5 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, building construction and process equipment. Staff recommends partial payment of \$165,952.29. A summary of the recommended payment is as follows:

Total Work Completed to Date	\$ 1,280,011.64
Less 5% Retainage	\$ 64,000.58
Less Previous Payments	<u>\$ 1,050,058.78</u>
Total payment	\$ 165,952.29

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 #5 is attached.

Item D

Resolution 2012-43 Ordering Bids for Jackson Street and Sandy Drive Seal Coat

Consider Resolution 2012-43 Approving Plans and Specifications and direction to solicit bids for the Jackson Street Reconstruction and Sandy Drive Seal Coat Projects

The City Engineer has prepared plans and specifications for the Jackson Street Reconstruction and Sandy Drive Seal Coat Projects. The project will consist of the

reconstruction of Jackson Street from 181st Avenue to Viking Boulevard and seal coating of Sandy Drive. A complete set of plans and specifications are available at city hall for review. Payment for this project will be financed from the Municipal State Aid construction account. Bids will be opened on August 9, 2012. Bids will be presented to the City Council at the August 15, 2012 meeting. A completion date of October 31, 2012 has been established in the contract documents for all work except the final wear course. Completion of the final wear course has been set for May 31, 2013.

In order to meet the above schedule the project was advertised in the July 27, 2012 Anoka Union to meet advertising requirements. If the Council does not approve the attached resolution this project can be cancelled by a project addendum. Staff is recommending approval of Resolution 2012-43 Approving Plans and Specifications for the Jackson Street Reconstruction and Sandy Drive Seal Coat Projects and Direction to Solicit Bids.

Item E

Replacement of Rhino Wide Area Mower

As part of the City's Equipment Replacement Program, the 1997 Rhino PTO driven wide area mower is scheduled for replacement in 2012. This is a regular replacement of this item. The mower is operated behind the City's tractor for mowing large expanses of acreage. The existing mower has reached the end of its useful life and due to poor design has been plagued with numerous flat tires and other repair issues. \$17,000 has been budgeted for this replacement in 2012.

Staff has researched and received quotes for replacement mowers from multiple manufactures and equipment dealers. Staff also had the opportunity to demo a new Landpride AFM4214 mower from Scharber and Sons/MN Equipment Solutions. The Landpride mower was the low quote and had the earliest delivery date. The demo unit that the city used would be available to the City for direct purchase at a cost savings of \$1,264 over the price of a new unit. The demo unit was used by a total of 3 cities for a couple days each and has very few hours on it. Scharber and Sons/MN Equipment Solutions has provided a trade-in quote for the existing mower of \$2,500.00.

Staff is recommending purchasing the Landpride AFM4214 demonstration unit from Scharber and Sons/MN Equipment Solutions for \$13,000 and trading in the 1997 Rhino mower for \$2,500 for a total purchase price of \$10,500.

Item F

Resolution 2012-44 Proclaiming August 7, 2012 Night to Unite

The Anoka County Sheriff's Office has asked that Council consider adopting Resolution 2012-XX Declaring August 7, 2012 as Night to Unite (formally National Night Out). To recognize this event, Council has traditionally adopted a resolution declaring this event. A proposed resolution is presented for your approval and adoption.

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:_____

Drug Arrests: There were two arrests for possession of methamphetamine as a result of traffic stops.

Scams: There was one report of a fraud incident where a female had received a phone call from an unknown male, who advised he needed her to pay \$1,445 to keep her daughter from being arrested for writing a bad check. The unsuspecting female provided the male with her bank account number. Afterwards she contacted her daughter and learned that she had been scammed. Do not give out your banking information to anyone over the phone – always check with your relatives if you get a call from an unknown person claiming to need money for something that involves a relative of yours.

We have had some accidents with the construction zones going on. Just beware that you need to be careful when driving in these zones. It gets confusing to people about what they should actually be doing when they are driving. Luckily though, there have been no fatalities so far.

DeRoche, “These domestic arrests, are they alcohol related?” Lt. Orlando, “Because I don’t report on them anymore, I will have to look at them. But some of them usually are.” DeRoche, “I would be kind of curious to know where in the City this is going on.” Lt. Orlando, “Like mapping?” DeRoche, “Yes, just something showing this.” Lt. Orlando, “The trailers that were broken into were at Norquist Campground. And then there has been a series of thefts from vehicles on Edmar Lane, the left side of Coon Lake.”

DeRoche, “The felony arrests, are these new felonies? Or are they felonies where another county called and asked us to pick up for them?” Lt. Orlando, “No, they would be charged within Anoka County.” Lawrence, “Are our calls for service stabilizing now?” Lt. Orlando, “It looks like compared to last year we are up by a little less than a hundred calls.” Lawrence, “We had a little jump in the beginning of the year.” Moegerle, “Because it was so warm. On Monday morning did the Shetland pony find its way home?” Lt. Orlando, “I don’t know. I know the Shetland pony was being cared for by someone.” Moegerle, “12:30 a.m., I got a call from your deputy who said, “We found your horse.” I thought it was a joke. He said, “We are in your driveway, we corralled it.” I said, “I don’t have horses.” Lt. Orlando, “Do you have horses?” Moegerle, “No, I have a cat.”

Boyer said on a personal note, I would like to thank the sheriff for responding so quickly to my wife’s accident in the Crosstown traffic area this morning. And arranging for transportation to the hospital for her. Boyer asked, also, do you have an update on the pot-bellied pig that was terrorizing my neighborhood? Davis, “I assumed it was taken care of by the Animal Control. I never heard anymore beyond our conversations on late Friday evening.”

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

Tom Ronning, 20941 Taylor St. NE, “At the last open house, I got up and talked about some numbers about the amortization schedules from the bonds we are probably going to have to pay. And since then, virtually no one in the whole community is aware of what these numbers mean and what they are. We are tens of millions of dollars over what were advised it would be. I am here to ask, who do you see or how do you go about getting information distributed. Get a meeting, or in your monthly bulletin, there should be an update of what is happening. What have we spent so far, what are our total costs, what are we obligated to yet.

People don't know. Nobody has any idea of what is going on."

DeRoche, "To be honest with you, I have tried to explain this to people when I talk to them. I hate to be Mr. Doom and Gloom, but the reality is this is the situation the City is in. And you are right; people need to be made notice of it. I know a lot more people watch the cable channel, but some people don't have that. Some people watch it on the internet, some people don't have that."

Moegerle, "And it is in the minutes. And it is a problem that East Bethel has always had about communicating with its residents because we are in four different zip codes, three phone exchanges, the newsletter comes out quarterly, not everybody has internet access." Ronning, "When you say it is in the minutes, what minutes?" Moegerle, "The Town Hall Meeting minutes." Ronning, "I don't think we took minutes that night." Moegerle, "Yes, we did. And I think I mentioned it in the minutes we just approved tonight that in 2016 if no one hooks up we are in the whole \$2.5 million which is half of our annual budget. Door knocking to say this is what the problem is, is not accessible. Boy, if you can get people involved, civic engagement is what we need."

Lawrence, "I think we could probably put something in the newsletter. It goes out quarterly. Have a big title, "Water and Sewer Update", and then people will read that." Ronning, "Then nobody will have the excuse that it didn't get to them." Moegerle, "It is very easy to send that out and then you have alarmist that over react. Instead of being proactive and that is something that I am concerned about. We need to be proactive." Ronning, "There are drop dead dates coming up fast. That is a pretty big surprise."

DeRoche, "At a couple meetings and I know at the last meeting I brought up, "If anyone has any ideas or knows of any businesses?" It would be nice if this place was full of people going, "Hey, what are we going to do here?" Then the same couple people that show up." Ronning, "And if you get it beforehand is a little less throwing your hands up and cussing. There might be a little more of what can we do to help." Moegerle, "The thing of it is, I still do cuss about this but that is not productive. There is the side where we all cuss and say we were in this mess and no one is helping to get us out. But there is also the side of okay, what can we do to get out of it. And that is pretty much when I am not privately cussing; I am publicly trying to get this resolved. The thing of it is we know it is bad. But I think the problem is when people know it is bad and don't do anything about it. The first line is: are all five of us involved in getting it done? If the public has leads we want to know about it."

Ronning, "The meeting with the consultant we had in the Senior Center, people got up and said the positive was, "You drive by and there is the water tower." There is no way they can know what is behind it." Moegerle, "Today we heard everyone thought it was shut down because Weidema is not out there doing things. So you hear a lot of things, but what is truth and what is gossip is something else as well." Ronning, "Is the quarterly newsletter an option and far as an update?" Lawrence, "We can do that in the newsletter." DeRoche, "Or maybe we can put it out more often." Moegerle, "Or we can put it on the website. And then again, who all reads the newsletter." Lawrence, "I think the newsletter is pretty big. The seniors all read the newsletter." Ronning, "This seems to be a community where everyone isn't connected to the internet."

Harley Hanson, 1960 221st Avenue NE, "I am here doing the same thing that Tom is doing. On the General Obligation (GO) Bonds that were taken out back in 2010, when are they due, when do we have to start paying that \$18 million back." Lawrence, "They come in a

progression; they are not all due at the same time.”

Davis, “Actually, we have already started making bond payments. We have paid approximately \$1.2 million in bond payments for the A and B bonds. The Recovery Zone Economic Development Bond and Build America Bond. Those are the ones that have the 45% rebate increment on them. They were rebated by about a half million dollars, so to date we have made over \$700,000 in bond payments. The one single issue GO bond comes due in 2016. It is \$1.2 million. About \$650,000 is due in 2016 and about \$550,000 is due in 2017. These bonds can be paid in full at the time or can be refinanced.

Lawrence, “I think what he is talking about is where the money came from to pay the bonds.”

Davis, “Going forward the challenge is to make the revenue to make the bond payments.”

Hanson, “I know you weren’t involved with the Council back during that time, Mr. Mayor, and you were kind of against all this bonding anyways. What my problem is, there seem to be a lot of “Ifs” that seem to pop up as the question goes on. Probably the same thing Tom was saying. There is a lot of conversation out there that gets carried away. There is nothing we can do about it, which is why we should get it out straight. Level with the people/residents out there. That is what I am trying to say. Back then, I don’t think the residents were aware of what a General Obligation bond was?” Boyer said, I have said the answer a hundred times and I will say it once more. There were over thirty public meetings on this issue, over a period of five years. Hanson, “I think I was here for the ten years of it. So, the residents are responsible for the General Obligation bonds, correct?”

Moegerle, “Technically it is a revenue bond and if there is no revenue it functions as a General Obligation Bond. As a practical matter, for the first few years it is going to function as a GO bond.” Hanson, “I am trying to get the message out there so we can clear it with the public. Maybe I can help in another way. I am not opposed to any progress and there are a lot of people that are working very hard on this whole subject. I don’t want to get in the way of that. I am just a concerned resident and I am looking at the judgments of some of these things that are coming up. I am willing to talk to any of you about these things coming up. I appreciate the time to get the message out there and maybe we can get the public on our side here, because the conversations are going all over.”

Moegerle, “The time for cussing is over. It is not a good thing. You can vote at the ballot box if you want to cuss some more. We need businesses, we need them building here. The point is, “If you build it and it will come” has never worked, and it is not working now, and it is not going to work into the future. So, we have to go out and recruit who we want. If someone has a lead about a business, just because we recruit them doesn’t mean they are going to come. But you at least have to make an effort and make yourself known and get good PR. And if we have a lot of PR that says, “We are in big trouble”, people aren’t going to come. There is one thing about being candid, and there is being an alarmist. I don’t take it lightly, but let’s start doing something proactive to fight the problem.” Hanson, “I would like to see some more information out there. I realize a lot of people probably watch it on TV here. They can probably get some information from that. But, we got to get it steered the right way. I would like to help anyway I can.”

There were no comments so the Public Forum was closed.

Boyer made a motion to approve the Consent Agenda including: A) Approve Bills: B) Meeting Minutes, July 5, 2012, Regular Meeting; C) Resolution 2012-35 Accepting Donation for Schoolhouse from Rachel Peterson and Friends; ~~D) Resolution 2012-36 Adopt-A-Park-Carlisle; E) Purchase of Fire Trucks; F) Resolution 2012-37 Accepting Work Wild Rice Drive Reconstruction Project.~~ Moegerle would like to pull items D) Resolution 2012-36 Adopt –A-Park – Carlisle; E) Purchase of Fire Trucks. **DeRoche seconded; all in favor, motion carries.**

Item D –
Resolution
2012-36
Adopt-A-Park
– Carlisle

Moegerle, “I pulled the Resolution Adopting Carlisle Park and I think it is great. I know they will get a sign there, but can we get something on the website saying, “Carlisle Park sponsored by or adopted by The Boda’s? I think they should get public recognition for doing this.” Davis, “Yes, we can do this. And we can add the others.”

Moegerle made a motion to adopt Resolution 2012-36 Adopt-A-Park Carlisle. DeRoche seconded; all in favor, motion carries.

Item E –
Purchase of
Fire Trucks

Moegerle, "I pulled this because the write up indicated that we saved a grand total of \$7,600. I talked to the Fire Chief earlier and I brought it up so he could tell the public that actually we saved more than that."

Fire Chief, Mark DuCharme, “I spoke to the Houston Galveston Purchasing Consortium (HGAC) and that was what the average discount would be. Although they are not real specific, the clerk there told me we could look for savings from regular pricing from 5% on up. Also talked to deputy fire chief in Spring Lake Park/Blaine/Moundsview Fire and he indicated they were very happy with program and saved about \$40,000 on a large rig. Next call was to Rosenbauer. Talked to salesperson. Asked about difference in pricing. What he told me was the discount using the consortium. He told me the difference is savings of 7-7.5% on each vehicle. Roughly that would be about \$46,000 in savings for the two trucks. In addition, that \$7,600 discount would be for ordering both trucks at the same time. So it is about a \$53,600 savings on the whole package.

