

**City of East Bethel**  
**City Council Agenda**  
**City Council Regular Meeting**  
**Date: June 26, 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](http://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. Legislative Update - State Representative Peggy Scott (p. 3)
  - B. Interview of Applicants and Appointment of City Council Member (p. 4-8)
  - C. Nexus Conduit Bond Presentation (p. 9-36)
  - D. 2023 Booster Day Event Presentation (p. 37-38)
  - E. ACSO Monthly Report (p. 39-45)
  - F. Fire Department Monthly Report (p. 46-49)
  - G. Public Hearing: Ordinance Amendments to Chapter 2, Section 424 (p. 50-52)
- 5.0 Public Forum**
- 6.0 Consent Agenda (p. 53-55)**

***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. 56-60)
  - B. Minutes: June 5, 2023 City Council Work Meeting (p. 61-83)
  - C. Minutes: June 12, 2023 City Council Meeting (p. 84-106)
  - D. Res. 2023-49, Check Signatory Approvals (p. 107)
  - E. Approve Hire of Community Development Director (p. 108-111)
  - F. Acceptance of MN Department of Public Safety Grant (p. 112)
  - G. Res. 2023-50, Withdrawing From SRWMO JPA and Intent to Form a New JPA (p.113-114)
  - H. Playground Equipment Purchase – Whispering Oaks Park (p. 115-117)
  - I. Replacement fencing – Maynard Peterson Park (p. 118-120)
- 7.0 New Business - Commission, Association and Task Force Reports**
  - A. Planning Commission
    - 1. Public Hearing: Zoning, Appendix A; Section 24 – Exterior Storage (p. 121-133)
  - B. Economic Development Authority
  - C. Park Commission

**8.0 Department Reports**

- A. Community Development
- B. Engineer
- C. City Attorney
  - 1. Cannabis Report Update (p. 134-137)
- D. Finance
- E. Public Works
- F. Fire Department
- G. City Administrator
  - 1. July Work Meeting Agenda (p. 138)

**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:** June 26, 2023

**Agenda Item Number:** Item 4.0 A

**Agenda Item:** Legislative Update - State Representative Peggy Scott

**Background Information:**

State Representative Peggy Scott represents District #31 B, which includes East Bethel, Linwood, portions of Ham Lake, Andover, Oak Grove and Athens Township.

Representative Scott has been assigned to the Environment and Energy committee, and the Health and Human Services Division of the Finance Committee. She is also the Ranking Minority Member of the committee for Health, Human Services and Housing.

Representative Scott will update the Council on legislative and economic development issues that affect the City of East Bethel and current state legislation that has been before the Minnesota House of Representatives.

**Recommendation(s):** Information Item, no action required

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 4.0 B

**Agenda Item:** Interviews for and Appointment to Council Seat Vacancy

**Background Information:**

With the resignation of Mayor Tim Harrington, Councilperson Kevin Lewis, by vote of council, was appointed Mayor of the City of East Bethel at the June 12, 2023 City Council Meeting. Following Mr. Lewis' appointment as mayor, his council seat was declared vacant. Council then directed Staff to advertise for applications for the vacant council seat and accept applications for this position until 3 PM, Friday, June 23, 2023. The date for interviews of the candidates was set for the June 26, 2023 City Council Meeting.

As there are less than two years remaining on Mr. Lewis' vacated council position, no special election is required and council may make an appointment to fill this seat for the remainder of its term.

In addition to the consideration of the council appointment, Mr. Harrington's resignation leaves his commission and committee liaison assignments open:

- Booster Day Committee
- Sandhill Crane Committee
- Personnel Committee
- Finance Committee
- Sunrise River Water Management Organization

Mr. Harrington's post on the Economic Development Authority (EDA) was filled by Kevin Lewis by vote of city council at the June 12, 2023 council meeting.

**Attachments:**

Attachment 1 - Applications received as of June 22, 2023

Attachment 2 – Oath of Office

**Recommendation(s):**

**Recommendation 1** - Council is requested to review the applications for the vacant council seat, interview the candidates and make an appointment to fill the vacant council position of Kevin Lewis.

**Recommendation 2** - Upon the appointment of the new councilperson, the Mayor may offer recommendations for the open commission/committee vacancies for council approval. These appointments can be made as part of this item or at a later date or point in this agenda.

**City Council Action:**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

Robert H.DeRoche,Jr  
158 Collen St  
East Bethel,mn 55092

I have lived in EB for 40 years

Education:

Military-Honorable discharge 1973. two unit citations

Southeast Signal School, Crypto operator, Communication Center  
Specialist, Leadership.

Civilian:

National college of business, U of M, National college of business, 916-  
Lakewood Jr. college, Ramsey hospital EMS program.

Computer Electronics Architecture and Design, Ecology, Meteorology,  
English Comp, personal finance, business organization and  
management, Government studies, EMS, Chisago Lakes Dive rescue  
and Dive team.

Experience:

EB City council , Jan 2011-Jan 2015. Mayor Jan 2014-Jan 2015.

Fire department liaison, roads commission, Finance committee. I was  
involved in several activities in the city.

Experience in codes, zoning, payroll, budget management, workings of  
city, county, state government in general. Building relationships with  
other cities, counties, and state officials.

Currently on the Anoka County Corrections Commission advisory board. 2011- to date, as Region 2 rep. Appointed by Anoka County Commissioner Julie Braastad.

I am currently interested in filling the vacancy on the EB city council. I feel with my back ground and experience I can bring a lot to the Dais. History is an asset. Also, with the experience of the newly elected members and Mayor, I feel I can offer up good guidance and problem solving. Irrespective, of the past commitment and decisions made, it is imperative that EB move forward by following the original plans on developing the sewer/water district and gathering ERU's necessary while keeping the taxes down and listening to the residents as a whole. I feel that it is not the role of the city council to dictate the lives of residents. I don't think it is fair to constantly burden residents with the wishes of those who were chosen to represent. I do not believe in the build it and they will come theory. We have seen enough of that! It needs to be kept in the for front that people moved up here for a particular way of life. Decisions need to be made on what is best for the city and residents as a whole.

Thank you for time.

Robert H.DeRoche,Jr

06/19/2023

Mayor and City council members

Please accept this as my letter of Interest to fill the recently vacated council seat. It is with my past I feel I have a lot of history and experience to help guide the city forward. I understand the commitment required to fulfill this position. I have lived in the city for 40 years and do not plan on leaving anytime soon.

Thank for your time in the consideration of this request.

Respectfully submitted,

Robert H.DeRoche,Jr



# Oath of Office

I, \_\_\_\_\_, do hereby solemnly swear that I support the Constitution of the United States and the Constitution of the State of Minnesota, and that I will faithfully, justly, and impartially discharge the duties of Council Member for the City of East Bethel, County of Anoka, State of Minnesota, to the best of my knowledge and ability. So help me God.

\_\_\_\_\_  
, Council Member

ATTEST:

\_\_\_\_\_  
Jack Davis, City Administrator

**Subscribed and sworn before me,  
this \_\_\_\_ day of June 26, 2023.**

\_\_\_\_\_  
**Notary Public**

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



**Date:** June 26, 2023

**Agenda Item Number:** 4.0 C

**Agenda Item:** Resolution 2023–40, Conduit Bonding Nexus Diversified Community Services

**Background Material:**

At the May 1, 2023 Work Meeting, City Council received a presentation from the city’s bond counsel and financial advisor regarding a request for the City’s participation in a \$10 million conduit bond financing for the proposed purchase of the Cambia Hills facility by Nexus Diversified Community Services.

The City of Ham Lake initially considered to partner with East Bethel to be the secondary issuer of a \$7 million bond for the project but later declined to participate as a co-partner in the conduit bond issuance. However, the Anoka County Finance Committee, composed of Commissioners Matt Look, Julie Braastad and Jeff Reinert, recommended approval of 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 of the conduit bond program. The Committee expects their recommendation to receive all County approvals.

ISD 15 School Superintendent, Karsten Anderson, spoke in support of the need for the service be provided by Nexus at the May 1<sup>st</sup> meeting, 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. Discussions are continuing to resolve these matters.

**Fiscal Impact:**

The City may charge the borrower an issuance fee for its services in connection with bond financing. Nexus has agreed to pay the city \$100,000 for our participation in the bond issuance.

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-Whitney will 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) will be paid by the Borrower. Nexus has also agreed to enter into a PILOT Program (payment in lieu of taxes) and pay the City \$24,000 per year with an annual 2.5% increase in payments regardless of their revenues. This will be approximately a 500% increase over the payment that was to be received from Cambia Hills.

**Attachment(s):**

- Attachment 1 – Resolution 2023-40 (See Recommendation 1)
- Attachments 2 through 5 - Supporting Documents to Resolution 2023-40,
- Attachment 6 – Resolution 2023-40 (See Recommendation 2)
- Attachment 7 – Nexus Project Brief

**Summary:**

The City of East Bethel held a Public Hearing on June 12, 2023 at 7 PM at City Hall to take comment regarding the consideration of the issuing conduit bonds in the amount of \$10 million to Nexus Diversified Community Services (Nexus). Anoka County has agreed to partner with City and issue \$7 million in bonds to compliment the City's proposed participation in the project

Nexus will be purchasing the Cambia Hills property and provide the same service as the previous operator, Cambia Hills of East Bethel, LLC.

The bonds that would be issued pose no liability or expense to the city and qualify for tax exempt status that enable a lower payback of the bonds over conventional financing. The implications of this savings is a lesser impact on potential costs to the school district. From a presentation made to City Council on May 22, 2023 and further reviewed at the June 5, 2023 City Council Work Meeting, Nexus has indicated that they are coming to East Bethel either with or without the approval of the conduit bond financing. The difference between the two scenarios is that without conduit bond financing, Nexus would have a higher cost of borrowing and this additional cost would be passed along to the school district in higher costs for classroom rental space and other chargeable expenses for the educational component of their service. Approval of the conduit bond financing would result in a reduction of approximately \$3.5 million in added interest cost over the term of loan. As Nexus is a non-profit, this savings would result in lower costs to the school district.

The educational component of the Nexus service is a separate matter with ISD 15 and these two groups are still engaged in discussions to work out a resolution to the school district's concerns.

City Council scheduled a public hearing for June 12, 2023 regarding the \$10 million issuance of conduit bonds to Nexus for the Cambia Hills acquisition. The facility would be operated under the terms of the Conditional Use Permit that is recorded on the property.

At the June 12, 2023 meeting, the public hearing for the bond issuance was held, comments received and the hearing closed. There was a motion and second to adopt Resolution 2023-40, Resolution Relating to a Financing Under Minnesota Statutes, Section 469.152 through 469.165, As Amended, on Behalf of Nexus Diversified Community Services; Authorizing Execution and Delivery of Documents Relating Thereto. The second to the motion was made for the purpose of discussion of this topic. At the conclusion of the discussion a motion was made, seconded and approved to table the consideration to answer questions relating to tax exempt matters and enable the council to be fully seated for a final decision on the conduit bond proposal.

