

City of East Bethel

City Council Agenda

Regular Council Meeting – 7:30 p.m.

Date: June 6, 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 |
| 7:34 PM | 4.0 | Presentation
2011 AFR and Report by Auditor |
| 7:54 PM | 5.0 | Public Forum |
| 8:10 PM | 6.0 | Consent Agenda |
| | | <i>Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration</i> |
| Page 8-12 | A. | Approve Bills |
| Page 13-30 | B. | Meeting Minutes, May 16, 2012, Regular Meeting |
| Page 31-34 | C. | Meeting Minutes, May 23, 2012, Special Meeting |
| Page 35 | D. | Resolution 2012-25 Accepting Donation from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP |
| Page 36 | E. | Approve Upper Rum River Watershed Management Organization (URRWMO) Budget |
| Page 37 | F. | Approve Sunrise River Watershed Management Organization (SRWMO) Budget |
| Page 38 | G. | Resolution 2012-26 Accepting Donation from CHOPS, Inc. |
| | H. | Award Class V Bid to Bjorklund |
| Page 39 | I. | Resolution 2012-27 Adopt-A-Park Anderson Lake Park |
| Page 40 | J. | Resolution 2012-28 Adopt-A-Park Booster Park |
| | K. | Accept Resignation of Building Official |
| | L. | Appointment of City Arborist |
| Page 41-42 | M. | Approve Application for 1 to 4 Day Temporary On-Sale Liquor License for Alliance for Metropolitan Stability at Blue Ribbons Pines Disc Golf Course on Saturday, June 23, 2012 |
| Page 43-45 | N. | Pay Estimate #3, Municipal Builders, Inc. for Water Treatment Plant No. 1 |
| Page 46 | O. | Pay Estimate #3, Caldwell Tank, Inc. for Elevated Storage Tank No. 1 |
| Page 47-53 | P. | Pay Estimate #13, S.R. Weidema, Phase 1, Project 1 Utility Improvements |
| Page 54 | Q. | Resolution 2012-29 Acknowledging Donation from East Bethel Seniors for Schoolhouse |
| Page 55 | R. | Approve 2012-2013 Liquor License Renewals |
| | S. | Request for Detour Route on Sunset Drive |
| Page 56-59 | T. | Approve Permit for CS McCrossan for Temporary Concrete Plant for Hwy. 65 "Whitetop" Project |

New Business

7.0 Commission, Association and Task Force Reports

- 8:15 PM
Page 60-66
- A. EDA Commission
 - 1. Appoint Website Committee
 - B. Planning Commission
 - C. Park Commission
 - D. Road Commission

8.0 Department Reports

- 8:25 PM
Page 67-77
- 8:35 PM
Page 78-86
- 8:40 PM
Page 87-88
- 8:45 PM
Page 89-94
Page 95-98
- A. Community Development
 - 1. Lot Line Adjustment, Peterson and Johnson, 1872 Briarwood Lane
 - B. Engineer
 - 1. MCES Amendment #2 Castle Towers Construction Agreement
 - C. Attorney
 - D. Finance
 - 1. Resolution 2012-30 Accepting and Adopting the 2011 City of East Bethel Annual Financial Report (AFR)
 - E. Public Works
 - F. Fire Department
 - G. City Administrator
 - 1. Appoint Interim Building Official
 - 2. City Billboard Sign

9.0 Other

- 9:00 PM
- 9:10 PM
- A. Council Reports
 - B. Other

9:15 PM **10.0** Adjourn



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 4.0

Agenda Item:

2011 AFR and Report by Auditor

Requested Action:

Informational Only

Background Information:

Mr. Brad Falteysek, representing the City's audit firm of Abdo, Eick & Meyers, LLP, will review the 2011 Annual Financial Report with City Council and be available for questions.

Attachments:

1. Copy of 2011 Annual Financial Report
2. Management Letter
3. Minnesota Legal Compliance & Internal Control Report

Fiscal Impact:

None

Recommendation(s):

Informational Only

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

**ANNUAL
FINANCIAL REPORT
OF THE
CITY OF
EAST BETHEL, MINNESOTA**

For The Year Ended December 31, 2011

CITY OF EAST BETHEL, MINNESOTA
 Annual Financial Report
 For the Year Ended December 31, 2011

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CITY OF EAST BETHEL, MINNESOTA
 Annual Financial Report
 For the Year Ended December 31, 2011

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I. INTRODUCTORY SECTION

CITY OF EAST BETHEL, MINNESOTA

CITY COUNCIL AND OFFICIALS

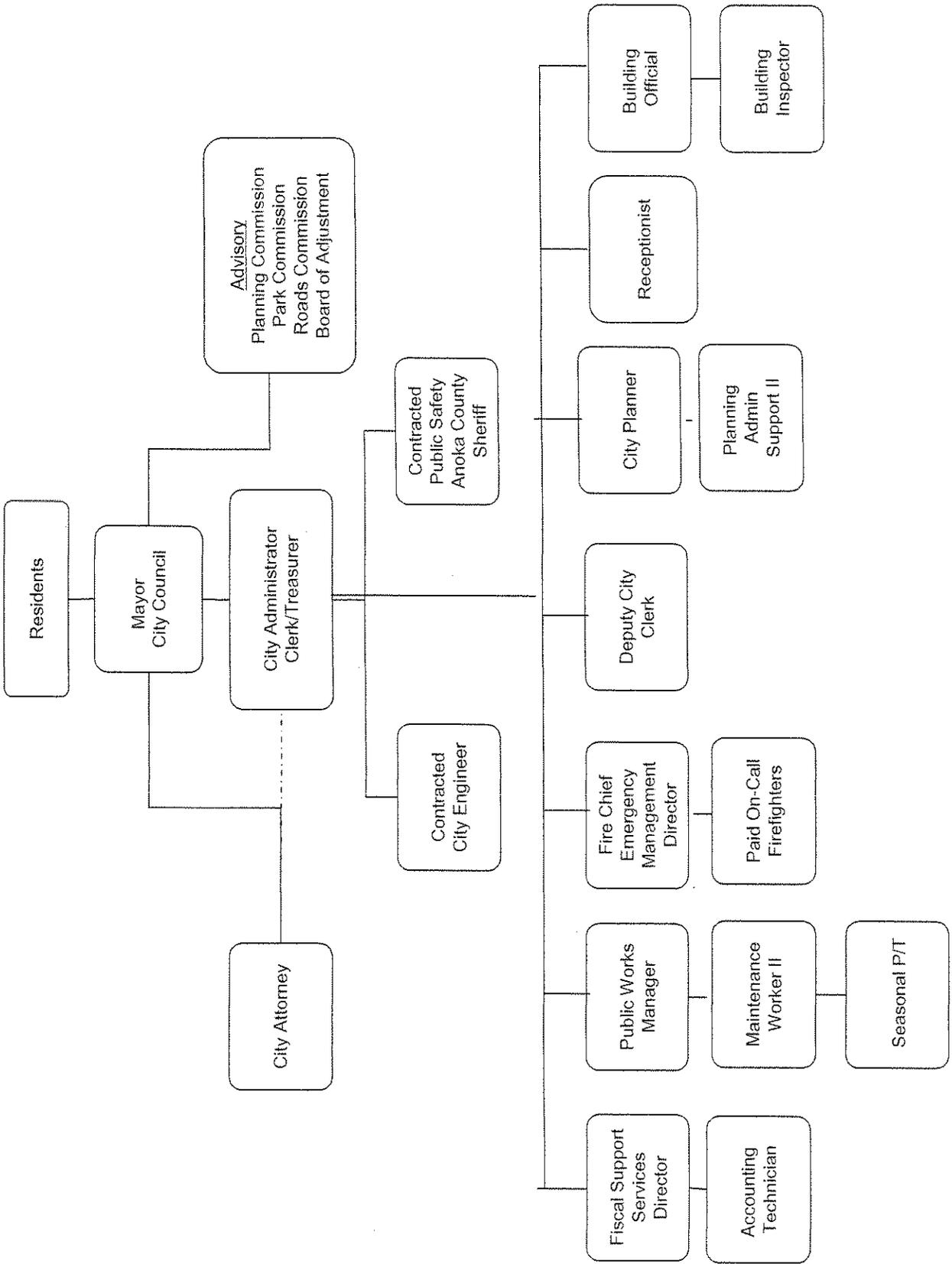
December 31, 2011

CITY COUNCIL

	<u>Term Expires</u>
Mayor:	
Richard Lawrence	1/1/2013
Council Members:	
Bill Boyer	1/1/2013
Robert DeRouche, Jr.	1/1/2015
Heidi Moegerle	1/1/2015
Steven Voss	1/1/2013

CITY OFFICIALS

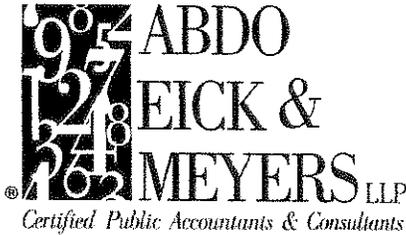
City Administrator	Jack Davis
Public Works Manager	Nate Ayshford
Fire Chief	Mark DuCharme
City Planner	Stephanie Hanson
Building Official	Larry Martin
Director of Fiscal & Support Services	Rita Pierce



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II. FINANCIAL SECTION

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5201 Eden Avenue
Suite 250
Edina, MN 55436

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of East Bethel, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the City's 2010 financial statements and, in the prior audit dated May 23, 2011, the prior auditor expressed unqualified opinions on the respective proprietary fund financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 12 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. Adoption of the provisions of this statement resulted in significant changes to the classifications of the components of fund balance.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section and combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

May 25, 2012
Minneapolis, Minnesota

Abdo, Eick & Meyers, LLP
ABDO, EICK & MEYERS, LLP
Certified Public Accountants

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of East Bethel, Minnesota, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2011.

Financial and Development Highlights

The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$35,935,233 (net assets). Of this amount, \$5,913,158 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net assets decreased \$1,773,682. Governmental activities provided for a decrease to net assets by \$1,747,042 and the City's business-type activities provided a decrease to net assets by \$26,640.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16,161,113, a decrease of \$4,599,031 from the prior fiscal year. Continued construction payments for water and sewer infrastructure from bond proceeds received in the prior year contributed significantly to the decrease in fund balance.

At the end of the fiscal year the General Fund had a fund balance of \$2,254,404.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The

Management's Discussion and Analysis

governmental activities of the City include general government, public safety, streets and highways, and parks and recreation. The business-type activities of the City include an arena, wastewater treatment and water provision.

The government-wide financial statements can be found on pages 20 and 21 of this report.

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

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

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

For 2011, the City maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the following major funds:

- General Fund
- Municipal State Aid Street Improvement Fund
- Water Infrastructure Fund
- Utility Infrastructure Fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 22 through 24 of this report.

Management's Discussion and Analysis

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the following funds:

Enterprise funds:

Water Utility Fund
Sewer Utility Fund
Ice Arena Fund

Internal Service funds:

Compensated Absences Fund
Equipment Replacement Fund

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

The basic proprietary fund financial statements can be found on pages 25 through 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 49 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 58 through 75 of this report.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$35,935,233 at the close of the most recent fiscal year.

The largest portion of the City's net assets (\$17,252,044) or 48% percent reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, sewer main lines and storm sewers, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of East Bethel, Minnesota's Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$21,395,673	\$24,781,955	\$34,072	\$31,488	\$21,429,745	\$24,813,443
Capital assets	38,351,800	35,627,606	1,488,469	1,616,075	39,840,269	37,243,681
Total assets	<u>\$59,747,473</u>	<u>\$60,409,561</u>	<u>\$1,522,541</u>	<u>\$1,647,563</u>	<u>\$61,270,014</u>	<u>\$62,057,124</u>
Long-term liabilities outstanding	\$22,684,655	\$22,935,681	\$ -	\$ -	\$22,684,655	\$22,935,681
Other liabilities	2,145,223	809,243	504,903	603,285	2,650,126	1,412,528
Total liabilities	<u>\$24,829,878</u>	<u>\$23,744,924</u>	<u>\$504,903</u>	<u>\$603,285</u>	<u>\$25,334,781</u>	<u>\$24,348,209</u>
Net assets:						
Invested in capital assets, net of related debt	\$15,763,575	\$27,845,259	\$1,488,469	\$1,616,075	\$17,252,044	\$29,461,334
Restricted	12,770,031	2,020,193	-	-	12,770,031	2,020,193
Unrestricted	6,383,989	6,799,185	(470,831)	(571,797)	5,913,158	6,227,388
Total net assets	<u>\$34,917,595</u>	<u>\$36,664,637</u>	<u>\$1,017,638</u>	<u>\$1,044,278</u>	<u>\$35,935,233</u>	<u>\$37,708,915</u>

A portion of the of the City's net assets (\$12,770,031) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$5,913,158) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets for its governmental activities. The business-type activities have a deficit of unrestricted net assets.

Management's Discussion and Analysis

Governmental Activities

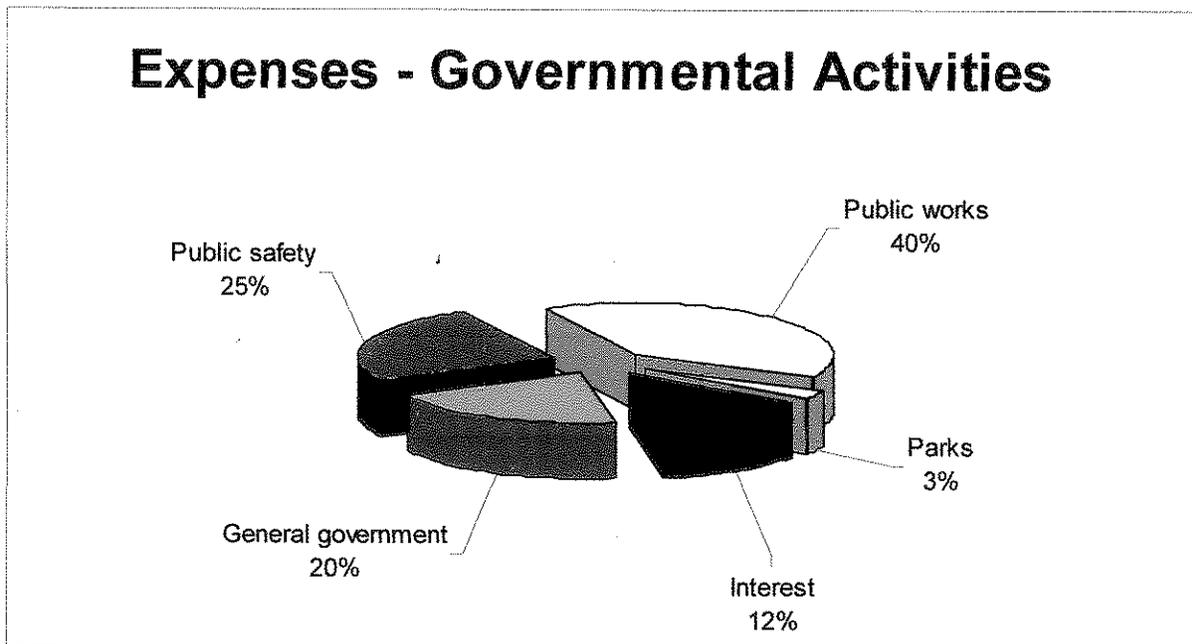
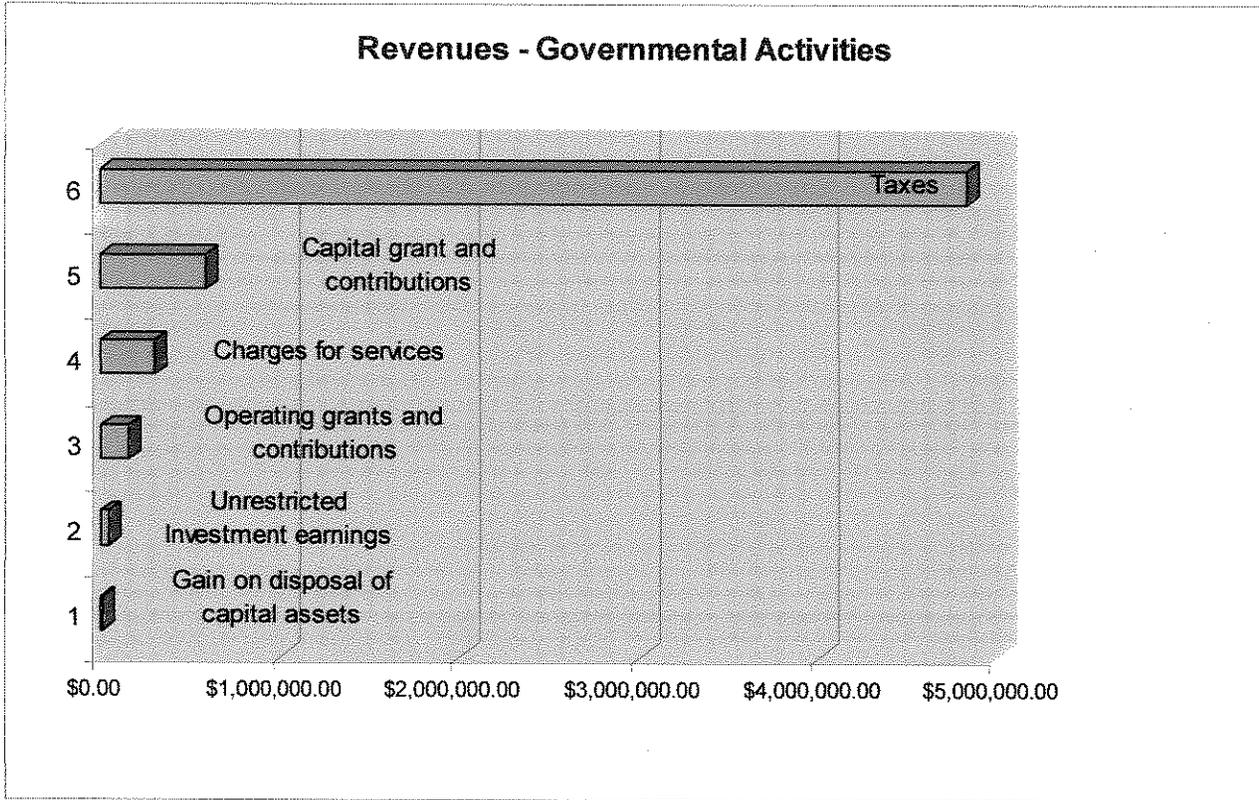
Governmental activities decreased the City's net assets by \$1,747,042. Business type net assets decreased by \$26,640. Key elements of the changes in net assets are as follows:

City of East Bethel's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$298,257	\$305,943	\$387,337	\$406,144	\$685,594	\$712,087
Operating grants and contributions	150,080	308,962	-	-	150,080	308,962
Capital grants and contributions	606,060	880,073	-	-	606,060	880,073
General revenues:						
Taxes	4,829,697	4,783,434	-	-	4,829,697	4,783,434
Grants & contribution not restricted to specific programs	316,820	-	-	-	316,820	-
Unrestricted investment earnings	38,584	16,461	-	-	38,584	16,461
Gain on disposal of capital assets	10,827	21,665	-	-	10,827	21,665
Total revenues	<u>6,250,325</u>	<u>6,316,538</u>	<u>387,337</u>	<u>406,144</u>	<u>6,637,662</u>	<u>6,722,682</u>
Expenses:						
General government	\$1,529,890	\$1,569,287	\$ -	\$ -	\$1,529,890	\$1,569,287
Public safety	2,033,451	1,912,099	-	-	2,033,451	1,912,099
Public works	2,942,970	2,824,624	-	-	2,942,970	2,824,624
Parks and recreation	496,101	429,332	-	-	496,101	429,332
Water	-	-	50,516	55,568	50,516	55,568
Sewer	-	-	94,161	80,651	94,161	80,651
Ice arena	-	-	269,300	293,598	269,300	293,598
Interest and fees on long-term debt	994,955	187,684	-	-	994,955	187,684
Total expenses	<u>7,997,367</u>	<u>6,923,026</u>	<u>413,977</u>	<u>429,817</u>	<u>8,411,344</u>	<u>7,352,843</u>
Increase (decrease) in net assets before transfers	(1,747,042)	(606,488)	(26,640)	(23,673)	(1,773,682)	(630,161)
Transfers	-	(370,173)	-	370,173	-	-
Increase (decrease) in net assets	(1,747,042)	(976,661)	(26,640)	346,500	(1,773,682)	(630,161)
Net assets - January 1	<u>36,664,637</u>	<u>37,641,298</u>	<u>1,044,278</u>	<u>697,778</u>	<u>37,708,915</u>	<u>38,339,076</u>
Net assets - December 31	<u>\$34,917,595</u>	<u>\$36,664,637</u>	<u>\$1,017,638</u>	<u>\$1,044,278</u>	<u>\$35,935,233</u>	<u>\$37,708,915</u>

Management's Discussion and Analysis

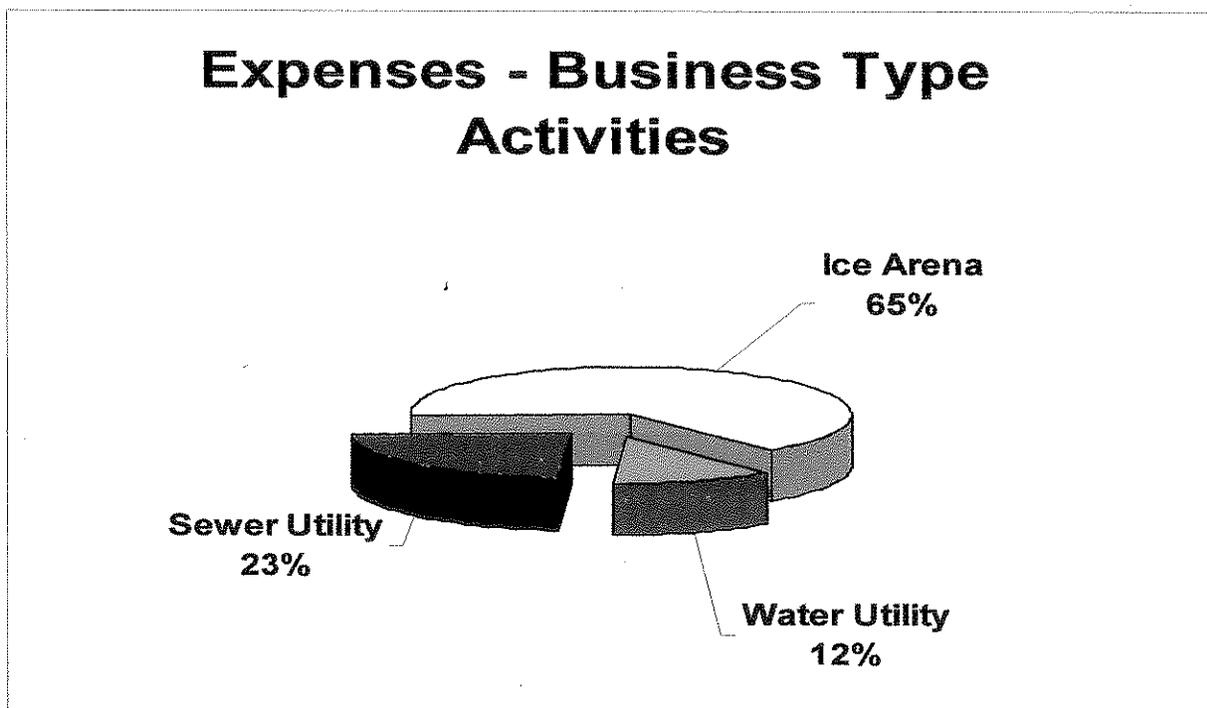
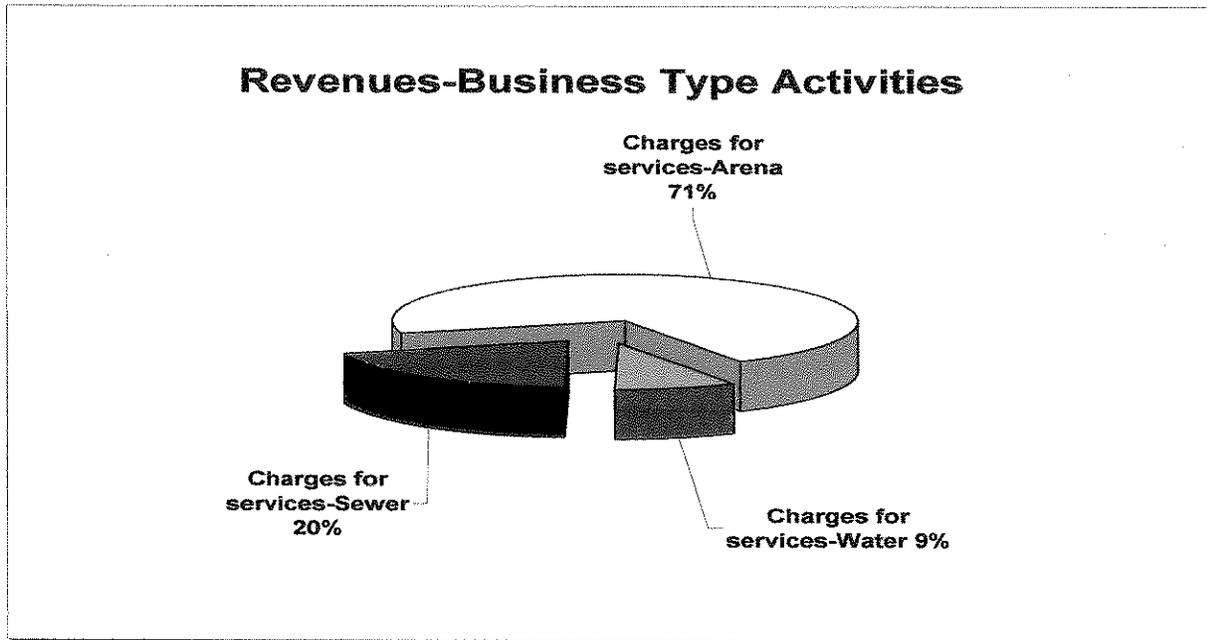
Below are specific graphs which provide comparisons of the governmental activities revenues and expenditures:



Management's Discussion and Analysis

Business-Type Activities

Business-type activities decreased net assets by \$26,640 including depreciation expenses of \$127,606. The results reflect the continuing start-up mode of the City's utility services and the continuing challenges at the City's Ice Arena. Below are graphs showing the business-type activities revenue and expense comparisons:



Management's Discussion and Analysis

Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,161,113. Approximately 77 percent of this total amount (\$12,503,271) constitutes restricted fund balance, indicating that it is not available for new spending because it must be used only for debt retirement or other restricted purposes. The assigned fund balance (\$1,434,282) reflects the City's intended use. The unassigned fund balance is \$2,222,034.

The General Fund balance increased by \$269,655 in 2011. This was a result of the City's decision to delay any discretionary spending in light of lower revenues related to depressed building activity and lower interest earnings.

The Municipal State Aid Street Improvement Fund increased \$12,802 by receiving intergovernmental revenues that were expended in a prior year.

The Water Infrastructure Fund decreased \$2,680,018 and the Utility Construction Fund decreased \$1,953,038 due to the expending of bond proceeds received in a prior year for the construction of water and sewer infrastructure.

Nonmajor Governmental Funds decreased by \$248,432 primarily due to the interest charges on bonds.

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

The unrestricted net assets in the respective proprietary funds are water (\$109,064), sewer (\$185,188) and ice arena (\$176,579). The utility operations began in 2004; as the number of customers continue to grow, financial results will improve, as fixed costs will not increase appreciably. Unfortunately, 2011 was a year with only one new home constructed which directly affects the number of utility customers. Consequently, net assets of the utility funds did not improve. Utility rates were increased appreciably in 2010 to improve operating results. The ice arena fund had an increase in net assets in 2011 of \$5,900. The increase is due to stable revenues and the absence of major maintenance and repair charges during 2011.

Budgetary Highlights

General Fund

The General Fund budget was amended during 2011 without any change to total expenditures or revenues. Several different areas were affected by the budget changes.

Management's Discussion and Analysis

During the year, revenues were more than budgetary estimates by \$15,850, and expenditures were less than budgetary estimates by \$253,805. The net result was a \$269,655 increase in the General Fund. The favorable expenditure budget variance was attributable to changes in City's staffing and delaying of discretionary spending.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of December 31, 2011, amounts to \$39,840,269 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, sewer main lines, water lines and wells, storm sewers, and infrastructure.

East Bethel's Capital Assets (Net of Accumulated Depreciation)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land	\$887,546	\$887,546	\$30,000	\$30,000	\$917,546	\$917,546
Construction in progress	6,478,969	3,144,731	-	-	6,478,969	3,144,731
Buildings and structures	3,393,975	3,440,574	756,145	838,506	4,150,120	4,279,080
Machinery and equipment	1,385,402	1,332,944	-	-	1,385,402	1,332,944
Park improvements	762,908	798,486	-	-	762,908	798,486
Sewer main lines and storm sewers	1,293,154	1,358,550	-	747,569	1,293,154	2,106,119
Infrastructure	24,149,846	24,664,775	702,324	-	24,852,170	24,664,775
Total capital assets	<u>\$38,351,800</u>	<u>\$35,627,606</u>	<u>\$1,488,469</u>	<u>\$1,616,075</u>	<u>\$39,840,269</u>	<u>\$37,243,681</u>

Additional information on the City's capital assets can be found in Note 4.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$22,588,225 a decrease of \$254,364 from 2010.

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

Management's Discussion and Analysis

City of East Bethel's Outstanding Debt

The City's long-term debt at December 31, 2011 is as follows:

	Governmental Activities	
	12/31/2011	12/31/2010
General obligation improvement bonds	\$3,130,933	\$3,257,755
General obligation revenue bonds	19,457,292	19,584,834
Totals	<u>\$22,588,225</u>	<u>\$22,842,589</u>

Moody's Investor Services maintained the City's rating of A2 for its most current debt issue.

State Statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$27,042,747. Of the City's outstanding debt, \$1,585,000 is counted within the statutory limitation.

Additional information on the City's long-term debt can be found in Note 5.

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

BASIC FINANCIAL STATEMENTS

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2011

Statement 1

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$18,681,557	\$ -	\$18,681,557
Receivables			
Accrued Interest	19,568	-	19,568
Delinquent Taxes	272,763	-	272,763
Accounts	11,666	18,645	30,311
Special Assessments	325,868	11,747	337,615
Internal balances	455,343	(455,343)	-
Due from other governments	1,027,952	-	1,027,952
Inventory	-	3,000	3,000
Prepaid items	1,526	680	2,206
Unamortized bond issuance costs	599,430	-	599,430
Capital assets, nondepreciable	887,546	30,000	917,546
Capital assets, construction in progress	6,478,969	-	6,478,969
Capital assets, net of accumulated depreciation	30,985,285	1,458,469	32,443,754
Total assets	59,747,473	1,067,198	60,814,671
Liabilities:			
Accounts payable	1,817,621	27,088	1,844,709
Salaries payable	59,968	1,234	61,202
Accrued interest payable	203,314	-	203,314
Deposits payable	45,201	-	45,201
Unearned revenue	19,119	21,238	40,357
Compensated absences payable:			
Due within one year	96,430	-	96,430
Bonds payable:			
Due within one year	248,000	-	248,000
Due in more than one year	22,340,225	-	22,340,225
Total liabilities	24,829,878	49,560	24,879,438
Net assets:			
Invested in capital assets, net of related debt	15,763,575	1,488,469	17,252,044
Restricted for:			
Water Infrastructure Construction	8,077,970	-	8,077,970
Utility Infrastructure Construction	2,349,216	-	2,349,216
Debt service	1,476,739	-	1,476,739
Recycling	20,091	-	20,091
Donations	5,556	-	5,556
Housing & Redevelopment	814,451	-	814,451
Park Development	26,008	-	26,008
Unrestricted	6,383,989	(470,831)	5,913,158
Total net assets	\$34,917,595	\$1,017,638	\$35,935,233

CITY OF EAST BETHEL, MINNESOTA
 STATEMENT OF NET ASSETS
 December 31, 2011

Statement 1

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$18,681,557	\$ -	\$18,681,557
Receivables			
Accrued Interest	19,568	-	19,568
Delinquent Taxes	272,763	-	272,763
Accounts	11,666	18,645	30,311
Special Assessments	325,868	11,747	337,615
Internal balances	455,343	(455,343)	-
Due from other governments	1,027,952	-	1,027,952
Inventory	-	3,000	3,000
Prepaid items	1,526	680	2,206
Unamortized bond issuance costs	599,430	-	599,430
Capital assets, nondepreciable	887,546	30,000	917,546
Capital assets, construction in progress	6,478,969	-	6,478,969
Capital assets, net of accumulated depreciation	30,985,285	1,458,469	32,443,754
Total assets	59,747,473	1,067,198	60,814,671
Liabilities:			
Accounts payable	1,817,621	27,088	1,844,709
Salaries payable	59,968	1,234	61,202
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Deposits payable	45,201	-	45,201
Unearned revenue	19,119	21,238	40,357
Compensated absences payable:			
Due within one year	96,430	-	96,430
Bonds payable:			
Due within one year	248,000	-	248,000
Due in more than one year	22,340,225	-	22,340,225
Total liabilities	24,829,878	49,560	24,879,438
Net assets:			
Invested in capital assets, net of related debt	15,763,575	1,488,469	17,252,044
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Debt service	1,476,739	-	1,476,739
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Housing & Redevelopment	814,451	-	814,451
Park Development	26,008	-	26,008
Unrestricted	6,383,989	(470,831)	5,913,158
Total net assets	\$34,917,595	\$1,017,638	\$35,935,233

CITY OF EAST BETHEL, MINNESOTA
 STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2011

Statement 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Government activities:							
General government	\$1,529,890	\$280,006	\$30,574	\$37,874	(\$1,181,436)	\$ -	(\$1,181,436)
Public safety	2,033,451	-	119,506	-	(1,913,945)	-	(1,913,945)
Public works	2,942,970	18,251	-	568,186	(2,356,533)	-	(2,356,533)
Parks and recreation	496,101	-	-	-	(496,101)	-	(496,101)
Interest and fees on long-term debt	994,955	-	-	-	(994,955)	-	(994,955)
Total government activities	<u>7,997,367</u>	<u>298,257</u>	<u>150,080</u>	<u>606,060</u>	<u>(6,942,970)</u>	<u>-</u>	<u>(6,942,970)</u>
Business-type activities:							
Water	50,516	33,014	-	-	-	(17,502)	(17,502)
Sewer	94,161	79,123	-	-	-	(15,038)	(15,038)
Ice arena	269,300	275,200	-	-	-	5,900	5,900
Total business-type activities	<u>413,977</u>	<u>387,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,640)</u>	<u>(26,640)</u>
Total primary government	<u>\$8,411,344</u>	<u>\$685,594</u>	<u>\$150,080</u>	<u>\$606,060</u>	<u>(6,942,970)</u>	<u>(26,640)</u>	<u>(6,969,610)</u>
General revenues:							
Taxes and related credits					4,829,697	-	4,829,697
Grants and contributions not restricted to specific programs					316,820	-	316,820
Unrestricted investment earnings					38,584	-	38,584
Gain on disposal of capital assets					10,827	-	10,827
Total general revenues					<u>5,195,928</u>	<u>-</u>	<u>5,195,928</u>
Change in net assets					(1,747,042)	(26,640)	(1,773,682)
Net assets - beginning					<u>36,664,637</u>	<u>1,044,278</u>	<u>37,708,915</u>
Net assets - ending					<u>\$34,917,595</u>	<u>\$1,017,638</u>	<u>\$35,935,233</u>

CITY OF EAST BETHEL, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011

Statement 3

Assets	Municipal State				Other Governmental Funds	Total Governmental Funds
	General	Aid Street Improvement Fund	Water Infrastructure Fund	Utility Infrastructure Fund		
Cash and investments	\$2,426,975	\$ -	\$8,952,751	\$2,280,169	\$3,741,293	\$17,401,188
Taxes receivable	268,353	-	-	-	4,410	272,763
Special assessments receivable	5,835	-	-	-	320,033	325,868
Accounts receivable	6,496	-	-	-	1,560	8,056
Accrued interest and other receivables	205	-	12,992	4,830	1,541	19,568
Due from other funds	-	-	-	-	836	836
Due from other governments	4,105	89,248	-	854,509	80,090	1,027,952
Prepaid items	1,526	-	-	-	-	1,526
Total assets	\$2,713,495	\$89,248	\$8,965,743	\$3,139,508	\$4,149,763	\$19,057,757
Liabilities and Fund Balances						
Liabilities:						
Accounts and contracts payable	\$117,508	\$1,258	\$887,773	\$790,292	\$20,790	\$1,817,621
Salaries payable	59,968	-	-	-	-	59,968
Due to other funds	-	104,947	-	-	50,555	155,502
Deposits payable	45,201	-	-	-	-	45,201
Interfund loan	-	-	-	-	240,000	240,000
Deferred revenue	236,414	-	-	-	341,938	578,352
Total liabilities	459,091	106,205	887,773	790,292	653,283	2,896,644
Fund balances:						
Nonspendable	1,526	-	-	-	-	1,526
Restricted	-	-	8,077,970	2,349,216	2,076,085	12,503,271
Assigned	-	-	-	-	1,434,282	1,434,282
Unassigned	2,252,878	(16,957)	-	-	(13,887)	2,222,034
Total fund balances	2,254,404	(16,957)	8,077,970	2,349,216	3,496,480	16,161,113
Total liabilities and fund balances	\$2,713,495	\$89,248	\$8,965,743	\$3,139,508	\$4,149,763	\$19,057,757
Fund balance reported above						\$16,161,113
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds						37,304,364
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:						
Delinquent property taxes						234,183
Special assessments not yet due or delinquent						325,050
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:						
Bonds payable						(22,300,589)
Premium on bonds						(287,636)
Unamortized bond issuance costs						599,430
Accrued interest payable						(203,314)
Internal service funds are used by management to charge the cost of compensated absences to individual funds and to set aside funds for capital equipment acquisition.						
The assets and liabilities are included in the governmental statement of net assets						3,084,994
Net assets of governmental activities						\$34,917,595

CITY OF EAST BETHEL, MINNESOTA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2011