What I should have done is put this in the write-up to disclose this information. I think the HGAC is going to be a real favorable thing. Also, when we go purchase these new trucks they will last about 25-30 years with proper refurbishing.” Moegerle, “I wanted to recognize you for doing a great job.” Lawrence, “The one thing people are asking is do we need two trucks?” Chief DuCharme, “We are taking two trucks out of service. Engine 21 at Station 2, a 1995 that has severe rust underneath. It is going to be tough to sell because of condition of it. At one time we had a refurbishment plan for that truck and we were told not to do it by some vendors because of the advanced rust. Also, Engine 31 at Station 3, a 1984 and it is in better shape than the 1995. Our guess is when we turn them to resell them we will have to explore some possibilities to sell them. Most you can expect for Engine 21 net is \$20,000. A lot of the equipment from the trucks will go from one truck to the new truck.”

Moegerle made a motion to approve the purchase of two fire trucks. DeRoche seconded. Boyer asked what percentage is coming out of equipment replacement fund? Davis, “All of the funding is coming out of the equipment replacement fund. The City has a capital equipment replacement plan in which we have a schedule for replacing all of our equipment. We also have a schedule for a transfer of funds into this plan for the acquisition of this. A lot of cities that don’t wind up having to bond for equipment replacement costs. We are ahead of that curve, in that, we allocate “X” number of dollars each year and are able to keep efficient equipment at work for the City.” Lawrence, “How long would you say we have been saving

for these trucks?” Davis, “I think the capital equipment fund was started about eight years ago. Each year there is a certain amount transferred from the general fund, into the capital replacement fund based on the schedule that has been developed. There is a fund for parks, fire and roads.”

Chief DuCharme, “Want to thank Deputy Chief Ardie Anderson and my staff that went through and worked on this for about six months and Dan Berry. Boyer said he would think you would want to seize this opportunity and remind people of fire fighters dance. Chief DuCharme, “The dance is coming up Saturday, fireworks at 10 pm. Hope everyone comes out and enjoy the evening. Booster Day is meant for family activities.” **All in favor, motion carries.**

Beaverbrook
WMA

Davis explained that the DNR is interested in purchasing the William Gombold property on Klondike Drive. This acquisition is intended to become part of the proposed Beaverbrook State Wildlife Management Area.

In the late 1970's, the DNR was approached by the Beaverbrook Sportsman's Club to sell or convey property to DNR to generate revenues for debt retirement purposes. That event initiated the concept of a Beaverbrook WMA Project Proposal to document an approach and potentially assemble any future land ownership in which DNR might have interest, including existing DNR Trust Lands, County lands, or other properties, some of which are now the Sandhill Crane Natural Area. However, no lands were ever purchased for this project.

Because Mr. Gombold's land is adjacent to the existing Beaverbrook WMA project designated area, it simplified the process for the DNR to create this as an addition to the project. The DNR has emphasized that the Beaverbrook WMA is a concept and adding tracts 9 – 14 to the original proposal (Supplemental Acquisition Map attachment identifies these properties) would be dependent on future funding and willingness of the adjoining property owners to sell. The owners of tracts 13 and 14, as shown on the attached location map, have expressed interest in selling their land to DNR if the DNR is successful in acquiring the Gombold property.

The DNR has an “in lieu of tax” payment to the County, of which an amount is distributed to the cities by the County. The formula for calculating these amounts is somewhat complex and is listed in the attachment that references the state statute on this matter. Total taxes payable on this property in 2012 are \$2,502 with the share received by the City being approximately \$825. At this time it is undetermined the net difference between what the City currently receives in taxes as opposed to a payment in lieu of taxes.

The City would expect the dedication of right of way and drainage easements as indicated on the attached Right of Way and Easement Map from the DNR as a condition of support for this purchase.

Staff has no objections to the purchase of this property by the DNR and recommends the approval of the resolution 2012-38 provided the DNR grants the easements and rights of way along Klondike Drive as outlined by the City Engineer.

Brian Luth, Department of Natural Resources (DNR) Wildlife Manager for Anoka, Washington, Ramsey and most of Hennepin Counties, “One piece of information, in 2010 the current owner of the property, Mr. Gombold sold a conservation easement to the Minnesota Land Trust which is held along with the Anoka Conservation District (ACD). And that

conservation easement in essence protects that property from any alteration that would change its current conservation value. So it is pretty restrictive of what can happen on that property, with the exception of a footprint for a small residence that he maintained with the idea that maybe he would build a house there and it included the driveway. So the questions of the rights of way for utilities get somewhat problematic. Are these necessary for the approval of that proposed plat? Or is this something for the future reconstruction of Klondike?"

Jochum, "A draft plan was completed when Mr. Gombold was going to plat his property. As part of that, Klondike Drive would have been paved in front of that property. And there is really no outlet to that area other than to the north through Gombold's property. So the plan sheet I sent you shows the storm sewer system and the outlet that would be needed to drain that area and that roadway." Boyer said the City was part of this and granting variances to Mr. Gombold. As a matter of fact, we facilitated this conservation agreement and in exchange for doing this we had certain rights to the property in terms of trails and other items. I just want to make sure that is protected from the City prospective. Boyer said one of the key things about this is it provides access to a parcel of City owned land, which is Sandhill Crane under the joint powers agreement, they meet corner to corner I believe.

Moegerle, "Can you tell us what the purchase price is on this?" Luth, "I can't. Statute says until we actually have a purchase agreement that is considered confidential and protected non-public data." Moegerle, "And I am wondering if the DNR is the best use of the land? I know you from the Sandhill Crane Committee. We are talking about DNR areas that are recreational. My understanding is the DNR Charter is not recreational oriented, is that the best use of that land to be conserved? Or is recreation not allowed on that land because of what has gone on there before?" Luth, "Well, State Management Wildlife Areas are part of the outdoor recreation systems. But their primary purpose is public hunting, wildlife production, and then wildlife oriented recreation. So recreation is a very important part of these, but we are not a state park. We don't have camping. We typically don't have bathrooms, picnic areas, preserving the natural. This easement is very restrictive about what is going to be allowed on this property. Because the plat was never finalized, I would say this conservation easement extinguishes that plat. It specifically says that property cannot be developed except for the footprint of that house."

Jochum, "Like Mr. Boyer has said the City worked with Mr. Gombold on this property to get something done and that all fell through. But it appears he moved forward with this conservation easement and I don't know that the City had any say in it." Luth, "And our dealings with Mr. Gombold, there was always a moving finish line. As far as I know this easement is recorded on the deed. I had a brief conversation with Chris Lord from Anoka Conservation District (ACD) and asked him about this. Told him it is basically a storm water pond and would that be allowed? We paged through the conservation easement and it specifically mentions diversion of natural water, lakes, shorelines, or creations of lakes, shorelines, new bodies of water, etc., except to restore or enhance wildlife habitat area. It also talks about changing topography and this would definitely be a change in topography. But if something could be worked out that this pond could be constructed in such a way in an adjoining property or area is enhanced as far as conservation value, I can't make that decision. ACD and Minnesota Land Trust are holders of the easement."

Moegerle, "Know Boyer has always wanted East Bethel to have a County Park and I am wondering is this an opportunity for East Bethel to get a county park that is nature orientated. Where the easement is and the house is, that is a ranger station. I just don't know how the

analysis has gotten to this. Or Mr. Gombold really wants the DNR and the adjoining property owners really want the DNR. That background would be helpful to me.”

Boyer asked assuming the DNR buys the property, I will assume that extinguish the conservation easement with the Minnesota Land Trust? Luth, “No, the conservation easement is perpetual on the property. What we are purchasing is his remaining interest in the property.” Boyer said what I am trying to get to is public access to that property. My understanding of DNR WMA land is it is open for public access. It is open for hunting and nature hikes, that sort of thing. If you want to go for walk in the woods, you can go for a walk in the woods. Luth, “Absolutely, for wildlife orientated sorts of things. Open year round. Most of these open 365 for compatible uses. We have a list of compatible uses. Off-highway vehicles are not a compatible use. Would mention we have a two- month option that was signed June 8th. We have a little bit of time. The next step is to go through the county wetland review committee before we can go to the county board. And we are required to have county board approval and generally they say they would like the local government’s opinion and that is used for them to make their decision.” Boyer asked how large is easement the City is claiming along Klondike? Jochum, “About 30 foot all the way to the back. This was meant for the whole development, so it could be significantly reduced.” Lawrence, “Is that a problem with the DNR?” Luth, “I can’t speak for the Minnesota Land Trust and ACD, the holders of the easement. In my dealings with them they are reasonable people.”

Davis, “Is Klondike Drive easement or ROW?” Jochum, “I think is prescriptive easement.” Davis, “That is what I thought. The reason we were requesting ROW is so the City would have control and ownership over that when improvements were done.” DeRoche, “I think there are some questions that need to be answered before we pass this.” Moegerle, “I am looking on our Comprehensive Plan and this is on our map for proposed trails. That shows trails through that area and I don’t know if you are agreeable to that plan going through or not.” Luth, “These are specifically addressed in the conservation easement.”

Moegerle, “Sounds like we need more information, could we have a special meeting to deal with this?” DeRoche, “You are saying if they are agreeable and then if they are not agreeable. There is no recourse for us to come back.” Moegerle, “If the DNR purchases it, do the other tract owners want to sell too.” Luth, “Those properties to the east have contacted me directly and said I heard you are interested in the Gombold property. There are other players. Know in the instance of Mr. Gombold that has been a traditional hunting camp. That is why we were a natural fit for him.”

Boyer said speaking for myself I would rather see it remain a DNR WMA than a county park because I think our residents would get better use of it. How many acres do you own in Sandhill Crane? Luth, “Those are school trust fund lands currently owned. Owned by the state and administered by us. I don’t have that figure.” Boyer said he thought it was roughly 400 acres that you owned. Davis, “I think there is roughly 500 acres. And the City owns 27 acres. Rough guess would be 60/40 split.”

Moegerle made a motion to table the DNR-Beaverbrook WMA. DeRoche seconded; all in favor, motion carries.

Resolution
2012-39
Awarding Bid
for Coon Lake

Jochum explained as directed by Council, the staff received and opened bids for this project on July 12, 2012, at 11:00 a.m. at the City Hall. A total of four bids were received. The bids are summarized on the resolution, which is included as Attachment 1. The project included the Base Bid and three Alternate Bids. The bid components and range of bid prices are

summarized below:

1. Base Bid

North Valley, Inc.	\$667,558.64
Rum River Contracting Co.	\$673,225.25
Midwest Asphalt Corporation	\$682,045.60
Knife River Corporation	\$683,332.91

The Base Bid includes all labor, equipment and material to complete the street reconstruction in the Coon Lake Beach area. The Base Bid prices ranged from \$667,558.64 to \$683,332.91. North Valley, Inc. was the low bid at \$667,558.64. North Valley, Inc. is the low bidder based on the Base Bid and any combination of the Base Bid and Alternate Bids. The budget amount for this project was \$612,000.

2. Alternate Bid No. 1

Alternate Bid No. 1 includes overlaying 187th Lane from Highway 65 to Ulysses Street. North Valley, Inc. Alternate Bid No. 1 bid price was \$22,654.89. The engineers estimate for this alternate was \$25,550.00.

3. Alternate Bid No. 2

Alternate Bid No. 2 includes reconstruction of the pavement on 245th Avenue from Highway 65 to 330 feet west of Highway 65. North Valley, Inc. Alternate Bid No. 2 bid price was \$26,501.06. The engineers estimate for this alternate was \$29,840.00.

4. Alternate Bid No. 3

Alternate Bid No. 3 includes constructing drainage improvements on Bryant Lane and Cedar Road in the Coon Lake Beach area. North Valley, Inc. Alternate Bid No. 3 bid price was \$20,175.13. The engineers estimate for this alternate was \$19,430.00.

As previously discussed, the low bid for the Base Bid, which includes the reconstruction of the streets in the Coon Lake Beach area, was \$667,558.64, which is approximately 8.3 percent higher than the project budget.

Alternate Bid No. 1 is an overlay of 187th Lane to match that street with the renovation paving that has been completed for street restoration required by the Municipal Utility project. 187th Lane was not disturbed as part of the project but requires the overlay to maintain the appearance of the area and correct paving issues at the entrance to Hwy. 65.

Alternate Bid No. 2 is a requirement of the settlement agreement with Athens Township as it relates to the GRE project.

Alternate Bids No.1, 2, and 3 were below the engineers estimate. The total bid price for the Base Bid and all Alternate Bids is as follows:

Base Bid	\$667,558.64
Alternate Bid No. 1	\$ 22,654.89

Alternate Bid No. 2	\$ 26,501.06
Alternate Bid No. 3	\$ 20,175.13
Total Bid	\$736,889.72

There are sufficient funds in the Street Capital Fund to finance this project including the additional costs of the alternatives and the higher than anticipated bid costs. If this project is approved as recommended, the Street Capital Fund is projected to retain a balance of \$751,772 at the end of 2017. We also intend to apply the \$35,050 surplus from the 2012 Street Maintenance Project to this project reducing the costs of the alternates and overbid to \$89,839.72.

Staff recommends that Council approve Resolution 2012-39 awarding the Base Bid and Alternate Bids No. 1, 2, and 3 to North Valley, Inc. in the amount of \$736,889.72

Moegerle made a motion to adopt Resolution 2012-39 awarding the Base Bid and Alternates Bids No. 1, 2 and 3 to North Valley, Inc. in the amount of \$736,889.72. Lawrence seconded.

