

City of East Bethel
City Council Agenda
City Council Regular Meeting
Date: May 22, 2023 at 7:00 p.m.



This City Council meeting may be monitored live via the following means:
Cable Channel 10, MidcoTV Channel 77, or the City of East Bethel YouTube channel
(www.youtube.com/channel/UC8_7ShcME-XG14pN5JrmBGq/live)

7:00 PM

- 1.0 Call to Order**
- 2.0 Pledge of Allegiance**
- 3.0 Adopt Agenda**
- 4.0 Presentations and Public Hearings**
 - A. Dorsey Conduit Bond Presentation (p. 3-12)
 - B. Public Hearing- Zoning Map Amendment – 23620 Baltimore St NE (p. 13-18)
 - C. ACSO Monthly Report (p. 19-25)
 - D. Fire Department Monthly Report (p. 26-29)
 - E. Fire Department PERA Presentation (p. 30-43)
- 5.0 Public Forum**
- 6.0 Consent Agenda (p. 44-45)**

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

 - A. Approve Bill List (p. 46-49)
 - B. Minutes: May 1, 2023 City Council Work Meeting (p. 50-80)
 - C. Minutes: May 8, 2023 City Council Meeting (p. 81-99)
 - D. John Anderson Park Trail Bids (p. 100-104)
 - E. University Ave Bids (p. 105-106)
 - F. Application to Conduct Excluded Bingo for St. Francis Athletic Booster Club (p. 107)
- 7.0 New Business - Commission, Association and Task Force Reports**
 - A. Planning Commission
 - B. Economic Development Authority
 - C. Park Commission
- 8.0 Department Reports**
 - A. Community Development
 - B. Engineer
 - C. City Attorney
 - D. Finance
 - E. Public Works

- F. Fire Department
- G. City Administrator
 - 1. June Work Meeting Agenda (p. 108)

9.0 Other

- A. Staff Report
- B. Council Reports
- C. Other

10.0 Adjourn

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: 4.0 A

Agenda Item: Conduit Bonding Presentation for Nexus Diversified Community Services

Background Material:

At the May 1, 2023 Work Meeting, City Council received a presentation from the city's bond counsel, Dorsey and financial advisor, Ehlers, regarding a request for the City's participation in conduit bond financing for the proposed purchase of the Cambia Hills facility by Nexus Family Healing.

The presentation by Dorsey and Ehlers reviewed the process and procedures for the issuance of conduit bonds. Both explained the legal considerations and assured that the City would have no liability exposure if it should decide to be the host city for the issuance.

ISD 15 School Superintendent, Karsten Anderson, spoke in support of the need for the service to be provided by Nexus, but had concerns regarding charges for rent, state re-imbusement of the of ISD 15's cost for out of district students and staffing for district provided services. City council members questioned if there would be additional costs borne by the school district to support these services. Negotiations are underway to resolve these matters.

At the May 8, 2023 Council Meeting, and after discussion of the proposed participation of the city in this matter, City Council approved Resolution 2023 – XX , to call a public hearing on the question of the conduit bond financing at the June 12, 2023 Council Meeting. That resolution **did not** authorize the financing or bond issuance for the project. The vote for final approval will be considered after the public hearing at the June 12, 2023 Council Meeting.

Although the City of Ham Lake declined to participate as a co-partner in the conduit bond issuance, the Anoka County Finance Committee, composed of Commissioners Matt Look, Julie Braastad and Jeff Reinert, approved the Nexus request to be the second bond conduit partner behind East Bethel. The Committee showed a high level of support for their service and understood the value the conduit bond program could bring to the project. The Committee expects their recommendation to receive all County approvals.

In addition to reviewing the conduit bond process, Dorsey will also present the tax scenarios that could be expected from full bonding participation for the project to no bonding with total use of Nexus funds for the property purchase. Should there be any question, Dorsey is the city's bond counsel and does not represent Nexus.

Attachment(s):

Attachment 1 – Resolution 2023-34, Resolution Relating to a Financing Under MN Statutes, Section 469.152 through 469.165, As Amended, On Behalf of Nexus Diversified Community Services; Calling for a Public Hearing

Attachment 2 – Proposed Issuance of Conduit Revenue Bonds for Nexus Diversified
Community Services
Attachment 3 - Summary of Discussions

Fiscal Impact:

The City may charge the borrower an issuance fee for its services in connection with bond financing. This fee is to be negotiated should the bonding be approved.

If the City issues the proposed bonds, the borrower will be required to pay all direct and indirect expenses of the City and indemnify and hold the City harmless against any liability related to the issuance of the Bonds. As the City's bond counsel, Dorsey would prepare the bond documents and represent the City's interests in the financing, but the city's cost (as well as the fees of all other parties involved with the financing) would be paid by the Borrower.

The potential impact to ISD 15 and any costs related to this item are currently being discussed by Nexus and the school district (See Attachment 3)

Recommendation(s):

Presentation and Discussion Item.

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

RESOLUTION NO. 2023-34

**RESOLUTION RELATING TO A FINANCING UNDER
MINNESOTA STATUTES, SECTIONS 469.152 THROUGH 469.165, AS AMENDED, ON
BEHALF OF NEXUS DIVERSIFIED COMMUNITY SERVICES;
CALLING FOR A PUBLIC HEARING THEREON**

WHEREAS, the City of East Bethel, Minnesota (the “City”) is authorized by Minnesota Statutes, Sections 469.152 through 469.165, as amended (the “Act”), to issue its revenue obligations to finance projects consisting of properties, real or personal, used or useful in connection with a revenue-producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes and related medical facilities; and,

WHEREAS, Nexus Diversified Community Services (the “Corporation”), a Minnesota nonprofit corporation and an organization recognized under section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), now proposes that the City issue a revenue note under the Act, in one or more taxable or tax-exempt series, in an amount not to exceed \$10,000,000, to finance a portion of the costs of acquiring real estate and certain personal property located in the City for use as a residential psychiatric treatment facility (the “Project”); and,

WHEREAS, the Corporation may also request a second political subdivision (the “Second Issuer”) issue a second revenue note, in one or more taxable or tax-exempt series, in an amount not to exceed \$10,000,000, to finance a portion of the costs of the Project. Section 147(f) of the Code and regulations promulgated thereunder require that prior to any issuance of a revenue note for the Project by the Second Issuer, this Council must approve such issuance after conducting a public hearing thereon. Minnesota Statutes, Section 471.656, further requires that prior to any issuance of a revenue note for the Project by the Second Issuer, this Council must consent to such issuance.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA, that this Council shall conduct a public hearing on (i) the proposal that the City issue its revenue note under the Act, in one or more taxable or tax-exempt series, to finance a portion of the Project; and (ii) the proposal that the Second Issuer issue its revenue note under the Act, in one or more taxable or tax-exempt series, to finance a portion of the Project. Such public hearing shall be held on June 12, 2023, or such later date as agreed to by the City Administrator and the Corporation, in consultation with bond counsel to the City, Dorsey & Whitney LLP. The City Administrator is hereby authorized and directed to publish, or to cause to be published, notice of such public hearing in the official newspaper of the City, at least fourteen days prior to the public hearing, such notice to be in the form required by Section 147(f) of the Code and acceptable to bond counsel to the City, Dorsey & Whitney LLP; and,

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized to engage Dorsey & Whitney LLP as bond counsel to the City and to accept an engagement letter memorializing the terms of their engagement; provided such engagement require that the

Corporation be responsible for payment of all legal fees and expenses of bond counsel incurred by the City or others connection with the financings described herein; and,

BE IT FURTHER RESOLVED that all actions heretofore taken by City officials and staff in connection with the financings described herein are hereby approved; and,

BE IT FURTHER RESOLVED that approval of this resolution, publication of a public notice and holding of a public hearing on the matters described in this resolution will not bind or obligate the City or this Council to issue its revenue note on behalf of the Corporation. Final approval of the financings described herein will be considered on June 12, 2023, or such later date as agreed to by the City Administrator and the Corporation, only after a public hearing on the matter.

Adopted this 22nd day of May, 2023 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Tim Harrington, Mayor

ATTEST:

Jack Davis, City Administrator



MEMORANDUM

TO: Mayor and City Council

CC: Jack Davis and Mike Jeziorski

FROM: Rhonda Skoby
Nate Canova

DATE: April 24, 2023

RE: Proposed issuance of conduit revenue bonds for Nexus Diversified Community Services (the "Borrower")

The City of East Bethel (the "City") has received a request from the Borrower, that the City issue tax-exempt bonds in the maximum amount of \$10,000,000 (the "Bonds"), and loan the proceeds thereof to the Borrower to finance a portion of the acquisition and equipping of a residential psychiatric treatment facility located in the City (the "Project"). The Borrower has requested the City of Ham Lake finance the other portion of the Project (approximately \$7,000,000). After completion of the acquisition, the Borrower will lease the Project to its affiliate, Nexus Family Healing.

Cities in the State of Minnesota are authorized pursuant to Minnesota Statutes, Sections 469.152 through 469.165, as amended (the "Act"), to issue tax-exempt bonds in their name on behalf of certain revenue-producing enterprises. Because the interest on tax-exempt bonds issued by cities are exempt from gross income for federal income purposes, purchasers will purchase the bonds and offer cities reduced interest rates, which rates can be passed along to qualifying borrowers. In this case, the Borrower will be able to finance a portion of the Project at a lower interest rate than a conventional financing would allow by having the City issue the Bonds and loan the proceeds thereof to the Borrower. This will have a beneficial impact on the Borrower's cash flow and enhance the Borrower's ability to provide services and create economic development in and around the City. Since Bremer Bank has agreed to be the purchaser of the Bonds (i.e., the lender for the Borrower), issuing no more than \$10,000,000 of Bonds also allows for a better "bank qualified" interest rate which further helps the Borrower. The City of Ham Lake is expected to issue less than \$10,000,000 of "bank qualified" bonds as well.

Authority of Municipalities to Issue Revenue Debt

The City is authorized pursuant the Act to issue the Bonds to defray the cost of any "project" as defined at Section 469.153, subdivision 2 of the Act. These types of financings are commonly referred to as "conduit" transactions because the City acts as a conduit between the purchasers of the Bonds and the Borrower. The bonds are issued by the City and sold to the bond purchasers (in this case, Bremer Bank). The proceeds of the sale of the Bonds are then loaned to the Borrower pursuant to a Loan Agreement in which the Borrower agrees to make payments pursuant to the Loan Agreement corresponding to the payments on the Bonds.



Revenue Bonds Are Not Constitutional Debt of the Issuing Municipality

The City is not liable for repaying the Bonds and the Bonds are payable only from the amounts paid by the Borrower under the Loan Agreement. In fact, Bonds issued pursuant to the Act are statutorily prohibited from being debt of the City within any state constitutional provision. The Act provides statutory protection to the City in Section 469.162, which reads:

Subdivision 1. **Restrictions on payment.** Revenue bonds issued under sections 469.152 to 469.165 shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, except as provided in this section, **nor shall the municipality or redevelopment agency issuing the same be subject to any liability on them.** No holder of the bonds shall ever have the right to compel any exercise of the taxing power of the municipality or redevelopment agency to pay the bonds or the interest thereon, except as provided in subdivision 2¹, nor to enforce payment of them against any property of the municipality or redevelopment agency except those projects, or portions thereof, mortgaged or otherwise encumbered under the provisions and for the purpose of sections 469.152 to 469.165.

The documents providing for the loan from the City to the Borrower, the Bond itself, and the authorizing proceedings for the Bonds will clearly state the non-liability of the City in order to put bond purchasers on notice that the Bonds will not constitute debt of the City. In particular, Section 469.162 of the Act requires that the Bonds “recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to its payment.”

No City funds or tax dollars are being provided to or on behalf of the Borrower. The Borrower is responsible for reimbursing the City for any direct costs incurred related to the issuance of the Bonds, including costs for publication of notice or other expenses. Our fees as Bond Counsel to the City will be paid directly by the Borrower. The City will not bear any expense in connection with its role in the financing.

Bank-Qualification

The Bonds are proposed to be issued as “bank-qualified bonds.” Bank-qualified bonds are a subset of tax-exempt bonds that were created to encourage banks to invest in tax-exempt bonds from smaller, less-frequent municipal bond issuers.

Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”) permits partial deductibility of a financial institution’s interest expense allocable to acquiring tax-exempt bonds if, among other things, the tax-exempt bond is issued by an issuer that does not reasonably anticipate issuing in excess of \$10,000,000 in tax-exempt bonds during the calendar year of the bond issue (i.e., a qualified small issuer). Bonds issued in accordance with Section 265(b)(3) are, therefore, referred to as “bank-qualified bonds” or, more technically, as “qualified tax-exempt obligations.”

¹ Subdivision 2 has been repealed.



With bank-qualified bonds, issuers obtain lower rates by selling bonds to investors that realize the tax-exempt benefit. As a result, bank-qualified bonds typically carry a lower rate than non-bank-qualified tax-exempt bonds.

If issued, the proposed Bonds would count against the City's \$10,000,000 limit for purposes of bank qualification, leaving no room for the City to issue other tax-exempt bonds for its own governmental purposes during calendar year 2023. It is our understanding that the City does not presently intend to issue any of its own bonds during 2023.

City Revenues

The City may charge the Borrower an issuance fee for its services in connection with Bond financing.

Fees and Expenses

If the City issues the proposed Bonds, the Borrower will be required to pay all direct and indirect expenses of the City and indemnify and hold the City harmless against any liability related to the issuance of the Bonds. As the City's bond counsel, Dorsey would prepare the bond documents and represent the City's interests in the financing, but our fees (as well as the fees of all other parties involved with the financing) would be paid by the Borrower.

Procedures for Issuing Revenue Bonds

A public hearing is required in order to issue conduit bonds of this type. Accordingly, we would ask the City Council to hold two meetings on this matter.

At the first meeting (potentially May 8), the City Council would consider a resolution calling for a public hearing on the Bonds and preliminarily authorizing their issuance. At a subsequent council meeting (potentially June 12, the City Council would hold the public hearing and then consider a resolution authorizing the City to issue the Bonds, and authorizing the Mayor and City Administrator to execute the Bonds, the related documents and closing certificates. Between the May and June meetings, Dorsey would publish a notice of public hearing in the City's official newspaper. The public notice must be published more than 14 days before the hearing.

In addition to public hearing and meeting requirements, the State of Minnesota Department of Economic Development must approve the Project and the Bonds. Our firm will work with the City and the Borrower to complete an application for State approval.

Our Role as Bond Counsel

Our office will prepare each of the documents and proceedings necessary to close the transaction in order to ensure compliance with the necessary state and federal legal requirements. On the day of closing and issuance of the Bonds we intend to issue our opinion stating, among other things, that all steps required to be taken by the City to issue the Bonds have been completed, that interest on the Bonds is exempt from taxation under the Code, and that the Bonds are not general obligations or indebtedness of the City within the meaning of any constitutional or



statutory limitation, and do not constitute or give rise to a pecuniary liability of the City or a charge against the general credit or taxing powers of the City.

We look forward to discussing the proposed Bond issue with you at the May 1 City Council Work Session. Please feel free to call (612-492-6932 or 612-492-6916) or email (skoby.rhonda@dorsey.com or canova.nathan@dorsey.com) if there is further information that would be helpful in advance of the meeting.

Representatives from the Borrower team will also be attending the May 1 City Council Work Session to answer any questions you may have about the Project.

NEXUS FAMILY HEALING
EAST BETHEL PRTF PROJECT
SUMMARY OF EDUCATIONAL PROGRAMMING DISCUSSIONS TO DATE
MAY 19, 2023
Compiled by Margaret Vimont

At the May 1 City Council meeting, Nexus leaders learned of Superintendent Anderson's concern that the educational program for the youth in the PRTF facility will place a tax burden on the community. Nexus leaders scheduled a series of meetings to further understand this concern and to support the exploration of options for the community.

- May 5: a meeting was held with Mayor Harrington, City administrator Jack David and two Council members to discuss the concerns raised and the potential impact on the approval of the conduit financing, despite the fact that this financing will reduce financial impact on the lease costs for the educational programming.
- During the week of May 1, Nexus engaged its Board Member Pat Devine who is a colleague of Karsten Anderson's and an educational administrator. This led to a discussion between Karsten and Pat.
- On May 11, Karsten hosted a meeting to discuss options at his offices. Eric Bartusch the District's Business Operations leader attended as did Nexus Board Member Pat Devine, and Nexus leaders Michelle Murray, CEO, Scott McGuire, CFO, Ra Shone Franklin, ED of Educational Services and Margaret Vimont, VP of Strategy and Service Development.

Nexus conveyed our commitment to partnering on resolutions that will reduce the impact on the community. To that end, Nexus has committed to only charging lease payments for the classrooms actually used for the youth in the facility, at the square foot rate that Nexus is paying. Note that this amount will increase if Nexus is unable to secure the conduit financing that reduces the interest paid on the building loan. If the conduit loan is secured, that amount is just under \$22K per classroom per year, a very competitive rate. At maximum capacity of the PRTF, 6 classrooms will be used. Note that Nexus will be ramping up census over 18 months. Once all 6 classrooms are in use, the total lease amount with the conduit financing will be \$132,000 per year if conduit financing is obtained. This is significantly lower than when this facility was last in operations. Should St Francis School District need additional space for its own purpose, additional classroom with office space is available at the same rate.

The unique financial situation of the St Francis District was described and explored. The District's assessment is that given their position in the state with educational funding, providing these educational services will strain their current resources. There was discussion of the potential advantage of have the educational services provided by a Co-op. This led to a meeting via Zoom on May 12 with

Darren Kermes of Southwest Metro Intermediate School District 288 who is also a known colleague of both Karsten and Pat.

- On May 12 a zoom meeting was held with Darren, Karsten, Pat and all Nexus leaders to discuss options.
- On June 1, Val Rae Boe, Superintendent of Northeast Metro Intermediate School District 916 has agreed to a meeting in her offices. The Principal and other district administrators involved in the educational programming for the Cambia Hill PRTF will be attending the meeting. Karsten has been invited to attend.

Options for the educational programming as we understand them:

- St Francis School District assumes full responsibility for staffing and funding the educational programming.
- The educational programming is provided by an Intermediate District. While the financial arrangement with District 916 is not known at this point, the Southwest Metro District indicated that there would be no fee paid by St Francis District if it were to provide the educational programming but that it would not pay the lease amount for the space.

While the question of the best way to provide the education programming is being sorted, **it is critical that it be considered separately from the support for conduit financing. As noted, the conduit financing allow Nexus to keep its overall costs down through a lower interest rate. This also keeps the lease cost low for the educational programming which is a shared goal of the St Francis District, Nexus and the East Bethel community.**

Next steps as we understand them:

- Determine the implications of all options for an Intermediate District as far as potential fees, lease costs etc to compare to cost to the District providing the educational programming itself
- Confirm that the education of other district's kids will in fact affect the Districts hold harmless financial situation. We have not heard where the funding goes for the education of those students if indeed St Francis does not receive it due to the hold harmless circumstance. At last communication, Karston had not heard an answer from the state on this question.

Ongoing question not resolved:

It is not clear how the District finances are impacted due to hold harmless. It is unclear whether this is a question of how the District is using its funding or if it necessarily would have to lead to a levy to recoup funding.

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: 4.0 B

Agenda Item: Public Hearing- Zoning Map Amendment – 23620 Baltimore St NE

Requested Action: Hold a public hearing and make a recommendation of approval to City Council for the zoning amendment to the City of East Bethel Official Zoning Map.

Background Information:

On July 9th, 2021 River West Homes Inc. purchased (PIN: 32-34-23-12-0022) 23620 Baltimore St NE from St Andrews Lutheran Church. Although this was originally platted in September of 2001 as Lot 7 of Block 1 of the Birch Meadows 2nd Addition, this parcel was subsequently zoned (P) Public as a result of the church being the previous owner.

The city received a request for the rezoning from the owner, River West Homes Inc. River West has constructed a single family residence on the parcel and needs the zoning change to enable a closing on the sale of the property. The Birch Meadows subdivision is Zoned Single Family (R-1) and the rezoning would be consistent with surrounding properties.

2040 Comprehensive Plan:

The rezoning request aligns with the approved 2040 Comprehensive Plan. The single-family residential (R-1) district is intended and designed to provide for certain low-density residential areas now developed with single-family dwellings and areas where similar residential development is likely to occur. No more than one single-family dwelling is permitted per lot. There are no Comprehensive Plan changes required for this rezoning.

Recommendation:

The Planning Commission held a public hearing at their May 8, 2023 Special Meeting and there was no one that spoke against the rezoning. The Planning Commission recommends that City Council approve Resolution 2023 -38, as exhibited in Attachment 1.

Attachments:

1. Ordinance 2023-08, An Ordinance Amending the Zoning Map on May 22nd, 2023.
2. Location Map
3. Current Zoning Map
4. Proposed Zoning Map
5. Detail of Zoning Change

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

CITY OF EAST BETHEL
COUNTY OF ANOKA
STATE OF MINNESOTA

ORDINANCE NO. 2023-08

THE CITY COUNCIL OF THE CITY OF EAST BETHEL DOES HEREBY ORDAIN AS FOLLOWS:

CITY CODE APPENDIX – A, ZONING

AMENDED ZONING MAP DATED May 22nd, 2023

The rezoning of property from Public/Institutional to (I) to Single Family (R-1), located at 23620 Baltimore St NE, East Bethel MN, PIN: 32-34-23-12-00022, legally described as:

LOT 7 BLOCK 1 BIRCH MEADOWS 2ND ADD

All other Titles, Chapters and Sections of the City Code shall remain as written and adopted by the City of East Bethel City Council.

Adopted by the City Council of the City of East Bethel on this 22nd day of May, 2023.

CITY OF EAST BETHEL

Tim Harrington, Mayor

ATTEST:

Jack Davis, City Clerk

23620 BALTIMORE ST NE - LOCATION MAP

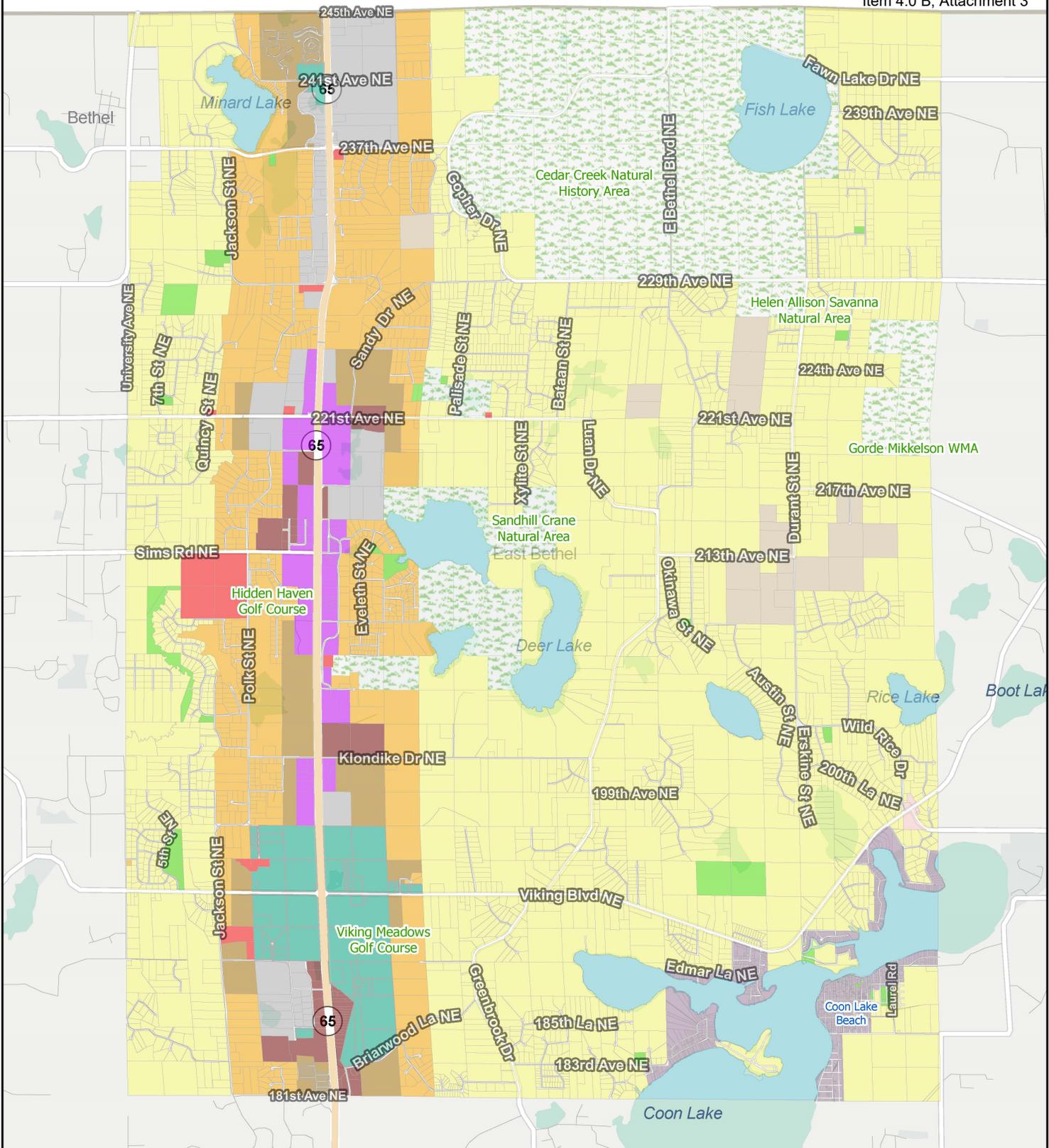
Item 4.0 B, Attachment 2



-  Parcels
-  City Mask

1 inch equals 252 feet





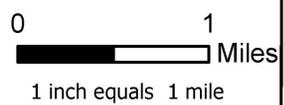
Zoning	B-3 - Highway Business	R-1 - Single Family Residential	Park/Open Space
AG - Agriculture	I - Light Industrial	R-2 - Single Family & Townhome Residential	Natural Area
B-1 - Limited Business	MXU - Mixed Use	CL - Coon Lake	ROW
B-2 - Central Business	RR - Rural Residential	Public/Institutional	Water

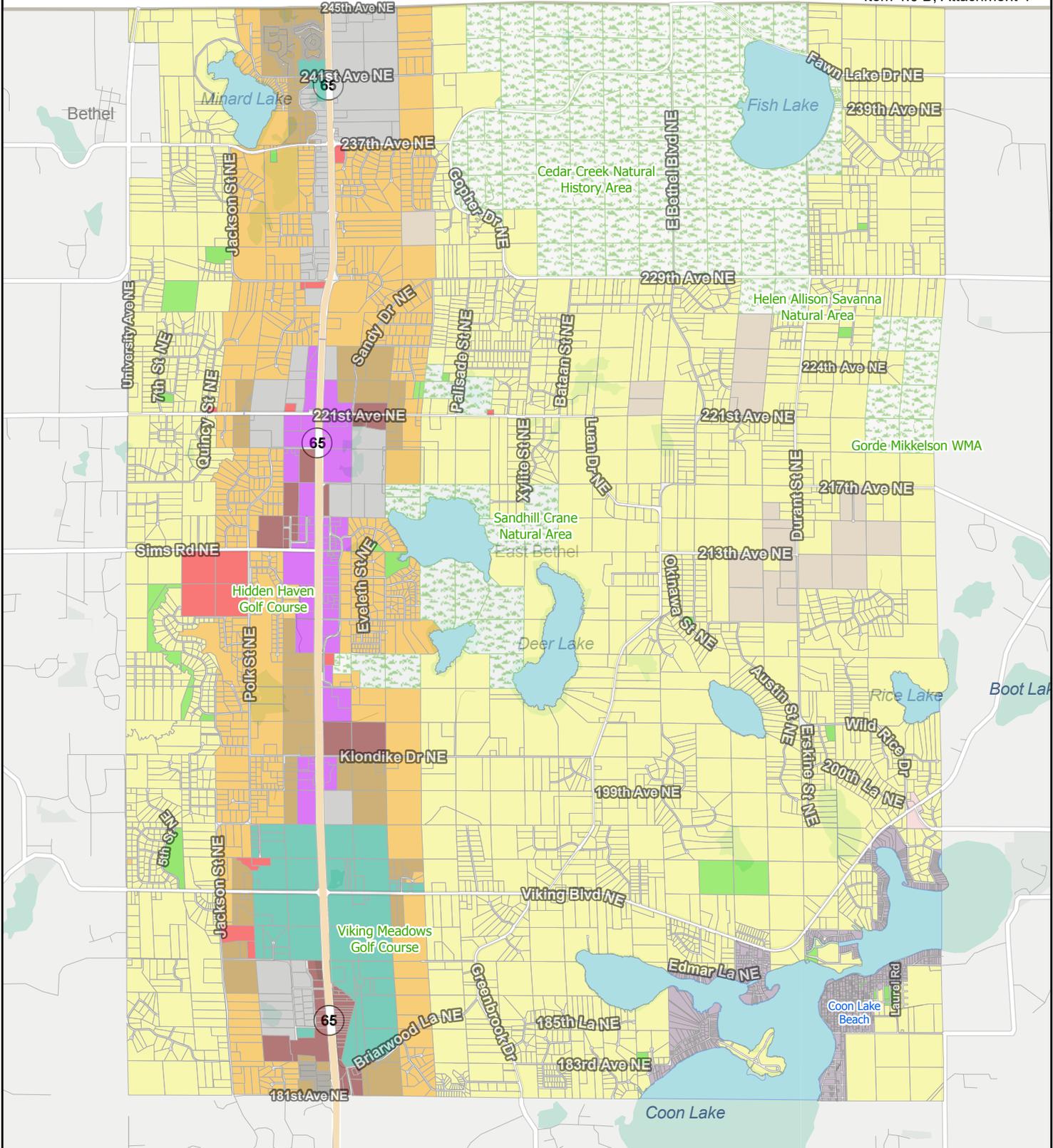


Official Zoning Map

Adopted October 13th, 2021
City of East Bethel, MN

City Council Packet, page 16



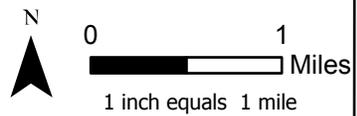


Zoning	B-3 - Highway Business	R-1 - Single Family Residential	Park/Open Space
AG - Agriculture	I - Light Industrial	R-2 - Single Family & Townhome Residential	Natural Area
B-1 - Limited Business	MXU - Mixed Use	CL - Coon Lake	ROW
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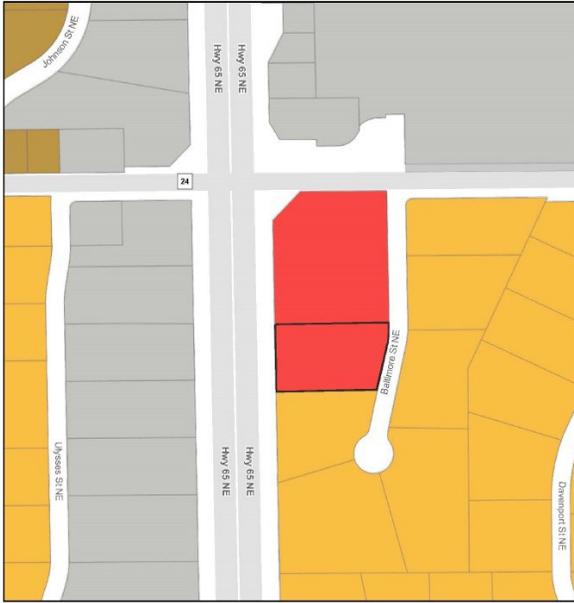


Official Zoning Map

Adopted October 13th, 2021
 City of East Bethel, MN
 City Council Packet, page 17



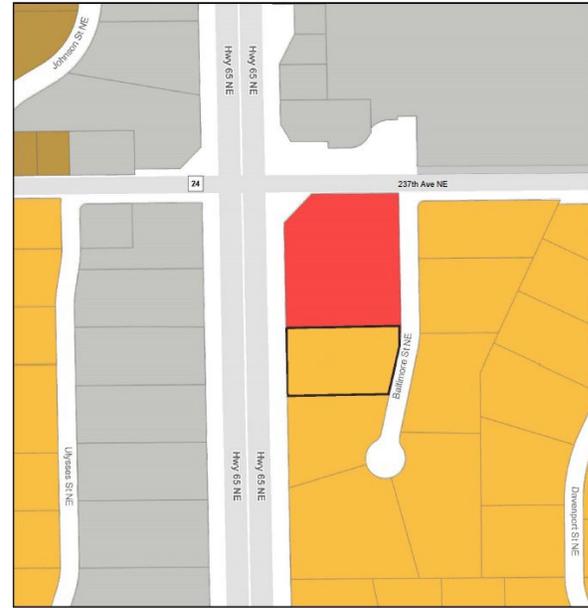
23620 Baltimore St NE



Current Detailed Zoning Map

23620 Baltimore St NE

Item 4.0, Attach 5



Proposed Detailed Zoning Map

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: Item 4.0 C

Agenda Item: Sheriff's Department Report

Background Information:

Lieutenant Derek Peters will present the Anoka County Sheriff's Office monthly report.