Statement 4

	General	Municipal State Aid Street Improvement Fund	Water Infrastructure Fund	Utility Infrastructure Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	\$4,428,762	\$ -	\$ -	\$ -	\$377,471	\$4,806,233
Special assessments	-	-	-	-	103,659	103,659
Licenses and permits	109,366	-	-	-	-	109,366
Intergovernmental	239,189	93,874	-	-	410,134	743,197
Charges for services	75,010	-	-	-	-	75,010
Fines and forfeitures	49,792	-	-	-	-	49,792
Investment income	1,586	-	18,862	7,012	6,344	33,804
Other	78,710	-	-	-	22,891	101,601
Total revenues	<u>4,982,415</u>	<u>93,874</u>	<u>18,862</u>	<u>7,012</u>	<u>920,499</u>	<u>6,022,662</u>
Expenditures:						
Current:						
General government	1,325,655	-	-	-	76,431	1,402,086
Public safety	1,781,927	-	-	-	80,123	1,862,050
Public works	679,882	11,482	-	-	276,707	968,071
Parks and recreation	372,692	-	-	-	42,701	415,393
Capital outlay	-	69,590	2,698,880	1,960,050	125,382	4,853,902
Debt service:						
Principal and debt extinguishment	-	-	-	-	243,000	243,000
Interest and fiscal charges	-	-	-	-	884,827	884,827
Total expenditures	<u>4,160,156</u>	<u>81,072</u>	<u>2,698,880</u>	<u>1,960,050</u>	<u>1,729,171</u>	<u>10,629,329</u>
Revenues over (under) expenditures	<u>822,259</u>	<u>12,802</u>	<u>(2,680,018)</u>	<u>(1,953,038)</u>	<u>(808,672)</u>	<u>(4,606,667)</u>
Other financing sources (uses):						
Proceeds from the sale of capital assets	-	-	-	-	7,636	7,636
Transfers in	-	-	-	-	557,644	557,644
Transfers out	(552,604)	-	-	-	(5,040)	(557,644)
Total other financing sources (uses)	<u>(552,604)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,240</u>	<u>7,636</u>
Net change in fund balances	269,655	12,802	(2,680,018)	(1,953,038)	(248,432)	(4,599,031)
Fund balance - January 1	<u>1,984,749</u>	<u>(29,759)</u>	<u>10,757,988</u>	<u>4,302,254</u>	<u>3,744,912</u>	<u>20,760,144</u>
Fund balance - December 31	<u>\$2,254,404</u>	<u>(\$16,957)</u>	<u>\$8,077,970</u>	<u>\$2,349,216</u>	<u>\$3,496,480</u>	<u>\$16,161,113</u>

CITY OF EAST BETHEL, MINNESOTA
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2011

Statement 5

	<u>2011</u>
Amounts reported for governmental activities in the statement of activities (statement 2) are different because:	
Net changes in fund balances - total governmental funds (statement 4)	(\$4,599,031)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Depreciation	(2,230,408)
Capital outlay	4,853,902
Loss on disposal of capital assets	(3,786)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in delinquent taxes	7,980
Change in deferred and delinquent special assessments	(73,608)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
The amounts of these differences are:	
Premium on bond issued	11,364
Unamortized bond issuance costs	(25,408)
Principal payments on bonds payable	243,000
Internal service funds are used by management to charge the cost of compensated absences and certain capital assets to individual funds. The net revenue of certain activities of internal services funds are reported with governmental activities:	
Franchise fees	15,484
Investment income	4,780
Gain on sale of capital assets	4,789
Transfer - net	262,200
Consolidation of internal service fund activities with governmental activities	(122,216)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses are reported in the statement of activities include the effects of the changes in these expense accruals as follows:	
Change in accrued interest payable	<u>(96,084)</u>
Change in net assets of governmental activities (statement 2)	<u><u>(\$1,747,042)</u></u>

CITY OF EAST BETHEL, MINNESOTA
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2011

Statement 6

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Ice Arena	Total	
Assets:					
Current assets:					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$1,280,369
Special assessments:					
Current	7,296	3,688	-	10,984	-
Delinquent	426	337	-	763	-
Accounts receivable	9,401	9,044	200	18,645	3,610
Inventory for resale	-	-	3,000	3,000	-
Due from other funds	-	-	-	-	610,009
Interfund loan	-	-	-	-	240,000
Prepaid items	-	300	380	680	-
Total current assets	<u>17,123</u>	<u>13,369</u>	<u>3,580</u>	<u>34,072</u>	<u>2,133,988</u>
Noncurrent assets:					
Capital assets:					
Land	-	-	30,000	30,000	-
Buildings and structures	-	-	1,480,690	1,480,690	-
Machinery and equipment	-	-	25,000	25,000	1,441,608
Utility infrastructure	665,847	691,511	-	1,357,358	-
Total capital assets	<u>665,847</u>	<u>691,511</u>	<u>1,535,690</u>	<u>2,893,048</u>	<u>1,441,608</u>
Less: accumulated depreciation	<u>(261,217)</u>	<u>(393,815)</u>	<u>(749,547)</u>	<u>(1,404,579)</u>	<u>(394,172)</u>
Net capital assets	<u>404,630</u>	<u>297,696</u>	<u>786,143</u>	<u>1,488,469</u>	<u>1,047,436</u>
Total noncurrent assets	<u>404,630</u>	<u>297,696</u>	<u>786,143</u>	<u>1,488,469</u>	<u>1,047,436</u>
Total assets	<u>421,753</u>	<u>311,065</u>	<u>789,723</u>	<u>1,522,541</u>	<u>3,181,424</u>
Liabilities:					
Current liabilities:					
Due to other funds	\$124,684	\$195,824	\$134,835	\$455,343	\$ -
Accounts payable	886	2,116	24,086	27,088	-
Salaries payable	617	617	-	1,234	-
Compensated absences - current portion	-	-	-	-	96,430
Deferred revenue	-	-	21,238	21,238	-
Total current liabilities	<u>126,187</u>	<u>198,557</u>	<u>180,159</u>	<u>504,903</u>	<u>96,430</u>
Total liabilities	<u>126,187</u>	<u>198,557</u>	<u>180,159</u>	<u>504,903</u>	<u>96,430</u>
Net assets:					
Invested in capital assets	404,630	297,696	786,143	1,488,469	1,047,436
Unrestricted	<u>(109,064)</u>	<u>(185,188)</u>	<u>(176,579)</u>	<u>(470,831)</u>	<u>2,037,558</u>
Total net assets	<u>\$295,566</u>	<u>\$112,508</u>	<u>\$609,564</u>	<u>\$1,017,638</u>	<u>\$3,084,994</u>

CITY OF EAST BETHEL, MINNESOTA
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For The Year Ended December 31, 2011

Statement 7

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Ice Arena	Total	
Operating revenues:					
Ice rentals and related revenue	\$ -	\$ -	\$204,332	\$204,332	\$ -
Rentals, signs, lockers and tower	-	-	43,286	43,286	-
Dry floor events	-	-	4,450	4,450	-
Concession revenue	-	-	16,480	16,480	-
Customer charges	33,014	79,123	-	112,137	295,812
Franchise Fees	-	-	-	-	15,484
Donations/refunds	-	-	6,652	6,652	-
Total operating revenues	<u>33,014</u>	<u>79,123</u>	<u>275,200</u>	<u>387,337</u>	<u>311,296</u>
Operating expenses:					
Wages and fringe benefits	18,560	19,445	-	38,005	33,612
Maintenance and repairs	1,722	12,260	19,894	33,876	-
Utilities	5,955	11,731	52,757	70,443	-
Professional services	95	10,703	86,398	97,196	-
Supplies	1,695	15,160	26,051	42,906	-
Other	80	1,471	1,489	3,040	-
Depreciation	22,195	23,050	82,361	127,606	122,216
Total operating expenses	<u>50,302</u>	<u>93,820</u>	<u>268,950</u>	<u>413,072</u>	<u>155,828</u>
Operating income (loss)	<u>(17,288)</u>	<u>(14,697)</u>	<u>6,250</u>	<u>(25,735)</u>	<u>155,468</u>
Nonoperating revenues (expenses):					
Sale of capital assets	-	-	-	-	4,788
Investment income	-	-	-	-	4,780
Interest expense	(214)	(341)	(350)	(905)	-
Total nonoperating revenues (expenses)	<u>(214)</u>	<u>(341)</u>	<u>(350)</u>	<u>(905)</u>	<u>9,568</u>
Change in net assets	(17,502)	(15,038)	5,900	(26,640)	165,036
Net assets - January 1	<u>313,068</u>	<u>127,546</u>	<u>603,664</u>	<u>1,044,278</u>	<u>2,919,958</u>
Net assets - December 31	<u>\$295,566</u>	<u>\$112,508</u>	<u>\$609,564</u>	<u>\$1,017,638</u>	<u>\$3,084,994</u>

CITY OF EAST BETHEL, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2011

Statement 8

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sewer Utility	Ice Arena	Total	
Cash flows from operating activities:					
Receipts from customers and users	\$29,451	\$78,570	\$237,318	\$345,339	\$282,222
Payment to suppliers	(9,797)	(51,266)	(185,521)	(246,584)	(38,528)
Payment to employees	(18,581)	(19,466)	-	(38,047)	-
Payment to other funds	(859)	(7,497)	(58,099)	(66,455)	-
Miscellaneous revenue	-	-	6,652	6,652	-
Net cash flows from operating activities	<u>214</u>	<u>341</u>	<u>350</u>	<u>905</u>	<u>243,694</u>
Cash flows from noncapital financing activities:					
Due from other funds	-	-	-	-	118,672
Cash deposit with escrow agent	-	-	-	-	201,339
Internal interest expense	(214)	(341)	(350)	(905)	-
Net cash flows from noncapital financing activities	<u>(214)</u>	<u>(341)</u>	<u>(350)</u>	<u>(905)</u>	<u>320,011</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	-	(226,702)
Proceeds from sale of capital assets	-	-	-	-	4,788
Net cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(221,914)</u>
Cash flows from investing activities:					
Investment income	-	-	-	-	4,780
Net increase in cash and cash equivalents	-	-	-	-	346,571
Cash and cash equivalents - January 1	-	-	-	-	933,798
Cash and cash equivalents - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,280,369</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	<u>(\$17,288)</u>	<u>(\$14,697)</u>	<u>\$6,250</u>	<u>(\$25,735)</u>	<u>\$155,468</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	22,195	23,050	82,361	127,606	122,216
Change in assets and liabilities:					
Decrease (increase) in receivables and inventory	(3,563)	(553)	1,832	(2,284)	4,538
Increase in prepayments	-	(300)	-	(300)	-
Increase (decrease) in accounts payable	(250)	359	(642)	(533)	(38,528)
Decrease in salaries payable	(21)	(21)	-	(42)	-
Decrease in due to other funds	(859)	(7,497)	(58,099)	(66,455)	-
Decrease in deferred revenue	-	-	(31,352)	(31,352)	-
Total adjustments	<u>17,502</u>	<u>15,038</u>	<u>(5,900)</u>	<u>26,640</u>	<u>88,226</u>
Net cash provided by operating activities	<u>\$214</u>	<u>\$341</u>	<u>\$350</u>	<u>\$905</u>	<u>\$243,694</u>

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the City of East Bethel have been prepared in conformity with generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of East Bethel (the primary government) and its component units, entities which the City is considered to be financial accountable.

The City has two component units – the Housing and Redevelopment Authority (HRA) and the Economic Development Authority (EDA). The HRA is considered component unit because the governing board is the same as that of the City. Both the EDA and HRA are considered component units because the City is in a relationship of financial benefit with each of the entities.

The financial position and results of operations of the HRA and EDA component units are presented using the blended method. This blended component unit, although legally separate entity, is, in substance, part of the City's operations. The component units include Governmental Funds using the modified accrual basis of accounting, and as such are reported as a Special Revenue Fund. Separate financial statements for the HRA and EDA are not prepared.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

The government reports the following major governmental funds:

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

The *Municipal State Aid Street Improvement Fund* is maintained according to state statutes for the construction of municipal state aid street projects throughout the City.

The *Water Infrastructure Fund* is used to account for the bond proceeds that will be used to finance water infrastructure improvements.

The *Utility Infrastructure Fund* is used to account for the bond proceeds that will be used to finance water and sewer infrastructure improvements.

The government reports the following major proprietary funds:

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

The *Sewer Utility Fund* accounts for sewer service activities to operate the sanitary sewer system.

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

Additionally, the City reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary-fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

D. BUDGETS

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the General Fund and some special revenue funds. Budgeted expenditure appropriations lapse at year end. Debt service funds' financial activities are governed by bond covenants. Capital projects funds' expenditures are approved by the City Council before projects are undertaken.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public meetings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental basis for the General Fund and on a fund basis for other funds and can be expended by each department (or fund) based upon detailed budget estimates for individual expenditure accounts.

5. Interdepartmental, intradepartmental or interfund appropriations and deletions are authorized by the City Council with fund contingency reserves or additional revenues.

6. Formal budgetary integration is employed as a management control device during the year for all funds. Legal debt obligation indentures determine the appropriation level of debt service tax levies for the Debt Service Funds. Amounts annually budgeted for capital funds are consistent with the relevant five-year capital improvement program. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds.

7. The legal level of budgetary control is at the department level for the General Fund and the fund level for other funds. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget were approved by the City Council through the disbursement process.

8. The City Council may authorize transfer of budgeted amounts between City funds. The City Council made no supplemental budgetary appropriations throughout the year.

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income (expense) is allocated to individual funds on the basis of the fund's equity in the cash and investment pool. The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund show as due from other funds in the advancing fund, and due to other funds in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements. Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

For purposes of the statement of cash flows the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. RECEIVABLES AND PAYABLES

Property taxes and special assessments have been reported net of estimated uncollectible accounts. (See Note 1 H, J and M) Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the City on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the City in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 and remitted to the City the following January are shown as unremitted taxes. Taxes and credits not received at year end are classified as delinquent taxes receivable. The portion of delinquent taxes not collected by the City is fully offset by deferred revenue because they are not available to finance current expenditures.

I. MARKET VALUE HOMESTEAD CREDIT

Property taxes on residential agricultural homestead property (as defined by State Statutes) are partially reduced by the market value homestead credit (MVHC). This credit is paid to the City by the State in lieu of taxes levied against homestead property; it is remitted through two installments each year. Since these amounts received by the City from the State are for taxes levied, the credit is recognized as property tax revenue by the City at the time of collection. In past years, the State has chosen not to remit a portion of the MVHC back to the City. In effect, the State used City resources to fund a State tax reduction. Consequently, for the years 2003 through 2006, the City was precluded from collecting a portion of its levy amount. In 2007, the State remitted the full MVHC to the City. In 2008 the City received 50% of the credit; in 2009 the City received 28% of the credit and in 2010 and 2011 received nothing.

J. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties. Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are allocated first to the County's costs of administering all tax forfeit properties. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 and remitted to the City the following January (unremitted taxes) are also recognized as revenue for the current year. Special assessments due to be collected in future years are classified as deferred assessments receivable. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred revenues.

K. PREPAID ITEMS

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

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets, e.g., roads, bridges, sidewalks, and similar items, are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of at least \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Pursuant to GASB Statement 34, in the case of the initial capitalization of general infrastructure assets, i.e., those reported by governmental activities, the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost. The City estimated historical cost for the initial reporting of these assets through backtrending - estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year. As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is capitalized to the value of the assets constructed. For the year ended December 31, 2011, no interest was capitalized in connection with construction in progress. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives and are capitalized according to the following thresholds:

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

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

M. COMPENSATED ABSENCES

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

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

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

O. FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

The City's policy is to maintain a minimum assigned fund balance of 35 percent of the next year's property tax levy for cash-flow timing needs.

P. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Q. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

R. INVENTORIES

GOVERNMENTAL FUNDS

The original costs of materials and supplies have been recorded as expenditures at the time of purchase. These funds do not maintain material amounts of inventories.

PROPRIETARY FUNDS

Inventories of the Proprietary Funds are stated at cost, which approximates market, using the first-in, first-out (FIFO) valuation methodology.

Note 2 DEPOSITS AND INVESTMENTS

DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System. Minnesota Statutes require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

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

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

f) Time deposits that are fully insured by any federal agency.

At December 31, 2011, the carrying amount of the City's deposits with financial institutions was insured by FDIC insurance or protected by collateral provided by the financial institution.

INVESTMENTS

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

Balances at December 31, 2011:

Investment Type	Fair Value	Investment maturities (in years)		
		less than 1 year	between 1 and 5 yrs.	Between 6 and 10 yrs.
External investment pool - 4M Fund	\$18,060,234	\$18,060,234	\$ -	\$ -
		Total investments		\$18,060,234
		Deposits		620,523
		Petty cash		800
		Total cash and investments		<u>\$18,681,557</u>

Investments for the City are reported at fair market value. The Minnesota Municipal Money Market Fund (4M) operates in accordance with appropriate state laws and regulations. The 4M fund is an external pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool shares. Financial statement of the 4M Fund can be obtained by contacting RBC Global Asset management (U.S.) Inc. at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

INVESTMENT RISK

The City's investment policy is to follow Minnesota State Statutes as described above which reduces the City's exposure to credit, custodial credit, and interest rate risks. Specific risk information for the City is as follows:

Interest rate risk – The City's investment policy requires the City to diversify its investment portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity. The policy also states the City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

Credit risk – As of December 31, 2011, the City's external investment pool investment is with the 4M fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated 2a7-like pool and the fair value of the position in the pool is the same as the value of pool shares.

Concentration of credit risk – The City places no limit on the amount the City may invest in any one issuer. 97% of the City's cash and investments are with the 4M fund.

Custodial credit risk – For investments in securities, custodial credit is the risk that in the event of a failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of December 31, 2011, all investments of the City were insured, registered and held by City or its agent in the City's name. Investments in mutual funds are not evidenced by securities that exist in physical or book entry form, and therefore are not subject to custodial credit risk.

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
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Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2011 are as follows:

	Major Fund		Total
	General	Nonmajor Funds	
Special assessments receivable	\$ -	\$267,077	\$267,077
Delinquent property taxes receivable	109,600	-	109,600
	<u>\$109,600</u>	<u>\$267,077</u>	<u>\$376,677</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, deferred and unearned revenue reported in the governmental funds was as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable (General Fund)	\$230,579	\$ -	\$230,579
Delinquent property taxes receivable (Nonmajor Funds)	3,605	-	3,605
Delinquent special assessments (General Fund)	44	-	-
Delinquent special assessments (Nonmajor Funds)	1,921	-	1,921
Special Assessments not yet due (General fund)	5,791	-	5,791
Special Assessments not yet due (Nonmajor Funds)	317,293	-	317,293
Unearned connection fees (Nonmajor Funds)	-	19,119	19,119
Total deferred/unearned revenue for governmental funds	<u>\$559,233</u>	<u>\$19,119</u>	<u>\$578,352</u>

CITY OF EAST BETHEL, MINNESOTA
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Note 4 CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the government wide statement of net assets. Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Increases	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$887,546	\$ -	\$ -	\$887,546
Construction in progress	3,144,731	4,739,749	(1,405,511)	6,478,969
Total capital assets, not being depreciated	<u>4,032,277</u>	<u>4,739,749</u>	<u>(1,405,511)</u>	<u>7,366,515</u>
Capital assets, being depreciated:				
Buildings and improvements	5,384,775	157,980	-	5,542,755
Park improvements	1,224,101	49,092	(23,222)	1,249,971
Departmental equipment	2,902,913	226,702	-	3,129,615
Streets	46,598,594	1,312,592	-	47,911,186
Storm sewers	2,012,144	-	-	2,012,144
Total capital assets, being depreciated	<u>58,122,527</u>	<u>1,746,366</u>	<u>(23,222)</u>	<u>59,845,671</u>
Less accumulated depreciation for:				
Buildings and improvements	1,944,201	204,579	-	2,148,780
Park improvements	425,615	61,448	-	487,063
Departmental equipment	1,569,969	193,680	(19,436)	1,744,213
Streets	21,933,819	1,827,521	-	23,761,340
Storm sewers	653,594	65,396	-	718,990
Total accumulated depreciation	<u>26,527,198</u>	<u>2,352,624</u>	<u>(19,436)</u>	<u>28,860,386</u>
Total capital assets being depreciated - net	<u>31,595,329</u>	<u>(606,258)</u>	<u>(3,786)</u>	<u>30,985,285</u>
Governmental activities capital assets - net	<u>\$35,627,606</u>	<u>\$4,133,491</u>	<u>(\$1,409,297)</u>	<u>\$38,351,800</u>

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

	Beginning Balance	Increases	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$30,000	\$ -	\$ -	\$30,000
Total capital assets, not being depreciated	30,000	-	-	30,000
Capital assets, being depreciated:				
Buildings and improvements	1,480,690	-	-	1,480,690
Department equipment	25,000	-	-	25,000
Utility infrastructure	1,357,358	-	-	1,357,358
Total capital assets, being depreciated	2,492,875	-	-	2,863,048
Less accumulated depreciation for:				
Buildings and improvements	642,184	82,361	-	724,545
Department equipment	25,000	-	-	25,000
Utility infrastructure	609,789	45,245	-	655,034
Total accumulated depreciation	1,276,973	127,606	-	1,404,579
Total capital assets being depreciated - net	1,828,642	(127,606)	-	1,458,469
Business-type activities capital assets - net	<u>\$1,488,775</u>	<u>(\$127,606)</u>	<u>\$ -</u>	<u>\$1,488,469</u>

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

Governmental activities:	
General government	\$ 127,804
Public safety	133,203
Public works	1,877,288
Parks and recreation	92,113
Depreciation on capital assets held by governmental internal service activities charged to each function based on use	<u>122,216</u>
Total depreciation expense – governmental activities	<u>\$2,352,624</u>
Business-type activities:	
Water utility	\$ 22,195
Sewer utility	23,050
Arena	<u>82,361</u>
Total depreciation expense - business-type activities	<u>\$ 127,606</u>

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 5 LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital items. All of the reporting entity's long-term debt is to be repaid from governmental activities.

A. GOVERNMENTAL ACTIVITIES

	Issue Date	Maturity Date	Interest Rate	Original Issue	Payable 12/31/11
Governmental Activities:					
2005A Public Safety Bonds	9/15/2005	2/1/2026	2.95 - 4.30%	\$1,900,000	\$1,585,000
2005B GO Improvement Bonds	9/15/2005	2/1/2016	2.95 - 3.80%	495,000	275,000
2010C Taxable GO Bonds	12/15/2010	2/1/2017	3.20 - 3.45%	1,260,000	1,260,000
Total GO Improvement Bonds				<u>3,655,000</u>	<u>3,120,000</u>
2008A GO Sewer Revenue Bonds	5/1/2008	2/1/2029	3.00 - 4.70%	1,715,000	1,550,000
2010 GO Water Revenue Note	2/17/2010	8/20/2029	1.00%	69,190	65,589
2010A Taxable GO Water Revenue Bonds	12/15/2010	2/1/2040	4.50 - 7.00%	11,465,000	11,465,000
2010B Taxable GO Utility Revenue Bonds	12/15/2010	2/1/2040	3.10 - 7.00%	6,100,000	6,100,000
Total GO Revenue Bonds				<u>19,349,190</u>	<u>19,180,589</u>
Total Bonds Payables				<u>23,004,190</u>	<u>22,300,589</u>
Bond Issuance Premium				<u>299,000</u>	<u>287,636</u>
Total City Indebtedness				<u><u>\$23,303,190</u></u>	<u><u>\$22,588,225</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities			
	GO Improvement Bonds		GO Revenue Bonds & Notes	
	Principal	Interest	Principal	Interest
2012	\$125,000	\$112,390	\$123,000	\$1,199,801
2013	135,000	107,902	148,000	1,195,615
2014	140,000	103,020	153,000	1,190,791
2015	140,000	97,910	158,000	1,185,805
2016	845,000	81,350	228,000	1,179,498
2017-2021	1,085,000	200,078	1,959,000	5,701,662
2022-2026	650,000	71,063	2,045,000	5,210,010
2027-2031	-	-	3,711,589	4,342,924
2032-2036	-	-	5,600,000	2,746,031
2037-2040	-	-	5,055,000	725,375
Total	<u><u>\$3,120,000</u></u>	<u><u>\$773,713</u></u>	<u><u>\$19,180,589</u></u>	<u><u>\$24,677,512</u></u>

CITY OF EAST BETHEL, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

B. CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
GO improvement bonds	\$3,245,000	\$ -	\$125,000	\$3,120,000	\$125,000
GO revenue bonds & notes	19,298,589	-	118,000	19,180,589	123,000
Deferred amount:					
Issuance premium	299,000	-	11,364	287,636	-
Total bonds payable	22,842,589	-	254,364	22,588,225	248,000
Compensated absences	134,958	72,010	110,538	96,430	96,430
Total governmental activity long-term debt	<u>\$22,977,547</u>	<u>\$72,010</u>	<u>\$364,902</u>	<u>\$22,684,655</u>	<u>\$344,430</u>

C. REVENUES PLEDGED

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Improvement, 2005B	Street improvements	Special assessments	100%	2006-2015	\$301,070	\$60,745	\$61,498
G.O. Sewer Revenue, 2008A	Acquisition of Sewer System	Utility Revenues Special assessments	86% 14%	2009- 2028	\$1,891,690	\$174,035	\$19,000
G.O. Water Revenue Note, 2010	Infrastructure improvements	Utility Revenues	100%	2010-2029	\$72,145	\$3,653	\$5,040
G.O. Water Revenue, 2010A (Recovery Zone Economic Development Bonds)	Infrastructure improvements	Utility Revenues Federal credit	70% 27%	2012- 2040	\$28,501,563	\$481,551	\$216,698
G.O. Utility Revenue, 2010B (Build America Bonds)	Infrastructure improvements	Utility Revenues Federal credit	80% 17%	2012- 2040	\$13,392,701	\$236,398	\$82,739
G.O., 2010C	Infrastructure improvements	Utility Revenues	88%	2013-2017	\$1,467,288	\$26,199	\$ -

Note 6 DEFINED BENEFIT PENSION PLANS-STATEWIDE

A. Plan Description

All full-time and certain part-time employees of the City of East Bethel are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, fire-fighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2011. PEPFF members were required to contribute 9.60% of their annual covered salary in 2011. PECF members are required to contribute 5.83% of their annual covered salary. In 2011, the City of East Bethel was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan GERF members, 7.25% for Coordinated Plan GERF members, and 14.40% for PEPFF members. The City's contributions to the General Employees Retirement Fund for the years ending December 31, 2011, 2010 and 2009 were \$79,085.52, \$85,451.77, and \$85,856.77, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

C. PENSION PLAN – EAST BETHEL FIRE DEPARTMENT RELIEF ASSOCIATION

PLAN DESCRIPTION

The City contributes to the East Bethel Fire Department Relief Association (the Association) which is the administrator of a single employer retirement system to provide a defined benefit retirement plan (the Plan) to paid on-call firefighters of the City who are members of the Association. The Association issues a financial report which is available at City offices.

FUNDING POLICY

Minnesota Statutes Chapter 69.772 set the minimum contribution requirement for the City and State Aid on an annual basis. These statutes are established and amended by the state legislature. The Association is comprised of paid on-call City employees; therefore, members have no contribution requirements. The City receives the State aid contribution and is required by state statutes to pass this through as payment to the Association. This transaction, in the amount of \$39,383, is recorded as a revenue and an expenditure in the City's financial statements. A mandatory City contribution for \$28,315, as required by state statutes, was made in 2011. The City's annual pension cost for the current year and relation information for the plan is as follows:

Annual pension cost	\$67,698
Contributions Made:	
State Aid	\$39,383
City Contribution	\$28,315
Actuarial valuation date	12/31/2010
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Actuarial assumptions:

Investment rate of return	5%
Projected salary increases	N/A
Inflation rate	N/A
Cost of living adjustments	None

Three Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2009	40,103	100%	\$ -
12/31/2010	79,206	100%	\$ -
12/31/2011	67,698	100%	\$ -

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>	<u>Pension Benefit Per year of Service</u>
12/31/2009	\$944,452	975,280	(30,828)	96.84%	3,400
12/31/2010	\$1,141,265	1,022,064	119,201	111.66%	3,400
12/31/2011	<i>Unavailable</i>				

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 7 INTERFUND RECEIVABLES, PAYABLES, TRANSFERS AND LOANS

Interfund payables and receivables are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year. Interfund receivables and payables of the City are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Due From/Due To:		
Major Funds:		
Municipal State Aid Street Improvement	\$ -	\$104,947
Nonmajor Governmental Funds:		
Special Revenue Funds		
SAFER Grant Fund	-	36,046
Housing & Redevelopment Fund	836	-
Economic Development Fund	-	836
Capital Project Fund:		
Improvements of 2003 Fund	-	13,673
Proprietary Funds:		
Water	-	124,684
Sewer	-	195,824
Ice Arena	-	134,835
Internal Service Fund:		
Equipment Replacement	610,009	-
	<u>\$610,845</u>	<u>\$610,845</u>

Interfund transfers allow the City to allocate financial resources between funds. Interfund transfers were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activities:		
Governmental funds		
Major Funds		
General Fund	\$ -	\$552,604
Nonmajor Funds	557,664	5,040
Total governmental funds	<u>557,664</u>	<u>557,644</u>
Total governmental activities	<u>557,664</u>	<u>557,644</u>
Total interfund transfers	<u>\$557,664</u>	<u>\$557,644</u>

On December 31, 2011, one interfund loan is outstanding. In 2010, the 2010A Revenue Bond Fund and the 2010B Utility Revenue Bond Fund borrowed \$150,361 and \$89,639, respectively from the Equipment Replacement Fund to finance bond issuance costs. In accordance with Resolution 2010-74, the loan will be paid back in 10 years with future utility revenues. No interest will be charged.

Note 8 DEFICIT FUND BALANCES/NET ASSETS

The City has deficit fund balances/net assets at December 31, 2011 as follows:

<u>Fund</u>	<u>Amount</u>
Governmental activities:	
Municipal State Aid Street Improvement Fund	\$16,957
Economic Development Authority Fund	956
Improvements of 2003 Fund	12,931

Note 9 CONTINGENCIES

A. RISK MANAGEMENT

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

B. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from county and state governmental agencies primarily in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at December 31, 2011.

D. CONSTRUCTION COMMITMENTS

At December 31, 2011, the City was committed under various contracts related to the construction of water and sewer infrastructure. Total contract price is approximately \$13.5 million, with the remaining commitment being approximately \$6.3 million. The project is financed by General Obligation Recovery Zone Economic Development Bonds and Build America Bonds.

Note 10 DEFERRED AD VALOREM TAX LEVIES - BONDED DEBT

General obligation bond issues sold by the City are financed by ad valorem tax levies and special assessment bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the County Auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are not shown as assets in the accompanying financial statements at December 31, 2011. Future scheduled tax levies for all bonds outstanding at December 31, 2011 totaled \$2,174,440.

Note 11 POST EMPLOYMENT BENEFITS

In accordance with State Statute, the City provides the opportunity for retired employees to maintain insurance coverage with the City until age 65. The retired employee is responsible for 100% of the cost. The City does not pool insurance costs among employees; all insurance premiums are age-rated. No cross subsidy exists between different age groupings. Consequently, the City has no liability for post employment benefits. No reporting activity is necessary for the City with regard to GASB Statement No. 43 *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans* or GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans*.

CITY OF EAST BETHEL, MINNESOTA
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2011

Note 12 COMPONENTS OF FUND BALANCE

At December 31, 2011, portions of the city's fund balance are not available for appropriation because amounts are not in spendable form (Nonspendable), are not available due to legal restrictions (Restricted), City Council policy and /or intent (Assigned). The following is a summary of the components of fund balance:

	General Fund	Water Infrastructure Fund	Utility Infrastructure Fund	Other Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Prepayments	\$1,526	\$ -	\$ -	\$ -	\$1,526
Total Nonspendable	<u>\$1,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,526</u>
Restricted:					
Water Infrastructure Construction	\$ -	\$8,077,970	\$2,349,216	\$ -	\$10,427,186
Utility Infrastructure Construction	-	-	-	-	-
Debt Service Fund	-	-	-	1,213,584	1,213,584
Recycling	-	-	-	20,091	20,091
Donations	-	-	-	5,556	5,556
Housing and Redevelopment Authority	-	-	-	810,846	810,846
Park Development	-	-	-	26,008	26,008
Total Restricted	<u>\$ -</u>	<u>\$8,077,970</u>	<u>\$2,349,216</u>	<u>\$2,076,085</u>	<u>\$12,503,271</u>
Assigned to:					
Park Capital Projects	\$ -	\$ -	\$ -	\$156,792	\$156,792
Street Capital Projects	-	-	-	1,236,919	1,236,919
Other Capital Projects	-	-	-	40,571	40,571
Total Assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,434,282</u>	<u>\$1,434,282</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EAST BETHEL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2011

Statement 9

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes	\$4,440,848	\$4,440,848	\$4,428,762	(\$12,086)
Licenses and permits	117,550	117,550	109,366	(8,184)
Intergovernmental:				
Other aid	213,757	213,757	239,189	25,432
Charges for services	55,810	55,810	75,010	19,200
Fines and forfeitures	58,100	58,100	49,792	(8,308)
Investment income	10,000	10,000	1,586	(8,414)
Franchise fees	32,000	32,000	37,874	5,874
Refunds and reimbursements	38,500	38,500	40,836	2,336
Total revenue	<u>4,966,565</u>	<u>4,966,565</u>	<u>4,982,415</u>	<u>15,850</u>
Expenditures:				
General government:				
Mayor and council:				
Current:				
Personal services	33,516	33,516	31,701	1,815
Other charges	46,533	46,533	45,210	1,323
Total mayor and council	<u>80,049</u>	<u>80,049</u>	<u>76,911</u>	<u>3,138</u>
Elections:				
Current:				
Materials and supplies	25	25	-	25
Planning and zoning:				
Current:				
Personal services	190,065	190,065	186,251	3,814
Materials and supplies	150	150	409	(259)
Contractual services	18,393	18,393	14,858	3,535
Total planning and zoning	<u>208,608</u>	<u>208,608</u>	<u>201,518</u>	<u>7,090</u>
Administration/support:				
Current:				
Personal services	590,513	569,513	564,972	4,541
Materials and supplies	800	1,800	1,158	642
Contractual services	33,795	33,795	30,007	3,788
Total administration/support	<u>625,108</u>	<u>605,108</u>	<u>596,137</u>	<u>8,971</u>

CITY OF EAST BETHEL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2011

Statement 9

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures: (continued)				
General government buildings:				
Current:				
Materials and supplies	\$4,200	\$4,200	\$2,972	\$1,228
Contractual services	45,200	45,200	31,091	14,109
Total general government buildings	49,400	49,400	34,063	15,337
Miscellaneous:				
Current:				
Contractual services	238,000	258,000	235,331	22,669
Total general government	1,201,190	1,201,190	1,143,960	57,230
Public safety:				
Fire protection:				
Current:				
Personal services	314,598	314,598	300,357	14,241
Materials and supplies	33,975	33,975	33,819	156
Contractual services	192,800	192,800	179,156	13,644
Total current	541,373	541,373	513,332	28,041
Capital outlay	10,000	10,000	-	10,000
Total fire protection	551,373	551,373	513,332	38,041
Police protection:				
Current:				
Contractual services	1,037,218	1,037,218	1,036,087	1,131
Building inspection:				
Current:				
Personal services	256,811	256,811	223,075	33,736
Materials and supplies	2,750	2,750	4,555	(1,805)
Contractual services	5,505	5,505	4,878	627
Total building inspection	265,066	265,066	232,508	32,558
Total public safety	1,853,657	1,853,657	1,781,927	71,730

CITY OF EAST BETHEL, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2011

Statement 9

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures: (continued)				
Public works:				
Street maintenance:				
Current:				
Personal services	\$407,204	\$407,204	\$339,196	\$68,008
Materials and supplies	122,397	122,397	122,915	(518)
Contractual services	235,180	235,180	217,771	17,409
Total street maintenance	<u>764,781</u>	<u>764,781</u>	<u>679,882</u>	<u>84,899</u>
Parks and recreation:				
Current:				
Personal services	293,008	293,008	279,120	13,888
Materials and supplies	39,700	39,700	36,986	2,714
Contractual services	68,090	68,090	56,586	11,504
Total parks and recreation	<u>400,798</u>	<u>400,798</u>	<u>372,692</u>	<u>28,106</u>
Miscellaneous				
Current:				
Materials and supplies	9,500	9,500	9,759	(259)
Contractual services	184,035	184,035	171,936	12,099
Total miscellaneous expenditures	<u>193,535</u>	<u>193,535</u>	<u>181,695</u>	<u>11,840</u>
Total expenditures	<u>4,413,961</u>	<u>4,413,961</u>	<u>4,160,156</u>	<u>253,805</u>
Revenue over expenditures	552,604	552,604	822,259	269,655
Other financing uses:				
Transfers out	<u>(552,604)</u>	<u>(552,604)</u>	<u>(552,604)</u>	<u>-</u>
Net increase in fund balance	<u>\$ -</u>	<u>\$ -</u>	269,655	<u>\$269,655</u>
Fund balance - January 1			<u>1,984,749</u>	
Fund balance - December 31			<u>\$2,254,404</u>	

Note 1 BUDGETARY REPORTING

A. The Schedule

The budgetary comparison schedule presents the comparison of the original and legally amended budget with actual amounts on a departmental level for the General Fund. The departmental level budgets are adopted on a basis with generally accepted accounting principles.

B. Summary of Significant Budget Procedures

The City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The City Council reviews the proposed budget and makes appropriate changes. Public meetings are conducted to obtain taxpayer comments. Minnesota State Law requires that the preliminary budget and proposed tax levy be approved by the City Council prior to September 15 of each year. State statutes require the preliminary property and proposed tax levy be certified to the County Auditor by September 15. Once the City adopts the proposed tax levy, the final tax levy can be decreased, but not increased, over the certified proposed tax levy. The City Council is required to adopt the final tax levy and submit the levy to the County Auditor by December 28. The budget is legally enacted through passage of a resolution on a departmental basis for the General Fund.

C. Budget Amendments

Interdepartmental, intradepartmental or interfund appropriations and deletions are authorized by the City Council with fund contingency reserves or additional revenues. The City Council may authorize transfer of budgeted amounts between City funds. The City Council made no supplemental budgetary appropriations throughout the year.