The City sent 473 notices of the public hearing by mail to those living in area bounded by Hwy 65 on the East, Klondike Dr. on the north, University Ave on the west and 181<sup>st</sup> Ave on the south. Five persons spoke at the public hearing with concerns relating to the bond issuance and four persons spoke in favor of the proposal.

Nexus has submitted a brief of the project which is exhibited as Attachment 7. Please review this prior to the meeting. If you have any questions, I can forward those to Nexus for an answer or you can respond directly to them.

**Recommendation (s):** City Attorney Larson stated the Council had closed the public hearing which indicated that the public hearing process for the bond consideration had been met. As this subject was tabled with the discussion to continue at the June 26, 2023 meeting, Council is

requested to consider the options outlined as follows:

**Recommendation 1** – If the City Council finds it warranted to approve the conduit bond financing, consider approval of Resolution 2023-40 as exhibited in Attachment 1 and documents relating thereto as exhibited in Attachments 2-5. Bond Counsel to the City, Dorsey & Whitney LLP, developed these documents on behalf of the City and endorses the approval of the same. Approval of Resolution 2023-40 authorizes the issuance of the note, the loan of proceeds to Nexus Diversified Community Services for acquisition of the Project, execution of all required documentation, and the issuance by Anoka County, Minnesota of additional financing for the Project. This approval will result in the lowest overall interest rate for the financing of the Project, and in turn, the lowest lease cost to the School District; or

**Recommendation 2** - If the City Council does not find it warranted to approve the financing, consider approval of Resolution 2023-40 as exhibited in Attachment 6. Approval of Resolution 2023-40 dismisses the financing request of Nexus Diversified Community Services and prevents the City from issuing conduit financing for the project, but provides consent for Nexus Community Diversified Services to seek and secure funding for the Project through Anoka County, Minnesota, or one or more other municipalities or authorities. This approval will remove East Bethel from the financing process except as host jurisdiction (since the project is physically located in East Bethel’s boundaries), but will allow Nexus an opportunity to seek alternative tax-exempt financing options from any other public entity willing to partner with Nexus on the project. This approval will likely increase the overall interest rate for the financing of the project, but it will not require Nexus to borrow at commercial loan interest rates despite its nonprofit purposes; or

**Recommendation 3** - The City Council could take no action which would prevent Nexus from obtaining tax-exempt financing from any public entity. However this would significantly increase the overall interest rate for financing the project. Nexus could seek a commercial loan to acquire the project facility, but at a higher cost than with the use of the tax exempt bonds. The higher cost of this option would more than likely be passed along in part or in its entirety to the school district and result in the most negative impact to ISD 15.

**City Council Action:**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

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

**RESOLUTION NO. 2023-40**

**RESOLUTION RELATING TO A FINANCING UNDER  
MINNESOTA STATUTES, SECTIONS 469.152 THROUGH 469.165, AS AMENDED, ON  
BEHALF OF NEXUS DIVERSIFIED COMMUNITY SERVICES;  
AUTHORIZING EXECUTION AND DELIVERY OF DOCUMENTS RELATING THERETO**

**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 under the Act, and to enter into a loan, lease or revenue agreement with any nonprofit corporation providing such services, whereby the City agrees to loan the proceeds of its revenue notes to such nonprofit corporation and such nonprofit corporation agrees to make payments fixed and revised from time to time as necessary so as to be sufficient to pay in full the principal of, premium, if any, and interest on such revenue notes when due;

**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 (the “Note”) 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”), to pay for startup costs relating to the Project and to pay for costs of issuing the Note;

**WHEREAS**, the Corporation has advised the City that the proposed issuance of the Note by the City to finance costs of the Project and to pay costs of issuing the Note will produce lower borrowing costs for the Corporation and assist the Corporation in its efforts related to the Project;

**WHEREAS**, the City Administrator has caused a notice of public hearing to be published once in the *Anoka County Union Herald*, the official newspaper and a newspaper of general circulation in the City, on May 26, 2023, not fewer than 14 days before the date of the public hearing, in the form of Exhibit A hereto, which form is incorporated herein by reference for the purpose of satisfying the approval requirements of Minnesota Statutes, Section 469.154, and section 147(f) of the Code;

**WHEREAS**, a public hearing on the issuance of the Note of the City to finance the Project was held on June 12, 2023, after notice duly published as required by law, and the views of all interested persons with respect thereto presented at the hearing have been considered; and

**WHEREAS**, forms of a Note Purchase Agreement among the City, Bremer Bank, National Association (the “Lender”), and the Corporation (the “Note Purchase Agreement”); a Loan Agreement among the City, the Lender, and the Corporation (the “Loan Agreement”); the Note; and an Assignment and Pledge Agreement between the City and the Lender (the “Assignment,” and collectively with the Note Purchase Agreement, the Loan Agreement and the Note, the “Financing Documents”); and a draft of the application to be provided to the State of Minnesota Department of Employment and Economic Development in connection with the financing contemplated hereby, have been prepared and presented to the Council at this meeting.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA,** that this Council, subject to approval of the issuance of revenue notes and the Project by the State of Minnesota Department of Employment and Economic Development, hereby finds that approval of the issuance of the Note of the City is in the public interest of the City, and approves the issuance of the Note under the Act, the proceeds of which will be used to finance costs of the Project, certain related working capital, and to pay certain costs of issuing the Note.

**BE IT FURTHER RESOLVED** that the Financing Documents are hereby approved as to form, and the Mayor and the City Administrator, or their authorized designees, are hereby authorized and directed, in the name and on behalf of the City, to execute and deliver the Financing Documents, with such changes, additions and modifications thereto as may be deemed appropriate and are approved by the Mayor and the City Administrator, or their authorized designees, and other officers, staff and employees of the City, which approval shall be conclusively evidenced by execution of documents by the Mayor and the City Administrator, or their authorized designees, and other officers, staff and employees of the City.

**BE IT FURTHER RESOLVED** that the Mayor and City Administrator, and other officers, staff and employees of the City, together and/or in their individual capacities, are hereby authorized to negotiate, execute and deliver all applications, certificates, instruments, documents and agreements which are necessary in connection with the issuance of the Note and not inconsistent with the Financing Documents (including, without limiting the foregoing, any conditional use permit amendment and agreement for payment for city services or amendments thereto), and to take all other actions necessary to consummate the transactions contemplated by the Financing Documents and to carry out the City's obligations under the Financing Documents. Approval of the City and City Council of all applications, certificates, instruments, documents and agreements related to the Project shall be conclusively evidenced by execution of documents by the Mayor and the City Administrator, or their authorized designees, and other officers, staff and employees of the City.

**BE IT FURTHER RESOLVED** that City shall proceed to issue the Note in the principal amount of not to exceed \$10,000,000 upon the terms and conditions specified in the Loan Agreement and the Note Purchase Agreement; the Note shall mature and be payable on the dates and in the amounts provided in the Note, shall be subject to prepayment and purchase prior to maturity as provided in the Note and shall bear interest at such rate or rates as provided in the Note.

**BE IT FURTHER RESOLVED** that Mayor and the City Administrator, or their authorized designees, are hereby authorized and directed to prepare and execute the Note in substantially the form prescribed in the Loan Agreement, and to deliver the executed Note to the Lender with a copy of this resolution and such other documents required by the Financing Documents or the Lender and, upon receipt of the purchase price therefor by or on behalf of the Corporation, the City shall deliver the Note to the Lender.

**BE IT FURTHER RESOLVED** that Mayor and the City Administrator, or their authorized designees, and other officers, staff and employees of the City are authorized and directed to prepare and furnish to the Lender and to Dorsey & Whitney LLP, as bond counsel to the City ("Bond Counsel"), certified copies of all proceedings and records of the City relating to the Note, and the same are authorized to take such actions necessary or appropriate in connection with the consummation of the transactions described herein, and to execute and deliver such other affidavits, certificates, agreements, instruments and documents as may be required by the Lender or Bond Counsel, including but not limited to certificates to show the facts relating to the validity and marketability of the Note as such facts appear from the books and records of the City, and all copies of such certificates, affidavits, agreements, instruments and documents, including any heretofore furnished, shall constitute representations of the City as to the truth of all statements contained therein.

**BE IT FURTHER RESOLVED** that the Note is proposed to be issued as a “qualified 501(c)(3) bond” as defined in section 145 of the Code, the interest on which is not includable in gross income for federal income tax purposes under Sections 103 and 141(e)(1)(G) of the Code.

**BE IT FURTHER RESOLVED** that the Note and the interest on the Note (i) shall be payable solely from the revenues pledged and security provided therefor under the Loan Agreement, and additional sources of revenue provided by or on behalf of the Corporation; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City other than the City’s interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

**BE IT FURTHER RESOLVED** that the City hereby designates the Note as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code relating to the disallowance of interest expense for financial institutions, and hereby finds that the reasonably anticipated amount of tax-exempt obligations, which are not private activity bonds (not treating qualified 501(c)(3) bonds under Section 145 of the Code as private activity bonds for the purpose of this representation), which will be issued by the City and all subordinate entities during calendar year 2023 does not exceed \$10,000,000.

**BE IT FURTHER RESOLVED** that all actions heretofore taken by the City and any officers, staff or employees of the City in connection with the transactions described herein are hereby ratified and approved.

**BE IT FURTHER RESOLVED** that in the event of the absence or disability of the Mayor or the City Administrator, the Acting Mayor or the Acting City Administrator, as the case may be, or any designee thereof, may do and authorize all things and take all actions hereby authorized without further approval of this Council.

**BE IT FURTHER RESOLVED** that the Corporation has agreed to pay the administrative fees of the City when due, as set forth in the Loan Agreement. The Corporation will also pay, or, upon demand, reimburse the City for payment of, any and all costs incurred by the City in connection with the Project and the issuance of the Note, whether or not the Note is issued, including any costs for reasonable attorneys’ fees.

**BE IT FURTHER RESOLVED** that it is understood and agreed by the Corporation that the Corporation shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney’s fees and expenses incurred by the City) arising with respect to the Project and the Note, as provided for and agreed to by and between the Corporation and the City in the Loan Agreement.

**BE IT FURTHER RESOLVED** that in accordance with Minnesota Statutes, Section 469.153, Subdivision 3, the City hereby consents to the issuance by Anoka County, Minnesota, of its revenue bonds or notes under the Act, in one or more tax-exempt series, in the aggregate principal amount of approximately \$7,500,000, to finance additional costs of the Project and other allowable costs.