DeRoche, "These covers fixing Forest back down to the lake and all these little drive downs, is that included in the bid?" Jochum, "Correct." DeRoche, "I kind of have a problem with approving a lot of those. Mainly because I live on the lake and it creates a lot more traffic than just comes in on the two boat landings. And the nicer you make it the more people want to bring their boats out. Pretty much every day I am cleaning up people's goods that they leave and it has actually become a hazard. Because you get so many boats out, and a lot of these are pretty high-powered. A lot of people don't understand these don't just stop. There is one particular person that uses the one on Forest and there is nobody checking the prop, checking for Eurasian milfoil, anything. And if mussels or whatever are introduced into the lake, the people that can rent the dock spaces are going to blame who?" Jochum, "Are you talking about boat landings themselves?" DeRoche, "No. I am talking about where the roads come down to Lake Drive and people back their boats into the lake." Jochum, "It only includes everything inside Lakeshore."

Davis, "The boat landings weren't bid as part of this project specifically. We talked about fixing them up or abandoning them." DeRoche, "When we did the Roads Commission tour, that wasn't the understanding." Davis, "If anything was done there we would have to get approval from eh community center. If this was done we would have a contractor there to do it. So what was discussed is, if it was to be done, this would be the time to do it. That would be a separate agreement." DeRoche, "There is nobody there to monitor it." Moegerle, "We also discussed at the beach if we had a driveway adjacent, that would be cut and replaced." Davis, "We had two meetings at Coon Lake Beach and if anyone had any special problems to discuss it with us. Jochum and Ayshford met with some property owners down there and took care of any issues."

Boyer asked so alternate bid #2 is to pave a road in Athens Township? Davis, "Half in Athens and half in East Bethel. This is part of the GRE settlement agreement that Council approved back in April." Boyer said I am not going to vote for this because of that. I am all for paving the roads in Coon Lake Beach, but not in Athens Township. Davis, "Although half of this road is in Athens Township, the benefit of it probably goes 99% to East Bethel because all the residents it serves is 100 to 1." Boyer said we can say that about Sunset Drive. **Boyer, nay; DeRoche, Lawrence and Moegerle, aye; motion carries.**

2013 Proposed Budget

Davis explained that on Wednesday, July 11, 2012, staff provided Council with a proposed 2013 Budget. The proposed budget is available on the City's website and at the City Hall receptionist area.

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 tax payers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy are then adopted by City Council in December.

Staff is requesting Council set a work session(s) meeting date(s) to review the proposed 2013 Budget.

Staff is seeking guidance from Council on dates for this work session. Davis explained that the next available dates are July 23, 26, 30, 31.

Council consensus was to meet on Monday, July 23rd at 6:00 p.m. Boyer said he is not sure he can make it. DeRoche, "What are the chances of having the budget heads at this meeting?" Davis, "We will need to call a special meeting for the DNR issue and then a work meeting. If you would like department heads at this meeting, we will plan for that." Lawrence, "I would like to see comparative salaries for area and what they are getting for increases and such." Moegerle, "I would like to see the savings of doing electronic packets and using these envelopes."

Moegerle made a motion to set a special meeting on Monday, July 23 at 6:00 p.m. to discuss the DNR-Beaverbrook WMA. Lawrence seconded; all in favor, motion carries.

Moegerle made a motion to set a work meeting on Monday, July 23, 2012 at 6:15 p.m. to discuss the budget. DeRoche seconded, all in favor, motion carries.

Plans and Specifications for Electronic Reader Board

Davis explained that at the June 6, 2012 City Council meeting, direction was given to staff to seek proposals for replacing the storm damaged City Billboard located at the intersection of Viking Boulevard and Hwy. 65. Staff has received proposals from sign contractors, but due to the varying range of amenities and costs, staff has prepared bid specification for project bids.

The following bid requirements have been assembled by staff as a format for base bids and alternate upgrades if the Council should determine the need:

- 1) The Contractor is responsible for the dismantling and proper disposal of the existing sign as well as all site clean-up. The existing footings, support poles and electric service will remain and be used for the new structure.
- 2) The sign will be a double faced aluminum cabinet finished with a heavy textured finish in tan (or other color as selected) with the final outside dimension of 16' W x 10' H. Each side of the sign panel will have individual translucent green acrylic plastic letters with white trim cap reading "City of East Bethel" and will be internally illuminated with white LED lighting. Final design to be approved by the City.
- 3) Poles to be covered with .080" aluminum covers finished in the same heavy textured

tan finish utilized on the upper cabinet.

- 4) Message center to be Daktronic AF 3500 Series Monochromatic 46mm, 32 x 96 matrix or approved equal. LED color to be amber.
- 5) The sign must utilize programming software compatible with Microsoft products.
- 6) The bid will include all electrical connections.
- 7) The sign must be able to be remotely programmed from East Bethel City Hall using radio equipment or cellular transmission.

Under these specifications, the overall sign dimensions would be 10'H by 16'W and placed on the existing poles and footings on site. The lower portion of the sign would contain the 5'6"H by 15'W electronic reader board and the upper portion would be reserved for the "City of East Bethel" nameplate. The base bid would include individual LED backlit green letters. The reader board would have the ability to display numerous types of fonts, letter sizes, and animations. The minimum legible letter size the sign has the ability to display would be four lines (16-19 letters per line) of 12" letters. The sign could display images, animations, and text in many different shades of amber. The support poles would be wrapped in aluminum to match the upper portion of the sign and the existing footings and electrical service would remain. Staff could program the sign either cellular or by radio transmission and would have the ability to provide updates in real time.

As in all bids, contractors would be required to furnish all required insurances, license certificates, workman's compensation coverage and bonding if applicable.

Alternate bid items would include:

- 1) A full-color electronic reader board with the ability to display full color images, animations, and text.
- 2) Stone veneer columns in lieu of aluminum for support pole wrapping.
- 3) An upgraded city nameplate, logo, or other design as approved by the City.
- 4) An electronic reader board with a higher pixel count with the ability to display legible 9" letters on 5 lines (25 characters per line).

The previous billboard was able to display four lines of 9" letters with 18 letters on each line.

The estimated costs of an electronic reader board under the base bid amount range between \$60,000 and \$85,000. There is currently \$50,000 in the 2012 EDA budget and a preliminary request for \$45,000 for 2013 EDA budget for a reader board sign. The East Bethel Seniors have provided a donation of \$5,000 toward the sign and the City has received \$2,800 as a damage claim payment, bringing the total available funds for the project to \$57,800 for 2012. If approval is granted by City Council to replace the existing sign with a new reader board an intra-fund no interest loan could be extended from our HRA account to cover those costs of the sign above \$57,800. The loan could be repaid to the HRA from the 2013 EDA budget.

Staff is recommending Council approval to solicit bids for a new electronic reader board using the base bid specifications and include the upgrades as alternate bids.

Moegerle made a motion to approve the RFP for the electronic reader board plans and specifications. Lawrence seconded.

Moegerle, "If we are going to have architectural standards for buildings, shouldn't we use those same architectural standards with regard to this reader board. And since we don't have that." Davis, "Not sure what other architectural standards we could use on this board." Boyer said he thinks this point is well taken. If you build this first monument without standards, everyone is going to say, "Well you built it just like that, why can't I?" Boyer said it sets precedent. Moegerle, "I am all for a range of \$60,000-80,000 and I did see in here the stone columns, but if we could see in the future and see our architectural standards are probably going to look like? This is something we could swing by the Planning Commission. Just take their temperature because we don't have everything ready." Lawrence, "Don't we require that already?" DeRoche, "The theatre put up a little wood sign. They have their big sign and then have a little wood sign."

Moegerle, "We need to set the standard. I realize money is tight, but is we are going to set the standards; we need to be up to the standards. We have a great City, but 4 ½ feet for our name? Most people that go by will know this is East Bethel. Isn't the message more important than our name? Question goes to, "Can we make our reader board bigger and at what cost?" Davis, "We can always bid it bigger. Not sure at what point we cross the line of making electronic things bigger the cost starts increasing exponentially. We can certainly find out though. As far as architectural treatments go, if anyone has any particular recommendations we can incorporate those. The rendering you have before you is but an example. We talked about eliminating the sponsors." Boyer said we could eliminate the line: community billboard.

Moegerle, "Have we talked to the Lions and asked if they want to sponsor something that doesn't get blown over every strong wind? Do we want business sponsors?" Davis, "His preference would be to have no sponsors on the sign. Especially business sponsors they will expect preferential treatment." DeRoche, "Shouldn't we be discussing thing during our budget meeting. I am all for a pretty sign." Boyer said our other sign had its constant damage, but why is an electronic sign any safer during a wind storm? Davis, "It isn't. However, the sign we have up there due to the current design of it, four sheets of four acrylic panels loosely attached so it begs to be damaged whenever the wind gets above a certain speed." Boyer asked have we spoken to other communities that have these or even the bank? Moegerle, "You missed a meeting, and maybe it was an EDA meeting, where we talked about the letters getting blown off. Having the staff go up in the middle of the cold. Climb up and safety. With this you can program it from here. Not saying we are riding the wave of the future, but it is the way things are going." Boyer said even if we rip the old sign down and put up a new similar, don't know that this life of electronic is any better than the other. Are we going to be replacing the sign every 5 years, 10 years or 20? Davis, "Talked to Ham Lake and they have had very minimal maintenance issues with theirs."

DeRoche, "I am looking at the financial part of it. Until we figure out where we are financially and figure out some plans. We keep spending money left and right and where is it going to come from?" Moegerle, "How important is civic engagement and communicating with residents? A small portion drive 65, and over at the beach we don't have this, but effort at communication is important." DeRoche, "I understand that, but you have to have money to spend." Boyer said it is the best intersection in the City. Moegerle, "Would you be more amenable if we got donations? And if we do, would you put their names on it?" DeRoche, "Anytime you put names on it you are asking for trouble. I am suggesting we table this until

after we have a budget meeting.” Davis, “My recommendation is to solicit bids.”

DeRoche made a motion to table the RFP for an Electronic Reader Board until after the next budget meeting. Boyer seconded. Moegerle, nay; Boyer, DeRoche, Lawrence, aye; motion carries.

Fire Dept.
Report

Davis said these reports are included for your review and information. Boyer asked why you didn't respond to the pot belly pig in my neighborhood, instead of me having to go corral this vicious beast. Chief DuCharme, “I understand the pig is still at the Animal Control Officers house. The monthly reports are included and if you have any questions I would be more than happy to answer them.” Boyer asked have we had any increase in response because of construction? Chief DuCharme, “Our call volume, I can equate it to a year ago. We are actually down about 30-40 calls compared to a year ago. A lot could be the grass fire season not heating up like we thought it would. June was a light month for response.” DeRoche, “What happens on 2nd inspection emergency lights? Is that to say on the first inspection they had problems with the emergency lights?” Chief DuCharme, “No. What that means is on the first inspection you have a bulb out on lights. So we will be back to make sure you get that done. When we hit the third inspection we start charging money. We try to hit every business within the City. We don't do the home occupations.” DeRoche, “You don't do any of the in-home businesses?” Chief DuCharme, “We haven't been directed to do that in the past.” Moegerle, “There are certain ones.” Chief DuCharme, “Many of the new home occupations would require a home safety inspection.”

Approve Hire
of Building
Official/Code
Enforcement
Officer

Davis explained with the resignation of Mr. Larry Martin, the City's Building Official, City Council directed that the Building Official's position to be advertised and filled. The ad for the position was posted in the Anoka Union, Star Tribune, the City's web site and the League of Minnesota Cities web site. The City received 14 applications for the position. Of the 14, staff identified seven that had the required qualifications including current licensure as a Building Official by the State of Minnesota, MPCA ISTS certification and experience as a Building Official. All seven of the qualified applicants were invited for an interview. Interviews were completed on July 10, 2012.

Two of the applicants presented skills, knowledge and abilities that were clearly above the requirements and other interviewees. Both had experiences that were an excellent match for the position. However, in our final analysis, one applicant had a skill set, experience and personal qualities that exceeded those of the other final candidate. Mr. Nick Schmitz is the candidate that is recommended for this position.

Mr. Schmitz is currently the Building Official for the City of Columbus. He has been the Building Official there for nine years and manages the building inspections and code enforcement for the City of Columbus. Prior to this employment, Mr. Schmitz was the Building Official for Vadnais Heights from 1999 to 2003 and a Building Inspector for Cottage Grove from 1992 to 1999. Mr. Schmitz has previous experience in the private construction industry subsequent to his career as a Building Official/Inspector. Mr. Schmitz background in both a rural and emerging City setting provides a background that is a perfect fit for our situation in East Bethel.

He is very well qualified and possesses the “people skills” to function at a level that is expected of an employee in this position. All references from Mr. Schmitz's previous employment have been completed and Mr. Schmitz received complimentary marks and commendations for his previous service. Mr. Schmitz was recognized as being extremely

punctual, professional and competent in his performance. His current and past two employers unequivocally stated they would hire him again if he were applying for employment. Mr. Schmitz background check has been received and there are no issues with this report.

If Council moves to approve the offer of employment, we would anticipate Mr. Schmitz being available for work on or before August 6, 2012.

Wages and benefits have been budgeted in the City's General Fund budget for 2012 for this position.

Staff is recommending approval of the tentative offer of employment which has been extended to Mr. Nick Schmitz as the Building Official/Ordinance Enforcement Officer at Pay Grade 10, Step B with benefits per City Policy and with 40 hours of sick leave to be included as part of this offer. This pay grade represents an annual salary of \$68,640.

Boyer made a motion to make the tentative offer of employment of Nick Schmitz as the Building Official/Ordinance Enforcement Officer at Pay Grade 10, Step B with 40 hours of sick leave to be included as part of the offer. Moegerle offered an amendment to make a motion to approve the offer. Remove make. Boyer accepted the amendment. Moegerle seconded.