D. Budgetary Compliance

The legal level of budgetary control is at the department level for the General Fund. Monitoring of budgets is maintained at the expenditure category level (i.e., personal services; materials and supplies; contractual services; and capital outlay) within each program. All amounts over budget were approved by the City Council through the disbursement process.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
SCHEDULES OF NONMAJOR GOVERNMENTAL FUNDS**

CITY OF EAST BETHEL, MINNESOTA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2011

Statement 10

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets:				
Cash and investments	\$811,246	\$1,452,121	\$1,477,926	\$3,741,293
Taxes receivable	4,410	-	-	4,410
Accounts receivable	-	-	1,560	1,560
Due from other funds	836	-	-	836
Due from other governments	80,090	-	-	80,090
Special assessments receivable	-	263,155	56,878	320,033
Accrued interest and other receivables	-	1,541	-	1,541
Total assets	\$896,582	\$1,716,817	\$1,536,364	\$4,149,763
Liabilities and Fund Balance				
Liabilities:				
Accounts and contracts payable	\$20,558	\$78	\$154	\$20,790
Due to other funds	36,882	-	13,673	50,555
Interfund loan	-	240,000	-	240,000
Deferred revenue	3,605	263,155	75,178	341,938
Total liabilities	61,045	503,233	89,005	653,283
Fund balances:				
Restricted	836,493	1,213,584	26,008	2,076,085
Assigned	-	-	1,434,282	1,434,282
Unassigned	(956)	-	(12,931)	(13,887)
Total fund balances	835,537	1,213,584	1,447,359	3,496,480
Total liabilities and fund balances	\$896,582	\$1,716,817	\$1,536,364	\$4,149,763

CITY OF EAST BETHEL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2011

Statement 11

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
General property taxes	\$123,215	\$254,256	\$ -	\$377,471
Special assessments	-	79,990	23,669	103,659
Intergovernmental	110,697	299,437	-	410,134
Investment income	1,227	2,878	2,239	6,344
Other	5,002	-	17,889	22,891
Total revenues	<u>240,141</u>	<u>636,561</u>	<u>43,797</u>	<u>920,499</u>
Expenditures:				
Current:				
General government	52,036	-	24,395	76,431
Public safety	80,123	-	-	80,123
Public works	-	-	276,707	276,707
Parks and recreation	-	-	42,701	42,701
Capital outlay	-	-	125,382	125,382
Debt service:				
Principal and debt extinguishment	-	243,000	-	243,000
Interest and fiscal charges	-	884,788	39	884,827
Total expenditures	<u>132,159</u>	<u>1,127,788</u>	<u>469,224</u>	<u>1,729,171</u>
Revenues over (under) expenditures	<u>107,982</u>	<u>(491,227)</u>	<u>(425,427)</u>	<u>(808,672)</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	7,636	7,636
Transfers in	-	5,040	552,604	557,644
Transfers out	-	-	(5,040)	(5,040)
Total other financing sources (uses)	<u>-</u>	<u>5,040</u>	<u>555,200</u>	<u>560,240</u>
Net change in fund balances	107,982	(486,187)	129,773	(248,432)
Fund balance - January 1	<u>727,555</u>	<u>1,699,771</u>	<u>1,317,586</u>	<u>3,744,912</u>
Fund balance - December 31	<u>\$835,537</u>	<u>\$1,213,584</u>	<u>\$1,447,359</u>	<u>\$3,496,480</u>

CITY OF EAST BETHEL, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2011

Statement 12

Assets	Recycling Fund	Miscellaneous	SAFER	HRA Fund	EDA Fund	Totals
		Grants/ Donations Fund	Grant Fund			Nonmajor Special Revenue Funds
Cash and investments	\$4,963	\$5,556	\$ -	\$800,727	\$ -	\$811,246
Taxes receivable	-	-	-	4,410	-	4,410
Due from other funds	-	-	-	836	-	836
Due from other governments	15,982	-	55,630	8,478	-	80,090
Total assets	<u>\$20,945</u>	<u>\$5,556</u>	<u>\$55,630</u>	<u>\$814,451</u>	<u>\$ -</u>	<u>\$896,582</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts and contracts payable	\$854	\$ -	\$19,584	\$ -	\$120	\$20,558
Due to other funds	-	-	36,046	-	836	36,882
Deferred revenue	-	-	-	3,605	-	3,605
Total liabilities	<u>854</u>	<u>-</u>	<u>55,630</u>	<u>3,605</u>	<u>956</u>	<u>61,045</u>
Fund balances:						
Restricted	20,091	5,556	-	810,846	-	836,493
Unassigned	-	-	-	-	(956)	(956)
Total fund balances	<u>20,091</u>	<u>5,556</u>	<u>-</u>	<u>810,846</u>	<u>(956)</u>	<u>835,537</u>
Total liabilities and fund balances	<u>\$20,945</u>	<u>\$5,556</u>	<u>\$55,630</u>	<u>\$814,451</u>	<u>\$ -</u>	<u>\$896,582</u>

CITY OF EAST BETHEL, MINNESOTA
 SUBCOMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2011

Statement 13

	Recycling Fund	Miscellaneous Grants/ Donations Fund	SAFER Grant Fund	HRA Fund	EDA Fund	Totals Nonmajor Special Revenue Funds
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$123,215	\$ -	\$123,215
Intergovernmental	30,574	-	80,123	-	-	110,697
Interest income	-	-	-	1,227	-	1,227
Other	3,052	1,950	-	-	-	5,002
Total revenues	<u>33,626</u>	<u>1,950</u>	<u>80,123</u>	<u>124,442</u>	<u>-</u>	<u>240,141</u>
Expenditures:						
Current:						
General government	25,428	980	-	24,672	956	52,036
Public safety	-	-	80,123	-	-	80,123
Total expenditures	<u>25,428</u>	<u>980</u>	<u>80,123</u>	<u>24,672</u>	<u>956</u>	<u>132,159</u>
Net change in fund balances	8,198	970	-	99,770	(956)	107,982
Fund balance - January 1	<u>11,893</u>	<u>4,586</u>	<u>-</u>	<u>711,076</u>	<u>-</u>	<u>727,555</u>
Fund balance - December 31	<u>\$20,091</u>	<u>\$5,556</u>	<u>\$ -</u>	<u>\$810,846</u>	<u>(\$956)</u>	<u>\$835,537</u>

CITY OF EAST BETHEL, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2011

Assets:	2005 Public Safety Bonds Fund	2005B Street Improvement Debt Fund	2008A Sewer Revenue Bond Fund
Cash and investments	\$165,559	\$333,546	\$712
Special assessments receivable:			
Deferred	-	93,155	170,000
Accrued interest receivable	-	-	-
Total assets	<u>\$165,559</u>	<u>\$426,701</u>	<u>\$170,712</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ -	\$39	\$39
Internal loan	-	-	-
Deferred revenue	-	93,155	170,000
Total liabilities	<u>-</u>	<u>93,194</u>	<u>170,039</u>
Fund balances:			
Restricted	<u>165,559</u>	<u>333,507</u>	<u>673</u>
Total liabilities and fund balances	<u>\$165,559</u>	<u>\$426,701</u>	<u>\$170,712</u>

2010 Water Revenue Note	2010A Revenue Bond Fund	2010B Utility Revenue Bond	2010C Bond	Totals Debt Service Funds
\$1,406	\$492,843	\$293,438	\$164,617	\$1,452,121
-	-	-	-	263,155
-	824	488	229	1,541
<u>\$1,406</u>	<u>\$493,667</u>	<u>\$293,926</u>	<u>\$164,846</u>	<u>\$1,716,817</u>
\$ -	\$ -	\$ -	\$ -	\$78
-	150,361	89,639	-	240,000
-	-	-	-	263,155
-	150,361	89,639	-	503,233
<u>1,406</u>	<u>343,306</u>	<u>204,287</u>	<u>164,846</u>	<u>1,213,584</u>
<u>\$1,406</u>	<u>\$493,667</u>	<u>\$293,926</u>	<u>\$164,846</u>	<u>\$1,716,817</u>

CITY OF EAST BETHEL, MINNESOTA
 SUBCOMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2011

	2005 Public Safety Bonds Fund	2005B Street Improvement Debt Fund	2008A Sewer Revenue Bond Fund
Revenues:			
Property taxes	\$144,756	\$ -	\$109,500
Special assessments	-	60,990	19,000
Intergovernmental	-	-	-
Investment income	133	508	-
Total revenues	<u>144,889</u>	<u>61,498</u>	<u>128,500</u>
Expenditures:			
Debt service:			
Principal	75,000	50,000	115,000
Interest and fiscal charges	64,503	11,186	59,499
Total expenditures	<u>139,503</u>	<u>61,186</u>	<u>174,499</u>
Revenues over (under) expenditures	5,386	312	(45,999)
Other financing sources:			
Transfers in	-	-	-
Net change in fund balances	5,386	312	(45,999)
Fund balance - January 1	<u>160,173</u>	<u>333,195</u>	<u>46,672</u>
Fund balance - December 31	<u>\$165,559</u>	<u>\$333,507</u>	<u>\$673</u>

Statement 15

2010 Water Revenue Note	2010A Revenue Bond Fund	2010B Utility Revenue Bond	2010C Bond	Totals Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$254,256
-	-	-	-	79,990
-	216,698	82,739	-	299,437
-	1,196	708	333	2,878
-	217,894	83,447	333	636,561
3,000	-	-	-	243,000
654	483,318	237,913	27,715	884,788
3,654	483,318	237,913	27,715	1,127,788
(3,654)	(265,424)	(154,466)	(27,382)	(491,227)
5,040	-	-	-	5,040
1,386	(265,424)	(154,466)	(27,382)	(486,187)
20	608,730	358,753	192,228	1,699,771
\$1,406	\$343,306	\$204,287	\$164,846	\$1,213,584

CITY OF EAST BETHEL, MINNESOTA
 SUBCOMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2011

	Park Acquisition Fund	Park Trails Fund	Minard Street Fund	Improvements of 2003 Fund
Assets				
Cash and investments	\$26,008	\$141,516	\$19,667	\$ -
Accounts receivable	-	-	-	-
Special assessments receivable:				
Unremitted	-	-	-	819
Delinquent	-	-	-	155
Deferred	-	-	-	28,950
Total assets	<u>\$26,008</u>	<u>\$141,516</u>	<u>\$19,667</u>	<u>\$29,924</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	-	-	-	77
Due to other funds	-	-	-	13,673
Deferred revenue	-	-	-	29,105
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,855</u>
Fund balances:				
Restricted	26,008	-	-	-
Assigned	-	141,516	19,667	-
Unassigned	-	-	-	(12,931)
Total fund balances	<u>26,008</u>	<u>141,516</u>	<u>19,667</u>	<u>(12,931)</u>
Total liabilities and fund balances	<u>\$26,008</u>	<u>\$141,516</u>	<u>\$19,667</u>	<u>\$29,924</u>

Street Capital Fund	Park Capital Fund	Utility Improvement Fund	Building Fund	Lunde/Jewell Street Fund	Totals Nonmajor Capital Project Funds
\$1,182,392	\$15,276	\$18,520	\$39,610	\$34,937	\$1,477,926
-	-	1,560	-	-	1,560
-	-	-	-	-	819
1,921	-	875	-	-	2,951
12,468	-	-	-	11,690	53,108
<u>\$1,196,781</u>	<u>\$15,276</u>	<u>\$20,955</u>	<u>\$39,610</u>	<u>\$46,627</u>	<u>\$1,536,364</u>
39	-	-	-	38	154
-	-	-	-	-	13,673
14,389	-	19,994	-	11,690	75,178
<u>14,428</u>	<u>-</u>	<u>19,994</u>	<u>-</u>	<u>11,728</u>	<u>89,005</u>
-	-	-	-	-	26,008
1,182,353	15,276	961	39,610	34,899	1,434,282
-	-	-	-	-	(12,931)
<u>1,182,353</u>	<u>15,276</u>	<u>961</u>	<u>39,610</u>	<u>34,899</u>	<u>1,447,359</u>
<u>\$1,196,781</u>	<u>\$15,276</u>	<u>\$20,955</u>	<u>\$39,610</u>	<u>\$46,627</u>	<u>\$1,536,364</u>

CITY OF EAST BETHEL, MINNESOTA
SUBCOMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 2011

	Park Acquisition Fund	Park Trails Fund	Minard Street Fund	Improvements of 2003 Fund
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$12,331
Investment income	51	198	30	-
Other	-	-	2,000	-
Total revenues	<u>51</u>	<u>198</u>	<u>2,030</u>	<u>12,331</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	-	-	76
Parks and recreation	5,732	-	-	-
Capital outlay	759	41,585	-	-
Debt service:				
Interest and fiscal charges	-	-	-	39
Total expenditures	<u>6,491</u>	<u>41,585</u>	<u>-</u>	<u>115</u>
Revenues over (under) expenditures	<u>(6,440)</u>	<u>(41,387)</u>	<u>2,030</u>	<u>12,216</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	58,484	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>58,484</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(6,440)</u>	<u>17,097</u>	<u>2,030</u>	<u>12,216</u>
Fund balance - January 1	<u>32,448</u>	<u>124,419</u>	<u>17,637</u>	<u>(25,147)</u>
Fund balance - December 31	<u>\$26,008</u>	<u>\$141,516</u>	<u>\$19,667</u>	<u>(\$12,931)</u>

Street Capital Fund	Park Capital Fund	Utility Improvement Fund	Building Fund	Lunde/Jewell Street Fund	Totals Nonmajor Capital Project Funds
\$6,754	\$ -	\$ -	\$ -	\$4,584	\$23,669
1,760	34	41	72	53	2,239
4,800	-	11,089	-	-	17,889
<u>13,314</u>	<u>34</u>	<u>11,130</u>	<u>72</u>	<u>4,637</u>	<u>43,797</u>
-	-	-	24,395	-	24,395
247,158	-	29,435	-	38	276,707
-	36,969	-	-	-	42,701
25,185	57,853	-	-	-	125,382
-	-	-	-	-	39
<u>272,343</u>	<u>94,822</u>	<u>29,435</u>	<u>24,395</u>	<u>38</u>	<u>469,224</u>
<u>(259,029)</u>	<u>(94,788)</u>	<u>(18,305)</u>	<u>(24,323)</u>	<u>4,599</u>	<u>(425,427)</u>
-	-	-	7,636	-	7,636
400,000	94,120	-	-	-	552,604
-	-	(5,040)	-	-	(5,040)
<u>400,000</u>	<u>94,120</u>	<u>(5,040)</u>	<u>7,636</u>	<u>-</u>	<u>555,200</u>
140,971	(668)	(23,345)	(16,687)	4,599	129,773
<u>1,041,382</u>	<u>15,944</u>	<u>24,306</u>	<u>56,297</u>	<u>30,300</u>	<u>1,317,586</u>
<u>\$1,182,353</u>	<u>\$15,276</u>	<u>\$961</u>	<u>\$39,610</u>	<u>\$34,899</u>	<u>\$1,447,359</u>

CITY OF EAST BETHEL, MINNESOTA
SPECIAL REVENUE FUND - RECYCLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For The Year Ended December 31, 2011

Statement 18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Intergovernmental	\$30,721	\$30,721	\$30,574	(\$147)
Miscellaneous revenues	10,000	10,000	3,052	(6,948)
Total revenue	<u>40,721</u>	<u>40,721</u>	<u>33,626</u>	<u>(7,095)</u>
Expenditures:				
Current:				
General government	<u>35,735</u>	<u>35,735</u>	<u>25,428</u>	<u>10,307</u>
Net change in fund balance	<u>\$4,986</u>	<u>\$4,986</u>	8,198	<u>\$3,212</u>
Fund balance - January 1			<u>11,893</u>	
Fund balance - December 31			<u>\$20,091</u>	

CITY OF EAST BETHEL, MINNESOTA
 SPECIAL REVENUE FUND - SAFER GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For The Year Ended December 31, 2011

Statement 19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Intergovernmental	\$83,000	\$83,000	\$80,123	(\$2,877)
Expenditures:				
Current:				
Public safety	83,000	83,000	80,123	2,877
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - January 1			-	
Fund balance - December 31			\$ -	

CITY OF EAST BETHEL, MINNESOTA
 SPECIAL REVENUE FUND - HRA FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For The Year Ended December 31, 2011

Statement 20

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes	\$126,058	\$126,058	\$123,215	(\$2,843)
Interest Income	-	-	1,227	1,227
Total revenue	<u>126,058</u>	<u>126,058</u>	124,442	(1,616)
Expenditures:				
Current:				
General Government	<u>78,500</u>	<u>78,500</u>	<u>24,672</u>	<u>53,828</u>
Net change in fund balance	<u>\$47,558</u>	<u>\$47,558</u>	99,770	<u>\$52,212</u>
Fund balance - January 1			<u>711,076</u>	
Fund balance - December 31			<u>\$810,846</u>	

CITY OF EAST BETHEL, MINNESOTA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2011

Statement 21

	<u>Compensated Absences</u>	<u>Equipment Replacement</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$93,198	\$1,187,171	\$1,280,369
Accounts receivable	3,232	378	3,610
Due from other funds	-	610,009	610,009
Interfund loan	-	240,000	240,000
Total current assets	<u>96,430</u>	<u>2,037,558</u>	<u>2,133,988</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	1,441,608	1,441,608
Less: accumulated depreciation	-	(394,172)	(394,172)
Net capital assets	<u>-</u>	<u>1,047,436</u>	<u>1,047,436</u>
Total assets	<u>96,430</u>	<u>3,084,994</u>	<u>3,181,424</u>
Liabilities:			
Current liabilities:			
Compensated absences - current portion	<u>96,430</u>	<u>-</u>	<u>96,430</u>
Net assets:			
Invested in capital assets	-	1,047,436	1,047,436
Unrestricted	-	2,037,558	2,037,558
Total net assets	<u>\$ -</u>	<u>\$3,084,994</u>	<u>\$3,084,994</u>

CITY OF EAST BETHEL, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2011

Statement 22

	Compensated Absences	Equipment Replacement	Totals Internal Service Funds
Operating revenues:			
Departmental billings	\$33,612	\$262,200	\$295,812
Franchise Fees	-	15,484	15,484
Total operating revenues	<u>33,612</u>	<u>277,684</u>	<u>311,296</u>
Operating expenses:			
Wages and fringe benefits	33,612	-	33,612
Depreciation	-	122,216	122,216
Total operating expenses	<u>33,612</u>	<u>122,216</u>	<u>155,828</u>
Operating income	<u>-</u>	<u>155,468</u>	<u>155,468</u>
Nonoperating revenues:			
Sale of capital assets	-	4,788	4,788
Investment income	-	4,780	4,780
Total nonoperating revenues	<u>-</u>	<u>9,568</u>	<u>9,568</u>
Change in net assets	-	165,036	165,036
Net assets - January 1	<u>-</u>	<u>2,919,958</u>	<u>2,919,958</u>
Net assets - December 31	<u>\$ -</u>	<u>\$3,084,994</u>	<u>\$3,084,994</u>

CITY OF EAST BETHEL, MINNESOTA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2011

Statement 23

	Compensated Absences	Equipment Replacement	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from customers and users	\$4,916	\$277,306	\$282,222
Payment to suppliers	(38,528)	-	(38,528)
Net cash flows from operating activities	<u>(33,612)</u>	<u>277,306</u>	<u>243,694</u>
Cash flows from noncapital financing activities:			
Decrease in due from other funds	-	118,672	118,672
Cash deposit with escrow agent	-	201,339	201,339
Net cash flows from noncapital financing activities	<u>-</u>	<u>320,011</u>	<u>320,011</u>
Cash flows from capital and related financing activities:			
Proceeds from capital equipment sales	-	4,788	4,788
Capital equipment purchase	-	(226,702)	(226,702)
Net cash flows from capital and related financing activities	<u>-</u>	<u>(221,914)</u>	<u>(221,914)</u>
Cash flows from investing activities:			
Investment income	-	4,780	4,780
Net increase (decrease) in cash and cash equivalents	(33,612)	380,183	346,571
Cash and cash equivalents - January 1	126,810	806,988	933,798
Cash and cash equivalents - December 31	<u>\$93,198</u>	<u>\$1,187,171</u>	<u>\$1,280,369</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ -	\$155,468	\$155,468
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation expense	-	122,216	122,216
Change in assets and liabilities:			
Decrease (increase) in receivables	4,916	(378)	4,538
Decrease in accounts payable	(38,528)	-	(38,528)
Total adjustments	<u>(33,612)</u>	<u>121,838</u>	<u>88,226</u>
Net cash provided by (used) operating activities	<u>(\$33,612)</u>	<u>\$277,306</u>	<u>\$243,694</u>

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CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

MANAGEMENT LETTER

FOR THE YEAR ENDED
DECEMBER 31, 2011



CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

MANAGEMENT LETTER

FOR THE YEAR ENDED
DECEMBER 31, 2011

5201 Eden Avenue
Suite 250
Edina, MN 55436

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), for the year ended December 31, 2011.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 23, 2011. Professional standards also require that we communicate to you the following information related to our audit.

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

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

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

Significant Audit Findings

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The requirements of GASB statements No. 54 were adopted for the year ended December 31, 2011. The application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by Council within the City's budget and are derived from each employee's estimated time to be spent servicing the respective functions of the City. These allocations are also used in allocating accrued compensated absences payable.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

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

**Corrected and Uncorrected Misstatements**

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

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 25, 2012.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

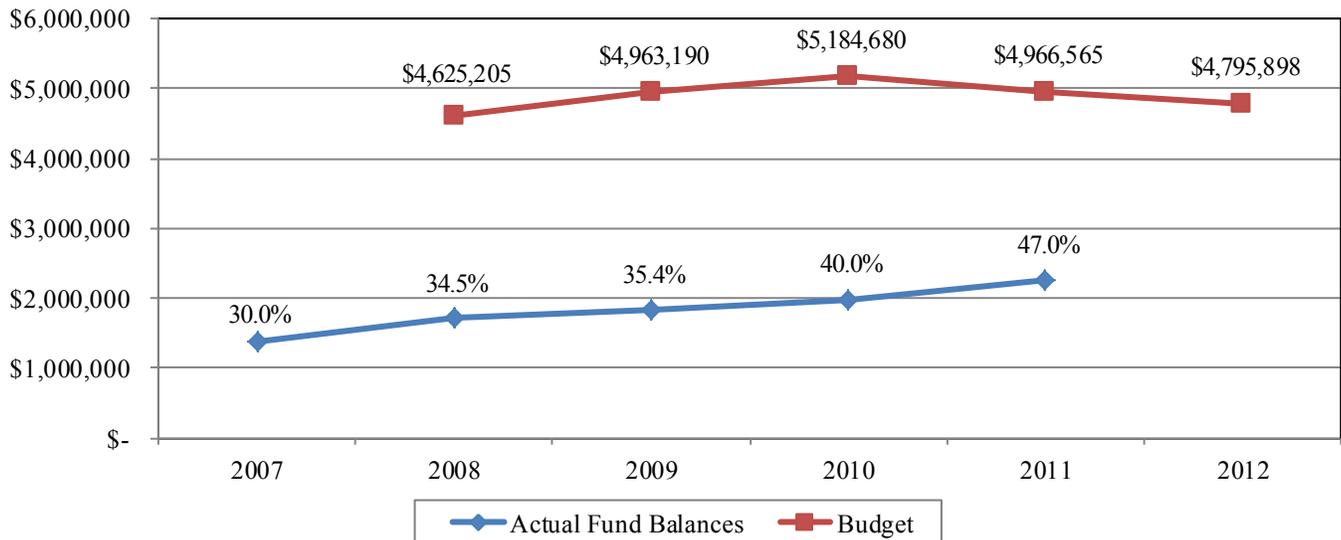
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not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



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

Year	Fund Balance December 31	Budget Year	General Fund Budget	Percent of Fund Balance to Budget
2007	\$ 1,389,372	2008	\$ 4,625,205	30.0 %
2008	1,710,083	2009	4,963,190	34.5
2009	1,836,527	2010	5,184,680	35.4
2010	1,984,749	2011	4,966,565	40.0
2011	2,254,404	2012	4,795,898	47.0

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



We have compiled a peer group average derived from information available on the website of the Office of the State Auditor for Cities of the 3rd class which have populations of 10,000-20,000. In 2009 and 2010, the average General fund balance as a percentage of expenditures was 63 percent and 54 percent, respectively. Based on comparison to the peer groups, the City's General fund balance is below the peer group average.



The 2011 General fund operations are summarized as follows:

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 4,966,565	\$ 4,982,415	\$ 15,850
Expenditures	<u>4,413,961</u>	<u>4,160,156</u>	<u>253,805</u>
Excess of revenues over expenditures	552,604	822,259	269,655
Other financing uses Transfers out	<u>(552,604)</u>	<u>(552,604)</u>	<u>-</u>
Net change in fund balances	-	269,655	269,655
Fund balances, January 1	<u>1,984,749</u>	<u>1,984,749</u>	<u>-</u>
Fund balances, December 31	<u><u>\$ 1,984,749</u></u>	<u><u>\$ 2,254,404</u></u>	<u><u>\$ 269,655</u></u>

The City's budget was not amended in 2011 and called for no change in ending fund balance. A more detailed summary of the budget variances is as follows:

- Revenues were over budget by \$15,850 mainly due to intergovernmental revenues and charges for services which were over budget by \$25,432 and \$19,200, respectively.
- Expenditures were under budget by \$253,805. The largest variances were in general government, public safety, and street maintenance which were \$57,230, \$71,730, and \$84,899 under budget, respectively.

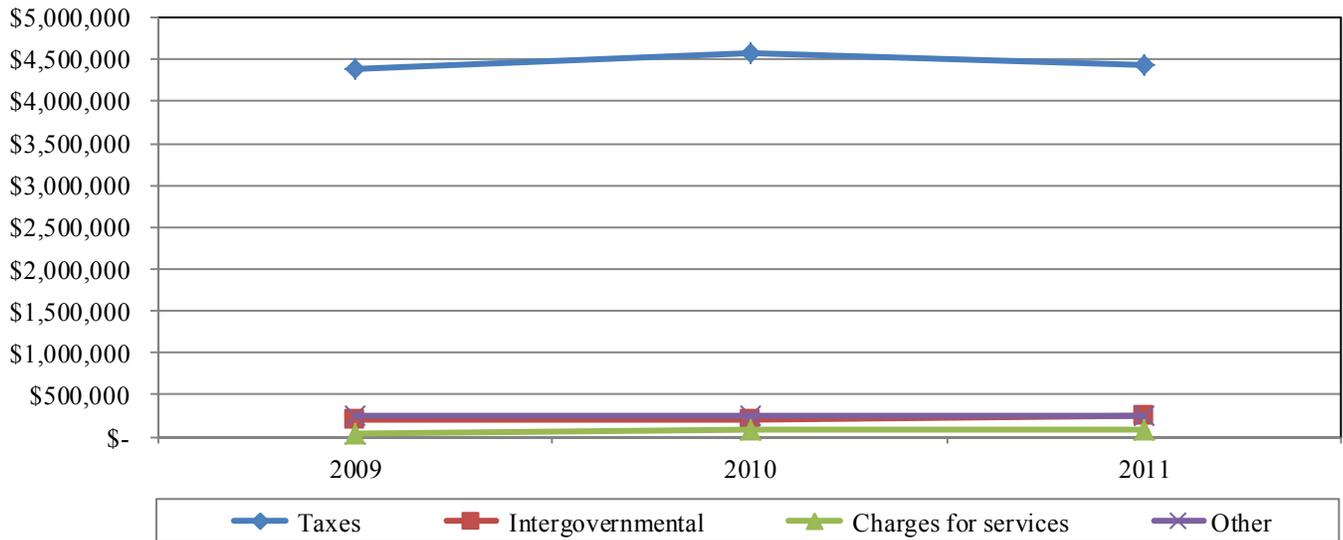


A comparison of General fund among 2009, 2010, and 2011 revenues are presented below:

Source	2009	2010	2011	Percent of Total	Per Capita
Taxes	\$ 4,383,879	\$ 4,583,900	\$ 4,428,762	88.9 %	\$ 381
Licenses and permits	118,516	106,387	109,366	2.2	9
Intergovernmental	210,176	210,639	239,189	4.8	21
Charges for services	35,042	88,133	75,010	1.5	6
Fines and forfeitures	60,100	58,519	49,792	1.0	4
Investment income	7,544	3,982	1,586	-	-
Franchise fees	33,761	35,945	37,874	0.8	3
Miscellaneous	40,120	42,960	40,836	0.8	4
Total revenues and transfers	\$ 4,889,138	\$ 5,130,465	\$ 4,982,415	100.0 %	\$ 428

A graphical presentation of 2009, 2010, and 2011 revenues and transfers in follows:

General Fund Revenues by Source





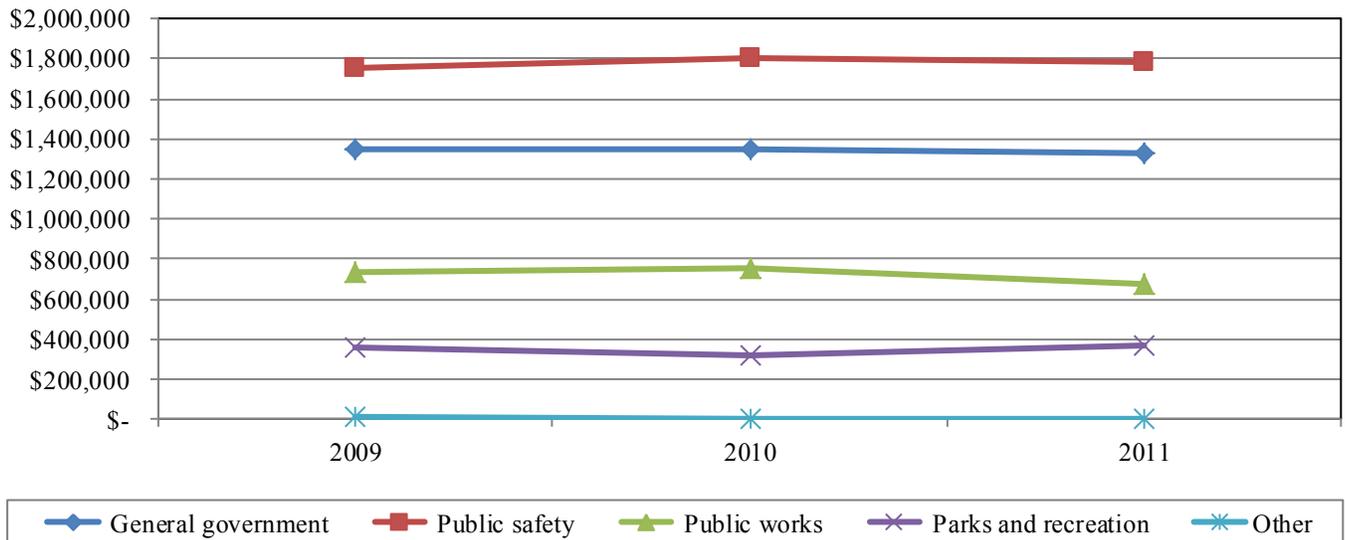
A comparison of General fund expenditures among 2009, 2010, and 2011 are presented below:

Program	2009	2010	2011	Percent of Total	Per Capita	Peer Group
General government	\$ 1,348,803	\$ 1,350,215	\$ 1,325,655	31.8 %	\$ 114	\$ 100
Public safety	1,758,850	1,803,345	1,781,927	42.9	153	202
Public works	735,019	750,946	679,882	16.3	58	96
Parks and recreation	363,171	314,541	372,692	9.0	32	50
Capital outlay	10,000	-	-	-	-	9
Total expenditures	\$ 4,215,843	\$ 4,219,047	\$ 4,160,156	100.0 %	\$ 357	\$ 457

The above chart compares the amount the City spends per capita in comparison to a peer group. The peer group average is compiled from information from the 3rd Class Cities (populations 10,000 to 20,000) that we audit and information from the Minnesota Office of the State Auditor.

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

General Fund Expenditures by Program





Special Revenue Funds

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

Fund	Fund Balances (Deficits)		Increase (Decrease)
	December 31,		
	2011	2010	
Nonmajor			
Recycling	\$ 20,091	\$ 11,893	\$ 8,198
Miscellaneous Grants/Donations	5,556	4,586	970
HRA	810,846	711,076	99,770
EDA	(956)	-	(956)
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 835,537</u>	<u>\$ 727,555</u>	<u>\$ 107,982</u>



Debt Service Funds

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

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

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

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

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

Debt Service Fund	Cash and Investments	Total Assets	Bonds Outstanding	Final Maturity Date
G.O. Improvement Bonds				
2005 Public Safety Bonds	\$ 165,559	\$ 165,559	\$ 1,585,000	02/02/26
2008A Sewer Revenue Bond	712	170,712	1,550,000	02/01/29
2010C Bond	164,617	164,846	1,260,000	02/01/17
G.O. Special Assessment Bonds				
2005B Street Improvement Debt	333,546	426,701	275,000	02/01/16
G.O. Revenue Bonds				
2010 Water Revenue Note	1,406	1,406	65,589	08/20/29
2010A Revenue Bond	492,843	493,667	11,465,000	02/01/40
2010B Utility Revenue Bond	293,438	293,926	6,100,000	02/01/40
Total Debt Service Funds	\$ 1,452,121	\$ 1,716,817	\$ 22,300,589	



Capital Projects Funds

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

Capital Projects Fund	Fund Balances (Deficits)		Increase (Decrease)
	December 31,		
	2011	2010	
Major			
Municipal State Aid Street Improvement	\$ (16,957)	\$ (29,759)	\$ 12,802
Water Infrastructure	8,077,970	10,757,988	(2,680,018)
Utility Infrastructure	2,349,216	4,302,254	(1,953,038)
Total major	10,410,229	15,030,483	(4,620,254)
Nonmajor			
Park Acquisition	26,008	32,448	(6,440)
Park Trails	141,516	124,419	17,097
Minard Street	19,667	17,637	2,030
Improvements of 2003	(12,931)	(25,147)	12,216
Street Capital	1,182,353	1,041,382	140,971
Park Capital	15,276	15,944	(668)
Utility Improvement	961	24,306	(23,345)
Building	39,610	56,297	(16,687)
Lunde/Jewell Street	34,899	30,300	4,599
Total nonmajor	1,447,359	1,317,586	129,773
Total	<u>\$ 11,857,588</u>	<u>\$ 16,348,069</u>	<u>\$ (4,490,481)</u>

The City should monitor the deficit funds to ensure there will be future revenues to remove the deficits.



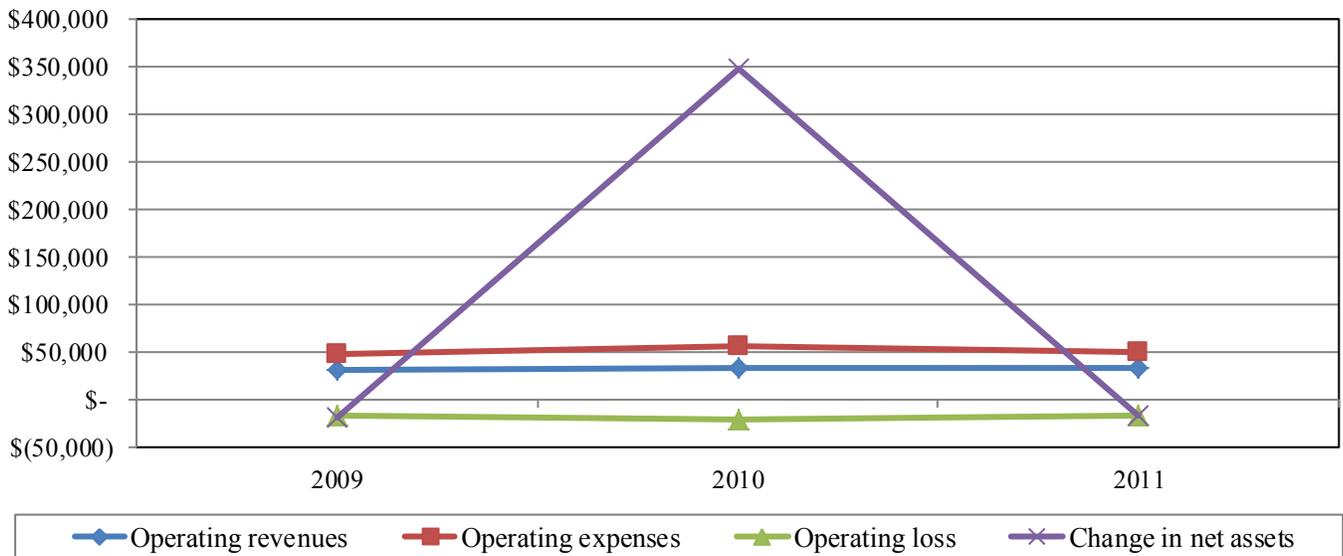
Enterprise Funds

Water Utility Fund

The following is a summary of operations in the Water Utility fund for the past three years:

	2009		2010		2011	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 30,536	100.0 %	\$ 33,163	100.0 %	\$ 33,014	100.0 %
Operating expenses	48,265	158.1	55,180	166.4	50,302	152.4
Operating loss	(17,729)	(58.1)	(22,017)	(66.4)	(17,288)	(52.4)
Nonoperating expenses	(730)	(2.4)	(388)	(1.2)	(214)	(0.6)
Capital contribution	-	-	370,173	1,116.2	-	-
Change in net assets	<u>\$ (18,459)</u>	<u>(60.5) %</u>	<u>\$ 347,768</u>	<u>1,048.6 %</u>	<u>\$ (17,502)</u>	<u>(53.0) %</u>
Cash and investments	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>	

Water Utility Fund Operations



The fund experienced an operating loss for the previous three years. The fund has no cash and investments and is using reserves to support operations. We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.

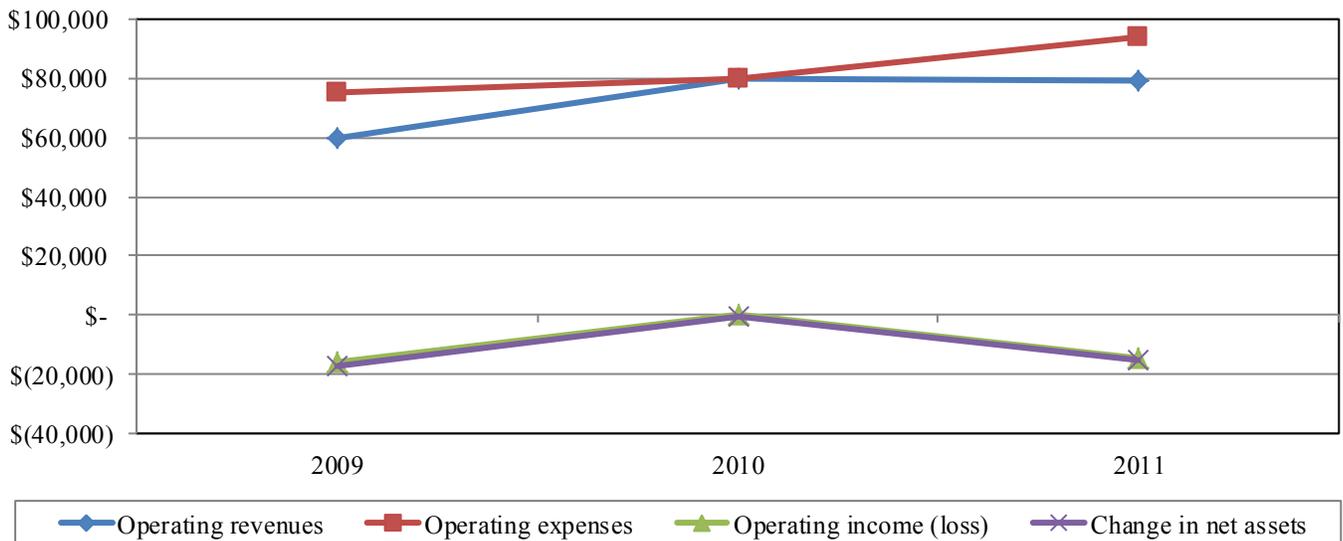


Sewer Utility Fund

The following is a summary of operations in the Sewer Utility fund for the past three years:

	2009		2010		2011	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 59,859	100.0 %	\$ 80,247	100.0 %	\$ 79,123	100.0 %
Operating expenses	75,514	126.2	79,983	99.7	93,820	118.6
Operating income (loss)	(15,655)	(26.2)	264	0.3	(14,697)	(18.6)
Nonoperating expenses	(1,364)	(2.3)	(668)	(0.8)	(341)	(0.4)
Change in net assets	\$ (17,019)	(28.5) %	\$ (404)	(0.5) %	\$ (15,038)	(19.0) %
Cash and investments	\$ -		\$ -		\$ -	

Sewer Utility Fund Operations



The fund experienced an operating loss for the second time in the previous three years. The fund has no cash and investments and is using reserves to support operations. We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.