Adopted this 26<sup>th</sup> day of June, 2023, by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

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Kevin Lewis, Mayor

ATTEST:

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Jack Davis, City Administrator

Attachment: Notice of Public Hearing

EXHIBIT A

NOTICE OF PUBLIC HEARING ON A PROPOSED FINANCING ON BEHALF OF NEXUS  
DIVERSIFIED COMMUNITY SERVICES AND THE ISSUANCE OF REVENUE OBLIGATIONS  
UNDER MINNESOTA STATUTES, SECTIONS 469.152 THROUGH 469.165, AS AMENDED

CITY OF EAST BETHEL, MINNESOTA

NOTICE IS HEREBY GIVEN that the City Council of the City of East Bethel, Minnesota (the “Issuer”), will meet on June 12, 2023, at 7:00 p.m., at 2241 221st Avenue NE, East Bethel, Minnesota, for the purpose of conducting business, including but not limited to a public hearing on the proposal that the Issuer issue its revenue bonds or notes (the “Obligations”), in one or more series, in an aggregate maximum principal amount of \$10,000,000, under Minnesota Statutes, Sections 469.152 through 469.165, as amended (the “Act”), on behalf of Nexus Diversified Community Services, a Minnesota nonprofit corporation and an organization recognized under section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”) (the “Corporation”). The Obligations are proposed to be issued as qualified 501(c)(3) bonds as defined in section 145 of the Internal Revenue Code of 1986, for the purpose of (i) financing a portion of the costs of acquiring real estate and certain personal property located at 900 189th Avenue NE, East Bethel, Minnesota, for use as a residential psychiatric treatment facility (the “Project”), and (ii) paying costs of issuing the Obligations. The Corporation will be the initial legal owner of the Project and the Project will be operated and principally used by an affiliate of the Corporation, Nexus Family Healing, a Minnesota nonprofit corporation and an organization recognized under section 501(c)(3) of the Code (the “Operator”).

The Obligations will be special, limited obligations of the Issuer, and the principal thereof and interest thereon will be payable solely from the revenues of the Corporation pledged to the payment thereof, and amounts derived from the security provided by the Corporation and the Operator as permitted by the Act. No holder of any Obligations will ever have the right to compel any exercise of the taxing powers of the Issuer to pay the Obligations or the interest thereon, or to enforce payment against any property of the Issuer except money payable by the Corporation or the Operator to the Issuer and pledged to the payment for the Obligations.

A draft copy of the proposed Application to the Minnesota Department of Employment and Economic Development for approval of the Project, together with draft copies of all attachments and exhibits thereto, is available for public inspection at the office of the City Administrator, located in the City Hall, during normal business hours, 8 a.m. to 4 p.m., Monday through Friday.

All persons interested may appear and be heard at the public hearing to be held at the time and place set forth above, or may file written comments with the City Administrator of the Issuer prior to the date of the public hearing set forth above.

Dated: May 26, 2023.

BY ORDER OF THE CITY COUNCIL  
By /s/ Jack Davis, City Administrator

DW Draft 6/5/2023

attachment-2

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\$10,000,000  
City of East Bethel, Minnesota  
Revenue Note  
(Nexus Diversified Community Services Project)  
Series 2023

**ASSIGNMENT AND PLEDGE AGREEMENT**

between

**CITY OF EAST BETHEL, MINNESOTA**

and

**BREMER BANK, NATIONAL ASSOCIATION**

Dated as of August 1, 2023

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## ASSIGNMENT AND PLEDGE AGREEMENT

This ASSIGNMENT AND PLEDGE AGREEMENT (this “Assignment”) is dated as of August 1, 2023, and is entered into by the CITY OF EAST BETHEL, MINNESOTA, a Minnesota municipal corporation (the “Issuer”), in favor of BREMER BANK, NATIONAL ASSOCIATION, Minneapolis, Minnesota (the “Lender”).

### RECITALS

WHEREAS, the Issuer has executed and delivered to the Lender its \$10,000,000 Revenue Note (Nexus Diversified Community Services Project), Series 2023 (the “Note”), dated the date of delivery thereof. The Note was issued pursuant to a resolution duly adopted by the Governing Body of the Issuer on June 12, 2023 (the “Note Resolution”) and the Loan Agreement (as defined herein).

The proceeds of the Note are being loaned by the Issuer to Nexus Diversified Community Services, a Minnesota nonprofit corporation (the “Borrower”), pursuant to a Loan Agreement of even date herewith (the “Loan Agreement”), among the Issuer, the Lender and the Borrower.

The Note is payable from and secured by the Loan Repayments (as defined in the Loan Agreement) to be made by the Borrower under the Loan Agreement, and the Lender, as a condition to the purchase of the Note in the Note Purchase Agreement dated as of June [\_\_\_], 2023, among the Issuer, the Lender and the Borrower, has required the execution of this Assignment.

ACCORDINGLY, as authorized by the Note Resolution and in consideration of the promises and other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer does hereby grant, transfer and assign to the Lender and its successors or assigns, as security for the payment of the Note, a security interest in all of the right, title and interest of the Issuer in the Loan Agreement, and the Loan Repayments of the Borrower payable thereunder (except for the rights of the Issuer under Sections 5.2, 7.1, 7.6, 8.4 and 8.5 thereof relating to expenses and indemnity of the Issuer and the right to enforce said rights).

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, duly authorized officers of the Issuer have executed this Assignment and Pledge Agreement as of August 1, 2023.

**CITY OF EAST BETHEL, MINNESOTA**

By: \_\_\_\_\_  
Its Mayor

By: \_\_\_\_\_  
Its City Administrator

[Signature page to Assignment and Pledge Agreement, from  
the City of East Bethel, Minnesota, to Bremer Bank, National Association]

DW Draft 6/8/2023

attachment-3

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\$10,000,000  
City of East Bethel, Minnesota  
Revenue Note  
(Nexus Diversified Community Services Project)  
Series 2023

**NOTE PURCHASE AGREEMENT**

among

**CITY OF EAST BETHEL, MINNESOTA**

**NEXUS DIVERSIFIED COMMUNITY SERVICES**

and

**BREMER BANK, NATIONAL ASSOCIATION**

Dated as of June [\_\_], 2023

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This NOTE PURCHASE AGREEMENT (the “Purchase Agreement”), is dated as of June [ ], 2023, and is entered into among the CITY OF EAST BETHEL, MINNESOTA, a Minnesota municipal corporation (the “Issuer”), NEXUS DIVERSIFIED COMMUNITY SERVICES, a Minnesota nonprofit corporation (the “Borrower”), and BREMER BANK, NATIONAL ASSOCIATION (the “Lender”).

WHEREAS, the Issuer is authorized and empowered under Minnesota Statutes, Sections 469.152 to 469.165, as amended (the “Act”), to issue and sell revenue bonds and lend the proceeds thereof to a nonprofit corporation for the purpose of financing and refinancing certain projects authorized thereby, including the Project (as defined below); and

WHEREAS, the Borrower, a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), has requested that the Issuer issue a revenue note under the Act to finance a portion of the costs of acquiring real estate and certain personal property located at 900 189th Avenue NE, East Bethel, Minnesota, for use as a residential psychiatric treatment facility (the “Project”), including the payment of issuance costs incurred in connection with the issuance of the Note described below; and

WHEREAS, the City Council of the Issuer has approved the issuance of the Note, in accordance with all pertinent requirements of the Act;

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter contained, the parties hereto covenant and agree as follows:

Section 1. Agreement to Purchase. The Lender hereby agrees to purchase the Issuer’s \$10,000,000 Revenue Note (Nexus Diversified Community Services Project), Series 2023 (the “Note”), from the Issuer, as provided in the Loan Agreement (as defined herein), at a price equal to 100% of the principal amount thereof, subject to the conditions hereinafter set out. The proceeds of the Note will be loaned and disbursed to Nexus Diversified Community Services (the “Borrower”) for the purpose of financing a portion of the costs of acquiring real estate and certain personal property located at 900 189th Avenue NE, East Bethel, Minnesota, for use as a residential psychiatric treatment facility (the “Project”), and paying the costs of issuance and other associated costs and expenses relating to the Note. The Note will be issued pursuant to the terms of the Loan Agreement which shall be as provided in Exhibit A, in all respects subject to the final agreement of the parties hereto, in accordance with the provisions of the approving resolution of the Issuer adopted June 12, 2023, and in accordance with the Act.

On the closing date of the Note, the Issuer, the Borrower and the Lender will enter into a Loan Agreement (the “Loan Agreement”) evidencing the Borrower’s obligation to repay the Loan and the Note pursuant to the terms of the Loan Agreement, which Loan Agreement shall also contain financial covenants, security provisions and other terms acceptable to the Lender and the Borrower.

Section 2. Conditions to Purchase. The obligation of the Lender to purchase the Note hereunder is conditioned upon delivery to the Lender on the Closing Date (as defined in the Loan

Agreement) of the following, each in form acceptable to the Lender in its sole discretion, any of which may be waived by the Lender:

(a) a certificate dated the Closing Date and signed by the Authorized Borrower Representative stating that no Event of Default and no event which, with the giving of notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing or shall exist upon the completion of the Closing;

(b) a Certificate of the Authorized Borrower Representative, dated the Closing Date, stating that as of such date the representations and warranties of the Borrower contained in Section 2.2 of the Loan Agreement are true and correct in all material respects;

(c) an opinion of Dorsey & Whitney LLP, as Bond Counsel;

(d) Certified copies of the Note Resolution authorizing the issuance and sale of the Note and the execution and delivery of the Note Documents;

(e) the executed Note and executed counterparts of the Loan Agreement, the Assignment and Pledge Agreement, the Guaranty and the Mortgage;

(f) satisfaction of closing conditions and final legal documentation, including all closing costs and legal expenses to be paid by the Borrower; and

(h) environmental reports, surveys, and title insurance policies relating to the Project and any Mortgaged Property.

**The Lender's purchase of the Note is not conditioned upon the purchase of any notes, bonds or other obligations to be issued in the future by the Issuer or any other governmental issuer to finance a portion of the costs of the Project.**

Section 3. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Loan Agreement

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Lender has caused this Note Purchase Agreement to be executed in its name, all as of the date first written above.

BREMER BANK, NATIONAL ASSOCIATION

By: \_\_\_\_\_

Its: Senior Vice President

[Signature Page to Note Purchase Agreement, between the City of East Bethel, Minnesota, Nexus Diversified Community Services and Bremer Bank, National Association]

IN WITNESS WHEREOF, the Borrower has caused this Note Purchase Agreement to be executed in its name, all as of the date first written above.

NEXUS DIVERSIFIED COMMUNITY  
SERVICES

By: \_\_\_\_\_

Its: \_\_\_\_\_

[Signature Page to Note Purchase Agreement, between the City of East Bethel, Minnesota,  
Nexus Diversified Community Services and Bremer Bank, National Association]

IN WITNESS WHEREOF, the Issuer has caused this Note Purchase Agreement to be executed in its name as of the date first written above.

CITY OF EAST BETHEL, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

[Signature Page to Note Purchase Agreement, between the City of East Bethel, Minnesota,  
Nexus Diversified Community Services and Bremer Bank, National Association]

EXHIBIT A  
FINANCING PROPOSAL

Summary of Terms:

Borrower: Nexus Diversified Community Services

Lender: Bremer Bank, National Association

Loan Amount: Up to \$17,325,000 (\$10,000,000 East Bethel and up to \$7,325,000 Anoka County)

Purpose: Purchase a residential treatment facility in East Bethel, MN, and finance startup costs.

Term: Twenty-seven years with lender puts at each ten-year interval.

Amortization: Interest only for two years then principal and interest payments based upon a 25 year amortization.