Moegerle, "The day he starts he has 40 hours of sick leave banked?" Davis, "Yes." DeRoche, "I am surprised he isn't here." Davis, "He wasn't invited. It has not been policy to have those people here as part of the approval." DeRoche, "Well I guess the problem I see in that I thought it was going to be whittled down to a few and then Council was going to interview. I got a bad taste in my mouth because of the last building official we had and his departing." Moegerle, "But this is probationary." Davis, "That is correct. The employee will be on a six-month probationary period at which time he can be approved for full-time employment or terminated." DeRoche, "Who did the interviews?" Davis, "Myself, Hanson and Pierce and city administrator from Oak Grove because they might be interested in contracting with us. It is policy that staff does interviews and recommends an applicant. Then they do probation and at the end of the probation period immediate supervisor provides recommendation to City Council."

Moegerle, "Has Council ever sat in on interviews?" Vierling, "Each city has their own practice and/or policy." Boyer, "This city hasn't done it since 2004/2006." Lawrence, "Does this pay represent benefits package?" Davis, "No." DeRoche, "What is the benefits package? Because I have people asking me a lot what the benefits are. I get asked this a lot. They are asking me, "I thought you were going to cut back." or "There isn't a lot going on." Davis, "There is a lot going on. Not in terms of single family homes building permits. Currently there is enough going on with roofing, siding, window, septic, remodeling permits and code compliance to keep one person and maybe another one busy during the construction season. There is more going on and by not having these positions filled really eating up a lot of valuable time. Taking away a lot of time we need to spend on other functions. Code compliance and enforcement, might take hours to go out and investigate a compliant."

Lawrence, "What is the revenue in the building department at this time?" Davis, "Earlier in the year we were projecting \$75,000 to \$80,000 in permit fees. This could go up or down. This is an essential government service. This is part of the duties the City is required to perform. One thing we have not been proactive on is code enforcement and compliance. It has all been reactive because of time constraints. One of the key components of this person's

job is code enforcement officer.” DeRoche, “What is his package. People are going to want to know.” Davis, “The salary is \$68,000 and the benefit package is probably about \$20,000 to \$22,000. I would have to look it up. This salary is in the middle of what everyone is paying.” DeRoche, “I am not doubting you. But this City has been known in the past to pay really good benefits.” Moegerle, “That is history.” DeRoche, “If the contracts have changed.” Davis, “There are no contracts. Everyone is an at-will employee.” **All in favor, motion carries.**

Request for
Financial
Consulting
and Bond
Counsel
Services

Davis explained that as part of the city’s past practice to evaluate professional services, staff recommends that Council solicit RFPs for Financial Consulting and Bond Counsel Services and that these proposals be presented at a City Council work session on Wednesday, August 1, 2012 at 6:00 p.m. The reason for the request is there will probably be some TIF discussions coming up and at some point there is going to be the necessity for involving bond counsel in financial decisions for potentially Aggressive Hydraulics but also economic development prospects. We want to make sure council is comfortable with whoever our bond counsel is.

Moegerle, “We were at a meeting with Aggressive Hydraulics. Part of this came up with finding financing for Aggressive Hydraulics. There was a discussion that Kathy Aho did not get the warmest reception from us, is that a concern. It is fact finding and information before we do anything. We want to have someone we have confidence in.

Moegerle made a motion send out a RFP for Financial Consulting and Bond Counsel services. Boyer seconded. DeRoche, nay; Boyer, Lawrence and Moegerle, aye; motion carries.

DeRoche, “Are you sending out RFPs on what you are looking for, or what we are looking for as a City?” Davis, “There is no cost to send out for RFPs. There are times we need to utilize bond counsel and I want to have someone that everyone is comfortable with.” DeRoche, “Apparently there are plans to go into TIF or Tax Abatement or how are you going to structure an RFP is we don’t know what we are looking for?” Davis, “What an RFP does is they can come in and outline what their qualifications are and then you have an opportunity to interview them. They might do a variety of things. We are getting into the area where we need to be competitive in the economic game.” DeRoche, “That is going to be tough. Because financially, we are not in the same place as others.”

Council
Reports –
DeRoche

DeRoche, “The Fire Fighters dance is Saturday night. There will be a good band”

Council
Reports –
Moegerle

Moegerle, “EDA did get a booth for Booster Day. We will have a questionnaire and it will be designed to say, developers are interested in knowing what we would like to have for services as a community as far as franchises, restaurants and those kinds of things. We are going to have a list, you can circle, I want Culvers vs. Arby’s, or McDonalds. Kind of fun to test the waters, we will have candy sugar-filled enticements there.

We had a website meeting this morning with CivicPlus this morning and will have another tomorrow with Vision Internet. Aggressive Hydraulics complex situation, we are getting down to the wire on that. Got an interesting e-mail from Bryce Pickart today about accepting septage at our waste water treatment plant. Could pay us some dividends.”

Council
Reports –

Lawrence, “The GRE Settlement is all but done. Go-For-It Gas on Viking Blvd. just east of Co. Road 15 is having their Grand Opening Saturday July 28th. Stop in and support our local

July 18, 2012
Lawrence

businesses. We also have Booster Day this Friday and Saturday. And I would like to thank Rachel Peterson and Friends for their donation to the schoolhouse.

Adjourn

Boyer made a motion to adjourn at 9:33PM. DeRoche seconded; all in favor, motion carries.

Attest:

Wendy Warren
Deputy City Clerk

DRAFT

**PAY ESTIMATE #5
CITY OF EAST BETHEL
Water Treatment Plant No. 1**

July 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	0.35	\$ 10,429.80
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	0.80	\$ 1,039,358.99
5	GENERATOR SYSTEM	1	LUMP SUM	\$51,000.00		\$ -

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

\$ 1,049,788.79

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	13,273	\$ 51,101.05
8	GRANULAR BORROW (LV)	822	CU YD	\$8.40		\$ -

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

\$ 60,331.05

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 #5
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		\$ -
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		\$ -
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		\$ -
37	GEOTEXTILE FILTER TYPE IV	158	SQ YD	\$2.00		\$ -
38	4" CONCRETE WALK	585	SQ FT	\$5.00		\$ -
39	CONCRETE CURB & GUTTER DESIGN B612	1,041	LIN FT	\$11.00		\$ -
40	8" CONCRETE DRIVEWAY PAVEMENT	88	SQ YD	\$63.00		\$ -
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		\$ -
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

\$ 14,444.00

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 #5
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	<u>\$ 1,049,788.79</u>
Total Bid Schedule "B" - Removals and Earthwork	<u>\$ 60,331.05</u>
Total Bid Schedule "C" - Sanitary Sewer	<u>\$ 5,933.00</u>
Total Bid Schedule "D" - Watermain	<u>\$ 107,514.80</u>
Total Bid Schedule "E" - Pavements and Miscellaneous Construction	<u>\$ 14,444.00</u>
Total Bid Schedule "F" - Mobilization	<u>\$ 42,000.00</u>
Total Alternate No. 1 - Filter No. 2	<u>\$ -</u>
Total Work Completed to Date	<u>\$ 1,280,011.64</u>
Less 5% Retainage	<u>\$ 64,000.58</u>
Less Pay Estimate #1	<u>\$ 42,845.00</u>
Less Pay Estimate #2	<u>\$ 290,272.79</u>
Less Pay Estimate #3	<u>\$ 185,579.51</u>
Less Pay Estimate #4	<u>\$ 531,361.48</u>
WE RECOMMEND PAYMENT OF:	<u><u>\$ 165,952.29</u></u>

APPROVALS:

CONTRACTOR: MUNICIPAL BUILDERS, INC.

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

Signed: _____

Title: _____ Date _____

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
EAST BETHEL, MINNESOTA**

RESOLUTION NO. 2012-43

**RESOLUTION APPROVING PLANS AND SPECIFICATIONS FOR THE
JACKSON STREET RECONSTRUCTION AND SANDY DRIVE SEAL COAT
PROJECTS
AND DIRECTION TO SOLICIT BIDS**

WHEREAS, the City Engineer has prepared plans and specifications for the Jackson Street Reconstruction and Sandy Drive Seal Coat Projects;

WHEREAS, the City Engineer has presented such plans and specifications to the Council for review, comment and approval; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL MINNESOTA THAT: The plans and specifications for the Jackson Street Reconstruction and Sandy Drive Seal Coat Projects are hereby approved.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF EAST BETHEL MINNESOTA THAT: The City Clerk is hereby authorized and directed to prepare and publish in the City's official paper an advertisement for bids for the aforementioned improvements based on the approved plans and specifications. The advertisement shall specify the work to be done, shall state that the bids will be opened at 11:00 a.m. on Thursday, August 9, 2012 in the City Council Chambers at City Hall, 2241 221st Avenue, East Bethel. No bids will be considered unless sealed and filed with the City Administrator and be accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City of East Bethel in the amount of five percent of any such bid in response to the advertisement.

Adopted this 1st day of August, 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. 2012-44

RESOLUTION PROCLAIMING AUGUST 7, 2012 NIGHT TO UNITE

WHEREAS, the Minnesota Crime Prevention Association, along with AAA of Minnesota/Iowa, and local law enforcement agencies are sponsoring a statewide program called Night to Unite on August 7, 2012; and

WHEREAS, Night to Unite is designed to get to know one another in your neighborhood, build neighborhood involvement by bringing police and communities together; and to bring an awareness to crime prevention and local law enforcement efforts; and

WHEREAS, Night to Unite supports the idea that crime prevention is an inexpensive, effective tool in strengthening police and community partnerships; and

WHEREAS, Night to Unite provides opportunities to celebrate the ongoing work of law enforcement and neighborhoods in East Bethel by working together to fight crime and victimization and increase public safety for all citizens; and

WHEREAS, the citizens of East Bethel play an important role in assisting the Anoka County Sheriff's Office through joint crime, drug and violence prevention efforts;

NOW, THEREFORE, the City of East Bethel does hereby call upon all citizens in East Bethel to participate in Night to Unite on August 7, 2012.

FURTHER, LET IT BE RESOLVED THAT, the City of East Bethel does hereby proclaim Tuesday, August 7, 2012, Night to Unite in East Bethel.

Adopted by the City Council for the City of East Bethel, this 1st day of August, 2012.

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

DNR – Beaverbrook Wildlife Management Area Land Acquisition

Requested Action:

Consider approving 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

Background Information:

The DNR is interested in purchasing the William Gombold property on Klondike Drive. This acquisition is intended to become part of the proposed Beaverbrook State Wildlife Management Area.

In the late 1970's, DNR was approached by the Beaverbrook Sportsman's Club to sell or convey property to DNR to generate revenues for debt retirement purposes. That event initiated the concept of a Beaverbrook WMA Project Proposal to document an approach and potentially assemble any future land ownership in which DNR might have interest, including existing DNR Trust Lands, County lands, or other properties, some of which are now the Sandhill Crane Natural Area. However, no lands were ever purchased for this project.

Because Mr. Gombold's land is adjacent to the existing Beaverbrook WMA project designated area, it simplified the process for the DNR to create this as an addition to the project. The DNR has emphasized that the Beaverbrook WMA is a concept and adding tracts 9 – 14 to the original proposal (Supplemental Acquisition Map attachment identifies these properties) would be dependent on future funding and willingness of the adjoining property owners to sell . The owners of tracts 13 and 14, as shown on the attached location map, have expressed interest in selling their land to DNR if the DNR is successful in acquiring the Gombold property.

The DNR has an "in lieu of tax" payment to the County, of which an amount is distributed to the cities by the County. The formula for calculating these amounts is somewhat complex and is listed in the attachment that references the state statute on this matter. Total taxes payable on this property in 2012 are \$2,502 with the share received by the City being approximately \$825. At this time it is undetermined the net difference between what the City currently receives in taxes as opposed to a payment in lieu of taxes.

The City would expect the dedication of right of way and drainage easements as indicated on the attached Right of Way and Easement Map from the DNR as a condition of support for this purchase.

Sarah Strommen of the Minnesota Land Trust will be available to answer any questions regarding the dedication requirements for right of way. Also, attached is correspondence from the property owner, William Gombold, in regards to the dedication of the requested right of way and trail easement.

Attachment(s):

1. Beaverbrook WMA Plat Map
2. Beaverbrook WMA Aerial Map
3. Beaverbrook WMA Land Cover Map
4. Beaverbrook Location Map
5. Beaverbrook Supplemental Acquisition Map
6. Beaverbrook Right of Way and Easement Map
7. Beaverbrook Land Purchase Resolution
8. William Gombold e-mail
9. Minnesota Land Trust Letter

Fiscal Impact:

To be determined

Recommendation(s):

Staff has no objections to the purchase of this property by the DNR and recommends the approval of the resolution 2012-38 provided the DNR grants the easements and rights of way along Klondike Drive as outlined by the City Engineer on Attachment 6.