Attachment(s):

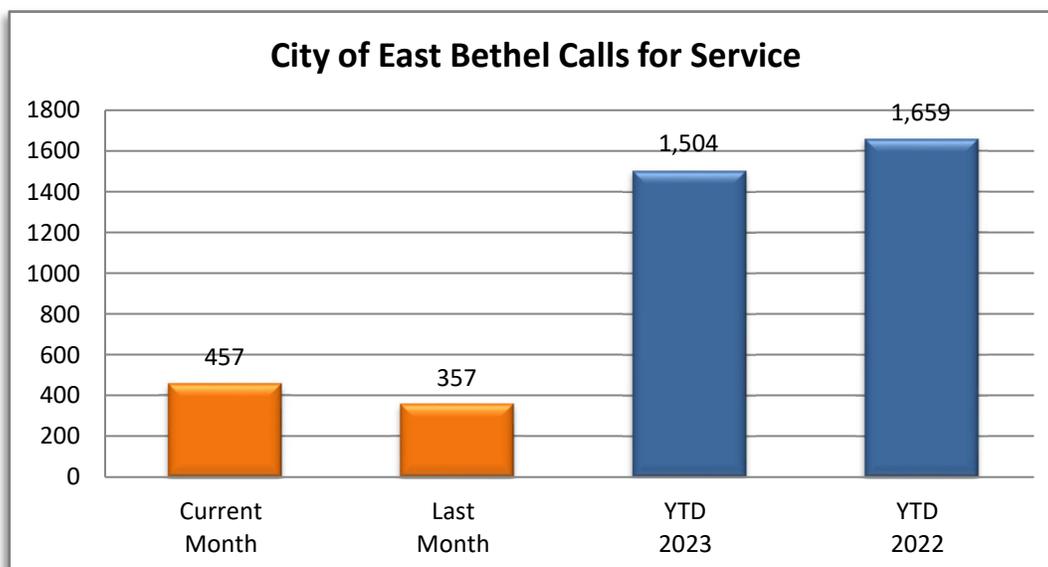
1. Sheriff's Office April Report *(this item will be provided as soon as it is made available)*
2. CSO Report of Activities
3. CFS Report

Fiscal Impact:

Recommendation(s): No Action Required

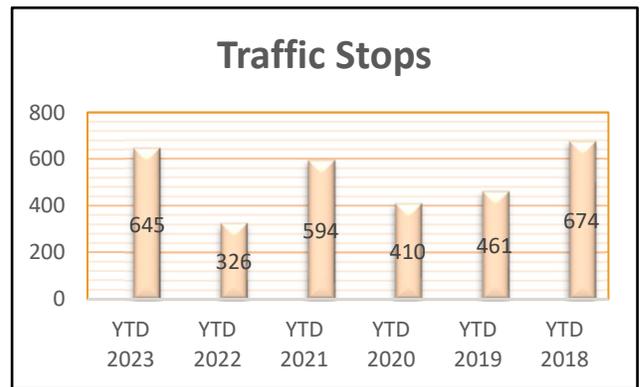
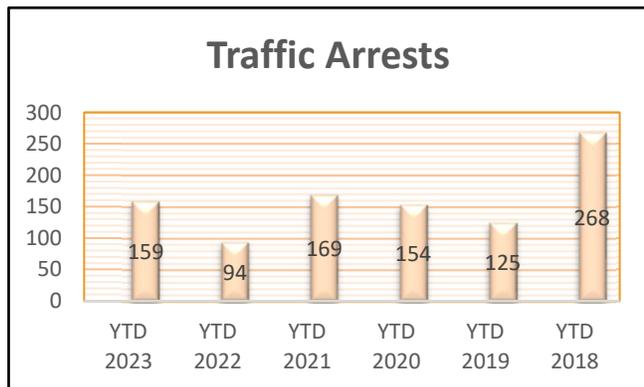
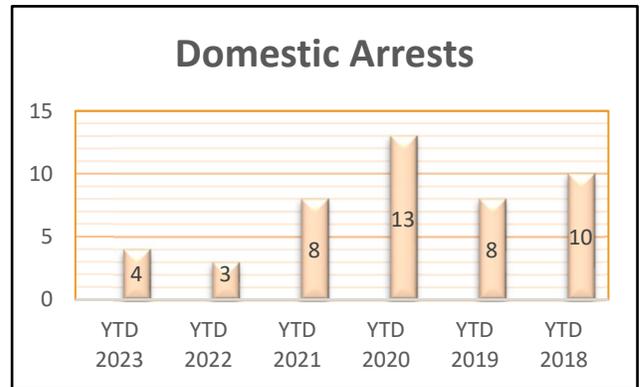
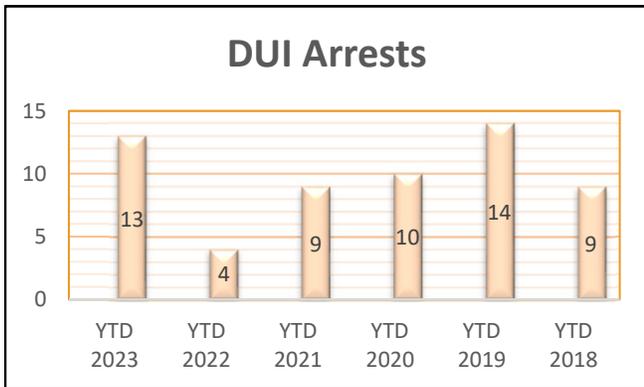
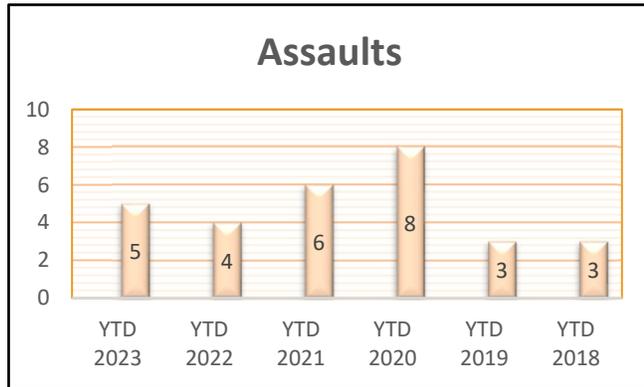
PATROL DIVISION**CITY OF EAST BETHEL - APRIL 2023**

OFFENSE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2023	YTD 2022
Calls for Service*	330	360	357	457									1,504	1,659
Burglaries	1	0	0	1									2	1
Thefts	8	1	7	8									24	15
Crim Sex Conduct	1	3	0	0									4	1
Assault	0	1	3	1									5	4
Dam to Property	0	2	1	1									4	6
Harass Comm	0	0	0	0									0	0
PI Accidents	8	9	4	5									26	23
PD Accidents	19	18	15	14									66	68
Medical	59	60	54	60									233	184
Animal Complaint	35	31	16	27									109	54
Alarms	12	12	14	25									63	95
Felony Arrests	0	1	2	2									5	4
Gross Misd Arrests	5	5	3	4									17	4
Misd Arrests	8	5	5	2									20	12
DUI Arrests	2	5	3	3									13	4
Domestic Arrests	0	0	3	1									4	3
Warrant Arrests	1	4	5	9									19	7
Traffic Stops	190	125	144	186									645	326
Traffic Arrests	28	17	37	77									159	94



CITY OF EAST BETHEL

YEAR TO DATE - APRIL 2018-2023

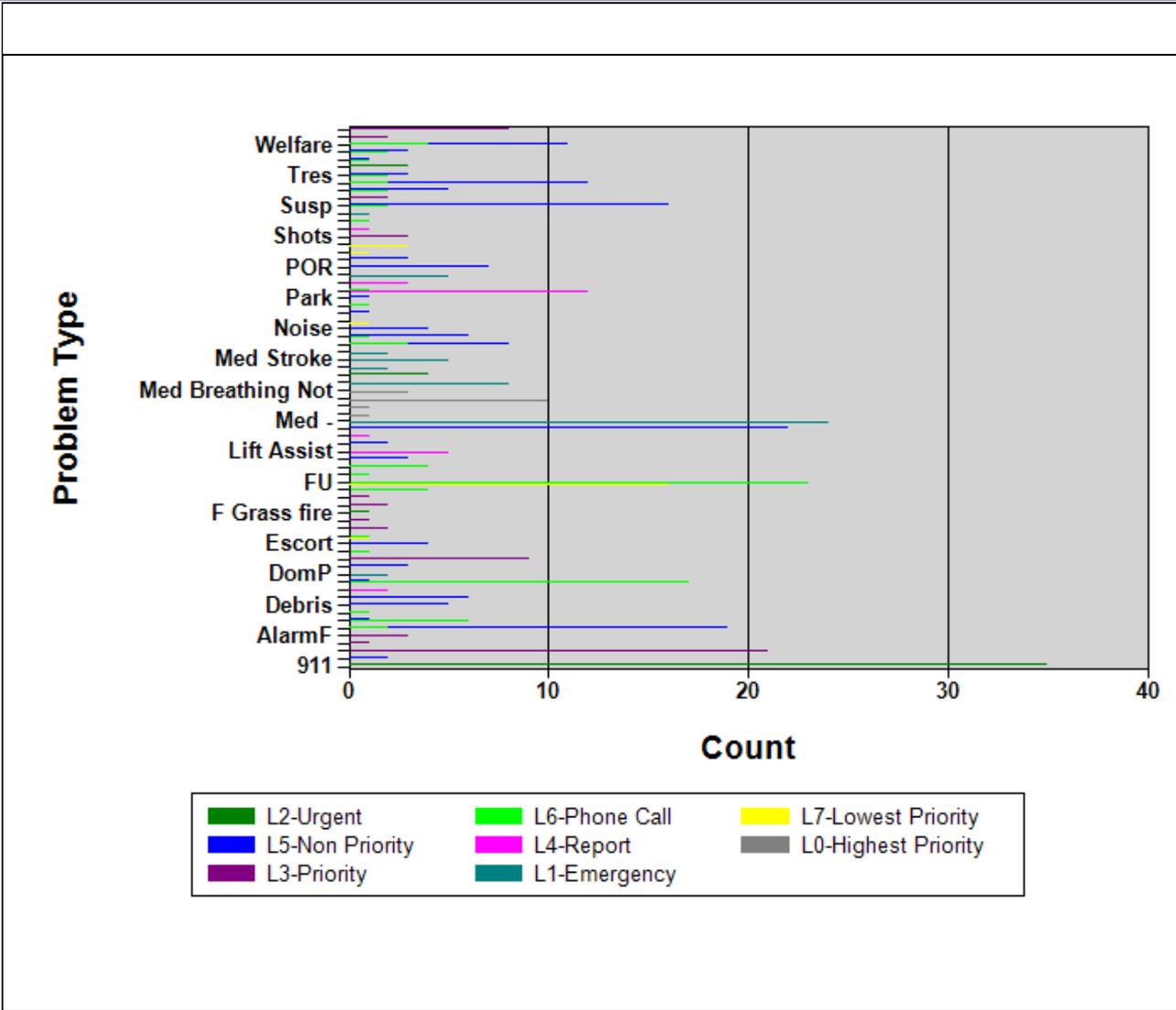


Problem Type Summary

11:21 AM 05/09/2023

Data Source: Data Warehouse

Agency:	LAW ENFORCEMENT
Division:	East Bethel Law
Day Range:	Date From 4/1/2023 To 4/30/2023
Exclusion:	• Calls canceled before first unit assigned



Priority	Description
0	L0-Highest Priority
1	L1-Emergency
2	L2-Urgent
3	L3-Priority
4	L4-Report
5	L5-Non Priority
6	L6-Phone Call
7	L7-Lowest Priority

Problem Type	Priority								Total
	0	1	2	3	4	5	6	7	
911	0	0	35	0	0	0	0	0	35
Abandon	0	0	0	0	0	2	0	0	2
Abuse	0	0	0	0	0	0	0	0	0
AbuseP	0	0	0	0	0	0	0	0	0
AlarmB	0	0	0	21	0	0	0	0	21

AlarmCO	0	0	0	1	0	0	Item 4.0 C, Attachment 3	0	0	1
AlarmCOill	0	0	0	0	0	0	0	0	0	0
AlarmF	0	0	0	3	0	0	0	0	0	3
AlarmFsmoke	0	0	0	0	0	0	0	0	0	0
AlarmHoldup	0	0	0	0	0	0	0	0	0	0
AlarmV	0	0	0	0	0	0	0	0	0	0
AlarmWF	0	0	0	0	0	0	0	0	0	0
Animal	0	0	0	0	0	19	2	0	0	21
AnimalResc	0	0	0	0	0	0	0	0	0	0
Arson	0	0	0	0	0	0	0	0	0	0
Assault	0	0	0	0	0	0	0	0	0	0
AssaultP	0	0	0	0	0	0	0	0	0	0
Boat Assist	0	0	0	0	0	0	0	0	0	0
Bomb	0	0	0	0	0	0	0	0	0	0
BombP	0	0	0	0	0	0	0	0	0	0
Broadcast	0	0	0	0	0	0	0	0	0	0
Burg	0	0	0	0	0	0	0	0	0	0
BurgP	0	0	0	0	0	0	0	0	0	0
Civil	0	0	0	0	0	1	6	0	0	7
CivilP	0	0	0	0	0	0	0	0	0	0
CSC	0	0	0	0	0	0	1	0	0	1
Debris	0	0	0	0	0	5	0	0	0	5
Deer	0	0	0	0	0	6	0	0	0	6
Disorderly	0	0	0	0	2	0	1	0	0	3
Dom	0	0	0	12	0	1	17	0	0	30
DomP	0	2	0	0	0	0	0	0	0	2
Drugs	0	0	0	0	0	3	0	0	0	3
DUI	0	0	0	9	0	0	0	0	0	9
Dumping	0	0	0	0	0	0	1	0	0	1
Escort	0	0	0	0	0	4	0	0	0	4
ExPat	0	0	0	0	0	0	1	1	0	2
F Aircraft	0	0	0	0	0	0	0	0	0	0
F Assist	0	0	0	0	0	0	0	0	0	0
F CleanUp	0	0	0	0	0	0	0	0	0	0
F Collapse	0	0	0	0	0	0	0	0	0	0
F Dump	0	0	0	0	0	0	0	0	0	0
F Elec Smell	0	0	0	0	0	0	0	0	0	0
F Expl	0	0	0	0	0	0	0	0	0	0
F Gas Odor In	0	0	0	2	0	0	0	0	0	2
F Gas Odor Out	0	0	0	1	0	0	0	0	0	1
F Grass fire	0	0	1	0	0	0	0	0	0	1
F Illegal	0	0	0	2	0	0	0	0	0	2
F Misc	0	0	0	1	0	0	0	0	0	1
F Mutual Aid	0	0	0	0	0	0	0	0	0	0
F Oven	0	0	0	0	0	0	0	0	0	0
F Powerlines	0	0	0	0	0	0	0	0	0	0
F SmokeIn	0	0	0	0	0	0	0	0	0	0
F SmokeOut	0	0	0	0	0	0	0	0	0	0
F Structure	0	0	0	0	0	0	0	0	0	0
F Train	0	0	0	0	0	0	0	0	0	0
F Veh	0	0	0	0	0	0	0	0	0	0
F Water Rescue	0	0	0	0	0	0	0	0	0	0
Fight	0	0	0	0	0	0	0	0	0	0
Flood in	0	0	0	0	0	0	0	0	0	0
Flood out	0	0	0	0	0	0	0	0	0	0
Fraud	0	0	0	0	0	1	4	0	0	5
FraudP	0	0	0	0	0	0	0	0	0	0
FU	0	0	0	0	0	0	23	16	0	39
FW	0	0	0	0	0	0	0	0	0	0
Gun	0	0	0	0	0	0	1	0	0	1
Harass	0	0	0	0	0	0	4	0	0	4
Info	0	0	0	0	0	3	0	0	0	3
Lift Assist	0	0	0	0	5	0	0	0	0	5
Liq	0	0	0	0	0	0	0	0	0	0
Lockout	0	0	0	0	0	2	0	0	0	2
LockoutP	0	0	0	0	1	0	0	0	0	1

MA	0	0	0	0	0	22	0	0	22
MASS	0	0	0	0	0	0	0	0	0
Med -	0	24	0	0	0	0	0	0	24
Med Alarm	0	0	0	0	0	0	0	0	0
Med Allergic	1	0	0	0	0	0	0	0	1
Med Assault	1	0	0	0	0	0	0	0	1
Med Bleed	0	0	0	0	0	0	0	0	0
Med Breathing Diff	10	0	0	0	0	0	0	0	10
Med Breathing Not	3	0	0	0	0	0	0	0	3
Med Choking	0	0	0	0	0	0	0	0	0
Med Drown	0	0	0	0	0	0	0	0	0
Med Electro	0	0	0	0	0	0	0	0	0
Med Fall	0	0	0	0	0	0	0	0	0
Med Heart	0	8	0	0	0	0	0	0	8
Med Hold	0	0	4	0	0	0	0	0	4
Med ILL	0	0	0	0	0	0	0	0	0
Med Info	0	0	0	0	0	0	0	0	0
Med OB	0	0	0	0	0	0	0	0	0
Med Priority	0	0	0	0	0	0	0	0	0
Med Seizure	0	2	0	0	0	0	0	0	2
Med Stab-Gunshot	0	0	0	0	0	0	0	0	0
Med Stroke	0	5	0	0	0	0	0	0	5
Med Uncon	0	2	0	0	0	0	0	0	2
Medex	0	0	0	0	0	0	0	0	0
Misc	0	0	0	0	0	8	3	0	11
MiscO	0	0	0	0	0	6	1	0	7
Mutual Aid Law	0	0	0	0	0	0	0	0	0
Noise	0	0	0	0	0	4	0	0	4
NoTag	0	0	0	0	0	0	0	1	1
Ord	0	0	0	0	0	1	0	0	1
Other	0	0	0	0	0	0	1	0	1
Park	0	0	0	0	0	1	0	0	1
PD	0	0	0	0	12	1	1	0	14
Person	0	0	0	0	3	0	2	0	5
PI	0	5	0	0	0	0	0	0	5
POR	0	0	0	0	0	7	0	0	7
Property	0	0	0	0	0	3	0	0	3
PW	0	0	0	0	0	0	0	1	1
REPO-TOW	0	0	0	0	0	0	0	3	3
RJ	0	0	0	0	0	0	0	0	0
RoadClosure	0	0	0	0	0	0	0	0	0
Robbery	0	0	0	0	0	0	0	0	0
RobberyP	0	0	0	0	0	0	0	0	0
Shots	0	0	0	3	0	0	0	0	3
Slumper	0	0	0	0	1	0	0	0	1
StolenProp	0	0	0	0	0	1	1	0	2
Suicide	0	0	0	0	0	0	0	0	0
SuicideP	0	1	0	0	0	0	0	0	1
Susp	0	0	0	0	0	16	2	0	18
SuspP	0	0	0	2	0	0	0	0	2
Theft	0	0	0	0	0	5	2	0	7
TheftP	0	0	0	0	0	0	0	0	0
Threat	0	0	0	0	0	0	0	0	0
ThreatP	0	0	0	0	0	0	0	0	0
Traf	0	0	0	0	0	12	2	0	14
Tres	0	0	0	0	0	3	2	0	5
UNK	0	0	3	0	0	0	0	0	3
Unsecure	0	0	0	0	0	0	0	0	0
Vand	0	0	0	0	0	1	1	0	2
VandP	0	0	0	0	0	0	0	0	0
VehTheft	0	0	0	0	0	3	2	0	5
VehTheftP	0	0	0	0	0	0	0	0	0
Weapon	0	0	0	0	0	0	0	0	0
Weather	0	0	0	0	0	0	0	0	0
Welfare	0	0	0	0	0	11	4	0	15
WelfareP	0	0	0	2	0	0	0	0	2

WT

Total

0	0	0	8	0	0	Item 4.0 C, Attachment 3	0	8	
15	49	43	67	24	152		85	22	457

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: Item 4.0 D

Agenda Item: Fire Department Report

Background Information:

Lieutenant Troy Lachinski will present the Fire Department's monthly report.

Attachment(s):

Attachment 1 – April 2023 calls and call graph

Fiscal Impact:

Recommendation(s): No Action Required



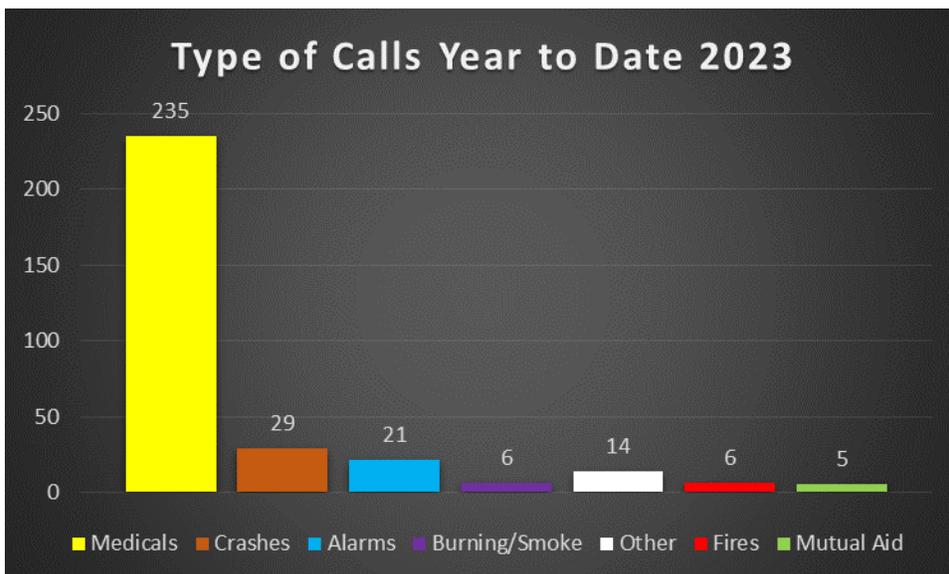
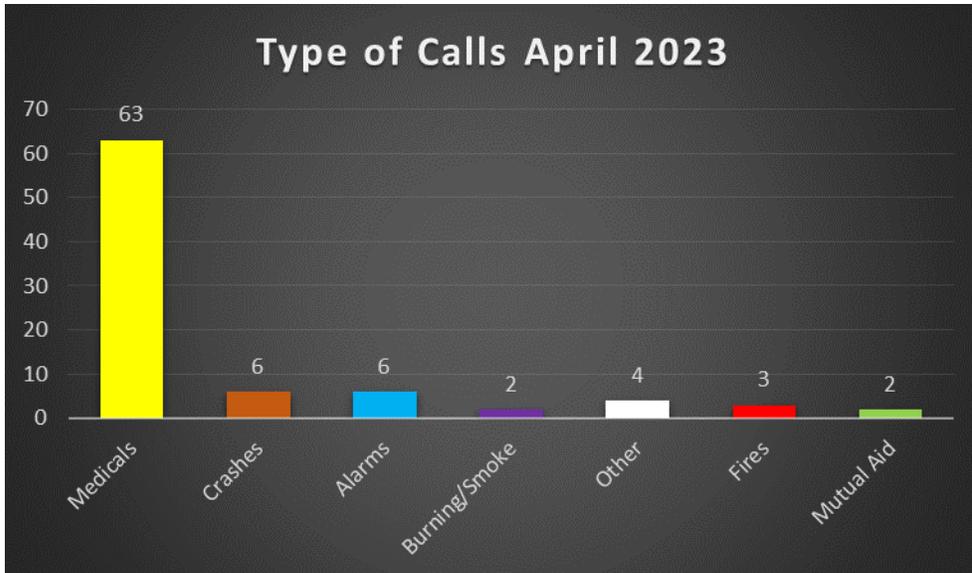
East Bethel Fire Department April 2023 Response Calls

Incident No.	Incident Date	Street Address	Incident Type
231	4/1/2023	Hwy 65 Northeast and 241st Ave NE	Crash
232	4/1/2023	1128 243rd Avenue Northeast	Alarms
233	4/1/2023	20067 Naples Street Northeast	EMS call
234	4/2/2023	22529 University Avenue Northeast	EMS call
235	4/2/2023	903 214th Lane Northeast	EMS call
236	4/2/2023	182 Forest Road Northeast	EMS call
237	4/3/2023	23244 Gopher Drive Northeast	Crash
238	4/3/2023	19131 Taylor Street Northeast Apt 1	EMS call
239	4/4/2023	632 Viking Boulevard Northeast	EMS call
240	4/4/2023	18164 Hwy 65 Northeast Apt 136	EMS call
241	4/4/2023	401 215th Lane Northeast	EMS call
242	4/5/2023	Hwy 65 Northeast and Sims Road	Crash
243	4/5/2023	21108 Polk Street Northeast	Alarms
244	4/6/2023	24186 Pierce Street Northeast	EMS call
245	4/7/2023	1280 185th Avenue Northeast Apt 201	EMS call
246	4/7/2023	24355 Hwy 65 Northeast Apt 92	EMS call
247	4/8/2023	18913 Jewell Street Northeast	EMS call
248	4/8/2023	18164 Hwy 65 Northeast Apt 102	EMS call
249	4/8/2023	18164 Hwy 65 Northeast Apt 33	EMS call
250	4/9/2023	24123 Pierce Street Northeast	EMS call
251	4/9/2023	2415 225th Avenue Northeast	EMS call
252	4/10/2023	18164 Hwy 65 Northeast Apt 32	EMS call
253	4/10/2023	3750 Edmar Lane Northeast	EMS call
254	4/10/2023	18204 Antler Circle Northeast	EMS call
255	4/10/2023	1105 Klondike Drive Northeast	EMS call
256	4/10/2023	18635 Ulysses Street Northeast	EMS call
257	4/11/2023	1105 Klondike Drive Northeast	EMS call
258	4/11/2023	19438 Tri Oak Circle Northeast	EMS call
259	4/11/2023	24299 Fillmore Circle Northeast	EMS call
260	4/12/2023	Viking Blvd and Sportsman Rd	Crash
261	4/12/2023	24355 Hwy 65 Northeast Apt 170	EMS call
262	4/12/2023	18407 Hwy 65 Northeast	EMS call
263	4/12/2023	24116 Skylark Drive Northeast	Other
264	4/12/2023	Hwy 65 and Viking Blvd	Grass fire
265	4/12/2023	2985 Fawn Lake Drive Northeast	Crash
266	4/12/2023	22359 Bataan Street Northeast	Burning/Smoke
267	4/13/2023	4537 Viking Boulevard Northeast	EMS call
268	4/13/2023	20514 Tyler Street Northeast	EMS call
269	4/14/2023	18800 Ulysses Street Northeast	EMS call
270	4/14/2023	1813 214th Avenue Northeast	EMS call
271	4/14/2023	19409 East Tri Oak Circle Northeast	Fire

Incident No.	Incident Date	Street Address	Incident Type
272	4/15/2023	24186 Pierce Street Northeast	EMS call
273	4/15/2023	24355 Hwy 65 Northeast Apt 134	EMS call
274	4/15/2023	Erskine Street Northeast and Wild Rice DR NE	Other
275	4/15/2023	22559 London Street Northeast	Burning/Smoke
276	4/15/2023	1120 231st Lane Northeast	EMS call
277	4/15/2023	1120 231st Lane Northeast	EMS call
278	4/17/2023	24355 Hwy 65 Northeast Apt 43	EMS call
279	4/18/2023	20632 Monroe Street Northeast	EMS call
280	4/18/2023	240 Birch Road Northeast	Other
281	4/19/2023	1623 229 th Lane Northeast	EMS call
282	4/19/2023	1206 231st Lane Northeast	Alarms
283	4/19/2023	22836 Staples Street Northeast	EMS call
284	4/19/2023	20690 Viking Boulevard Northeast	EMS call
285	4/19/2023	1623 207th Avenue Northeast	Alarms
286	4/19/2023	22409 Buchanan Street Northeast	EMS call
287	4/19/2023	1105 Klondike Drive Northeast	EMS call
288	4/19/2023	23116 Sunset Road Northeast	EMS call
289	4/20/2023	3605 Viking Boulevard Northeast	EMS call
290	4/20/2023	3806 191st Avenue Northeast	EMS call
291	4/20/2023	3806 191st Avenue Northeast	EMS call
292	4/21/2023	1280 185TH Avenue Northeast	Crash
293	4/21/2023	28 Sims Road Northeast	EMS call
294	4/21/2023	2385 Viking Boulevard Northeast	EMS call
295	4/21/2023	21126 Cedar Drive Northwest	Mutual Aid
296	4/21/2023	18604 Flamingo Street	Mutual Aid
297	4/22/2023	1076 244th Avenue Northeast	EMS call
298	4/23/2023	1664 209th Avenue Northeast	Alarms
299	4/24/2023	2541 185th Lane Northeast	Other
300	4/24/2023	209th Avenue Northeast and Hwy 65	EMS call
301	4/24/2023	2385 Viking Boulevard Northeast	EMS call
302	4/24/2023	21975 7th Street Northeast	EMS call
303	4/24/2023	1280 185th Avenue Northeast Apt 321	EMS call
304	4/25/2023	4411 176 TH Lane Northeast	Grass fire
305	4/25/2023	1664 209th Avenue Northeast	Alarms
306	4/26/2023	18421 3rd Street Northeast	EMS call
307	4/26/2023	19031 Breezy Point Drive Northeast	EMS call
308	4/26/2023	24186 Pierce Street Northeast	EMS call
309	4/26/2023	1280 185th Avenue Northeast Apt 117	EMS call
310	4/26/2023	834 193rd Lane Northeast	EMS call
311	4/27/2023	20375 Tyler Street Northeast	EMS call
312	4/28/2023	24299 Fillmore Circle Northeast	EMS call
313	4/28/2023	24186 Pierce Street Northeast	EMS call
314	4/28/2023	3605 Viking Boulevard Northeast	EMS call
315	4/29/2023	24299 Fillmore Street Northeast	EMS call
316	4/29/2023	18617 Lakeview Point Drive Northeast	EMS call

86 Total calls

- 63 Medicals
- 6 Crashes
- 6 Alarms
- 2 Burning/Smoke
- 4 Other
- 3 Fires
- 2 Mutual Aid



**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: Item 4.0 E

Agenda Item: Fire Department Public Employee Retirement Association (PERA) Presentation

Background Information:

The East Bethel Firefighters Relief Association (EBRFA) members would like to investigate moving from their retirement plan to the Statewide Volunteer Firefighter (SVF) Plan.

The SVF Plan is a defined benefit plan and PERA administers the retirement benefit in a one- time lump sum amount. A volunteer firefighter's retirement benefit is based on their credited years of service, vesting status and the benefit level for their fire department at the time they separate from service.

This move has been previously discussed but there were reasons not to join the SVF plan, including a multi-year benefit freeze, a restrictive program opt out clause and limited vesting options. These items have since been resolved and their program appears to be a better option than the current EBRFA plan.