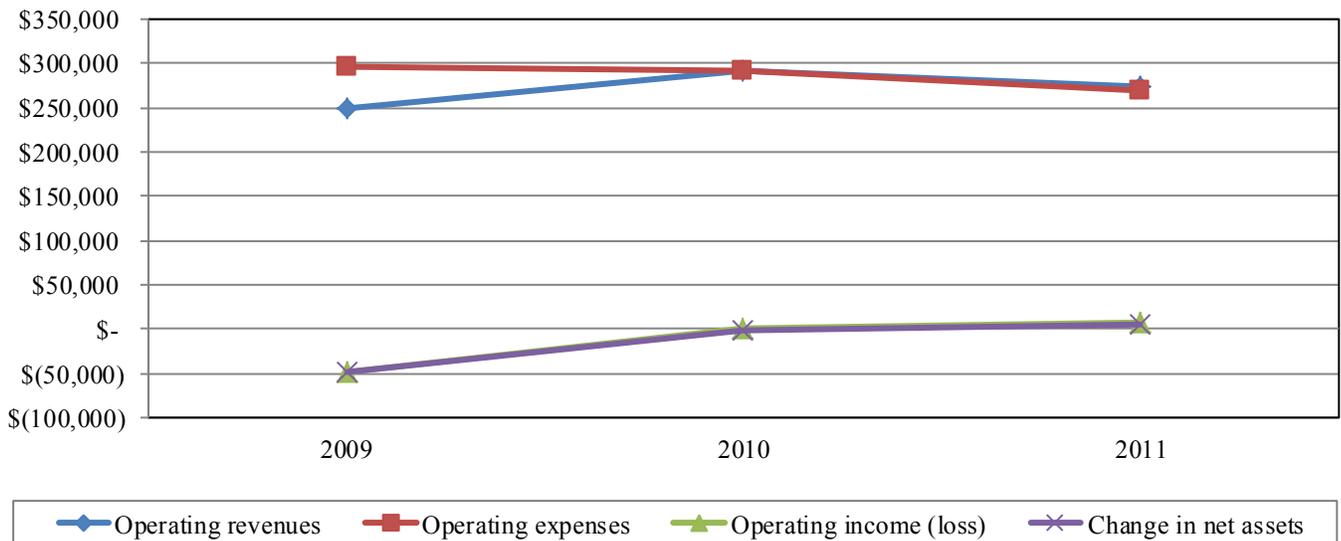


Ice Arena Fund

The following is a summary of operations in the Ice Arena fund for the past three years:

	2009		2010		2011	
	Total	Percent	Total	Percent	Total	Percent
Operating revenues	\$ 248,732	100.0 %	\$ 292,734	100.0 %	\$ 275,200	100.0 %
Operating expenses	296,378	119.2	292,691	100.0	268,950	97.7
Operating income (loss)	(47,646)	(19.2)	43	-	6,250	2.3
Nonoperating expenses	(2,016)	(0.8)	(907)	(0.3)	(350)	(0.1)
Change in net assets	\$ (49,662)	(20.0) %	\$ (864)	(0.3) %	\$ 5,900	2.2 %
Cash and investments	\$ -		\$ -		\$ -	

Ice Arena Fund Operations



The fund had operating income of \$6,250 in 2011. The fund has no cash and investments at the end of 2011. We recommend that the rates be reviewed annually to ensure that they are sufficient to cover operating costs and planned project costs.



Ratio Analysis

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

Ratio	Calculation	Source	2010	2011
Debt to assets	Total liabilities/total assets	Government-wide	39% 36%	41% N/A
Debt per capita	Bonded debt/population	Government-wide	\$ 1,889 \$ 2,503	\$ 1,943 N/A
Taxes per capita	Tax revenues/population	Government-wide	\$ 396 \$ 468	\$ 415 N/A
Current expenditures per capita	Governmental fund current expenditures/population	Governmental funds	\$ 387 \$ 632	\$ 426 N/A
Capital expenditures per capita	Governmental fund capital outlay/population	Governmental funds	\$ 306 \$ 284	\$ 418 N/A
Capital assets % left to depreciate - Governmental	Net capital assets/gross capital assets	Government-wide	57% 57%	57% N/A
Capital assets % left to depreciate - Business-type	Net capital assets/gross capital assets	Government-wide	56% 68%	51% N/A

Represents the City of East Bethel
Represents Peer Group Average



Debt-to-Assets Leverage Ratio (Solvency Ratio)

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

Bonded Debt per Capita (Funding Ratio)

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

Taxes per Capita (Funding Ratio)

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

Current Expenditures per Capita (Funding Ratio)

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

Capital Expenditures per Capita (Funding Ratio)

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

Capital Assets Percentage (Common-size Ratio)

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



Future Accounting Standard Changes

GASB Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*

Summary

The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement also provides guidance for governments that are operators in a service concession arrangement.

This Statement requires disclosures about a service concession arrangement including a general description of the arrangement and information about the associated assets, liabilities, and deferred inflows, the rights granted and retained, and guarantees and commitments.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

GASB Statement No. 61 - *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*

Summary

The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14 and the related financial reporting requirements of Statement No. 34, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances.

This Statement clarifies the reporting of equity interests in legally separate organizations as well. It requires a primary government to report its equity interest in a component unit as an asset.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.



Future Accounting Standard Changes – Continued

GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*

Summary

The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations.
2. Accounting Principles Board Opinions.
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

How the Changes in This Statement Will Improve Financial Reporting

The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

Summary

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position.



Future Accounting Standard Changes – Continued

GASB Statement No. 64 - Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53

Summary

The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or swap counterparty's credit support provider, is replaced.

* * * * *

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

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

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

May 25, 2012
Minneapolis, Minnesota

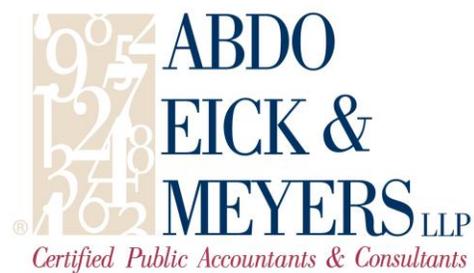
Abdo, Eick & Meyers, LLP
ABDO, EICK & MEYERS, LLP
Certified Public Accountants



CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

OTHER REQUIRED REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2011



CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

OTHER REQUIRED REPORTS

FOR THE YEAR ENDED
DECEMBER 31, 2011

CITY OF EAST BETHEL, MINNESOTA
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5201 Eden Avenue
Suite 250
Edina, MN 55436

REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and Council
City of East Bethel, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2011 which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated May 25, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the Minnesota Office of the State Auditor pursuant to Minnesota statute 6.65. Accordingly, the audit included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, tax increment financing, and miscellaneous provisions. Our study included all of the listed categories.

The results of our tests indicate that for the items tested, the City complied with the material terms and conditions of applicable legal provisions.

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

May 25, 2012
Minneapolis, Minnesota

Abdo, Eick & Meyers, LLP
ABDO, EICK & MEYERS, LLP
Certified Public Accountants



5201 Eden Avenue
Suite 250
Edina, MN 55436

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

Honorable Mayor and Council
City of East Bethel, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Bethel, Minnesota (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis of designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 25, 2012.

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

May 25, 2012
Minneapolis, Minnesota

ABDO, EICK & MEYERS, LLP
Certified Public Accountants



Payments for Council Approval June 6, 2012

Bills to be Approved for Payment	\$424,560.46
Electronic Payroll Payments	\$24,307.29
Payroll City Council - May 15, 2012	\$1,636.07
Payroll Fire Dept - May 15, 2012	\$13,488.41
Payroll City Staff - May 24, 2012	\$30,426.15
Total to be Approved for Payment	\$494,418.38

City of East Bethel

June 6, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
215-221st East 65 Service Rd	Architect/Engineering Fees	30273	Hakanson Anderson Assoc. Inc.	402	43125	109.36
215-221st East 65 Service Rd	Architect/Engineering Fees	30274	Hakanson Anderson Assoc. Inc.	402	43125	3,965.60
Arena Operations	Auto/Misc Licensing Fees/Taxes	461634	MN Dept of Health	615	49851	35.00
Arena Operations	Electric Utilities	052112	Connexus Energy	615	49851	701.63
Arena Operations	Gas Utilities	325909906	Xcel Energy	615	49851	73.13
Arena Operations	Refuse Removal	96886	Walters Recycling, Inc.	615	49851	0.00
Arena Operations	Refuse Removal	96886	Walters Recycling, Inc.	615	49851	0.00
Building Inspection	Motor Fuels	2049677	Lubricant Technologies, Inc.	101	42410	472.50
Building Inspection	Other For Resale	44244706	Uline	101	42410	181.27
Building Inspection	Telephone	332373310-126	Nextel Communications	101	42410	17.57
Central Services/Supplies	Cleaning Supplies	607555591001	Office Depot	101	48150	22.84
Central Services/Supplies	Cleaning Supplies	607555647001	Office Depot	101	48150	56.22
Central Services/Supplies	Cleaning Supplies	610389429001	Office Depot	101	48150	62.16
Central Services/Supplies	Cleaning Supplies	610540375001	Office Depot	101	48150	2.90
Central Services/Supplies	Information Systems	466435	Master Technology Group Inc	101	48150	400.00
Central Services/Supplies	Information Systems	06 2012	Midcontinent Communications	101	48150	1,278.00
Central Services/Supplies	Legal Notices	IQ 01798215	ECM Publishers, Inc.	101	48150	184.50
Central Services/Supplies	Legal Notices	IQ 01798216	ECM Publishers, Inc.	101	48150	41.00
Central Services/Supplies	Legal Notices	IQ 01798217	ECM Publishers, Inc.	101	48150	51.25
Central Services/Supplies	Legal Notices	IQ 01798317	ECM Publishers, Inc.	101	48150	112.75
Central Services/Supplies	Office Equipment Rental	204179360	Loffler Companies, Inc.	101	48150	527.75
Central Services/Supplies	Office Supplies	609626728001	Office Depot	101	48150	99.16
Central Services/Supplies	Office Supplies	610389429001	Office Depot	101	48150	4.99
Central Services/Supplies	Office Supplies	610540375001	Office Depot	101	48150	11.81
Central Services/Supplies	Telephone	9678501	Integra Telecom	101	48150	222.34
City Administration	Office Supplies	607766672001	Office Depot	101	41320	14.79
City Administration	Office Supplies	609626728001	Office Depot	101	41320	18.79
City Administration	Travel Expenses	052812	Jack Davis	101	41320	141.98
Civic Events	Professional Services Fees	20120521 01	Mosquito Productions	227	45311	635.91
Authority	Professional Services Fees	052912	Jill Teetzel	232	23200	110.00
Engineering	Architect/Engineering Fees	30288	Hakanson Anderson Assoc. Inc.	101	43110	1,849.36
Finance	Auditing and Acct g Services	295294	Abdo, Eick & Meyers, LLP	101	41520	12,000.00
Finance	Dues and Subscriptions	2012-0134845	Gov't. Finance Officers Assn.	101	41520	190.00
Fire Department	Electric Utilities	052112	Connexus Energy	101	42210	521.95
Fire Department	Gas Utilities	325909906	Xcel Energy	101	42210	290.94
Fire Department	Motor Fuels	2049676	Lubricant Technologies, Inc.	101	42210	459.57
Fire Department	Motor Fuels	2049677	Lubricant Technologies, Inc.	101	42210	751.68
Fire Department	Other Insurance	119329	Eckberg, Lammers, Briggs,	231	42210	275.00
Fire Department	Refuse Removal	96886	Walters Recycling, Inc.	101	42210	39.60
Fire Department	Telephone	9678501	Integra Telecom	101	42210	138.98
Fire Department	Telephone	332373310-126	Nextel Communications	101	42210	102.53
Fire Department	Tires	4042023590	HSBC Business Solutions	101	42210	245.79
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	10035	Betz Mechanical, Inc.	101	41940	568.98
General Govt Buildings/Plant	Electric Utilities	052112	Connexus Energy	101	41940	819.53
General Govt Buildings/Plant	Gas Utilities	325909906	Xcel Energy	101	41940	302.54
General Govt Buildings/Plant	Park & Landscape Services	8825	Green Barn Garden Center	101	41940	163.41
General Govt Buildings/Plant	Refuse Removal	96886	Walters Recycling, Inc.	101	41940	29.63

City of East Bethel

June 6, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Information Technology Svc	Info Systems Equip	052312	Jackie Campbell	701	49960	64.22
Jackson MSA Street Project	Architect/Engineering Fees	30272	Hakanson Anderson Assoc. Inc.	402	40326	273.33
Legal	Legal Fees	9579	Hoff, Barry & Kozar, P.A.	101	41610	158.20
Legal	Legal Fees	119329	Eckberg, Lammers, Briggs,	101	41610	5,171.72
Mayor/City Council	Commissions and Boards	050212	Upper Rum River Watershed	101	41110	1,306.33
Mayor/City Council	Professional Services Fees	12-288	North Suburban Access Corp	101	41110	120.00
MSA Street Construction	Architect/Engineering Fees	30271	Hakanson Anderson Assoc. Inc.	402	40200	560.00
MSA Street Construction	Architect/Engineering Fees	30278	Hakanson Anderson Assoc. Inc.	402	40200	237.50
Park Capital Projects	Bldg/Facility Repair Supplies	2012079	Minnesota/Wisconsin Playground	407	40700	119.70
Park Capital Projects	Park/Landscaping Materials	14229	Bjorklund Companies, LLC	407	40700	534.38
Park Capital Projects	Park/Landscaping Materials	14233	Bjorklund Companies, LLC	407	40700	534.38
Park Capital Projects	Park/Landscaping Materials	14238	Bjorklund Companies, LLC	407	40700	534.38
Park Capital Projects	Park/Landscaping Materials	14243	Bjorklund Companies, LLC	407	40700	1,068.75
Park Capital Projects	Park/Landscaping Materials	20255	Rivard Contracting	407	40700	220.90
Park Capital Projects	Park/Landscaping Materials	20310	Rivard Contracting	407	40700	223.90
Park Capital Projects	Park/Landscaping Materials	2012107	Minnesota/Wisconsin Playground	407	40700	1,389.38
Park Maintenance	Bldgs/Facilities Repair/Maint	6567	Mork Well Company, Inc.	101	43201	909.10
Park Maintenance	Bldgs/Facilities Repair/Maint	9742	Smith Iron Works	101	43201	150.00
Park Maintenance	Bldgs/Facilities Repair/Maint	11151	Access Lock & Key LLC	101	43201	162.06
Park Maintenance	Chemicals and Chem Products	43906	Menards Cambridge	101	43201	26.07
Park Maintenance	Clothing & Personal Equipment	470819357	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Clothing & Personal Equipment	470822600	Cintas Corporation #470	101	43201	27.85
Park Maintenance	Clothing & Personal Equipment	470822600	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Clothing & Personal Equipment	470825849	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Electric Utilities	052112	Connexus Energy	101	43201	298.22
Park Maintenance	Equipment Parts	361135	Ham Lake Hardware	101	43201	11.73
Park Maintenance	Equipment Parts	03 3063247	Isanti County Equipment	101	43201	61.92
Park Maintenance	Equipment Parts	03 3063271	Isanti County Equipment	101	43201	293.69
Park Maintenance	Equipment Parts	J161269	Turfwerks	101	43201	193.44
Park Maintenance	Lubricants and Additives	171029	Lehmann's Power Equipment	101	43201	19.13
Park Maintenance	Motor Fuels	2049676	Lubricant Technologies, Inc.	101	43201	883.80
Park Maintenance	Motor Fuels	2049677	Lubricant Technologies, Inc.	101	43201	644.30
Park Maintenance	Other Equipment Rentals	52898	Jimmy's Johnnys, Inc.	101	43201	773.25
Park Maintenance	Professional Services Fees	052912	Jill Teetzel	101	43201	135.00
Park Maintenance	Repairs/Maint Machinery/Equip	61918	Gerdin Auto Service Inc	101	43201	12.86
Park Maintenance	Repairs/Maint Machinery/Equip	211459	Lano Equipment, Inc.	101	43201	1,239.07
Park Maintenance	Safety Supplies	4041146326	HSBC Business Solutions	101	43201	27.58
Park Maintenance	Small Tools and Minor Equip	33208	Isanti County Equipment	101	43201	266.11
Park Maintenance	Telephone	9678501	Integra Telecom	101	43201	50.95
Park Maintenance	Telephone	332373310-126	Nextel Communications	101	43201	70.28
Park Maintenance	Tires	4042024357	HSBC Business Solutions	101	43201	81.18
Payroll	Insurance Premium	4856016	Delta Dental	101		886.25
Payroll	Insurance Premium	27783155	Medica Health Plans	101		10,358.66
Payroll	Insurance Premium	06 2012	Fort Dearborn Life Insurance	101		1,056.12
Payroll	Insurance Premium	06 2012	NCPERS Minnesota	101		128.00
Planning and Zoning	Architect/Engineering Fees	30280	Hakanson Anderson Assoc. Inc.	934		571.18
Planning and Zoning	Escrow Reimbursement	051812	Gordon Hoppe	931		500.00

City of East Bethel

June 6, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Planning and Zoning	Escrow Reimbursement	051812	Jordan Valder	935		300.00
Planning and Zoning	Legal Fees	119329	Eckberg, Lammers, Briggs,	934		187.00
Planning and Zoning	Professional Services Fees	052912	Jill Teetzel	101	41910	210.00
Planning and Zoning	Telephone	332373310-126	Nextel Communications	101	41910	17.57
Police	Professional Services Fees	33167	Gopher State One-Call	101	42110	1.45
Police	Professional Services Fees	218147	Anoka County	101	42110	249,788.00
Recycling Operations	Electric Utilities	052112	Connexus Energy	226	43235	114.74
Recycling Operations	Gas Utilities	325909906	Xcel Energy	226	43235	60.25
Recycling Operations	Hazardous Waste Disposal	2037814	OSI Environmental, Inc.	226	43235	6,590.00
Recycling Operations	Other Equipment Rentals	52898	Jimmy's Johnnys, Inc.	226	43235	30.21
Recycling Operations	Refuse Removal	050812	SRC, Inc.	226	43235	1,139.78
Recycling Operations	Refuse Removal	96886	Walters Recycling, Inc.	226	43235	248.53
Risk Management	Automotive Ins	40215	League of MN Cities Ins Trust	101	48140	11,844.00
Risk Management	Bonding Insurance	40215	League of MN Cities Ins Trust	101	48140	394.00
Risk Management	General Liability Ins	40215	League of MN Cities Ins Trust	101	48140	29,236.00
Risk Management	General Liability Ins	40216	League of MN Cities Ins Trust	101	48140	8,124.00
Risk Management	Machinery Breakdown	40215	League of MN Cities Ins Trust	101	48140	1,725.00
Risk Management	Property Ins	40215	League of MN Cities Ins Trust	101	48140	35,791.00
Sewer Operations	Bldg/Facility Repair Supplies	S01363842.001	Ferguson Waterworks	602	49451	85.37
Sewer Operations	Electric Utilities	052112	Connexus Energy	602	49451	850.01
Sewer Operations	Small Tools and Minor Equip	362595	Ham Lake Hardware	602	49451	(2.49)
Sewer Operations	Small Tools and Minor Equip	362595	Ham Lake Hardware	602	49451	53.12
Sewer Utility Capital Projects	Architect/Engineering Fees	30291	Hakanson Anderson Assoc. Inc.	434	49455	1,669.15
Sewer Utility Capital Projects	Architect/Engineering Fees	30292	Hakanson Anderson Assoc. Inc.	434	49455	1,511.86
Street Maintenance	Bldgs/Facilities Repair/Maint	11142	Access Lock & Key LLC	101	43220	100.00
Street Maintenance	Bldgs/Facilities Repair/Maint	470819357	Cintas Corporation #470	101	43220	26.49
Street Maintenance	Bldgs/Facilities Repair/Maint	470822600	Cintas Corporation #470	101	43220	26.49
Street Maintenance	Bldgs/Facilities Repair/Maint	470825849	Cintas Corporation #470	101	43220	26.49
Street Maintenance	Clothing & Personal Equipment	470819357	Cintas Corporation #470	101	43220	47.45
Street Maintenance	Clothing & Personal Equipment	470822600	Cintas Corporation #470	101	43220	20.15
Street Maintenance	Clothing & Personal Equipment	470822600	Cintas Corporation #470	101	43220	47.45
Street Maintenance	Clothing & Personal Equipment	470825849	Cintas Corporation #470	101	43220	47.45
Street Maintenance	Clothing & Personal Equipment	470825849	Cintas Corporation #470	101	43220	20.15
Street Maintenance	Electric Utilities	052112	Connexus Energy	101	43220	1,394.80
Street Maintenance	Equipment Parts	PC001379936	Ziegler Rental	101	43220	69.94
Street Maintenance	Gas Utilities	325909906	Xcel Energy	101	43220	124.00
Street Maintenance	Motor Fuels	2049676	Lubricant Technologies, Inc.	101	43220	2,191.84
Street Maintenance	Motor Fuels	2049677	Lubricant Technologies, Inc.	101	43220	279.19
Street Maintenance	Motor Vehicles Parts	4041146326	HSBC Business Solutions	101	43220	34.99
Street Maintenance	Motor Vehicles Parts	1539-145403	O'Reilly Auto Stores Inc.	101	43220	196.27
Street Maintenance	Motor Vehicles Parts	1539-145456	O'Reilly Auto Stores Inc.	101	43220	26.18
Street Maintenance	Professional Services Fees	10000	Dave Heley	101	43220	200.00
Street Maintenance	Professional Services Fees	052912	Jill Teetzel	101	43220	60.00
Street Maintenance	Refuse Removal	96886	Walters Recycling, Inc.	101	43220	248.53
Street Maintenance	Safety Supplies	185426	Unlimited Supplies, Inc.	101	43220	21.32
Street Maintenance	Safety Supplies	9821480101	Grainger	101	43220	221.87
Street Maintenance	Safety Supplies	185426-01	Unlimited Supplies, Inc.	101	43220	298.50

City of East Bethel

June 6, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Street Maintenance	Street Maint Materials	4380	Commercial Asphalt Co.	101	43220	59.18
Street Maintenance	Street Maint Materials	122906	City of St. Paul	101	43220	2,522.68
Street Maintenance	Telephone	9678501	Integra Telecom	101	43220	50.95
Street Maintenance	Telephone	332373310-126	Nextel Communications	101	43220	143.76
Street Maintenance	Tires	203270	PTL Tire & Automotive Ctr	101	43220	188.33
Street Maintenance	Welding Supplies	105520655	Airgas North Central	101	43220	135.92
Water Utility Capital Projects	Architect/Engineering Fees	30275	Hakanson Anderson Assoc. Inc.	433	49405	142.50
Water Utility Capital Projects	Architect/Engineering Fees	30276	Hakanson Anderson Assoc. Inc.	433	49405	2,785.13
Water Utility Capital Projects	Architect/Engineering Fees	30291	Hakanson Anderson Assoc. Inc.	433	49405	1,669.15
Water Utility Operations	Electric Utilities	052112	Connexus Energy	601	49401	330.63
Water Utility Operations	Gas Utilities	051512	CenterPoint Energy	601	49401	30.48
						\$424,560.46
Electronic Payments						
Payroll	PERA					\$5,364.69
Payroll	Federal Withholding					\$5,048.43
Payroll	Medicare Withholding					\$1,785.52
Payroll	FICA Tax Withholding					\$6,403.24
Payroll	State Withholding					\$2,043.95
Payroll	MSRS					\$3,661.46
						\$24,307.29



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 6.0 A-G

Agenda Item:

Consent Agenda

Requested Action:

Consider approving Consent Agenda as presented

Background Information:

Item A

Bills/Claims

Item B

Meeting Minutes, June 6, 2012 Regular City Council

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

Item C

Assessing Services RFP

The City's existing assessment agreement with Kenneth Tolzmann expires in 2012. Professional services should be advertised periodically to solicit quotes to ensure that the City is receiving the best value for its investment.

Staff requests approval of the issuance of the attached proposed RFP for assessing services.

Item D

Insurance Agent Services RFP

The City's existing insurance agency agreement with Bearence Management Group expires at the end of 2012. Professional services should be advertised periodically to solicit quotes to ensure that the City is receiving the best value for its investment.

Staff requests approval of the issuance of the attached proposed RFP for insurance agency services.

Item E

Replacement of Ice Arena Doors

Item F

Approve Advertisement of Bids for Coon Lake Beach Road Resurfacing

Item G

Resolution 2012-XX Accepting Donation from Hakanson Anderson

The City of East Bethel has received a donation of four Minnesota Twins Tickets valued at \$88.00 from Hakanson Anderson to be used towards the Family Fun Night scheduled for Friday, July 20, 2012.

Staff is recommending adoption of Resolution 2012-XX Accepting Donation from Hakanson Anderson.

Fiscal Impact:

As noted above

Recommendation(s):

Recommend approval of the Consent Agenda as presented.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

EAST BETHEL CITY COUNCIL MEETING

May 16, 2012

The East Bethel City Council met on May 16, 2012 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence
 Heidi Moegerle Steve Voss

MEMBERS EXCUSED: Bill Boyer

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

Call to Order **The May 16, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Voss made a motion to adopt the May 16, 2012 City Council agenda.** Moegerle asked to add 10.C GRE Litigation settlement discussion. Voss said he is fine with the amendment. **DeRoche seconded; all in favor, motion carries.**

Public Hearing - Classic Construction 2nd Addition, Lot 1, Block 1 and Outlot A, Drainage and Utility Easement Vacation Davis explained that Classic Commercial Park was platted in 2006. At that time, the plat was approved with a regional stormwater pond in the northeast corner of Outlot A as shown on Attachment 1. The developer has made an application to replat the Classic Commercial Park as Classic Commercial Park 2nd Addition. As part of the replatting process, the developer will create two new lots (Lot 2, Block 1 and Lot 1, Block 2). The developer is also requesting to relocate the regional stormwater pond between Lot 2, Block 1 and Outlot A as shown on the Preliminary Plat of Classic Commercial Park 2nd Addition, which is included in your attachments.

 If the plat of Classic Commercial Park 2nd Addition is approved, portions of the drainage and utility easements from the original plat of Classic Commercial Park should be vacated. The proposed drainage and utility easements that would be vacated are shown on the Preliminary Plat of Classic Commercial Park 2nd Addition (Attachment 2). As part of the vacation process, state statutes require a public hearing. A public hearing notice has been published in the Anoka County Union and adjacent landowners have been notified of the hearing by mail.

 Staff recommends that Council conduct the public hearing and receive public comment as required by state statutes for the vacation of Drainage and Utility Easements on Lot 1 Block 1 and Outlot A, Classic Commercial Park and approve the vacation of easements as described.

 There were no public comments.

Moegerle made a motion to close the public hearing. Voss seconded; all in favor, motion carries.

Sheriff's Report Lieutenant Orlando gave the April 2012 report as follows:

Fatal Accident: On April 17th on Viking Boulevard and Breezy Point Drive there was a

fatal crash involving a bicyclist and a motor vehicle. This crash occurred at 7:27 p.m. The bicyclist was transported via Aircare to Regions Hospital where he succumbed to his injuries. The driver advised he was not able to avoid the bike as he did not see it until it was too late. The crash is currently under investigation by Anoka County Criminal Investigation Division and the Minnesota State Patrol.

DWI Arrests: There were two DWI arrests for the month of April. One involved calls of an intoxicated driver at 7:23 a.m. The driver was stopped and failed field sobriety tests. The driver stated he had his last alcoholic drink at 10:30 p.m. the night before. The driver tested at a .19.

Burglaries: There were six burglaries reported. One involved an attached garage which was missing items. One involved a bicycle being taken from a pole barn after having last been seen in November. One burglary of a home also involved a theft of vehicle from the residence. The vehicle was later recovered, abandoned at an apartment complex in Brooklyn Park. The vehicle was processed for evidence and the case is under investigation. One burglary involved the theft of copper wire from a building. Entry was made by kicking in the door.

Property Damage: There were eleven reports of damage to property in April. Several of them occurred as a result of breaking into vehicles by shattering windows to gain access to contents inside of them. There were three reports involving an area just to the north west of City Hall during an overnight time frame.

Thefts: There were five reports of thefts from vehicles parked in driveways overnight. There were three theft reports involving items being taken from yards. There was a theft of a boat, which was recovered across the lake. This is believed to be related to a male suspect who fled on foot from an assault situation, prior to deputies arriving. The boat was processed by the Anoka County Crime Scene Unit and the case is under investigation. There was a theft report of a tandem car hauler trailer, which was returned three weeks later by an unknown party. There were two reports involving thefts of a canoe. One report was unfounded as the canoe was located after having floated away. One report involved a male finding his stolen canoe at a residence. The resident reported having purchased the canoe from a male off of Craig's List. He did not have any suspect information. The canoe was returned to the rightful owner. One theft report involved someone stealing a victim's identity and filing a false tax return.

Also, we want to issue a reminder that May Mobilization Seat Belt Enforcement Month is going to begin on May 21st and run through June 2nd. So make sure you buckle yourself up and have your children in their car or booster seats until they are 4'9" tall or weigh 80 lbs.

DeRoche, "Under the misdemeanor arrests, were all of them under one situation?" Lt. Orlando,

"Twenty-nine of the forty were. There was a juvenile party; the deputies had a received call of a noise complaint. They went to the residence and knocked at the door and somebody said, "It's the cops" and all the doors and the windows got shut. The deputies were then able to track down the juvenile's female mother (who lived at another location, this was the father's home, and the father was out of town and did not know a party was going on.) The father gave the deputies permission to go in and clear out the house. The deputies went and cleared the house and issued a bunch of citations."

Moegerle, "I read that the individual that ran from the stolen car and hid in the basement was finally sentenced. That was an interesting story to read." Lt. Orlando, "Yes, which is the ending for now." Moegerle, "I am glad to see that criminal sexual assault, felony arrests and others are down. Are we getting into the seasonal uptick of these petty types of issues?" Lt. Orlando, "We are. We will see a lot of that especially once the weather turns warmer. A lot of ordinance type of calls, loud music disturbance type calls. And more thefts from vehicles." Moegerle, "Traffic arrests, are those just from patrol arrests." Lt. Orlando, "Yes, these are just speeding type of tickets." Moegerle, "Are we getting a lot of DWIs out of those?" Lt. Orlando, "This month we only had two, which was consistent with last month. But I know they have been doing more with people running the stoplights on Highway 65. Our morning crews have been going out and working those areas to try to put an end to that, because obviously that is a very dangerous situation." Moegerle, "With the new stoplight going in on 221st Ave. here, are you expecting that to be exacerbated with people running that when it is first put in?" Lt. Orlando, "Probably not. I think the same people that are running them now will continue to run them until they get the ticket."

DeRoche asked, "Have you been hearing (because he has been getting a lot of complaints) about batteries and gas tanks being borrowed off the lake?" Lt. Orlando, "I have not heard about that, but we do have our water patrol starting up so I can make them aware of this." DeRoche, "Do they ever patrol at night?" Lt. Orlando, "I can let them know that this is becoming an issue. Usually out until 10 or 11 p.m. Every year this is an issue."

Public Forum

Lawrence opened the Public Forum for any comments or concerns that were not listed on the agenda. He explained we have some people hear that wish to speak on Route I1 on GRE and even though we had the public hearing to amend this to route I1, the City Council appreciates the impact of this issue and recognizes that there is a spokesperson present. City Council asks that you keep your comments to five minutes on this route. City Council will not be responding to this. This is the time for you to stand up and make your comment on how you feel. The City Council has complied with giving a notice in advance according to statute with the public hearing which was held on November 19, 2011 and the City has been consulting with GRE to be assured that GRE will work with the residents on the proposed routes, mitigating impact on facilities and practicable possibilities.

Becky Knisley, 23250 Sunset Road NE, "I want to thank you all for allowing us to address council tonight. I would like to note for the record, the people on Sunset Road were not notified about the public hearing on November 19th, the reason we were given was because we were not affected. They only notified the residents on Fawn Lake Drive and Durant Street NE. We have retained counsel regarding this matter, but have decided that I would speak on behalf of the residents rather than having counsel present tonight.

We would like to express our concern about approving the amendment to Route I1 (which I believe you are now calling Route I1A) which we regard Route F. We understand that GRE had public meetings in 2009 to introduce to the public a proposed plan of what they were thinking of doing to meet the energy demands in the area and that their original proposed route was very similar to what you are trying to amend tonight. As a direct result of these public meetings and conferring with the landowners, officials and evaluating contingencies, GRE proposed a change to the Route which is now known as Route A. In short, the City then instituted a moratorium to stop the power lines and then passed an ordinance regulating those lines. Record shows that a resident, (not a board member or commission member) was instrumental in developing the ordinance. He would be directly affected by approval of Route A. We as residents find that very strange and possibly a conflict of interest.

On February 22, 2011 at a Planning and Zoning meeting, the workgroup recommended Route I to Planning and Zoning. But, Route A was passed by Planning and Zoning four to one. At the time of that vote, the resident who lives on Route A, was only on the workgroup, not Planning and Zoning. He is now currently on Planning and Zoning. With that being said, he would have a direct interest to do everything in his power to see that Route A was not approved. Including help develop the ordinance, convince others to see things his way. He did abstain from voting at last week's Planning and Zoning meeting regarding the amendment to the route, but I have not had enough time to do ample research (because of the short notice we received), to check the records of all his votes throughout the whole process. But I will be working on this.

I also believe that the City may be in violation of proper notice to our group. On March 4, 2011 GRE applied for the CUP for Route A. On March 14, 2011 you received a petition from the residents with 67 signatures on it stating they did not want Route A, but rather Route I. We are presenting to you tonight a petition signed by over 100 residents stating that they are opposed to Route II amended route. These signatures are not just from people along the road, but they are from different areas of the City. Route A makes the most sense to the residents.

On April 6, 2011 the City tabled GRE's request for a CUP for Route A and as a result of that meeting they hired an outside consultant to examine the need for lines and the route alternatives. He also selected Route A as the best route within the City (and yes, we all get what within the City and outside the City means). He also states on page 7 of his report that the other attributes of Route A, compared to all the other route options, inside or outside the City are all favorable. The Council then denied the CUP for GRE going against the Planning Commission and the consultant's recommendations.

According to the record, the reason for the Council's denial of the CUP is the amount of wetlands affected by the proposed Route A is significantly higher than the other proposed routes. Again the statistics are conflicting. But, what that tells us as residents is it is more important to protect the wetlands than to protect the people. You have no valid basis to reject Route A. You are costing us the taxpayer's money by denying Route A, and just as you are deciding to affect other communities such as Athens and Linwood. You are forcing onto Linwood and Athens a route that affects more land, more tree removal and more people overall. In Route A there are no homes within 100 feet of the centerline of the road.

We have been told that the University has agreed on the line bordering Cedar Creek running along 26. So it would not affect homes on the south side of 26. In the proposed amended route, there are seven homes within 100 feet of the centerline of the road. I know that not all seven are within the City of East Bethel, only two of the seven are within the City of East Bethel. To push it down Sunset Road, a rural residential street, rather than County Road 26 is just ridiculous. There are numerous pinpoints and the lines will be jumping from side to side to avoid homes. You are treating Athens like they are the problem. We don't want it in our City so put it in yours. Their lines are already in, but you want to dictate to them what they should do. The same with Linwood. You are creating an undue burden onto these communities due to your legislation and need for control.

If you vote to approve the amended Route II tonight, what you will be doing is wrong. Look at these petitions. If we had more time, I would have a lot more signatures. Table the vote until next month, I will bring you a lot more, I will bring you hundreds of what makes sense.

GRE did not even apply for the CUP for Route I or Route II or Route II Amended. The City applied on their behalf. GRE is tired of this litigation and wants to get this done. You have costs the residents of East Bethel and these other cities by enforcing your legislation. If you approve this tonight, that is not going to make this go away. The residents of Athens and Linwood are petitioning their boards also and asking their boards not to accept your alternate solution as it affects more communities then it needs to. We understand that infrastructure is evitable. We as residents would expect to see high-voltage lines running along a Highway, or a County Road, we do not expect them to go down what the City considers a rural residential street (according to the city street map).

If you would be willing to table tonight's vote, I would be willing to contact the East Bethel residents and see whether they think the high voltage line should go on a Highway/County Road or a rural residential street. I would venture to say that 90-95% of those people would say that they would expect it to go down a County Road. This is common sense, and I understand when that is not the case. But in this case we have an option for this to happen. I can appreciate all the time and the effort that I am sure all of you have put into this project. If you approve the amendment to this project tonight, what you are doing and have done will be wrong.

In closing, I would like to remind you that Planning and Zoning recommended Route A four to one and Mr. Schedin report recommends Route A and states that all the other attributions inside the City are favorable along with the fact that Athens has not approve this issue. I got that information just today before I came here. The board member from Athens came to my house and said, "We have not approved this amendment and it is going to be on tomorrow night." They approved Route A two years ago. We were told that if litigation continues, the City of East Bethel will lose to GRE. We request that you do not approve the amended Route II, but approve GREs only CUP application, which is for Route A. Linwood has no ordinances currently in place to stop this, but Athens does.

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

Consent
Agenda

Moegerle made a motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, May 2, 2012 Regular Meeting; C) Meeting Minutes, April 18, 2012, Board of Appeals and Equalization; D) Meeting Minutes, April 25, 2012, Work Meeting; E) Meeting Minutes, April 26, 2012 Town Hall Meeting; F) Approve Application and Permit for a 1 Day Temporary Consumption and Display Permit for Cedar East Bethel Lions – Booster Day, July 21, 2012; G) Approve Application to Conduct Excluded Bingo for East Bethel Seniors – Booster Day, July 21, 2012; H) Adopt Remote Network Access Policy; I) Pay Estimate #2 for Elevated Storage Tank No. 1; J) Approval of Culvert Replacement 187th Lane NE. DeRoche seconded; all in favor, motion carries.

Appoint
Website
Committee

Davis explained the City's website was updated to new template in June 2011. This update was an improvement in the format and template but was intended as only the first step to make the website more user friendly and current with basic website standards.

To insure that all the concerns regarding the website are addressed, staff is requesting that City Council appoint a committee composed of two Council members and one member from the EDA and Planning Commission to work with staff to prepare recommendations and directions to correct and improve the content, format and utility of the current website. These recommendations will be used as the outline and specifications to solicit a vendor to perform

this work.

It should be the goal of this committee to develop recommendations and report their findings to City Council at the June 20, 2012 Council meeting.

Voss asked when we discussed this last time, he thought we were going to try to solicit residents to be on this to? Davis, "If that is your desire, I would like to make it workable. If you have a resident that you would think could add input." Voss asked did we solicit? Davis, "No we didn't." Lawrence, "Why don't we form our group now and then our group can go out and bring in others they feel should be brought in." Voss said except the expectation is to report back in three weeks. Moegerle, "I don't recall that we were going to solicit a resident other than from one of the commissions. That would have been in the minutes that were approved. What meeting would that have been?" Voss asked are you checking if I made that statement or not? Moegerle, "I am checking to see if we discussed having residents involved. I don't recall that." Voss said that doesn't change the statement I made, which is just because we are elected officials that doesn't make us experts in website design. That is why I thought we were going to see what residents we had in that industry that could provide this type of expertise and guidance. DeRoche, "I didn't know that we said we were experts." Voss said that was my statement.