City Council Action

Motion by:_____

Second by:_____

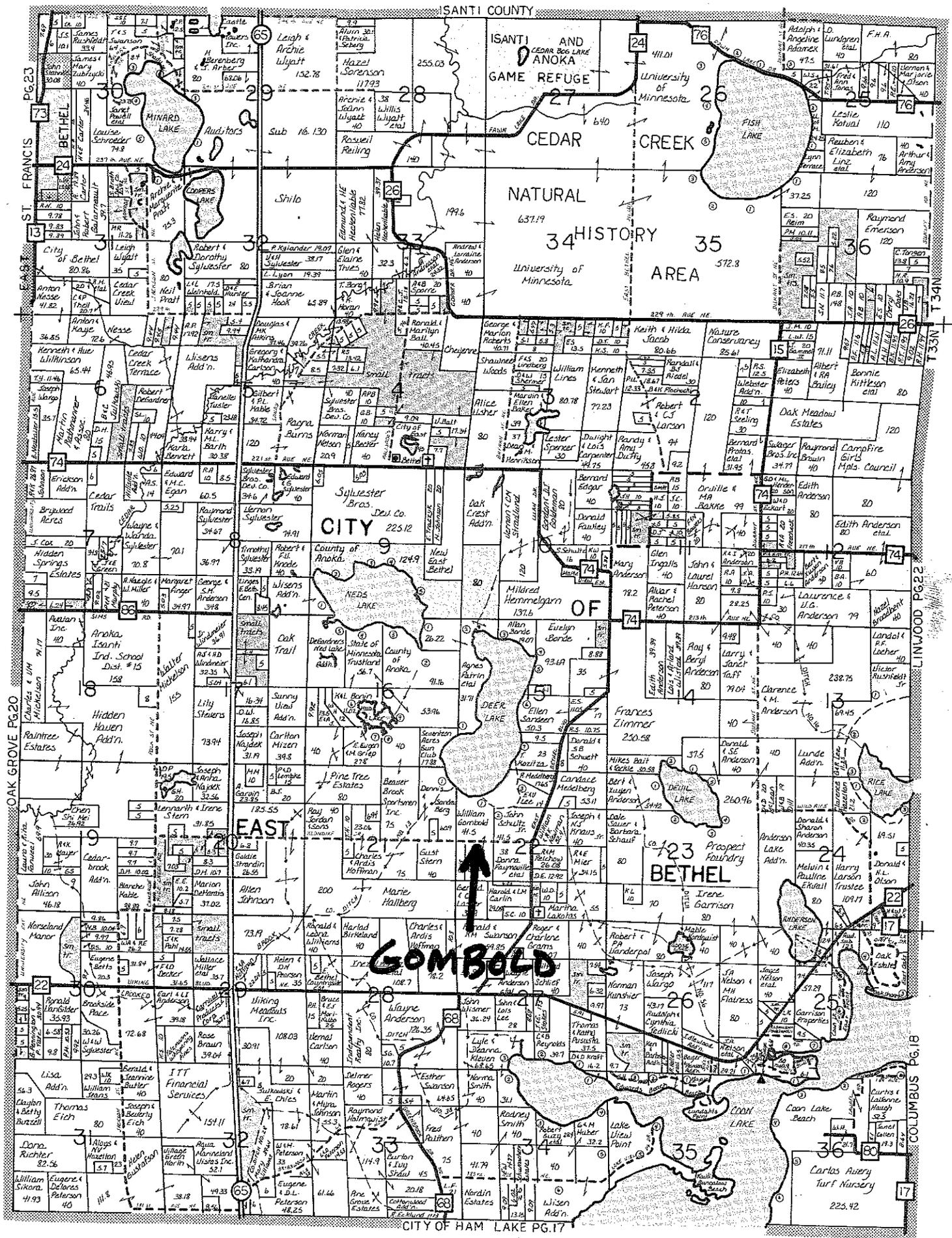
Vote Yes:_____

Vote No:_____

No Action Required:_____

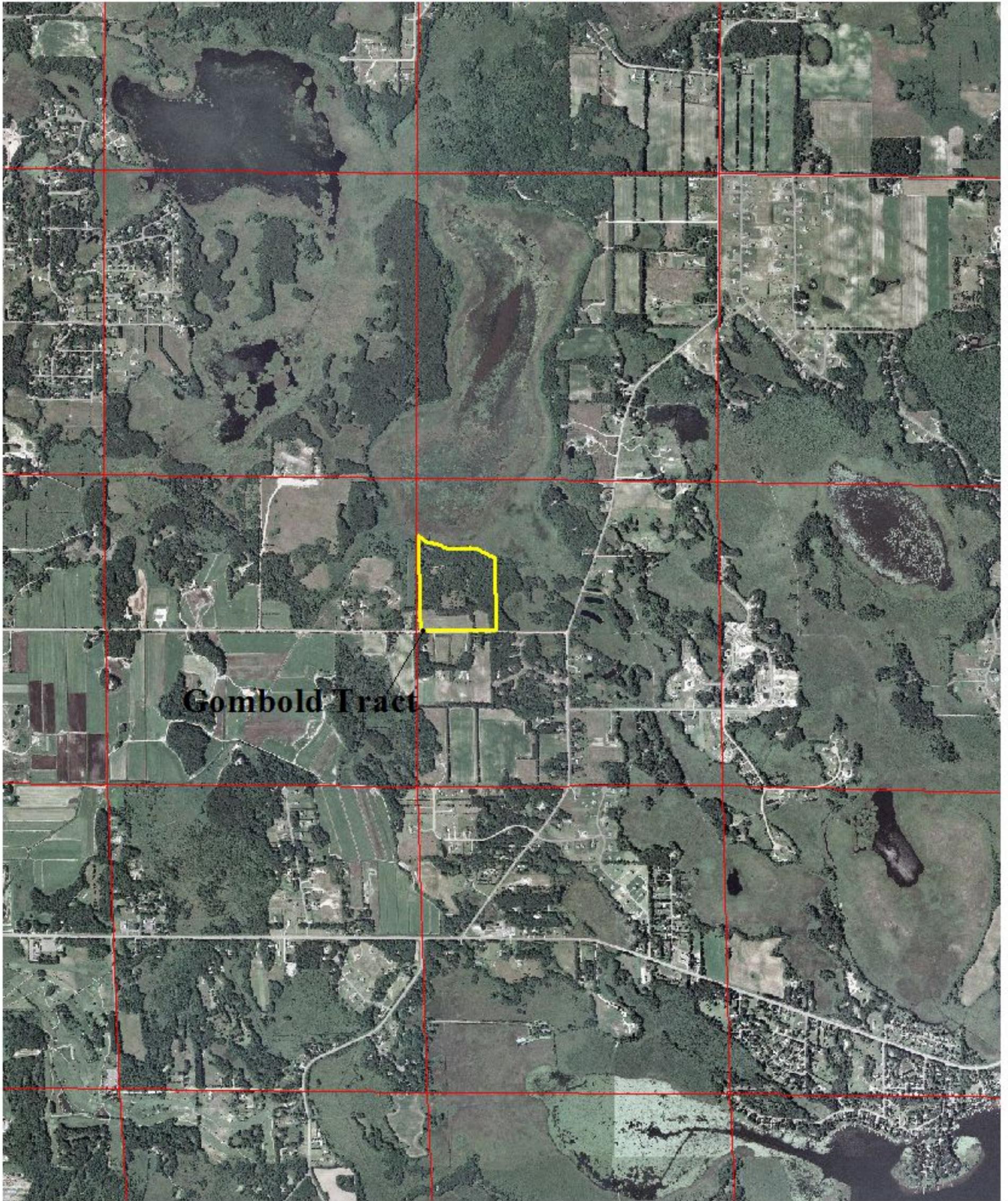
CITY OF EAST BETHEL PART OF BETHEL

T.33-34N. - R.23W.

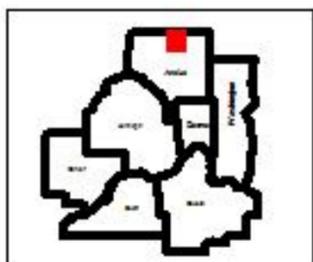


CITY OF HAM LAKE PG.17

Gombold Tract



Gombold Tract



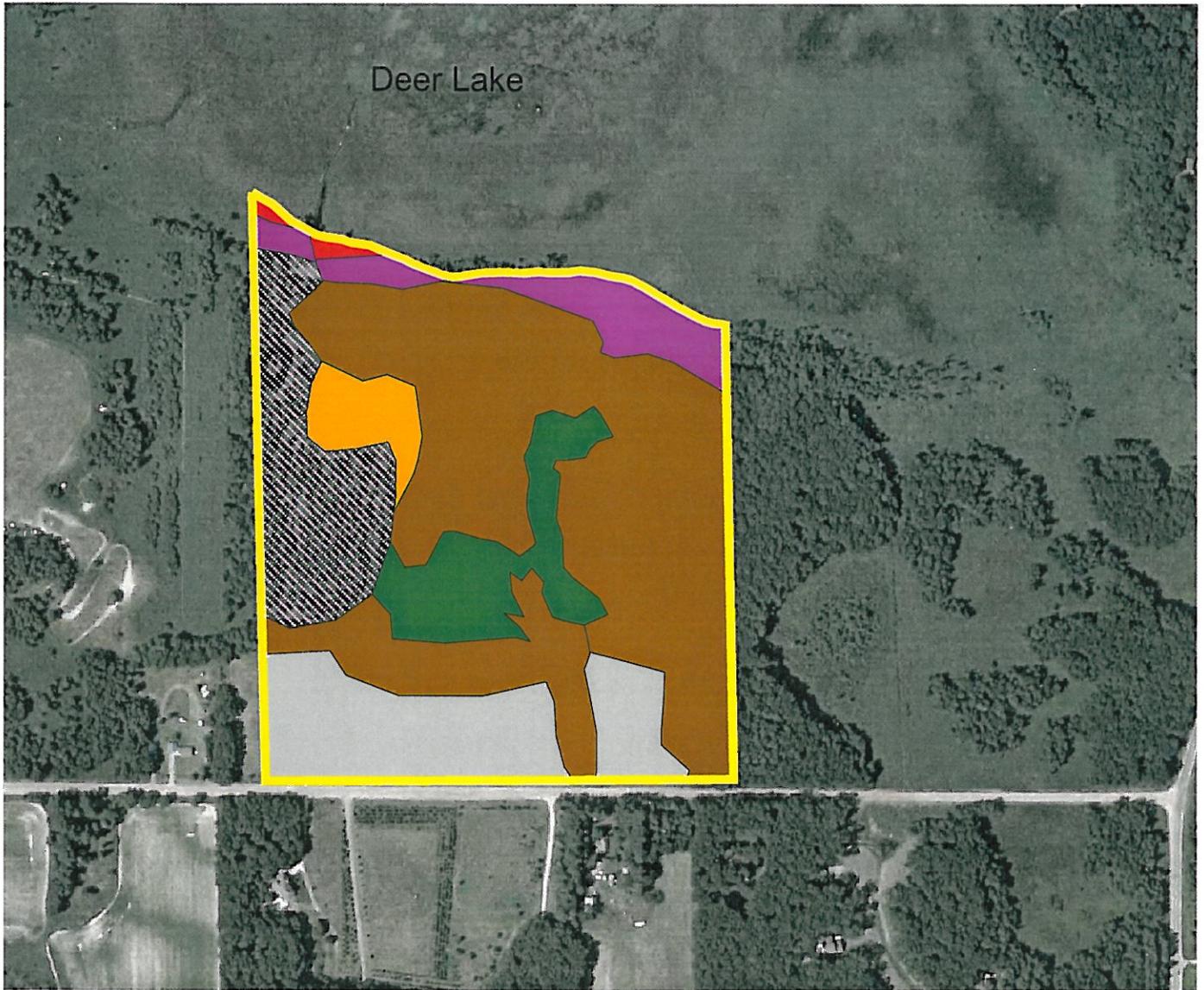
Proposed Gombold Tract in T33 R23 Sect. 22 in Anoka County

3000 0 3000 6000 Feet



Gombold Property Natural Area Plan

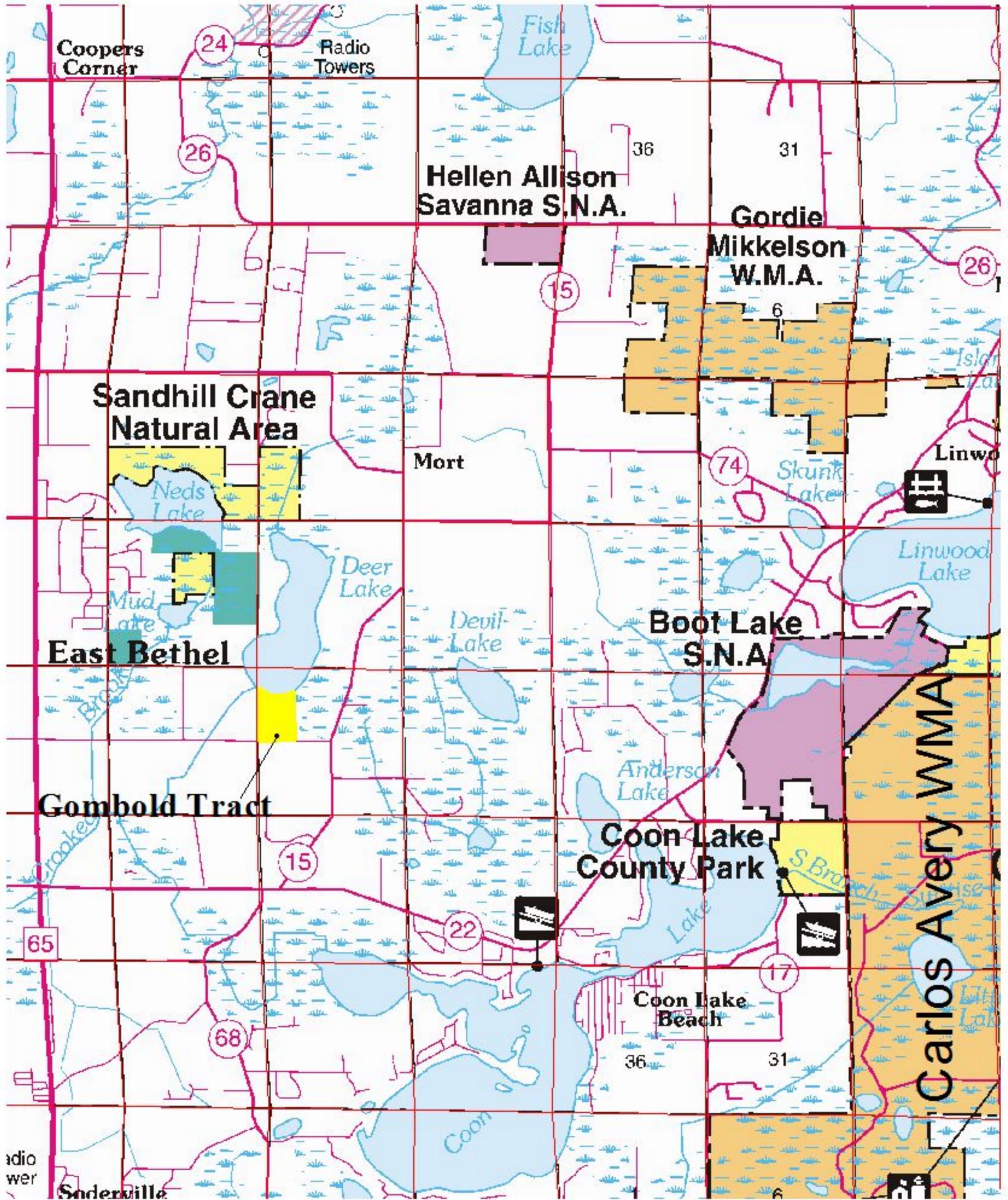
Land Cover Mapped by the Minnesota Land Cover Classification System (See also maps in Sandhill Crane Natural Area Master Plan)