As compared to the current EBRFA plan, there are several benefits to join the SVF Plan as the Relief Association would no longer required to:

1. Pay for an outside audit saving approximately 10,000 annually from the fund;
2. Invest the assets of the fund as professional portfolio managers with the State Board of Invest assume this responsibility saving approximately \$11,000 per year;
3. Continue responsibilities of fund and bylaw management
4. PERA management of the fund essentially eliminates time commitment required for members of the Relief Association to oversee the fund;
5. Plan benefits are portable and vesting schedules are lessened;
6. In 2023 there will be a financial incentive to join the SVF plan;

The attached document (See Attachment 1) requires signature by the city to initiate the cost analysis comparison for the SVF plan. If the analysis is positive, the EBRFA could request council approval to move the retirement fund to the SVF plan.

Troy Lachinski, EBRFA President, will present this proposal to City Council at their May 22, 2023 meeting and answer any questions relating to the prospects of converting the current retirement fund to the SVF plan.

Attachment(s):

- Attachment 1 - Request for a Cost Analysis to Join the SVF Plan
- Attachment 2 - SVF Plan Retirement Benefits
- Attachment 3 - Ongoing Responsibilities in the SVF Plan

Fiscal Impact: There will be no change to municipal funding nor municipal financial liability

Recommendation(s): City Council is requested to approve the signing of a Request for a Cost Analysis to Join the Statewide Volunteer Firefighter (SVF) Plan, as exhibited in Attachment 1.

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____

Request for a Cost Analysis to Join the Statewide Volunteer Firefighter (SVF) Plan: Lump-Sum Division



Complete this form to request a cost analysis estimating the cost of joining the SVF Plan. Once completed, the form must be signed by representatives of the relief association (if one exists) and the governing body operating the fire department. **By July 15 of the calendar year**, return the completed form to the Public Employees Retirement Association (PERA) using the mailing or email address listed at the bottom of this form. Following receipt of PERA's cost analysis, the relief association (if one exists) and the governing body have 120 days to approve pension coverage in the SVF Plan. If the relief association (if one exists) and governing body take no action within 120 days, the existing pension coverage continues as before.

PART A – INFORMATION REQUEST	
<p>Name of Fire Department:</p> <p>Amount of Special Fund Assets: Date: 3/31/2023 \$2,194,822.31 <i>(Complete Part D of this form)</i></p>	<p>Defined Benefit Pension Plan Relief Association Bylaws: Current benefit level per year of service: \$ 6,000</p> <p>Note: For relief associations currently administering a defined contribution pension plan, PERA will calculate the minimum benefit level per year of service based on your financial and member data at the time of this request.</p>
<p>Relief Association Bylaw: Current vesting schedule – PROVIDE an electronic copy of current bylaws</p> <p><input type="checkbox"/> vesting beginning at 40% after 5 years, increasing by 4% until 100% at 20 years</p> <p><input type="checkbox"/> vesting beginning at 40% after 5 years, increasing by 12% until 100% at 10 years</p> <p><input type="checkbox"/> vesting beginning at 40% after 10 years, increasing by 6% until 100% at 20 years</p> <p><input checked="" type="checkbox"/> other: Vesting- beginning at 60% after 10 Years, increasing by 4% until 100% at 20 years</p>	
<p>We request a cost analysis of joining the SVF Plan using the following benefit level(s). <i>An existing benefit level may not be decreased. Departments with no prior relief association must start at a benefit level of \$500. Benefit levels range from \$500 to \$15,000, increasing by increments of \$100. For relief associations currently administering a defined contribution pension plan, PERA will calculate and provide the minimum benefit level along with a range of benefit levels to consider.</i></p> <p style="text-align: center;"> \$6,100 \$6,500 \$7,000 \$15,000 </p>	
<p>We request a cost analysis of joining the SVF Plan using the following vesting schedule(s). <i>The entity may not select a vesting schedule that requires more years of service to become partially or fully vested than the vesting schedule in effect under the relief association.</i></p> <p><input checked="" type="checkbox"/> vesting beginning at 40% after 5 years, increasing by 4% until 100% at 20 years</p> <p><input type="checkbox"/> vesting beginning at 40% after 5 years, increasing by 12% until 100% at 10 years</p> <p><input type="checkbox"/> vesting beginning at 40% after 10 years, increasing by 6% until 100% at 20 years</p>	

Please Return to: PERA, 60 Empire Drive Suite 200, St. Paul, MN 55103 or PERASVF@mnpera.org

PART B – SIGNATURE OF RELIEF ASSOCIATION (if one exists)	
The relief association board requests that PERA provide a cost analysis estimating the cost of our volunteer fire department joining the SVF Plan.	
Name of Relief Association East Bethel Firefighters Relief Association	Name of Board President (<i>please print</i>) Troy Lachinski
Signature of Relief Association President 	Date: 5/17/2023
Email Address troy.lachinski@ci.east-bethel.mn.us	Phone Number 763-350-9060

PART C – SIGNATURE OF THE GOVERNING BODY OF THE FIRE DEPARTMENT	
The entity (or entities) listed below requests that PERA provide a cost analysis estimating the cost of our volunteer fire department joining the SVF Plan.	
Governing Body is: ___ Municipality; ___ Independent nonprofit FF Corp; ___ Joint Powers Entity	
Name of Governing Body City of East Bethel	Name of Chief Administrative Officer Jack Davis
Signature of Chief Administrative Officer	Date
Email Address jack.davis@ci.east-bethel.mn.us	Phone Number 763-367-7850

PART C - Continued for Joint Power Entity	
SIGNATURE GOVERNING BODY OF THE FIRE DEPARTMENT	
<i>Joint Powers Entity: Each governing body associated with the joint powers entity must have an administrative officer execute the request for a cost analysis by signing below.</i>	
Name of Governing Body	Name of Chief Administrative Officer
Signature of Chief Administrative Officer	Date
Email Address	Phone Number

Name of Governing Body	Name of Chief Administrative Officer
Signature of Chief Administrative Officer	Date
Email Address	Phone Number

Statewide Volunteer Firefighter Plan Request for Cost Analysis

PART D – ASSET LISTING

The State Board of Investment (SBI) is required to review any assets that might be transferred to the SVF Plan. To begin the review, please complete the section below by listing all investments or bank accounts in the special fund and **PROVIDE RECENT STATEMENTS FOR EACH ACCOUNT.**

Type of Asset/Investment/Bank Account Lumitas – Special Checking	Balance \$145,955.02
Type of Asset/Investment/Bank Account Lumitas – Long Term	Balance \$2,029,848.89
Type of Asset/Investment/Bank Account Lumitas – Short Term	Balance \$19,018.41
Type of Asset/Investment/Bank Account	Balance

Updated November 2022; gm

SVF Plan Retirement Benefits

The SVF Plan is a Defined Benefit Plan (DBP), however, unlike other DBPs PERA administers, the retirement benefit is a one-time, lump-sum amount. A volunteer firefighter’s SVF Plan retirement benefit is based on their credited years of service, vesting status, and the benefit level in effect for their fire department at the time they separate from service. A fire department’s SVF Plan benefit level is the dollar amount corresponding to each year of a volunteer firefighter’s credited service.

SVF PLAN BENEFIT LEVEL RANGE

The SVF Plan currently offers benefit levels ranging from \$500 to \$15,000 per year of credited service. This range is subject to statutory change. Benefit levels are available in \$100 increments (i.e. \$500, \$600, \$700, etc.).

WHO SETS A FIRE DEPARTMENT’S BENEFIT LEVEL IN THE SVF PLAN?

The fire department’s governing body sets the benefit level in the SVF Plan for their volunteer firefighters. The governing body can elect to approve an increase in the fire department’s benefit level once per year. Benefit level increases approved in a given year are effective on January 1 of the next year.

At any time, either the fire chief or governing body representative(s) may request that PERA provide a cost analysis showing the estimated cost of increasing the fire department’s benefit level under the SVF Plan. PERA’s cost analysis is intended to help the fire chief and governing body determine whether and the extent to which a benefit level increase is appropriate for their fire department. For step-by-step instructions on how to increase a fire department’s benefit level, see the guidance in [Consider Increasing the Benefit Level for My Fire Department](#).

SVF PLAN VESTING SCHEDULES

A volunteer firefighter’s vesting percentage represents the extent (in a percentage) to which they are entitled to a future retirement benefit under the SVF Plan. A volunteer firefighter’s years of service determine their vesting percentage.

If the fire department joined the SVF Plan effective prior to January 1, 2023, the following vesting schedule applies:

Years of Service	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	44%	48%	52%	56%	60%	64%	68%	72%	76%	80%	84%	88%	92%	96%	100%

If the fire department joined the SVF Plan effective January 1, 2023 or later, the department selected one of the following vesting schedules:

VESTING SCHEDULE 1

Years of Service	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	44%	48%	52%	56%	60%	64%	68%	72%	76%	80%	84%	88%	92%	96%	100%

VESTING SCHEDULE 2

Years of Service	5	6	7	8	9	10
Vested %	40%	52%	64%	76%	88%	100%

VESTING SCHEDULE 3

Years of Service	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	46%	52%	58%	64%	70%	76%	82%	88%	94%	100%

SVF PLAN RETIREMENT BENEFIT CALCULATION

The SVF Plan retirement benefit is calculated according to the volunteer firefighter's credited years of service, vesting status, and the benefit level in effect for their fire department at the time they separate from service. Specifically, the retirement benefit is calculated as:

$$[\text{Years of Service} \times \text{Benefit \$ Level} \times \text{Vested \%} = \$ \text{Retirement Benefit}]$$

The terms in the calculation shown above have the following definitions:

- **Years of Service:** Department-certified service at time of separation from service. The SVF Plan retirement benefit calculation rounds service credits downward to the whole year, meaning, for example, that if a volunteer firefighter serves for 19 years and 11 months, the benefit calculation factors in just 19 years of service.
- **Benefit Level:** Annual benefit level (in dollars) in effect at the time of separation from service.
- **Vested Percentage:** The vested percentage (out of 100%) of the retirement benefit.

Retirement Benefit Example 1: Fully Vested

- 50-year old volunteer firefighter separates from service after serving 20 years
- Fire department's benefit level at the time the volunteer firefighter separates from service is \$1,000
- Fire department's vesting schedule starts at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

$$[20 \text{ years} \times \$1,000 \times 100\%] = \mathbf{\$20,000 \text{ retirement benefit}}$$

Retirement Benefit Example 2: Partially Vested

- 50-year old volunteer firefighter separates from service after serving 10 years
- Fire department's benefit level at the time the volunteer firefighter separates from service is \$1,000
- Fire department's vesting schedule starts at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

$$[10 \text{ years} \times \$1,000 \times 60\%] = \mathbf{\$6,000 \text{ retirement benefit}}$$

Retirement Benefit Example 3: Partially Vested with Some Months of Service

- 50-year old volunteer firefighter separates from service after serving 19 years and 11 months*
- Fire department's benefit level at the time the volunteer firefighter separates from service is \$1,000
- Fire department's vesting schedule starts at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

$$[19 \text{ years} \times \$1,000 \times 96\%] = \mathbf{\$18,240 \text{ retirement benefit}}$$

* Recall that the SVF Plan retirement benefit calculation rounds service credits downward to the whole year.

Retirement Benefit Example 4: Not Vested

- 50-year old volunteer firefighter separates from service after serving 4 years
- Fire department's benefit level at the time the volunteer firefighter separates from service is \$1,000
- Fire department's vesting schedule starts at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

$$[4 \text{ years} \times \$1,000 \times 0\%] = \text{\$0 retirement benefit}$$

TAXABILITY OF SVF PLAN BENEFITS

Unless the beneficiary elects a different tax treatment on their SVF Plan retirement benefit or survivor benefit application, PERA automatically withholds the following taxes from the gross, lump-sum amount of the SVF Plan benefit:

- Minnesota income tax at Minnesota's Single/0 income tax rate on gross SVF Plan benefit payments of greater than \$4,000 (for Minnesota residents only)
- Federal taxes of 20% on the total gross SVF Plan benefit

PERA does not withhold income tax for any state other than Minnesota. The beneficiary may elect to roll the SVF Plan benefit over to another tax-qualified retirement account with no federal or Minnesota state taxes withheld. For additional details on how your SVF Plan retirement benefit or survivor benefit will be taxed, see the [SVF Plan Retirement Benefit Application](#) or [SVF Plan Survivor Benefit Application](#).

DEFERRED SVF PLAN RETIREMENT BENEFITS

For firefighters who defer their retirement benefit AFTER the fire department joins the SVF Plan: No interest is earned on deferred benefits under the SVF Plan. When the firefighter eventually collects their deferred retirement benefit, the lump-sum amount is calculated as:

$$[\text{Years of Service} \times \text{Benefit \$ Level effective at time of deferral} \times \text{Vested \%} = \$ \text{Retirement Benefit}]$$

For firefighters who defer their retirement benefit BEFORE the fire department joins the SVF Plan: If a firefighter deferred prior to the fire department joining the SVF Plan, the rules of the relief association will apply to the calculation of their benefit. In other words, PERA will calculate the firefighter's retirement benefit according to the relief association's vesting requirements, benefit level, interest earnings, and retirement age applicable at the time the firefighter deferred.

BENEFIT PORTABILITY

SVF Plan benefits are portable. PERA counts a volunteer firefighter's combined service when determining their vesting percentage. Volunteer firefighters who have provided enough combined service to vest in at least one SVF Plan fire department are entitled to a prorated benefit from the applicable fire department(s). Benefits are paid only from fire department SVF Plan account(s) in which the volunteer firefighter partially or fully vested.

Example 1: Partially Vested at Multiple Fire Departments, Fully Vested with Combined Service

- 50-year old volunteer firefighter separates from service after serving 5 years at Fire Department A and 15 years at Fire Department B (5 + 15 = 20 total years)
- Fire Department A has a benefit level of \$1,000 at the time the volunteer firefighter transferred to Fire Department B
- Fire Department B has a benefit level of \$2,000 at the time the volunteer firefighter separates from service

- Both Fire Department A and B have vesting schedules starting at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

Fire Department A: $[5 \text{ years} \times \$1,000 \times 40\%] = \mathbf{\$2,000}$

Fire Department B: $[15 \text{ years} \times \$2,000 \times 100\%] = \mathbf{\$30,000}$

$[\$2,000 + \$30,000] = \$32,000$ total retirement benefit

Example 2: Service at Multiple Fire Departments, Partially Vested with Combined Service

- 50-year old volunteer firefighter separates from service after serving 3 years at Fire Department A and 2 years at Fire Department B (3 + 2 = 5 total years)
- Fire Department A has a benefit level of \$1,000 at the time the volunteer firefighter transferred to Fire Department B
- Fire Department B has a benefit level of \$2,000 at the time the volunteer firefighter separates from service
- Both Fire Department A and B have vesting schedules starting at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service

Fire Department A: $[3 \text{ years} \times \$1,000 \times 0\%] = \mathbf{\$0}$

Fire Department B: $[2 \text{ years} \times \$2,000 \times 40\%] = \mathbf{\$1,600^*}$

$[\$0 + \$1,600] = \$1,600$ total retirement benefit

*The volunteer firefighter is 40% vested after 5 years of service. Because the volunteer firefighter achieved partial vesting during their service at Fire Department B (but not Fire Department A), the retirement benefit will be paid out of Fire Department B's SVF Plan account. The benefit paid from Fire Department B's SVF Plan account is based on the years of service the firefighter provided to Fire Department B, Fire Department B's benefit level, and the vested percentage achieved through the volunteer firefighter's combined years of service.

Example 3: Service at Multiple Fire Departments, Not Vested

- 50-year old volunteer firefighter separates from service after serving 3 years at Fire Department A and 5 years at Fire Department B (3 + 5 = 8 total years)
- Fire Department A has a benefit level of \$1,000 at the time the volunteer firefighter transferred to Fire Department B
- Fire Department B has a benefit level of \$2,000 at the time the volunteer firefighter separates from service
- Fire Department A has a vesting schedule starting at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service
- Fire Department B has a vesting schedule starting at 40% after 10 years of service, increasing by 6% each subsequent year until 100% vesting is reached after 20 years of service

Fire Department A: $[3 \text{ years} \times \$1,000 \times 0\%] = \mathbf{\$0}$

Fire Department B: $[5 \text{ years} \times \$2,000 \times 0\%] = \mathbf{\0^*}

*Based on the vesting schedules applicable to each fire department, the volunteer firefighter did not partially or fully vest at either department.

Example 4: Service at Multiple Fire Departments, Partially Vested with Combined Service

- 50-year old volunteer firefighter separates from service after serving 3 years at Fire Department A, 5 years at Fire Department B, and 6 years at Fire Department C (3 + 5 + 6 = 14 total years)
- Fire Department A has a benefit level of \$1,000 at the time the volunteer firefighter transferred to Fire Department B
- Fire Department B has a benefit level of \$2,000 at the time the volunteer firefighter transferred to Fire Department C
- Fire Department C has a benefit level of \$3,000 at the time the volunteer firefighter separated from service
- Fire Department A has a vesting schedule starting at 40% after 5 years of service, increasing by 4% each subsequent year until 100% vesting is reached after 20 years of service
- Fire Department B and C have a vesting schedule starting at 40% after 10 years of service, increasing by 6% each subsequent year until 100% vesting is reached after 20 years of service

Fire Department A: [3 years x \$1,000 x 0%] = **\$0**

Fire Department B: [5 years x \$2,000 x 0%] = **\$0**

Fire Department C: [6 years x \$3,000 x 64%] = **\$11,520**

[\$0 + \$0 + \$11,520] = \$11,520 total retirement benefit

SUPPLEMENTAL BENEFITS

In addition to a lump-sum retirement benefit, the SVF Plan provides volunteer firefighters with a one-time cash supplemental benefit, equivalent to that outlined in Minnesota Statutes 424A.10. PERA applies for reimbursement of these supplemental benefits from the Minnesota Department of Revenue and deposits the reimbursement into the fire department's SVF Plan account.

SURVIVOR BENEFITS

PERA pays SVF Plan benefits to the surviving spouse of the deceased volunteer firefighter. If no surviving spouse exists, PERA pays benefits to the firefighter's minor children. If no minor children exist, the deceased firefighter's estate receives the benefits. The survivor benefit amount is equal to the retirement benefit that would have been payable to the volunteer firefighter at age 50 based on their service credit earned as of the date of death.

APPLY FOR AN SVF PLAN RETIREMENT BENEFIT OR SURVIVOR BENEFIT

For step-by-step instructions on how to apply for an SVF Plan retirement benefit or survivor benefit, see the guidance provided in [Apply for a Retirement Benefit or Survivor Benefit](#).

SVF PLAN MONTHLY BENEFIT DIVISION

The SVF Plan is designed to pay a lump-sum retirement benefit, rather than to pay annuities on a monthly basis. However, PERA can administer the pension for fire departments that currently pay monthly benefits to their volunteer firefighters. Eligibility for monthly benefits is based on the fire department's pension plan document. The application for monthly benefits is available from the department's fire chief rather than PERA. Firefighters work directly with the department's fire chief to apply for monthly benefits.

DISABILITY BENEFITS

The SVF Plan does not currently provide disability benefits.

Fire Chief & Governing Body Ongoing Responsibilities in the SVF Plan

For each fire department participating in the SVF Plan, PERA communicates with two primary contacts: the fire chief and a designated representative from the fire department's governing body. The following describes the ongoing responsibilities of these two contacts in the SVF Plan.

FIRE CHIEF

- **Certify volunteer firefighter service credit each year:** The fire chief must annually certify the service credit earned by their department's volunteer firefighters. This is done through the statutorily required annual service credit certification process. For step-by-step instructions on how to complete this annual certification process, see the information in [Complete the Annual Service Credit Certification](#).

GOVERNING BODY

- **Determine appropriate benefit level and use annual fire state aid:** Under the SVF Plan, the fire department's governing body has a fiduciary responsibility to their volunteer firefighters. This includes the responsibility to determine an appropriate benefit level for their volunteer firefighters. The benefits should be set at a level that, every year, uses all of the fire department's annual fire state aid towards covering its current pension costs. For more information on setting the SVF Plan benefit level for your fire department, see the information in [Retirement Benefits](#) and [Consider Increasing the Benefit Level for My Fire Department](#).
- **Continue to apply for fire state aid each year:** The fire department's governing body must continue to apply for fire state aid each year. PERA receives and deposits the fire state aid annually into the department's SVF Plan account.
- **Pay required contributions:** The fire department's governing body must pay any required contributions due per invoices issued by PERA. Required contributions are due only if the combined fire state aid and assumed 6% investment earnings on the department's pension assets do not cover the annual financial requirement (i.e., the annual cost of participating in the SVF Plan). In other words, if fire state aid plus the assumed 6% investment earnings are greater than the annual cost of participating in the SVF Plan, the governing body will not owe a required contribution for the year. When PERA determines whether the governing body owes a required contribution for a given year, we are statutorily required to assume the annual investment earnings will be equal to a 6% rate of return on the department's pension assets. Therefore, even when the actual annual rate of return differs from 6%, PERA's determination of any required contribution assumes a 6% rate of return.

FIRE CHIEF & GOVERNING BODY

- **Provide PERA with current contact information:** Whenever the fire department's fire chief or governing body representative(s) change, email PERA at PERASVF@mnpera.org with the name, job title, email address, and phone number of the new contact person as well as the name of the previous contact person being replaced. Please note that the governing body's SVF Plan representative(s) must be employees of the governing body, such as a clerks, treasurers, or finance directors.
- **Review SVF Plan communications from PERA and share SVF Plan information with volunteer firefighters as applicable:** PERA routinely communicates SVF Plan information to the fire department's fire chief and governing body representative(s). We periodically ask these two contacts to share certain SVF Plan information with their volunteer firefighters. The fire chief and governing body should share SVF Plan information with others according to the data practices policies of the applicable governing body. Sharing SVF Plan information with your department's volunteer firefighters is important, because PERA does not currently provide individual volunteer firefighters with individual statements/reports.

Information for Prospective SVF Plan Participants & Instructions on How to Join the SVF Plan

WHO CAN PARTICIPATE IN THE SVF PLAN?

Participation in the SVF Plan is voluntary and open to fire departments as a replacement of their existing volunteer firefighter pension plan. It is also open to departments that do not currently have a pension plan for their volunteer firefighters.

WHO DECIDES WHETHER A FIRE DEPARTMENT JOINS THE SVF PLAN?

The fire department's relief association (if one exists) and governing body jointly make the decision to join the SVF Plan. The fire department may join the SVF Plan if both its relief association (if one exists) and governing body approve pension coverage under the SVF Plan.

COMMON CONSIDERATIONS FOR PROSPECTIVE SVF PLAN PARTICIPANTS

The following is information to consider when deciding whether to join the SVF Plan:

1. The SVF Plan's assumed investment earnings rate of 6% is higher than the 5% rate set in statute for local relief associations. This means the SVF Plan assumes investment earnings will cover more of the fire department's annual pension cost than a relief association would assume. The SVF Plan's higher investment earnings assumption reduces the governing body's required contribution by more than a relief association's investment earnings assumption.
2. The year a fire department joins the SVF Plan, the relief association (if one exists) must file one last set of financial reports (as required by law) with the Office of the Minnesota State Auditor and pay for one last audit/attestation. Going forward, however, the relief association is no longer obligated to perform the following duties:
 - Assemble/file financial reports with the Office of the Minnesota State Auditor.
 - Pay for an outside audit or attestation.
 - Invest the assets of the special fund. Professional portfolio managers with the State Board of Investment (SBI) take over this responsibility.
 - Pay retirement benefits and file the paperwork necessary to receive the Minnesota Department of Revenue's supplemental benefit reimbursement.
3. In most cases, fire departments join the SVF Plan at a benefit level per year of service that is equal to or higher than the relief association's current benefit level for their volunteers. With the SVF Plan's assumed investment earnings rate of 6% (rather than the 5% assumed by relief associations), governing bodies are often able to offer volunteer firefighters a higher benefit level without increasing required contributions to fund the pension.
4. There is less local control over the investment of the fire department's pension assets and the design of the pension plan.
5. Future benefit level increases are at the discretion of the fire department's governing body, not the relief association. Once a benefit level is established, a governing body cannot unilaterally decrease it.
6. The SVF Plan provides a defined benefit, lump-sum retirement benefit and therefore is not designed to pay annuities on a monthly basis. However, PERA can administer the pension plan for fire departments that currently pay monthly benefits to their volunteers.

CHOOSING A VESTING SCHEDULE

Fire departments joining the SVF Plan must choose one of three vesting schedules. The following are the vesting schedules provided for under the SVF Plan:

VESTING SCHEDULE 1

Years of Service	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	44%	48%	52%	56%	60%	64%	68%	72%	76%	80%	84%	88%	92%	96%	100%

VESTING SCHEDULE 2

Years of Service	5	6	7	8	9	10
Vested %	40%	52%	64%	76%	88%	100%

VESTING SCHEDULE 3

Years of Service	10	11	12	13	14	15	16	17	18	19	20
Vested %	40%	46%	52%	58%	64%	70%	76%	82%	88%	94%	100%

The fire department may not select a vesting schedule that requires more years of service for firefighters to become partially or fully vested compared to the relief association’s vesting schedule. For example, if vesting under the relief association begins at 60% after 10 years of service, the fire department cannot join the SVF Plan under Vesting Schedule 3, where vesting begins at 40% after 10 years of service. These vesting schedule restrictions ensure that firefighters do not move “backwards” in their vested status when the department transitions from the relief association to the SVF Plan.

INSTRUCTIONS FOR HOW TO JOIN THE SVF PLAN

1. **By July 15**, the Secretary of the fire department’s relief association (if one exists) and the Chief Administrative Officer of the fire department’s governing body jointly complete and submit to PERA a Request for a Cost Analysis to Join the SVF Plan requesting that PERA prepare an analysis estimating the cost of joining the SVF Plan. The board of the relief association (if one exists) and the board/council of the governing body must grant approval to the Secretary and Chief Administrative Officer, respectively, to complete the [Request for a Cost Analysis to Join the SVF Plan](#) form. If the fire department is associated with more than one municipality or nonprofit firefighting corporation, the Chief Administrative Officer of each governing body of the fire department must jointly execute the request.
2. Once PERA receives the completed [Request for a Cost Analysis to Join the SVF Plan](#) form, PERA staff contacts the fire department and/or the Office of the Minnesota State Auditor to obtain a copy of the relief association’s bylaws (if applicable) and the information needed to prepare the requested cost analysis. PERA collects information on individual volunteer firefighters, including birth dates, years of service, pension vesting status, and the dates on which volunteer firefighters joined and (if applicable) left the fire department.
3. PERA prepares the requested cost analysis free of charge. PERA provides the cost analysis, which includes estimates of future required contributions (if any), to the fire department’s relief association (if one exists) and governing body.

4. Upon request, PERA will travel to meet in person with the fire department and governing body at a location of their choosing to facilitate a discussion and answer questions about joining the SVF Plan. PERA offers one such in-person meeting to each fire department considering enrollment in the SVF Plan. To ensure these meetings include the relevant stakeholders, we ask that the fire chief and at least one representative from both the governing body and relief association attend the meeting. We encourage the volunteer firefighters and multiple representatives from both the governing body and relief association to attend.
5. PERA notifies the State Board of Investment (SBI) that the fire department is considering joining the SVF Plan. The SBI provides the fire department with information about the SVF Plan investments and about how the fire department may set up an account with the SBI.
6. After receiving PERA's cost analysis, the fire department's relief association (if one exists) and governing body have 120 days to approve pension coverage in the SVF Plan. If the relief association (if one exists) and governing body approve pension coverage under the SVF Plan, they provide PERA with written board/council resolutions documenting that approval by **November 15**. PERA has developed model resolutions that the [relief association](#) and [governing body](#) may use if they choose to move forward with approving pension coverage in the SVF Plan. The relief association (if one exists) and governing body may email their resolutions to join to PERASVF@mnpera.org. If the relief association (if one exists) and governing body take no action within 120 days, the existing pension coverage continues as before.
7. If participation in the SVF Plan is approved, PERA notifies the SBI. The SBI works directly with the owner of the pension assets to transfer the assets within the year in which the participation in the SVF Plan is approved. Once the pension assets are transferred to the SBI, the relief association's special fund (if one exists) ceases to exist as a pension fund. Legal title to the assets transfers to the SBI, but the assets will be used exclusively to fund the retirement benefits of the fire department's volunteer firefighters.

TRANSITION STEPS FOR THE FIRE DEPARTMENT'S RELIEF ASSOCIATION AFTER JOINING THE SVF PLAN

The fire department's relief association may elect to dissolve after the fire department joins the SVF Plan. Alternatively, the relief association may choose to continue as an organization and maintain its general fund. If the relief association chooses to continue, Minnesota Statutes 353G.06, subdivision 2, stipulates that, following the date on which participation in the SVF Plan is effective, the relief association:

- Must reduce its board of trustees to five members, comprised of the fire department's fire chief and four trustees elected by and from the relief association membership;
- May maintain a general fund only, which continues to be governed by Minnesota Statutes 424A.06;
- Is not authorized to receive any fire state aid or municipal funds. The Minnesota Department of Revenue sends future fire state aid directly to PERA to be deposited in the fire department's SVF Plan account; **and**
- May not pay pension benefits; going forward, the relief association may pay exclusively for items authorized under its general fund.

The relief association must update its bylaws to reflect the changes listed above. The relief association must also maintain a record of its amended bylaws, but need not file them with any government agency. Relief associations that choose to continue as an organization after the fire department joins the SVF Plan may use PERA's [Model Bylaws for Relief Association Maintaining a General Fund](#) as a transition resource.

The relief association may also need to amend its articles of incorporation and file the changes with the Minnesota Secretary of State. As nonprofit corporations, relief associations will continue to have annual renewal obligations with the Minnesota Secretary of State and may have an annual obligation to file Form 990 with the Internal Revenue Service. These obligations are best discussed with an attorney.

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: Item 6.0 A - F

Requested Action: Consider approving the Consent Agenda as presented

Background Information:

Item A – Approval of Bills

Item B – Minutes: May 1, 2023 City Council Work Meeting

Item C – Minutes: May 8, 2023 City Council Meeting

Item D – John Anderson Park Walking Trail Quotes

Staff has received quotes to pave the newly constructed walking trail within John Anderson Park. This portion of the project does not include the trail connection from John Anderson Park to 235th Ave.

The East Bethel Public Works Department constructed the trail subgrade in the fall of 2022. Paving was postponed until the spring of 2023 because of poor weather and backlogged projects from paving contractors. The 9 foot wide trails were constructed with recycled concrete base material and will have 3 inches of asphalt to allow for safe pedestrian traffic and will meet Americans with Disabilities Act (ADA) specifications.

Staff has contacted six local paving contractors and received three quotes. Staff recommends the low quote from Czars of Tar in the amount of \$58,200. Funding for the project was budgeted at \$65,000 in 2022 and carried over into the 2023 fund balance.

A project location map (trails to be paved shown in blue) is attached along with the three quotes.

Item E – Adoption of Resolution 2023-37 Accepting Bids for the University Ave Project

Bids for this project were opened by the City of Oak Grove on April 21, 2023 at 10:00 a.m. The cost of this project will be split between the City of East Bethel and the City of Oak Grove. The City of Oak Grove is responsible for the design and construction administration of this project. A total of 2 bids were received. The bids were as follows:

	<u>Base Bid</u>
New Look Contracting, Inc	\$997,168.00
Park Construction Company	\$1,024,825.05

The bids are summarized in detail on the attached bid tabulation. New Look Contracting was the lowest bidder with a bid of \$997,168.00. The engineer's estimate for this project was \$1,118,423.00. New Look Contracting routinely completes projects similar in scope and size to the University Avenue Project. Staff continues to work on the purchase of the easement from PIN 07-33-23-22-0001. Staff recommends that the bid be accepted from New Look Contracting, Inc. in the amount of \$997,168.00 contingent on executing an easement agreement with the property owner of PIN 07-33-23-22-0001. Staff is also recommending approval of Resolution 2023-37 Resolution Accepting Bids for the University Avenue Improvement Project and award of a contract to New Look Contracting, Inc.