Interest Rate: Bank Qualified Tax-Exempt Fixed Rate: a 7 year fixed rate based upon the [(7-year CMT rate plus 1.70%) multiplied by 79%] ("7 Year Rate") reset to a 3-year fixed rate based upon the [(3 year CMT rate plus 1.50%) multiplied by 79%] ("3 Year Rate") on the loan anniversary in 2030 and reset to the 7 Year Rate on the loan anniversary in 2033 and reset to a 3 Year Rate on the loan anniversary in 2040 and reset to a 7 Year rate on the loan anniversary in 2043

Interest rates are subject to change prior to funding.

Prepayment: If prepayment in whole occurs, the Borrower shall pay to the Lender a prepayment fee equal to the following: 3% of the principal amount outstanding in year one (months 1-12); 2% of the principal amount outstanding in year two (months 13- 24); 1% of the principal amount outstanding in year three (months 25-36). The prepayment would reset with the interest rate.

Notwithstanding the foregoing, the prepayment fee shall not be assessed in the event such prepayment is made with funds from the Borrower's own resources or from a refinance of the credit facility with the Lender.

The prepayment structure will reset with interest rate changes.

Origination Fee: 0.15% of the loan amount.

Guarantor: Nexus Family Healing.

Collateral: First mortgage and assignment of leases and rents on the property located at 900 189<sup>th</sup> Avenue Northeast, East Bethel, MN. Second mortgage and assignment of leases and rents on the property located at 407 130<sup>th</sup> Avenue South, Onamia, MN.

Covenants: Loan documents will include financial covenants for Minimum Debt Service Coverage Ratio, Minimum Net Assets and Minimum Cash on Hand.

Financial Reporting: Annual and quarterly financial reporting requirements to be required.

Additional Conditions: Borrower shall maintain depository and treasury management accounts with the Lender.

Acceptable environmental reports, survey, and title insurance policy.

All loan and collateral documents to be acceptable to Lender and its counsel.

Bond counsel opinion confirming the Bank Qualified Status of the Tax Exempt Notes to be issued to the Borrower required.

Borrower counsel opinion confirming due organization, authority, execution and delivery and enforceability of documents required.

All closing costs and legal expenses and bond counsel expenses to be paid by the Borrower.



**Application for Approval of Local Bond Financing -  
Pursuant to Minn. Stat. 469.152 – 469.1655**

Please submit two copies of this form but only one copy of supporting documents requested on page 2.

Name of Issuer (Municipality or Redevelopment agency): City of East Bethel, Minnesota

Contracting Party (Non-Profit or Business Name): Nexus Diversified Community Services

Industry and Service/Product: Health Care Services

Project Location (street address, city/township, county – if outside city/township): 900 189th Avenue NE, East Bethel, Minnesota

Current Full-time and Part-time Jobs at Location: 0 FT Jobs 0 PT Jobs

New (not currently in Minnesota) Permanent Jobs Created by Project: 90 FT Jobs 4 PT Jobs

Expected Annual Wages of New Full-Time Jobs: \$5,260,299 Total; \$58,448 per new Full-Time FTE

Project Type (check one):  Education  Health Care  Waste/Green  
 Other (please describe) \_\_\_\_\_

Description of Project Financed by Bond Proceeds: Financing a portion of the costs of acquiring real estate and certain personal property located at 900 189th Avenue NE, East Bethel, Minnesota, for use as a residential psychiatric treatment facility.

Dates of Construction (if applicable): N/A

Date Project Expected to be Operational: At closing.

Dollar Amount of Bonds Expected to be Issued: Up to \$10,000,000

Expected Term: 27 years Expected Interest Rate: Estimated maximum 5.10%

Bond Counsel: Nathan Canova, Dorsey & Whitney LLP Phone: (612) 492-6916

E-mail: canova.nathan@dorsey.com



**Application for Approval of Local Bond Financing  
Pursuant to Minn. Stat. 469.152 – 469.1655**

The following exhibits must be furnished with this application:

- A) An opinion of bond counsel that the proposal constitutes a project under Minn. Stat. 469.153, Subd. 2.
- B) A copy of the resolution by the governing body of the Issuer giving preliminary or final approval for the issuance of its revenue bonds and stating that the project, except for a project under Minn. Stat. 469.153, Subd. 2(g) or (j), furthers the purposes of Minn. Stat. 469.152 – 469.165.
- C) A letter of intent to purchase the bond issue or a letter confirming the feasibility of the project from a financial standpoint.
- D) The following exhibits are provided in a single Issuer certificate:

A comprehensive statement by the municipality indicating how the project satisfies the purposes of Minn. Stat. 469.152 - 469.165.

A statement signed by a representative of the Issuer that the project does not include any property to be sold or affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

A statement signed by a representative of the Issuer that a public hearing was conducted pursuant to Minn. Stat. 469.154, Subd. 4. The statement shall include the date, time and place of the meeting and certify that a draft copy of this application with all attachments was available for public inspection and that all interested parties were afforded an opportunity to express their views.

A statement signed by the principal representative of the issuing authority to the effect that upon entering into the revenue agreement, the information required by Minn. Stat. 469.154, Subd. 5 will be submitted to the Department (not applicable to projects under Minn. Stat. 469.153, Subd. 2(g) or (j)).

- E) A plan for encouraging the targeting of employment opportunities to economically disadvantaged or unemployed individuals. (See Minn. Stat. 469.154, Subd. 7.) **The plan must indicate one or more specific steps that may include using employment offices (e.g., Minnesota Workforce Centers) for recruitment and placement, among other actions.**
- F) Affidavit(s) of publication or copies of notice(s) as published which indicate the date(s) of publication and the newspaper(s) in which the notice(s) were published.



Application for Approval of Local Bond Financing
Pursuant to Minn. Stat. 469.152 – 469.1655

We, the undersigned, are principal officer(s) or representative(s) of the Issuer and solicit DEED's approval of this project.

Form for Tim Harrington, Mayor, including fields for Signature, Print Name and Title, Street Address, City, State and Zip, E-Mail, and Date.

Form for Jack Davis, City Administrator, including fields for Signature, Print Name and Title, Street Address, City, State and Zip, E-Mail, and Date.

E-mail for the chief administrator or operating office of the issuer (municipality or redevelopment agency): Listed above

DEED Approval

Form for DEED Approval with fields for Authorized Signature and Approval Date, including a disclaimer note.

Send two copies of form and one copy of supporting documents noted on page 2 to: Minnesota Department of Employment and Economic Development, Kevin McKinnon, Deputy Commissioner, 1st National Bank Building, 332 Minnesota Street, Suite E200, St. Paul, Minnesota 55101, E-mail: Kevin.McKinnon@state.mn.us

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

**RESOLUTION NO. 2023-40**

**RESOLUTION DISMISSING THE CONDUIT FINANCING REQUEST OF NEXUS  
DIVERSIFIED COMMUNITY SERVICES AND CONSENTING TO CONDUIT  
FINANCING OF ONE OR MORE OTHER MUNICIPALITIES OR AUTHORITIES ON  
BEHALF OF NEXUS DIVERSIFIED COMMUNITY SERVICES**

**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”), has requested that the City of East Bethel, Minnesota (the “City”), issue a revenue note (the “Note”) under Minnesota Statutes, Sections 469.152 through 469.165, as amended (the “Act”), 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”), to pay for startup costs relating to the Project and to pay for costs of issuing the Note;

**WHEREAS**, a public hearing on the issuance of the Note of the City to finance the Project was held on June 12, 2023, after notice duly published as required by law, and the views of all interested persons with respect thereto presented at the hearing have been considered; and

**WHEREAS**, the City Council of the City has determined that the proposed issuance of the Note by the City to finance costs of the Project and to pay costs of issuing the Note is not in the best interests of the City.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA**, that this Council hereby dismisses the request of the Corporation that the City issue the Note to finance costs of the Project; *provided, however*, that (i) in accordance with Minnesota Statutes, Section 469.153, Subdivision 3, the City hereby consents to the issuance by Anoka County, Minnesota, of its revenue bonds or notes under the Act to finance costs of the Project and other allowable costs; and, (ii) in accordance with Minnesota Statutes, Section 471.656, Subdivision 2, the City hereby consents to the issuance by any one more other municipalities or authorities, of its revenue bonds or notes under the Act to finance costs of the Project and other allowable costs; *provided, further*, that no revenue bonds or notes issued by Anoka County, Minnesota, or one or more other municipalities or authorities for the Project will constitute a debt of the City within the meaning of any constitutional or statutory limitation; or constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; or constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City; or constitute a general or moral obligation of the City.

Adopted this 26th day of June, 2023, by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

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Kevin Lewis, Mayor

ATTEST:

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Jack Davis, City Administrator

NEXUS FAMILY HEALING  
EAST BETHEL PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY  
FOLLOW UP SUMMARY RE: THE CONDUIT FINANCING PROPOSAL  
JUNE 22, 2023

Nexus continues to be committed to serving the community of East Bethel by restoring the facility on 189<sup>th</sup> Avenue to its original purpose; to provide mental health services to youth in the form of a psychiatric residential treatment facility (PRTF).

At the Public Hearing on June 12, 2023, it was not my intent to give an ultimatum to the City Council regarding the bond financing request. I apologize for how my presentation came across and for this being the impact experienced by the City Council.

The intent was to provide information about what we learned regarding the purchase of the 189<sup>th</sup> Avenue property and how the expenses associated with the purchase can affect the community.

Specifically, we were informed by legal counsel that the Conditional Use Permit (CUP) remains with the property and does not require a vote or formal re-issuance to another owner. As well, we have been informed that the CUP cannot be removed from the property unless conditions are not successfully met. This legal information led us to operate under the assumption that the 189<sup>th</sup> Avenue property is free and clear for purchase. We also assumed that the information about the CUP was a shared understanding with the City Counsel.

Therefore, based on the assumption that the property is clear for purchase with respect to the CUP, we simply wanted to outline the potential impact of extra expenses on various stakeholders. We believe it is our responsibility to prevent unnecessary cost to the taxpayers of Minnesota and the local school district. The bond conduit opportunity will save tax-payer expense.

We would like to review the series of events that led to Nexus pursuing this opportunity:

- Minnesota has identified the need for high intensity treatment settings for youth with mental health needs for at least the past 6 Years, leading to the legislature directing the creation of PRTF beds in the state.
- Cambia Hills responded to that call and created a plan to open a PRTF in 2018. After being turned down from the city of Forest Lake, they turned to East Bethel as a possible site for the program.
- According to East Bethel City Council records, many meetings were held to consider Cambia Hill's proposal, leading to the issuance of the CUP for the construction and operation of a PRTF on the 189<sup>th</sup> Avenue N site. Council support for this service for youth led to a unanimous vote to approve the permit.
- Cambia Hills proceeded with the construction and opening of the site despite the low flat rate the Department of Human Services (DHS) was paying for the PRTF treatment service at that time.