Moegerle, "I don't recall that statement and haven't considered that. It's acceptable, I just thought there was some urgency in this. And I do not recall that we were going to solicit people that were not on one of the commissions." Lawrence, "Three weeks should be plenty time to solicit a resident." Moegerle, "I thought we were going to be completed in three weeks, not just starting." Voss said we have been in hiatus for a year. DeRoche, "I think it is critical to get the residents involved." Moegerle, "How long will it take to solicit and get the residents involved?" Davis, "Our next meeting is in three weeks." Voss said you can get this on the e-mail list and the sign. Put it out there for anyone that is interested in helping serving on this task force. Moegerle, "I would like to add the caveat that if this is not in the minutes, that it be reconsidered. Just because we are looking at the speed of this." DeRoche, "Again, I think it is important, we have to get the residents involved. Those are the people that are having a hard time finding stuff on there. Have them help, figure out what we need to do so they can find stuff." Lawrence, "So we have to appoint two people from Council on there tonight?" Davis, "We can just wait and do this at the next meeting after we go out and solicit and see what residents want to be on there." Voss said he is okay with a member from the EDA and a member from Planning being on there.

Lawrence made a motion to table appointing the Website Workgroup until the June 6, 2012 City Council meeting with direction to staff to solicit for residents that are interested in serving on the workgroup. Voss seconded; all in favor, motion carries.

Planning
Comm. Mtg.
Minutes

Davis explained that the Planning Commission Meeting Minutes from April 24, 2012 are for information only. They are in draft form and have not been approved by the Planning Commission.

Great River
Energy – IUP
Amendment
to Route II for
Placement of
a

Davis explained that on October 19, 2011, City Council approved a CUP for the proposed location of a 69 kV transmission line known as Route II for the portion of line located within East Bethel city limits. The portion in East Bethel is located along Fawn Lake Drive (County Road 76) easterly to Linwood Township line.

Attachment 3 depicts the amended Route II. The route follows Fawn Lake Drive and travels

southerly along Sunset Road. The transmission line is proposed to cross into Linwood Township and back into East Bethel at various points along Sunset Road.

Planning Commission to recommends approval to City Council for a CUP amendment to Route II (as shown on attachment 3) that includes the transmission line to travel south along Sunset Road for the portions within the City of East Bethel and recommend approval of the site plan for the location of the 69 kV transmission line with the conditions as listed in the write-up.

Moegerle, "Will we be hearing from GRE tonight?" Davis, "If you have any questions to ask them, they are here to answer them."

Moegerle made a motion to approve a Conditional Use Permit (CUP) for Great River Energy (GRE) for Route II that includes the transmission line to travel south along Sunset Road for the portions within the City of East Bethel and approval of the site plan for the location of the 69 kV transmission line with the following conditions: 1) GRE will submit a construction plan prior to commencing the construction of the 69 kV line, establishing both a construction timetable and a progression of construction that shall be reviewed and meet the approval of the City Engineer and staff; 2) GRE must submit easement descriptions and final route determination prior to the execution of the CUP Agreement; 3) A CUP Agreement must be executed no later than December 31, 2013. Failure to comply will null and void approved CUP. The agreement must be executed prior to the start of construction of the project; 4) GRE must obtain city right-of-way permits prior to the beginning of construction of the transmission line within city right-of-way along Durant Street, Fawn Lake Drive and Sunset Road. Lawrence seconded.

DeRoche, "Ms. Knisley said Linwood and Athens don't want this, which is contrary to what I have heard. Where are we at with that?" Davis, "Athens Planning Commission meets tomorrow night to consider this. If it is approved it will go to their Town Board meeting on Monday night. I spoke with Linwood today and this is up for consideration before their town board next week."

DeRoche asked the City Attorney, "Lawsuits were referenced. To your knowledge have we followed all ordinances?" Vierling, "I believe the City certainly has complied with the requirements to date on all these matters. So, yes." Moegerle, "Can you address that specifically with regard to issues of notice?" Vierling, "There were a number of notices that went out originally. You recall the original application was for Route A. They complied with by the Planning Department to that affected people on that route. They sent out a re-notice in October when the issue was readdressed by the City Council at that time for Route II. And most recently with the new application that was submitted and the follow up with Planning staff have complied as far as we can tell in the requirements of notice as well in mailing and posting and the obligations they have under your code."

Moegerle, "At one time GRE represented to me that if Route A was chosen, the grounding of that last mile, west of the Linwood Township line was insisted upon, would cost \$4 million and that \$4 million would be passed on to each and every resident of East Bethel at an approximate cost of \$1,000 per household. Do you know if that is actually legally possible?" Vierling, "I know that was the position of GRE, if they were required to underground anything, that they would pass that along to the users. So how they would facilitate that, remember they are kind of a wholesaler of electric services as opposed to a

retailer, wasn't necessarily explored."

Moegerle, "How many houses are in that last mile of Route A, west of the Linwood Township line road on would have been affected in such a way by the transmission line that their homes would have been within a 100 feet of the transmission line?" Davis, "I don't have that exact figure, but I think there is approximately 30 homes within 100 feet. And depending on which side of the road it was going on, you would have to determine that before you determined that effect."

Voss said this whole process started back in 2008 when GRE first came to the City with this project. To me the process started in early 2009. Voss said this is a fairly unique situation to our City, but it happens to all cities from time to time. We started moving through this process and obviously the transmission line is going to affect somebody. To me, as Council and as representatives of the City, we have to consider all information, all input, particularly on matters that affect so many. Voss said although we had a process, I think some parts of that process were flawed. It was new to us too, so we can't really blame the City for it. But not getting everyone involved, (particularly Jerry early on) was a mistake. But what is interesting is now we have spent the better part of three years dealing with the routes that affect 229th and that part of the City and yet we are spending about three weeks on this new route. Voss said he doesn't think it has been vetted enough, considered enough, to the detail that these other routes were. It was part of the matrix, but we spent a lot of time trying to make Route A work. And I don't think we have spent enough time on this one. That is not to say this isn't the right decision for the City. To me it has been sprung on a lot of people unless they are really paying attention and it makes it an uncomfortable position to decide in such a short time frame.

Moegerle, "Are you saying a decision made in a short period of time cannot be a good decision?" Voss said he is not talking about the decision, he is talking about the process. Compared to the last three years we spent on the other alignments, we weren't as rigorous with this route as we were with others. Moegerle asked the City Attorney, "Can you address the issue of the process with this route? Have we complied with regard to the ordinance that was passed by the 2010 Council on January 6th with regard to transmission lines? With regard to the CUP?" Vierling, "Staff's position is we have." Moegerle, "This is the application of GRE. This is not the application of the City of East Bethel, they have requested it." Voss asked were you not at all those closed sessions? Paint it the way you want, we have not spent anywhere close to the amount of time on this one that we have on the others. Voss said he is not stating a judgment on which one is the best one.

Lawrence, "How much time do you need? We have had the paperwork on these routes for over a year." Voss asked how many times has this route come before us as a City Council at a meeting? Moegerle, "We formed a GRE Commission to look at this to see which route would have the least effect on East Bethel residents and in a broader way with regard to Athens and Linwood Township. We also worked with Cedar Creek. The GRE Commission revisited this issue, Route E1, which was what was originally proposed in December of 2008 many times. And when they looked at this route and said, "We need to go down Sunset Road", GRE vocalized and said, "No we can't do it for whatever reasons." At this point, they have found that reason no longer exists or was not valid. It was their belief and consensus that Route E and Sunset Road had the least impact on homes and land across the board and now we are second guessing whether they did the job right. I don't understand that."

Lawrence, "I was on the GRE Commission when this was worked on. And this is not just East Bethel's plan. This is a combination of Athens, Linwood and East Bethel's plan. These two townships and our city got together and planned the route. We told Athens what we would like and they said what they would do. We didn't plan that route, Athens planned that route."

DeRoche, "It is his understanding from what Knisley is saying went to Athens and Linwood and we shoved this down their throat. And that is not what's happened. Through mediation and our closed sessions, and discussions with the townships, (Davis and I went to the Town Board), this isn't something that just came up. There has been a lot of discussion. Because it is a political year, certain things are being said I think. The GRE Commission was tasked to gather as much information as they could and when you get a packet, then you research it yourself. You don't just go on what someone else is saying and it is not to second guess the commission, but it is to get a little better handle on what is going on. I have spent hour after hour going through the paperwork, driven the Sunset Route three times in the last two days. If by chance this went to litigation and a judge said, "It is going down Sunset" what are you going to do? Moegerle, "The beauty of this is it is self-determination. That all three jurisdictions agreed. Cedar Creek agreed to host those poles for the transmission lines on their property. The last mile on 229th will not have to be sold to GRE. It would impact those houses more closely than on this route. In addition, for this route only one East Bethel resident will have a pole in their yard. No home will have a pole or line directly in front of home as much as possible. If I could have a pole in my back yard, I would do it, it is my civic duty to do it. It is a terrible thing to impose this civic duty upon others. Everything we have done has been done with care and concern. GRE agrees. It is unfortunate that people will be impacted. What is the least impact for the City, there is no other way."

Lawrence, "I too have been down this road at least twice with the City Administrator and we have discussed it at length. I have taken the time to review what is going on and know it is going to impact people. With that being said, I think it is still the best route we can come up with. It has the least impact to the citizens of East Bethel."

Moegerle, "GRE has also indicated they will work with the homeowners to minimize impact, they will be compensated. It is not ideal. The problem is the City does not have a choice, it is going to happen to someone. The point is to minimize it, this is the way there is the least impact. There is not better option."

Voss said we need to make these assessments, evaluations, to make decisions. My point is with what is before us now, it did not receive the public input as the other routes. It is like we are working in a vacuum on this. Voss said back in January or February when we started discussion this, he made the statement that we need to notify the residents to make sure they are duly notified. Not three weeks ago, or whenever the first notices got mailed. Voss said as soon as we started talking about that route, the letters needed to go out. And we didn't do it. Moegerle, "I worked with GRE Commission for seventeen months and no one attended the meetings. No one offered input. This was on the website, in newsletter, in our minutes, in our televised meetings, this was not a secret. People have a civic duty to be aware of what is going on. This is a process that begins early on. We gave the duly required notice by statute. I am not saying that's ideal. But what more can we do as a City?"

Voss said more than what is required by statute. Moegerle, "If you felt the City was not doing its duly required best in this, she is well familiar with the political process and the machinations that go in this City and I know there are people on Council and others that

could have gone to that on other issues. Could have gone to them and said you need a heads up on this. It was so well within their ability. If you felt that the people on Sunset Road were not getting the appropriate notice, it was within your ability.” Voss said he doesn’t know of any Council Members that go out and tell residents what is going on. My statement in the closed session was we should be notifying them. It is not my duty as an individual to be doing that. Voss said we could have done it and we didn’t. Voss said that is the point he made half an hour ago when we started. **DeRoche, aye; Lawrence, aye; Voss, abstain; Moegerle, aye; motion carries.**

Presentation –
Cedar Creek
Ecosystem
Science
Reserve

Davis explained that Dr. Jeff Corney will present an overview of the mission and programs offered through the Cedar Creek Ecosystem and Scientific Reserve (CCESR) and their relation to the City’s efforts to promote economic development. The presentation will also focus on the “Front Door” to Cedar Creek (229th Ave.), the vision for the development of the 229th Avenue Corridor as it pertains to the long range goals of the program and opportunities for cooperation between the City and CCESR on projects of mutual interest.

Dr. Jeff Corney, thank you for inviting me to talk about Cedar Creek Ecosystem Science Reserve. Our Mission: we are part of the University of Minnesota and have been for 70 years. Our mission is to research ecosystems. We are looking at what are issues facing us today. What are the environmental stressors and how to solve problems. We are part of a global effort. Through the National Science Foundation we are one of the 26 long term research sites. Been that since 1982. Part of a new network called NEON.

Our property, half is in East Bethel and the other half is in Athens Township. About 9 square miles. Headquarters is off of Fawn Lake Drive. Our namesake is Cedar Creek. We are in the middle of the Anoka Sand Plain. What we learn on our property, is what would help you learn on your property. We preserve and protect these things, but you have these things in your backyards; bogs, tamaracks and black spruce, etc. The northern forest ends in East Bethel. We have representation of all three ecosystems in the northern region.

Cedar Creek has been around for a long time, since the 1930’s. In 1942 the main land was handed over to the University and put in trust. It was then known as Cedar Creek Forest. Then seven years ago when I came aboard we became Cedar Creek Ecosystem Science Reserve. We have many researchers Dr. Dave Tilman and many others Dr. Peter Reich who look at the big issues. The plots you drive by on Fawn Lake Drive are one of the largest experiments of its kind. A Co2 enhancement experiment. We have gotten a lot of press from this experiment. In the spring we burn 400-500 acres and more in the fall.

The latest area we are looking at is how to deal with fuel. We are looking at native prairies and what they could do.

Dr. Corney explained we would like to become more active education and the public. We are one of the top 10 research sites in the world. Dr. Dave Tilman the 10th most sited in the world, Reich, the 5th most sited. We have a new research building and invite you to come in and look around. We have a new trail. We run tours. Cedar Creek has been here a while and we would love for you to know about it. It is a big part of the community.

Voss asked if residents want to come visit, how do they do that? Dr. Corney, “Just come to the main office. We are not always in there but someone should come around if you come in. We do have maps in there. If you want something more formal, like a tour we can make arrangements for you. We are looking to expand our relationship with the City. Start

thinking bigger ideas and access.”

Lawrence, “Are the trails just for walking, no bicycles allowed?” Dr. Corney, “We are talking about linking with the Anoka County trails. We do need to protect a lot of area. We have cross-country ski trails, low impact.” Lawrence, “Because of the nature of your work people need to realize they need to stay on the trails, correct?” Dr. Corney, “Because of the ecosystem we need to keep people on the trails. It is a nice place to come enjoy nature.”

Aggressive
Hydraulics,
Site Plan
Review for
18800 Ulysses
St. NE

Davis explained that Mr. Strandlund and Mr. Johnson are requesting a site plan approval to construct a 60,000 square foot commercial building for the business known as Aggressive Hydraulics. Aggressive Hydraulics is the manufacturer of hydraulic cylinders. The business is currently located in Blaine and employs 40+ workers.

The 6.06-acre parcel is bordered by unimproved Buchanan Street and R2 Single Family Townhome Residential to the west, and B3 Highway Business to the north, south, and east. The property will be accessed from Ulysses Street NE.

The proposed site plan provides 78 parking stalls; 4 accessible stalls have been provided to meet ADA requirements. Parking stalls are 9' x 20' with a proposed 24' aisle width. The parking lot will be constructed of a bituminous surface with concrete curb. All parking areas will be required to be properly striped.

The proposed lighting plan provides for seven (7) lights around the building. Lights must be downcast and shielded.

The Applicant will be planting a variety of trees and shrubs around the site which meets code requirements. Privacy fencing and lilacs will be planted along the western property line that abuts the residentially zoned property. The grounds will have an irrigation system installed. According to East Bethel City Code, all new plantings, including turf establishment, must be guaranteed for one full year from the time the planting has been completed. A letter of credit or a cash escrow will be required by the owner in the amount equal to at least 150 percent of the approved estimated landscaping cost. The letter of credit must be provided prior to the issuance of a building permit and must be valid for a period of time equal to one full growing season.

Many of the comments of the City Engineer have been addressed by the Applicant. The Applicant will need to continue to work with the City Engineer until all comments have been satisfactorily addressed.

Planning Commission recommends approval to City Council of a site plan review for the construction of a commercial building, located in Classic Commercial Park 2nd Addition, Lot 1, Block 2, with the conditions as listed in the write-up.

Voss asked are the walls brown or red? Strandlund, “Actually they are brown, and the part that projects out are a different color.” Lawrence, “Have you reviewed the stipulations?” Strandlund, “Yes.” Voss asked from the site plan it looks like there is quite a bit of impervious surface. What are our requirements on impervious surface? Jochum, “I assume the city planner has checked that.” DeRoche, “Is there anything going on west side?” Strandlund, “It is on the landscape plan.” Voss said it looks fairly thin, all you have is a hedge. There is green space on Ulysses, but what about the west side along Buchanan? Strandlund, “I consider that the back of the building.” Voss said he would have thought the

north side is the back of the building.

Voss asked with the dock doors and traffic, looking at long term, in 20 years, Aggressive might not be there. Not suggesting flipping the building, but you are going to have exposure. Strandlund, "We have a 6-8 foot fence." Voss asked does the building need three side architecture and screening? If we have houses on the side of this, for the aesthetic, long term value. Voss said if we had residents over there, you may be looking at this differently, I am thinking of the long term. DeRoche, "We have to think long term." Voss said he thought we had it in our architectural standards more of a three side standards. Davis, "It is open to interpretation in our ordinances." Voss said he is just putting it out there, this is a nice business, nice development, good development.

Voss made a motion to approve the site plan for Aggressive Hydraulics (a commercial building) to be located in Classic Commercial Park 2nd Addition, Lot 1, Block 2 with the following conditions: 1) Site plan approval is contingent upon the approval of the final plat for Classic Commercial Park 2nd Addition and the approval of drainage and utility easement vacation; 2) Applicant must continue to work with staff to satisfy all comments and concerns to staffs' satisfaction; 3) Letter of credit or a cash escrow will be required by the owner in the amount equal to at least 150 percent of the approved estimated landscaping cost. The letter of credit must be provided prior to the issuance of a building permit and must be valid for a period of time equal to one full growing season. In addition to the letter of credit or cash escrow, the owner must submit an estimated landscaping cost for plantings and turf establishment; 4) Full set of the site plan must be signed by a licensed professional engineer; 5) Signage must meet requirements according to East Bethel City Code Chapter 54. Signs. Sign permits must be approved prior to the installation of signage on site; 6) Any modifications to the approved site plan shall be submitted to and approved by City Staff; 7) All conditions must be satisfied prior to the issuance of a building permit. Lawrence seconded.

DeRoche, "On November 16th when this was first looked at they had 60 employees and 10 SAC units, I am wondering what happened to other employees?" Davis, "Those were the numbers given to us at the time. As far as the SAC units, that was the number given to us by MCES at the time, we did not have the floor plan, so that was the best estimate." DeRoche, "So Met Council is setting the number of SAC units?" Davis, "This is done by historical analysis." DeRoche, "Met Council's previous historical analysis had a lot more units down there, in his mind he has trouble with this. If we keep cutting this back, where are we going to get the units from." Davis, "Actual SAC units are going to be based on use. The initial determination was 45. These are based on use." DeRoche, "That I understand. Met Council shouldn't have made any commitments up front that Bolton and Menk did their design on. I am a little concerned about setting a precedent." Moegerle, "Setting a precedent of what?" DeRoche, "Aggressive Hydraulics is at eight?" Davis, "Yes, that is what Met Council determined their SAC units are. We do have a fee set for SACs and WACs. In some cases they will be below and some cases they will be over." DeRoche, "We do water and Met Council does sewer? I want to make sure we are not bartering away any ERU units." Davis said "No there was no reduction of ERU units on this." Moegerle, "Met Councils are completely unrealistic." DeRoche, "This came up because I remember what they said. I need to understand this before it goes through. Once it is passed, it is passed." **All in favor, motion carries.**

Classic
Commercial
Park 2nd
Addition –
Preliminary
Plat

Davis explained that Mr. Strandlund is requesting preliminary plat approval for the subdivision known as Classic Commercial Park 2nd Addition. The plat is 19.46 acres and is being proposed to be developed into two (2) commercial parcels and one (1) outlot (to be further divided in the future).

All parcels meet the requirements set forth by the zoning ordinance and are as follows:

Lot 2, Block 1

Lot Size: 4.43 acres

Lot Width: 369 feet

Buildable Area: 4.43 acres

Municipal Sewer and Water Availability

Lot 1, Block 2

Lot Size: 6.06 acres

Lot Width: 376 feet

Buildable Area: 6.06 acres

Municipal Sewer and Water Availability

Outlot A

Lot Size: 8.97 acres

Buildable Area: 8.97 acres

Classic Commercial Park is bordered by residential property to the west and commercial property to the north, south, and east. The main ingress/egress from the development is from 187th Lane NE and Ulysses Street. Ulysses will be extended approximately 300 feet to the north to access the new commercial parcels. The existing temporary cul-de-sac easement will be vacated and a new temporary cul-de-sac easement will be recorded. The easement will remain in place until such time as Ulysses is further extended to the north. The street will be required to be constructed to meet City specifications.

The City Engineer has reviewed the preliminary plat. Comments are provided in attachment 10 along with Article III of the subdivision code. All comments will be required to be addressed to the satisfaction of the engineer prior to the signing and filing of the final plat.

Planning Commission recommends Preliminary Plat approval to the City Council for the commercial development known as Classic Commercial Park 2nd Addition to create two (2) commercial parcels and an outlot (to be further divided in the future) with the conditions as listed in the write-up.

DeRoche made a motion to approve the preliminary plat for Classic Commercial Park 2nd Addition to create two commercial parcels and an outlot with the following conditions: 1) All comments/concerns of the City Engineer shall be addressed to his satisfaction prior to signing and filing of final plat; 2) All comments/concerns of the City Attorney shall be addressed to his satisfaction prior to submittal of final plat; 3) Development Agreement must be executed after the approval of the final plat. Moegerle seconded.

Voss asked do you have a stormwater pond south of this development. He thought way back when the pond by the bank was constructed, it was large enough it would handle all the

stormwater so we wouldn't need this one. Jochum, "That pond is a wetland mitigation area. It is considered a wetland." Voss asked and there is no way we can get around that? He said we are using prime land to create a stormwater pond. Strandlund, "They are two different classifications." Voss said this seems like an absolute waste of space. **All in favor, motion carries.**

Classic
Commercial
Park 2nd
Addition –
Final Plat

Davis explained that the City Engineer and City Attorney have reviewed the final plat. All remaining outstanding items must be satisfied and both consultants recommend approval of the final plat.

As part of the final plat approval, Mr. Strandlund will be required to execute a Development Agreement with the City of East Bethel. Attachment 3 is a draft of the development agreement. Mr. Strandlund will be required to continue working with staff to finalize the agreement.

Staff recommends Final Plat approval to the City Council for the commercial development known as Classic Commercial Park 2nd Addition to create two (2) commercial parcels and an outlot (to be further divided in the future) with the conditions as listed in the write-up.

Voss made a motion to approve the final plat for Classic Commercial Park 2nd Addition to create two commercial parcels and an outlot with the conditions as follows: 1) All comments of the City Engineer and City Attorney must be satisfied prior to the signing and release of the final plat; 2) Development Agreement shall be executed prior to the signing and release of the final plat; 3) Property owner must pay outstanding balances and submit financial securities as outlined in the Development Agreement prior to the signing and release of the final plat; 4) One (1) digital electronic copy of the final plat must be submitted in a format using Anoka County Coordinate system; 5) Final plat must be filed with Anoka County, Minnesota no later than October 16, 2012. Failure to file the plat by this date shall void the approval decision of City Council. Moegerle seconded.

Voss said we don't normally final plat until all road improvements are completed. Vierling, "This is a very preliminary draft of the development agreement." Jochum, "We have final platted after improvements in the past." Voss asked what does our ordinance read? Vierling, "They have to get final plat approval before they can get bank financing." Voss said it has been such a long time since we have done one of these. If we approve the final plat and we don't have a developer's agreement, doesn't it have to come back anyways? Voss asked if the final plat is contingent on execution of the developer's agreement do they really have a final plat? Vierling, "Not until the developer's agreement is complete."

Strandlund, "We were hoping to file the final plat and move forward." Voss said but the issue is we don't have a developer's agreement ready. He doesn't have a problem approving the final plat. Staff will work diligently with the developer to get this done and schedule a special meeting to get this approved if possible before June 6th. **All in favor, motion carries.**

Park Comm.
Mtg. Minutes

Davis explained that the Park Commission Meeting Minutes from the April 11, 2012 are for information only. These minutes have been approved by the Park Commission.

Road Comm.
Mtg. Minutes

Davis explained that the Road Commission Meeting Minutes from April 10, 2012 are for information only. These minutes have been approved by the Road Commission.

Doug Paulson & Taylor Reichow, Administrative Subdivision – Lot Line Adjustment

Davis explained that Mr. Reichow and Mr. Paulson are requesting approval of an administrative subdivision for a lot line adjustment. East Bethel City Code Chapter 66, Subdivisions, allows lot boundary line adjustments where the division is to permit the adding of a parcel of land to an abutting lot. Administrative subdivisions do not require a public hearing; therefore, City Council is the only review body for the land use request.

Mr. Reichow's existing parcel is 2.4 acres. It is being proposed to move his southerly property line 175 feet further south and easterly 170 feet (attachment 3). The existing 2.4 acre parcel will increase to 4.4 acres.

Mr. Paulson's existing parcel is 40 acres in size. It is proposed that the northwest corner (175 feet x 500 feet or 2 acres) is combined with Mr. Reichow's parcel to the north (attachment 4). The existing 40 acre parcel will decrease to 38 acres.

The City Attorney has reviewed the proposal and has requested the following:

1. An ownership and encumbrance report identifying fee owners, lien holders and easements, prepared as to each existing lot of record.

The administrative subdivision meets the requirements set forth in city code and meets the policies adopted as part of the East Bethel Comprehensive Plan; therefore, staff suggests City Council consider approving the subdivision.

City Staff is recommending approval of the Administrative Subdivision that would allow a lot line adjustment for the properties known as 3012 227 Lane, PIN 03-33-23-12-0003, and 3233 227 Lane, PIN 03-33-23-13-0001. The parcel known as 3012 227 Lane, East Bethel, will increase in size from 2.4 acres to 4.4 acres. The parcel known as 3233 227 Lane, East Bethel, will decrease in size from 40 acres to 38 acres with the conditions as listed in the write-up.

Voss made a motion to approve the request of Doug Paulson & Taylor Reichow for an Administrative Subdivision to allow a lot line adjustment for the properties known as 3012 227 Lane NE (PIN 03 33 23 12 0003) and 3233 227 Lane NE (PIN 03 33 23 13 0001). The parcel known as 3012 227 Lane NE, East Bethel, will increase in size from 2.4 acres to 4.4 acres. The parcel known as 3233 227 Lane NE, East Bethel, will decrease in size from 40 acres to 38 acres. With the following conditions: 1) Submit an ownership and encumbrance report identifying fee owners, lien holders and easements, prepared as to each existing lot of record. This information can be identified on the existing survey; 2) Certification from the surveyor must be submitted stating that all lot corners have been set; 3) New property description must be reviewed and approved by City Engineer prior to the signing of the parcel deeds; 4) Deeds and survey shall be recorded at the Office of the County Registrar of Titles no later than September 16, 2012. Failure to promptly record this transaction will void the administrative subdivision. Vierling, "I would note that we would like to have approval authority over the final deeds to make sure they conform." **DeRoche seconded; all in favor, motion carries.**

Classic Construction, Lot 1, Block 1 and Outlot A,

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

Attached for Council review and approval is Resolution 2012-24, which grants the vacation of the drainage and utility easements. As described on the resolution, vacation of the drainage and utility easements would be subject to the following two conditions:

1. This approval is contingent upon approval of the preliminary and final plat of Classic Commercial Park 2nd Addition and if either of those items fail to be approved by the City or fail to be recorded with Anoka County, approval of the vacation of the drainage and utility easements shall be null and void.
2. This resolution shall be recorded with Anoka County at the time the final plat for Classic Commercial Park 2nd Addition is recorded with Anoka County.

Staff is recommending approval of Resolution 2012-24 Granting Vacation of Drainage and Utility Easements on Lot 1 Block 1 and Outlot A, Classic Commercial Park.

Voss made a motion to adopt Resolution 2012-24 Granting Vacation of Drainage and Utility Easements on Lot 1, Block 1 and Outlot A, Classic Commercial Park. Moegerle seconded; all in favor, motion carries.

Water Tower
No.1 Logo

Davis explained that at the May 2, 2012 meeting the Council selected the base color for the tower. The color selected from the Color Card was Filament. The City logo is planned to be painted on two sides of the water tower. The Logo colors need to be selected such that the paint can be ordered. As required by the contract the contractor has provided a scaled drawing of the Logo, that was included as part of the project specification. The drawing is included as Attachment 1. The contractors Color Card is included as Attachment 2.

Logo construction is included in the contractors bid price.

Staff recommends Council select the colors for the City logo.

DeRoche, "I think the water tower looks good now." Moegerle, "What is the cost of putting the logo on the tower?" Jochum, "This particular logo, \$7,000." Moegerle, "What is the cost if we just put the name. I am concerned about seeing the crane from so far away. The letters are just four feet and it would be nice if they were bigger." Voss said one of the discussions was whether the words "City of" should be in the logo when it was done. It opens up the graphic if you don't have this included. Voss said and he doesn't think it is important to the water tower. Lawrence, "What if we enlarge the letters?" Jochum, "We only have about 18 feet to work with. Otherwise the limits of the logo get slanted." Moegerle, "Let's just go with the words "East Bethel" and maybe the blue/green under it, but leave the bird off." Lawrence, "I would like people to drive by on 65 and see East Bethel." Moegerle, "From a distance you are not going to understand what the logo is, unless you are a resident." Moegerle, "What would the deduct be for the simplification?" Jochum, "\$1,500."

Moegerle made a motion to just put the words East Bethel in Rain Forest Green to fully fill up the Water Tower. Voss said we talked about distortion, and if the logo is expanding it will get distorted. Jochum, "You cannot lower the "Bethel" at all." Voss said if that is the equator we are going to have a little bit of room to move to the top. Moegerle, "Can we put East Bethel in single line?" Jochum, "No." Voss said the advantage this logo has is ours is more horizontal, the lettering is definitely bigger. Lawrence, "What is important to have the name or the logo?" Motion fails for lack of a second.

- Fire Dept. Report Davis explained that the fire department reports are attached for your information. Meeting 6:00 p.m.
- Special Meeting Council scheduled a special meeting for Wednesday, May 23, 2012 at 6:00 p.m. to discuss the Logo for the water tower and the developer's agreement for Classic Construction.
- Council Member Report – DeRoche, “The fire department has been busy. On Viking Boulevard there were a lot of accidents and a couple deaths this year. There is concern about when they start working on Viking Boulevard there will be more incidents. Also, there have been a few thefts on Coon Lake.”
- Council Member Report – Moegerle, “Last week Davis and I went over to Cedar Creek and had a very good decision with Dr. Jeff Corney about the plans for Cedar Creek to expand their public engagement. We identified public needs. One question I have is what is going on with the watersheds? We don't get the minutes from those meetings. Also, we still need to work on an identity and vision for the City.”
- Council Member Report – Voss asked how did the Lowell Friday hearing go? Davis, “It was run very well. The hearing officer did a wonderful job setting the tone for the hearing. The issues were addressed very respectfully. Mr. Friday was represented by his attorneys and the lady working for him. We did record it and that will be available on the cable channel.” Vierling, “The hearing officer report and recommendation will probably be before council on June 6.”
- Voss said with regards to Viking Boulevard and the pending road closure, last time we had a major road closure, we did a bit of advertising to let folks know. Davis, “As soon as we receive information we will post it on the website and we will put it on the cable channel.”
- Council Member Report – Lawrence, “In regards to the road project on Viking Boulevard, Viking Meadows Golf Course is concerned it will shut them down.” Davis, “Everything will be open to through traffic. It is not Anoka County's attention to shut down a business. We can have a discussion with the businesses along that route.” Voss said having a sign up saying you can get into the business would be important. Davis, “We will contact those businesses to say we will be the liaison between them and the county regarding that issue.”
- GRE Litigation Vierling explained that for the benefit of the public and the public record, Council has recommended we go into closed session per Minnesota Statute 13D regarding a matter of litigation, Great River Energy (GRE) vs. the City of East Bethel, District Court File # 02-CV-115638. After the closed session, Council will return into open session to announce any motions or actions.

DeRoche made a motion to go into closed session to discuss Great River Energy vs. the City of East Bethel. Moegerle seconded; all in favor, motion carries.

Vierling explained the Council has concluded the closed session dealing with Great River Energy vs. the City of East Bethel. Attending were special Counsel, Jim Strommen, Council Member DeRoche, Council Member Voss, Council Member Moegerle and Mayor Lawrence. Also attending were Jack Davis, City Administrator and myself, City Attorney. Council got input but no vote was taken.

Adjourn **Moegerle made a motion to adjourn at 10:39 PM. Voss seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

DRAFT

EAST BETHEL SPECIAL CITY COUNCIL MEETING

May 23, 2012

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

MEMBERS PRESENT: Bob DeRoche Heidi Moegerle Richard Lawrence Steve Voss

MEMBERS ABSENT: Bill Boyer

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

Call to Order **The May 23, 2012 Special City Council meeting was called to order by Mayor Lawrence at 6:02 PM.**

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

Review & Approve Classic Construction 2nd Addition Developers Agreement

City Council approved the preliminary and final plat for Curt Strandlund's Classic Commercial Park, 2nd Addition on May 16, 2012 contingent on the submission and approval of a developer's agreement. Council, in a decision to expedite the time line of the Aggressive Hydraulics project, has scheduled a special meeting for May 23, 2012 at 6:00 PM to consider the approval of the developer's agreement. Approval of the agreement will permit Mr. Strandlund to file the final plat and complete the financing arrangements for the Aggressive Hydraulics project, which will be constructed on a parcel in the new plat.

The developer's agreement will be completed by City Staff and Mr. Strandlund and will be submitted to the City Attorney for review this evening, Friday, May 18, 2012. His review of the agreement will be forwarded as soon as staff is in receipt of his comments and recommendations, which is anticipated by Monday, May 21, 2012.

Davis explained most of the agreement was forwarded to the City Council on Monday and the rest yesterday and hopefully everyone has had a chance to review it.

Moegerle had one question about the requirements for the bank being in the seven county metro area. She stated in the proposed development agreement there was an indication that the bank would have to be in the seven county metro area and she does not believe it is in the current developers agreement. Vierling stated it is not in there. Moegerle said she did not see it in there. Vierling said it is the exhibit to the letter of credit format, item 2. He said under other circumstances they may allow a bank in other areas, but we would not want to have to travel if there were issues. Additionally if the bank scores high enough in the ratings, then the City may allow it.

Lawrence asked if he seen any other red flags. Vierling said staff is comfortable with it, and he is comfortable with it.

The developer had a question on performance bonds. Vierling said all references to

performances bonds have been deleted.

Moegerle asked the attorney if he got her notes on the grammatical errors. She said there was a place where required was stated and it should possibly have been acquiring. Vierling said he looked for it but didn't see it. He said if there are format and punctuation errors, they could be dealt with it after the agreement is finalized. Moegerle said she is fine with it.

Moegerle motioned to approve the developers agreement for Classic Construction 2nd Addition. DeRoche seconded; all in favor, motion carries unanimously.

**Select
Lettering for
Water Tower
No. 1**

Council discussed the lettering fonts and sizes at the May 16, 2012 meeting and requested City Engineer, Craig Jochum, to furnish alternate samples for Council discussion. Mr. Jochum will present these alternatives for Council consideration.

Staff is seeking direction from Council regarding this matter.

Jochum provided lettering samples for Water Tower No. 1 to Council members. He stated as we had talked about last time, the logo was eliminated and just the graphics were left. He stated on the samples the layout is listed in the right hand corner. He said each sample has two pages; one is the layout and the other perspective. He said there are four layouts provided for review. The first two have eight-foot letters. He stated on the second one, East is centered over Bethel. The third and fourth samples are seven-foot letters and the letters are capped.

Jochum explained the eight foot letters are pushing it. The seven-foot letters are kind of pushing it. DeRoche said number one looks good to him. He likes that it is offset and the font. He believes otherwise it could be pretty boring.

Moegerle asked what time of the day is this shadow suppose to be, high noon? Jochum wasn't sure on that. Moegerle said there is a lot of shadow on Bethel. DeRoche said it depends on the time of the day. Lawrence said in the afternoon it will be completely in the shadows.

Jochum said there would be lights on each logo. Moegerle asked if the lighting is one light per logo. Jochum said yes. Lawrence asked if the lights would be from the ground shooting up. Jochum said yes, they are on 35-foot poles.

Moegerle said she likes the layout of number one, and she likes the combination of caps and small letters. She doesn't know if the smaller lettering would be better. Jochum said the seven-foot is kind of pushing it. He believes eight-foot letters are too big for this tank. Moegerle said the tank looks like a golf ball.

Jochum said essentially you like the layout of number one and the letter size of number three. DeRoche asked if they could do small letters like on number three for number one. Moegerle said yes. Lawrence asked when we look at this now at seven-foot how far away can we see that. Jochum said you would be pushing seeing it from the intersection. He explained you would be able to see it about $\frac{3}{4}$ of the mile away.

Lawrence thinks the lettering should be rotated so it faces the intersection. He would like people at the intersection of Hwy 65 and County Road 22, to be able to look over and see the name East Bethel, but he doesn't know if it would all show up properly. Moegerle suggested turning it 45 degrees. Jochum said about 100 degrees between the centerlines of the two logos. If you wanted to go from the intersection there wouldn't be enough to see the south bound. It wouldn't be exactly perpendicular at the intersection. He said it really depends on if you want one coming south bound on Hwy 65 or east bound on County Road 22.

Moegerle said when she looked at Wyoming and Blaine they put them with the angle toward the main streets. Jochum said if you would like the southbound traffic on Hwy 65 to see it, there is only one spot for it because of the trees. That location would be just south of Klondike.

Davis said if one logo was on the east side of the tank, would that still give enough room for a view coming south bound over the trees. Jochum said you wouldn't make it with the trees. He said we just have to back the angle down just a little bit when you are coming northbound.

Lawrence said if you have it centered like in number 4, you would have more room on the tank to work with. Jochum said yes, we would. DeRoche said things would not always be the same. Moegerle asked how much it is going to cost to do this versus the full logo. Jochum said not much.

Moegerle asked how many degrees does this logo take up. Jochum said 20 degrees. Moegerle said we have 360 degrees. Jochum said you could change the angles a little bit. Moegerle said if we had one for southbound traffic that was on the far north side and sixty degrees on either side of that one, so there are three of them. She asked what is the cost to have three, versus two of the logos. She clarified that she meant 120 degrees, not sixty. Jochum said one at the intersection on County Road 22/Hwy 65, one on the north side and then one on the west to east side of County Road 22. Moegerle said put them all about 120 degrees apart. Jochum said that would work. DeRoche said he thinks three would be a little crowded. Moegerle said the one in Wyoming runs parallel with 35W. She said the one in Blaine on Lexington is on the north side.

Davis said if they are 90 degrees from center to center of logos. It takes about 100 degrees for them not to touch. If you have two there would be a separation of about 90 degrees. Jochum said with three there probably wouldn't be enough spacing where you want them.

Moegerle asked if there was a cost difference between any of the four. Jochum said no there isn't. The cost isn't broken out in the bid. If you delete the logo it is \$7000.00 credit. Lawrence had a question about not having the logo, will we get static for not having the logo. Davis said there would be the question of the visibility of it. Jochum said with the logo, the letters would be only 2 feet for the smaller letters and 4 feet for the larger. Moegerle said the big letters stick out a little bit more.

Voss arrived at 6:25 p.m.

Moegerle was wondering what people thought about number 2 or 3. Lawrence said with eight-foot letters you get some shadows. Jochum said you are pushing it with 8 footers. Lawrence said the 8 footers are visible from the highway.

Voss said these are different font types. Lawrence said he likes the font in number 1. Voss said the others are too hard to read. Lawrence said the lower case is easier to read. Is this a forest green? Jochum said it is a rain forest green.