- Gombold Property
- Minnesota Land Cover Classification
- Cultivated herbaceous vegetation
- Mixed emergent marsh
- Mixed hardwood swamp
- Oak forest
- Seasonally flooded deciduous shrubland
- Upland coniferous woodland
- Upland deciduous shrubland

Map prepared by
Hannah Jost 3/28/05

Gombold Tract

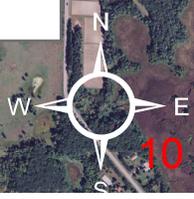


Proposed Gombold Tract in T33 R23 Sect. 22 in Anoka County



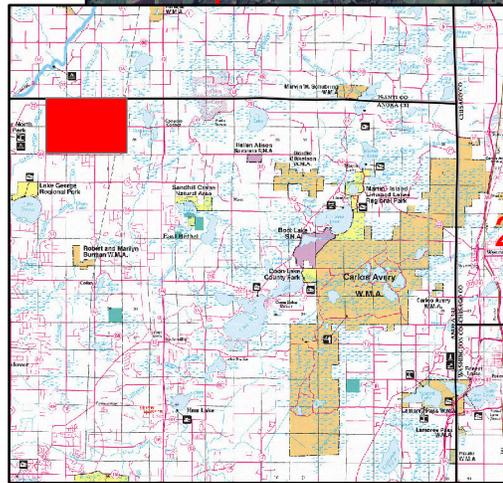
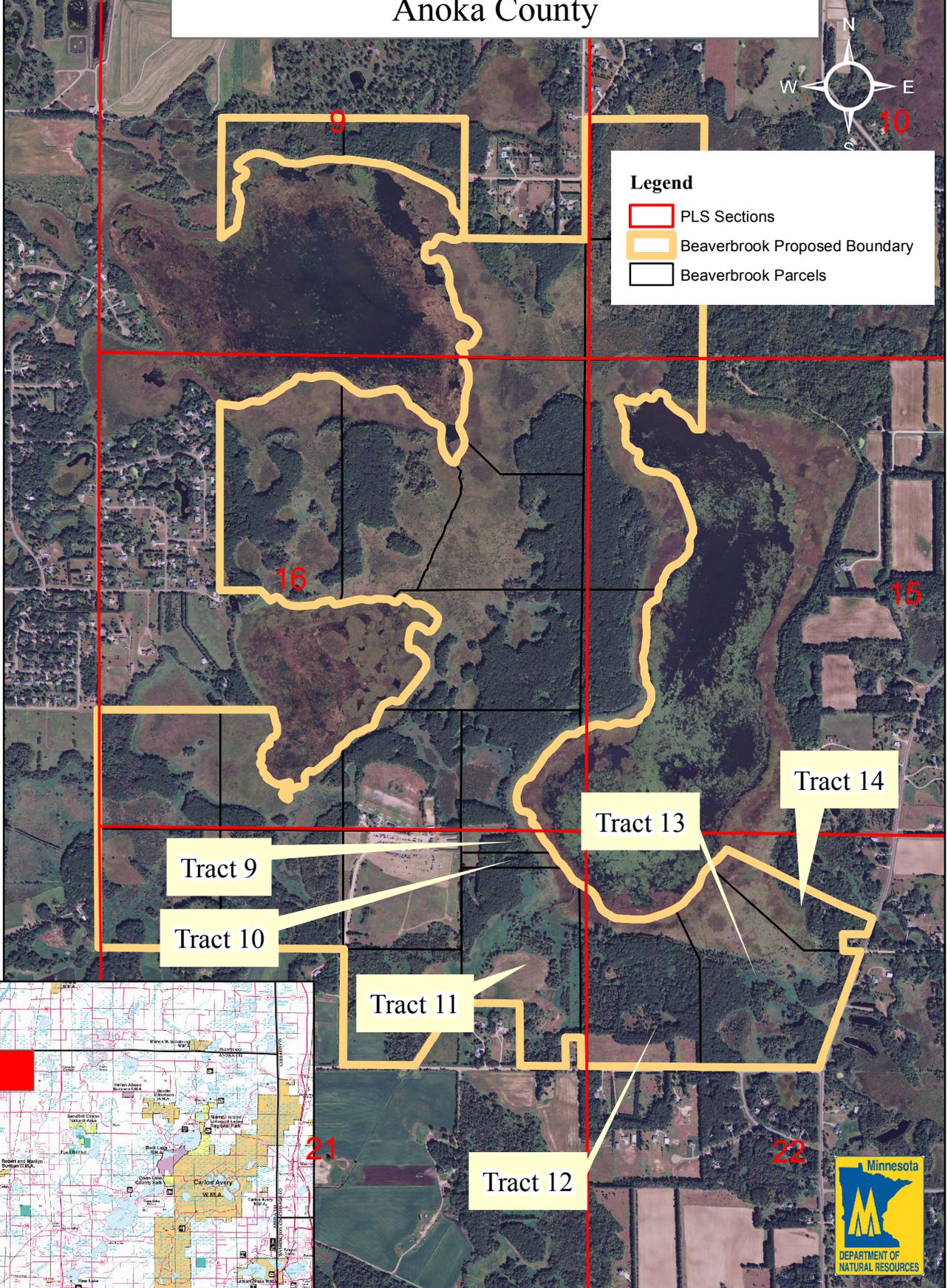
Beaverbrook Supplemental Acquisition Map

T33N R23W Sect. 9, 10, 15, 16, 21, 22
Anoka County



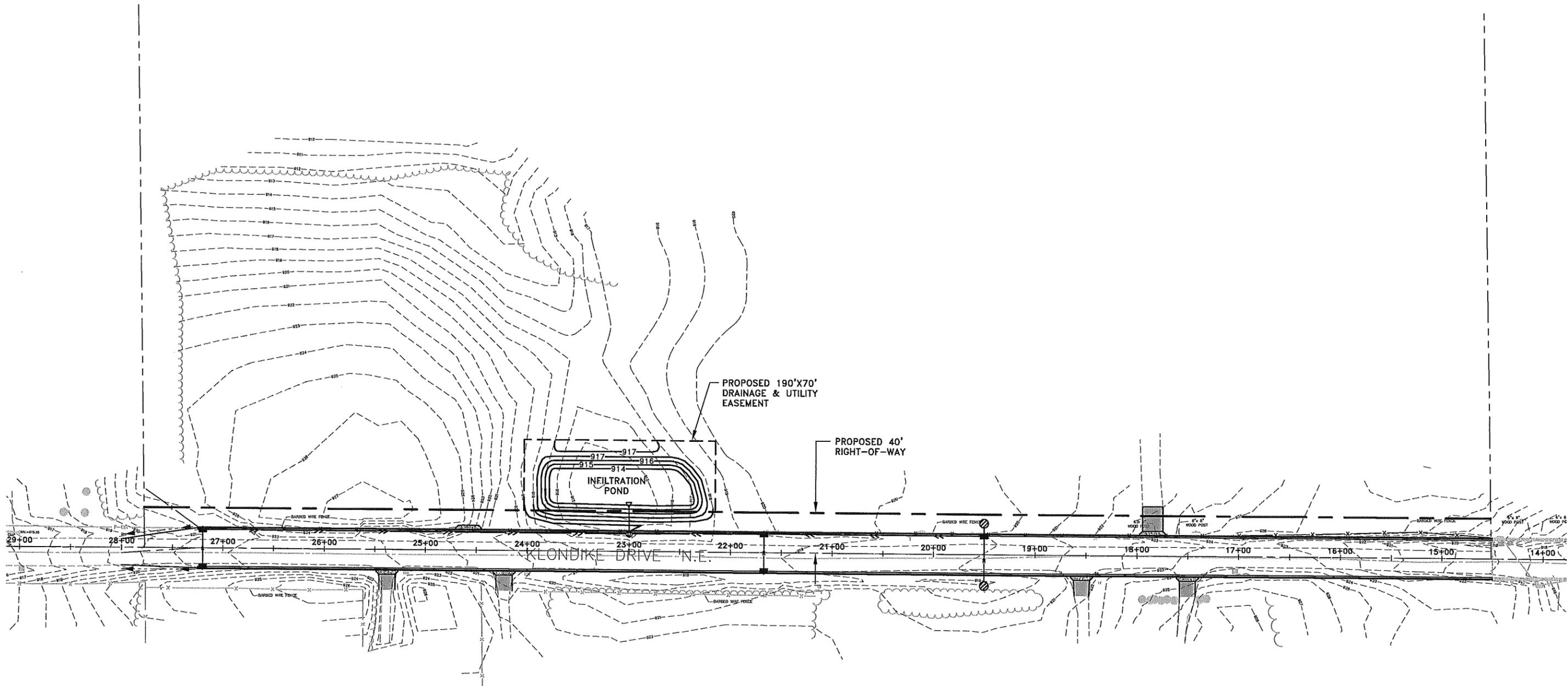
Legend

- PLS Sections
- Beaverbrook Proposed Boundary
- Beaverbrook Parcels

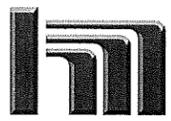


1 in = 7 miles

Created: 8/19/11



Jul 19, 2012 - 5:23pm
 K:\proj_010\PROJECTS\MUNICIPAL\EB335.dwg EB335-EXHIBIT.dwg



Hakanson Anderson
 Civil Engineers and Land Surveyors
 3601 Thurston Ave., Anoka, Minnesota 55303
 763-427-5860 FAX 763-427-0520
 www.hakanson-anderson.com

EASEMENT EXHIBIT KLONDIKE DRIVE CITY OF EAST BETHEL, MINNESOTA		SHEET 1 OF 1 SHEETS
--	--	---------------------------------

EB335

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

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 BEAVERBROOK STATE WILDLIFE MANAGEMENT AREA**

WHEREAS, the Minnesota Department of Natural Resources (DNR) is interested in purchasing the property described as follows;

Government Lot 1, T33N 23W, Anoka County, MN, subject to a Conservation Easement held by the Minnesota Land Trust, Anoka County Record ID 2336432;

All being in Anoka County, Minnesota; and

WHEREAS, the owner of the property is willing to sell it to the Department of Natural Resources; and

WHEREAS, the land to be acquired by the DNR will become part of the Beaverbrook State Wildlife Management Area;

NOW, THEREFORE, BE IT RESOLVED that the East Bethel City Council supports the purchase of said land described above by the Minnesota Department of Natural Resources;

Adopted this 1st day of August, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

Jack Davis

From: Craig Jochum [CraigJ@HAA-inc.com]
Sent: Thursday, July 26, 2012 10:38 AM
To: Jack Davis; Stephanie Hanson; 'bryan.lueth@state.mn.us'
Subject: FW: Gombold Easement

FYI

From: William Gombold [<mailto:williegombold@yahoo.com>]
Sent: Thursday, July 26, 2012 10:03 AM
To: Craig Jochum
Subject: Re: Gombold Easement

Hello Mr. Jochum,

Thank you for sending the update. As far as my opinion on easments for the City for sewer lines and roadwork etc, I'd say that I would not be against granting said easments, but they of course would have to comply with the restrictions set forth by the conservation easment that I have put on my property. If they comply with that, then I will be ok with what the city needs.

I do live 250 miles away and will not be able to attend that meeting, however I am available by phone if you should need to contact me. I can be reached at (218) 659-4404.

Thankyou for your consideration.

Wm.B.Gombold

From: Craig Jochum <CraigJ@HAA-inc.com>
To: "amurphy@mnland.org" <amurphy@mnland.org>
Cc: "Sarah Strommen (sstrommen@mnland.org)" <sstrommen@mnland.org>; "William Gombold (williegombold@yahoo.com)" <williegombold@yahoo.com>; "Chris.Lord@anokaswcd.org" <Chris.Lord@anokaswcd.org>; 'Jack Davis' <jack.davis@ci.east-bethel.mn.us>; 'Stephanie Hanson' <stephanie.hanson@ci.east-bethel.mn.us>; "'bryan.lueth@state.mn.us'" <bryan.lueth@state.mn.us>; 'Nate Ayshford' <Nate.Ayshford@ci.east-bethel.mn.us>
Sent: Thursday, July 26, 2012 8:40 AM
Subject: Gombold Easement

Anne,

Attached is a letter which provides some additional background regarding the City of East Bethel's request for the right of way and easement along the Gombold property. This item will be discussed at the August 1 council meeting. Any information that can be provided regarding the owners and co-holders opinion on the request for easement and right of way prior to the August 1 meeting would be greatly appreciated.