- After opening, the low treatment rate agreed to by Minnesota DHS, pandemic aftermaths, and other factors led to Cambia Hills closing the facility after nine months of operation in 2021.
- Concurrently, Nexus' was pursuing the opportunity to open a PRTF as part of its mission is to fill gaps in the mental health system for youth and families. When Nexus learned of The Hills closure, Margaret Vimont of Nexus met with Jack Davis, representatives of the City Council and the City Development Director in the summer of 2021, where we were informed that the City supported the program and was eager to have it restored to its original purpose.
- Nexus' effort to pursue the program had to be discontinued by the end of 2021 as it was clear that the DHS established rate was not sufficient to fund the service and DHS had not corrected the rate setting method.
- By the summer of 2022, DHS was again trying to restore the program due to its acute need for the services for youth who were stranded in emergency rooms and other unsuitable situations. Nexus again agreed to start the process given the movement DHS was making on correcting the rate setting process.
- By early 2023, a sustainable rate with DHS had been established and a price for the property had been negotiated.
- In early April 2023, Margaret Vimont and Educational ED Ra Shone Franklin met with the Mayor of East Bethel, Council Member Kevin Lewis, Aaron Berg and Jack Davis. At the end of that meeting, all in attendance conveyed support of Nexus' plan to restore the program to the site.
- Based on that support and the understanding the CUP was in place, Nexus Diversified Community Services (NDCS) proceeded on working with the Council on the Conduit Financing that would keep costs to the State and School District as low as possible.

The following is information about Nexus pursuing the purchase of the 189<sup>th</sup> Avenue property:

- NDCS is a 501c3 Non-Profit organization and thus is able to secure tax exempt financing in the form of Bank Qualified Tax-Exempt Debt (BQTE) which reduces the borrowing rate from that of taxable organizations.
- To secure the favorable borrowing rate, NDCS needs to partner with a city and/or county who serves as a conduit in the transaction.
- Since this facility resides within East Bethel, the city has first rights to be the conduit.
- There is no financial risk to the city/county – all of the risk is on the borrower and the transaction is between the borrower (NDCS) and our lender (Bremer Bank).
- The City of East Bethel has an opportunity to earn as much as \$100,000 for its role as the conduit.
- All savings generated by the tax-exempt financing reduces the tax burden to the citizens of the State of Minnesota. The rate paid for the care of the youth in a PRTF is set by the actual costs borne by the agency providing services.
- None of these savings go to Nexus; Federal Medicaid law prevents PRTF's from making a profit. The rate paid to Nexus is based on actual costs of the program only.

- If NDCS were not able to acquire the tax-exempt borrowing rate all increased costs are simply interest rate payments and would go directly to the banks at the expense of taxpayers.

As a 501c3 Non-Profit organization, NDCS qualifies as tax exempt for real estate taxation.

- This tax exemption would be granted by Anoka County who has real estate tax jurisdiction over the East Bethel property.
- All PRTF's in the State of Minnesota are tax exempt for real estate taxation.
- Nexus operates other facilities in Minnesota that are not PRTFs and therefore can generate profit if so able. In light of our potential to generate profit for those other programs, property taxes were determined to be paid.

The following is what Nexus understands as the benefits to East Bethel in restoring the 189<sup>th</sup> Avenue property to its intended use:

- Nexus is committed to using local resources for the supplies and services it requires for the East Bethel PRTF program whenever possible.
- The program, when fully open, will have a total payroll of 5.7 million and bring 92 jobs to the community once fully open. This allows the Council to bring in the largest private employer in their district.
- These additional employees in the community will naturally boost the local economy as they access goods and services.
- Nexus will be paying 24,000 a year for the program's use of local resources. Note that the agreement with the previous operator was reported to be \$4500, with an "out clause" if they did not make a margin on the program. Nexus will be paying the fee each year with an annual compounding escalator of 2.5%. This equates to \$1,956,387 over the next 45 years directly to the city.
- At closing, we have been told that the City will receive the full assessment related to water/sewer totaling nearly \$200,000 and alleviates any risk of waiting for the term of the assessment to run out should this not go forward.
- As previously stated, the City can receive up to \$100,000 issuance fee as part of being the conduit and allowing the bonds to be raised.
- Finally, having a large and visible operation within East Bethel can only improve its attractiveness to other developers and investors in the community, as opposed to the optics of an empty building.

The following are the legal assumptions that Nexus is operating under:

- Upon learning that there was some concern about the restoration of the PRTF program in the community, we looked into the legal aspects of the situation.
- We have found that a CUP is something that follows the land and would not be reviewed or reconsidered upon the change of the operator (reference State Statute 462.3595 CONDITIONAL USE PERMITS)
- We understand that as long as we follow the conditions set out in the permit and Developer's Agreement, that the permit would continue to stand. Nexus is fully

committed to fulfilling the conditions of the CUP and has already worked with City officials to prepare for that obligation.

- We have been told that the Council's legal counsel has reached this same conclusion in reviewing the laws pertaining to the situation.

The following is what Nexus knows about this program's effect on the local School District:  
Financial Impact:

- Nexus presented a favorable rent agreement to the St Francis School District, presuming that space in the building will be used for the educational programming.
- The former owner/operator of the East Bethel facility charged rent in the amount of \$450,000/year regardless of the number of classrooms occupied.
- In contrast, Nexus will charge rent only based on the number of classrooms it uses to educate the clients in the facility.
- If NDCS is able to acquire tax exempt financing the cost of each classroom would be \$21,945/year with an expected maximum annual charge of \$220,000 for the use of six classrooms when Nexus is at maximum client capacity.
- In the event NDCS was not able to acquire tax exempt financing the cost per classroom would increase to \$23,717/year with an expected maximum annual charge of \$237,000 for the use of six classrooms when at maximum client capacity.
- The above bullet is based on reduced borrowing costs of \$3.5M over 27 years which means the savings to the school district would be \$478,000 over 27 years if NDCS successfully acquires tax exempt financing.

Educational Workforce Impact:

- We acknowledge that workforce stressors are an area of universal concern and that the education the PRTF youth require will add more positions to fill for St Francis.
- As far as competing for employees:
  - Nexus will not be hiring teachers, so it is unlikely that we will be competing with the school district for teacher employment.
  - It has not been Nexus's experience that we hire paraprofessionals away from school districts due to the scheduling demands of working in an environment that requires 365 days a year, 24/7 care and supervision of youth. In fact, we have had the opposite experience, we tend to be a training ground for paraprofessionals and it is common for us to lose many of our staff to school districts in other communities.

Nexus is a not-for-profit service organization committed to meeting the mental health needs of youth and their families. We are highly motivated to restore the East Bethel facility to its intended use give the desperate need of youth in our state. We are committed to partnering with the community to achieve this goal and to run a program that will be a source of pride in East Bethel. We hope the Council can support the Conduit Financing in order to keep all costs lower to taxpayers, even if members are not in support of the decision made in 2018 to bring the facility to East Bethel.

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 4.0 D

**Agenda Item:** Booster Day Report

**Requested Action:** Informational only

**Background Information:**

Stephanie Dorn, East Bethel Booster Day Committee Coordinator, will update the Council on plans and activities for the 2023 Booster Days Event.

**Attachment(s):**

1. Event Schedule

**Fiscal Impact:**

**Recommendation(s):** Information item, no action required.

# East Bethel BOOSTER DAY JULY 15TH, 2023 SCHEDULE

8:00am to 11:00am	Pancake Breakfast & Bake Sale - East Bethel Senior Center
9:00am	Car Show Registration - EP City Hall/Booster Park East Cornhole Tourney Registration - Booster Park East
10:00am to 2:00pm	Car Show - EP City Hall/Booster Park East
10:00am	Cornhole Tourney Begins - Booster Park East
10:00am to 8:00pm	Free Inflatables - Booster Park East Vendor Market & Art Fair - Booster Park East Food & Beverage Vendors - Booster Park East
11:00am	Anoka County Sheriff's Office K-9 Demonstration Booster Park East
2:00pm	Booster Day Parade - Pelisade Street
3:00pm to 6:00pm	BINGO - Booster Park East (Under the big tent) Live Music: White Knuckle Bluegrass Band Petting Zoo - Booster Park East EP Bendits Baseball Game - Booster Park West
6:30pm to 9:30pm	Live Music: Jiggs Lee Invasion
Dusk	Fireworks - Booster Park West

[eastbethelboosterdays.com](http://eastbethelboosterdays.com)



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



**Date:** June 26, 2023

**Agenda Item Number:** Item 4.0 E

**Agenda Item:** Sheriff's Department Report

**Background Information:**

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

**Attachment(s):**

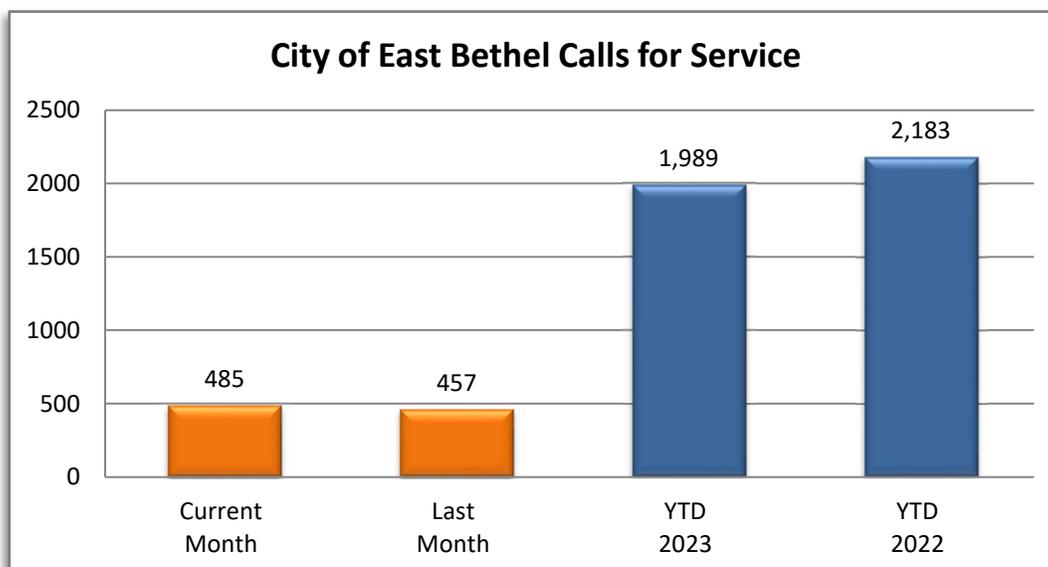
1. Sheriff's Office May Report *(this item will be provided as soon as it is made available)*
2. CSO Report of Activities
3. CFS Report