Moegerle said the question is do we orient it towards Hwy 65 or County Road 22. Jochum said if you are sitting at the intersection of Hwy 65 and County Road 22 and you put it dead on, you wouldn't be able to fit something on south bound. Voss said it would be important that eastbound traffic on County Road 22 would be able to see it. Jochum said that is how we got to talking about 3 logos. Voss said that is too much. Jochum said the trees are in the way Hwy 65 for southbound, but you would see it at the intersection for sure. He thinks if you moved the angle further south it may be better. Voss said at that point, you are good, if you are $\frac{3}{4}$ mile away, you won't be able to read it anyways. Moegerle said Hwy 65 is more traveled than

County Road 22. What is the county counting on for the increase of traffic east and west will that surpass Hwy 65. North and south could be the simple solution.

Jochum said you couldn't put it on the north side because of the trees. Voss said you wouldn't see it from Hwy 65 if it were on the south side. Moegerle said that is what this is all about the development on Hwy 65. DeRoche said once it is on there, it is on there. Jochum said you could paint over it.

Jochum said that is what helps if you back off the angle. Lawrence said Viking jogs out there on the west side. Jochum said you wouldn't be able to see it from there. DeRoche said it would be lit up. Voss said when did that happen. DeRoche it is part of the bid. Moegerle said if it were done off angle people would think it looks very weird.

Jochum said on the exact north side you probably wouldn't see it. Davis said he thinks to get the best bang for your buck; you should have it facing Hwy 65 and then facing west so when you are coming east you will see it. He thinks the traffic going north is more important. If you were coming east on County Road 22, you would be able to see it from a mile ½ back. Jochum said so there would be a straight angle. Moegerle said you would have this big bare spot on the north side.

Moegerle motioned to approve Layout 1 with the lettering on two sides of the tower. Jochum asked with 7 foot or 8 foot lettering. DeRoche asked how big the door opening is. Moegerle asked if you are amending the motion for 8 foot lettering. DeRoche said yes. Moegerle said she accepts the amendment. Lawrence seconded; all in favor, motion carries unanimously.

It was stated the minimum angle is just over 100 degrees off any plane. You will need 120 to 130 degrees to not be able to the other lettering. If you have them east faced for County Road 22 and then possibly skewed on the west side. Voss recommended 120 degrees and about 30 degrees off each side. He thinks 30 degrees seem too much. Voss said it seems like we are too close.

Moegerle motioned to have the lettering equally spaced on the east and west face. Voss seconded; all in favor, motion carries unanimously.

Adjourn

Moegerle motioned to adjourn the Special City Council meeting at 6:33 p.m. DeRoche seconded, all in favor motion carries unanimously.

Submitted by:

Jill Teetzel
Recording Secretary

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

RESOLUTION NO. 2012-25

**RESOLUTION ACKNOWLEDGING THE DONATION FROM
ECKBERG, LAMMERS, BRIGGS, WOLFF & VIERLING, PLLP**

WHEREAS, the City of East Bethel has received a donation of four Minnesota Twins Tickets valued at \$240.00 from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP to be used towards the Family Fun Night scheduled for Friday, July 20, 2012.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel acknowledges and accepts the Minnesota Twins Tickets valued at \$240.00 from Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP.

BE IT FURTHER RESOLVED THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Eckberg, Lammers, Briggs, Wolff & Vierling, PLLP for the Minnesota Twins Tickets for Family Fun Night.

Adopted this 6th day of June, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

2013 URRWMO Final Budget

	Bethel	East Bethel	Ham Lake	Nowthen	Oak Grove	St. Francis	
<u>ACD 2012 Work Recommendations</u>	<u>1.08%</u>	<u>24.21%</u>	<u>0.99%</u>	<u>23.66%</u>	<u>29.69%</u>	<u>20.37%</u>	
Lake Levels Monitoring - Lake George, East Twin Lake, Cooper Lake, Minard Lake	\$800.00	\$8.64	\$193.68	\$7.92	\$189.28	\$237.52	\$162.96
Lake Water Quality Monitoring - Lake George, East Twin Lake	\$2,500.00	\$27.00	\$605.25	\$24.75	\$591.50	\$742.25	\$509.25
St. Francis High School Rum River Biomonitoring	\$825.00	\$8.91	\$199.73	\$8.17	\$195.20	\$244.94	\$168.05
Reference Wetland Hydrology - Alliant Tech, Cedar, Viking	\$1,680.00	\$18.14	\$406.73	\$16.63	\$397.49	\$498.79	\$342.22
URRWMO Website	\$310.00	\$3.35	\$75.05	\$3.07	\$73.35	\$92.04	\$63.15
URRWMO Annual Newsletter Article	\$350.00	\$3.78	\$84.74	\$3.47	\$82.81	\$103.92	\$71.30
Prepare 2010 Annual Report to BWSR	\$700.00	\$7.56	\$169.47	\$6.93	\$165.62	\$207.83	\$142.59
Water Quality Cost Share Grant Fund	<u>\$1,000.00</u>	<u>\$10.80</u>	<u>\$242.10</u>	<u>\$9.90</u>	<u>\$236.60</u>	<u>\$296.90</u>	<u>\$203.70</u>
	\$8,165.00	\$88.18	\$1,976.75	\$80.83	\$1,931.84	\$2,424.19	\$1,663.21
<u>ADMINISTRATIVE BUDGET</u> (Split equally six ways)		<u>Bethel</u>	<u>East Bethel</u>	<u>Ham Lake</u>	<u>Nowthen</u>	<u>Oak Grove</u>	<u>St. Francis</u>
Copies & Postage	\$25.00	\$4.17	\$4.17	\$4.17	\$4.17	\$4.17	\$4.17
Recording secretary	\$1,200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Insurance-League of MN Cities insurance trust	\$2,500.00	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67	\$416.67
Solicit bids for professional services	\$100.00	\$16.67	\$16.67	\$16.67	\$16.67	\$16.67	\$16.67
Budget for URRWMO matching participation on future grant opportunities (table V-1 of URRWMO plan)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public notice of watershed plan amendments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Audit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public outreach (each share based on LGU percentages)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	\$3,825.00	\$637.50	\$637.50	\$637.50	\$637.50	\$637.50	\$637.50
Budget Total	\$11,990.00	\$725.68	\$2,614.25	\$718.33	\$2,569.34	\$3,061.69	\$2,300.71
First 1/2 of budget due on or before January 1		\$362.84	\$1,307.12	\$359.17	\$1,284.67	\$1,530.84	\$1,150.36
Second 1/2 of budget due on or before July 1		\$362.84	\$1,307.13	\$359.16	\$1,284.67	\$1,530.85	\$1,150.35

Previous Budgets

2012 Budget was \$12,415
 2011 Budget was \$16,617
 2010 Budget was \$18,185
 2009 Budget was \$13,130
 2008 Budget was \$26,205 (3rd Generation Plan)

DRAFT 2013 SRWMO Budget Breakout approved March 1, 2012

	Linwood	East Bethel	Columbus	Ham Lake
<u>NON-OPERATING EXPENSES (split by percentages)</u>	<u>46.40%</u>	<u>32.93%</u>	<u>16.72%</u>	<u>3.95%</u>
Annual report to BWSR and member communities	\$725.00	\$336.40	\$238.74	\$121.22
Grant Search and Applications -Typo and Martin Lakes Water Quality Projects, Coon Lake stormwater assessment stormwater retrofits, Aquatic plant education campaign, Lakeshore landscaping education	\$1,000.00	\$464.00	\$329.30	\$167.20
Lake Level Monitoring – Coon Lake, Linwood Lake, Martin Lake, Fawn Lake, Typo Lake	\$1,000.00	\$464.00	\$329.30	\$167.20
Reference Wetland Monitoring - Three reference wetlands	\$1,725.00	\$800.40	\$568.04	\$288.42
Carp Barriers Installation – Martin Lake & Typo Lake	\$15,000.00	\$6,960.00	\$4,939.50	\$2,508.00
Coon Lake Area stormwater Retrofit Assessment - Work begins late 2012, payment in 2013	\$17,360.00	\$8,055.04	\$5,716.65	\$2,902.59
Website - Annual maintenance fee (\$190), post mtg. minutes \$10/ea x 6 = \$60, post mtg. agendas \$10/ea x 6 = \$60	\$310.00	\$143.84	\$102.08	\$51.83
Lakeshore Landscaping Marketing	\$4,000.00	\$1,856.00	\$1,317.20	\$668.80
Annual Educational Publication	\$500.00	\$232.00	\$164.65	\$83.60
	\$41,620.00	\$19,311.68	\$13,705.47	\$6,958.86
<u>NON-OPERATING ADMINISTRATIVE COSTS (split by percentages)</u>				
Independent Financial Review	\$300.00	\$139.20	\$98.79	\$50.16
Seek Bids for Professional Services	\$125.00	\$58.00	\$41.16	\$20.90
Legal	\$1,000.00	\$464.00	\$329.30	\$167.20
	\$1,425.00	\$661.20	\$469.25	\$238.26
<u>OPERATING EXPENSE (split equally four ways)</u>				
ACD Administrator (on-call, limited)	\$1,500.00	\$375.00	\$375.00	\$375.00
Secretarial or other administrative	\$1,200.00	\$300.00	\$300.00	\$300.00
Liability Insurance	\$1,850.00	\$462.50	\$462.50	\$462.50
Administrative Assistance – City of East Bethel	\$300.00	\$75.00	\$75.00	\$75.00
	\$4,850.00	\$1,212.50	\$1,212.50	\$1,212.50
Grand Totals	\$47,895.00	\$21,185.38	\$15,387.22	\$8,409.62
				\$2,912.78

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

RESOLUTION NO. 2012-26

RESOLUTION ACKNOWLEDGING THE DONATION FROM CHOPS, INC.

WHEREAS, the City of East Bethel has received a donation in the amount of \$500 from CHOPS, Inc. for purchasing equipment for the Fire Department.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel acknowledges and accepts the donation from CHOPS, Inc. in the amount of \$500 for Fire Department equipment.

BE IT FURTHER RESOLVED THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to CHOPS, Inc. for this donation.

Adopted this 6th day of June, 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. 2012-27

**RESOLUTION ACKNOWLEDGING BUTLER AND ASSOCIATES INSURANCE AGENCY
FOR THEIR ADOPTION OF ANDERSON LAKE PARK**

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

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

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

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Butler and Associates Insurance Agency for their commitment to help maintain Anderson Lake Park as part of the Adopt-A-Park Program.

Adopted this 6th day of June, 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. 2012-28

**RESOLUTION ACKNOWLEDGING CUB SCOUT PACK 387 FOR THEIR ADOPTION OF
BOOSTER PARK**

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

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

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

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to Cub Scout Pack 387 for their commitment to help maintain Booster Park as part of the Adopt-A-Park Program.

Adopted this 6th day of June, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



Minnesota Department of Public Safety
 Alcohol and Gambling Enforcement Division
 444 Cedar Street, Suite 222, St. Paul, MN 55101
 651-201-7500 Fax 651-297-5259 TTY 651-282-6555
**APPLICATION AND PERMIT FOR A 1 DAY
 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization		Date organized	Tax exempt number
Alliance for Metropolitan Stability		May 24, 2002	41-1977419
Address	City	State	Zip Code
2525 E. Franklin Ave., Suite 200	Minneapolis	Minnesota	55407
Name of person making application		Business phone	Home phone
Russ Adams, Executive Director		612-332-4471	612-964-1647
Date set ups will be sold	Type of organization		
Saturday, June 23rd, 2012	<input type="checkbox"/> Club <input checked="" type="checkbox"/> Charitable <input type="checkbox"/> Religious <input type="checkbox"/> Other non-profit		
Organization officer's name		City	State
X Larry Hiscock, Board President		Minneapolis	Minnesota
X Eleonore Wesslerle, Board Secretary		Minneapolis	Minnesota
Add New Officer			

Location where permit will be used. If an outdoor area, describe.
 Blue Ribbon Pines Disc Golf Course, Clubhouse area, 1901 Klondike Dr., East Bethel, MN., 55011 [see additional information, attached]

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
 NA

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
 Minnesota Joint Underwriting Association. \$50,000 per person, \$100,000 per occurrence, \$10,000 property

APPROVAL
 APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City/County	Date Approved
City Fee Amount	Permit Date
Date Fee Paid	

Signature City Clerk or County Official _____ Approved Director Alcohol and Gambling Enforcement _____

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to be used as the permit for the event.

Attachment to Application and Permit for a 1 to 4 day temporary on-sale liquor license.

Alliance for Metropolitan Stability

Additional Location Information:

As part of the annual Surly Brewing Company's Disc Golf Tournament, to be held at the Blue Ribbon Pines Disc Golf Course at 1901 Klondike Drive in East Bethel, MN 55011, the Alliance for Metropolitan Stability is requesting approval of a permit to sell alcoholic beverages (beer) in the patio area of the Clubhouse of the Blue Ribbon Pines Disc Golf Course.

Date and Time: Alcohol will be sold between 9 am and 9 pm on Saturday, June 23rd, 2012.

**PAY ESTIMATE #3
CITY OF EAST BETHEL
Water Treatment Plant No. 1**

May 29, 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	0.27	\$ 8,038.80
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	0.25	\$ 329,255.00
5	GENERATOR SYSTEM	1	LUMP SUM	\$51,000.00		\$ -

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

\$ 337,293.80

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	11,563	\$ 44,517.55
8	GRANULAR BORROW (LV)	822	CU YD	\$8.40		\$ -

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

\$ 53,747.55

Bid Schedule "C" - Base Bid - Sanitary Sewer

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

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

\$ 5,933.00

Bid Schedule "D" - Base Bid - Watermain

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

**PAY ESTIMATE #3
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		\$ -
35	18" RC PIPE CULVERT DESIGN 3006 CLASS III	48	LIN FT	\$29.00		\$ -
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		\$ -
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

\$ 10,008.00

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	0.75	\$ 31,500.00

Total Bid Schedule "F" - Base Bid - Mobilization

\$ 31,500.00

**PAY ESTIMATE #3
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	\$ 337,293.80
Total Bid Schedule "B" - Removals and Earthwork	\$ 53,747.55
Total Bid Schedule "C" - Sanitary Sewer	\$ 5,933.00
Total Bid Schedule "D" - Watermain	\$ 107,514.80
Total Bid Schedule "E" - Pavements and Miscellaneous Construction	\$ 10,008.00
Total Bid Schedule "F" - Mobilization	\$ 31,500.00
Total Alternate No. 1 - Filter No. 2	\$ -
Total Work Completed to Date	\$ 545,997.15
Less 5% Retainage	\$ 27,299.86
Less Pay Estimate #1	\$ 42,845.00
Less Pay Estimate #2	\$ 290,272.79
WE RECOMMEND PAYMENT OF:	\$ 185,579.51

APPROVALS:

CONTRACTOR: MUNICIPAL BUILDERS, INC.

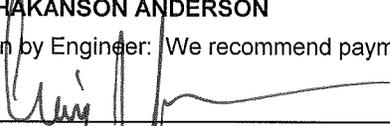
Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: 

Title: Project Coordinator Date: 5/29/12

ENGINEER: HAKANSON ANDERSON

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

Signed: 

Title: City Engineer Date: 5/29/12

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date: _____

**PAY ESTIMATE #3
CITY OF EAST BETHEL
Elevated Storage Tank Construction**

May 16, 2012

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

RE: Elevated Storage Tank Construction
Contractor: Caldwell Tank, Inc.
Contract Amount: \$1,072,000.00
Award Date: December 1, 2010

Dear Honorable Mayor and Council Members:

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

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	CONTRACT AMOUNT	USED TO DATE	EXTENSION
1	Bonds & Insurance	1	LS	\$ 10,720.00	\$ 10,720.00	1.00	\$ 10,720.00
2	Engineering/Draft/Design-Foundation	1	LS	\$ 42,880.00	\$ 42,880.00	1.00	\$ 42,880.00
3	Engineering/Draft/Design-Tank	1	LS	\$ 64,320.00	\$ 64,320.00	1.00	\$ 64,320.00
4	Fabricated Material Delivery	1	LS	\$ 341,810.00	\$ 341,810.00	1.00	\$ 341,810.00
5	Foundation Construction & Piping	1	LS	\$ 108,000.00	\$ 108,000.00	0.95	\$ 102,600.00
6	Tank Construction	1	LS	\$ 295,960.00	\$ 295,960.00	1.00	\$ 295,960.00
7	Field Painting	1	LS	\$ 123,900.00	\$ 123,900.00	0.60	\$ 74,340.00
8	Electrical Installation	1	LS	\$ 49,410.00	\$ 49,410.00		\$ -
9	General Construction & Allowance	1	LS	\$ 35,000.00	\$ 35,000.00	0.29	\$ 10,217.86

Total Work Completed to Date	<u>\$ 942,847.86</u>
Less 5% Retainage	<u>\$ 47,142.39</u>
Less Pay Estimate #1	<u>\$ 801,317.40</u>
Less Pay Estimate #2	<u>\$ 14,058.10</u>
WE RECOMMEND PAYMENT OF:	<u>\$ 80,329.97</u>

APPROVALS:

CONTRACTOR: CALDWELL

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

Signed: Stevanie Wheeler

Title: Assistant Controller Date 5/16/12

ENGINEER: HAKANSON ANDERSON

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

Signed: [Signature]

Title: City Engineer Date 5/18/12

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____

CONTRACTOR'S PAY REQUEST		DISTRIBUTION:
East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project		CONTRACTOR (1)
CITY OF EAST BETHEL, MN		OWNER (1)
PROJECT NO. C12.100028		ENGINEER (1)
Pay Estimate No. 13		BONDING CO. (1)
TOTAL AMOUNT BID		\$11,686,468.20
CHANGE ORDER NO. 1 (REVISED)		\$324,949.43
CHANGE ORDER NO. 2		\$43,536.10
CHANGE ORDER NO. 3		-\$9,078.08
CHANGE ORDER NO. 6		-\$137,342.33
EXTRA WORK		\$5,054.00
TOTAL AMOUNT BID PLUS APPROVED CHANGE ORDERS		\$11,913,587.32
MCES STORED MATERIALS TO DATE		\$1,294,983.05
EAST BETHEL STORED MATERIALS TO DATE		\$948,118.25
TOTAL, STORED MATERIALS TO DATE		\$2,243,101.30
DEDUCTION FOR MCES STORED MATERIALS USED IN WORK COMPLETED		\$1,179,503.25
DEDUCTION FOR EAST BETHEL STORED MATERIALS USED IN WORK COMPLETED		\$637,182.06
TOTAL DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED		\$1,816,685.31
TOTAL DUE MCES STORED MATERIALS TO DATE		\$115,479.80
TOTAL DUE EAST BETHEL STORED MATERIALS TO DATE		\$310,936.20
TOTAL DUE, STORED MATERIALS TO DATE		\$426,416.00
TOTAL, MCES COMPLETED WORK TO DATE		\$5,048,719.58
TOTAL, EAST BETHEL COMPLETED WORK TO DATE		\$3,721,104.82
TOTAL, COMPLETED WORK TO DATE		\$8,769,824.41
TOTAL, COMPLETED MCES WORK & STORED MATERIALS		\$5,164,199.38
TOTAL, COMPLETED EAST BETHEL WORK & STORED MATERIALS		\$4,032,041.02
TOTAL, COMPLETED WORK & STORED MATERIALS		\$9,196,240.40
MCES RETAINED PERCENTAGE (5%)		\$258,209.97
EAST BETHEL RETAINED PERCENTAGE (5%)		\$201,602.05
TOTAL RETAINED PERCENTAGE (5%)		\$459,812.02
TOTAL EARNED LESS RETAINAGE MCES TO DATE		\$4,905,989.41
TOTAL EARNED LESS RETAINAGE EAST BETHEL TO DATE		\$3,830,438.97
TOTAL EARNED LESS RETAINAGE TO DATE		\$8,736,428.38
TOTAL, MCES AMOUNT PAID ON PREVIOUS ESTIMATES		\$4,819,591.73
TOTAL EAST BETHEL AMOUNT PAID ON PREVIOUS ESTIMATES		\$3,730,009.59
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES		\$8,549,601.32
MCES THIS ESTIMATE		\$86,397.68
EAST BETHEL THIS ESTIMATE		\$100,429.38

Certificate for Partial Payment

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

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

By *Scott L*

Name

Title

Date 5/30/12

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:

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

By *[Signature]*

, PROJECT ENGINEER

Date 5/30/12

APPROVED FOR PAYMENT:

OWNER:

By

Name

Title

Date

And

Name

Title

Date

Partial Pay Estimate No.:

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project
 CITY OF EAST BETHEL, MN
 PROJECT NO. C12-100028
 METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES Project No. 801602
 WORK COMPLETE THROUGH MAY 18, 2012

ITEM NO.	ITEM	UNIT PRICE	AS BLD		AS BLD - CITY		AS BLD - MCE		CURRENT ESTIMATE		CURRENT ESTIMATE - CITY		CURRENT ESTIMATE - MCE		COMPLETED TO DATE		COMPLETED TO DATE - CITY		COMPLETED TO DATE - MCE										
			ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT													
1	01500 MOBILIZATION	\$250,000.00	1	LUMP SUM	\$250,000.00	0.39	LUMP SUM	\$99,126.29	0.61	LUMP SUM	\$155,873.71	0.02	LUMP SUM	\$5,865.00	0.01	LUMP SUM	\$2,275.97	0.01	LUMP SUM	\$5,865.00	0.74	LUMP SUM	\$187,426.00	0.29	LUMP SUM	\$78,860.00	0.45	LUMP SUM	\$114,564.97
2	01350 MAINTAIN DITCH FLOW	\$4,200.00	4	EACH	\$16,800.00	2.50	EACH	\$10,500.00	1.50	EACH	\$6,300.00		EACH			EACH			EACH		3.00	EACH	\$12,600.00	2.00	EACH	\$8,400.00	1.00	EACH	\$4,200.00
3	01350 MAINTAIN GREEW FLOW	\$6,300.00	1	EACH	\$6,300.00	0.33	EACH	\$2,730.00	0.67	EACH	\$3,570.00	1.00	EACH	\$6,300.00	0.33	EACH	\$2,730.00	0.67	EACH	\$3,570.00	3.00	EACH	\$18,900.00	2.00	EACH	\$12,600.00	1.00	EACH	\$6,300.00
4	01350 UTILITY TESTING WATER	\$13,500.00	5000	KGAL	\$65,000.00	1,500.00	KGAL	\$19,500.00	3,500.00	KGAL	\$45,500.00	140.41	KGAL	\$1,825.33	103.46	KGAL	\$1,344.88	38.95	KGAL	\$480.33	140.41	KGAL	\$1,825.33	103.46	KGAL	\$1,344.88	38.95	KGAL	\$480.33
5	01350 IRRIGATION SURVEY / VIDEO TAPING	\$500.00	16	UNIT	\$8,000.00	0.39	UNIT	\$1,560.00	0.61	UNIT	\$2,440.00		UNIT			UNIT			UNIT		16.00	UNIT	\$8,000.00	2.00	UNIT	\$1,000.00	1.00	UNIT	\$500.00
6	01510 I/FIELD OFFICE	\$15,000.00	1	LUMP SUM	\$15,000.00	0.39	LUMP SUM	\$5,850.00	0.61	LUMP SUM	\$9,150.00	0.02	LUMP SUM	\$345.00	0.01	LUMP SUM	\$134.12	0.01	LUMP SUM	\$210.88	0.74	LUMP SUM	\$11,655.00	0.29	LUMP SUM	\$4,245.00	0.45	LUMP SUM	\$6,710.00
7	01550 TEMPORARY TRENCH RESTORATION	\$1.00	18250	SY	\$18,250.00	13,299.33	SY	\$13,299.33	4,950.67	SY	\$4,950.67		SY			SY			SY		9,190.00	SY	\$9,190.00	6,295.33	SY	\$6,295.33	2,894.67	SY	\$2,894.67
8	01550 TEMPORARY SWAMP ACCESS	\$32.00	4700	LF	\$151,840.00	1,931.33	LF	\$62,448.67	2,768.67	LF	\$89,391.33		LF			LF			LF		3,632.00	LF	\$117,312.00	1,399.33	LF	\$45,198.47	2,232.67	LF	\$72,113.13
9	01555 TRAFFIC CONTROL	\$25,000.00	1	LUMP SUM	\$25,000.00	0.39	LUMP SUM	\$9,748.56	0.61	LUMP SUM	\$15,251.44	0.02	LUMP SUM	\$575.00	0.01	LUMP SUM	\$223.33	0.01	LUMP SUM	\$351.47	0.74	LUMP SUM	\$18,375.00	0.29	LUMP SUM	\$7,743.14	0.45	LUMP SUM	\$11,231.86
10	01555 JERSEY BARRIERS	\$17.75	2850	LF	\$50,587.50	2,890.00	LF	\$47,745.00	160.00	LF	\$2,842.50		LF			LF			LF		2,845.00	LF	\$50,262.50	1,026.22	LF	\$18,167.75	1,818.78	LF	\$32,094.78
11	01410 PERMIT BOND ALLOWANCE	\$7,500.00	1	ALLOWANCE	\$7,500.00	0.39	ALLOWANCE	\$2,925.00	0.61	ALLOWANCE	\$4,575.00		ALLOWANCE			ALLOWANCE			ALLOWANCE		0.05	ALLOWANCE	\$400.00	0.02	ALLOWANCE	\$156.00	0.03	ALLOWANCE	\$244.00
12	02220 REMOVE BITUMINOUS PAVEMENT	\$3.16	22660	SY	\$71,409.60	13,264.67	SY	\$41,827.01	9,396.33	SY	\$29,582.67		SY			SY			SY		22,595.72	SY	\$71,409.60	12,931.33	SY	\$40,795.67	9,668.67	SY	\$30,613.93
13	02220 REMOVE BITUMINOUS DRIVEWAY PAVEMENT	\$3.85	650	SY	\$2,507.50	518.67	SY	\$1,978.67	131.33	SY	\$430.83		SY			SY			SY		472.50	SY	\$1,818.12	358.67	SY	\$1,384.72	112.83	SY	\$461.89
14	02220 REMOVE CONCRETE DRIVEWAY PAVEMENT	\$0.44	2650	SF	\$1,162.00	2,152.33	SF	\$1,076.17	407.67	SF	\$1,483.84		SF			SF			SF		1,602.00	SF	\$704.92	1,299.00	SF	\$575.92	215.00	SF	\$92.00
15	02220 REMOVE CONCRETE CURB & GUTTER	\$2.15	1440	LF	\$3,096.00	1,059.67	LF	\$2,276.28	380.33	LF	\$817.72		LF			LF			LF		1,369.50	LF	\$2,944.42	1,027.67	LF	\$1,416.75	366.83	LF	\$749.69
16	02220 REMOVE STORM SEWER - 18" RCP	\$85.00	100	LF	\$8,500.00	16.83	LF	\$1,428.63	43.67	LF	\$3,717.17		LF			LF			LF		86.00	LF	\$7,235.00	46.67	LF	\$3,968.67	39.33	LF	\$3,331.33
17	02220 REMOVE STORM SEWER - 24" RCP	\$85.00	25	LF	\$2,125.00	5.00	LF	\$425.00	16.00	LF	\$1,350.00		LF			LF			LF		37.00	LF	\$3,125.00	20.00	LF	\$1,700.00	14.00	LF	\$1,190.00
18	02220 REMOVE STORM SEWER - 48" RCP	\$113.25	55	LF	\$6,228.75	55.00	LF	\$6,228.75		LF	\$6,228.75		LF			LF			LF		54.00	LF	\$6,174.75	64.00	LF	\$7,248.00		LF	\$7,248.00
19	02220 REMOVE CULVERT - 48" CMP	\$10.15	40	LF	\$406.00		LF		40.00	LF	\$406.00		LF			LF			LF		42.00	LF	\$426.30		LF		42.00	LF	\$426.30
20	02220 REMOVE STORM SEWER STRUCTURE	\$360.00	4	EACH	\$1,440.00	3.00	EACH	\$1,080.00	1.00	EACH	\$360.00		EACH			EACH			EACH		4.00	EACH	\$1,440.00	2.67	EACH	\$960.00	1.33	EACH	\$480.00
21	02218 SALVAGE AND REINSTALL STORM SEWER - 12" PVC	\$28.00	20	LF	\$560.00	20.00	LF	\$560.00		LF	\$560.00		LF			LF			LF		14.00	LF	\$392.00		LF		14.00	LF	\$392.00
22	02218 SALVAGE AND REINSTALL STORM SEWER - 18" RCP	\$28.00	20	LF	\$560.00	20.00	LF	\$560.00		LF	\$560.00		LF			LF			LF		8.00	LF	\$224.00		LF		8.00	LF	\$224.00
23	02220 SALVAGE AND REINSTALL STORM SEWER - 36" RCP	\$28.00	75	LF	\$2,100.00	25.00	LF	\$725.00	50.00	LF	\$1,400.00		LF			LF			LF		40.00	LF	\$1,120.00		LF		40.00	LF	\$1,120.00
24	02220 SALVAGE AND REINSTALL STORM SEWER - 48" RCP	\$36.00	45	LF	\$1,620.00	30.67	LF	\$1,104.00	14.33	LF	\$516.00		LF			LF			LF		14.33	LF	\$516.00		LF		14.33	LF	\$516.00
25	02220 SALVAGE AND REINSTALL THEATER MARQUEE	\$48,500.00	1	EACH	\$48,500.00		EACH		1.00	EACH	\$48,500.00		EACH			EACH			EACH		1.00	EACH	\$48,500.00		EACH		1.00	EACH	\$48,500.00
26	02220 SALVAGE AND REINSTALL LANDSCAPING	\$35,000.00	1	ALLOWANCE	\$35,000.00	0.85	ALLOWANCE	\$29,750.00	0.15	ALLOWANCE	\$5,250.00		ALLOWANCE			ALLOWANCE			ALLOWANCE		0.65	ALLOWANCE	\$22,875.31	0.40	ALLOWANCE	\$13,516.12	0.26	ALLOWANCE	\$6,977.19
27	02220 PRIVATE UTILITY REPAIR, RELOCATION, TEMP SUPPORT	\$225,000.00	1	ALLOWANCE	\$225,000.00		ALLOWANCE		1.00	ALLOWANCE	\$225,000.00		ALLOWANCE			ALLOWANCE			ALLOWANCE		0.11	ALLOWANCE	\$24,750.00	0.48	ALLOWANCE	\$114,476.66	0.48	ALLOWANCE	\$114,476.66
28	02230 CLEARING & GRUBBING	\$58.00	190	EACH	\$11,020.00	80.00	EACH	\$4,640.00	110.00	EACH	\$6,380.00		EACH			EACH			EACH		358.00	EACH	\$20,724.00	161.00	EACH	\$9,418.00	187.00	EACH	\$10,306.00
29	02230 CLEARING & GRUBBING	\$2,750.00	1.5	ACRE	\$4,125.00	1.40	ACRE	\$3,780.00	0.10	ACRE	\$330.00		ACRE			ACRE			ACRE		1.63	ACRE	\$4,507.50	3.14	ACRE	\$8,487.00	2.48	ACRE	\$6,714.00
30	02855 REPAIR EXISTING DRAIN TILE	\$13.00	300	LF	\$3,900.00	200.00	LF	\$2,600.00	100.00	LF	\$1,300.00		LF			LF			LF			LF	\$3,900.00		LF			LF	\$3,900.00
31	02960 1/2" FEATHER MILL	\$4.50	910	SY	\$4,095.00	910.00	SY	\$4,095.00		SY	\$4,095.00		SY			SY			SY			SY	\$4,095.00		SY			SY	\$4,095.00
32	02530 18" DIAMETER MANHOLE	\$371.25	622	LF	\$232,422.50	376.30	LF	\$140,443.88	223.70	LF	\$83,978.62	1.28	LF	\$475.20		LF			LF		562.56	LF	\$209,998.90	376.77	LF	\$139,875.66	186.19	LF	\$69,892.04
33	02530 24" DIAMETER MANHOLE	\$605.00	137	LF	\$82,885.00	8.30	LF	\$5,021.50	128.70	LF	\$77,863.50	6.01	LF	\$3,636.05		LF			LF		76.76	LF	\$46,254.66	9.36	LF	\$5,662.60	70.40	LF	\$42,592.00
34	02530 36" DIAMETER MANHOLE	\$800.00	8	LF	\$6,400.00	8.00	LF	\$6,400.00		LF	\$6,400.00		LF			LF			LF		12.70	LF	\$10,160.00	4.70	LF	\$3,784.00		LF	\$3,784.00
35	02530 48" DIAMETER MANHOLE	\$1,535.00	64	LF	\$98,240.00		LF		64.00	LF	\$98,240.00		LF			LF			LF		87.86	LF	\$134,868.10		LF		87.86	LF	\$134,868.10
36	02530 60" DIAMETER MANHOLE	\$2,365.00	8	LF	\$18,920.00		LF		8.00	LF	\$18,920.00		LF			LF			LF		11.25	LF	\$26,606.25		LF		11.25	LF	\$26,606.25
37	02530 72" DIAMETER MANHOLE	\$2,370.00	10	LF	\$23,700.00		LF		10.00	LF	\$23,700.00		LF			LF			LF		12.70	LF	\$30,996.00		LF		12.70	LF	\$30,996.00
38	02530 120" DIAMETER MANHOLE	\$2,500.00	20	LF	\$50,000.00		LF		20.00	LF	\$50,000.00		LF			LF			LF		24.85	LF	\$62,125.00		LF		24.85	LF	\$62,125.00
39	02530 18" DIAMETER MANHOLE BOUAYANCY COLLAR	\$43.00	22	EACH	\$9,460.00	22.00	EACH	\$9,460.00		EACH	\$9,460.00		EACH			EACH			EACH		22.00	EACH	\$9,460.00		EACH		22.00	EACH	\$9,460.00
40	02530 24" DIAMETER MANHOLE BOUAYANCY COLLAR	\$1,235.00	9	EACH	\$11,115.00		EACH		9.00	EACH	\$11,115.00		EACH			EACH			EACH		1.00	EACH	\$1,235.00		EACH		1.00	EACH	\$1,235.00
41	02530 36" DIAMETER MANHOLE BOUAYANCY COLLAR	\$1,235.00	1	EACH	\$1,235.00		EACH		1.00	EACH	\$1,235.00		EACH			EACH			EACH		1.00	EACH	\$1,235.00		EACH		1.00		

Partial Pay Estimate No.:

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project

CITY OF EAST BETHEL, MN

PROJECT NO. C12-100028

METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES Project No. 801602

WORK COMPLETED THROUGH MAY 18, 2012

ITEM NO.	ITEM	UNIT PRICE	AS BID		AS BID - CITY		AS BID - MOES		CURRENT ESTIMATE		CURRENT ESTIMATE - CITY		CURRENT ESTIMATE - MOES		COMPLETED TO DATE		COMPLETED TO DATE - CITY		COMPLETED TO DATE - MOES				
			ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT	ESTIMATED QUANTITY	ESTIMATED AMOUNT							
115	16" GATE VALVE	\$1,100.00	10	EACH	\$11,000.00											8.00	EACH	\$8,800.00			8.00	EACH	\$8,800.00
116	DISCHARGE PIPE BORING - 16" CARRIER PIPE	\$328.00	95	LF	\$31,160.00																		
117	SET UP BORING PIT (10-15 FEET)	\$16,850.00	1	EACH	\$16,850.00																		
118	DEWATERING (10-15 FEET)	\$1.00	370	LF	\$370.00																		
119	MAINTENANCE MANHOLE	\$3,100.00	47.5	LF	\$147,250.00																		
120	4" VACUUM RELEASE MANHOLE	\$25,730.00	3	EACH	\$77,190.00																		
121	12" DIAMETER MANHOLE BOUYANCY COLLAR	\$4,500.00	3	EACH	\$13,500.00																		
122	10" DIAMETER MANHOLE BOUYANCY COLLAR	\$2,750.00	3	EACH	\$8,250.00																		
123	MANHOLE MARKER SIGN	\$60.00	4	EACH	\$240.00																		
124	1" INSULATION	\$3.20	350	SF	\$1,120.00																		
125	TEMPORARY HYDRANT ASSEMBLY	\$3,160.00	2	EACH	\$6,320.00																		
126	HYDRANT EXTENSION	\$500.00	6	LF	\$3,000.00																		
127	VALVE BOX EXTENSION	\$75.00	6	LF	\$450.00																		
128	CHIMNEY SEAL	\$265.00	2	EACH	\$530.00																		
129	FORGE MAIN FITTINGS	\$6.00	4300	POUND	\$25,800.00																		
130	ADJUST CASTING	\$300.00	6	EACH	\$1,800.00																		
131	ADJUST VALVE BOX	\$236.00	10	EACH	\$2,360.00																		
132	HYDRANT & VALVE SUPPORT & FITTING BLOCKING IN POOR SOILS	\$41.00	30	LF	\$1,230.00																		
133	16" PVC C900 DR 25 WATERMAIN	\$27.00	2060	LF	\$55,620.00																		
134	12" PVC C900 DR 18 WATERMAIN	\$37.00	810	LF	\$29,970.00																		
135	16" PVC C905 DR 21 WATERMAIN	\$44.00	3840	LF	\$168,960.00																		
136	16" PVC C905 DR 21 WATERMAIN	\$75.00	1350	LF	\$101,250.00																		
137	15.5" O.D. HDPE DR 11 DIPS WATERMAIN	\$75.00	780	LF	\$58,500.00																		
138	32" O.D. HDPE DR 11 DIPS WATERMAIN	\$150.00	4040	LF	\$606,000.00																		
139	WATERMAIN BORING - 16" CARRIER PIPE	\$326.00	380	LF	\$123,880.00																		
140	WATERMAIN BORING - 24" CARRIER PIPE	\$437.00	430	LF	\$187,910.00																		
141	SET UP BORING PIT (10-15 FEET)	\$10,400.00	2	EACH	\$20,800.00																		
142	SET UP BORING PIT (10-15 FEET)	\$15,400.00	2	EACH	\$30,800.00																		
143	4" PVC C900 DR 25 WATER SERVICE	\$15.00	160	LF	\$2,400.00																		
144	4" PVC C900 DR 18 WATER SERVICE	\$15.00	480	LF	\$7,200.00																		
145	6" PVC C900 DR 18 WATER SERVICE	\$22.00	80	LF	\$1,760.00																		
146	6" PVC C900 DR 25 WATER SERVICE	\$18.00	120	LF	\$2,160.00																		
147	6" PVC C900 DR 18 HYDRANT LEAD	\$22.00	200	LF	\$4,400.00																		
148	6" PVC C900 DR 25 HYDRANT LEAD	\$22.00	70	LF	\$1,540.00																		
149	16" GATE VALVE	\$1,000.00	17	EACH	\$17,000.00																		
150	16" GATE VALVE	\$1,100.00	26	EACH	\$28,600.00																		
151	16" GATE VALVE	\$1,520.00	10	EACH	\$15,200.00																		
152	12" GATE VALVE	\$2,625.00	2	EACH	\$5,250.00																		
153	16" BUTTERFLY VALVE	\$3,000.00	12	EACH	\$36,000.00																		
154	24" BUTTERFLY VALVE	\$9,600.00	8	EACH	\$76,800.00																		
155	HYDRANT	\$3,320.00	21	EACH	\$69,720.00																		
156	HYDRANT EXTENSION	\$500.00	11	LF	\$5,500.00																		
157	VALVE BOX EXTENSION	\$75.00	11	LF	\$825.00																		
158	ADJUST VALVE BOX	\$250.00	74	EACH	\$18,500.00																		
159	GATE VALVE MARKER SIGN	\$60.00	16	EACH	\$960.00																		
160	WATERMAIN FITTINGS	\$9.00	16500	POUND	\$148,500.00																		
161	4" INSULATION	\$3.70	1500	SF	\$5,550.00																		
162	HYDRANT & VALVE SUPPORT & FITTING BLOCKING IN POOR SOILS	\$41.00	180	LF	\$7,380.00																		
163	TRENCH CONSOLIDATION REPLACEMENT MATERIAL	\$4.00	60000	TON	\$240,000.00																		
164	COMMON EXCAVATION (P)	\$6.35	7000	CY	\$44,450.00																		
165	SUBGRADE EXCAVATION (EVI)	\$9.00	400	CY	\$3,600.00																		
166	SUBGRADE PREPARATION	\$6.75	800	TON	\$5,400.00																		
167	AGGREGATE PREPARATION	\$5.70	24070	SY	\$137,058.00																		
168	AGGREGATE BASE CLASS 5 - STREETS & PARKING LOT	\$12.50	8750	TON	\$109,375.00																		
169	AGGREGATE BASE CLASS 5 - DRIVEWAYS	\$18.00	214	TON	\$3,852.00																		
170	AGGREGATE SURFACE CLASS 5 - DRIVEWAY	\$16.00	80	TON	\$1,280.00																		
171	2" TYPE LV3 NON WEARING COURSE MIXTURE B - STREETS	\$55.00	2180	TON	\$120,900.00																		
172	2" TYPE LV3 NON WEARING COURSE MIXTURE B - P LOT	\$56.00	520	TON	\$29,120.00																		
173	2" TYPE LV4 WEARING COURSE MIXTURE B - STREETS	\$6.89	21256	SY	\$144,850.00																		
174	1 1/2" TYPE LV4 WEARING COURSE MIXTURE B - P LOT	\$6.30	4450	SY	\$28,035.00																		
175	2" TYPE LV4 WEARING COURSE MIXTURE B - DRIVEWAY	\$14.50	640	SY	\$9,280.00																		
176	2" OVERLAY	\$7.00	2380	SY	\$16,660.00																		
177	BITUMINOUS TRAIL	\$188.00	10	SY	\$1,880.00																		
178	BITUMINOUS PATCH	\$52.00	200	SY	\$10,400.00																		
179	BITUMINOUS CURB	\$1.85	7500	LF	\$13,875.00																		
180	6" CONCRETE DRIVEWAY	\$15.50	1620	SF	\$25,020.00																		
181	B612 CONCRETE CURB AND GUTTER	\$16.50	600	LF	\$9,900.00																		
182	B618 CONCRETE CURB AND GUTTER	\$12.50	850	LF	\$10,625.00																		
183	CONCRETE VALLEY GUTTER	\$30.00	120	LF	\$3,600.00																		
184	4" WHITE STRIPE - PAINT - TEMPORARY	\$0.35	3250	LF	\$1,137.50																		
185	4" WHITE STRIPE - PAINT - PERMANENT	\$0.35	3250	LF	\$1,137.50																		