Item F – Approve Application to Conduct Excluded Bingo for St. Francis Athletic Booster Club

The St. Francis Athletics Booster Club (SFABC) has applied for a one day permit to conduct excluded bingo at the Booster Day event on July 15, 2023 at Booster Park. The application form has been submitted and is complete. Staff is recommending Council approve the one day permit for the SFABC to conduct excluded bingo on July 15, 2023 at Booster Park for the Booster Day event.

Fiscal Impact: All items listed above requiring expenditures have approved 2023 Budget funds to cover the expenses.

Recommendation(s): Staff recommends approval of the Consent Agenda as presented.

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____



City of East Bethel

May 22, 2023

Payment Summary

Payments for Council Approval	
Bills to be approved for payment	\$83,614.73
Electronic Payroll Payments	\$40,164.15
Payroll City Council - May 15, 2023	\$2,232.90
Payroll Fire Department - May 15, 2023	\$14,438.40
Payroll City Staff - May 11, 2023	\$48,872.24
Total to be Approved for Payment	\$189,322.42

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Arena Operations	Bldg/Facility Repair Supplies	92734	Menards Cambridge	615	49851	\$131.99
Arena Operations	Bldgs/Facilities Repair/Maint	042823	Wright-Hennepin Coop Electric	615	49851	\$30.95
Building Inspection	Distribtion of Escrow	2023-00192	Casper's Excavating, Inc.	101		\$22,900.00
Building Inspection	Escrow Release	2023-00192	GEORGE, MICHAEL	101		\$4,462.00
Building Inspection	General Operating Supplies		Aaron Berg	101	42410	\$32.46
Building Inspection	General Operating Supplies		Aaron Berg	101	42410	\$235.87
Building Inspection	Motor Fuels	24252335	Mansfield Oil Company	101	42410	\$312.45
Building Inspection	Printing and Duplicating	53514	Sunshine Printing	101	42410	\$325.00
Building Inspection	Refund Permit	2023-00077	3-WAY ELECTRIC	101		\$190.00
Building Inspection	Refund Permit	2023-00353	Air Mechanical	101		\$150.00
City Administration	Office Supplies	IN4193303	Innovative Office Solutions	101	41320	\$176.16
City Administration	Office Supplies	IN4195191	Innovative Office Solutions	101	41320	\$4.58
City Administration	Professional Services Fees	93988	Ehlers	101	41320	\$140.00
City Administration	Professional Services Fees	M28219	TimeSaver Off Site Secretarial	101	41320	\$598.00
City Administration	Professional Services Fees	M28219	TimeSaver Off Site Secretarial	101	41320	\$341.00
Finance	Office Supplies	93994	Menards Cambridge	101	41520	\$14.99
Fire Department	Conferences/Meetings	6208	F.I.R.E.	101	42210	\$1,200.00
Fire Department	Conferences/Meetings	6221	F.I.R.E.	101	42210	\$1,725.00
Fire Department	Conferences/Meetings	11187	MN Fire Serv Cert Board	101	42210	\$25.00
Fire Department	General Operating Supplies	93288	Menards Cambridge	101	42210	\$45.83
Fire Department	Motor Fuels	24252322	Mansfield Oil Company	101	42210	\$326.12
Fire Department	Motor Fuels	24252335	Mansfield Oil Company	101	42210	\$497.06
Fire Department	Motor Vehicles Parts	107563648	Fleet Pride	101	42210	\$15.76
Fire Department	Motor Vehicles Parts	107704126	Fleet Pride	101	42210	\$32.65
Fire Department	Motor Vehicles Parts	107728439	Fleet Pride	101	42210	\$88.80
Fire Department	Motor Vehicles Parts	1539-187627	O'Reilly Auto Stores Inc.	101	42210	\$85.98
Fire Department	Safety Supplies	C100000235	Allina Health System	101	42210	\$806.20
Fire Department	Safety Supplies	C100007735	Allina Health System	101	42210	\$806.20
Fire Department	Safety Supplies	C100015959	Allina Health System	101	42210	\$731.25
Fire Department	Safety Supplies	C100020770	Allina Health System	101	42210	\$806.20
Fire Department	Safety Supplies	C100036346	Allina Health System	101	42210	\$806.20
Fire Department	Safety Supplies	37081610	Henry Schein, Inc.	101	42210	\$138.99
Fire Department	Small Tools and Minor Equip	INV-47857	Alex Air Apparatus 2 LLC	101	42210	\$1,819.02
Fire Department	Telephone	13299700113320	Midcontinent Communications	101	42210	\$20.25
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-04-23	Premium Waters, Inc.	101	41940	\$6.32



City of East Bethel

May 22, 2023

Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	042823	Wright-Hennepin Coop Electric	101	41940	\$23.95
General Govt Buildings/Plant	General Operating Supplies	93988	Menards Cambridge	101	41940	\$565.74
Legal	Legal Fees	04 2023	Eckberg, Lammers, P.C.	101	41610	\$9,962.42
Mayor/City Council	Dues and Subscriptions	2023	Mediation & Restorative Svcs	101	41110	\$1,324.18
Park Maintenance	Bldg/Facility Repair Supplies	992249	Lowe's	101	43201	\$1,433.75
Park Maintenance	Bldg/Facility Repair Supplies	93493	Menards Cambridge	101	43201	\$170.00
Park Maintenance	Bldg/Facility Repair Supplies	329897	S & S Industrial Supply	101	43201	\$63.06
Park Maintenance	Clothing & Personal Equipment	4154205989	Cintas Corporation	101	43201	\$33.15
Park Maintenance	Clothing & Personal Equipment	4154910119	Cintas Corporation	101	43201	\$31.58
Park Maintenance	Clothing & Personal Equipment	4155633947	Cintas Corporation	101	43201	\$33.34
Park Maintenance	Motor Fuels	24252322	Mansfield Oil Company	101	43201	\$627.15
Park Maintenance	Motor Fuels	24252335	Mansfield Oil Company	101	43201	\$426.05
Park Maintenance	Other Equipment Rentals	MP221626	LRS	101	43201	\$177.13
Park Maintenance	Other Equipment Rentals	MP221627	LRS	101	43201	\$177.13
Park Maintenance	Other Equipment Rentals	MP221628	LRS	101	43201	\$40.00
Park Maintenance	Other Equipment Rentals	MP221629	LRS	101	43201	\$85.71
Park Maintenance	Other Equipment Rentals	MP221630	LRS	101	43201	\$80.00
Park Maintenance	Other Equipment Rentals	MP221632	LRS	101	43201	\$45.71
Park Maintenance	Other Equipment Rentals	MP221633	LRS	101	43201	\$45.71
Park Maintenance	Other Equipment Rentals	MP221634	LRS	101	43201	\$45.71
Park Maintenance	Park/Landscaping Materials	9705034537	Grainger	101	43201	\$227.86
Payroll	Insurance Premiums	CNS0001253984	Delta Dental	101		\$684.47
Payroll	Insurance Premiums	CNS0001253984	Delta Dental	101		\$51.04
Payroll	Insurance Premiums	436200062023	NCERS Group Life Ins	101		\$80.00
Payroll	Union Dues	05 2023	MN Public Employees Assn	101		\$351.00
Payroll	Insurance Premiums	265866630145	Medica	101		\$8,934.68
Planning and Zoning	Escrow Release		SWINARSKY, JOSH	101		\$241.50
Planning and Zoning	Professional Services Fees	M28219	TimeSaver Off Site Secretarial	101	41910	\$159.00
Planning and Zoning	Software Licensing	R-022472-000-1	WSB & Associates, Inc.	101	41910	\$5,400.00
Recycling Operations	Other Equipment Rentals	MP221631	LRS	226	43235	\$80.00
Recycling Operations	Postage/Delivery	May 2023	Gregory Cardey	226	43235	\$350.00
Recycling Operations	Professional Services Fees	05 2023	Freimuth Enterprises LLC	226	43235	\$118.00
Risk Management	General Liability Ins	8154	League of MN Cities Ins Trust	101	48140	\$1,000.00
Street Maintenance	Auto/Misc Licensing Fees/Taxes	200023968	MN Trucking Assoc	101	43220	\$110.00
Street Maintenance	Bldgs/Facilities Repair/Maint	4154205989	Cintas Corporation	101	43220	\$9.04
Street Maintenance	Bldgs/Facilities Repair/Maint	4154910119	Cintas Corporation	101	43220	\$8.61
Street Maintenance	Bldgs/Facilities Repair/Maint	4155633947	Cintas Corporation	101	43220	\$9.09
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-04-23	Premium Waters, Inc.	101	43220	\$6.32
Street Maintenance	Chemicals and Chem Products	1539-189180	O'Reilly Auto Stores Inc.	101	43220	\$50.94
Street Maintenance	Clothing & Personal Equipment	4154205989	Cintas Corporation	101	43220	\$33.16
Street Maintenance	Clothing & Personal Equipment	4154910119	Cintas Corporation	101	43220	\$31.59
Street Maintenance	Clothing & Personal Equipment	4155633947	Cintas Corporation	101	43220	\$33.35
Street Maintenance	General Operating Supplies	8415	Menards - Forest Lake	101	43220	\$48.80
Street Maintenance	Motor Fuels	24252322	Mansfield Oil Company	101	43220	\$1,555.34
Street Maintenance	Motor Fuels	24252335	Mansfield Oil Company	101	43220	\$184.62
Street Maintenance	Motor Vehicle Services (Lic d)	612849	Auto Nation Inc.	101	43220	\$6,251.05



City of East Bethel
May 22, 2023
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Street Maintenance	Motor Vehicles Parts	MP041723-50	Emergency Automotive	101	43220	\$270.90
Street Maintenance	Motor Vehicles Parts	107562933	Fleet Pride	101	43220	\$485.44
Street Maintenance	Motor Vehicles Parts	107791494	Fleet Pride	101	43220	(\$104.00)
Street Maintenance	Motor Vehicles Parts	107874516	Fleet Pride	101	43220	\$27.97
Street Maintenance	Motor Vehicles Parts	001-1727673	Force America Distributing LLC	101	43220	\$73.62
Street Maintenance	Motor Vehicles Parts	1539-188240	O'Reilly Auto Stores Inc.	101	43220	\$38.87
Street Maintenance	Professional Services Fees	3040357	Gopher State One-Call	101	43220	\$41.85
Street Maintenance	Tires	1-130298	Steve's Tire Inc.	101	43220	\$820.00
Street Maintenance	Welding Supplies	20269321	Minneapolis Oxygen Co.	101	43220	\$54.86
TIF 1-2	Professional Services Fees	93987	Ehlers	436	43600	\$140.00
Water Utility Operations	Bldgs/Facilities Repair/Maint	042823	Wright-Hennepin Coop Electric	601	49401	\$42.95
Water Utility Operations	Chemicals and Chem Products	6471560	Hawkins, Inc	601	49401	\$50.00
Water Utility Operations	Gas Utilities	5937869-5 5	CenterPoint Energy	601	49401	\$120.74
Water Utility Operations	Gas Utilities	9541753-1 5	CenterPoint Energy	601	49401	\$83.20
Water Utility Operations	Refund Overpayment		BDM Construction	601		\$39.12
						\$83,614.73



City of East Bethel
May 22, 2023
Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Electronic Payroll Payments						
Payroll	PERA					\$9,899.76
Payroll	Federal Withholding					\$6,148.17
Payroll	Medicare Withholding					\$2,726.44
Payroll	FICA Tax Withholding					\$10,734.96
Payroll	State Withholding					\$3,765.77
Payroll	MSRS/H.S.A./HCSP					\$6,889.05
						\$40,164.15

DRAFT MINUTES: NOT YET APPROVED

EAST BETHEL CITY COUNCIL WORK MEETING

May 1, 2023

The East Bethel City Council met on May 1, 2023, at 7:00 p.m. for the regular City Council Work meeting at City Hall.

MEMBERS PRESENT: Tim Harrington Brian Mundle Kevin Lewis
 Tim Miller Jim Smith

ALSO PRESENT: Jack Davis, City Administrator
 Nate Ayshford, Public Work Director

1.0 – Call to Order

The May 1, 2023, City Council meeting was called to order by Mayor Harrington at 7:00 p.m.

2.0 – Adopt Agenda

Mundle stated I'll make a motion to adopt tonight's agenda. Lewis stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

3.0 – City Council Minutes Discussion

Davis presented the staff report indicating TimeSaver Off Site Secretarial Service, Inc. has prepared the City Council minutes since April 2, 2014. Over the course of their work, there have been several discussions regarding the type of minutes City Council has preferred. These have ranged from “semi-verbatim” type to summary minutes with the “detailed style” minutes (see Attachment 2) having been the standard since 2015.

Davis indicated Carla Wirth, President, and CEO of TimeSaver, will present options to City Council regarding different forms of minute formats that can be produced and present these to Council for review and discussion. Ms. Wirth has provided a comparison of the options available for minutes using an excerpt from the April 3, 2023 Work Meeting, Agenda Item 4.0 – Ordinance Amendments to outline the differences between the alternatives.

Davis stated attachment 1 to Council's packet was presented to the Council at the April 3, 2023 Work Meeting and provided an estimate as to the cost of verbatim transcripts.

Davis stated this is an information Item and staff requests direction from City Council at the conclusion of discussion of this item.

Carla Wirth, TimeSaver Off Site Secretarial Service, Inc., stated they had prepared Minutes for the City before 2014 under a different contract. She noted she had prepared different options for the Council which were in their Council packet including going with the bare minimum action minutes, all of the way down to an unedited transcript which is produced by an AI phonetic transcription software. As an example, she stated with that software if they are talking about numbers or citing sections in the code, it will give the transcription as alphabetically instead of numerically. She indicated what the City was getting now was detailed styled minutes, which was getting close to a transcript. She indicated there is not a lot of information in their minutes that is not included in the transcript. She noted, however, that the formatting was different. She asked if Council had any questions.

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Lewis asked for the exact sequence of events from start to finish in preparing the Minutes as they are done now. Ms. Wirth responded a day or two after the meeting, staff uploads the video to Dropbox and then they download that into their equipment and upload it into a program called Express Scribe, which is not a voice recognition program but rather a transcription program. She indicated by having that downloaded onto the laptop, foot pedals can be used as well as headphones. She noted that without this program, they would need to take their hands off the keyboard to pause and restart the video.

Ms. Wirth stated when they actually get to typing the Minutes, they have Express Scribe running on one side of the screen which shows the video and on the other side, they are typing the Minutes in a Word document.

Lewis stated that must take some getting used to. Ms. Wirth replied it did.

Lewis stated he liked the full detailed Minutes, but it seemed at times there is no proofing of it and some things did not make sense as it was read. He asked if anyone edited this. He stated he would like to get the Minutes directly from TimeSaver so he could see the raw material. Ms. Wirth stated their employee, a transcriptionist, is transcribing the Minutes and doing a visual proof on them. The Minutes are then sent to her and she is doing grammatical checks and formatting checks. Then, anything they are not sure of, that they did not catch, such as an address, name, or a term they are not familiar with, they will leave that highlighted. When the Minutes are sent to staff, she will ask staff to verify and correct whatever is highlighted before the Minutes come to Council.

Ms. Wirth indicated their contract as it is stated right now, authorized her to give the Minutes only to a staff person. She stated the Minutes are not released to anybody else.

Lewis stated that was open for discussion, but he had a question about the procedure so he could understand it as nobody had ever explained it to him.

Harrington asked the Council if they had any further questions or thoughts.

Smith asked which transcription type where they going by now. Ms. Wirth responded it was the detailed Minutes.

Smith asked what was the difference between that and edited transcription. Ms. Wirth replied she just worked on a 30-minute transcript off the one agenda item, which she picked because all of the Council was there, and it didn't involve a really long staff report, so the number of pages will depend on the topic and how long the staff report is. She indicated if it was a half an hour discussion and the staff report is 10 or 15 minutes of it, that is in one block of text. However, if it is a discussion between members, then that is many smaller paragraphs, which ended up being more pages. She noted it was hard to nail it down.

Smith stated personally he liked the edited transcript better as he believed it explained it more, but this was his opinion.

Lewis asked if anyone remembered what the original motivation was for moving to full detailed in 2014. He asked if it was to save money and to reduce the number of pages that have to be read. Ms. Wirth responded the City has never had an edited transcript type of Minutes.

1 Lewis asked what type of Minutes was it before 2014. Ms. Wirth responded it was probably more
2 summary Minutes.

3
4 Lewis stated one of his concerns was he didn't want to read 85 pages of notes for a meeting he was
5 just at a week prior. Ms. Wirth stated Council needed to consider what their meeting Minutes were
6 going to be used for. She noted the Minutes are supposed to be the historic record for actions and
7 Council needed to decide how much they need to create, store, archive, etc. and the ongoing cost for
8 doing this.

9
10 Lewis stated Mundle had previously said the ultimate historical record was the video and audio, which
11 they presumably had. He indicated though that lately they have had issues with audio and video.

12
13 Mundle stated they have been using the written Minutes and the video/audio hand in hand. He noted
14 if they want a review, they go to the Minutes but if they want a more detail they go to the video to get
15 the verbatim wording. Ms. Wirth stated usually someone would go to the paper document because
16 they are shorter and also because those never change, but the media has changed from video to
17 digital. As long as they are keeping up their digital files, there isn't an issue, but most cities stick with
18 paper.

19
20 Lewis stated in that case, it should be verbatim instead of full detail. He stated full detail Minutes had
21 an element of interpretation in it by the person who is doing the transcribing. Ms. Wirth responded
22 that was correct.

23
24 Ms. Wirth stated with respect to the ownership of the documents, TimeSaver creates the documents
25 and by the contract it is provided digitally to the City Manager or whoever is designated by the City to
26 receive the Minutes, and at that point the City owns the Minutes.

27
28 Ms. Wirth indicated their contract is only for drafting the Minutes with the expectation that staff and
29 Council will read the Minutes and if they see anything they don't agree with or think is misstated, they
30 are corrected at the meeting where they are considered for adoption and then the document is owned
31 by the City.

32
33 Lewis stated they have had discussions where things have been omitted or misstated. He stated that
34 wasn't from him and he asked the Council what it was. Smith stated he remembered at the last
35 Council meeting where Lewis made the statement where Ehrenberg was sitting there and he had the
36 name tag in front of him Community Director and he made that statement saying, "Oh, you already
37 have the title there," and that wasn't in the Minutes at all. He stated stuff like that sometimes is
38 important to have there for just a statement. He asked if she was the one who made the decision not
39 to put it in. Ms. Wirth responded yes, but if that was what Council wants in, then that is what they will
40 put in. She explained every city is different, but most cities won't include off the cuff or light-hearted
41 comments as they are not important for the decision making.

42
43 Lewis stated but with verbatim, those comments would be put in. Ms. Wirth responded that is
44 correct.

45
46 Lewis stated this was all a balancing act – a balance of money and a balance of volume. Ms. Wirth
47 stated another consideration they need to look at is how their Minutes will be used. She asked once
48 they are approved, how they are being used after that. Lewis responded they are being used little for
49 the most part.

1 Mundle stated the Minutes are put on the website and there they pretty much sit. Ms. Wirth stated if
2 they are going to research a past action, they might go back and read the Minutes for information as
3 to how a decision was made, but they wouldn't go to the Minutes to find the off the cuff comments, or
4 banter – they would go back to the Minutes to find substantial information. She indicated, however,
5 they will create the Minutes at the level Council wanted.

6
7 Lewis asked Davis what his thoughts are. Davis responded it was the Council preference as to what
8 they wanted. If the Council wants more detail then that is what will be provided, or they can keep the
9 Minutes as they are. It just depends on what the Council thinks they need for the Minutes.

10
11 Mundle stated he liked the Minutes the way they are with the detail style. He indicated they give
12 sufficient information to know how they got to the decision. He noted if more detail is needed, they
13 have the video recordings. He stated the price was reasonable for the amount of detail they do get in
14 them versus going to a transcript, which is almost twice the price. He indicated right now all they do
15 with the Minutes is to put them on the website and they don't go back to them much, but on some
16 occasions they might for research. He believed the Minutes gave a very good display of what happens
17 and he thought this was a good balance.

18
19 Davis stated these are draft Minutes and it is up to staff and Council to edit them. He indicated staff
20 corrected the highlighted by correcting spelling, adding names and addresses, etc. However, if
21 anything the Council feels needs to be added or was misstated, the Council has the option of
22 correcting the Minutes at the meeting. He stated staff can go back and add anything the Council feels
23 is left out or anything that needs to be omitted or changed.

24
25 Smith stated that is one concern he has is that the video is not even available to look at, such as the
26 Planning Commission meeting. Davis responded there was an issue with the video of the Planning
27 Commission and someone would be retrieving that video and it would be available shortly.

28
29 Smith asked what caused this. Davis responded there were a number of things that caused it including
30 a power outage that affected some things. Smith noted the power outage was the week before. Davis
31 stated he understood that, but at the Planning Commission meeting there were a lot of people in the
32 Chamber that were on their phones and the computer they are using is on a wi-fi signal and that is
33 what caused the lock-up. He indicated now they are using a computer that is on a hardwire. He
34 stated staff is assuming that was the issue, but somebody will come in to look at this and get it
35 corrected and to retrieve the Planning Commission file.

36
37 Harrington stated the current recording equipment is a big 'band aid' and that equipment needs to be
38 upgraded. He believed the equipment was junk. Davis stated it might be more of a software issue,
39 rather than a hardware issue. He noted they had somebody out here last week to look at it and they
40 are going to give estimates on what upgrades/fixes the City needs to make sure these problems are
41 resolved.

42
43 Harrington stated it seemed like every week somebody was texting or calling that something had gone
44 out (i.e. YouTube, Channel 10, etc.). He stated this needed to be fixed one way or another. He
45 acknowledged this would cost some money, but he believed this is something that they had to fix.
46 Davis responded they did have estimates coming and they hoped to get these to the Council in the
47 next couple of weeks.

48
49 Smith asked how much money was spent on the current system. Davis responded the system they
50 have right now none of the components are consistent and there is different equipment, but the

1 software interface is probably the biggest issue. He noted they did have some upgrades to the City
2 Hall 4 or 5 years ago and it was about \$80,000. He indicated it was not cheap.

3
4 Mundle understood all of the equipment got added as technology changed and they've tried to put
5 everything together to make it work. He noted for the most part it has, but apparently now they
6 might just have to break down and get something that won't have issues.

7
8 Smith asked if there was any possibility they could sell this equipment. He asked what happened to
9 the last equipment. Davis responded most of it was additions that was in the Chamber, but anything
10 they have right now probably has no value.

11
12 Mundle stated they might be able to donate it to the High School if they still had their AV program. He
13 noted they might get some good use out of it.

14
15 Harrington asked the Council what their preference was with respect to the Minutes. He stated the
16 detailed Minutes was fine with him and if they needed the details they could go back to the video for
17 correction, or they could get ahold of Ms. Wirth.

18
19 Miller stated he agreed and he liked the detailed Minutes more. He stated this was a nice "clearing of
20 the air" to find out where stuff was being edited and by whom because they know certain stuff is said
21 and it is not there and it is a question mark and to be able to clear that up helps a lot. He thanked Ms.
22 Wirth.

23
24 Ms. Wirth stated if there is an item that's controversial or they want more detail, they need to let her
25 know ahead of time and they can add the additional detail.

26
27 Davis stated unless there is further direction, he understands they will stay with the same style of
28 Minutes and if there is something Council wants more detail on to let staff know so they can inform
29 Ms. Wirth. He stated any edits or corrections to the Minutes when they are approved in the draft
30 form, can be done by staff when they are approved.

31
32 Ms. Wirth stated if it would be helpful, they can also line number the Minutes.

33
34 Lewis asked if it was okay if they talked to Ms. Wirth directly. Ms. Wirth responded no and
35 communication needed to go through Mr. Davis. She noted TimeSaver is totally non-political and they
36 don't get involved in the politics.

37
38 Lewis stated he only meant if they wanted changes to certain words. Ms. Wirth requested those
39 changes be brought to Mr. Davis. She stated TimeSaver is totally unbiased and impartial and that is
40 why cities hire them. She indicated she does not want to have conversations offline with one
41 Councilmember while others are not included.

42
43 Mundle stated Ms. Wirth would not want ten cooks telling her what to do. Ms. Wirth responded that
44 was correct and it was easier to have one source for the Minutes and it was up to Mr. Davis to get the
45 Minutes to the Council.

46
47 Smith asked if it was difficult to put numbers on the Minutes. Ms. Wirth responded it was very easy to
48 do this if that is what the Council wanted done.

49
50 Smith stated he would appreciate numbers being added. Ms. Wirth responded she would make that

1 change.

2
3 **4.0 – Conduit Bonds Presentation – Nexus/Cambia Hills**

4 Davis presented the staff report indicating the City Finance Committee met with a potential
5 purchaser for the Cambia Hills facility on Tuesday, April 4, 2023. The purchaser is Nexus Family
6 Healing and they propose to provide the same service that was offered by the Hills Group.

7
8 Davis indicated a major topic of the discussion at the meeting related to the issuance of conduit
9 bonds for the financing of the purchase of the facility. We’ve been assured by both our financial
10 consultant, Ehlers, and the Nexus bond counsel that East Bethel would have no liability exposure if
11 we should be involved in the issuance. Dorsey-Whitney representing Nexus and Ehlers will be present
12 at the Work Meeting to explain the process, benefits, and any potential issues for the City to consider
13 in upcoming discussion regarding participation in this type of bonding for this project.

14
15 Davis noted Nexus and Certus representatives are also in attendance at this meeting. As cartas is the
16 court appointed receiver representing the previous owner’s trustee, they are present only as
17 observers. The ISD School Board Chairperson and Superintendent have also be invited to attend.

18
19 Davis stated a typical charge by a city for this type of assistance is 1% of the par value of the bonds. In
20 this case the City portion of the issue would be \$10,000,000 which would generate up to \$100,000 to
21 cover any expenses relating to the issuance and for our participation in this form of financing.

22
23 Davis indicated this is a discussion and information item, and any action on this matter can be set for
24 a Regular Council Meeting at a date to be determined.

25
26 Rhonda Skoby, Dorsey-Whitney, stated she was here tonight as the bond counsel to the City. She
27 noted Nexus is separately represented by their own counsel. She indicated Nexus has proposed the
28 City issue conduit bonds. She shared the process for conduit bonds.

29
30 Ms. Skoby indicated conduit bonds were a pass through with a two-step process that would enable
31 the borrower to benefit from tax-exempt status for the bonds. She stated that meant the borrower,
32 who is a non-profit, could borrow at a lower interest rate because the investors are willing to accept a
33 lower rate of interest if they are not being taxed on it.

34
35 Ms. Skoby stated the City could issue the initial bonds and then it would loan those proceeds to the
36 borrower – Nexus. She indicated Nexus would have the full responsibility for paying back those
37 bonds and the City would have no financial obligation to repay the bonds. She noted State law
38 required a notice right in the bonds saying the City had no liability for this debt.

39
40 Ms. Skoby noted the borrower would also be responsible for all costs, such as a notice that needs to
41 be published. She stated they will pay their attorney’s fees as well as the City’s attorney’s fees also
42 and any other costs associated with the financing.

43
44 Ms. Skoby stated one sub-set of tax-exempt bonds, a category within that, is bank qualification. She
45 indicated smaller issuers, which less than \$10 million of tax-exempt bonds in a year (along either
46 other qualifications), can issue these special bank qualified bonds, which means that banks along with
47 other bond investors, can purchase these bank qualified bonds. She stated this gives a bigger pool of

1 investors and brings the interest rate down a little bit more. She indicated that is what Nexus is
2 asking the City to do – to issue bank qualified bonds.

3
4 Ms. Skoby stated this particular bond issuance would use all of the City’s bank qualification capacity
5 for 2023. She indicated it was her understanding that the City did not intend to issue its own bonds
6 or any other tax-exempt bonds this year so using that capacity shouldn’t present a problem for the
7 City.

8
9 Ms. Skoby indicated they often put items in the documents that if something happens in the City and
10 they do wish to do something in 2023, that the borrower would be responsible for making up any
11 interest rate differential that the City would have to pay by not being able to issue its own bank
12 qualified bonds.

13
14 Ms. Skoby stated if the City wanted to go forward with this, there would be two more meetings
15 where they would hear about this process. She noted one meeting could be the May 8 meeting if
16 that is what the City wanted, where they could call for a public hearing. She stated they would
17 handle publishing notice of that public hearing more than 14 days ahead of that public hearing. She
18 indicated that public hearing could be held at a later meeting which could be the June 12 meeting if
19 the City wanted to go forward.

20
21 Lewis asked if the type of assistance is one percent of the value of the bond, and if they issue a bond
22 for \$10 million and can generate up to \$100,000 as the Council packet says, that is used to cover any
23 expenses related to the issuance for the form of financing. But, he thought he heard Ms. Skoby say
24 that the City was not responsible for this, which would make the \$100,000 generated not going for
25 paying for any of this. Ms. Skoby responded they see a wide range of fees on these deals, and she
26 will leave it to Nexus and the City’s financial advisors to talk about what fee level makes sense in this
27 particular situation. She stated Lewis was correct and there should be no fees born by the City as a
28 result of this transaction.

29
30 Mundle asked if there were any risks to the City. Ms. Skoby responded the bank qualification cap
31 issue was what she saw as a big risk, but in her mind it was a “soft” risk, and there were ways to
32 mitigate that by putting into place the covenants that would require payment of that lost savings. As
33 far as other risks, she indicated there was no risks for being held responsible for these bonds.

34
35 Mundle inquired about the bank qualification issue. Ms. Skoby responded that was the \$10 million
36 cap. She noted each city, county, redevelopment agency, etc. has the potential to designate up to
37 \$10 million in bonds as bank qualified every year. She noted this was a special sub-category to tax
38 exempt bonds that opens up the market the banks instead of other types of bond holders and as a
39 result for debt that is designated as “BQ” (bank qualified), that type of debt can carry a lower interest
40 rate than other tax-exempt indebtedness. She indicated to protect against this, there would be
41 covenants put in the deal that if they did want to later designate their own bonds as BQ but were
42 prohibited because they had issued this debt, the borrower would be responsible for making up that
43 inability to do it as BQ.

44
45 Mundle asked if this would affect the City’s borrowing ability as far as asset debt ratio or any debt.
46 Ms. Skoby responded it would not and it did not count against the City’s debt ceiling or debt limits.
47

1 Mundle asked if this company gets the conduit bond, if they default or go bankrupt, etc. what would
2 happen. He asked how is this covered and what are the risks to the City. Ms. Skoby responded in this
3 scenario and things did not work out as planned and if there was a default, it would not go against
4 the City, but it would go against the borrower. She stated the borrower would look at presumably a
5 mortgage on the facility to sell that and pay off the debt.

6
7 Mundle asked in this scenario, would that have anything to do with the City's credit rating or anything
8 else. Ms. Skoby responded it would not. She noted it truly passed through the City and went to the
9 borrower.

10
11 Davis asked for making up the BQ differences, if they exceed \$10 million and the City wanted to issue
12 bonds this year, was that only for this year. Ms. Skoby responded that was correct. She stated in
13 2024 a new \$10 million would come into place.

14
15 Lewis thanked Ms. Skoby for her concise explanation.

16
17 Mundle asked by doing this would that set any precedent of the Council for doing it in the future.
18 Davis responded no, and he believed everything had to be looked at on a case-by-case basis. He
19 noted just because they would do it on this one, doesn't mean they have to do it for another one. He
20 indicated it was the City's option that things are evaluated based on the information given by the
21 financial advisor as to what is sound for the City.

22
23 Mundle asked if the City has done a conduit bond before. Davis responded no.

24
25 Mundle asked if there was any information from Ham Lake if they will be doing part of this conduit
26 bond as well for this company. Davis responded that the only thing he knew was that Ham Lake had
27 tentatively agreed to participate.