**Fiscal Impact:**

**Recommendation(s):** No Action Required

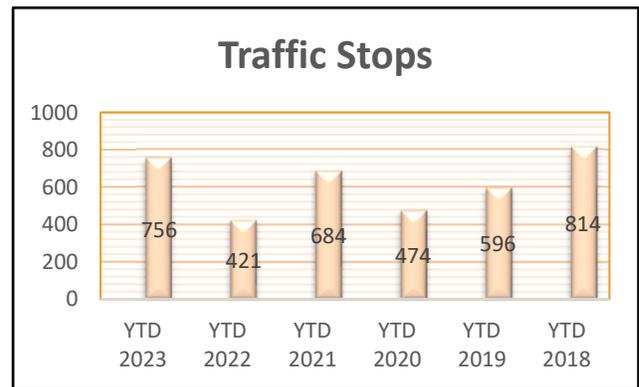
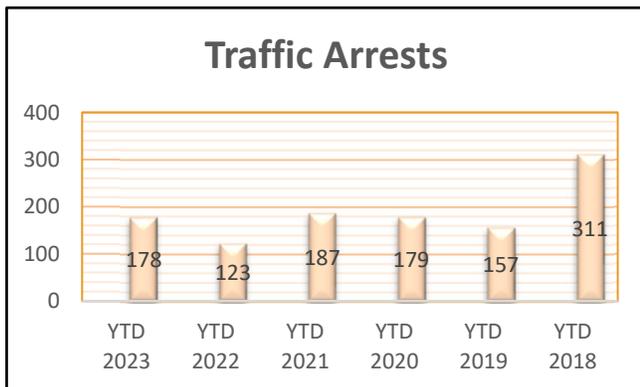
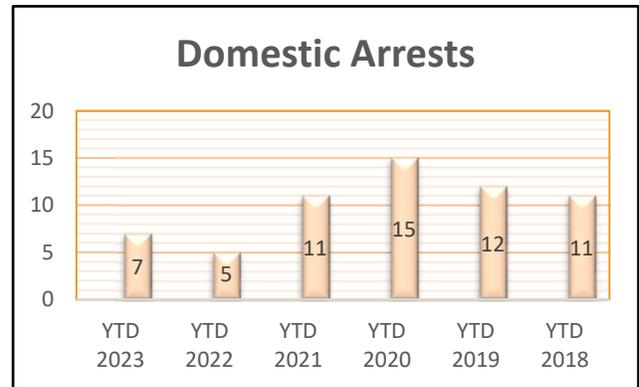
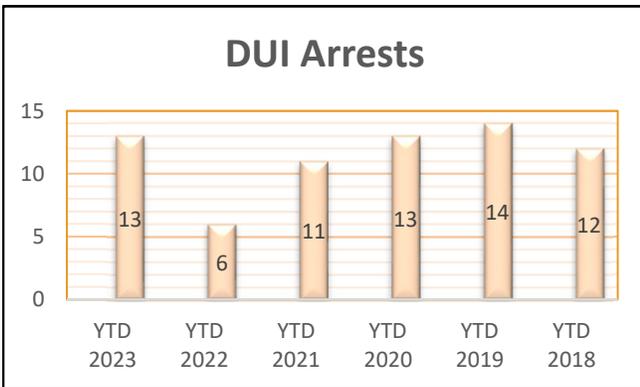
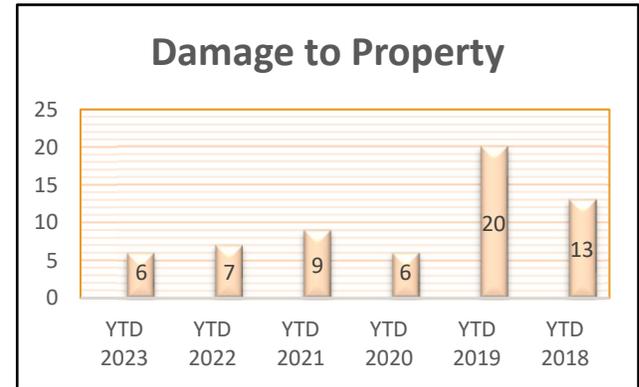
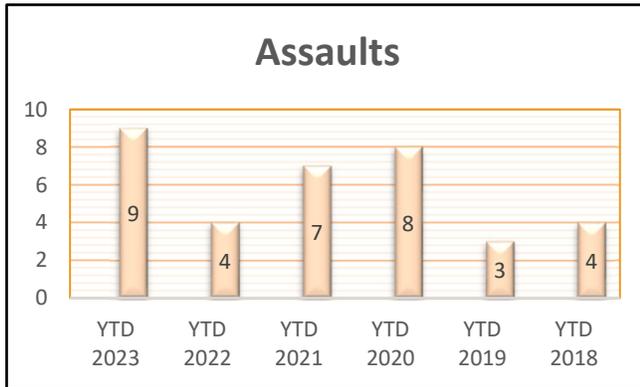
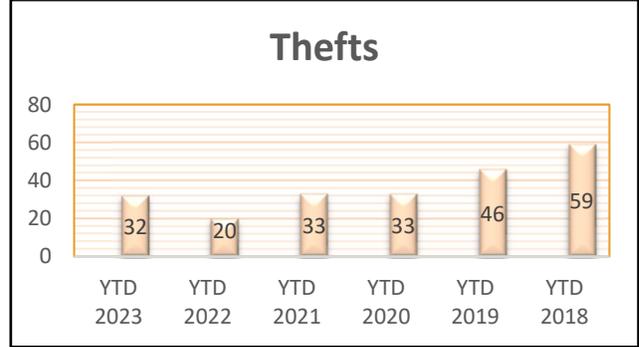
**PATROL DIVISION****CITY OF EAST BETHEL - MAY 2023**

OFFENSE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2023	YTD 2022
<b>Calls for Service*</b>	<b>330</b>	<b>360</b>	<b>357</b>	<b>457</b>	<b>485</b>								<b>1,989</b>	<b>2,183</b>
Burglaries	1	0	0	1	3								5	1
Thefts	8	1	7	8	8								32	20
Crim Sex Conduct	1	3	0	0	0								4	2
Assault	0	1	3	1	4								9	4
Dam to Property	0	2	1	1	2								6	7
Harass Comm	0	0	0	0	0								0	0
PI Accidents	8	9	4	5	2								28	30
PD Accidents	19	18	15	14	18								84	86
Medical	59	60	54	60	61								294	248
Animal Complaint	35	31	16	27	30								139	88
Alarms	12	12	14	25	14								77	120
Felony Arrests	0	1	2	2	4								9	4
Gross Misd Arrests	5	5	3	4	2								19	4
Misd Arrests	8	5	5	2	5								25	20
DUI Arrests	2	5	3	3	0								13	6
Domestic Arrests	0	0	3	1	3								7	5
Warrant Arrests	1	4	5	9	3								22	7
Traffic Stops	190	125	144	186	111								756	421
Traffic Arrests	28	17	37	77	19								178	123



**CITY OF EAST BETHEL**

**YEAR TO DATE - MAY 2018-2023**

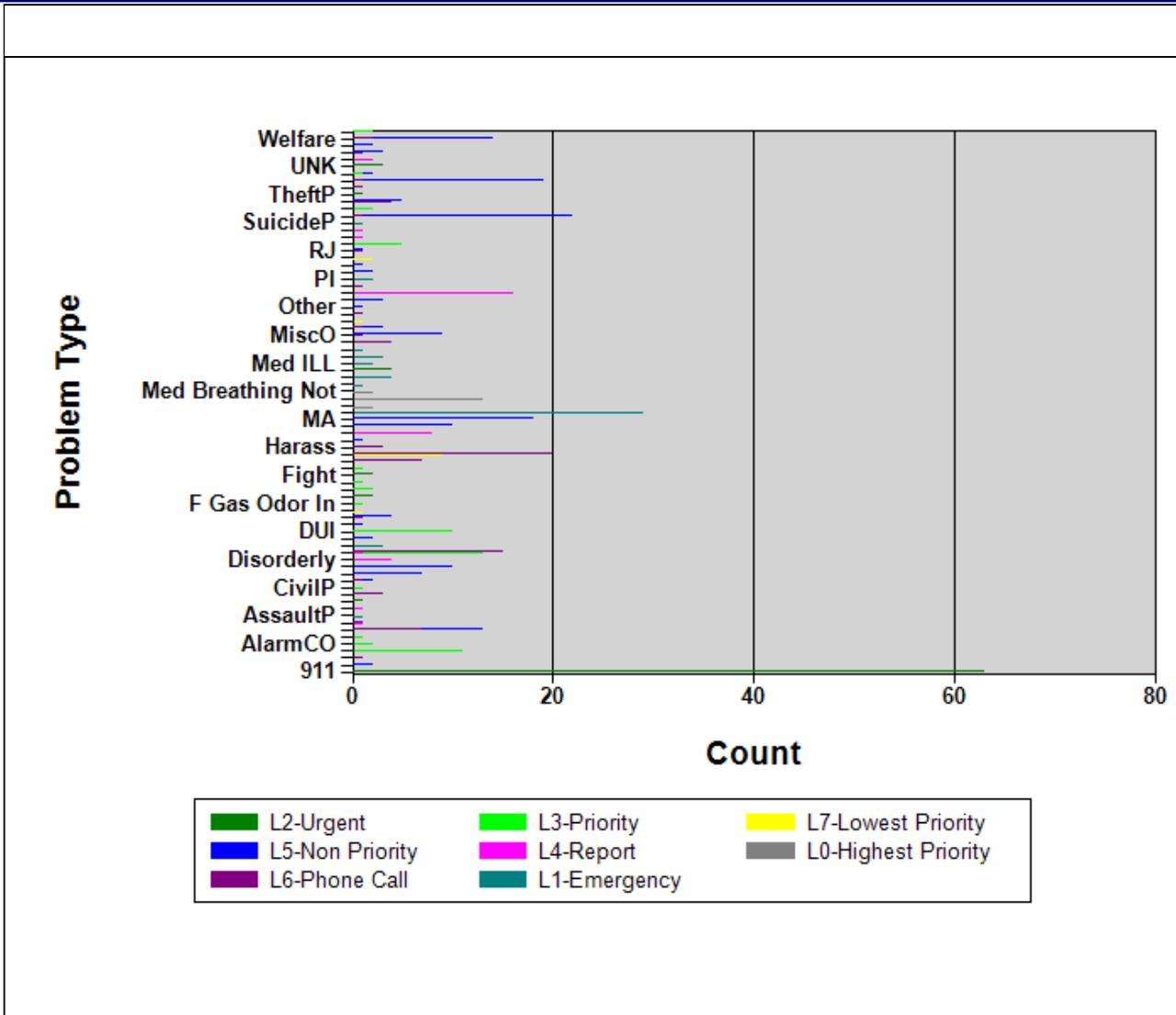


### Problem Type Summary

12:35 PM 06/12/2023

Data Source: Data Warehouse

<b>Agency:</b>	<b>LAW ENFORCEMENT</b>
<b>Division:</b>	<b>East Bethel Law</b>
<b>Day Range:</b>	<b>Date From 5/1/2023 To 5/31/2023</b>
<b>Exclusion:</b>	<b>• Calls canceled before first unit assigned</b>



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	63	0	0	0	0	0	63
Abandon	0	0	0	0	0	2	0	0	2
Abuse	0	0	0	0	0	0	1	0	1
AbuseP	0	0	0	0	0	0	0	0	0
AlarmB	0	0	0	11	0	0	0	0	11