STORED MATERIALS

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project
 CITY OF EAST BETHEL, MN
 PROJECT NO. C12.100028

PAY ESTIMATE NO. 13

SUMMARY OF STORED MATERIALS:	Invoice Unit Price	MCS		CITY		MCS		CITY		CURRENT		MCS		CITY		
		TOTAL STORED MATERIALS Quantity	Amount	TOTAL STORED MATERIALS Quantity	Amount	MATERIALS USED IN PROJECT Quantity	Amount	MATERIALS USED IN PROJECT Quantity	Amount	STORED MATERIALS ON HAND	Amount	STORED MATERIALS ON HAND	Amount	Amount	STORED MATERIALS ON HAND	Amount
PAYMENT FOR APPROVED MATERIALS STORED ON SITE:																
8" PVC SEWER PIPE SDR 35	\$ 2.84			1232 LF	\$ 3,498.88			1232 LF	\$ 3,498.88							
8" PVC SEWER PIPE SDR 26	\$ 3.79			2940 LF	\$ 11,142.60			2940 LF	\$ 11,142.60							
12" PVC SEWER PIPE SDR 26	\$ 8.74			672 LF	\$ 5,873.28			610 LF	\$ 5,331.40					541.88	\$ 4,781.88	
15" PVC SEWER PIPE SDR 26	\$ 12.92			168 LF	\$ 2,170.56			168 LF	\$ 2,170.56							
15" PVC SEWER PIPE SDR 35	\$ 9.53			1428 LF	\$ 13,608.84			1428 LF	\$ 13,608.84							
24" PVC SEWER PIPE SDR 26	\$ 34.77			3500 LF	\$ 121,695.00			1807 LF	\$ 62,829.39					58,865.61	\$ 2,066.68	
24" PVC SEWER PIPE PS46	\$ 25.22			560 LF	\$ 14,123.20			560 LF	\$ 14,123.20							
6" PVC SEWER PIPE SDR 26	\$ 2.42			854 LF	\$ 2,065.68			854 LF	\$ 2,066.68							
60" SN72/PN25 GRAVITY SEWER PIPE WFWC	\$ 255.00			1187.65 LF	\$ 302,850.75			1187.65 LF	\$ 302,850.75							
24" PVC C905 DR 21 WM	\$ 49.02			1780 LF	\$ 87,255.60			1780 LF	\$ 87,255.60							
12" PVC C900 DR 18 WM	\$ 13.17			820 LF	\$ 10,759.40			820 LF	\$ 10,759.40							
8" PVC C900 DR 25 WM	\$ 4.45			2400 LF	\$ 10,680.00			2400 LF	\$ 10,680.00							
16" PVC C905 PIPE DR 21 WM	\$ 19.61			4220 LF	\$ 82,754.20			3561.5 LF	\$ 69,841.02					12,913.19	\$ 83,754.19	
4" GATE VALVE	\$ 411.05			17 EA	\$ 6,987.85			17 EA	\$ 6,987.85							
6" GATE VALVE	\$ 524.88			23 EA	\$ 12,072.24			23 EA	\$ 12,072.24							
8" GATE VALVE	\$ 835.46			10 EA	\$ 8,354.60			10 EA	\$ 8,354.60							
HYDRANT	\$ 2,544.46			23 EA	\$ 58,322.58			19 EA	\$ 48,344.74					10,177.84	\$ 10,177.84	
16" PVC C905 DR 14 DISCHARGE PIPING	\$ 44.46			4060 LF	\$ 180,507.60			3553 LF	\$ 157,966.38					22,541.22	\$ 22,541.22	
42" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	\$ 113.00			2123.2 LF	\$ 239,921.60			2123.2 LF	\$ 239,921.60							
48" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	\$ 136.00			2015 LF	\$ 2,740.40			2015 LF	\$ 2,740.40							
42" / 100 SN 25 PN GRAVITY SEWER PIPE WFWC	\$ 125.00			481.8 LF	\$ 60,225.00			481.8 LF	\$ 60,225.00							
42" / 46 SN 25 PN GRAVITY SEWER PIPE WFWC	\$ 100.00			882.7 LF	\$ 88,270.00			882.7 LF	\$ 88,270.00							
36" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	\$ 96.00			400.5 LF	\$ 38,448.00			400.5 LF	\$ 38,448.00							
21.6" OD HOPE DR 7 DIPS DISCHARGE PIPING	\$ 84.97			3350 LF	\$ 284,649.50			2949 LF	\$ 250,576.53					34,072.97	\$ 34,072.97	
19.5" OD HOPE DR 11 DIPS WATERMAIN	\$ 46.75			1350 LF	\$ 63,112.50			1313 LF	\$ 61,382.75					1,729.75	\$ 1,729.75	
32" OD HOPE DR 11 DIPS WATERMAIN	\$ 128.29			4050 LF	\$ 519,574.50			1824 LF	\$ 234,600.95					285,573.54	\$ 285,573.54	
TOTAL:					\$ 1,294,983.65				\$ 1,179,503.25					\$ 426,416.00	\$ 426,416.00	
					\$ 2,443,101.30				\$ 1,816,685.31					\$ 310,936.20	\$ 426,416.00	

CITY BOND SPLIT CALCULATIONS

SECTION	SUBTOTALS	SEWER	WATER	DESCRIPTION	CHECK TOTALS
MOBILIZATION	\$176,301.47	\$89,638.26	\$86,663.21	Apportioned	
REMOVALS	\$80,836.61	\$41,100.36	\$39,736.26	Apportioned	
DISCHARGE PIPING	\$0.00	\$0.00	\$0.00	Apportioned	
STREET & STORM SEWER	\$247,229.02	\$125,700.47	\$121,528.54	Apportioned	
EROSION CONTROL & RESTORATION	\$61,031.18	\$31,030.54	\$30,000.65	Apportioned	
OPTION 1 PILING	\$0.00	\$0.00	\$0.00	Apportioned	
OPTION 2 PILING	\$0.00	\$0.00	\$0.00	Apportioned	
CHANGE ORDERS	\$330,187.96	\$165,093.98	\$165,093.98	50%	
STORED MATERIALS	\$ 310,936.20	\$ 541.88	\$ 310,394.32	By Type	
	\$ -				
SANITARY SEWER	\$1,436,599.29	\$1,436,599.29			
WATERMAIN	\$1,388,919.30		\$1,388,919.30		\$310,936.20
TOTALS		\$1,889,704.77	\$2,142,336.25		\$3,721,104.82
Total - Retainage		\$1,795,219.53	\$2,035,219.44		\$4,032,041.02
PREVIOUS ESTIMATE 1		\$69,994.94	\$50,473.59		\$120,468.53
PREVIOUS ESTIMATE 2		\$286,687.28	\$276,737.92		\$563,425.20
PREVIOUS ESTIMATE 3		\$44,077.24	\$84,713.16		\$128,790.40
PREVIOUS ESTIMATE 4		\$191,282.62	\$235,041.58		\$426,324.20
PREVIOUS ESTIMATE 5		\$313,878.85	\$148,606.65		\$462,485.49
PREVIOUS ESTIMATE 6		\$181,701.39	\$102,733.31		\$284,434.70
PREVIOUS ESTIMATE 7		\$66,939.64	\$49,857.34		\$116,796.99
PREVIOUS ESTIMATE 8		\$305,900.74	\$0.00		\$305,900.74
PREVIOUS ESTIMATE 9		\$1,385.27	\$10,042.23		\$11,427.50
PREVIOUS ESTIMATE 10		\$52,826.63	\$136,304.28		\$189,130.91
PREVIOUS ESTIMATE 11		\$68,744.47	\$671,388.44		\$740,132.90
PREVIOUS ESTIMATE 12		\$210,686.86	\$170,005.16		\$380,692.02
THIS ESTIMATE		\$1,113.60	\$99,315.77		\$100,429.38
		Sewer Total	Water Total		Check Total

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

RESOLUTION NO. 2012-29

**RESOLUTION ACKNOWLEDGING DONATION FROM EAST BETHEL SENIORS FOR THE
SCHOOL HOUSE RENOVATION**

WHEREAS, the City of East Bethel has received a donation in the amount of \$1,000 from the East Bethel Seniors for the renovation of the school house that was relocated to Booster East Park in 2010.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel acknowledges and accepts the donation from the East Bethel Seniors for the renovation of the school house located in Booster East Park.

BE IT FURTHER RESOLVED THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to the East Bethel Seniors who have donated \$1,000 to the City for renovation of the school house.

Adopted this 6th day of June, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator

2012-2013 Liquor License Renewal List
Approval at June 6, 2012 City Council Meeting

NAME OF LICENSEE	ON-SALE	OFF-SALE	ON-SALE 3.2	OFF-SALE 3.2	SUNDAY SALES	WORKERS COMP	BACKGROUND FORMS RECEIVED	INSURANCE CERTIFICATE	ALL DONE	CHECK & APPS RECVD	City Code Requirements Met
FAT BOYS BAR & GRILL	3500.00	N/A	N/A	N/A	200.00	NO	NO Total of one owner	NO	NO		NO
COOPER'S CORNER	N/A	N/A	N/A	\$150.00	N/A	Yes	Yes Total of four owners	No	No	04/30/2012	Yes
HUNTERS INN	3500.00	380.00	N/A	N/A	200.00	Yes	Yes Total of two owners	Yes	Yes	5/30/2012	Yes
VIKING MEADOWS	3500.00	N/A	N/A	N/A	200.00	Yes	Yes Total of three owners	Yes	Yes	5/29/2012	Yes
E.J.'s BOTTLE SHOP	3500.00	280.00	N/A	N/A	200.00	Yes	Yes Total of one owner	No	Yes	05/25/2012	Yes
BLACK BEAR LIQUOR	N/A	380.00	N/A	N/A	N/A	Yes	Yes Total of one owners	Yes	Yes	05/29/2012	Yes
(Coon Lake Tap & Grill) PURPLE REIGN	3500.00	380.00	N/A	N/A	200.00	Yes	Yes Total of one owner	NO	NO	6/1/2012	
HIDDEN HAVEN COUNTRY CLUB	3500.00	N/A	N/A	150.00	200.00	Yes	Yes Total of one owner	Yes	Yes	05/30/2012	Yes
WAYNE'S LIQUOR	N/A	\$380.00	N/A	N/A	N/A	Yes	Yes Total of one owner	Yes	Yes	05/29/2012	Yes
COOPER'S CORNER LIQ STORE	N/A	\$380.00	N/A	N/A	N/A	Yes	Yes Total of four owners	No	No	04/30/2012	Yes
BLUE RIBBON PINES	N/A	N/A	250.00	N/A	200.00	Yes	Yes Total of five owners	Yes	Yes	05/18/2012	Yes
ROUTE 65 PUB & GRUB	3500.00	N/A	N/A	N/A	200.00	Yes	Yes Total of one owner	Yes	Yes	05/20/2012	Yes
GO FOR IT	N/A	\$380.00	N/A	N/A	N/A	No	Yes Total of one owner	Yes	Yes	05/15/2012	Yes

If in bold, then requirements have been met. If not in bold, we have not received information required.

CITY OF EAST BETHEL

INTERIM PERMIT

**C.S. MCCROSSAN CONSTRUCTION COMPANY
TEMPORARY CONCRETE PLANT
WYATT SITE**

File No.: _____

Date Issued: June 201

Legal Description: (Anoka County Geo. Code: TBD)

See Attached Exhibit "A"

Owner: Myrtice Wyatt

East Bethel, MN

Applicant: C.S. McCrossan Construction Company.

Site Address: _____

Present Zoning District: _____

Permitted uses set forth in Ordinance _____ **Section** _____

I. **INTERIM PERMIT:** As requested by C.S.McCrossan Construction Company permission is granted to locate a temporary concrete plant to be used for the TH 65 "whitetop" project. The temporary plant will cease operations at the conclusion of the project. Permission is contingent upon the following conditions:

1. Applicant will adhere to city ordinances affecting noise, hours of operation dust and smoke. Hours of operation shall be limited to 5:00 am to 7:00 pm Monday through Friday and 6:00 am to 12:00 pm (noon) on Saturday unless otherwise approved by the City Council.
2. Applicant will secure any and all MPCA, MNDOT and NPDES permits as may be required and shall identify and contain on site any hazardous substances complying with MPCA regulations regarding same. Applicant shall submit a Storm Water

Pollution Prevention Plan for review by the City Engineer addressing site erosion control, material storage, concrete washout procedures and other site activities. Applicant shall protect existing drainage features with silt fence or other approved erosion control devices. Applicant shall provide and maintain vegetation on any screening berms.

3. Upon conclusion of the project applicant shall return the site to as good or better condition than existed prior to commencement of its operations. Applicant shall submit a cleanup and closure plan to the City Engineer for review and approval.
4. Applicant shall post with the city a copy of its insurance certificate designating the city as certificate holder for the period of operations maintaining coverage's at or above those specified under Minn. Stat 466.04.
5. Applicant shall comply with recommendations from the City Engineer regarding the discharge and retention of waste and storm water from the site through the time period of its use of the site.
6. Applicant shall maintain the property compliant with all other city ordinances affecting public health, safety and nuisance.
7. Applicant shall provide a plan that addresses temporary storm water drainage features that will be constructed to maintain the flow on the south end of Baltimore Street.
8. The city will review and document the conditions of the city streets that will be used from the site to highway 65 prior to their use by the applicant, and again in the spring of 2013. The applicant will be responsible to make any repairs required to bring the streets up to a condition that is equal to the condition they were in prior to the applicants use.
9. Applicant shall provide a \$75,000 cash escrow or approved letter of credit to ensure all site restoration and street repairs, if needed, are completed.
10. Applicant shall pay all city review costs. Any costs not paid will be drawn from the security identified in item 8 above.

II. Annual review: Annual review is not imposed as a condition of this permit however this permit will terminate no later than _____ 2012.

IN WITNESS WHEREOF, the parties have set forth their hands and seals.

CITY OF EAST BETHEL

Date: _____

By _____
Richard Lawrence
Mayor

Date: _____

By _____
Jack Davis
City Administrator

C.S. McCrossan Construction Company.

Date: _____

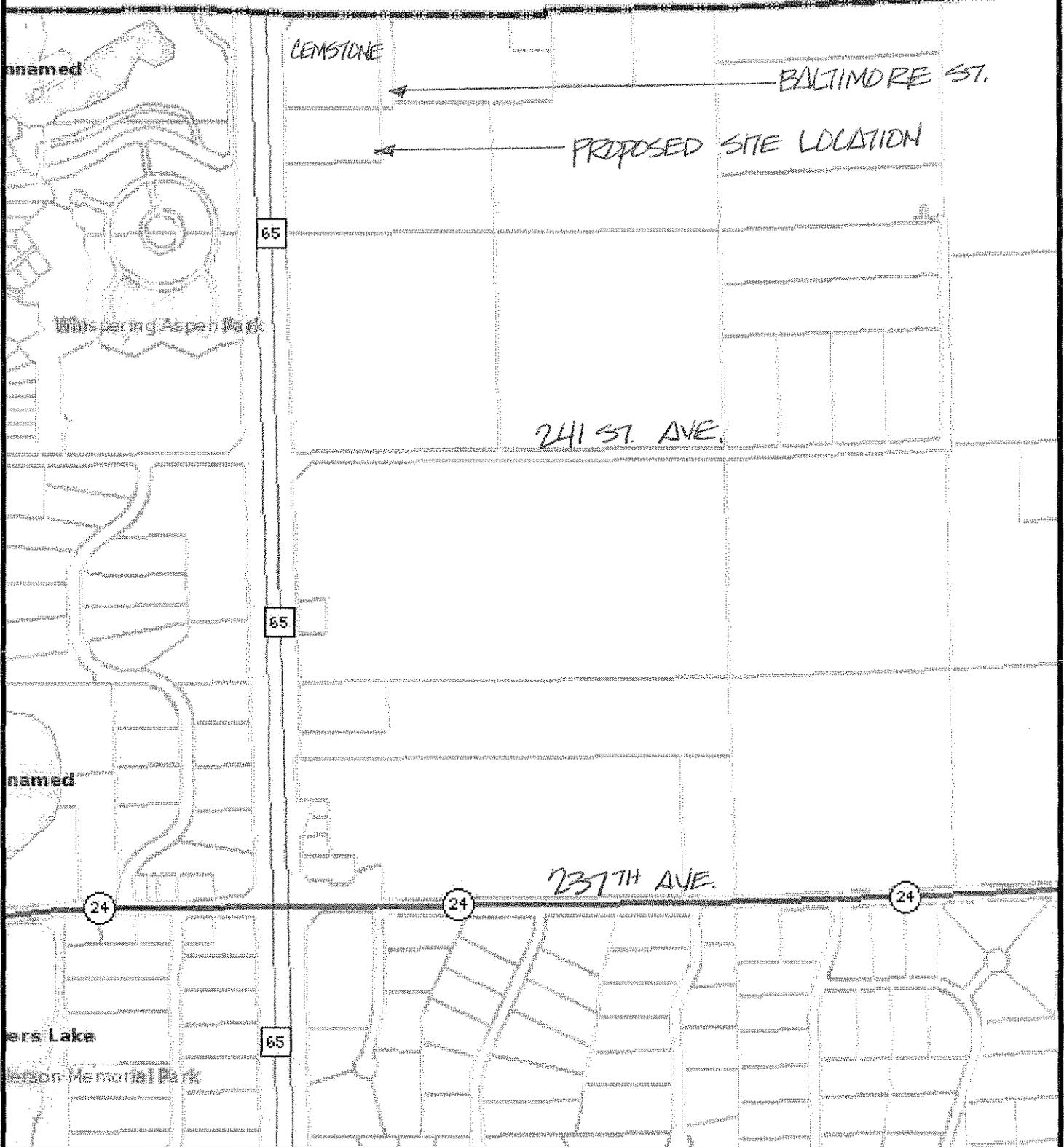
By _____
Permit Holder

Owner:

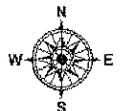
Date: _____

By _____

ATHENS TOWNSHIP



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City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 7.0 A.1

Agenda Item:

Website Update

Requested Action:

Consider appointing a committee to address current issues with the City website

Background Information:

The City's website was updated to new template in June 2011. This update was an improvement over the format and template of the existing website but was intended as only the first step to make the website more user friendly and current with basic website standards.

To insure that all the concerns regarding the website are addressed, staff is requesting that City Council appoint a committee composed of two Council members and one member from the EDA and Planning Commission and up to two citizen members to work with staff to prepare recommendations and directions to correct and improve the content, format and utility of the current website. These recommendations will be used as the outline and specifications to solicit a vendor to perform this work.

It should be the goal of this committee to develop recommendations and report their findings to City Council at the July 5, 2012 Council meeting. The recommended schedule for the Committee meetings are Wednesday, June 13th at 6:30 PM, and Wednesday June 20th at 5:30 PM. Monday June 25th and Wednesday June 27th at 6:30 PM can be included if necessary.

Invitations were extended to and attendance was requested by Brian Mundle, Jr., Jordan Flagstad, Teri Nicolas, Jodi Vetsch and Randy Plaisance as citizen applicants for this committee. Council, may at this time, interview the candidates.

Attachment(s):

Citizen applicants for the Committee

Fiscal Impact:

To be determined

Recommendation(s):

Staff requests that City Council appoint a Website Committee composed of two Council persons, one member from both the EDA and Planning Commission and two citizen members to provide

recommendations to Council for the website update and that these recommendations from the committee be presented to Council no later than July 5, 2012.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

Jack Davis

From: Wendy Warren
Sent: Thursday, May 31, 2012 10:00 AM
To: Jack Davis
Subject: Website Committee

Jack,

We had another call on the Website Committee.

Teri Nicolas is interested. She used to do website design and feels this would be a way to give back to the community.

Wendy

Wendy Warren
Deputy City Clerk
City of East Bethel
Direct: 763-367-7853
City Hall: 763-367-7840
Fax: 763-434-9578
wendy.warren@ci.east-bethel.mn.us

People who work together will win, whether it be against complex football defenses, or the problems of modern society – Vince Lombardi

Wendy Warren

From: Please Do Not Click Reply [support@govoffice.com]
Sent: Friday, May 25, 2012 1:29 PM
To: Wendy Warren
Subject: Website Committee Interest Form (form) has been filled out on your site.

Your Site has received new information through a form.

Form: Website Committee Interest Form

Site URL: eastbethel.govoffice.com

Name: Randall Plaisance

Address: 715 192nd Ave NE

Phone Number: 763-442-3951

E-mail: Randy.Plaisance@Gmail.com

Why I am interested in serving on the Website Committee?: Hello,

I am pleased to see that an effort is being made to enhance the image of our community. The web is becoming more and more the window into an area's perception, connections with it's resident's and potential tourism. My interest was piqued by this opportunity to share my experience in presentation and design in the printing industry and expand my portfolio of working in collaboration with a team.

I currently work for the Target Corporation in the digital printing field working 3-4 12hour shifts a week. (Which also allows me 3-4 days available each week)

Thank you for giving the opportunity to serve.

Randall Plaisance

Do Not Click Reply - This e-mail has been generated from a super form.

Wendy Warren

From: BKM17@aol.com
Sent: Tuesday, May 22, 2012 10:56 AM
To: Wendy Warren
Subject: Re: Website Committee

Hi Wendy!

I would be interested. Do I still have to fill out the form since you have all my info?

Thanks for the email!

Brian Mundie

In a message dated 5/22/2012 8:12:55 A.M. Central Daylight Time, wendy.warren@ci.east-bethel.mn.us writes:

Brian,

We have it posted on our website that we are looking for residents to serve on our website committee. There is a form to fill out at http://www.ci.east-bethel.mn.us/index.asp?Type=B_PR&SEC={E56588E0-33D6-428D-87B4-C27B8C12FFF5}&DE={6F571189-FB21-4A6A-8A83-3DBFD073FAE2}

Are you interested? The reason we ask, is we think you would be a great asset to this committee.

Thanks for considering our request.

Wendy

Wendy Warren
Deputy City Clerk
City of East Bethel
Direct: 763-367-7853
City Hall: 763-367-7840
Fax: 763-434-9578
wendy.warren@ci.east-bethel.mn.us

People who work together will win, whether it be against complex football defenses, or the problems of modern society – Vince Lombardi

Wendy Warren

From: Please Do Not Click Reply [support@govoffice.com]
Sent: Friday, May 18, 2012 6:45 AM
To: Wendy Warren
Subject: Website Committee Interest Form (form) has been filled out on your site.

Your Site has received new information through a form.

Form: Website Committee Interest Form

Site URL: eastbethel.govoffice.com

Name: Jordan Flagstad

Address: 4950 239th Ave NE

Phone Number: 6514927660

E-mail: jordan.flagstad@gmail.com

Why I am interested in serving on the Website Committee?: To stay connected and up to date with what is happening.

Do Not Click Reply - This e-mail has been generated from a super form.

Wendy Warren

From: Please Do Not Click Reply [support@govoffice.com]
Sent: Wednesday, May 30, 2012 4:44 PM
To: Wendy Warren
Subject: Website Committee Interest Form (form) has been filled out on your site.

Your Site has received new information through a form.

Form: Website Committee Interest Form

Site URL: eastbethel.govoffice.com

Name: Jodi Vetsch

Address: 18957 Jewell St NE, East Bethel, MN

Phone Number: 763.424.7156

E-mail: jodivetsch@yahoo.com

Why I am interested in serving on the Website Committee?: Looking for ways to get involved in my community and this matches my work experience.

Do Not Click Reply - This e-mail has been generated from a super form.



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 8.0 A.1

Agenda Item:

Administrative Subdivision /Registered Land Survey - 1872 Briarwood Lane, East Bethel

Requested Action:

Consider Approval of the Registered Land Survey for Larry Peterson

Background Information:

Property Owners/Applicants:

Larry Peterson
1872 Briarwood Lane
East Bethel, MN 55011
PIN 033-33-23-32-0003
Tract A: 0.66 acres

David and Traci Johnson
1821 Briarwood Lane
East Bethel, MN 55011
PIN 33-33-23-23-0004
9.9 acres

Tract B: 0.78 acres

Permanent Easement for Road, Drainage, and Utility

PIN 33-33-23-32-0015

Tract C: 15.8 acres

Mr. Peterson is requesting approval of a Registered Land Survey. Attachment 4 shows the Registered Land Survey. Each tract is owned by Mr. Peterson. Tract A is small in size and is of insufficient use to Mr. Peterson. He is proposing that Tract A be combined with the property owned by Mr. and Mrs. Johnson at 1821 Briarwood Lane, as shown on attachment 1, and intend to add Tract A to their property.

The Johnson's existing property is 9.9 acres; combining Tract A will increase their property to 10.56 acres. Mr. Peterson will retain ownership of Tract B and C. Tract C will remain at its current size of 15.8 acres. However, the City Engineer and City Attorney have made the suggestion that Tract B be deeded to the City of East Bethel as Tract B is an existing permanent easement for road, drainage, and utility purposes.

Attachment 5 and 6 are the letters from Mr. Craig Jochum, City Engineer and Mr. Mark Vierling, City Attorney. Mr. Jochum suggests a delineation of the wetlands; however, staff recommends

this not be required since the property is not subdivided for building purposes, rather it is an existing lot of record with existing structures. Mr. Jochum also suggests the Tract B be deeded to the City of East Bethel.

Mr. Vierling recommends an ownership lien and encumbrance report be made part of this action, Tract B be deeded to the City of East Bethel and that Tract A must be combined with Mr. and Mrs. Johnson's parcel, located at 1821 Briarwood Lane.

Anoka County Surveyors Office has reviewed the survey and found it acceptable.

Attachments:

- 1. Location Map
- 2. City Application
- 3. Registered Land Survey - Aerial
- 4. Registered Land Survey
- 5. City Engineer Letter, Dated May 29, 2012
- 6. City Attorney Letter, Dated May 30, 2012

Fiscal Impact:

None at this time

Recommendation:

City Staff is recommending approval of the Administrative Subdivision/Registered Land Survey for the property known as 1872 Briarwood Lane, PIN's 33-33-23-32-0015 and 33-33-23-32-0003. The approval shall be contingent on the following:

- 1. Submit an ownership and encumbrance report on all of what now constitutes Tracts A, B, and C prior to registering the land.
- 2. Obtain a conveyance of Tract B within the registered land survey to the City of East Bethel.
- 3. Tract A must be merged with the property known as 1821 Briarwood Lane, PIN 33-33-23-23-0004.
- 4. Filing of the Registered Land Survey must be completed no later than September 28, 2012. Failure to file may void the approval by the City Council.

City Council Action

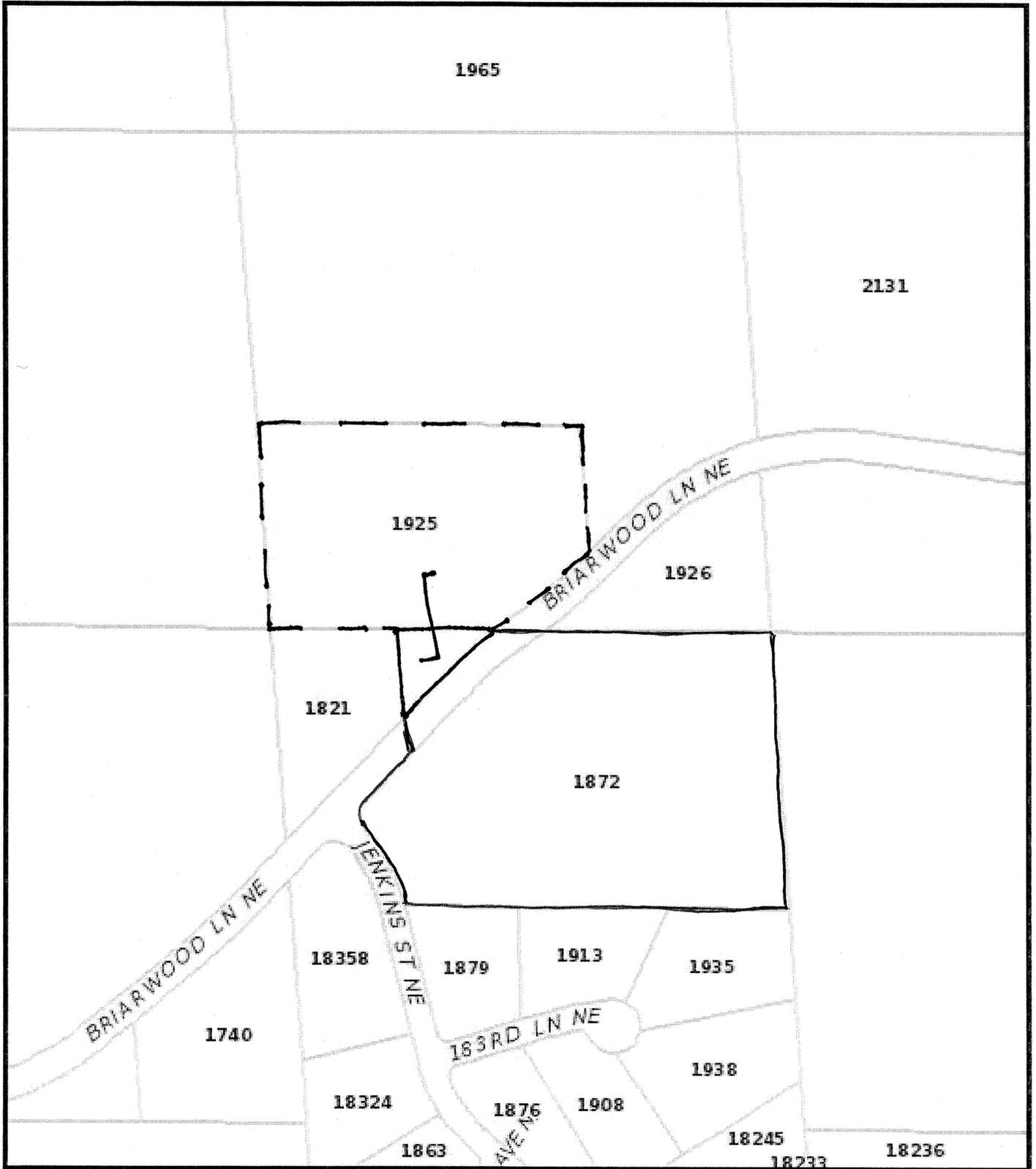
Motion by:_____

Second by:_____

Vote Yes:_____

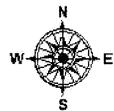
Vote No:_____

No Action Required:_____



Attachment #1

Disclaimer: This information is being distributed as demonstration data only. You should not use the data for any other purposes at this time. This information is to be used for reference purposes only.
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LAND USE APPLICATION

OFFICE USE ONLY
 Date Rec'd 4/30/12
 By [Signature]
 Fee \$ 300 app.
1000 ESCROW
CR#25613 \$1300

Check appropriate box: VARIANCE CUP IUP FINAL PLAT ADMIN.
 BUSINESS CONCEPT PLAN PRELIMINARY PLAN SITE PLAN REVIEW OTHER SUBD

Application shall include the following items and be submitted thirty (30) days prior to scheduled meeting date.

Application is hereby made for Tract A RLS No. (provide narrative below describing proposed use).

Property is contiguous to property owned by David & Traci Johnson. Intent is to sell property to Johnsons (1925 Briarwood Ln Pin 33-33-23-23-000)

LOCATION: PID 33-33-23-32-0003 Legal: Lot _____ Block _____ Subdivision _____

PROPERTY ADDRESS: _____ PRESENT ZONING: R-1

PROPERTY OWNER

CONTACT NAME Larry Peterson PHONE 763.434.8370
 ADDRESS 1872 Briarwood Lane FAX _____
 CITY/STATE/ZIP Cedar, MN 55011 E-MAIL _____

APPLICANT

CONTACT NAME same PHONE _____
 ADDRESS _____ FAX _____
 CITY/STATE/ZIP _____ E-MAIL _____

I fully understand that I must meet with City Staff to review all submission requirements and conditions prior to official submission, and that all of the required information must be submitted at least thirty (30) days prior to the Planning/Zoning Commission and City Council scheduled meeting dates to ensure review by City Staff.

[Signature]
 Property Owner's Signature

Larry Peterson
 Printed Name

4/30/12
 Date

Attachment #2

OFFICE USE ONLY - DO NOT COMPLETE			
	Received	Approved/Denied	Notes
Community Dvlp.	_____	_____	
Planning Commission	<u>4/10</u>	_____	
7:30 pm City Council	<u>5/10/12</u>	_____	
<u>6/29/12</u> 60 Day		120 Day	

Stephanie Hanson
City Planner
City of East Bethel
2241 221st Ave. N.E.
East Bethel, MN 55011

April 30, 2012

Re: Administrative Subdivision

Dear Stephanie,

As I mentioned today in your office, it is our intent to sell the parcel of land (Tract A) to our neighbors, the Johnsons. However, because of the onerous requirements of our mortgage company, we will delay the actual transfer of that property until we have paid off our mortgage. That will happen at the time of the sale of our home later this summer.

I have appreciated your professionalism and would like to thank you for all the help you have given us throughout this process.

Sincerely,


Larry and Delores Peterson
1872 Briarwood Lane N.E.

May 4, 2012

I David Johnson elect
to have Tract A attached
to my property on:

1925 Birchwood Ln. Ne.
Cedar MN 55011

David M. Johnson

ADMINISTRATIVE SUBDIVISION FOR:

Larry and Delores Peterson

REGISTERED LAND SURVEY NO.



VICINITY MAP

Property Owners: Larry and Delores Peterson
1872 Briarwood Lane N.E.
East Bethel, Minnesota, 55011
763-434-8370

Land Surveyor: Joshua P. Schneider, PLS
Acre Land Surveying, Inc.
9140 Baltimore Street N.E.
Blaine, Minnesota 55449
763-238-6278

EXISTING DESCRIPTIONS

(Per Certificate of Title No. 98603)

The East One-half of the Northwest Quarter of the Northwest Quarter of the Southwest Quarter; together with the Northeast Quarter of the Northwest Quarter of the Southwest Quarter; all in Section 33, Township 33 N. Range 23 W. according to the Government survey thereof.

And (Per Certificate of Title No. 120391)

Outlot A, BRIAR CREEK

Subject to the drainage and utility easements as shown on the plat, BRIAR CREEK, filed as Document No. 350107 on February 23, 2000.

PROPOSED DESCRIPTIONS:

Tract A, REGISTERED LAND SURVEY NO. _____, Anoka County, Minnesota.

Tract A is to be purchased by the property owner to the North.

Tract B, REGISTERED LAND SURVEY NO. _____, Anoka County, Minnesota.

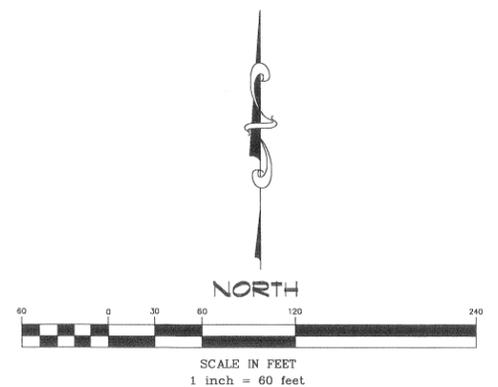
Tract B is the Right of Way for Briarwood Lane NE.

Tract C, REGISTERED LAND SURVEY NO. _____, Anoka County, Minnesota.

Subject to the drainage and utility easements as shown on the plat of BRIAR CREEK, filed as Document No. 350107 on February 23, 2000.

Tract C is to be retained by Larry and Delores Peterson.

Total Area: 751,491 Sq. Ft. 137.252 Acres.
Current Zoning: R-1 - Single Family Residential.