Craig Jochum
City Engineer

Craig J. Jochum, President
3601 Thurston Avenue
Anoka, MN 55303



July 23, 2012

Jack Davis, City Administrator
City of East Bethel
2241 - 221st Avenue NE
East Bethel, MN 55011

Re: Deer Lake (Gombold)
Anoka County
Project File ID#: 2010-405

Dear Mr. Davis,

On behalf of the Anoka Conservation District and the Minnesota Land Trust, we would like to offer a few comments relating to proposed transfer of the Gombold property to the Minnesota DNR Division of Wildlife.

The Minnesota Land Trust and the Anoka Conservation District co-hold a conservation easement on the 44-acre Gombold property, which permanently protects the high quality lakeshore, forest, woodlands, wetlands, and grasslands on the property. As a perpetual conservation easement, the terms of the easement are in effect and apply to all current and future owners of the property. We fully support the transfer of the property to the DNR, as we believe DNR to be an ideal owner in managing the property consistent with the terms of the easement as a Wildlife Management Area (WMA) in conjunction with the established multi-agency partnership, that includes the county, city and state agencies which has cooperatively managed the adjacent Sandhill Crane Natural Area over the last two decades.

We were recently forwarded information relating to potential storm water projects along Klondike Road and the Gombold property. If there is a specific proposal from the City, we would be happy to evaluate it against the terms of the conservation easement and the conservation values that the easement protects. As with all of our easements, required notices or requests for approval must come from the current owner and must be delivered to us at least 30 days prior to the date proposed for initiating the activity in question. Please also note that state funds were used in the purchase of the Gombold conservation easement, and as such, the Legislative-Citizen Commission on Minnesota Resources (LCCMR) may need to provide additional review of any notices or proposals. This review process would apply to all current and future owners.

We would be happy to discuss the terms of the conservation easement protecting the Gombold property with the City. In the meantime, please feel free to contact us with any questions or concerns.

2356 University Avenue West, Suite 240
St. Paul, Minnesota 55114
(651) 647-9590 phone • (651) 647-9769 fax
www.mnland.org

Recycled paper: 100% post-consumer waste & processed chlorine-free

#9



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

Item 8.0 D.1

Agenda Item:

Assessing Contract

Requested Action:

Consider approving a contract for an Assessing Services Contract to Kenneth A. Tolzmann

Background Information:

Request for proposals for assessing services was advertised in the Anoka County Union and on the League of Minnesota Cities website. The City received one response, from the current City Assessor, Kenneth Tolzmann. The total cost of assessing services from Mr. Tolzmann's proposal is \$51,699. City staff requested assessing services rates from Anoka County Assessor Mike Sutherland. Estimated cost for assessing services through Anoka County is \$71,407.

Attachments:

- 1. Kenneth Tolzmann Proposal Letter
- 2. Assessing Contract

Fiscal Impact:

Noted above.

Recommendation(s):

Staff recommends awarding of the assessing services contract for three years to Kenneth Tolzmann.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

Kenneth A. Tolzmann, SAMA

Senior Accredited Minnesota Assessor

July 21, 2012

City of East Bethel
Attn: Mr. Jack Davis, Administrator
2241 221st Ave NE
East Bethel, MN 55011

Re: Assessor Proposal

Dear Mr. Davis,

Attached, you will find a proposed contract consistent to that contract currently in effect, but with a minor adjustment in cost from the current \$45,803.27 to a proposed \$51,699. for the next 3 years. This is broken down as follows:

3991 Residential improved parcels @ \$9.00 per parcel -----	\$35,919.
269 Commercial/Industrial parcels @ \$55.00 per parcel -----	14,795.
839 Unimproved land parcels @ \$ 2.50 per parcel -----	985.
394 Exempt	no charge
Proposed rate total:	\$51,699.

I would note that the current rate has not changed since 2001. With the increased costs since said time, I found it necessary to make such an adjustment, and hope that it meets the City's approval.

If you have any questions, or are in need of any additional information, please don't hesitate to call my office at 651 464-4862.

Sincerely,



Kenneth A. Tolzmann, SAMA
East Bethel City Assessor

Agreement for Assessor Services

This Agreement made and entered into this _____ day of _____, 2012, by and between the City of East Bethel, 2241 221st Ave. NE, East Bethel, Minnesota 55011, (a municipal corporation under the laws of Minnesota) hereinafter referred to as the “City”, and Kenneth A. Tolzmann, Senior Accredited Minnesota Assessor #1939, 24738 Hamlet Ave. N. Forest Lake, Minnesota 55025, hereinafter referred to as the “City Assessor”.

WITNESSETH:

WHEREAS, the City of East Bethel is a statutory city constituting a separate assessment district lying wholly within Anoka County, Minnesota; and

WHEREAS, pursuant to Minnesota Statutes 273.05, city assessors shall be appointed by City Council; and

WHEREAS, it is the wish of the City Council to re-appoint Kenneth A. Tolzmann the East Bethel City Assessor; and

WHEREAS, it is the wish of Kenneth A. Tolzmann to serve as the East Bethel City Assessor and to cooperate with the City to perform fair and equitable assessments of the real property within the City.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed as follows:

- I. The effective date of this Agreement will be January 16, 2013, and it will terminate January 2, 2016, unless earlier terminated as provided herein.
- II. The City Assessor represents that he is a resident of the State of Minnesota, possesses the knowledge and training in the field of property taxation necessary to perform the duties of a local assessor, is duly licensed to perform such duties in compliance with Minnesota Statutes 270.48 and Minnesota Department of Revenue Standards, is capable of performing analyses and projections utilizing assessment data, has a working knowledge of spreadsheet and presentation software and is proficient in their use as it relates to presentations.
- III. All real property within the geographical boundaries of the City will be assessed by the City Assessor for taxation beginning with the assessment for tax year 2014 payable in 2015.
- IV. When requested, and provided that the necessary data to make such request is readily available, the City Assessor will, given timely notice, provide reports, projections or analysis to City officials in a timely fashion. The Assessor will

provide to the City and Public prior to the Board of Review, an Annual Report to include but not limited to; a statistical summary of valuation changes from the prior assessment year to include new construction valuations by property type, comparison of property groupings and types from year to year or over an extended period of time, market data reflecting trends in the industry, current trends in property valuations and implications of changes in current property tax legislation, if any.

- V. The duties of the City Assessor will be carried out consistently and in accordance with the provisions of Minnesota Statutes 273.05, 273.064 & 273.08.

- VI. In consideration of such assessment services, the City will pay to the City Assessor quarterly payments based on an invoice presented by the City Assessor to the City in a timely manner (unless earlier terminated as herein provided) as follows:
 - a) Quarterly payments shall be made by the City, based upon the timely submission of an invoice by the City Assessor. Timely submission of an invoice shall mean the invoice is received no earlier than the first day of the month following the end of a calendar quarter and no later than the tenth day of the month following the calendar quarter.
 - b) The parties understand and agree that to accomplish the delivery of the tax year 2014 (payable in 2015) assessment on or before January 2, 2014 (the statutory due date), all work specific to the generation of that assessment must be done during the 2013 calendar year; the same will be true for subsequent tax year assessments, i.e. all work for the tax year 2015 assessment must be done in calendar year 2014; all work for the tax year 2016 must be completed in calendar year 2015.

- VI. For tax year 2014 assessment, the City will pay to the City Assessor as follows:
 - a) Nine Dollars (\$9.00) for each improved parcel of residential, seasonal recreational residential and agricultural type of property.
 - b) Two and 50/100 (\$2.50) for each unimproved parcel of residential, seasonal recreational residential, and agricultural type of property.
 - c) Fifty Five Dollars (\$55.00) for each improved and unimproved parcel of commercial, industrial, and public utility type of property.
 - d) Fifty Five Dollars (\$55.00) for each improved and unimproved parcel of apartment or mobile/manufactured home park type of property.

- VII. The same procedure and rates will be followed in the frequency and computation of payments for assessment services for subsequent years (in calendar years 2014, 2015, 2016 for the following tax year assessment in each case).
- VIII. The City Assessor will remit quarterly billings to the City as provided above, detailing the number of parcels of each type of property assessed and charged to the City, with a complete breakdown for that specific quarter. Additionally, a summary of activity and accomplishments for each quarter will also be provided.
- IX. Notwithstanding Section I above, the City Assessor and/or City have the right to terminate this Agreement by providing six months written notice prior to the beginning of the assessment work for a tax year. Such notice to terminate must be sent by certified mail to the other party at the address set forth above. For example, to terminate effective as of the tax year 2015 assessment, the party must provide written notice of termination to the other party not later than July 16, 2013, the work on the tax year 2015 assessment to commence on January 16, 2014, (the anniversary date of this agreement).

Provided further, that this Agreement may be terminated at any time by the City on charges by the Minnesota Commissioner of Revenue of inefficiency or neglect of duty on the part of the City Assessor.

- X.. The relationship between the parties is that of an independent contractor. Nothing contained in this Agreement is intended to or should be construed as creating the relationship of copartners or joint venturers between the City and the City Assessor. No tenure or any rights or benefits, including Workers' Compensation, Unemployment Insurance, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to City employees will accrue to the City Assessor or employees of the City Assessor performing services under this Agreement.
- XI. The City Assessor agrees he will defend, indemnify, and hold harmless the City, its officers and employees, against any and all liability, loss, costs, damages, and expenses which the City, its officers or employees, may hereafter sustain, incur, or be required to pay arising out of the City Assessor's performance or failure to adequately perform his obligations pursuant to this Agreement.
- XII. All data collected, created, received, maintained, or disseminated for any purposes by the activities of the City Assessor because of this Agreement is governed by the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as amended, the Minnesota Rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.

XIII. Pursuant to Minnesota Statutes 16B.06 subd.4, the City Assessor agrees that the City, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary will have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of the City Assessor and involve transactions relating to this Agreement.

XIV. During the performance of this Agreement, the City Assessor agrees to the following:

- a. No person will, on the grounds of race, color, religion, age, sex, disability, marital status, public assistance status, criminal record, creed, or national origin be excluded from full employment rights in, participation in, be denied the benefits of, or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

XV. City Assessor Licensure

- a. The City Assessor warrants and represents that he/she is currently licensed as a Minnesota Assessor by the State of Minnesota. In the event said license is cancelled, revoked, suspended, or expires during the term of the contract, the City Assessor agrees to inform the City within ten (10) days of such action against the license. The City will pay only for services provided while appropriately licensed by the State of Minnesota.
- b. The City Assessor will comply with all applicable federal and state statutes and regulations as well as local ordinances not in effect or hereafter adopted.
- c. Failure to meet the requirements of Paragraphs a. and b. above may be cause for cancellation of this Agreement effective the date of receipt of a notice of cancellation, notwithstanding the provisions of Sections I and IX above.

XV. Any reports, studies, photographs, negatives, or other documents prepared by the City Assessor in the performance of his obligations under this Agreement will be the exclusive property of the City; and all such materials will be remitted to the City by the City Assessor upon completion, termination, or cancellation of this Agreement. The City Assessor will not use, willingly allow, or cause to have such materials used for any purpose other than performance of the City Assessor's obligations under this Agreement without the prior written consent of the City. The City will not unreasonably withhold its consent.

IN WITNESS THEREOF, the City and City Assessor have hereby executed this agreement this _____ day of _____, 2012.

CITY OF EAST BETHEL

By: _____

Title: Mayor

Dated: _____, 2012

By: _____

Title: City Administrator

Dated: _____, 2012

CITY ASSESSOR

By: _____

Title: Kenneth A. Tolzmann, SAMA
Senior Accredited Minnesota Assessor #1939

Dated: _____, 2012

ATTEST

By: _____

Title: _____

Dated: _____, 2012



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

Item 8.0 D. 2

Agenda Item:

Financial Services Selection

Requested Action:

Consider the appointment of a Financial Services Advisor

Background Information:

Council solicited RFP's for the position of Financial Services Advisor and four firms responded and were interviewed. The interviews were conducted earlier this evening during the work meeting prior to the Council meeting.

The four firms interviewed were

- 1.) Springsted, Incorporated;
- 2.) Ehlers, Incorporated;
- 3.) The PFM Group; and
- 4.) Northland Securities

Fiscal Impact:

Funds for these services are provided when specific projects are requested, such as in a Bond Issuance or Economic Development programs.

Recommendation(s):

Staff requests Council consider the appointment of the Financial Services Advisor from those firms interviewed at the Work Meeting held on August 1, 2012.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____



City of East Bethel City Council Agenda Information

Date:

July 18, 2012

Agenda Item Number:

Item 8.0 D.3

Agenda Item:

2013 Proposed Budget

Requested Action:

Consider setting work session(s) to continue to review the 2013 Budget

Background Information:

On Wednesday, July 11, 2012, staff provided Council with a proposed 2013 Budget. The proposed budget is available on the City’s website and at the City Hall receptionist area.

A budget work session was held on Monday, July 23, 2012. Department Heads presented their budget requests to Council at this meeting and matters relating to alternatives to cover anticipated bond payment deficits for 2013 were discussed. The budget review was not completed during that 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.

Staff is requesting Council set a work session(s) meeting date(s) to continue to review the proposed 2013 Budget. It is recommended that Tuesday August 7, 2012 be set as the work meeting date with Wednesday, August 8, 2012 as an alternate date.

Fiscal Impact:

None at this time

Recommendation(s):

Staff is seeking approval from Council on dates for this work session.

City Council Action

Motion by:_____

Second by:_____

Vote Yes: _____

Vote No: _____

No Action Required: _____



City of East Bethel City Council Agenda Information

Date:

August 1, 2012

Agenda Item Number:

8.0 G.1

Agenda Item:

Aggressive Hydraulics Gap Financing

Requested Action:

Consider approving a gap financing plan for the Aggressive Hydraulics Project.