28
29 Ms. Skoby stated she believed Ham Lake was meeting tonight as well and having similar
30 conversations. She noted they represent Ham Lake as well and they will report back when they know
31 more about whether Ham Lake will participate and they will also share with Ham Lake whether East
32 Bethel is willing to participate. Mundle thanked her.

33
34 Lewis stated he had spoken with someone earlier who had spoken with the Mayor of Ham Lake and
35 they don't seem very positive about doing this. He indicated they did not see how it benefitted Ham
36 Lake and they are not in the St. Francis School District, but how it turns out tonight it is not up to the
37 Mayor alone but the entire Council.

38
39 Miller asked if East Bethel and Ham Lake are the only two cities considering this in the area. Ms.
40 Skoby responded they are the only two that are needed and both of these cities have been asked.
41 She noted there are some other options, but these two cities make the most sense based on the
42 location of the project.

43
44 Davis asked Stacie Kvilvang, the City's financial advisor to approach the podium to inform Council of
45 any issue she saw with this proposed bond issuance.

1 Stacie Kvilvang, Ehlers & Associates, stated Ms. Skoby did a great job with her presentation and she
2 had a couple of additions to it. She stated there is no financial risk to the City with this. She noted
3 the big thing that typically comes to play is any IRS audits they get. She indicated with the City being
4 the conduit, the IRS does not contact Nexus, but rather the City. She stated they have worked with
5 Dorsey on these and what the IRS is looking for is if the funds were spent appropriately and what the
6 spend-down was. She indicated that was usually for new construction and the nice thing about this
7 one is that they are just buying an asset and it was her understanding there was not going to be any
8 rehab, improvements, or expansions. She noted this would really be if the City was drawn for an
9 audit.

10
11 Ms. Kvilvang stated with respect to the fee, traditionally most of these either charge either one
12 percent of the par amount; some charge a smaller amount up front and a fee over time, but more
13 people switch to the fee up front because it is an administrative thing where that they have to follow
14 over the years to make sure you are getting the fee collected from them on an ongoing basis. She
15 indicated this is something that is negotiable and it was in their purview to do but she did not think
16 they were in a position to negotiate that at this meeting as they have not seen the financials yet.

17
18 Ms. Kvilvang indicated most cities are looking at what they want to do to help benefit the end user.
19 She stated usually when it is the for-profit developers, they are willing to charge the full fee but when
20 there are non-profit users or uses like this there might be more negotiation.

21
22 Ms. Kvilvang stated part of their process is once the City decides if they want to proceed forward,
23 they will request the financials from Nexus because even though the City is not financially
24 responsible, they want to have an understanding that based on their operating performa that there is
25 a good likelihood they will be able to repay the debt so the likelihood of them defaulting in the future
26 would not come to fruition.

27
28 Mundle inquired for the repayment of the debt, who would repay who - was Nexus repaying the City
29 or are they skipping that and going right to the borrower. Ms. Kvilvang responded it goes directly to
30 the lender. She stated the City was not involved at all and the City was only in the upfront process
31 and are just acting as a conduit. She indicated the City would not get involved in the annual
32 payments or anything else.

33
34 Lewis asked would the payments go directly to the bank. Ms. Kvilvang replied that was correct.

35
36 Davis asked over the term of the bond, what kind of accounting reports would the City be faced with
37 annually other than the upfront cost for legal and financial services. Ms. Kvilvang responded
38 essentially there is nothing for the ongoing. She indicated if this was a housing project it would be
39 different and they would get reports on the affordability that was linked to it, but with this type of
40 project there was not that kind of reporting at least not that she was aware of.

41
42 Lewis noted it was a single transaction.

43
44 Smith asked what happened if Ham Lake said no. Ms. Kvilvang responded they have other options
45 and they can go to other cities to find someone some other city who would be interested in it. She
46 noted this happened routinely throughout the Metro area. She stated if East Bethel chose not to do

1 it and they found someone else, the City would still be required to give host approval. She stated the
2 reason for this is that they don't want developers shopping prices on fees.

3
4 Lewis thanked her for the concise description.

5
6 Davis introduced Margaret Vimont with Nexus.

7
8 Ms. Vimont, Nexus Vice President of Strategy and Service Development, stated Nexus Family Healing
9 is in Minnesota and for 50 years the agency has been dedicated to serving the mental health needs of
10 youth and families. She indicated they have deep end experience in residential. She noted this was
11 their commitment to identify where the gaps are in the mental health delivery system for youth and
12 bringing their expertise to meet that gap. She stated they are a large organization that has 9 agencies
13 and is deep end residential, which is what Cambria was built for and the East Bethel site was designed
14 beautifully to serve youth with various mental health needs. She stated they run six of the facilities in
15 four states that are longer term, very intensive mental health, and then two shorter term facilities
16 that they have built for communities in Minnesota when they were identifying that mental health
17 need.

18
19 Ms. Vimont stated this is a project they have been interested in before Cambria closed and Cambria
20 said they knew they were closing and were interested in having the work continue because of the
21 dire need for the youth in Minnesota this type of high-end service. She noted there was a dire need
22 because they have youth that are being stranded in emergency rooms and in some cases in detention
23 because they have intensive mental health needs that foster care and other lower-level care in
24 communities cannot serve.

25
26 Ms. Vimont noted one of the reasons why it has taken them so long to say they are ready to do this is
27 because Nexus is a very deliberate organization and they took a very careful look at sustainability and
28 the funding of this level of care is something the State has really wrestled with in figuring out how to
29 have a rate system that allows organizations to run a high-quality system in a way that is financially
30 sustainable by the State funding system. She stated the State now has a process in negotiating the
31 rate with them and they have been very careful to build in sustainable living wages for the people in
32 the direct entry care positions so they can compete with the work force and making sure they have all
33 of the clinical layers they need to serve these youth. She stated they were given a rate that they can
34 be assured they have use in a sustainable way.

35
36 Ms. Vimont stated they are in the process of having the contract finalized at this time and they are
37 hoping to get the support they need by entities such as East Bethel and Ham Lake as well as others to
38 proceed to restore the facility to the reason it was built in the first place, which was to meet the
39 needs of Minnesota youth.

40
41 Mundle asked where the sale process was at. Scott McGuire, Nexus CEO, responded they have a
42 signed Letter of Intent in place right now and they are negotiating an Asset Purchase Agreement. He
43 stated he felt comfortable that they are going to have the Asset Purchase Agreement signed in the
44 next couple of weeks.

45
46 Mundle stated if everything went well by their timetable, when they would be looking to open the
47 doors. Mr. McGuire responded that ideally the finance process was around three months, which

1 would be August 1. If they close on August 1 and take possession of the property on that date, they
2 have a four month ramp up, which is for hiring and training with the thought that they would take
3 their first client on December 1.
4

5 Harrington asked if this would be one-half the youth that Cambia Hills had – 31 or 32. Ms. Vimont
6 responded their capacity would be 40 youth with a slow ramp up. She believed it would take a full 18
7 months before there would be 40 youth there.
8

9 Miller asked if there were any numbers as to what it would cost East Bethel schools or District for the
10 funding and staffing. He asked if the City would be responsible for this. Ms. Vimont responded it was
11 her understanding that when a youth came into the District, there was funding that came from the
12 home district for their education.
13

14 Lewis stated he believed Nexus was ideally suited for this facility and the majority of the citizens
15 wanted to see a nice asset put to good use.
16

17 Karsten Anderson, St. Francis Area School Superintendent, stated he was a resident of East Bethel
18 and on his way to work every morning he drove by the facility and has toured it twice. He indicated
19 he had met with representatives of Nexus and they do seem like a high-quality organization trying to
20 do important work.
21

22 Mr. Anderson stated the School District did have significant concerns. He indicated first of all there
23 were a lot of unknowns and he needed to have information before the District could be supportive of
24 the project. He stated there have been a lot of changes in State law that will be forthcoming and they
25 will find out more information on that in May as the session ends.
26

27 Mr. Anderson indicated he has a lot of questions about the needs of the students they would be
28 serving (i.e. one-on-one paras, how many kids will they have in the classroom, etc.), as well as
29 finance. He noted anytime there are unknowns like this it was his responsibility to try and get
30 information so they can cross some things off.
31

32 Mr. Anderson stated as the provider, the School District is mandated to provide these mandated
33 services in terms of education. He noted this could be contracted out to another entity like
34 Intermediate School District 916, which was the original school plan, but the problem is that they
35 would require the School District to be a member school district and in doing so they would be
36 obligated to a lease levy, not only for these particular projects, but for all of their projects. He noted
37 that is how cooperatives work in the school world. He indicated he did not have a specific number as
38 far as what that would cost the taxpayers including the taxpayers of East Bethel, but he imagined it
39 was hundreds of thousands of dollars per year.
40

41 Mr. Anderson noted the reason he did not know the number is because 916 is not interested working
42 with them because they are not members, so it is difficult to know what that cost would be.
43

44 Mr. Anderson stated another big issue was staffing. He indicated they have significant challenges in
45 fulfilling the current staff needs including the needs for special education services for kids. He
46 indicated they don't have enough teachers and enough education assistants. He stated he was
47 worried about how they are going to staff this particular program.

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Mr. Anderson stated Nexus agrees that if they came here they would have to provide competitive wages, but that also impacts their ability to keep and find their own employees and this was a huge issue for them.

Mr. Anderson noted with respect to finances, Nexus would charge them rent for using the facility for school-related purposes, but he did not know the amount. He stated it was critical that he knew the amount. He indicated he would not rent an apartment in East Bethel without knowing the cost and it was critically important to him that he had that information. He acknowledged Nexus was going through the financial processes right now and they don't know the rates or the details, but he at least needed to know a range.

Mr. Anderson stated they need time to figure everything out with Nexus and with the State. He stated this was an important service and everything he heard about Nexus was good in terms of the quality of service, but as a school district and in the interest of the taxpayers, they need more time and more information.

Mundle asked if he would be having additional meetings with Nexus and obtaining answers to all of his questions. Mr. Anderson responded that was correct and Nexus has been very good to work with. He noted one of the big missing pieces though is how much rent they would be expected to pay. He indicated that part he really needed to find out.

Mundle asked when they get all of the information they need, would be please update the City. Mr. Anderson responded he would and once he received all of the information he will run it by the State because they have some unique funding streams for care and treatment programs, which this was. He noted the only problem is that it is related to their own financial position of the School District. He stated he would share this information with the City after it was given to the State.

Mr. Anderson noted the finances were very complicated in the school setting, especially when it came to care and treatment programs. He stated while the State would pay them back for the costs, they are under the hold harmless provision and that significantly raised the concern level. He indicated they needed time to sort all of this out. Miller thanked him for being cautious and in checking out everything as there was a lot of money involved here. He indicated it was difficult to get teachers and now to have to fill 90 some jobs he did not know how this would happen. He appreciated him checking into this.

Miller stated he had a concern that this would cost taxpayers hundreds of thousands of dollars and while he was hearing there was little risk to the City, this was a huge red flag to him. He indicated anything that attaches cost to taxpayers of the City there is going to be questions. He stated he did not understand that they went from one portion of no risk to the City and when he was saying the City he included the taxes and the people who paid the bills, and then there was \$100,000 plus for what he was not sure and then he mentioned they did not have a cost on rent.

Miller stated they were going to be renting something they are going to be funding and paying for with the school system dollars and it could impact the City's taxes, and every piece of information Mr. Anderson can get for every dime that is being spent is going to be greatly appreciated in this decision. Mr. Anderson emphasized that he was new as far as starting a care and treatment program, but he

1 has worked with several in the past. However, he believed it was important for him to do his due
2 diligence to figure this out. He stated potentially there is a significant impact to the school and
3 potentially there is an impact to local taxpayers, or not. He indicated this depended on some other
4 factors that would take significant time for them to figure out.

5
6 Mr. Anderson stated he wanted to be fair to Nexus also and they are willing to work with them to
7 iron the details out, but the first thing he wanted to know if what the rent would be so they could
8 determine if they are going to get State reimbursement for that or if it would have to go to the local
9 taxpayers.

10
11 Davis stated what the Council need to do is to decide if they want to discuss this at the May 8 or May
12 22 meeting to call for the public hearing for the issuance of the bonds, and the question he had was if
13 they do this and they start this process and the School District had serious objections to this then
14 what was the status of the project. Harrington stated those were his exact thoughts and they needed
15 to ensure their bases were covered.

16
17 Smith stated he did not think they should put the cart before the horse when they don't know what
18 was in front of them. He stated Mr. Anderson needed to know what the rent was, so why would they
19 start doing all of these other things and get the wheels spinning when they don't know what is going
20 on. Davis responded he believed this was a critical part of the whole thing and before they approved
21 anything, he thought this was one thing they needed to know and that was the reason he was asking.
22 Davis stated this was what was before them tonight, which was to start the process and they had
23 heard some concerns from the School District and it was important to coordinate the timing of this so
24 that everything would hopefully work out.

25
26 Lewis asked what Davis's thought on going ahead with this was. Davis responded he believed they
27 might need more information from the School District. Davis stated he knew there was some
28 concern last time with Cambia and there were some things that weren't accounted for and the School
29 District was placed in a precarious position. Davis indicated wanted to make sure that didn't happen
30 again, but he also felt the School District's position on this would probably influence how this project
31 went forward because ISD 16 is not an alternative in the process of being a provider and he believed
32 it would fall on the St. Francis School District to provide the educational components on this.

33
34 Mundle asked what kind of a timetable were they under to get this accomplished. Mr. McGuire
35 stated this was the first time he had met the Superintendent so he wanted to meet with him further,
36 but he did not think this would be a problem as far as he was concerned and he believed they could
37 get something negotiated that was beneficial to both parties. He stated his original thought was to
38 wait until they had a signed Purchase Agreement, which kind of drove the entire process. He stated
39 they were very close to that and he would be willing to meet with the Superintendent this week or
40 next week to have these discussions as he did not want to have this held up.

41
42 Mr. McGuire stated with respect to timing, the timing was very imperative. He indicated they needed
43 to close on this by August 1 so they can take possession and have the four months to hire and train.
44 He stated if they can't to that then they would have to push this out past the first of the year to
45 Spring as trying to hire during the holiday season and the referral for clients during the holiday season
46 were not strong. He stated it was very important to them to keep this moving for an August 1 closing
47 date.

1
2 Mundle stated with August 1 being the projected closing date right now, and he assumed they
3 needed to conduit bond in order to close. Mundle asked how long it would take a conduit bond to
4 proceed. Mr. McGuire responded he had been told it would take 90 days. Mr. McGuire noted the
5 way it was working right now, they could get there by August 1.
6

7 Davis asked in terms of the timing issue, he believed he wanted some direction by next Monday. He
8 stated they could also put this off until May 22 for the City to call the public hearing if that is the
9 direction the City wanted to go and still meet the June 12 fourteen-day timeline. He asked if three
10 weeks would be enough time for them to get back with some basic information regarding their
11 negotiations with the school on some of these issues. He stated this would give the City more
12 comfort level in going ahead with the conduit bond financing. Mr. McGuire responded that the only
13 issue he heard regarding Nexus was the negotiation of the lease and the other items brought up
14 sounded more like school district challenges in terms of hiring. However, in terms of the lease, he
15 could have those conversations in the next week or two. He stated he wanted to make this work and
16 he did not want to have that derail this project.
17

18 Davis stated that would give the school district another two or three weeks to work on this and they
19 could get back to the City and still meet the timelines. He stated if the City called for the public
20 hearing on the 22nd, it would still give time to have this on June 12 which would give the City time to
21 get additional information. He asked Mr. McGuire to give him any information he gathers so he could
22 keep the Council formed.
23

24 Mundle asked what kind of direction was needed on this. Davis stated if Mr. Anderson and Mr.
25 McGuire would keep him apprised of things, this could be given to the Council by email and at the
26 May 8 meeting, if necessary. He indicated this could tentatively be put on the May 22 Council
27 meeting. He believed they had plenty of time to get questions answered.
28

29 Lewis stated if they were to proceed with the public hearing, this wouldn't oblige the City to go ahead
30 with the conduit bonds. Davis responded they could have the public hearing and then vote it up or
31 down.
32

33 Lewis stated he had been through these types of things before where all of the loose threads needed
34 to be pulled together and at some point you just have to grab one of them and tie it off. He indicated
35 you just need to fix something as a start to the process otherwise there are loose ends flying around.
36 He believed they were well assured by the City's bond counsel that they were not exposing the City to
37 financial risk by issuing the conduit bonds and he believed that was a big question. He indicated the
38 second question from the City standpoint is the tax risk through whatever is worked out through the
39 school system. He believed they could proceed with the public hearing at least get that done. He
40 stated if it was going to happen, then at least they would be prepared to do their end of it.
41

42 Davis stated they could call for the public hearing at the May 8 meeting and the public hearing
43 wouldn't be until June 12 and by then they should know more by that time.
44

45 Mundle asked if that was an okay timeline for Nexus' point. Mundle noted the answer was in the
46 affirmative from the audience.
47

5.0 – 2024 Parks Capital Improvement Plan

Ayshford presented the staff report indicating the Parks Commission prepares an annual Capital Improvement Plan (CIP) which updates needs and costs of proposed projects, evaluates priorities and establishes funding for these works for the coming year and for each of the subsequent years for a five-year period. This plan is presented to City Council for their approval and used in the preparation of the 2024 budget.

Ayshford noted approval of the plans only commits the City for the projects identified for 2024. Projects beyond 2024 are for planning purposes and will be reevaluated annually for funding prioritization during the capital improvement planning process.

Ayshford indicated the budget includes a general fund transfer of \$100,000 for Parks Capital Improvement Projects for 2024 and is subject to City Council approval. It is anticipated that Park Dedication Fees from developers will provide an additional \$40,000 to the Parks Acquisition and Development Fund for 2024.

Ayshford stated the Park Commission voted unanimously to recommend the attached 2024-2028 Parks Capital Improvement Plan to the City Council for their review at the May 1, 2023 Work Meeting.

Harrington asked with respect to the playground equipment in 2025, where was that going. Ayshford responded that the funding for these projects come from development. He indicated this is what they voted on at their last meeting for the park dedication fees. He stated if they do not have the funding from a development in a certain year, the project was pushed back a year as place holders. He noted in 2024 they are looking for a shade structure at Booster West to be used by the fans of athletic softball games taking place there. He indicated they had \$50,000 budgeted for that.

Ayshford stated they did not have anything specific for 2025 yet and part of what they are looking at for 2025/2026 and beyond was the need for a project in the new development area near Viking and Highway 65.

Smith inquired about the \$60,000 parks acquisition and development fund for 2024. He noted Ayshford said \$40,000, which was different than the packet. Ayshford responded it should be \$40,000.

Harrington asked if the lights being proposed in 2028 at Booster were electric and was it just for the lights or was it for everything. Ayshford responded that was an estimate from Musco, which included putting poles in and running power, etc.

Harrington asked if they would need to run a separate transformer to the field, or could they use the existing one. Ayshford responded he was not sure.

Ayshford indicated the Parks Capital Fund was funded from transfers from the General Fund. He noted there are no changes requested from that transfer amount. He indicated they have been slowly ramping that back up and they have left it at that value for right now. He stated for 2024 there was a big project planned for Coon Lake beach. He indicated that was the oldest playground equipment in the City. He stated it was secondhand playground equipment from a different park that was transferred. Maynard Peterson Park which was secondhand equipment transferred there also.

1 He stated they were looking at somewhere around \$50,000 for the actual playground equipment and
2 some other site improvements as well as some items to be determined as to what is going to take
3 place at the skateboard park.
4

5 Ayshford stated all of these items will come back to the Council in 2024 before there are any actual
6 purchases. He noted right now they are just approving the plan and funding.
7

8 Smith asked if there were any grants for these items. Ayshford responded there were grants
9 available from the DNR and sometimes the playground companies have grants also, but most of the
10 items they buy was on a State contract so it is at a very reduced price and the grants come up to be
11 about the same price. He indicated the MN DNR has a number of matching grants that are
12 competitive, which are usually for a major project. He stated they had a previous grant where the
13 City used it for Booster East to help do that development. He indicated the Commission, along with
14 the Council Liaison Miller would be discussing grants at a future meeting.
15

16 Lewis asked if the Coon Lake Beach equipment would be new. Ayshford responded it would be new
17 equipment. He indicated it was actually hard to reuse playground equipment and most of the time
18 they have to donate it to a group where the equipment was taken out of the country to areas that
19 need it.
20

21 Ayshford stated for 2025 there was another chunk of the trail segment and moving onto
22 2026/2027/2028 that was where they were starting to look at the development of a new park in the
23 part of the City where the Viking golf course is. He noted they were trying to get away from the small
24 neighborhood parks and focus on larger parks. He indicated another focus the Commission had was
25 trails and they had done two surveys in the past in 2012 or 2013 with the biggest request from
26 residents at that time was for walking and biking paths and the second request one was athletic
27 facilities for organized sports. He stated this is where a lot of the focus has been on – upgrading
28 Booster Park and looking at trail connections.
29

30 Ayshford indicated they do have some new trails coming in with the Elevage property and a portion
31 with Sandhill Crane project also. He noted there was a general outline for the trails on the
32 comprehensive map also.
33

34 Ayshford stated Anoka County has a trail that runs east to west following County Road 74 which will
35 be funded by the County when they do highway improvements, but that was a long way out. He
36 pointed out they do have another small trail that catches the SE corner of the City going past Coon
37 Lake Beach that connects Lexington Avenue up to Martin Lake.
38

39 Smith asked if Elevage would have their own park and trails. Ayshford replied they were going to
40 have public trails along with a private clubhouse.
41

42 Harrington asked if they would tie into Viking. Ayshford responded they would.
43

44 Mundle stated this was looking good and a larger new park on the south end of the City would be
45 something to look forward to. Davis pointed out on the map where in the City there would be some
46 residential growth in the new few years and where the City was lacking facilities.
47

1 Ayshford stated this will be included in the budget process also. Davis stated this will be presented at
2 the next Council meeting for approval of this preliminary plan for budgetary purposes.

3
4 Mundle request Ayshford pass on thanks to the Parks Commissioners for all of their hard work and
5 time.

6
7 **6.0 – 2024 Roads Capital Improvement Plan**

8 Ayshford presented the staff report indicating staff prepares an annual Capital Improvement Plan
9 (CIP) which updates needs and costs of proposed projects, evaluates priorities and establishes
10 funding for these works for the coming year and for each of the subsequent years for a five-year
11 period. This plan is presented to City Council for their approval and used in the preparation of the
12 2024 budget.

13
14 Ayshford indicated approval of the plans only commits the City for the projects identified for 2024.
15 Projects beyond 2024 are for planning purposes and will be reevaluated annually for funding
16 prioritization during the capital improvement planning process.

17
18 Ayshford stated the budget includes a proposed general fund transfer increase of \$50,000 for road
19 improvement projects for 2024 subject to City Council approval.

20
21 Ayshford indicated staff recommends the attached 2024-2028 Roads Capital Improvement Plan to
22 the City Council for their consideration and approval.

23
24 Ayshford stated there are two separate funds – Fund 402 is the Municipal State Aid fund and the
25 projects are funded from money received from the State of Minnesota that come from gas tax,
26 license tax, etc. He indicated the City was allocated an amount each year and right now the annual
27 amount is \$641,430. He noted these funds can only be used on municipal State aid roads, which are
28 the major connector roads. He indicated these are basically the higher speed, higher volume roads
29 that connect typically between the State Highways or two County roads.

30
31 Ayshford noted for 2024, they are showing a negative beginning balance because with the State Aid it
32 was a different funding mechanism, but they can advance fund their allocated amount up to \$3
33 million ahead of time which is what the City has been doing for a number of years. He indicated
34 basically the City is getting the money ahead of time with no interest on it to fund these projects
35 when they come due. He stated this was a common practice for most cities and that was why they
36 were showing a negative balance.

37
38 Ayshford stated the balance on the 2024 includes a project for University Avenue joint project with
39 the City of Oak Grove, which he believed East Bethel’s portion of that was approximately \$500,000 to
40 \$600,000 and that was figured into the beginning balance. He noted for 2024, they are looking at
41 Davenport Street reconstruction. He noted they would widen the road out and put concrete, curb,
42 and gutter there. He indicated that road has been on the schedule for a number of years. He stated
43 this was the MSA project for 2024. For 2025, he indicated they do not have anything planned, so
44 they will allow that fund to build back up again. In 2026, he noted they are looking at Polk, Jackson,
45 and Klondike going back to 65 which would be a mill and overlay with possibly a couple of spots that
46 would have to be reclaimed.

1 Ayshford indicated \$750,000 was for the open portion of Jackson and \$125,000 was for the Klondike
2 Drive portion.

3
4 Ayshford indicated for 2027/2028, there are no projects planned right now but that could change
5 going forward.

6
7 Ayshford stated the amount received from the State varies from year to year as well but has been
8 between \$625,000 and \$650,000 for the past number of years and he anticipated it would stay in that
9 area. He noted this amount was based on traffic counts on the MSA roads.

10
11 Smith asked if they had to apply for that money. He asked how they determined this. Ayshford
12 responded they did have to send in a request for advance funding. He noted at the last meeting the
13 City Engineer sent in a request for the \$700,000 to help pay for 181st Avenue from Acapulco to the
14 west and to help pay for the upcoming University Avenue project. He indicated at times the State
15 froze the advanced funding, which was done over Covid, but now they were allowed to reapply for it.

16
17 Miller noted the City had a lot of gravel roads in the City and who made the decision when/if the
18 roads got blacktopped, and who has to pay for that. Ayshford responded the City had about 15 miles
19 of gravel roads, which was a significant portion of the City. He indicated the City policy was the
20 neighborhood had to petition to pave the road and the neighborhood would then pay the brunt of
21 the project. He indicated the City changed the policy a few years back to try and get more
22 neighborhoods involved in wanting to do this and the City would go up to \$100,000 to help cover the
23 cost of the project because they had a number of costs in the road already for drainage and resurface
24 with class 5, so they would use those costs and use it towards the blacktop. He noted this very rarely
25 happens because you had to have the majority of the people who want to do this and they had a hard
26 time doing that. He stated this was assessed to the property owners because they are increasing
27 their property value.

28
29 Ayshford stated if they have two developments that are identical or built at the same time with one
30 having paved roads and one having gravel roads, the house on the paved portion would cost more
31 because that developer has the cost of the blacktop when they made the road and that is passed
32 onto the price of the lot/home.

33
34 Davis stated the cost of the assessments can vary greatly depending on how many residents live on
35 that section of road. He noted the last petition they had was in 2018 and the average assessment
36 cost was going to be \$17,000 per lot for the paving. He believed this involved about 40 houses and it
37 was 2 miles of road. He stated it was quite expensive. He noted the City would replace all of the
38 drainpipe work, ditch work, figure out the number of Class 5 applications over a number of years and
39 credit that towards the cost of the project.

40
41 Smith asked if there was any credit for the homes the people have paid through the years. Davis
42 responded no, even though they are paying to keep the dirt road portion up. He stated the dirt road
43 portions are still maintained along with ditch work and Class 5 applications so that is what their taxes
44 are paying for the maintenance.

45
46 Mundle noted some of those roads get dust control as well.

1 Lewis asked if Ayshford had looked at the soap suds. Ayshford responded he had looked into this but
2 he could not find anyone who did it around the area. He noted this was a viable option though. He
3 indicated though that it was hard to get enough quantity and they would have to be close to the
4 supplier for it to be feasible. He stated it appeared it was used a lot more in the farm country. He
5 stated sugar beets was another thing used in the Red River Valley. He noted it did not have the
6 environmental effects that chloride had and it was better for the environment.

7
8 Lewis stated he was looking out for the environment. He indicated he had come across this in his
9 past life in agri-business.

10
11 Ayshford stated the Street Capital Fund was funded through the General Fund transfer. He indicated
12 currently they are transferring \$500,000 to the budget and in looking at how this was going to play
13 out, they are severely underfunding some of the road projects. He indicated the needs are getting
14 higher than what they are funding, so they are requesting a \$50,000 increase now and then another
15 one in 2026. He stated he had compared some of the neighboring cities and what they have for
16 roads and needs and East Bethel was pretty low compared to other cities.

17
18 Ayshford indicated for 2024, the funding sources are the General Fund transfer and then they have a
19 couple of assessments the City has already paid for that they are getting payments on. He noted
20 each year they have a number of projects they do on the City streets that they budget for (North
21 Metro GPA maintenance projects). He stated they are going to budget \$100,000 for that which
22 includes crack sealing, seal coating, and restriping of the streets. He indicated for 2024 they are
23 looking at redoing a variety of streets as outlined in the Council's packet.

24
25 Ayshford stated for 2025 they have quite a few projects planned also. He noted for 2026, they are
26 looking at a couple of different developments, along with a joint project with the City of Linwood for
27 Sunset Drive, which they are predicting around \$600,000 for that project with \$300,000 being East
28 Bethel's share. He summarized the 2027 and 2028 proposed projects. He stated by the end of 2026,
29 they were getting the fund balance down. He noted what the other cities had regarding the miles of
30 roads and the amounts of their budget funds. He stated the City can patch and maintain the roads,
31 but a number of the roads would require total reconstruction at some point.

32
33 Mundle stated they could only patch the patches for so long. Ayshford noted this happened year
34 after year and it took a couple of months to get through everything. He believed the current plan as
35 it was right now tackled the biggest needs but they would see more pop up as they go forward over
36 the next 5 years.

37
38 Harrington asked if they were actually going to do Sunrise and that Linwood was going to go in on this
39 one. Ayshford responded they have had initial discussions with Linwood. He noted Linwood has a
40 different funding mechanism for their roads. He stated Linwood did not get the MSA funding East
41 Bethel received because they are not a city. He stated Linwood has access to some Township money
42 which was somewhat different so their budget was pretty small.

43
44 Ayshford stated right now they are just looking at the 2024 budget and then other projects would
45 come back to the Council for approval before they begin.

1 Ayshford state if any Councilmember wanted to look at these roads, he would make himself available
2 to show them on a one-on-one basis.

3
4 Mundle stated this looks good and thanked Ayshford.

6 **7.0 – SRWMO JPA and Funding Formula Update**

7 Davis presented a summarization of the staff report indicating at the March 27, 2023 City Council
8 Meeting, Council was presented with an update on the progress of updating the Sunrise River WM) JPA
9 and member funding formula. Council was advised that the Sunrise River Water Management
10 Organization (SRWMO) conducted meetings on October 4 and 19, December 6, 2022 and March 1,
11 2023 with City Administrators and Council member liaisons from each member municipality to discuss
12 amendments to the Joint Powers Agreement (JPA) that would update the agreement to align with
13 current state statutes and consider a new funding formula for assigning costs to the members.

14 Davis stated these meetings did not produce any resolution on a funding formula that would be
15 acceptable to all the members (East Bethel, Columbus, Ham Lake, and Linwood) with Ham Lake being
16 the only dissenter to an agreement.

17 Davis noted after the March 1, 2023 Meeting, which included representatives from the Board of
18 Water and Soil Resources (BWSR), the DNR and the Anoka County Attorney's Office, Ham Laker
19 remained resolute in their position on the funding formula and the requirement for ratification of the
20 proposed annual budget. Ham Lake's stance on this matter was unchanged even as attorneys made
21 clear at our March 1 meeting, that state law prohibits requiring unanimous ratification of
22 budgets. MN statute 103B211 Subd. 1(c) states decisions by a joint powers board may not require
23 more than a majority vote, except a decision on a capital improvement project, which may require no
24 more than a two-thirds vote.

25 Davis indicated the funding formula remains a point of contention. The most recent Ham Lake
26 council meeting reaffirmed that their city would accept only one option with that option being 4-A
27 outlined in Attachment 1 to Council's packet.