- LEGEND**
- DENOTES IRON MONUMENT TO BE FOUND OR RESET
 - DENOTES IRON MONUMENT TO BE SET
 - DENOTES EXISTING FENCE
 - - - DENOTES BUILDING SETBACK LINE
 - ▭ DENOTES CONCRETE
 - ▨ DENOTES BITUMINOUS

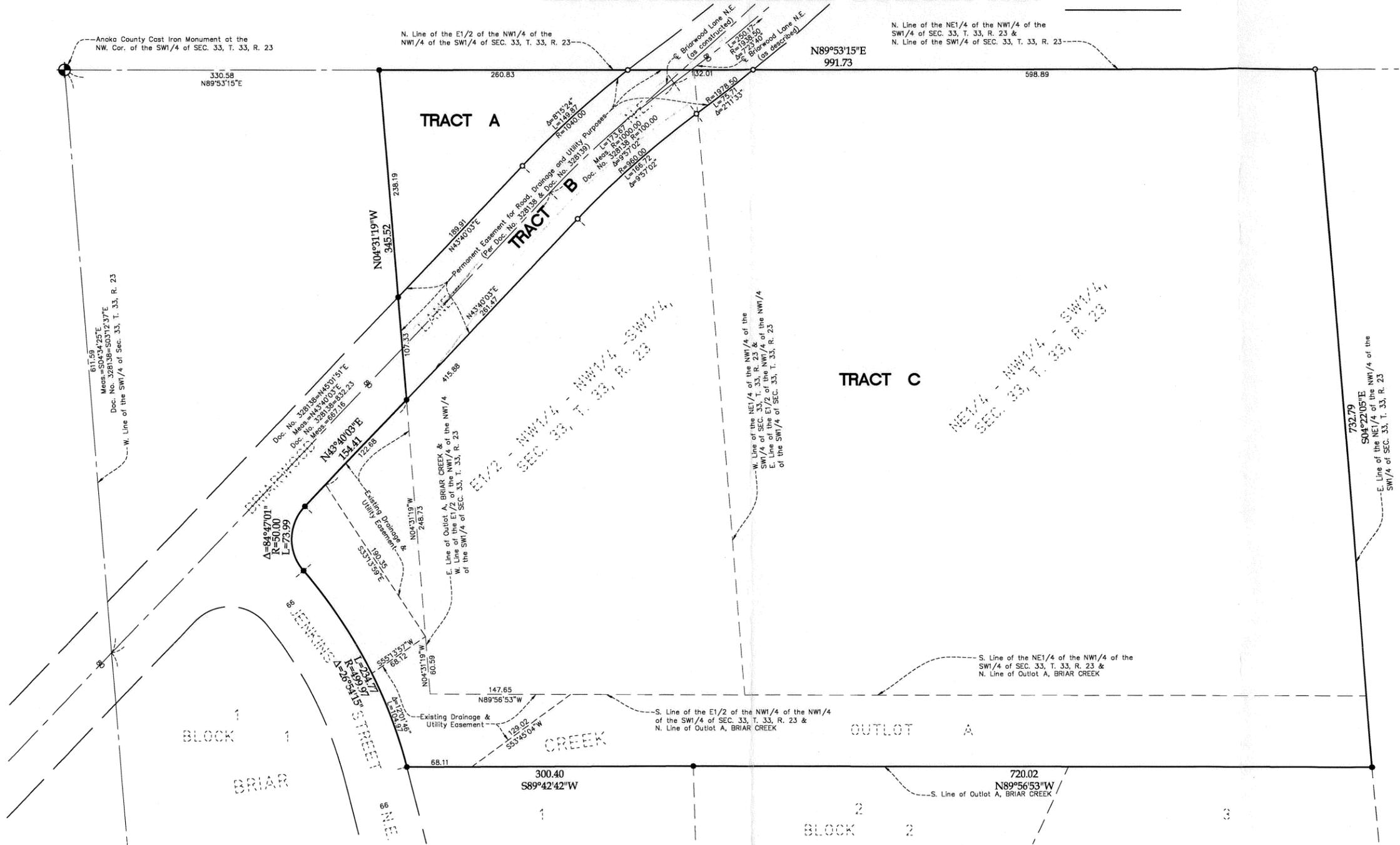
I hereby certify that this plan, survey or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

J.P.S.
JOSHUA P. SCHNEIDER Date: 4-18-12 Reg. No. 44655

ACRE LAND SURVEYING
9140 Baltimore St, Blaine, MN
763-238-6278 js.acrelandsurveying@gmail.com

REGISTERED LAND SURVEY NO.

CITY OF EAST BETHEL
COUNTY OF ANOKA
SECTION 33, T. 33, R. 23



I, Joshua P. Schneider, a duly licensed land surveyor under the laws of the State of Minnesota, do hereby certify that in accordance with the provisions of Minnesota Statutes 508.47, I have surveyed the following described property situated in the County of Anoka, State of Minnesota:

The East One-half of the Northwest Quarter of the Northwest Quarter of the Southwest Quarter; together with the Northeast Quarter of the Northwest Quarter of the Southwest Quarter; all in Section 33, Township 33 N. Range 23 W. according to the Government survey thereof.

And

Outlot A, BRIAR CREEK

Subject to the drainage and utility easements as shown on the plat, BRIAR CREEK, filed as Document No. 350107 on February 23, 2000.

I hereby certify that this Registered Land Survey was prepared by me or under my direct supervision and is a correct delineation of Certificate of Title No. 98603 and Certificate of Title No. 120391.

Dated this _____ day of _____, 20____.

Joshua P. Schneider, Licensed Land Surveyor
Minnesota License Number 44655

City Council, City of Ramsey, Minnesota

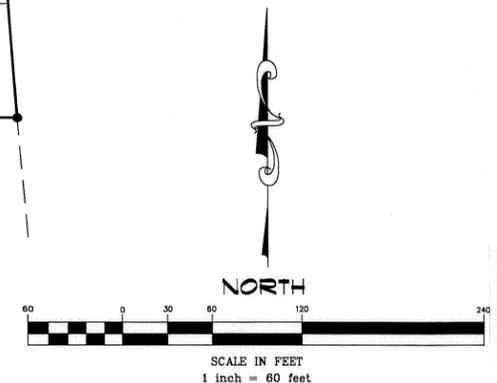
We do hereby certify on a regular meeting thereof held this _____ day of _____, 20____, the City Council of the City of Ramsey, Minnesota has approved the REGISTERED LAND SURVEY NO. _____

By _____ Mayor By _____ Clerk

COUNTY SURVEYOR

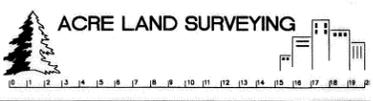
Pursuant to Minnesota Statutes Section 389.09, Subd. 1, this Registered Land Survey is approved this _____ day of _____, 20____.

Larry D. Hoiium, Anoka County Surveyor



For the purposes of this Registered Land Survey, the North Line of the NW1/4 of the SW1/4 of SEC. 33, T. 33, R. 23 is assumed to bear North 89 degrees 53 minutes 15 seconds East.

- Denotes monument found 1/2 inch iron pipe, unless otherwise shown.
- Denotes 1/2 inch by 14 inch iron monument set and marked by L.S. No. 44655.
- ⊕ Denotes Anoka County Cast Iron Monument.



Attachment #4

May 29, 2012

Stephanie Hanson, City Planner
City of East Bethel
2241 - 221st Avenue N.E.
East Bethel, MN 55011-9631

RE: Administrative Subdivision/Registered Land Survey For
Larry Peterson

Dear Stephanie:

As requested we have reviewed the information submitted for the above referenced property. The Registered Land Survey is typically the only means to subdivide torrens property. The "Tracts" created on the document take the place of a metes and bounds description typically created for a simple administrative subdivision. The following items were submitted for review:

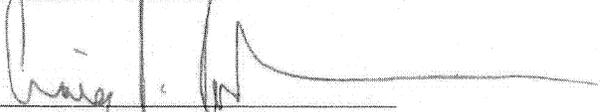
1. Registered Land Survey (2 sheets) dated April, 2012, prepared by Acre Land Surveying.

We have the following comments regarding the application:

1. Per Section 66-135(b)(7) of the City Code, show the delineated wetland line and label the Ordinary High Water level and 100-year flood elevation for the delineated wetland.
2. There appears to be a misprint in the total area summary. The total area is listed as 137.252 acres, but it appears that it should be 17.252 acres.
3. All references to the City of Ramsey need to be replaced with the City of East Bethel.
4. The proposed "Tract B" should be deeded by the owner to the City of East Bethel.
5. "Tract A" may be unbuildable and should be attached to an adjacent property as it appears will be done.

If you have any questions regarding this review please call me at 763-852-0485.

Sincerely,
Hakanson Anderson



Craig J. Jochum, City Engineer

cc: Jack Davis, City Administrator
Nate Ayshford, Public Works Manager
Mark Vierling, City Attorney
Larry Peterson, Applicant

Writer's Direct Dial:
(651) 351-2118

Writer's E-mail:
mvierling@eckbergammers.com

May 30, 2012

Stephanie Hanson
City of East Bethel
2241 - 221st Avenue NE
East Bethel, MN 55011

Stillwater Office:

1809 Northwestern Avenue
Stillwater, Minnesota 55082
(651) 439-2878
Fax (651) 439-2923

Hudson Office:

430 Second Street
Hudson, Wisconsin 54016
(715) 386-3733
Fax (715) 386-6456

www.eckbergammers.com

Re: *Proposed Administrative Subdivision Registered Land Survey for Larry Peterson*
Our File No.: 23746-22771

Dear Stephanie:

As you have requested, we have reviewed the information submitted relative to this matter. I have also reviewed the correspondence drawn to your attention for May 29, 2012 submitted by the City Engineer, Craig Jochum from Hakanson Anderson. We concur with his comments and suggest the following additional requirements:

1. We would like to see an ownership lien and encumbrance report on all of what now constitutes Tracts A, B, & C prior to registering this land.
2. Tract B is already predominantly encumbered by roadway easement, but it would be best to obtain a conveyance of Tract B within this registered land survey to the City as well.
3. If Tract A is to be designated as unbuildable, then there should be included within the Deed of Conveyance from the current owner to the proposed owner, a restrictive covenant determining and establishing that that parcel is unbuildable. The City should also, in its Resolution of approval, designate Tract A as an unbuildable parcel under the City subdivision and zoning codes, and require that it be joined with the parcel now owned by the individuals adjacent to it, and together, the two of them shall be considered as one indivisible parcel for all purposes going forward. This will require us also to obtain the current address and legal description for the parcel to which the proposed Tract A is to be joined so that we can frame the Resolution and Council action in this matter appropriately.

If there is no need to restrict development on Tract A we must still assure that it is merged into the parcel it adjoins (Buyers Land) and is considered as indivisible for purposes of future development under the city zoning and subdivision codes. As long as Anoka County will merge both parcels into a single tax parcel that will be accomplished.

We may have additional comments and suggestions after we obtain and review the Ownership Lien and Encumbrance Report relative to these parcels.

Yours very truly,

Mark J. Vierling

MJV/ndf



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 8.0 B.1

Agenda Item:

Amendment No. 2 to the Metropolitan Council Agreement

Requested Action:

Consider approval of Amendment No. 2 to the Metropolitan Council Construction Cooperation and Cost Share Agreement

Background Information:

November 12, 2010 the City entered into a Construction Cooperation and Cost Share Agreement with Metropolitan Council to construct the Phase 1 Project 1 Utilities. The Agreement identifies the cost share between the Metropolitan Council and the City for the project. The estimated cost for the Metropolitan Council identified in the original Agreement was \$8,100,000. Amendment No. 1 which was approved by City Council on May 2, 2012 revised the total estimated cost share for Metropolitan Council from \$8,100,000 to \$8,700,000 based on the actual construction bid.

Attached Amendment No. 2 provides the conditions and estimated cost share between the City and Metropolitan Council for the joint Castle Towers/Whispering Aspen sewer forcemain project. The estimated cost share is as follows:

<u>Item</u>	<u>City Project Costs</u>	<u>Council Project Costs</u>
Estimated Design Cost	\$ 102,000	\$ 198,000
Estimated Construction Cost	\$2,100,000	\$4,100,000
Construction Phase Administration, Engineering and Inspection	\$ 190,000	\$ 368,000
Land Acquisition	<u>\$ 150,000</u>	<u>\$ 750,000</u>
Subtotal	<u>\$2,542,000</u>	<u>\$5,416,000</u>

Section 3.04 of this agreement allows the City to reject the bid as recommended by the Metropolitan Council. However, the City would be required to pay the Cost of the Design Documents.

Attachment(s):

1. Amendment No. 2 to the Metropolitan Council Construction Cooperation and Cost Share Agreement

Fiscal Impact:

As noted above.

Recommendation(s):

Staff recommends Council approve Amendment No. 2 to the Metropolitan Council Construction Cooperation and Cost Share Agreement.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

**AMENDMENT NO. 2 TO THE CONSTRUCTION COOPERATION
AND
COST SHARING AGREEMENT**

Between

City of East Bethel and Metropolitan Council

The Amendment No. 2 to Construction Cooperation and Cost Sharing Agreement (“Amendment No. 2”) is entered into this ____ day of _____ 2012, by and between the City of East Bethel, a municipal corporation under the laws of the State of Minnesota (hereinafter referred to as “East Bethel”), and the Metropolitan Council, a public corporation and political subdivision of the State of Minnesota (hereinafter referred to as “Council”).

In the joint and mutual exercise of their powers and in consideration of the mutual covenants contained in this agreement, the parties recite and agree as follows:

RECITALS

1. East Bethel and Council have entered into a Construction Cooperation and Cost Sharing Agreement (“Agreement”) dated November 12, 2010, in which East Bethel has agreed to construct a project identified and described in the Agreement as the Council Project (hereinafter referred to as “Council Project”). The Agreement was amended on May 2, 2012 (Amendment No. 1).

2. The parties have now determined that it is in their mutual best interests to again amend the Agreement.

AGREEMENT

NOW, THEREFORE, for mutual valuable consideration, the sufficiency of which has been agreed to by parties, the Council and East Bethel agree to amend the Agreement as follows:

1. Add the following to the to the **RECITALS**:

8. The Council and the City have determined that it is in their best interests to add additional joint projects to this Agreement in order to have the Council in conjunction with a Council Project Construction project hereinafter referred to as the “Council Project No. 2” act as the City’s agent for design and construction of certain facilities for the City, hereinafter referred to as the “City Project No. 2” and to specify cost sharing by City. The Council shall prepare Council Project No. 2 Final Construction Documents.

For purposes of the Agreement, the Council Project No. 2 is described as follows:

Construction of reclaimed water lines from Viking Boulevard to land application Site A located south of 207th Avenue and east of Trunk Highway 65 with a lateral connection to land application Site E located south of 229th Avenue and west of Trunk Highway 65.

For purposes of this Agreement, the City Project No. 2 is described as follows:

Forcemain sewer from Site E to Viking Boulevard as part of the system to serve the Castle Towers/Whispering Aspen Service Area identified as the 2012 Castle Towers/Whispering Aspen Sewer Project.

2. Add the following to ARTICLE 1.

1.03 The purpose of this Agreement is to set forth the terms and conditions and responsibilities of each of the parties to this Agreement with respect to the design and construction of the “City Project No. 2”.

1.04 The City hereby consents to and appoints the Council as its agent to design, to acquire easements and permits for (other than regulatory permits as provided in Article IX of this Agreement), to advertise for bids for the work and construction of the City Project, to receive and open bids pursuant to said advertisement and to enter into a contract with a successful bidder at the price specified in the bid of such bidder, and to construct the City Project No. 2 in accordance with the Council Project No. 2 Final Construction Documents as defined ahead in Section 2.03 of this Agreement.

3. Add the following to ARTICLE II

2.03 With respect to City Project No 2, the City will provide design guidelines to the Council. The Council will prepare or have prepared and submit to City for City’s review and acceptance, design documents for the City Project No. 2. City shall provide such review to the extent feasible and reasonable, within five (5) business days and shall provide its acceptance or its reason for withholding such acceptance of the design documents to the Council in writing. If City withholds acceptance of the design documents, Council shall make such revisions as required to obtain the City’s acceptance of the documents. The design documents for the City Project No. 2 which have been accepted in writing by the City are referred to as the “City Project No. 2 Design Documents.” Council shall incorporate the City Project No.2 Design Documents into the Council Project No. 2 Final Construction Documents prepared by the Council.

4. Add the following to ARTICLE III

- 3.03** The Council shall include in the bidding documents specific line items for construction of the City Project No. 2.
- 3.04** The Council will tabulate the bids and submit to the Council a recommendation for selection of a bidder and award of a contract. The City shall have ten (10) calendar days to review the bids and either accept the bids and the Council's recommendation for selection of a bidder and award of contract or to reject any or all bids and the Council's recommendation for a bidder and award of contract. The City shall inform the Council in writing of its acceptance or rejection as provided in the previous sentence. If the City rejects the Council's recommended selection of apparent low bidder, the City will contemporaneously provide to the Council, in writing, the reasons for such rejection. Subsequent to rejection of the bids by the City, the Council may elect to delete the City's Project No. 2 from the Contract and award the work for Council's Project No. 2 or readvertise the project for only the work in Council Project No. 2. The Council acknowledges that City procedures may require approval by the City's governing body if the bids for the City Project No. 2 exceed the estimated City Project No. 2 costs set forth in Exhibit B of this Agreement. The Council agrees to include in the Council's bid documents provisions to allow sufficient time for Council governing body approval if necessary and requested by the City.

If the City rejects the award recommended by the Council, this amendment shall become null and void. In the event this Agreement becomes null and void in accordance with the terms of this Article III Section 3.02, the City shall pay to the Council the costs of the City Project No. 2 Project Design Documents, and actual, reasonable and verifiable administrative fees associated with the bidding process expended by the Council for the City Project No. 2 in accordance with the terms of this Amendment.

5. Add the following to ARTICLE IV

- 4.05** Not less than seven (7) business days prior to commencement of the City Project No. 2 by the Council, the Council will give written notice to the City of its intention to commence construction, said notice to be directed as provided in Section 15.06 of this Agreement.
- 4.06** The Council will administer the City Project No. 2 contract work which is governed by the Council Project No. 2 Final Construction Documents. The Council will provide to the City monthly construction reports indicating construction progress. The Council's Authorized Representative will have responsibility for the supervision of the work. If the Council reasonably determines that the work has not been properly constructed in accordance with the Council Project No. 2 Final Construction Documents, the Council through its

Authorized Representative shall inform the City's Authorized Representative in writing of such defects as soon as such defects are identified. The term "Authorized Representative" means, with respect to the Council, the General Manager of the Council's Environmental Services Division or his/her designee and, with respect to the City, its City Administrator or his/her designee.

4.07 As work on the City Project No. 2 progresses, the Council shall require its contractor to make the corrections and/or meet the requirements of the Council Project No. 2 Final Construction Documents requested by the City through its Authorized Representative. Council Project No. 2 work shall be performed in accordance with the Council Project No. 2 Final Construction Documents. The Council's Authorized Representative will inform the City in writing of completion of construction of the Council Project and will provide final pay quantity documentation. Upon being informed of completion of the City Project No. 2, the City will inform the Council in writing whether the Council Project does or does not conform to the Council Project Final Construction Documents. The City will further inform the Council of the specific reasons for non-conformance to the Council Project Final Construction Documents and what steps, in the opinion of the City, must be taken by the Council to make the Council Project No. 2 conform to the Council Project No. 2 Final Construction Documents.

4.08 The final decision on conformance of the City Project No.2 to the Council Project Final Construction Documents will be made by the Council. Evidence of acceptance of the completed Council Project will be in writing by letter from the Council's Authorized Representative. The Council will not unreasonably withhold the determination that the construction of the Council Project conforms to the Council Project Final Construction Documents of the Council Project No. 2.

6. Add the following to Article VI.

6.08 The estimated total cost for the City Project No. 2 as shown in greater detail on Exhibit B is Two Million Five Hundred Forty-Two Thousand (\$2,542,000), which total cost includes all costs for design, land acquisition and construction, including professional services. This cost also includes a 12 percent construction contingency based on the preliminary project cost estimate. Further, it is agreed that the City shall pay no more than 25% of the dewatering costs. The cost for City Project No. 2 shall be used to offset costs for the Council Project stated in Article VI Section 6.01 of this agreement.

7. Add the following to Article VIII.

8.06 For the purposes of Council Project No. 2 and City Project No. 2, the Council shall be responsible for the acquisition of the property rights in the form of permanent and temporary easements necessary for the construction, operation and maintenance of the Council Project, including acquisition by eminent domain, if

necessary. Permanent easement rights shall be obtained in the name of the Metropolitan Council. In areas where permanent easements are required, the City will be responsible for only the land costs based on a 5 foot width that runs parallel with the City sewer forcemain. The City shall enter into encroachment agreements with the Council to operate and maintain its facilities that are located in Council easements.

8. Add the following to Article IX

City shall apply for and secure necessary regulatory permits and approvals for the City Project No.2, including the Minnesota Pollution Control Agency (“MPCA”) sewer extension permit and environmental review approval as required. The Council shall not award the construction contract(s) until all regulatory permits and approvals for the City Project No. 2 have been obtained by the City and copies provided by the City to the Council.

9. Add the following to Article 11.

11.02 Upon completion of the construction and acceptance of the City Project No.2 by the City pursuant to this Agreement, the City Project No. 2 and all associated warranties and guarantees provided by the construction contractors and subcontractors associated with the City Project shall be assigned by the Council to the City and shall become the property of the City. All operation, maintenance, restoration, repair or replacement required for the City Project No.2 thereafter shall be performed by the City.

11.03 At the time of completion of construction of the City Project No.2 in accordance with the terms of this Agreement, the City Project shall be considered to be a part of the city’s municipal sanitary sewer system.

10. Add the following to Article XII.

12.03 The city shall not be obligated to pay Council Service Availability Charge (SAC) charges for existing connections in the Whispering Aspen/Castle Towers Service Area that were in service as of October 13, 2011. For new connections in the Whispering Aspen/Castle Towers Service Area after October 13, 2011, the City shall pay SAC to Council for new connections.

12.04 Existing connections in the Whispering Aspen/Castle Towers Service Area as of October 13, 2011 shall not be used to offset city payment obligations as provided in Article XII, Section 12.02.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

Approved as to form:

METROPOLITAN COUNCIL

Jeanne K. Matross
Office of General Counsel

By: _____

Title: Regional Administrator

Date: _____

Approved as to form:

CITY OF EAST BETHEL

City Attorney

By: _____

Title: _____

Date: _____

DRAFT

EXHIBIT B
Estimated Costs for Council Project and City Project No. 2

Council Project Costs - Project No. 1

Interceptor Sewer Facilities	
Viking Blvd/STH 65 Segments	\$6,340,000
Plant Influent/Storage Segment	\$1,100,000
Treated Water Pipeline	\$1,250,000
Subtotal	\$8,700,000

Council Project Costs – Project No. 2

Estimated Design Cost	\$198,000
Estimated Construction Cost	\$4,100,000
Construction Phase Administration, Engineering and Inspection	\$368,000
Land Acquisition	\$750,000
Subtotal	\$5,416,000
Total Council Obligation	\$14,116,000

City Project Costs – Project No. 2

Estimated Design Costs	\$102,000
Estimated Construction Costs	\$2,100,000
Construction Phase Administration, Engineering and Inspection	\$190,000
Land Acquisition	\$150,000
Total	\$2,542,000

Note: Total estimated cost includes all costs for design, land acquisition, and construction, including professional services, but excluding legal services.



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 8.0 D. 1

Agenda Item:

Resolution 2012-30 Accepting Annual Financial Statements and Auditor's Annual Report

Requested Action:

Consider adopting Resolution 2012-30 Accepting the 2011 Annual Financial Report and Annual Auditor's Report

Background Information:

The 2011 Annual Financial Report (AFR) has been prepared, audited and is presented for your review and approval.

Resolution 2012-30 formally accepts and adopts the 2011 Annual Financial Report and directs the submission of the Annual Financial Report to the State Auditor.

Fiscal Impact:

None

Recommendation(s):

Staff recommends adoption of Resolution 2012-30 Accepting the 2011 Annual Financial Report for operations and activities of the City of East Bethel for fiscal year 2011 and direction to submit the report to the state Auditor.

City Council Action

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

No Action Required: _____

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

RESOLUTION NO. 2012-30

**RESOLUTION ACCEPTING AND ADOPTING THE 2011 CITY OF EAST
BETHEL ANNUAL FINANCIAL REPORT (AFR)**

WHEREAS, City staff has prepared the 2011 Annual Financial Report of the City; and

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

WHEREAS, the audit opinion finds that the financial report presents fairly, in all material respects, the financial position of the City as of December 31, 2011.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council hereby accepts and adopts the 2011 Annual Financial Report and directs its submission to the State Auditor.

Adopted this 6th day of June, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Richard Lawrence, Mayor

ATTEST:

Jack Davis, City Administrator



City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 8.0 G.1

Agenda Item:

Interim Building Official

Requested Action:

Consider approving an Interim Building Official

Background Information:

The City’s Building Official has submitted his resignation effective June 7, 2012. State Statutes require that statutory Cities must have a City Building Official. The Building Official can be a staff or a contracted position but must be one who is certified as a Building Official.

In order to comply with statute, the City must designate a Building Official and provide notification to the Department of Labor and Industry as to the change. There are three options available to consider:

- 1.) Assign the current Building Inspector to the position of interim Building Official;
- 2.) Contract the services with one of our neighboring Cities or Townships;
- 3.) Contract the service for the Building Official with a private company; or
- 4.) A combination of any of the above items.

Linwood Township has agreed to allow us to designate their Building Official, Kevin Tramm, as East Bethel’s interim Building Official if we choose this alternative as a temporary solution while we undertake the steps to fill the position.

Should Council consider temporarily contracting this service, a sample proposal for building inspection services is attached for your review. Inspectron is one company that provides this type of service. They are headquartered in Rosemount and provide Building Code Compliance services to over 40 cities and townships. . They administer and perform all functions of Building and Zoning Code compliance and administration and Individual Sewage Treatment Systems programs. Inspectron is ICC, MPCA, Minnesota Certified and a member of the 10,000 Lakes Chapter of Building Officials, Central Minnesota Code Officials, International Code Council (ICC), National Fire Protection Association, (NFPA) and the Minnesota Building Permits Technicians Association (MBPTA).

Attachment(s):

Building Inspection Proposal

Fiscal Impact:

There are sufficient funds in the 2012 Building Department Budget to cover the costs of any of the three alternative described above. It is estimated that contracting for the Building Official service would cost approximately \$4,400 (80 hours of service), assigning the current Building Inspector to the position of interim Building Official would cost approximately \$3,500 (320 hours) and the cost of contracting the services with a neighboring City would be approximately \$1,000. The time span of utilizing a temporary or interim Building Official is anticipated to be 2 months and would permit the City to advertise and hire a Building Official.

Recommendation(s):

Staff is recommending that the position of Building Official be filled by a full time employ of the City at a salary to be determined and is seeking direction as to Council's intent to proceed on the designation of a temporary Building Official until staffing of this position can be completed .

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

INSPECTRON INC.

**Proposal for Building Inspection and Related Services
for
City of East Bethel**

Mission Statement

“To deliver cost-effective, professional and comprehensive building inspection, plan review and project management services that ensure safe homes, businesses and communities”

**Attention:
Jack Davis
East Bethel, MN**

May 30, 2012

Proposal to City of East Bethel MN

Scope of Services

Inspectron, Inc. proposes to provide Interim Building Official and related services to the City of East Bethel. This service is intended to include inspecting properties and enforcing the Minnesota State Building Code under the direction of the City designate. This service will be provided for both residential and commercial projects.

Building Department Administration

Inspectron will perform as the delegated Building Official for the City. This includes commercial plan review and inspections; managing the City's software for permit issuance and inspection tracking; reviewing and managing the SAC and WAC determinations, collections and reporting; general oversight of the building inspection program for compliance with administrative provisions of the MN State Building Code; meet with public and staff for effective and efficient review and administration of the Building Code.

Building Inspection

Inspectron Inc. will inspect properties and enforce the Minnesota State Building Code under the direction of the City designate.

Plumbing Code

Inspectron Inc. will provide enforcement and administration of the Minnesota State Plumbing Code and plumbing plan review services.

Additional Duties:

Work regarding the above referenced codes and ordinances involves responsibility for plan review, scheduling, and inspection of residential and commercial buildings and other structures in regard to conformity with code requirements and technical standards, any administrative work in support of those duties assigned herein and enforcement. Work also involves determining building permit valuations for inspected construction projects and providing the City with Code revisions that are either desirable or required. These duties also include complaint investigations, hazardous building inspections and assistance with the prosecution of building code and hazardous building violations.

Terms

Inspectron will have personnel available as needed up to 40 hours per week to cover the inspection services outlined in the Scope of Services. This schedule can be adjusted as necessary to meet the needs of the City.

Inspectron, Inc. will provide effective, efficient and expedient service by utilizing its team of inspectors and plan review staff for inspections and plan reviews. A designated inspector will be assigned but the full staff of Inspectron Inc. will be available. Ron Wasmund will serve as the Designated Building Official and Project Manager.

All transportation, communication, tools and insurance costs will be the direct responsibility of Inspectron, Inc. A Certificate of Insurance indicating all required insurance will be provided upon execution of a service agreement.

Inspectron will provide the services stated in this proposal for \$55.00 per hour. All charges will be billed on a monthly basis.

Inspections requested outside of normal business hours, M-F 8:00 a.m. to 4:30 p.m. will be billed \$75.00 per hour. A 1-hour minimum will apply.

Respectfully Submitted,

Ron Wasmund

Ron Wasmund
President
Inspectron Inc.

**BUILDING INSPECTION AND RELATED SERVICES
CONSULTANT INFORMATION SHEET**

1. Trade Name of Business:

Inspectron Inc .

2. Legal Name of Business (if the Trade Name is an Assumed Name):

Inspectron Inc.

3. Business Address:

<u>15120 Chippendale Ave .</u>	<u>Rosemount</u>	<u>MN</u>	<u>55068</u>
Street	City	State	Zip

4. Business Telephone: (Please list all applicable phone numbers in which you can be reached regarding this application):

Office 651-322-6626 Ron's Cell 612-719-3370

5. Name(s) of Person(s) Authorized to Represent the Business:

<u>Ron Wasmund</u>	<u>President</u>
Name	Title

Name	Title
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City of East Bethel City Council Agenda Information

Date:

June 6, 2012

Agenda Item Number:

Item 8.0 G.2

Agenda Item:

City Billboard

Requested Action:

Consider approving the solicitation of bids for a City Reader Board

Background Information:

Since 2006 the City Billboard at the intersection of Viking Boulevard and Hwy. 65 has experienced severe wind damage in May of 2007 at repair cost of \$639, February 2008 at a repair cost of \$4,788 and October 2010 at a repair cost of \$5,038. In the previous two instances the acrylic panels have been blown out and the electrical system of the sign has been severely damaged. Even though insurance covered the repair costs in 2008 and 2010, there was a \$1,000 deductible charge for each of these claims. The estimate to repair the current damage is \$3,890 plus any electrical work that may be required.

The current sign's design makes it vulnerable to damage from high winds and significant rainfall events and the damage done by the storm of May 27, 2012 will not be the last of these claims. The other problems, aside from the damage issues associated with the current sign, are the need for manually changing the messages and the limits as to the number messages and the space devoted to their display. There is also a safety and a manpower resource issue with assigning personnel to physically change each and every message that is displayed on the board.

Due to the limitations of the current billboard and its continued susceptibility to storm damage, an electronic reader board would be a preferred option. The reader board could be designed to be more aesthetically pleasing than the existing billboard and have the ability to display multiple messages in real time. The reader board would be less likely to be suffer storm damage and could be remotely controlled and programmed from City Hall, enabling instant message changing and eliminating the need for at least 2 to 2 1/2 man hours of staff time for each and every message change.

Should Council determine that a reader board is the accepted alternative for the replacement of the bill board sign, the City sign ordinance would need to be amended to exempt public signs from conditions of the ordinance. Our City Attorney has indicated that many cities in drafting code provisions distinguish and differentiate public signage from commercial or private signage. We could consider defining "public signage" as that owned and maintained by the city for directing the public to city owned facilities or for publicizing information for local government announcements, public services or other matters of civic interest. Most cities generally have one

such sign for community notices and an ordinance revision may need to include this as a consideration. Even though this may be construed by others to be a double standard as to the application of the ordinance, there is a separate and unique distinction between a public sign that is intended for disseminating matters of City interest as opposed to a private sign meant for advertising or sale purposes.

There is no lease on the property where the existing sign is located. Ms. Ardis Hoffman owns the property and has indicated she would be willing to sign a lease for a new sign. Regardless of the decision on replacement of the existing sign, it would be advisable to enter into a lease agreement with Ms. Hoffman if a sign is to remain at this location.

Attachment(s):

Reader Board Sign Rendering
Resolution 2011-05

Fiscal Impact:

The cost of a new reader board with architectural amenities is estimated to be in the \$75,000 to \$100,000 range. 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. If approval is granted by City Council to replace the existing sign with a new reader board an inter-fund no interest loan can be extended from our HRA account to cover those costs of the sign above \$50,000. The balance would be repaid from the 2013 EDA budget.

The East Bethel Seniors have pledged \$5,000 toward a reader board and the City has filed a claim with the LMC for the damages to the sign. The amount of the claim payment from the League is pending their approval of the repair estimates and is subject to a \$1,000 deductible. This proposal will be submitted to the EDA at their June 27, 2012 meeting for their recommendation.

Recommendation(s):

Staff is requesting approval from City Council to solicit designs and proposals to replace the existing bill board sign with a reader board to be located at the current location of Viking Boulevard and Hwy. 65.

City Council Action

Motion by:_____

Second by:_____

Vote Yes:_____

Vote No:_____

No Action Required:_____

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

RESOLUTION NO. 2011-05

RESOLUTION AUTHORIZING AN INTER-FUND LOAN

WHEREAS, the Economic Development Authority has decided to become an active Board and requires financial resources; and

WHEREAS, the EDA currently has no financial resources; and

WHEREAS, these financial resources will be utilized in economic planning, marketing and to improve the economic vitality within the City; and

WHEREAS, the HRA has sufficient cash balance to provide an inter-fund loan to the EDA to be repaid when taxes are levied within this special economic development district.

NOW THEREFORE, BE IT RESOLVED BY THE HOUSING AND REDEVELOPMENT AUTHORITY IN AND FOR THE CITY OF EAST BETHEL THAT: the following terms shall govern the inter-fund loan to the Economic Development Authority:

1. The Inter-fund loan will increase depending upon the expenditures of the Economic Development Authority.
2. The Inter-fund loan will be reduced annually dependent upon the collection of tax levies and other revenues.
3. The loan shall not carry any interest charges.
4. The maximum term of the loan is five years.
5. The maximum amount is \$163,000.

Adopted this 6th day of July, 2011 by the Housing and Redevelopment Authority of the City of East Bethel.

EAST BETHEL HOUSING AND REDEVELOPMENT AUTHORITY



Bill Boyer, Chair

ATTEST:



Jack Davis, HRA Executive Director/City Administrator

STUCCO FINISH

15'-9"
14'-1"

East Bethel

 *Community Billboard*

10'-0"

Blood Drive Please Donate!!

9 1/2"

24"

24"

POLE COVERS

12" DEEP

24" WIDE



D/F Pylon Sign

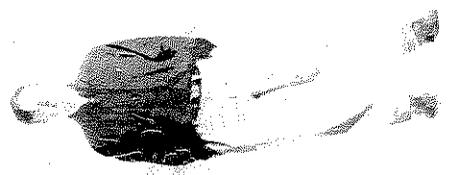
WHITE LED-LIT LETTERS ROUTED & BACKED W/ PLEX (vinyl overlay)

ALUMINUM FACE (STUCCO FINISH)

SIGN BAND LIT WITH T8 FLUORESCENTS (vinyl overlay)

LED MESSAGE CENTER

D/F 5' x 13' (Amber Monochrome)



TRANSLUCENT VINYL "GREEN" 3930-26/PMS 390C
TRANSLUCENT VINYL "SULTRAN BLUE" 3930-157/PMS 398C
TRANSLUCENT VINYL "YELLOW" 3630-015/PMS 109C



Client Name-	City of East Bethel	Drawing #-	3915
Location-	East Bethel, MN	Revision #-	1
Contact-		Work Order #-	3915
Approval-		Date-	5/17/07
File Name-	East Bethel Community Billboard 5-17-07 R1	Sales-	Clint
		Scale-	3/8" = 1'
		Approval-	

CITY OF EAST BETHEL

INTERIM PERMIT

**C.S. MCCROSSAN CONSTRUCTION COMPANY
TEMPORARY CONCRETE PLANT
WYATT SITE**

File No.: _____

Date Issued: June 2012

Legal Description: (Anoka County Geo. Code: TBD)

See Attached Exhibit "A"

Owner: Myrtice Wyatt

East Bethel, MN

Applicant: C.S. McCrossan Construction Company.

Site Address: _____

Present Zoning District: _____

Permitted uses set forth in Ordinance _____ **Section** _____

I. **INTERIM PERMIT:** As requested by C.S. McCrossan Construction Company permission is granted to locate a temporary concrete plant to be used for the TH 65 "whitetop" project. The temporary plant will cease operations at the conclusion of the project. Permission is contingent upon the following conditions:

1. Applicant will adhere to city ordinances affecting noise, hours of operation dust and smoke. Hours of operation shall be limited to 5:00 am to 7:00 pm Monday through Friday and 6:00 am to 12:00 pm (noon) on Saturday unless otherwise approved by the City Council.
2. Applicant will secure any and all MPCA, MNDOT and NPDES permits as may be required and shall identify and contain on site any hazardous substances complying with MPCA regulations regarding same. Applicant shall submit a Storm Water

Pollution Prevention Plan for review by the City Engineer addressing site erosion control, material storage, concrete washout procedures and other site activities. Applicant shall protect existing drainage features with silt fence or other approved erosion control devices. Applicant shall provide and maintain vegetation on any screening berms.

3. Upon conclusion of the project applicant shall return the site to as good or better condition than existed prior to commencement of its operations. Applicant shall submit a cleanup and closure plan to the City Engineer for review and approval.
4. Applicant shall post with the city a copy of its insurance certificate designating the city as certificate holder for the period of operations maintaining coverage's at or above those specified under Minn. Stat 466.04.
5. Applicant shall comply with recommendations from the City Engineer regarding the discharge and retention of waste and storm water from the site through the time period of its use of the site.
6. Applicant shall maintain the property compliant with all other city ordinances affecting public health, safety and nuisance.
7. Applicant shall provide a plan that addresses temporary storm water drainage features that will be constructed to maintain the flow on the south end of Baltimore Street.
8. Applicant shall provide a \$16,000 cash escrow or approved letter of credit to ensure all site restoration is completed.
9. Applicant shall pay all city review costs. Any costs not paid will be drawn from the security identified in item 8 above.

II. Annual review: Annual review is not imposed as a condition of this permit however this permit will terminate no later than _____2012.

IN WITNESS WHEREOF, the parties have set forth their hands and seals.

CITY OF EAST BETHEL

Date: _____

By _____

Richard Lawrence
Mayor

Date: _____

By _____

Jack Davis
City Administrator

C.S. McCrossan Construction Company.

Date: _____

By _____

Permit Holder

Owner:

Date: _____

By _____

EXHIBIT "A"
LEGAL DESCRIPTION



PUBLIC FORUM SIGN UP SHEET

June 6, 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