AlarmCO	0	0	0	2	0	0	0	0	2
AlarmCOill	0	0	0	0	0	0	0	0	0
AlarmF	0	0	0	1	0	0	0	0	1
AlarmFsmoke	0	0	0	0	0	0	0	0	0
AlarmHoldup	0	0	0	0	0	0	0	0	0
AlarmV	0	0	0	0	0	0	0	0	0
AlarmWF	0	0	0	0	0	0	0	0	0
Animal	0	0	0	0	0	13	7	0	20
AnimalResc	0	0	0	0	0	0	0	0	0
Arson	0	0	0	0	0	0	0	0	0
Assault	0	0	0	0	1	0	1	0	2
AssaultP	0	1	0	0	0	0	0	0	1
Boat Assist	0	0	0	0	0	0	0	0	0
Bomb	0	0	0	0	0	0	0	0	0
BombP	0	0	0	0	0	0	0	0	0
Broadcast	0	0	0	0	0	0	0	0	0
Burg	0	0	0	0	1	0	0	0	1
BurgP	0	0	1	0	0	0	0	0	1
Civil	0	0	0	0	0	2	3	0	5
CivilP	0	0	0	1	0	0	0	0	1
CSC	0	0	0	0	0	2	1	0	3
Debris	0	0	0	0	0	7	0	0	7
Deer	0	0	0	0	0	10	0	0	10
Disorderly	0	0	0	0	4	0	0	0	4
Dom	0	0	0	13	1	0	15	0	29
DomP	0	3	0	0	0	0	0	0	3
Drugs	0	0	0	0	0	2	0	0	2
DUI	0	0	0	10	0	0	0	0	10
Dumping	0	0	0	0	0	1	0	0	1
Escort	0	0	0	0	0	4	1	0	5
ExPat	0	0	0	0	0	0	0	1	1
F Aircraft	0	0	0	0	0	0	0	0	0
F Assist	0	0	0	0	0	0	0	0	0
F CleanUp	0	0	0	0	0	0	0	0	0
F Collapse	0	0	0	0	0	0	0	0	0
F Dump	0	0	0	0	0	0	0	0	0
F Elec Smell	0	0	0	0	0	0	0	0	0
F Expl	0	0	0	0	0	0	0	0	0
F Gas Odor In	0	0	0	1	0	0	0	0	1
F Gas Odor Out	0	0	0	0	0	0	0	0	0
F Grass fire	0	0	2	0	0	0	0	0	2
F Illegal	0	0	0	2	0	0	0	0	2
F Misc	0	0	0	0	0	0	0	0	0
F Mutual Aid	0	0	0	0	0	0	0	0	0
F Oven	0	0	0	0	0	0	0	0	0
F Powerlines	0	0	0	0	0	0	0	0	0
F SmokeIn	0	0	0	1	0	0	0	0	1
F SmokeOut	0	0	0	0	0	0	0	0	0
F Structure	0	0	0	0	0	0	0	0	0
F Train	0	0	0	0	0	0	0	0	0
F Veh	0	0	0	0	0	0	0	0	0
F Water Rescue	0	0	0	0	0	0	0	0	0
Fight	0	0	2	0	0	0	0	0	2
Flood in	0	0	0	1	0	0	0	0	1
Flood out	0	0	0	0	0	0	0	0	0
Fraud	0	0	0	0	0	1	7	0	8
FraudP	0	0	0	0	0	0	0	0	0
FU	0	0	0	0	0	0	20	9	29
FW	0	0	0	0	0	0	0	0	0
Gun	0	0	0	0	0	0	0	0	0
Harass	0	0	0	0	0	0	3	0	3
Info	0	0	0	0	0	1	0	0	1
Lift Assist	0	0	0	0	8	0	0	0	8
Liq	0	0	0	0	0	0	0	0	0
Lockout	0	0	0	0	0	10	0	0	10
LockoutP	0	0	0	0	0	0	0	0	0

MA	0	0	0	0	0	18	0	0	18
MASS	0	0	0	0	0	0	0	0	0
Med -	0	29	0	0	0	0	0	0	29
Med Alarm	0	0	0	0	0	0	0	0	0
Med Allergic	2	0	0	0	0	0	0	0	2
Med Assault	0	0	0	0	0	0	0	0	0
Med Bleed	0	0	0	0	0	0	0	0	0
Med Breathing Diff	13	0	0	0	0	0	0	0	13
Med Breathing Not	2	0	0	0	0	0	0	0	2
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	1	0	0	0	0	0	0	1
Med Heart	0	4	0	0	0	0	0	0	4
Med Hold	0	0	4	0	0	0	0	0	4
Med ILL	0	2	0	0	0	0	0	0	2
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	3	0	0	0	0	0	0	3
Med Stab-Gunshot	0	0	0	0	0	0	0	0	0
Med Stroke	0	1	0	0	0	0	0	0	1
Med Uncon	0	0	0	0	0	0	0	0	0
Medex	0	0	0	0	0	0	0	0	0
Misc	0	0	0	0	0	3	4	0	7
MiscO	0	0	0	0	0	9	1	0	10
Mutual Aid Law	0	0	0	0	0	0	0	0	0
Noise	0	0	0	0	0	3	1	0	4
NoTag	0	0	0	0	0	0	0	1	1
Ord	0	0	0	0	0	1	1	0	2
Other	0	0	0	0	0	1	0	0	1
Park	0	0	0	0	0	3	0	0	3
PD	0	0	0	0	16	0	2	0	18
Person	0	0	0	0	0	0	1	0	1
PI	0	2	0	0	0	0	0	0	2
POR	0	0	0	0	0	2	0	0	2
Property	0	0	0	0	0	1	0	0	1
PW	0	0	0	0	0	0	0	0	0
REPO-TOW	0	0	0	0	0	0	0	2	2
RJ	0	0	0	0	0	1	1	0	2
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	5	0	0	0	0	5
Slumper	0	0	0	0	1	0	0	0	1
StolenProp	0	0	0	0	0	0	0	0	0
Suicide	0	0	0	0	1	0	0	0	1
SuicideP	0	1	0	0	0	0	0	0	1
Susp	0	0	0	0	0	22	1	0	23
SuspP	0	0	0	2	0	0	0	0	2
Theft	0	0	0	0	0	5	4	0	9
TheftP	0	0	1	0	0	0	0	0	1
Threat	0	0	0	0	0	0	1	0	1
ThreatP	0	0	0	0	0	0	0	0	0
Traf	0	0	0	0	0	19	1	0	20
Tres	0	0	0	1	0	2	0	0	3
UNK	0	0	3	0	0	0	0	0	3
Unsecure	0	0	0	0	2	0	0	0	2
Vand	0	0	0	0	0	3	1	0	4
VandP	0	0	0	0	0	0	0	0	0
VehTheft	0	0	0	0	0	2	0	0	2
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	14	2	0	16
WelfareP	0	0	0	2	0	0	0	0	2

WT

Total

Item 4.0 E, Attachment 3

0	0	0	0	0	0	0	0	0
<b>17</b>	<b>47</b>	<b>76</b>	<b>53</b>	<b>35</b>	<b>164</b>	<b>80</b>	<b>13</b>	<b>485</b>

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 4.0 F

**Agenda Item:** Fire Department Report

**Background Information:**

Fire Chief Rodney Sanow will present the Fire Department's monthly report.

**Attachment(s):**

Attachment 1 –May 2023 calls and call graph

**Fiscal Impact:**

**Recommendation(s):** No Action Required



**East Bethel Fire Department  
May 2023  
Response Calls**

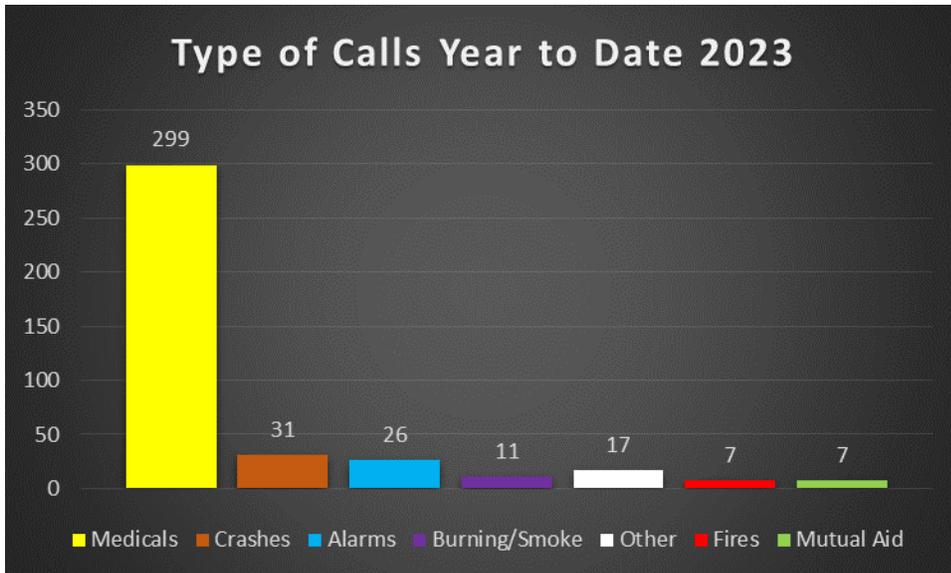
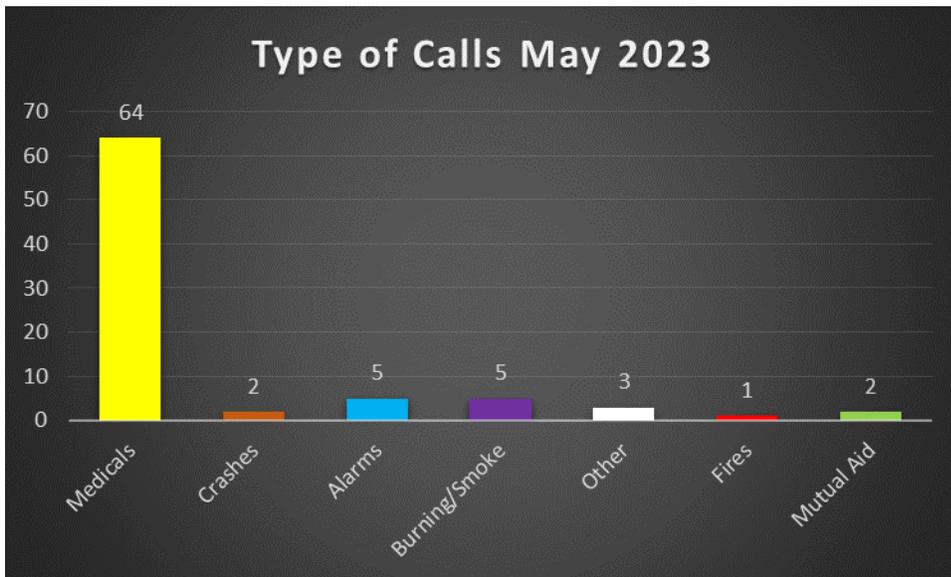
Incident No.	Incident Date	Street Address	Incident Type
317	5/2/2023	19473 East Bethel Boulevard Northeast	EMS call
318	5/2/2023	24355 Hwy 65 Northeast Apt 163	EMS call
319	5/2/2023	241st Avenue Northeast and Rutgers St NE	Burning/Smoke
320	5/3/2023	3351 183rd Avenue Northeast	EMS call
321	5/3/2023	20863 Tyler Street Northeast	EMS call
322	5/4/2023	3250 Luan Drive Northeast	EMS call
323	5/4/2023	3250 Luan Drive Northeast	EMS call
324	5/4/2023	22530 Yancy Street Northeast	EMS call
325	5/4/2023	18522 Everglade Drive Northeast	Burning/Smoke
326	5/5/2023	1664 209th Avenue Northeast	Alarms
327	5/5/2023	20935 Buchanan Court Northeast	EMS call
328	5/5/2023	19715 Tri Oak Circle Northeast	EMS call
329	5/5/2023	21624 Polk Street Northeast	Alarms
330	5/5/2023	24355 Hwy 65 Northeast Apt 117	EMS call
331	5/5/2023	19624 3rd Street Northeast	EMS call
332	5/6/2023	24186 Pierce Street Northeast	EMS call
333	5/7/2023	19131 Taylor Street East Apt 308	EMS call
334	5/7/2023	Hwy 65 Northeast and 245th Ave Ne	Burning/Smoke
335	5/8/2023	930 203rd Lane Northeast	EMS call
336	5/8/2023	19700 Hwy 65 Northeast	EMS call
337	5/9/2023	18164 Hwy 65 Northeast Apt 14	EMS call
338	5/9/2023	1105 Klondike Drive Northeast	EMS call
339	5/10/2023	18164 Hwy 65 Northeast Apt 72	Burning/Smoke
340	5/10/2023	6070 233rd Avenue Northeast	EMS call
341	5/10/2023	28 Viking Boulevard Northeast	EMS call
342	5/11/2023	604 Emerson Drive Northeast	EMS call
343	5/11/2023	21445 University Avenue Northeast	EMS call
344	5/11/2023	19827 Stutz Street Northeast	EMS call
345	5/11/2023	21730 Zumbrota Street Northeast	EMS call
346	5/12/2023	2385 Viking Boulevard Northeast	Other
347	5/12/2023	19131 Taylor Street Northeast	Alarms
348	5/12/2023	21733 Tyler Street Northeast	EMS call
349	5/12/2023	18447 Hwy 65 Northeast	Other
350	5/12/2023	24350 Polk Street Northeast	EMS call
351	5/12/2023	22225 Washington Street Northeast	EMS call
352	5/13/2023	18635 Ulysses Street Northeast	EMS call
353	5/14/2023	21445 University Avenue Northeast	EMS call
354	5/14/2023	4416 224th Avenue Northeast	EMS call