28
29 Davis stated the committee (SRWMO representatives from Columbus, East Bethel, and Linwood)
30 wants to clarify that funding formula 4a, favored by Ham Lake, does not differentiate between
31 operating and non-operating expense, it applies the funding formula to the total budget. Ultimately,
32 Ham Lake would accept option 4a and that is what they could offer if all three of the cities agreed to
33 this compromised offer. The committee suggested we use this revised list of possible options to
34 request our respective councils/boards to consider: Keep the Status quo; Request and engage in
35 mediation; Compromise by non-mediation discussions between cities; Use Ham Lake's favored
36 funding formula 4a; Council member not required on WMO board; Budget ratification not
37 unanimous, but there is a process to hear all budget objections; All 4 cities pay \$1000 for update;
38 Concede to Ham Lake's demands; or dissolve and re-form the SRWMO and JPA.

39
40 Mundle asked with the option of dissolving and reforming, what happens to Ham Lake's section and
41 can they even do this without the Ham Lake section since it's in the watershed. Davis responded the
42 Ham Lake section would either be taken over by the County or BWSR would set up another district
43 for Ham Lake to go into. He noted that was one of the drawbacks to dissolution. He noted then if
44 they have a project with Coon Lake they are dealing with two different organizations. He believed
45 Linwood was fairly firm in their stance that they wanted to go their own way with a dissolution and

1 Columbus could go either way. He indicated did not know if that would be a major issue in dealing
2 with two issues with Coon Lake in the future and it is something they have to experiment with as
3 there has been no experience with it so there has been no basis as to what they would encounter.
4

5 Harrington stated BWSR, Coon Creek, and the County does not want Ham Lake to go. He indicated
6 Ham Lake is going to have to be in some kind of a watershed though. He stated Ham Lake was
7 holding them hostage.
8

9 Mundle stated if dissolution were to happen, some entity would have to take on that southern
10 portion of Coon Lake.
11

12 Harrington stated Ham Lake could always come back if they did leave. Davis stated if this was
13 dissolved, Ham Lake would either have to be taken over by the County for that portion of the
14 watershed which the County wanted no part of it. He indicated the County might do it temporarily,
15 but they are going to put pressure on Ham Lake to get out of there as quickly as possible or BWSR
16 would step in and finally issue a directive to say this is what is going to happen and they are the group
17 that oversees this, so Ham Lake needed to stay in the watershed and had to work with everyone in it.
18

19 Harrington stated he was disappointed in BWSR because BWSR does not want to say this is what it
20 had to be done and they are beating around the bush. Davis stated both the County and BWSR are
21 the same way and they are both in a difficult position, but somebody needed to step up and say this
22 is the way it is going to be.
23

24 Lewis stated when he went through the information, all he wrote down was one question which is:
25 What was Davis's and Harrington's recommendation moving forward. He noted they are the ones
26 involved in this and he wanted a recommendation. Davis stated personally at this point be thought
27 dissolution may be the best course of action. Harrington stated otherwise they would just keep
28 playing the game.
29

30 Lewis asked what the estimated cost of doing it would be. Davis responded it would be the legal cost
31 and he thought for each participant it could be around \$3,000 or \$4,000.
32

33 Mundle stated this is not terrible, but not what they wanted to pay either. Davis stated this would
34 give them finality to the matter and they would not need to deal with it every year and fight over the
35 budget and allocations. He indicated this would buy a little bit of stability if they went this direction.
36

37 Mundle asked if there was any way they could put pressure on BWSR to make a decision before they
38 came to dissolution. Davis responded he did not think so. He noted this would dump it in BWSR's lap
39 if this happened because since BWSR would not make a decision BWSR is going to end up dealing
40 with Ham Lake as a sole entity. He stated he understood Ham Lake's desire to cut their expenses, but
41 it was not a great deal of money and in the long run it was probably not going to save anything.
42

43 Mundle stated what Ham Lake was trying to save versus the time and effort that has gone into this
44 already didn't make sense. Davis stated this had already cost East Bethel some money and it would
45 cost them some more no matter which way they went.
46

1 Lewis asked if Davis needed a motion. Davis responded he only needed direction. He indicated they
2 will have another meeting if it was Council’s intent to go with dissolution.

3
4 Lewis suggested they just call Ham Lake’s bluff and go for dissolution and Ham Lake could go out into
5 the twilight zone and hang out there. Davis stated staff would sit down with Linwood and Columbus
6 and have another meeting to give them the consensus of the Council. He believed right now they
7 were just going to be playing this game without getting anywhere and they had better things to do
8 than this.

9
10 Lewis stated this was like dealing with a truculent child and at some point they have to get real. Davis
11 stated if that is the consensus of Council, staff will set up another meeting with Columbus and
12 Linwood.

13
14 Lewis stated that was just him talking and they didn’t have any consensus here. He stated it was him
15 “flapping his gums.”

16
17 Harrington stated the Upper Rum was going to deal with this at some point also. He believed they
18 were watching to see what happened with this.

19
20 **8.0 – Ordinance Review – Storage Containers, Appendix A - Zoning**

21 Davis presented the staff report indicating Councilmember Tim Miller has requested that City Council
22 review City Ordinance Appendix A – Zoning, Section 10-4, Accessory Storage Containers. That section
23 of the ordinance reads, “Accessory storage containers, as defined in Section 01. General Provisions of
24 Administration, are not a permitted use within the City of East Bethel.”

25
26 Davis stated the definition of an accessory storage container is found in Appendix A – Zoning, Section
27 1 -9 Definitions, and reads as; Accessory storage container: A container placed outdoors and used for
28 the storage of goods, materials, or merchandise that is used in connection with a lawful principal or
29 accessory use of the lot. The term "accessory storage container" includes, but is not limited
30 to, containers such as boxcars, semi-trailers, roll-off containers, slide-off containers, railroad cars,
31 piggyback containers, and portable moving and storage containers. The term
32 "accessory storage containers" does not include a garage, barn, or storage shed accessory to a
33 dwelling provided such structure is not of a type designed, equipped, or customarily used for over-
34 the-road transport of goods, materials, or merchandise.

35
36 Davis indicated the City permitted the use of a storage container in a rural residential zone on
37 November 8, 2021 but only with the condition that the exterior contained architectural features and
38 was framed and sided with material and of a color that matched the finish of the home. Complaints
39 related to this type of accessory structure have resulted in removal of 4 of these units over the past 6
40 years.

41
42 Davis noted options for modification or the removal of the prohibition of these containers could
43 include but not be limited to:

- 44 1. Allowance of these units in all zoning districts with only setback requirements,
- 45 2. Allowance of these units in limited zoning districts with restrictions on location and
46 requirements for screening;
- 47 3. Allowance of these units in limited zoning districts with restrictions on location and requiring

- 1 exterior finishes of the container units that match the materials and color of the principal
- 2 structure on the site; or
- 3 4. Any of the above but with lot size restrictions required to accommodate set back and
- 4 screening requirements that would set the standard for use or prohibition of the units;
- 5 5. Other considerations as appropriate.

6 Davis stated this is a discussion Item with staff seeking direction on the Ordinance review.

7
8 Miller stated it would be a proposal to amend Appendix A, Section 4 where this amendment changes
9 the rule to allow accessory storage containers with conditions. He indicated this proposal
10 amendment changes the existing ordinance to allow storage containers in the rural and agricultural
11 properties. He indicated it sets requirements for size, color, and placement of containers and
12 outlines and enforcement measures for violations.

13
14 Miller stated the accessory storage containers as defined in Section 1, general provisions of the
15 administration were permitted within the City of East Bethel on rural residential and agricultural
16 properties subject to the following requirements: The storage container shall be free of text and
17 graffiti; the storage container shall be of a neutral color or shall match the general aesthetics of the
18 primary structure of the property. He indicated neutral colors would be light beige, gray, or similar
19 earth tone. He stated the storage container shall not exceed the height of 12 feet and the storage
20 container shall not be stacked on top of one another. He indicated the maximum square foot storage
21 of these containers shall be up to 320 square feet for properties under 4 acres, an additional 80
22 square feet for each additional square foot thereafter. He noted that was thrown in here for
23 conversation purposes for larger properties. He indicated the storage container shall comply with all
24 setback requirements as specified in the City of East Bethel’s Zoning Ordinances. He stated the
25 storage container shall be screened from view from any adjacent public right of way unless the
26 screening is not required due to the location of the storage container on the property. He noted
27 storage containers shall comply with all other applicable City Ordinances and regulations, and any
28 violations of this Ordinance may result in fines, penalties, or any other legal action as deemed
29 appropriate by the City of East Bethel.

30
31 Miller stated basically what he was saying is when done right, these storage containers are second to
32 none, waterproof, and mice proof. He indicated he saw them around and in East Bethel. He believed
33 people in rural/farm areas should be able to use them.

34
35 Harrington noted they just did one of these on Jewell Street a couple of years ago and they did the
36 upgrades with siding, windows, etc.

37
38 Miller believed when it was done right it could be utilized and it was something they should seriously
39 consider for the residents. Lewis agreed. Smith also agreed and noted they were rodent proof and
40 people that built sheds, the sheds were not rodent proof. He indicated storage containers were also
41 well sealed.

42
43 Miller believed the residents would respect what the City was asking and take into consideration
44 what the resident could do with the storage containers. He stated the residents could dress them up
45 nicely to match what was going on around the property and the containers would be utilized. He
46 indicated what they don’t want is something with graffiti on it, or in the front of the house for years
47 and years.

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Harrington stated they did a nice job on the one on Jewell. He recommended the Councilmembers go look at that one. Smith stated if the containers are painted and kept up, they would look nice.

Lewis asked what was needed. Davis stated staff needed direction and staff will write the changes up to be submitted to the Planning Commission for review and comments.

Lewis stated this made sense to him.

Mundle asked if there was a lot size restriction on this. Miller responded 320 square feet would be a 40-footer – 40x8. He noted rural residential was something they should talk about as far as what is the limit on where they want to put it. He stated they did not want these to fill up the neighborhoods either.

Mundle stated there are some rural residential that are showing .68 acres and are under one acre.

Lewis stated he is a libertarian and they know what his thoughts are, “who the hell’s business is it if it is a decent looking thing.” He indicated one thing that drives him nuts in the Zoning Ordinances was that everything had to look the same. He stated he did not know where that was coming from but he could not think of a more boring way to design a town where everything looked the same. He indicated he did not see where the lot size should be a factor.

Miller stated as long as it was following the proper setbacks. Smith and Lewis agreed.

Lewis noted there are people who are behind changes like this who wanted to lighten up the hand of government upon the residents. He understood they have to do things so they are not damaging the neighbors’ property values, etc., but the City staff had other things to think about besides going out and inspecting every shed.

Mundle stated traditionally it wasn’t allowed as it is an industrial container and not everybody likes to look at an industrial container. He indicated however that if there is a property big enough where it could be properly screened and nobody off the property could see it, then he could see that being a possible allowed use.

Lewis noted they were not talking about a tractor trailer. Mundle noted though that there are lots in the City that are under an acre (one to two acres), where some residents might not appreciate having a shipping container to look at versus looking at a shed. He stated if an individual wanted to get a shipping container and do what they did on Jewell Street and put a different exterior on it, then he saw no issues with that.

Davis noted the one on Jewell Street was unique in that the container was already there and they were issued a citation for it so they appealed for an administrative hearing, so this was a compromise in trying to work around it. He indicated the City said they could keep it there but they had to mask its appearance that it is a shipping container with a wrap around. He indicated they did a very good job on it.

Mundle stated in the past this has been complaint driven and complaints did come from residents

1 and that was why those things were enforced so that would lead a person to believe that not
2 everybody liked looking at a bare shipping container.

3
4 Miller asked if the complaints were because of graffiti on the side, a container of a different color,
5 etc. Davis responded that most of the complaints were because they were highly visible and they
6 were not screened. He noted one of them was almost in the side lot on a busy street.

7
8 Miller stated if the residents do what they are asked to do there should not be any issues. Davis
9 responded that should address a lot of the complaints. He stated they have had this discussion
10 before, especially on the agriculture property. He indicated if someone had 40 acres, they could
11 pretty much put one out anywhere and nobody was probably going to see it. He stated the rural
12 residential was another option. He believed some of the R1/R2 zones were probably a little smaller
13 lots where it would make it more difficult, but he believed this is something good to consider. He
14 noted staff has had preliminary discussions on this in the past but have never acted on it.

15
16 Miller believed if there were conditions on this then they should have no issues. Lewis stated and if
17 they did, it could always be changed instead of writing zoning ordinances that anticipates anything
18 that could possibly happen.

19
20 Miller stated it seemed to him there were a lot of shipping containers around and to do this as a
21 complaint basis only before they are looked into, was not the way he believed they should be looking
22 at this any longer. Davis stated there are a lot of shipping containers and they are in demand. He
23 noted these are ways the people could store a lot of stuff that would otherwise be stored in their
24 yard. Davis stated the ones the City had run into was when somebody just unloads the container and
25 it is rusted, which is not the greatest addition to the neighbor’s property. He believed this was
26 something worthwhile to look into.

27
28 Lewis asked what staff needed Council to do. Davis responded he needed Council to direct staff to
29 present this to the Planning Commission for their review.

30
31 **9.0 – Conduct Policy**

32 Davis presented the staff report indicating Councilmember Miller has requested that City Council
33 consider the adoption of an Advisory Board Etiquette/Conduct Policy. Mr. Miller’s request was sent to
34 Council on April 28, 2023 as an addition to the Work Meeting Agenda.

35
36 David stated the City Personnel Policy primarily addresses full and part-time employees but Advisory
37 Boards and City Council are generally exempt from the rules outlined for the employee group.

38
39 Davis indicated should the City desire to develop a values statement expressing core principles for
40 and etiquette/ethical conduct, or a formal code of conduct, staff can contact the League of
41 Minnesota Cities for policies that have been adopted that address this matter.

42
43 Davis noted at the conclusion of the discussion of this topic, Staff will be seeking direction from City
44 Council for this item.

45
46 Miller stated when he asked about this he was frustrated and wrote a letter to Davis about this. He
47 indicated his tone was different when he was writing a one-on-one letter as his frustration was

1 different. He indicated he would have written that letter entirely differently if he had known it was
2 going to be cc'd to every citizen in the City. He stated when he wrote it to Davis, it said it was to Jack
3 Davis. He did not write it to Jack Davis and everyone else.
4

5 Miller stated he was trying to take advantage of what Davis said to him after every meeting - that if
6 there was anything Davis could do to try and help him, to let him know. He apologized to the people
7 who were offended by his letter. He indicated they have good and excellent people on their
8 Committees.
9

10 Miller stated he would have chosen his words a lot differently to explain his frustration at what was
11 going on. He believed every Councilmember knows exactly what he is talking about when it comes to
12 the attitude and what they are getting from some people on the Committees.
13

14 Miller stated the Council had been accused of not using *Robert's Rules*. He stated he spent most of
15 his free time in trying to get positive results for the City and all they are getting is insults and that
16 bothered him. He read verbatim a section of *Robert's Rules of Order* defining a committee as a group
17 of volunteers who are not their own master. He noted they have been having issues which he was
18 not going to go into directly because it involved certain people who were are on the Committees
19 and/or Council before.
20

21 Miller stated if the Council wanted to go through things and why he supported them, he would be
22 more than happy to talk with anyone personally about them. He indicated the fact remains that they
23 need their Committees to get their jobs done. He stated they needed the feedback, intel, ideas,
24 knowledge, and analysis to help Council's decisions be the right decisions for the City. He stated by
25 bringing back some of the things they did such as the Public Forum, it was hard to sit here and take
26 some of the abuse and some of the things that were said, that according to this, you've taken a
27 position to work for a Council – to give it your best effort. And, even if the decision goes the wrong
28 direction, it is not time to stand up in front. He was all in favor of the First Amendment and saying
29 what you've got to say, but to continually bad mouth us publicly that has got to come to an end
30 because they have an opportunity to do some great things for the City. He thinks they are absolutely
31 missing it 100 percent. Miller indicated we need to understand both sides of what their jobs are
32 going to be. He is not saying, they're all at fault, or we're all at fault. He noted there are equal parts
33 here that are in play, but the bottom line is this needs to end.
34

35 Miller stated the Committees have to understand that if a decision is made by the majority of their
36 elected officials, they have to get behind that decision and respect that decision. He stated they
37 don't have that right now and they need it. He indicated the City can be run a lot differently than it is
38 right now. He stated that is why there a few of them sitting here right now because they wanted to
39 go a different direction; they wanted to try something new; they wanted something changed and
40 they are trying to deliver it and right now weren't able to deliver it.
41

42 Miller stated there are 26 Ordinances where he wanted changes, but he cannot get in front of the
43 Committees he needs to get in front of because they're playing this game round and round. He
44 indicated in certain ways, he has tried to tell different Committees, such as the one he is on – Parks,
45 that he is willing to work with them and they want to work with them. He stated they are here for a
46 reason, it is not an easy job, and they are not doing it because of the pay, but because they want to
47 improve this City. He noted as a City Councilmember, the Committees should understand it is in our

1 best interest to give our businesses every advantage we can to come here to succeed and to move
2 on. He stated it is to everyone's advantage, and then some, to be successful and that is what they are
3 supposed to be doing. That is why he wanted to be a part of this City Council, bring some changes,
4 and we are starting to do things.

5
6 Miller indicated they are four or five months into this, and they should be way further than they are
7 now and as he said in his letter, he really did not want to go down this road because he thinks they
8 can be much better. Miller indicated if they had to, at least they could establish some boundaries
9 that would respect each other, and respect the process. That is really what he is looking for here and
10 that is why he wanted to talk about it. He stated it is something they haven't talked about as a group.
11 He indicated it is not like they can go out for a beer after this and say, "Hey, what can we do to fix
12 this?" He noted this had to be fixed in areas like this. He stated he mentioned earlier that he
13 apologized to some people who were offended by it; that letter was not meant for the public, but he
14 would own it; he wrote it and he said they are 100 percent accountable for what they do. He
15 believed in that both privately and publicly and to those people he does apologize. He indicated,
16 however, there are certain circumstances, they all know what they are, and he is asking this Council
17 what they should do about it – how do they fix this, how do they move on, how do they make a
18 decision that affects the residents without having these major blowups here.

19
20 Miller stated this is not getting City government done and they owe the residents a lot more than this
21 and that is why he asked to talk about it.

22
23 Lewis stated he was glad Miller did.

24
25 Miller stated if they Google, for example, what is the role of an advisory committee it was to provide
26 current knowledge, critical thinking, analysis to increase confidence of the decision makers who
27 represent the city. He stated that was huge and they are not getting that. He indicated he did not
28 want to be a rogue Councilman and he did not want to say they are doing things just their way. He
29 stated they are reaching out so they understand each other and they can take advantage of each
30 other's knowledge. He indicated there is a lot that goes into these decisions and they are very
31 important decisions, but they need to start making them as a team even if it means they have to get
32 some sort of code of conduct so they don't do what they are doing now.

33
34 Lewis stated sometimes you've got to reshuffle the team. Miller stated that is what he wants to talk
35 about and if the Council wants to touch base on it, that's fine.

36
37 Lewis stated what Miller was saying was common sense. Smith agreed.

38
39 Lewis stated if people don't want to abide by it, then they should just voluntarily have some honor
40 and say, "I can't get on board with what you guys are pursuing and so I am not contributing so I am
41 going to put myself on the bench and leave the team and let us try to find somebody who will." He
42 indicated this is not being yes people to them or anything, and they want to hear a difference of
43 opinion. But to actively work against the people...and that is why he wasn't interested in having two
44 people who were up for nomination placed on the Committee they were nominated for, because he
45 knew they would be actively undermining it. He heard it from other people that they are actively
46 doing it every day. He asked why they would invite a 'fox in the hen house' on purpose. He indicated
47 that seems like a very dumb thing to do and asked why bring conflict that you don't need. He stated

1 the other case where the Council didn't vote for somebody, he felt they needed to live in the City
2 longer and that was the only thing. He indicated there was not anything wrong with the person and
3 he appreciated their desire but thought it would be helpful if they lived in the City for a longer period
4 of time and got to know it a little bit better like they all had to. He noted it didn't mean they had to
5 live here 25 years or something, but a little bit of time is good. He stated those are the only three
6 things they've gone contrary on and, boy, you'd think they murdered one of their kids. He indicated
7 it is ridiculous the reaction.

8
9 Lewis believed he has had the brunt of it at this point and that's fine as he told them upfront that he
10 was a two-year man, so he will take the brunt of it and the rest of them can live with it the rest of the
11 time. He stated in the case of a couple of people, they are just going to have to find something else
12 to do because they seem...he was reminded of the movie *Network* where Ned Beatty was the big
13 boss and he was opposed to their plan and somebody asked Robert Duvall, "Really, he objected to
14 it?" He indicated these people are not going to get with the program and are not going to stop
15 opposing us every step of the way and they have to respectfully say, "This isn't working and we have
16 things to get done and you are a big obstacle and you like being that obstacle. And we don't like you
17 being that obstacle, so we're just going to have to...it says right there...I noticed you didn't use the
18 revised version of that portion of the muni Code Section 271 which has been revised as of recently,
19 but it says right there that Commissions members shall serve staggered terms of three years and may
20 be removed by majority vote of the full City Council and that is all it takes." He indicated these are
21 not birth rights and it doesn't matter how many years you've been doing it – if you cannot get with
22 the current program, have the honor to resign – that would be his advice.

23
24 Lewis stated they want as many residents as possible in East Bethel to participate in this government,
25 but they don't need people who are just trying to frustrate them at every move. He indicated that
26 was just unproductive.

27
28 Miller stated that is the problem they are facing and in some aspect, we know they are qualified for
29 the position, but they also know they are getting shredded in the public at different places. He did
30 not know who would want somebody on their advisory board if you know this is going on and that is
31 some of the things that the general public doesn't know. But these are the things that are real, they
32 are dealing with, and they are dealing with them the best they could. He did not know who in their
33 right mind would have a job after that if they hired someone who they knew was doing that to a
34 company.

35
36 Lewis stated not anybody who ever managed people. Smith responded he was correct.

37
38 Lewis stated you would never intentionally hire a saboteur; somebody that was going to undermine
39 you ever step of the way, lie, steal, use drugs, etc. He indicated you would never have them around
40 because all they are is trouble from dawn up to sunset and they are just better off avoiding it all
41 together. He stated he was not saying any of these people had any of those problems, but it was just
42 like a child that will just not behave. He stated they just had to deal with it at some point – go to your
43 room or whatever it is, but this isn't working.

44
45 Miller stated and they have work to do.

46
47 Lewis believed they have been pretty patient and he has been told by a number of people who

1 somewhat know him who have said, "I can't believe how patient you've been when people are
2 talking to you like that." And he said, "You can't believe it, I can't believe it either because it's not my
3 nature to sit there." He indicated, but that the role they play so that's how they have to behave. Just
4 listen to them and don't react.

5
6 Smith stated it is a decision they all have to make, but it is a decision that in some form is necessary.
7 He stated they have to protect each other and protect the professionalism of both sides and they do
8 not want to look divisive or divided because they will never get the trust of the public that way and
9 they need them to believe what they are doing because they've got some big things and they've got a
10 lot of things they want to do to help improve this City and the way of life.

11
12 Lewis stated that is bigger than anybody's personal desires. Smith responded absolutely.

13
14 Lewis indicated he did not know if they needed a code of conduct, but they need to make it clear that
15 they are serious about it.

16
17 Mundle agreed something had to change. He did not believe that this was the way. He indicated he
18 thought that by instituting this, it would drive a bigger wedge between Council and any Commission.
19 He stated in some of this it talked about forcing respect.

20
21 Lewis asked if this was from the Minnesota League of Cities. Miller stated that was not from him, he
22 did not put that in there, nor did he add it.

23
24 Lewis stated this was from the League of Minnesota Cities and it was incredibly overwritten. He
25 stated you cannot mandate respect and that is not even feasible.

26
27 Mundle stated he had served on and seen many different Commissions over the years and they've
28 served under different City Councils. For the most part, everybody always had a decent decorum
29 with each other. Mundle questioned why this is the way it is right now, he wasn't sure.

30
31 Lewis responded it is because they didn't give them what they wanted. He indicated it was simple
32 and Mundle knew that. Lewis stated they didn't go along with recommendations and they didn't do
33 it because they didn't want people who would be fighting us every step of the way.

34
35 Mundle stated they can avoid that discussion because there would be just more disagreement there.
36 Lewis stated that was obviously just his opinion. Mundle indicated he knew that and they probably
37 won't see eye to eye on that and that's okay.

38
39 Lewis stated it wasn't probably just his opinion – it was probably three of them. Mundle stated he
40 did not believe this would be the proper way forward.

41
42 Lewis asked what would be the proper way forward other than them abandoning everything.
43 Mundle stated he did not know on the spot as he did not present this item, nor would he be ready to
44 present anything else. He indicated he just looked at this simple item and he thinks it would drive a
45 bigger wedge in the issues that are happening between Council.

46
47 Lewis stated ironically, and this might surprise Mundle, but he agreed with him. He did not think a

1 policy was going to do it and it would require some actions on their part to make it clear what they
2 are talking about and the Council is not going to make people love them any more than actions they
3 have taken so far. But that is just what is going to have to happen. He honestly believed that
4 because the people he was thinking of were adamant about this. He respected them as a human
5 being, but he did not want to deal with their issues.

6
7 Miller read from the Model Statement of Values stating City staff, elected officials and advisory Board
8 members should always conduct themselves with professionalism and courtesy from the public. City
9 representatives, elected officials, and each other when addressing City business. They should
10 approach disagreements in a positive fashion and refrain from personal attacks and abide by the
11 decision of the City Council. The City of East Bethel is best served by a fair, ethical, and accountable
12 local government which earns the public's full confidence for integrity, honesty, and transparency.
13 The close working relationship between Council members and advisory board members is essential to
14 fulfilling public responsibilities. The role of an advisory committee is to provide recommendations to
15 the City Council that are based on current knowledge, critical thinking, and analysis.

16
17 Miller stated that is simple. It is straightforward and it is simple. He indicated this is what they need
18 to have happen and this is what the committees and this Council need to understand in how to work
19 together. He noted they do not need to have a five-page list of this or that – they need to have an
20 understanding between the two groups that what they are doing.

21
22 Lewis stated they need to treat each other exactly with the respect those people who came before
23 them demanded for themselves, while not showing them any. He found that ironic at the time. The
24 claims that they just want to be respected, meanwhile they are doing nothing but dumping on them.
25 He thought, "That's interesting you would have that perspective while you're doing it." He found it
26 kind of funny. He stated this was very well said, but what they did about it he didn't know and
27 everybody had their own view.

28
29 Miller indicated this was a starting point and his opinion is they need to work together with this and
30 now he's asking other people right here, "I'm willing to work with you. I'm going to show you all of
31 the respect I possibly can, but you've got to be willing to try. You've got to be willing to see a vision
32 for the future. You've got to be able to believe why we were put in these chairs; why people wanted
33 us here." He stated when you get the chance to make the changes we need to make, we need the
34 people on board to do it and like Lewis said, if you don't want to be part of this change or part of
35 what they are trying to do, then let someone else sit in.

36
37 Lewis stated they need to be honest with themselves and everybody else and just say, "No I'm done -
38 no great offense taken." He indicated they didn't expect everyone to think the same as them. He
39 stated that's fine, they are entitled to their own opinion too, but you aren't the ones who are voted
40 into office – we are and we have job to do and we have to do it. Or, we can resign, but we don't see
41 we need to resign; we just need people who are willing to help us. That's all.

42
43 Miller stated that is all he had to say.

44
45 Smith stated he agreed exactly with what he was saying. He indicated he looked at it differently and
46 this was his own opinion – if people are not willing to work with you then you are just holding us
47 back. He indicated they were voted in here by the residents, the businesses, and they all wanted

1 change. He stated it was obvious. He noted they are used to doing things one way, we're thinking
 2 different ways, and we are here for the residents and the businesses. He stated the simplest thing is
 3 if you don't want to go along with that they're doing, then just resign. He indicated if you're not
 4 going to resign and if you are still going to be against what they're doing (because they are looking
 5 out for the residents), he would rather hear from all of the residents that live here than someone on
 6 a Commission that he doesn't know if it's their own ego, or whatever it is, that they are upset
 7 because they are sitting here and they're not. He stated the people put them there for a reason and
 8 we are going to do the best that we can and if that takes the case that we've got to remove you, then
 9 we are going to. That's all I've got to say.

10
 11 Lewis stated one of the things he has to say, Jack, is that the new Ordinance requires people to prove
 12 their residency. He indicated he followed his own propositions and showed a copy and gave Davis a
 13 copy of his driver's license where he has lived for 27 years as of next Monday night (May 8, 1996). So,
 14 he expected everybody on every Commission to be able to provide some means of proving that they
 15 are a resident of the City. He indicated that is part of the Ordinance now, whether it's published in
 16 the Muni Code yet or not, they've adopted it.

17
 18 **10.0 – Adjourn**

19 **Mundle stated I'll make a motion to adjourn. Miller stated I'll second.** To the motion, all in favor
 20 say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes**
 21 **unanimously.**

22 Meeting adjourned at 9:32 p.m.

23 Submitted by:

24 Kathy Altman

25 *TimeSaver Off Site Secretarial, Inc.*

DRAFT MINUTES: NOT YET APPROVED

EAST BETHEL CITY COUNCIL MEETING

May 8, 2023

The East Bethel City Council met on May 8, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Tim Harrington Brian Mundle Kevin Lewis
 Tim Miller Jim Smith

ALSO PRESENT: Jack Davis, City Administrator
 Eric Larson, City Attorney
 Aaron Berg, Interim Community Development Director

1.0 Call to Order

The May 8, 2023, City Council meeting was called to order by Mayor Harrington at 7:00 p.m.

2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

3.0 Adopt Agenda

Mundle stated I'll make a motion to adopt tonight's agenda. Lewis stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

4.0 Presentations and Public Hearings

4.0 A Res. 2023-34, Conduit Bonding for Nexus Diversified Community Services

Davis stated at the May 1, 2023 Work Meeting, City Council received a presentation from the City's bond counsel, Dorsey Whitney, and financial advisors, Ehlers, regarding the request for the City's participation in conduit bond financing for the proposed purchase of the Cambia Hills facility by Nexus Family Healing.

Davis indicated the presentation by Dorsey Whitney and Ehlers reviewed the process and procedures for the issuance of the conduit bonds. He indicated both representatives explained the legal considerations and assured that the City would have no liability exposure if the City should decide to be the host city for this issue.

Davis stated ISD 15 School Superintendent, Karsten Anderson, spoke in support of the need for the service to be provided by Nexus, but had concerns regarding charges for rent, state reimbursement, ISDS 15 cost for out of district students, and staffing for district provided services. He stated City Council members questioned if there would be additional costs borne by the School District to support the services and urged Nexus to work with ISD 15.

Davis indicated to remedy these matters, Nexus and ISD are scheduling meetings for this week to discuss these items. The City had a meeting with the Nexus officials on Friday and discussed some of these points and he thought their first meeting with the School District is on Thursday of this week. After discussion of the proposed participation of the City in this matter, City Council directed staff to schedule the consideration of Resolution 2023, a Resolution relating to financing under Minnesota State Statute Section 469.152 through 469.165 as amended, on behalf of Nexus Diversified Community Services, calling for a public hearing on the agenda for tonight's meeting.

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Davis indicated this Resolution authorizes the preparation and publication of the public hearing notice, schedule a public hearing for June 12, 2023, and engages Dorsey Whitney as the City's bond counsel. The Resolution does not authorize the financing or bond issuance for the project. The vote for final approval will come after the public hearing on June 12. Issues with ISD 50 and Nexus will tend to be remedied during the interval between the two meetings.

Davis stated the fee a city can charge the borrower for conduit bond assistance and expenses is negotiable and will be discussed once all of the costs for this project are known.

Davis recommended the City Council consider approval of Resolution 2023-34, a Resolution relating to the financing under Minnesota Statutes Section 469.152 through 469.165 as amended on behalf of Nexus Diversified Community Services, calling for a public hearing as exhibited as Attachment 1 to Council's packet.