Background Information:

Aggressive Hydraulics, Inc. (the Company), a hydraulic cylinder engineering and manufacturing company located in Blaine, has approached the City of East Bethel regarding the relocation of the Company to the City at a site located at 18800 Ulysses Street. The Company proposes to build a 60,000 square foot facility and has secured private financing for the bulk of the Project. However, lower than anticipate appraisal values have created a financing gap in the funding necessary to complete the Project. The original gap estimate was \$900,000 but this amount has been reduced to \$300,000 due to other sources of financing secured by the Company and some reductions in the scope of the project. The project cannot move forward and construction cannot commence until all financing components are in place.

A number of meetings and teleconferences have occurred over the past few weeks discussing the financing gap and solutions to resolve this issue. The proposal outlined in this staff report has been discussed and has the consent of City staff, Paul Johnson and the financing bank, but would be subject to final approval by the Company and the City Council.

Tax Increment Financing

To complete the project a road extension and storm water infrastructure must be provided to and on the site. An often used development tool to finance infrastructure needs is Tax Increment Financing (TIF). In a typical development project of this type, the underlying land has a relatively low value, due to its vacancy and existing land use of the property. Once a development and improvements are completed, the land appreciates in value. The taxable difference (the increment) between the original land value and the post-project land value is captured and is segregated by the City to pay for the costs of the development. Once those costs are paid and the TIF District expires, the increased taxes derived from the higher land value go back to the applicable governmental units with jurisdiction.

To apply this framework to the current situation, the property has a current land value that has not reached its full potential, due to its undeveloped state and lack of full infrastructure. If the

City pays for the storm water and street infrastructure, once the project is completed, the City will be able to be repaid from the TIF tax increments captured from the project. Further details on the value TIF revenues projected from the improvements on the property, the duration of the payback period and other applicable factors are still to be determined. City staff has made some preliminary projections, which indicate that current taxes received from the property are \$660 and the addition of a \$3.5 building will produce approximately \$84,000 in City, County, School and EDA taxes.

Economic Development TIF District

To use TIF as a financing tool, requirements in state law must be followed. These requirements are generally located in Minnesota Statutes, Sections 469.174 through 469.1799, as amended (the “TIF Act”). For initial purposes it is presumed that the City’s Economic Development Authority (EDA) will take the lead on the creation and administration of any TIF districts established for this project.

The first step in this process is the creation of a “project area,” which is known as an Economic Development District. The boundaries of the Project Area may be larger than the project boundaries, or they can be the same size.¹ The EDA would also create a Tax Increment Financing District (the “TIF District”) to specifically cover the Project boundaries. The TIF District would be classified as an Economic Development TIF District, as the project consists of the manufacturing or production of tangible personal property, as well as the potential warehousing, storage and distribution of tangible personal property. TIF revenues may be used to finance the cost of redevelopment of the property, including the construction and installation of public improvements of the type contemplated by the project. An Economic Development TIF District continues for a maximum of eight years after receipt of the first TIF revenues.

TIF District Creation Process

Depending on when the process begins, the TIF District could be created in about five weeks. The major work product drafted during this time is the TIF Plan. The TIF Plan must follow the requirements found in the TIF Act, and is typically drafted by the City Attorney or the City’s financial advisor. The TIF Plan is closely reviewed and revised to account for all facets of the project, and it must carefully project future TIF revenues. Other events that happen during the approximate five-week period are outlined as follows (all dates are estimates and subject to change depending on circumstances):

- August 7th or 8th, 2012: Council calls for public hearing on creation of a TIF District at a special meeting.
- By August 20, 2012: Draft TIF Plan and fiscal implications of TIF District provided to Anoka County and Independent School District No. 15 for review and comment.
- From August 20-September 9, 2012: Notice of the TIF public hearing must be published at least once in a newspaper of general circulation in the City.
- No later than September 19, 2012 (City Council regular meeting or a special meeting): Public hearing on creation of TIF District and adoption of TIF Plan.

¹ A “project area” is essentially created by a one-page document; no calculations or projections are required. The purpose of project areas is seemingly to allow for sharing of available TIF revenues between TIF districts, as long as such sharing is done within the overarching project area.

After the TIF District is created and upon request of the EDA, Anoka County Property Records and Taxation will certify the TIF District so the City can receive all future TIF revenues from the County which are typically paid to cities with regular property tax payments.

General Obligation TIF Bonds

This proposal has discussed the basics of TIF financing and the TIF District creation process, but the main issue with this project is that the Company needs up-front money to proceed. To close the financing gap, the City has been requested to provide that up-front money.

It was first proposed that the City or the EDA would extend a short-term loan to the Company for the amount of the financing gap. The City's Housing and Redevelopment Authority (HRA) maintains a fund sufficient to cover the amount of the loan, but that money is meant for other purposes. However, it was proposed that the HRA execute an inter-fund loan to the EDA, which would in turn loan the money to the Company, so the project could commence. For security in this instance and as example, the EDA would require personal guarantees from the Company's owners, as well as receipt of any sale proceeds the Company realizes from its current facilities in Blaine for collateral. This interim loan would pay for the necessary infrastructure improvements and then would be paid off when the City issues General Obligation TIF Bonds. It soon became clear that the complexity of the interim loan and the perfection of the required loan security outweighed the need to save a small amount of time, perhaps a week or two, on the project's commencement. In other words, drafting the interim loan documents, sending the documents out to all parties for review and comment, and approval by the City Council would take almost as much time as creation of the TIF District. If the Company insists, it is always possible to resurrect this format, but it is likely unnecessary.

Therefore, the most cost-efficient way for the City to provide up-front financing for the Project is through the issuance of General Obligation Tax Increment Bonds (TIF Bonds). The TIF Bonds would be repaid through the receipt of TIF revenues over the eight to nine year life of the TIF District. It should be noted that the Bonds would be a general obligation of the City, and in case there is ever a shortage of TIF revenues to pay debt service, the full faith and credit of the City would have to make up the difference, whether through a tax levy, fund transfer or other method payment or collection. It is therefore crucial that City staff and the City's financial advisor carefully project the amount of TIF revenues to be realized from the project to minimize the City's exposure to any shortfalls. TIF Bonds are not subject to a referendum and are not considered net debt of the City.

It is anticipated that the TIF bonds would carry a tax-exempt interest rate, which are at historic lows. In order to qualify for the tax-exempt status, the bonds must finance solely public infrastructure, and they must be repaid from public sources. In this case the TIF Bonds would be tax-exempt because they are paid from TIF revenues, which are otherwise known as "generally applicable taxes" paid from a public source. If the City accepts any private payments or security on the TIF Bonds, the TIF Bonds will likely be rendered taxable, and will carry a higher interest rate. The simple act of entering into the payment guarantee by the company or the planned use of non-public funds, even if never exercised, would likely render the TIF Bonds taxable.

The TIF Bonds will also likely be declared taxable if the City requires the Company to enter into a minimum assessment agreement covering the project. A minimum assessment agreement establishes a minimum value of the property for the entire duration of the TIF District. If a minimum value is established, there will always be TIF revenues received in an amount derived from that minimum value. The benefit to such an agreement is that the City could determine how much in TIF revenues are required to pay debt service on the TIF Bonds, and then set the minimum value of the Property to equal at least that amount. This act would provide some

stability in that the City could rely on a steady stream of debt service payments over the term of the TIF Bonds. The drawback to such an agreement is the interest rate on the TIF Bonds would likely be taxable. An analysis and recommendation from the City's financial advisor would be necessary to determine whether a minimum assessment agreement or corporate guarantees would constitute a net benefit to the City.

Bond Issue Timing

There is also a process to issuing the TIF Bonds. The TIF Bonds can be sold at a public, competitive sale, or they may be privately placed with a bank or other financial institution. In a public sale, the City's financial advisor typically handles the pre-issuance proceedings, such as the Official Statement distribution and bond rating review. A date that corresponds with a City Council meeting is chosen for the bond sale; in this case, the TIF Bonds could be sold on the same date the TIF District is created. On that date, the TIF Bonds are sold in the morning, and the City Council would award the bonds to the winning bidder that evening. Closing and distribution of the bond proceeds would occur within 2-4 weeks of the bond sale. In this proposal, bond proceeds would likely be available in early- to mid-October.

In a private bond sale, a local bank could be approached to submit a bid to buy the TIF Bonds. A private sale may be more appealing in our case, because the principal amount of the bond issue is small, and costs required to put together the Official Statement and the bond rating may be avoided. A drawback to a private bond sale is there is little to no competition among bond purchasers, so the final interest rate may be higher than in a competitive sale. The City's financial advisor would generally approach area banks to determine interest in the TIF Bonds. If this route is desired, these banks should be contacted as soon as possible.

Another potential financing method that was discussed was a Minnesota Rural Water Association (MRWA) loan program that serves as a quick alternative to conventional general obligation bonds. To be eligible, a municipality must carry a general obligation direct debt of less than \$5,000 per capita. Loans may be made with terms of 15 years or less and a maximum principal amount of \$1,000,000. The web page for this program is located at www.mrwa.com/midi.htm. This could be favorable to the City, as no Official Statement and no rating is required. The City would incur the program fee of \$11,410, along with regular attorney fees and staff time, but it is conceivable these costs of issuance could be less than a public bond issue. The City's financial advisor would be required to evaluate this option in relation to normal bond issuances as to its value in this application.

Financing Alternatives

This proposal has focused on TIF, to the exclusion of other financing alternatives. As we discovered with potential DEED funding, there are no state financing programs available for this Project. An additional alternative would be the use of tax abatement. Tax abatement allows the City to capture taxes from the Project and redirect those taxes to pay for the costs of the improvements. Tax abatement is an alternative to TIF and they cannot be used in tandem. Unlike TIF, in abatement, the County and School District may each refuse to abate their own taxes derived from the parcel. The maximum tax abatement duration is 20 years, assuming no other governmental entities join the abatement. This maximum term is more than twice as long as the maximum term of an Economic Development TIF District, but more revenues are derived at a faster rate from TIF, since all local taxes are captured in a TIF scenario. Imposing a tax abatement takes about the same time as establishing a TIF District, since a public hearing is also required for abatement. The City can issue General Obligation Tax Abatement Bonds as well, which may be used for public improvements *or* to reimburse the Company for improvements made to the Property (broader authority than TIF). These bonds are not subject to a referendum and are not considered debt of the City. Finally, just as in TIF, an analysis must be done to

determine whether the Project will produce enough tax abatement to pay off bonds in a maximum 20-year time frame.

As a final alternative, the EDA could just loan the full \$300,000 financing gap to the Company, under a loan agreement. The EDA would set a repayment term and would secure itself through personal guarantees of the Company's owners, receipt of the sale proceeds of the Company's current facilities, and through other means, such as through liens on personal property, a mortgage on the Property, etc. A benefit to this approach is that the EDA does not have to go through the steps of drafting a TIF Plan, establishing a TIF District, and issuing general obligation bonds. A drawback is this loan would encumber a significant portion of the HRA's reserve fund for a number of years, and, if the Project does not go forward, or the Company cannot make full payments on the loan, the EDA/City would have to undertake efforts to collect unpaid amounts.

Assuming the City Council is favorable regarding proceeding with this project, Staff recommends approving steps immediately to draft a TIF Plan and the necessary public hearing notices for the Economic Development TIF District. This process will require frequent collaboration with the Company, the private bank, the City Attorney, and the City's financial advisor to meet all strict legal requirements. The Council can always terminate this process at any time. Concurrently with the TIF District process, the necessary calculations and background work to determine the terms of the TIF Bonds should be done. More information is needed to determine the most efficient way to sell the bonds, either public/competitive, private/bank placement, or through the MRWA loan program. Again, collaboration between all parties is necessary, as a presentation of the City's financial balance sheets and information on the project will likely be required regardless of how bonds are sold. It appears the interim loan from the HRA fund can hopefully be dismissed, as it has become clear the complexity of such a loan may not be worth the slight savings in time the loan brings.

Attachment(s):

Taxable value calculations of 18800 Ulysses Street with improvements

Fiscal Impact:

To be determined

Recommendation(s):

Staff recommends approving Economic Development TIF financing for this project in the amount of \$300,000 and proceeding with all requirements that need to be fulfilled as expeditiously as possible.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

Estimated Taxable Market Value

Land	\$0
Building	\$3,500,000
Total	<u>\$3,500,000</u>

Tax Capacity

1st \$150,000	1.50%	\$2,250
Over \$150,000	2.00%	\$67,000
Tax Capacity		<u>\$69,250</u>

Estimated Taxes

State	51.100%	\$35,387
County	42.265%	\$29,269
School	32.835%	\$22,738
City	43.807%	\$30,336
EDA	2.035%	\$1,409
		<u>\$119,139</u>

These tax rates are Pay 2012 Tax Rates

Estimated taxes does **NOT** include Fiscal Disparities

Assessable Properties in the Sewer District

<u>Required Connection-2013</u>	<u>SAC Determination *</u>	<u>City SAC & WAC**</u>
City of East Bethel WTP	1	\$5,600
Aggressive Hydraulics	16	\$89,600
Village Bank	4	\$22,400
River Country Co-op	4	\$22,400
Muller Theater	27	\$151,200
David Ebertowski	1	\$5,600
Classic Holdings	2	\$11,200
Mark Landwehr	1	\$5,600
Rickey Properties	2	\$11,200
Merrimac Construction Co.	2	\$11,200
North Bound Woodworks	2	\$11,200
Truck Body Specialists	2	\$11,200
JP Investments	1	\$5,600
Shaw Trucking	<u>2</u>	<u>\$11,200</u>
Total	67	\$375,200

*Final SAC determinations should be verified by MCES

** SAC and WAC fees are based on Bolton and Menk figures of \$2,000 and \$3,600 respectively



PUBLIC FORUM SIGN UP SHEET

August 1, 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