Lewis stated I'll make a motion to adopt Resolution 2023-34, a Resolution relating to the financing under Minnesota Statutes Section 469.152 through 469.165 as amended on behalf of Nexus Diversified Community Services, calling for a public hearing. Mundle stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. **Mundle, Lewis, Miller, and Harrington.** Harrington asked any opposed? **Smith. That motion passes. Motion passes 4-1.**

Davis stated that Michelle Murray, President, and CEO of Nexus, along with Scott McGuire, Nexus Chief Finance Officer, were in attendance at this meeting if anyone had any questions for them.

Lewis asked why Smith voted no. Smith responded he thought there were a lot of questions that were unanswered, and until they had the answers, he did not agree with it.

Lewis asked Smith, "Even while having a public hearing on the matter." Smith responded yes.

Harrington asked if anyone had any questions for Mr. McGuire.

Miller asked had any of the numbers come in yet for anything relating to the taxpayers impact on anything. Davis responded they had a meeting Friday with Nexus and he had talked to the School District, whose business manager was out last week on military leave. He indicated they did say that Nexus had reached out to him. He noted they do have meetings scheduled with the School District beginning this Thursday to discuss those matters that were brought up in their last meeting.

Lewis stated he agreed there are outstanding questions. He indicated he was at the meeting on Friday. He noted the meeting related very specifically to putting minds at ease that if East Bethel were to go forward with the conduit bonding it would not obligate the taxpayers of the City to pay those bonds. He stated the people who borrowed the money were the ones obligated to pay it back, and those people were just using the City's ability to issue tax exempt bonds.

Lewis indicated what they don't want is any impact on taxpayers of having an increase in the school levy that is related to their unanticipated costs, or something with the services they provide to the Nexus facility if it goes forward.

Smith noted that is what his concern is, but he's "in the camp" that he thought they can at least have a public hearing and give people an opportunity to discuss it, and hopefully by then have some more information also.

Davis indicated he had spoken with Dorsey Whitney today and they would like to appear before the May 22 Council meeting to do a presentation to give an update and hopefully provide some of those answers at that time.

1 Lewis stated in anticipation of that presentation by Dorsey Whitney, he asked Davis to send copies of
2 the Agreement between the City and Dorsey Whitney so the Councilmembers can review it before
3 that meeting. Davis responded he would.

4 Mundle stated to be clear, what they approved tonight was only approval for conducting a public
5 hearing and it is not an approval for the conduit bond. He noted East Bethel is not committed to
6 approving it, and this is the next step. Davis responded that is correct and this Resolution only
7 authorized the calling for the public hearing and nothing else.

8 **4.0 B A-Blast Conditional Use Permit – 21473 Johnson St**

9 Berg stated that Council Classic Construction, Inc. on behalf of Our Family Holding LLC has submitted
10 an application for the expansion to A-Blast, INC located at 21473 Johnson Street NE. Our Family
11 Holdings, LLC owns Curiosity Coatings, a powder coating business currently operating in Elk River.

12 Berg indicated the proposal consisted of relocating the powder coating operation to the East Bethel
13 site and constructing an 80x58 warehouse and storage addition to their existing building. The
14 proposed addition would house interior storage and be the staging area for products either waiting to
15 be powder coated and are waiting for pickup.

16 Berg noted this property is Zoned B3 Highway Commercial business, which allowed uses associated
17 with general retail shopping. A-Blast was and is permitted to operate by Conditional Use Permit 2004-
18 15 approved on November 17, 2004. As a part of this conditional use, exterior storage was limited to
19 essential business-related material as a condition. An amendment to the original CUP is required for
20 the following reasons: The business is legal non-conforming, which means that the business is legal
21 because it has a Conditional Use Permit that was previously approved. However, currently City Code
22 does not allow for this type of business in the B3 Highway Commercial Business District. Therefore, it
23 is non-conforming. City Council has the authority to determine if a legal non-conforming use can be
24 expanded. When a conditional use, it intends on expanding its hours of operation, number of
25 employees, expansion of structure and/or premise for the operational modifications resulting in an
26 increased activities or traffic, an amendment to the original CUP is required.

27 Berg stated the Planning Commission held a public hearing on April 25 and recommended the City
28 Council approve the Conditional Use Permit Amendment with the conditions set forth in Resolution
29 2023-27.

30 **Mundle stated I'll make a motion to adopt Resolution 2023-27, A Resolution Approving a**
31 **Conditional Use permit Amendment to Allow the Expansion of Legal Non-Conforming Use at 21473**
32 **Johnson Street NE, East Bethel, PIN 08-33-23-0006 with conditions. Miller stated I'll second.**

33 Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked
34 any opposed? That motion passes. **Motion passes unanimously.**

35 **4.0 C A-Blast Site Plan Review – 21473 Johnson St**

36 Berg stated a site plan review is required prior to issuance of a building permit for new construction
37 or additions to commercial buildings greater than 25% of their existing building footprint.

38 Berg indicated the existing building footprint for A-Blast is 5000 square feet, and the proposed
39 addition is approximately 4700 square feet. So Classic Construction again on behalf of Our Family
40 Holdings, LLC has submitted an application for site plan review, as required by the expansion for A-
41 Blast INC.

42 Berg noted he could give Council all the same details about where this is located and what business
43 zone it is in, but because Council had already just heard all of this information he would not repeat it

again. However, he assured the Council staff had looked through the site plan that was submitted; it had been sent to the City Engineer for his comment and all conditions as required by the City Engineer would be met before permits were issued.

Berg stated at the April 25, 2023 Planning Commission meeting, this site plan was reviewed and the Commission recommended approval to the City Council with conditions set forth and Resolution 2023-28.

Mundle stated I'll make a motion to adopt Resolution 2023-28, Approving the Site Plan Review for the Expansion of a Legal Nonconforming use at 21473 Johnson St NE, East Bethel, PIN 08-33-23-34-0006. Lewis stated I'll second. Harrington asked any discussion?

Miller asked if there was going to be any problems with this business if it ever sells because it's non-conforming. Larson responded he suspected Miller was wondering if there would be any problems given its non-conformity in one location as zoned and then the permitted in the B3. He stated it was legal then and it would be legal to new owners. He noted obviously with that there would issues again, just like here, if there was going to be another expansion and if this would happen, they would need to go through the same process they have gone through for this Site Plan Review.

Berg stated an existing non-conforming or a conditional use would be permitted. However, its underlying zoning could still be also used. He noted it could be any one of the City's permitted uses in the B3 Highway Commercial should A-Blast not continue operation. He indicated any of the approved items are approved can uses in any of the City's businesses - business zones B2, B3, light industrial may be an option for this this area as well. He noted the conditional use does stay with the land, so if A-Blast were to relocate or move somewhere else, that parcel of property does have the right to be under this conditional use whatever the operation was, so there's a pretty wide variety of things that could actually happen should A-Blast leaves the City.

Harrington thanked A-Blast for bringing the remainder of their business to the City.

To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes.

Motion passes unanimously.

5.0 Public Forum

Suzanne Erkel, Okinawa Street, stated she was volunteering for the East Bethel seniors and they are having a fundraiser of raffle tickets for to be drawn on Booster Days. She indicated the raffle is for a beautiful quilt for the first place and second place is a diamond art print. She passed out flyers to the Council. She stated she had tickets available if anybody would like them, or if someone knew of a business willing to post a flyer, she would appreciate a phone call on that also.

6.0 Consent Agenda

~~Item A: Approve Bills~~

~~Item B: Approve Meeting Minutes April 24, 2023 City Council Work Meeting~~

Item C: Approve Abdo Proposal for Audit Services 2023-2025

~~Item D: Approval of Planning Commission Member Appointment~~

Item E: Approval of Tobacco License and Cannabinoid Edibles Vendor License Applications 18429 Hwy 65

Mundle stated I'll make a motion to approve the Consent Agenda. Harrington stated I'll second.

Harrington asked any discussion? Harrington and Lewis requested to pull Item B. Miller requested to pull Item A. Smith requested to pull Item D. To the motion, all in favor say aye. **All in favor.**

Harrington asked any opposed? That motion passes as amended. **Motion passes unanimously.**

6.0 A Approve Bills

Miller asked what the Metro-Inet bills were for. Davis responded they were for the City's internet service. He indicated they provided everything that the City does, and their total bill for the year is about \$55,000 to \$60,000. He stated the City had been in a JPA with 30 different cities, but this group broke up so Metro Ethernet took over those services. He noted as a result of this, Metro-Inet has one staff member that houses at the City two days a week. He indicated this person is their IT person, so the City has access to that individual.

Miller asked why there was differences in the billings. Davis responded that the bills were broken down by the number of computers in each department.

Miller stated I'll make a motion to approve Item A of the Consent Agenda. Lewis stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 B Approve Meeting Minutes April 24, 2023 City Council Work Meeting

Harrington noted there was a typo on the agenda. He indicated the April 24, 2023 meeting was not a Work Meeting, but just a Council meeting.

Lewis stated he also had a question on Item B. He stated on the April 24, City Council meeting minutes, page 13 of 14, his point was missed. He noted that when Ms. Wirth was here he mentioned two things – one was typos and the other was where the point was being missed when the transcription was being done. He indicated that the point he made at that time wasn't regarding meetings of Jack Davis and Mayor Harrington, but it was regarding the Council needing to be informed when either or both Davis or Harrington have meetings with outside people on City related business. He indicated the Council needed to be updated as to interaction with outside parties on City-related business when the Mayor and Davis are representing the City. He said the Minutes said his concern was Davis talking with Harrington and that was not the point at all. He requested this be corrected for the record.

Smith stated when Ms. Wirth was here, he asked her if numbers could be put on the Minutes so it would be easier for the Council to decipher when things needed correction. He stated that did not happen. Davis responded that would be on the next set of Minutes.

Lewis stated I'll make a motion to approve Item B of the Consent Agenda. Smith stated I'll second. Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

6.0 D Approval of Planning Commission Member Appointment

Smith requested Berg pull up the April 25 Planning Commission Meeting video and to start the video where the interviews began.

Smith stated he has had a lot of people calling him, and this meeting was such a mess that they couldn't even watch the video, and that was why he was asking Berg to bring up the video of the interviews for Planning Commissioner. He indicated the people who called him had asked to watch the video, so they will watch it now.

At the request of Smith, the Council watched the video recording of the Planning Commission interviewing candidates Reiter and Holmes.

1 Smith thanked Berg for playing the interviews. He indicated he had received a lot of calls because
2 nobody knew what went on at the interviews, and he hoped now everyone could figure out the right
3 decision that he has in mind after watching the two interviews.

4 **Smith stated I'll make a motion to deny Eldon Holmes as Planning Commissioner. Lewis stated I'll**
5 **second.** Harrington asked any discussion?

6 Smith stated this was nothing against Mr. Holmes, and he knew Mr. Holmes had given a lot of years
7 to the City and he thanked him for that. He indicated it was vision that Mr. Reiter had different
8 outlooks, like they all do, and that was why he made this decision.

9 To the motion, all in favor say aye. **All in favor – Lewis, Miller, and Smith.** Harrington asked any
10 opposed? **Mundle and Harrington.** That motion passes. **Motion passes 3-2.**

11 **Smith stated I'll make a motion to put Joe Reiter on the Planning Commission effective**
12 **immediately. Lewis stated I'll second.** Harrington asked any discussion?

13 Mundle asked why Mr. Reiter. Lewis responded Mr. Reiter is an extraordinarily sharp young man,
14 one of the sharpest young people he's met. He noted Mr. Reiter is a naval veteran, disabled Navy
15 vet, and Mr. Reiter just impressed him a lot with his research skills. He stated Mr. Reiter was an
16 analyst in the Navy, he did intelligence work, and Mr. Reiter's research skills were second to none
17 among people he's run across. He stated increasingly, those skills were going to be valuable to the
18 Planning Commission, if the Commission does what it's supposed to do in the future.

19 Miller stated he was taking Mundle's advice when Mundle talked about interviews and how
20 important they were for making decisions. He indicated he had given this a lot of thought, and he was
21 impressed with Mr. Reiter's interview and that was a big part of his decision.

22 Mundle asked them to address Mr. Reiter's online postings. Harrington stated most of Mr. Reiter's
23 online postings are not fact; there is a lot of fiction in them and not a lot of truth.

24 Lewis stated he disagreed. Harrington stated Mr. Reiter just did it this weekend. Lewis again stated
25 he disagreed.

26 Mundle stated there was one thing he wanted to bring up. He indicated Ms. Krepis was denied the
27 seat because of things she apparently said about City Council. He indicated Mr. Reiter made a post
28 accusing the City Administrator and the City Attorney of ghostwriting newspaper articles for the local
29 newspaper. He stated one resident did email the writer, and the writer said "No, the City
30 Administrator or City Attorney is not writing my articles." He asked the City Attorney if he ghost
31 wrote any articles. Lewis stated this isn't about City Attorney Larson, they would have to go back to
32 former City Attorney Chris Nelson, or it was the attorney after Mr. Nelson.

33 Lewis stated he would address Mundle's question. He indicated he understood Mundle's question
34 and they are not appointing Mr. Reiter to the Planning Commission because he's the second coming
35 of Christ, or is the perfect person. Mundle stated he did not say that.

36 Lewis pointed out that Mr. Reiter's capable and Mr. Reiter had a significant interest in working in this
37 field. He believed Mr. Reiter should be given an opportunity to do so. He indicated he had talked to
38 Mr. Reiter and Mr. Reiter did go over the top a little bit sometimes. He stated he was one of those
39 people who was occasionally accused of doing the same thing so he could relate. He stated that
40 didn't take away from a person's other qualities.

41 Mundle stated it apparently did for Ms. Krepis. Lewis responded no, I can't believe we're six months
42 later, five months later, and we're still rehashing this thing. Mundle indicated Lewis keeps bringing

1 up sewer and water and that was 12 years ago. Mundle stated Mr. Reiter accused the City Attorney
2 and the City Administrator. Lewis stated Mundle brought up Ms. Krepis. Mundle stated this was the
3 same thing.

4 Mundle stated Mr. Reiter apparently was not true when he accused the City Administrator. Lewis
5 responded so says the writer of the article and asked if Mundle ever has questions about articles read
6 in the newspaper. Mundle stated he doesn't go online and accuse anybody of ghostwriting anything.

7 Lewis stated well, you got a reaction out of him and maybe that's what he was going for. Lewis noted
8 Mr. Reiter was not a Planning Commissioner – he was a guy on Facebook. Lewis stated he sees a lot
9 of stuff and if you want to talk about accusations being made, he can attest to the fact that it's
10 unpleasant. But it comes with the job. Yeah, grow up, deal with it. Lewis stated you don't see him
11 getting on there and having a fit over people.

12 Mundle stated neither does he but this is something that Mr. Reiter lied about the City; he lied about
13 City employees. Lewis responded that Mr. Reiter exaggerated. Mundle stated no.

14 Lewis responded Mundle is saying it's a lie because the guy who wrote the article says so. Lewis
15 stated he didn't talk to Jack. Mundle asked Jack, did you write any of the articles. Davis responded
16 no. Mundle noted staff could get in touch with the previous City Attorney. He stated the previous
17 City Attorney would deny it as well.

18 Lewis stated they did talk to the writer and we have evidence of that.

19 Mundle stated there's talking, and then there's ghostwriting and ghostwriting said that they wrote
20 the articles. Lewis noted maybe the term was incorrect. Mundle replied he didn't think so.

21 Lewis stated maybe 'collaborative' would have been a better word. Mundle responded, no, that was
22 not the intent of that.

23 Lewis stated either way, Mr. Reiter was going to be appointed and if it turns out to be some kind of
24 debacle, he can be removed too.

25 Mundle asked Lewis, in the interest of transparency, and he knows Lewis has talked about nepotism
26 and cronyism, did Joe Reiter work in your campaign. Lewis responded that Mr. Reiter provided
27 Facebook consulting because none of them were glib with Facebook. Lewis stated he had never been
28 on Facebook in his life and never wanted to be.

29 Mundle stated so Mr. Reiter worked on Lewis' campaign. Lewis responded that Mr. Reiter consulted
30 on Facebook and Mr. Reiter didn't design his campaign. Mundle noted Mr. Reiter had made a post
31 on Facebook saying, 'I literally worked on their campaign'.

32 Lewis stated maybe Mundle spent his whole life on Facebook and asked Mundle if he wanted to drag
33 this off the topic. Mundle stated he was only asking. Lewis stated whether Mundle liked it or not, Mr.
34 Reiter is going to be appointed to the Planning Commission.

35 Mundle stated he was asking because Lewis doesn't like nepotism. Mundle indicated Lewis had
36 stated he doesn't like nepotism/cronyism. He asked Lewis if that was correct. Lewis responded,
37 "Enough of you. I've had it with your crap."

38 Larson stated he recalled that there had been some sessions where Council had wanted to have clear
39 Minutes and in order to have clear Minutes, the Council needed to make sure that they don't talk
40 over each other.

1 Larson stated while he had the floor and since the question was posed to him, he wanted to make it
2 clear for the record that he has not done ghostwriting for anyone, at least during his tenure with this
3 body, which has been two and a half months.

4 Larson believed this was a good opportunity for him to interrupt and bring the floor back to this
5 Council. Harrington and Lewis thanked him.

6 Mundle stated he was just making the point that so far, the only people that had been appointed
7 was Ms. Erkel, who was Lewis's running mate, and now Mr. Reiter, who worked on Lewis' campaign.
8 Lewis responded, what a shock that people would want to work with people who they are in
9 agreement with.

10 Mundle asked if that doesn't fit the definition of nepotism or cronyism, yes or no. He asked again if it
11 fit the definition or not. Lewis replied to Mundle that he did not know what's going on in that head of
12 yours. Mundle stated this was a yes or no question.

13 Smith called the question and stated let's vote.

14 To the motion, all in favor say aye. **All in favor – Lewis, Miller, and Smith.** Harrington asked any
15 opposed? **Mundle and Harrington.** That motion passes. **Motion passes 3-2.**

16 **7.0 New Business. Commission, Association, and Task Force Reports**

17 **7.0 A Planning Commission**

18 **7.0 A.1 Variance Request – 19141 East Front Blvd**

19 Berg stated on May 16, of 2022, the City of East Bethel, prior to his employment with the City,
20 received an application from the owner of the property at 19141 East front Boulevard NE to allow the
21 upgrade of an existing outhouse to a type three sub sewer subsurface sewage treatment system to
22 make a cabin a future habitable residence.

23 Berg stated due to the size of this .17-acre lot, the proposed system design included the placement of
24 a box mound, which encroached on property lines and required the City's permission for a variance
25 for its use. City staff subsequently approved the permit, and the system was installed in July of 2022.

26 Berg indicated during the final inspection, it was noted by the inspector that the installed septic box
27 mound was constructed within the required setbacks, and that a variance for a reduction of the side
28 in front yard setback should have been sought and approved prior to its installation.

29 Berg stated as the new City Planner in the end of July, at his request, the applicant applied for a
30 variance after the fact for the setback encroachments. He noted City staff began to gather
31 information in preparation for the variance public hearing.

32 Berg stated inconsistencies were discovered in the existing survey from 2004, which was on file and
33 the drawing submitted with the septic system permit application and what was actually built. A site
34 visit was conducted for the purpose of confirming measurements, and City staff concluded that the
35 site didn't match either the 2004 survey or the drawings submitted by the septic designer and
36 applicant.

37 Berg stated City staff contacted the applicant and requested a new Certificate of Survey be
38 completed. The new survey identified that the septic box was not only encroaching on the front and
39 side yard setbacks, but a portion of it was also constructed in the City's right-of-way.

40 Berg indicated City staff consulted with the then City Attorney Nelson to determine the best course of
41 action to address the circumstances. Nelson recommended that in addition to requesting variance

1 approval that a license and use agreement would need to be drafted to authorize the use of the
2 portion of East Front Boulevard in the City right-of-way.

3 Berg stated the applicant was requesting a variance to reduce the south side yard setback standard
4 from 10 feet to zero to 3 feet. The north side yard setback from 10 feet to 6 or 7 feet, and the
5 western front property line setback from 10 feet to minus half a foot to 1.7 feet for the placement of
6 the septic box mound. The system meets setback requirements for neighboring wells.

7 Berg stated consideration of a variance required a three-factor test for practical difficulty. The first
8 factor was a test of reasonableness, which meant that the landowner would likely use the property in
9 a practical way but could not do so under rules of the Ordinance. And this case, septic systems were
10 required for a home to be considered habitable. The approval of the variance would allow this
11 property to be used for residential use.

12 Berg noted the second factor was a test of uniqueness. The issue for the variance was due to
13 circumstances unique to the property and not caused by the landowner. The uniqueness generally
14 relates to the physical characteristics of a particular property. In this case, the property had limited
15 space for a drain field due to lot sizes created by a 1920s era plat. There was an eight-foot change in
16 elevation from the front lot line the East front Boulevard to the ordinary high water level mark at the
17 shoreline. Minnesota Statute required that a sub-surface sewage treatment system constructed in
18 the shoreland area must have at least three foot of vertical separation distance between the redox
19 features or evidence of groundwater and wastewater saturated soils of the distribution medium. This
20 property's redox feature was located at 1.5 feet or 18 inches below the existing grade at this location
21 at East front Boulevard. The current setback requirements for wells and structures, as well as the
22 DNR Lakeshore regulations, also make it unique.

23 Berg indicated the third factor was that the variants would not alter the essential character of the
24 neighborhood. This factor was used to consider whether the resulting structure or improvement
25 would be on a scale out of place or otherwise inconsistent with surroundings. When applying this test
26 to a setback reduction, the visual impact or use of a building or an improvement related to
27 surrounding dwellings is the emphasis of this assessment. For example, when thinking about a
28 variance for an encroachment into a setback, the focus was how the particular building would look
29 closer to a lot line. And if that fit the character of the neighborhood. The Coon Lake Residential
30 District has had significant number of variances issued due to smaller lot size and the age of the
31 neighborhood. Zoning and setback changes have occurred since this neighborhood was originally
32 planned in 1925, which has led to a variety of placements of structures, fences, and landscaping. As
33 an example, a neighboring property at 4640 East Front Boulevard was granted a license in 2012 to
34 use a portion of Sylvan Street for placement of a septic tank piping and the new deep well in order to
35 upgrade a failing septic system on the property due to limited lot size. And in 2012, the setback
36 requirements were narrower than today's current regulations.

37 Berg indicated the Planning Commission had held a public hearing on April 25 of 2023. City staff took
38 numerous phone calls as a result of the public hearing notices publication and its distribution. There
39 were various levels of support and opposition for the septic box. The Planning Commission held their
40 public hearing for the variance request for the installation of the septic box mound within the side in
41 front yard setbacks.

42 Berg stated the applicant spoke of the incompleteness of the project and their intent to continue to
43 improve the property. Five residents spoke at the public hearing in opposition to the variance for a
44 variety of reasons.

1 Berg noted the Planning Commission's unanimous recommendation was that the City Council deny
2 the variance request.

3 Berg stated staff was requesting that Council make a determination on the variance request for the
4 standard to allow the installation, or to allow the septic box mound to remain at the south side yard
5 setback standard from 10 feet to zero to three feet. The northern side yard setback from 10 feet to
6 six to seven feet in the western front property line from 10 feet to a half a foot to 1.7 feet for
7 placement of the septic box mound with conditions.

8 Berg noted they did have a current certificate a survey, which indicated the location of the current
9 septic system.

10 **Lewis stated I'll make a motion to approve Resolution 2023-19 denying the variance. Miller stated**
11 **I'll second.** Harrington asked any discussion?

12 Lewis acknowledged former Mayor Steve Voss was in the audience and Mr. Voss was probably the
13 best person in the Chamber to answer some questions. He asked with Mr. Voss's background, had
14 there been any progress, new solutions, and new ways of approaching this that would make it better
15 for all the people

16 Steve Voss responded he had not been involved with this at all.

17 Harrington asked how they got this far along in the process without a variance being requested. Berg
18 responded he did not know as he was not employed with the City in May when the application came
19 in. He noted he was hired as an intern at the end of June and by the end of July he was made the City
20 Planner when the final inspection was done.

21 Lewis stated Davis was with the City at the time and he asked Davis what was his read on how this
22 happened. Davis responded after this was approved and he didn't know anything about it or there
23 was an issue it until the construction had been started.

24 Lewis asked how was this approved and what happened. Davis responded the City had an inspector
25 go out and looked at it and approved it. He indicated there was a misinterpretation by the inspector
26 on the setbacks. He stated the inspector made an error. He noted it was approved, and that was in
27 the lap of the City.

28 Smith asked if there was a site plan review on this before the permit was issued. Davis responded
29 there was an inspection done later by another member of the building department. He indicated it
30 was approved. He believed the inspector thought there had been a variance issued. He noted,
31 apparently there was a miscommunication and that was how they wound up where they are now.

32 Smith inquired about the timing of the Certificate of Survey. Davis responded the Certificate of
33 Survey was done after. Smith noted it should have been done before.

34 Berg stated the survey that was on file, which was submitted by the septic designer, the numbers did
35 not match up after he had a chance to review it. He stated then he requested a third Certificate of
36 Survey to try and determine which one was right, which one was wrong, and where the error might
37 have come up. He indicated there were some differences in measurements between all three of the
38 surveys. He stated he could only venture that today's surveys were done through GPS versus the old-
39 fashioned transom and stick that were probably even done back in 2004. He believed as they
40 progress, the City would see more accurate measurements than they've ever seen before with GPS
41 options. He noted that was his assumption as to the difference.

1 Lewis asked if Berg had heard anything about somebody moving a surveyor stick as part of this whole
2 process. Berg responded one of the residents who spoke at the public hearing made a reference to
3 the septic installation company moving a stake.

4 Berg showed the Council pictures of what the property looked like prior to the current owners
5 purchasing the property and what it looked like today. He noted there was a pink flag on a stake. He
6 assumed the property pin was right at that corner. He indicated likely it would have possibly had to
7 have been moved in order for the box to be right on the property corner, but he wasn't there when it
8 happened.

9 Lewis asked staff if they had any sense of how this was going to turn out based on their experience.
10 He stated it was an unfortunate situation. Berg agreed this was an unfortunate situation. He
11 indicated the septic box design was submitted by the designer, because a traditional mound system
12 would not work. He noted the location where the deepest soils, the 1.5 foot or 18 inches of soil was
13 found at the top of the hill. He indicated that's the prime location to install something so a variance
14 would be needed for that.

15 Berg noted alternatively, there are other potentials, though much more costly, which included
16 holding tanks. He noted holding tanks also required a variance because they are not a type two
17 system that's accepted by the MPCA. He indicated the applicants would be back here for another
18 variance hearing, should this box mound be removed and the applicants have to move to a tank
19 system.

20 Berg stated he had some information on costs associated with pumping tanks and those kinds of
21 things. He indicated there are some additional costs beyond what a mound or box mound would
22 provide the homeowners. He noted there would be additional pumping requirements, maybe from
23 every couple of years to possibly every three weeks depending on use based on the size.

24 Berg indicated he had taken a drive through the neighborhood and took some photos of some other
25 structures and or vegetation that were located in the right-of-way along East Front as maybe
26 potential options for camouflage. He showed photographs of various screening currently being used
27 in the area.

28 Lewis indicated Mr. Voss lived on the road for a long time and he knew the neighbors involved. He
29 asked Mr. Voss what he saw as a resolution for this that was going to make everyone happy. He
30 asked if the applicants were just out of luck. Voss responded the one issue that hasn't been
31 discussed is the fact that the septic eliminated the ability to have a driveway.

32 Harrington stated they are grabbing up a City easement. Lewis stated he had forgotten about the
33 driveway.

34 Voss stated the access to the lot had to be from East Front Boulevard.

35 Harrington asked if there were a lot of holding tanks on these smaller properties in the City. Davis
36 responded there were several holding tanks in the City.

37 Lewis asked if the holding tanks were on Front Street. Davis responded he did not know about Front
38 Street, but there was probably more holding tanks in the Coon Lake Beach area. He indicated holding
39 tanks were used where there was not enough room for a septic system because of the setbacks or
40 other constraints. He indicated holding tanks were used on the smaller lots.

41 Lewis stated this sounded like one of those situations where it just a "damn shame." He indicated he
42 could not imagine how Council was going to satisfy everyone.

1 To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes.
2 **Motion passes unanimously.**

3 Lewis stated that was a tough one.

4 **7.0 A.2 Ordinance Amendments, Section 74-95 and Appendix A, Zoning Section 14**

5 Berg stated on April 25 2023, the Planning Commission held a public hearing and reviewed proposed
6 amendments to the Zoning Code at the request of the East Bethel City Council. The Planning
7 Commission discussed suggested amendments and had the following recommendations:

8 Article 4, Section 74-95 - There was a proposed amendment to the septic identification or septic.
9 Identification and upgrade of sub-standard sewage treatment facility or facilities. The Planning
10 Commission discussed the proposal of the City Council and the recommendation was only to alter
11 suggestion Subsection C.

12 Berg indicated In the staff report, the conversation surrounding the subsection C basically revolved
13 around the proposed language that “if a property owner,” the concern was that this would dissuade
14 owners from applying for any building permits, under the premise that the property owners would
15 risk not applying for a permit, because the word “if” is suggestive. Therefore, the recommendation
16 was to strike “if a property owner” and replace it with “when a building permit or variance is applied
17 for that affects the capacity of a subsurface treatment system. It must be evaluated. If the system is
18 substandard, it must be upgraded before the permit or variance is issued.” That was the only
19 suggested change to the proposed amendment to that Article 4, Section 74-95.

20 Smith stated he liked the wording the Commissioners put in there versus “if a property owner.” He
21 indicated that is good. He asked if Council could add this tonight, and could Council get this approved
22 tonight as well. Berg responded they could as there was already a public hearing held. He indicated
23 Council could make the motion to approve based on the recommendation and the completion of the
24 public hearing.

25 **Smith stated I’ll make a motion to approve Article 4, Section 74-95. Miller stated I’ll second.**

26 Harrington asked any discussion? Berg asked for clarification if that was with the recommendation of
27 the Planning Commission change. Smith responded it was. To the motion, all in favor say aye. **All in**
28 **favor.** Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

29 Berg stated the next one was Article Four, Section 14, subsection 5 on detached accessory structures.
30 He indicated after discussion of the proposed amendment, the removal of Section 5a was agreeable
31 to the members of the Planning Commission, or just striking out the temporary storage for an
32 agricultural zone. He stated the Planning Commission agreed that that change was acceptable.

33 **Miller stated I’ll make a motion to approve Article 4, Zoning Section 14, subd. 5. Smith stated I’ll**

34 **second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.**

35 Harrington asked any opposed? That motion passes. Motion passes unanimously.

36 Berg stated in regard to the last two proposed amendments to the Zoning Code. The Planning
37 Commission had reached nearly the four-hour time window and there was a lot of ongoing back and
38 forth conversation regarding these two proposals. He noted he could not get a read on any one of the
39 Planning Commission members to determine if any of them were even making a recommendation at
40 that point. He noted there was a lot of yawning, and so without any formal recommendation, his
41 recommendation would be to bring these two back to the Planning Commission for further discussion
42 and a formal recommendation on the proposed changes when the Commissioners have a fresh mind
43 and have not been sitting for four hours.

1 **Lewis stated I'll make a motion to send the proposed changes to Section 24, Exterior Storage Light**
 2 **Industrial B2 and B3 District and Article 4, Zoning Section 28-Architectural Standards back to the**
 3 **Planning Commission for further consideration. Miller stated I'll second.** Harrington asked any
 4 discussion? To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That
 5 motion passes. **Motion passes unanimously.**

6 Mr. Brian Bezanson asked if he could speak. Harrington invited Mr. Bezanson to approach the
 7 podium. Mr. Bezanson stated he was on the EDA and he believed this had an impact on economic
 8 development. He indicated he had not spoken with the other EDA members, but he believed the EDA
 9 should look at this also.

10 Lewis asked if it was possible for Mr. Bezanson to consult with the Planning Commission because Mr.
 11 Bezanson had experience with this, which might expedite everything because both the EDA and the
 12 Planning Commission met only once a month. Mr. Bezanson responded he believed that was
 13 possible.

14 Miller stated he was not opposed to that and the more advice they can get on it, the better especially
 15 from people with knowledge of this.

16 Lewis thanked Mr. Bezanson for his useful input. Mr. Bezanson stated he had 30 years of commercial
 17 construction experience.

18 Harrington asked if Lewis wanted to amend his motion to include the EDA's review also. Berg
 19 indicated the EDA met before the Planning Commission, so any formal recommendations could be
 20 given to the Planning Commission for their review and input.

21 Davis stated staff can just set this as an agenda item on the EDA agenda and no notification was
 22 needed. He indicated if the EDA didn't want to discuss it then, they can set it for another day, but he
 23 believed it would help expedite this.

24 Lewis asked if he needed to amend his motion. Harrington responded no.

25 Bezanson asked if an email could be sent out to the EDA. Davis responded this would be added to
 26 the agenda and if the EDA didn't want to discuss it then, they could pull it. But at least the EDA would
 27 have the heads up about this.

28 **7.0 B Economic Development Authority**

29 None.

30 **7.0 C Park Commission**

31 None.

32 **8.0 Department Reports**

33 **8.0 A Community Development**

34 None.

35 **8.0 B Engineer Report**

36 None.

37 **8.0 C City Attorney**

38 None.

39 **8.0 D Finance**

1 None.

2 **8.0 E Public Works**

3 **8.0 E.1 2024 Parks Capital Improvement Plan**

4 Davis stated the Parks Commission prepares an annual Capital Improvement Plan (CIP) which updates
5 needs and costs, proposed projects, evaluates priorities, and establishes funding for the coming year
6 and for each of the subsequent years for a five-year period. This plan was presented to City Council
7 for their approval and using the preparation of the 2024 budget. This plan was reviewed by City
8 Council at the Work Meeting on May 1.

9 Davis indicated the approval of the plan only committed the City for projects identified in 2024 and
10 projects beyond 2024 were for planning purposes and would be reevaluated annually for funding
11 prioritization.

12 Davis stated the budget included a proposed general fund transfer of \$100,000 for parks capital
13 projects for 2024. This was subject to City Council approval. It was anticipated the parks dedication
14 fee from developers will provide an additional \$40,000 to the Park’s Acquisition and Development
15 Fund for 2024. The Parks Commission voted unanimously to recommend the 2024-2028 Parks Capital
16 Improvement Plan for approval by City Council.

17 **Miller stated I’ll make a motion to approve the Parks Capital Improvement Plan. Lewis stated I’ll**
18 **second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.**
19 Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

20 **8.0 E.2 2024 Roads Capital Improvement Plan**

21 Davis stated staff prepares an annual Capital Improvement Plan (CIP) which updated needs and costs
22 of proposed projects, evaluates priorities, and establishes funding for the coming year and for each of
23 the subsequent years for a five-year period. This plan was presented to City Council for their approval
24 and used in the preparation of the 2024 budget.

25 Davis noted approval of the plan only commits the City for the projects identified for 2024. Projects
26 beyond 2024 are for planning purposes and would be reevaluated annually for funding prioritization
27 during the capital improvement needs assessment and planning process.

28 Davis indicated the budget included a proposed general fund transfer increase of \$50,000 for road
29 improvement projects for 2024 subject to City Council approval.

30 Davis recommended the 2024-2028 Roads Capital Improvement Plan to the City Council for their
31 consideration and approval.

32 **Lewis stated I’ll make a motion to approve 2024-2028 Roads Capital Improvement Plan. Miller**
33 **stated I’ll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.**
34 Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

35 **8.0 F Fire Department**

36 None.

37 **8.0 G City Administrator Report**

38 **8.0 G.1 Opioid Settlement**

39 Davis stated the City’s participation in the National Opioid Settlement was reviewed at the April 3,
40 2023 Work Meeting. This discussion was prompted by the League of Minnesota Cities (LMC) as part
41 of their follow up to urge cities to sign on to the settlement agreement. The City contacted the LMC

1 requesting background information on this matter to support a presentation to City Council. The
2 comments submitted by the Minnesota Attorney General's Office to bring this matter to City Council
3 were insufficient at that time to justify this request as an agenda item.

4 Davis indicated this response was relayed to Council by email on April 13, 2023.

5 Davis stated Rhonda Sivarajah, Anoka County Administrator, contacted the City on May 3, 2023 and
6 requested that East Bethel consider signing the National Opioids Settlement Participation Agreement
7 to ensure maximum funding for the County allocation of this program.

8 Davis noted that even though East Bethel would not receive money from the settlements, they are
9 being encouraged to approve and sign the agreements to maximize the County's share of the funds. If
10 all cities over a population of 10,000 sign on to the settlements or otherwise release their claims
11 against the particular 5 parties (Teva, Allergan, Walgreens, CVS, and Walmart) stipulated in the
12 agreement, it increased the pool of money that these parties must pay to the State of Minnesota.
13 Funds allocated to the State would then be distributed to the County. This money would then be used
14 for County public health programs, embedded social workers in city police departments, naloxone
15 purchases, and many other efforts to remediate the effects of the opioid epidemic.

16 Davis stated the City of East Bethel had no mechanisms in place, experience or means to implement
17 any use of the funds from the settlement but would benefit from having these programs available for
18 the residents. He indicated staff had been informed that East Bethel would bear no expense for
19 endorsing the program or allocating the City's share of these funds to the County.

20 Davis indicated it was intended that this round of settlements would be the last time City Council
21 would have to approve a Memorandum of Agreement (MOA). Following an approval of this new
22 MOA, City Councils would have the ability to simply authorize staff to join or not join opioid
23 settlements as they appear, subject to all the terms of the agreement.

24 Davis stated the deadline for signing had been extended to May 9, 2023 and to accommodate the
25 County request to have all the cities be a signatory to the settlement agreement.

26 Davis indicated the City Attorney had stated that, "I discern no reason why the City can't or should
27 not sign the documents, and if settlement monies become allocated to the City, then the City can
28 take appropriate action to accept/allocate as it deems appropriate."

29 Davis noted the State of Minnesota was projected to receive approximately \$245 million from the
30 settlement and of that amount Anoka County would receive approximately \$8.5 million. East Bethel
31 would not receive any direct allocation, but by signing, East Bethel potentially become eligible to
32 apply for State grants and/or County grants if the County decides to go in that direction in the future.
33 He indicated more importantly, it could increase additional funds the County could use to provide
34 locally available services and resources for those in need of treatment.

35 Davis gave the following recommendations:

36 Recommendation 1 - Staff recommends that City Council consider the approval of Resolution
37 2023-35, Resolution Authorizing the City of East Bethel to Execute All Necessary Documents to

38 Ensure the City of East Bethel Participation in the Multistate Settlements Relating to Opioid Supply
39 Chain Participants and in the Minnesota Opioids State- Subdivision Memorandum of Agreement as
40 exhibited in Attachment 1 to Council's packet, and;

41 Recommendation 2 – Staff recommends that City Council consider approval of Amended

1 Minnesota Opioids State Subdivision Memorandum of Agreement as exhibited as Attachment 2 to
2 Council’s packet.

3 **Mundle stated I’ll make a motion to adopt Resolution 2023-35, Resolution Authorizing the City of**
4 **East Bethel to Execute all Necessary Documents to Ensure the City of East Bethel’s Participation in**
5 **the Multistate Settlements Related to Opioid Supply Chain Participants and in the Minnesota**
6 **Opioids States – Subdivision Memorandum of Agreement as exhibited in Attachment 1. Lewis**
7 **stated I’ll second.** Harrington asked any discussion? To the motion, all in favor say aye. **All in favor.**
8 Harrington asked any opposed? That motion passes. **Motion passes unanimously.**

9 **Mundle stated I’ll make a motion to approve Amended Minnesota Opioids State Subdivision**
10 **Memorandum of Agreement as exhibited as Attachment 2. Miller stated I’ll second.** Harrington
11 asked any discussion?

12 Mundle stated he was glad even though East Bethel could not administer this program themselves,
13 that the City can have some small part in helping out some people in that area. He indicated he was
14 happy that the City can take advantage of this so that some citizens might get help that they need.

15 Davis noted that this was something the City had needed. He indicated this was better allocated to
16 the County to take advantage of economies of scale in their existing systems put in place to make
17 sure this happened.

18 To the motion, all in favor say aye. **All in favor.** Harrington asked any opposed? That motion passes.
19 **Motion passes unanimously.**

20 **9.0 – Other Items**

21 **9.0 A Staff Report**

22 Davis stated there was another Local Government Association meeting on May 31 at the Bunker Hills
23 Activity Center at 6pm. He noted this was a gathering of all the mayors and city councilmembers that
24 wish to attend, along with certain City staff and County organizations like the Highway Department
25 and other groups in the County that can join together. He indicated they have a meal and a program
26 presentation and this was a chance to talk to some fellow City members and the County. He asked if
27 anyone wanted to attend to let him know and he would get them signed up.

28 **9.0 B Council Reports**

29 Mundle stated the Mayor and he attended the highway cleanup. He stated they volunteered with
30 the East Bethel Fire Department Auxiliary to do roadside cleanup from Cooper's corner, down to
31 221st. He indicated they filled two large pickup trucks full of bagged garbage, which was an incredible
32 amount. He thanked the Fire Department Auxiliary for putting this together and giving him the
33 opportunity to volunteer with them.

34 Lewis requested staff let him know if the Special Planning Commission meeting tomorrow night was
35 going to be held. He also asked if Mr. Reiter could be sworn in as a Planning Commissioner at that
36 meeting.

37 Lewis requested the process of verifying residency of everyone on the Council, Commissions, and
38 authorities. He noted he had turned in a copy of his driver’s license at one of the last meetings
39 showing his residency. He believed that was an important addition to the Municipal Code to actually
40 have a definition of what a resident was.

1 Berg stated Mr. Larson can confirm it, but that the Ordinance change would go into effect 10 days
2 after the Ordinance is changed. He indicated the City cannot obligate anyone who had an existing
3 situation prior to the Ordinance change.

4 Lewis asked Berg if he had discussed this with the City Attorney. Berg responded he had not, but he
5 was asking the City Attorney now if an Ordinance was passed, could it be retroactive.

6 Larson responded the Berg had been accurate on all points tonight, including this last one. He stated
7 if people wanted to voluntarily submit to the City Administrator and staff proof of residency showing
8 that they meet that Code residency requirement before the fact, they can, but it would take effect for
9 essentially those individuals post effective date.

10 Larson stated while he had the floor, he wanted say he was pleased with the opioid settlement vote
11 because of the things that it did. He indicated he had reviewed the settlement documents because
12 this would be something that the City had to sign. He stated he wanted to make sure that the City
13 was not unduly harming itself by some type of contractual obligation. He noted this did take a little
14 time because sometimes things could be hidden, but he didn't find anything and therefore, City
15 Administrator Davis was correct.

16 Larson indicated he did not see any reason for the City not to enter into this, but he wanted to
17 underscore that part of the requirements is that each County must consult annually with the
18 municipalities in the County regarding future use of the settlement funds in the County. So this vote
19 had given the City that least that persuasive seat at the table.

20 Smith stated he had a couple of things. He indicated at the Council Meeting of April 24, 2023, they
21 agreed to extend the one-year IUP extension for the B-Roc's, Inc., which a mechanic, which was good.
22 He indicated during the meeting he was surprised that the applicant wasn't there. Smith stated if it
23 was his business and this was going to be approved or not approved, he would have definitely have
24 wanted to be there to speak about it.

25 Smith stated his curiosity got to him and he went in to see the applicant on Saturday, April 29. He
26 indicated he met with him and his wife, and talked to them. He stated they are great people and
27 have a good operation. He noted everything was clean and in order. In talking to them, he asked
28 why he wasn't at the meeting, and was told that he had a conversation with Davis and that Davis was
29 supposed to get ahold of him and let him know, but he never heard back from Davis. Davis
30 responded he thought they had notified him of the date previously.

31 Smith stated he never heard a word from Davis. Smith indicated to him that is important, especially
32 on something like this because if Council would have denied this, he would have been kicked out of
33 there. He stated that is not right and staff really has to follow up on stuff like that.

34 Smith asked when Council received their packets, why was the reporter, Ian, receiving them also.
35 Davis responded he received a packet because he had requested a copy.

36 Smith stated he didn't agree with that, and if Ian wanted a copy, he could find it himself. He did not
37 think the City should be supplying it to Ian because what he's seen their newspaper is one-sided
38 when it came to the Council and they don't really care. He stated this was his thought that the City
39 should not be sending that to Ian.

40 Smith asked if he needed to do a Motion to stop this, or could it just be stopped. Davis responded
41 this would be up to the rest of the Council. Smith asked the rest of the Council for their thoughts.

1 Harrington stated he didn't care if Ian received a packet as he knew he watched it on TV, so it didn't
2 matter if he got a packet or not. Smith stated he didn't think they should supply it. Harrington stated
3 if they don't supply it, they might as well not supply anybody else.

4 Mundle stated they could just sign up for the email blast and they would get it anyway, so what's the
5 difference. Smith responded that was fine and let them sign up for the email blast.

6 Lewis stated he had a real fundamental view of such things and things that are going to happen are
7 going to happen one way or another. He noted that it is kind of like why he doesn't respond to all the
8 crap, frankly, on Facebook. And he doesn't bother thinking about it much. It just comes with the job.
9 He stated he has a strong belief that in the end truth usually winds up you know, so, but that's just his
10 view.

11 Berg stated it is posted to the website on Friday and accessible to the public at that point also.

12 Smith stated the guy doesn't do his homework anyways so let him do his homework and get it
13 himself. Smith stated that was his opinion. Smith stated so whether it is or not, how are we going to
14 do it. Berg replied, sure.

15 Smith stated he noticed a lot of email responses went to the City Attorney. He asked if it cost the
16 residents money every time the City Attorney opened an email. Davis responded the City Attorney
17 charged the City for his services, but he did not know what Smith was talking about regarding these
18 emails.

19 Smith stated if Davis looked at the cc's, a lot of them would be going to the City Attorney. He asked if
20 it was necessary they go to the City Attorney. Davis responded staff kept the City Attorney in the
21 loop. He noted those emails are sent to the City Attorney if the City Attorney wanted to respond to
22 anything we ask him directly to address the matter.

23 Smith asked if it was something that was not serious, was it necessary that they do that. Davis
24 responded he would let the City Attorney answer that question, but it was good to keep the City
25 Attorney in the loop, and he believed it made the City Attorney's job easier.

26 Larson stated he tried to make sure that at the time his bill was sent to the City that the City had
27 received value. He indicated there were times where the cc is such where it is clear that he will say in
28 legal terms of de minimis, which is an FYI kind of information to keep things up, and if it is something
29 that's going to need his attention, he already knows what has occurred. He believed that was helpful
30 for the City. He noted there were times when he does not bill the City, but other times where the
31 cc's are such that in his judgment as the City Attorney, it is his role to look after all of the legal needs
32 and provide counsel for and on behalf of the City where that seems appropriate. He stated he would
33 have to review his bills since February, but his recollection was that the cc's started a string of emails
34 and therefore, it was not a one off.

35 Smith stated if he was understanding this right, if it's something that the City Attorney just looked at,
36 and it doesn't really matter and if it's not something critical, then he wouldn't bill the City for that.
37 Larson stated he could give an example. He noted there was a series of emails today where he did
38 not bill for those. However, he did bill for looking at today's agenda.

39 Smith stated that was fine. He indicated he was just looking out for the residents, and he wanted to
40 make sure the City was not paying any more than they have to.

41 Miller stated he had met with the Upper Rum River Watershed where they reviewed their budget for
42 the year and elected the officers. He stated the Parks Commission meeting for May had been
43 cancelled.

1 Harrington thanked the Auxiliary. He noted they picked up a lot of stuff.

2 **9.0 C Other**

3 None

4 **10.0 Adjourn**

5 **Mundle stated I'll make a motion to adjourn. Lewis stated I'll second.** To the motion, all in favor
6 say aye. **All in favor.** Harrington asked any opposed? That motion passes. **Motion passes**
7 **unanimously.**

8 Meeting adjourned at 8:53 PM.

9 Submitted by:

10 Kathy Altman

11 *TimeSaver Off Site Secretarial, Inc.*

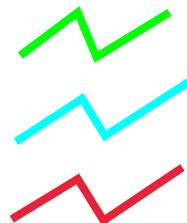
John Anderson Park Trail System



1 inch equals 250 feet



-  Parcels
-  City Mask



Existing Trails - 1100 ft

Constructed Trails that need paving - 2750 ft

Connection Trail not yet constructed - 470 ft



Czars of Tar Inc.

1345 157th Avenue Northeast | Ham Lake, Minnesota 55304
 7634216417 | office@czarsoftar.com | www.czarsoftar.com

RECIPIENT:

City of East Bethel

2241 221 Ave NE
 East Bethel , MN 55005

Quote #227

Sent on May 15, 2023

Total \$58,200.00

SERVICE ADDRESS:

1131 233rd Avenue Northeast
 Bethel, Minnesota 55005

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Pave on existing foundation material	City to have foundation installed, graded and compacted. Czars of Tar will Pave 3" compacted mat using MNDOT spec SPWEB240B hot mix. Area (approx 9' x 2800')	25200	\$2.30952	\$58,200.00

A deposit of \$17,460.00 will be required to begin.

Total \$58,200.00

We will do an excellent job for you!
 - John Heinrich
 Czars of Tar

This quote is valid for the next 30 days, after which values may be subject to change.

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified. Payment will be as outlined.

Prefer Paving Inc hereby warrants to Owner and/or Contractor that all workmanship performed, materials supplied and equipment furnished by the Agreement/Estimate will have a warranty for a period of 1 year from when the job was completed. Owner must contact Prefer Paving within 15 days of first knowledge of any defects or failure. Prefer then will meet the owner and assess the issue and determined if it is covered under normal warranty standards. If the issue is covered under the warranty standards then Prefer will discuss a reasonable time frame to fix the issue. Physical damage to the asphalt caused by shovels, picks, plow blades, etc., are not covered by your warranty. We also suggest using sand or kitty litter on ice when necessary. These materials will provide traction to prevent slipping while avoiding damaging the asphalt. The warranty does not apply to work that has been subjected to accident or abuse or any alterations of the project not performed by Prefer Paving. Please note: due to extreme weather conditions in our region, we will not warranty concrete of cracking, scaling, or flaking.

We agree to give Prefer Paving, Inc. at least (7) days notice prior to commencing work. Pursuant to this proposal the buyer is agreeing to be liable for payment for the work performed and all cost of collection, including all attorneys' fees, plus interest. Interest will accrue on the invoices starting 60 days of the invoice date, and will be accrued at the rate of 1.5% per month (18% APR).

All work to be completed in a workman-like manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and can be an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, weather or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

NOTICE TO OWNER CONCERNING LEIN RIGHTS

(a) ANY PERSON OR COMPANY SUPPLYING LABOR OR MATERIALS FOR THIS IMPROVEMENT TO YOUR PROPERTY MAY FILE A LIEN AGAINST YOUR PROPERTY IF THAT PERSON OR COMPANY IS NOT PAID FOR THE CONTRIBUTION.

(b) UNDER MINNESOTA LAW, YOU HAVE THE RIGHT TO PAY PERSON WHO SUPPLIED LABOR OR MATERIALS FOR THIS IMPROVEMENT DIRECTLY AND DEDUCT THIS AMOUNT FROM OUR CONTRACT PRICE , OR WITHHOLD THE AMOUNTS DUE TO THEM FROM US UNTIL 120 DAYS AFTER COMPLETION OF THE IMPROVEMENT UNLESS WE GIVE YOU A LIEN WAIVER SIGNED BY PERSON WHO SUPPLIED ANY LABOR OR MATERIAL FOR THE IMPROVEMENT AND WHO GAVE YOU A TIMELY NOTICE.

ADDITIONAL CHARGES CAN APPLY IF:

- ✓ ASPHALT REMOVALS ARE MORE THAN 3" THICK AND CONCRETE REMOVALS ARE MORE THAN 4" THICK
- ✓ STEEL OR RE-BAR ARE RE-INFORCING CONCRETE
- ✓ ANY FOREIGN OBJECTS ARE FOUND IN DRIVEWAY SUCH AS STUMPS, GARBAGE ECT...
- ✓ JOBSITE IS NOT CLEARED FOR ADEQUATE WORK SPACE/PARKING
- ✓ ADDITIONAL SQUARE FOOTAGE IS ADDED

**NO TESTING, SURVEYORS LAYOUT, PERMITTING, BONDING

**NO CONCRETE PUMPING, WINTER CONDITIONS

PROJECT AMOUNT: \$ 69,700.00

UPGRADES/CHANGES: \$

TOTAL AMOUNT DUE DAY OF COMPLETION: \$

NOTE: THIS PROPOSAL MAY BE WITHDRAWN IF NOT ACCEPTED WITHIN 30 DAYS OF THE PROPOSAL DATE

[Empty signature box for Scott Van Zee]

[Empty signature box for Customer]

Scott Van Zee
Vanzeeascott@gmail.com
612-802-4868

CUSTOMER SIGNATURE

Northern Pine Properties
 dba Fairfax Asphalt
 19735 Iguana St. Ste 103
 Elk River, MN 55330

Estimate

Date	Estimate #
5/16/2023	24

Name / Address
City of East Bethel Nate Ayshford 2241221st Ave. NE East Bethel, Mn 55011

Description	Qty	Rate	Total
Install a 9' wide bituminous trail on existing 4" recycled concrete base. Bituminous to be 3" type SP 12.5 wearing course mixture (SPWEB240B) after compaction. Roll to a smooth surface.	1	59,950.00	59,950.00
		Total	\$59,950.00

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

RESOLUTION NO. 2023-37

**RESOLUTION ACCEPTING BIDS FOR THE UNIVERSITY AVENUE
IMPROVEMENT PROJECT**

WHEREAS, pursuant to the advertisement for bids for the University Avenue Improvement Project, bids were received, reviewed, and tabulated according to law, and the following bids were received complying with the advertisement:

	<u>Base Bid</u>
New Look Contracting, Inc	\$997,168.00
Park Construction Company	\$1,024,825.05

AND WHEREAS, it appears that New Look Contracting, Inc of Rogers, Minnesota is the lowest responsible bidder;

AND WHEREAS, city staff continues to negotiate an easement agreement on PIN 07-33-23-22-0001;

AND WHEREAS, the City accepts the bid proposal in the amount of \$997,168.00 contingent on executing an easement agreement with the property owner of PIN 07-33-23-22-0001.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT:

1. The Mayor and City Administrator are hereby authorized and directed to inform the City of Oak Grove that the City Council of East Bethel has accepted the bid from New Look Contracting, Inc of Rogers for the University Avenue Improvement Project.
2. The City Engineer is hereby authorized and directed to inform the Oak Grove City Engineer to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Adopted this 22th day of May, 2023 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Tim Harrington, Mayor

ATTEST:

Jack Davis, City Administrator

University Avenue Improvements (#8433434)
 Owner: City of Oak Grove
 Solicitor: MSA Professional Services - St Paul
 04/21/2023 10:00 AM CDT

Section Title	Line Item	Item Description	UofM	Quantity	Engineer Estimate		New Look Contracting, Inc.		Park Construction Company	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
BASE BID										
	1	MOBILIZATION	LS	1	\$60,000.00	\$60,000.00	\$24,000.00	\$24,000.00	\$74,100.00	\$74,100.00
	2	CLEARING	ACRE	1.65	\$10,000.00	\$16,500.00	\$17,500.00	\$28,875.00	\$9,180.00	\$15,147.00
	3	GRUBBING	ACRE	1.65	\$10,000.00	\$16,500.00	\$8,750.00	\$14,437.50	\$9,180.00	\$15,147.00
	4	REMOVE MAILBOX SUPPORT	EACH	20	\$200.00	\$4,000.00	\$110.00	\$2,200.00	\$76.50	\$1,530.00
	5	REMOVE SIGN TYPE C	EACH	19	\$50.00	\$950.00	\$45.00	\$855.00	\$25.50	\$484.50
	6	REMOVE PIPE CULVERTS	LIN FT	234	\$15.00	\$3,510.00	\$10.00	\$2,340.00	\$9.30	\$2,176.20
	7	REMOVE RETAINING WALL	LIN FT	42	\$25.00	\$1,050.00	\$25.00	\$1,050.00	\$27.70	\$1,163.40
	8	REMOVE BITUMINOUS PAVEMENT	SY	308	\$6.00	\$1,848.00	\$13.50	\$4,158.00	\$13.20	\$4,065.60
	9	REMOVE CONCRETE PAVEMENT	SY	69	\$30.00	\$2,070.00	\$18.00	\$1,242.00	\$23.20	\$1,600.80
	10	REMOVE AGGREGATE SURFACE	CY	513	\$20.00	\$10,260.00	\$7.50	\$3,847.50	\$21.70	\$11,132.10
	11	SOIL STABILIZATION GEOGRID	SY	4850	\$3.00	\$14,550.00	\$4.00	\$19,400.00	\$3.60	\$17,460.00
	12	COMMON EMBANKMENT (CV) (P)	CY	2200	\$25.00	\$55,000.00	\$7.50	\$16,500.00	\$4.85	\$10,670.00
	13	SELECT GRANULAR EMBANKMENT MOD 5% (CV)	CY	1850	\$25.00	\$46,250.00	\$16.75	\$30,987.50	\$38.70	\$71,595.00
	14	COMMON EXCAVATION (P)	CY	3222	\$20.00	\$64,440.00	\$8.50	\$27,387.00	\$13.90	\$44,785.80
	15	EXCAVATION SUBGRADE	CY	2200	\$20.00	\$44,000.00	\$13.75	\$30,250.00	\$19.60	\$43,120.00
	16	SUBGRADE PREPARATION	ROAD STA	53	\$200.00	\$10,600.00	\$300.00	\$15,900.00	\$200.00	\$10,600.00
	17	AGGREGATE CLASS V	TON	4194	\$22.00	\$92,268.00	\$22.50	\$94,365.00	\$23.80	\$99,817.20
	18	FULL DEPTH RECLAMATION	SY	16844	\$2.00	\$33,688.00	\$0.75	\$12,633.00	\$0.70	\$11,790.80
	19	HAUL FULL DEPTH RECLAMATION (LV)	CY	760	\$10.00	\$7,600.00	\$14.00	\$10,640.00	\$6.85	\$5,206.00
	20	MILL BITUMINOUS SURFACE (1.5")	SY	110	\$10.00	\$1,100.00	\$9.50	\$1,045.00	\$46.20	\$5,082.00
	21	BITUMINOUS MATERIAL FOR TACK COAT	GAL	1250	\$2.00	\$2,500.00	\$4.50	\$5,625.00	\$0.01	\$12.50
	22	TYPE SP 9.5 WEARING COURSE MIXTURE (3C)	TON	4300	\$90.00	\$387,000.00	\$92.50	\$397,750.00	\$85.10	\$365,930.00
	23	TYPE SP 9.5 WEARING COURSE MIXTURE (3C) D/W	TON	170	\$150.00	\$25,500.00	\$158.00	\$26,860.00	\$170.00	\$28,900.00
	24	15" CS APRON	EACH	32	\$500.00	\$16,000.00	\$350.00	\$11,200.00	\$362.00	\$11,584.00
	25	15" RC APRON	EACH	10	\$1,500.00	\$15,000.00	\$1,700.00	\$17,000.00	\$1,550.00	\$15,500.00
	26	15" CMP PIPE CULVERT	LIN FT	590	\$50.00	\$29,500.00	\$68.00	\$40,120.00	\$60.10	\$35,459.00
	27	15" RC PIPE CULVERT	LIN FT	282	\$85.00	\$23,970.00	\$95.00	\$26,790.00	\$72.50	\$20,445.00
	28	6" CONCRETE DRIVEWAY PAVEMENT	SY	69	\$95.00	\$6,555.00	\$140.00	\$9,660.00	\$153.00	\$10,557.00
	29	MAILBOX SUPPORT	EACH	20	\$200.00	\$4,000.00	\$215.00	\$4,300.00	\$153.00	\$3,060.00
	30	TRAFFIC CONTROL	LS	1	\$10,000.00	\$10,000.00	\$2,100.00	\$2,100.00	\$5,050.00	\$5,050.00
	31	SIGN TYPE SPECIAL	SF	11	\$70.00	\$770.00	\$215.00	\$2,365.00	\$40.80	\$448.80
	32	SIGN PANELS TYPE C	SF	116	\$70.00	\$8,120.00	\$60.00	\$6,960.00	\$56.10	\$6,507.60
	33	SEDIMENT CONTROL LOG	LIN FT	500	\$3.00	\$1,500.00	\$5.00	\$2,500.00	\$4.40	\$2,200.00
	34	SILT FENCE	LIN FT	3800	\$3.00	\$11,400.00	\$3.00	\$11,400.00	\$2.05	\$7,790.00
	35	COMMON TOPSOIL BORROW (LV)	CU YD	762	\$35.00	\$26,670.00	\$35.00	\$26,670.00	\$33.10	\$25,222.20
	36	SOIL BED PREP	ACRE	4.5	\$1,000.00	\$4,500.00	\$600.00	\$2,700.00	\$338.00	\$1,521.00
	37	FERTILIZER TYPE 1	LBS	1350	\$1.00	\$1,350.00	\$2.00	\$2,700.00	\$0.79	\$1,066.50
	38	SEED MIXTURE 25-121	LBS	549	\$6.00	\$3,294.00	\$7.00	\$3,843.00	\$4.95	\$2,717.55
	39	EROSION CONTROL BLANKET CATEGORY 25	SQ YD	9680	\$2.00	\$19,360.00	\$2.50	\$24,200.00	\$1.60	\$15,488.00
	40	HYDRAULIC FIBER BONDED MATRIX	LBS	8750	\$2.00	\$17,500.00	\$2.15	\$18,812.50	\$1.00	\$8,750.00
	41	4" SOLID LINE MULTI-COMPONENT GR IN	LIN FT	12500	\$1.00	\$12,500.00	\$0.50	\$6,250.00	\$0.43	\$5,375.00
	42	4" SOLID DOUBLE LINE MULTI-COMPONENT GR IN	LIN FT	5250	\$1.00	\$5,250.00	\$1.00	\$5,250.00	\$0.87	\$4,567.50
Base Bid Total:						\$1,118,423.00		\$997,168.00		\$1,024,825.05

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

RESOLUTION NO. 2023-36

**RESOLUTION APPROVING APPLICATION FOR AN EXCLUDED BINGO PERMIT
FOR ST. FRANCIS ATHLETIC BOOSTER CLUB WITH NO WAITING PERIOD**

WHEREAS, St. Francis Athletic Booster Club has made application for a gambling permit for an excluded bingo event to be held on Saturday, July 15 at Booster Park for the 2023 Booster Day event.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the gambling permit application for the St. Francis Athletic Booster Club for an excluded bingo event to be held on Saturday, July 15 for the 2023 Booster Day event at Booster Park is approved with no waiting period.

Adopted this 22nd day of May, 2023 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

Tim Harrington, Mayor

ATTEST:

Jack Davis, City Administrator

**City of East Bethel
City Council Meeting
Agenda Item Information**



Date: May 22, 2023

Agenda Item Number: Item 8.0 G.1

Agenda Item: June Work Meeting

Background Information:

Our monthly Work Meeting is scheduled for Monday, June 5, 2023 at 7:00 PM. The following item(s) are recommended for discussion:

1. Electrical Permits – Change to State Permit Issuance and Inspection
2. Discussion of a Conduit Bond Issuance Proposal for the Cambia Hills property purchase
3. Community Development Director Position Discussion
4. Ordinance Review
5. Communications Survey Results Report

Fiscal Impact:

To be determined

Recommendation(s):

Staff recommends that City Council set the agenda item(s) as presented or other items as desired for the June 5, 2023 Work Meeting.

City Council Action:

Motion by: _____

Second by: _____

Vote Yes: _____

Vote No: _____