Incident No.	Incident Date	Street Address	Incident Type
355	5/14/2023	22280 Cedar Drive Northwest	Mutual Aid
356	5/14/2023	401 215th Lane Northeast	EMS call
357	5/15/2023	21445 University Avenue Northeast	EMS call
358	5/15/2023	21445 University Avenue Northeast	EMS call
359	5/15/2023	19131 Taylor Street Northeast Apt 323	EMS call
360	5/16/2023	19131 Taylor Street Northeast Apt 104	EMS call
361	5/17/2023	Sunset Road Northeast and 229TH AVE NE	Crash
362	5/17/2023	221st Avenue Northeast and University Ave NE	Crash
363	5/17/2023	2751 Viking Boulevard Northeast	Alarms
364	5/18/2023	18847 5th Street Northeast	Alarms
365	5/18/2023	22906 Jackson Street Northeast	EMS call
366	5/18/2023	18151 Alamo Street Northeast	EMS call
367	5/18/2023	22906 Jackson Street Northeast	EMS call
368	5/19/2023	20332 Austin Street Northeast	EMS call
369	5/19/2023	18164 Hwy 65 Northeast Apt 32	EMS call
370	5/19/2023	Hwy 65 Northeast and 221ST	EMS call
371	5/20/2023	22435 Palisade Street Northeast	EMS call
372	5/21/2023	19414 Able Street Northeast	EMS call
373	5/22/2023	22140 Bataan Street Northeast	EMS call
374	5/22/2023	3502 Edmar Lane Northeast	EMS call
375	5/22/2023	18164 Hwy 65 Northeast Apt 42	EMS call
376	5/23/2023	24299 Fillmore Circle Northeast	EMS call
377	5/23/2023	19131 Taylor Street Northeast Apt 324	EMS call
378	5/23/2023	24355 Hwy 65 Northeast Apt 131	EMS call
379	5/25/2023	1280 185th Avenue Northeast Apt 117	EMS call
380	5/25/2023	18164 Hwy 65 Northeast Apt 42	EMS call
381	5/26/2023	4126 Viking Boulevard Northeast	Grass fire
382	5/26/2023	4126 Viking Boulevard Northeast	Other
383	5/26/2023	22421 Tippecanoe Street Northeast	EMS call
384	5/26/2023	24186 Pierce Street Northeast	EMS call
385	5/27/2023	1978 236th Avenue Northeast	EMS call
386	5/27/2023	24186 Pierce Street Northeast	EMS call
387	5/27/2023	22986 Nightingale Street Northwest	Mutual Aid
388	5/27/2023	20520 Polk Street Northeast	EMS call
389	5/28/2023	22140 Bataan Street Northeast	EMS call
390	5/28/2023	18913 Jewell Street Northeast	EMS call
391	5/28/2023	24355 Hwy 65 Northeast Apt 163	EMS call
392	5/28/2023	2717 183rd Avenue Northeast	Burning/Smoke
393	5/29/2023	903 214TH Lane Northeast	EMS call
394	5/30/2023	20646 Austin Street Northeast	EMS call
395	5/30/2023	24299 Fillmore Circle Northeast	EMS call
396	5/30/2023	22338 Monroe Street Northeast	EMS call

Incident No.	Incident Date	Street Address	Incident Type
397	5/31/2023	Jackson Street and Polk St	EMS call
398	5/31/2023	4852 Viking Boulevard Northeast	EMS call

**82 Total calls**

- 64 Medicals
- 2 Crashes
- 5 Alarms
- 5 Burning/Smoke
- 3 Other
- 1 Fires
- 2 Mutual Aid



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



**Date:** June 26, 2023

**Agenda Item Number:** Item 4.0 G

**Agenda Item:** Public Hearing for City Ordinance, Chapter 2, Article VI, Division 6,  
Community Development Department Amendments

**Background Information:**

City Council reviewed the Community Development Director position at the April 3<sup>rd</sup> and June 5<sup>th</sup> work meetings.

At the June 5<sup>th</sup> work meeting, it was discussed that if there is to be but one full time person responsible for all the land use, planning and business development for the City, the Community Development Director position is more appropriate for addressing issues of a developing city than that of a City Planner. Existing growth pressures require a higher degree of involvement and attention to prevent unintended or secondary consequences of developmental decisions. Demands on cities that are on a major highway in the metro area are more extensive than those municipalities that are not in areas that are becoming prime locations for development, only require minimal services and have no city utilities.

The consensus of Council was that it is on-board with keeping and staffing the Community Development Director position and City Council is requested to consider amending the current ordinance to reflect the proposed changes as exhibited in Attachment 1.

**Attachment (s):**

Attachment 1 – City Ordinance, Section 2-424 – Redline Revision

Attachment 2 – City Ordinance, Section 2-424 – Clean Copy (Ord. 2023-13)

**Recommendation(s):** Staff is requesting that Council hold a Public Hearing to discuss revisions to the ordinance as exhibited in Attachment 1, and consider approving those changes to City Ordinance, Chapter 2, Article VI, Division 6, Community Development Department.

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*DIVISION 6. COMMUNITY DEVELOPMENT DEPARTMENT*

**Sec. 2-424. Established.**

- (a) ~~Planning division~~Community Development Department. A ~~planning division~~Community Development Department is hereby established. The division head shall be the ~~city planner~~Community Development Director. The ~~city planner~~Community Development Director shall be appointed by the city council based on the recommendation of the city administrator. City planning and zoning regulations, review of development proposals and other planning activities along with activities related to economic development shall be under the supervision of the ~~city planner~~Community Development Director. City building code enforcement, zoning ordinance enforcement and other code enforcement activities shall be under the supervision of the Community Development Director and implemented by the building official. The size of the division shall be determined by the city council based on the recommendation of the city administrator.

~~-The city planner~~Community Development Director shall supervise operations of the ~~planning division~~Community Development Department, including all assigned personnel, and shall be responsible for all equipment assigned to the division used in its operation. The ~~city planner~~Community Development Director shall prepare and file reports as may be requested by the city administrator.

- ~~(b) Inspection/ordinance enforcement division. An inspection/ordinance enforcement division is hereby established. The division head shall be the building official. The building official shall be appointed by the city council based on the recommendation of the city administrator. City building code enforcement, zoning ordinance enforcement and other code enforcement activities shall be under the supervision of the building official. The size of the division shall be determined by the city council based on the recommendation of the city administrator. The building official shall supervise operations of the inspection division, including all assigned personnel, and shall be responsible for all equipment assigned to the division used in its operation. The building official shall prepare and file reports as may be requested by the city administrator.~~

(Ord. No. 104B, § 13, 10-3-2007)

**Secs. 2-425—2-446. Reserved.**

**CITY OF EAST BETHEL  
ANOKA COUNTY, MINNESOTA  
ORDINANCE NO. 2023-13**

**AN ORDINANCE AMENDING CHAPTER 2, SECTION 2-424  
OF THE EAST BETHEL CODE OF ORDINANCES  
REGULATING ADMINISTRATION OF THE COMMUNITY DEVELOPMENT  
DEPARTMENT IN THE CITY OF EAST BETHEL**

**The City Council of East Bethel, Minnesota ordains:**

**Section 1.** Chapter 2, Section 2-424 of the East Bethel Code of Ordinances is hereby amended to read as follows:

**Sec. 2-424. Established.**

- (a) *Community Development Department.* A Community Development Department is hereby established. The division head shall be the Community Development Director. The Community Development Director shall be appointed by the city council based on the recommendation of the city administrator. City planning and zoning regulations, review of development proposals and other planning activities along with activities related to economic development shall be under the supervision of the Community Development Director. City building code enforcement, zoning ordinance enforcement and other code enforcement activities shall be under the supervision of the Community Development Director and implemented by the building official. The size of the division shall be determined by the city council based on the recommendation of the city administrator.

The Community Development Director shall supervise operations of the Community Development Department, including all assigned personnel, and shall be responsible for all equipment assigned to the division used in its operation. The Community Development Director shall prepare and file reports as may be requested by the city administrator.

**Section 2.** The ordinance amendments herein become effective from and after its passage and publication.

Passed by the City Council of East Bethel, Minnesota this 26<sup>th</sup> day of June, 2023.

\_\_\_\_\_  
Kevin Lewis, Mayor

Attested:

\_\_\_\_\_  
Jack Davis, City Administrator

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 6.0 A - I

**Requested Action:** Consider approving the Consent Agenda as presented

**Background Information:**

Item A – Approval of Bills

Item B – Minutes: June 5, 2023 City Council Work Meeting

Item C – Minutes: June 12, 2023 City Council Meeting

Item D - Resolution 2023-49, Check Signatory Approval

City of East Bethel must designate those City officials to sign checks for the City's First Bank and Trust Checking Account. This resolution provides for the City Administrator, Mayor and one Council Member to be the official check signers for the City. The City Administrator and Mayor will primarily sign checks with the Acting Mayor appointed as a backup in case of an absence.

Item E – Approve Hire of Community Development Director

With the resignation of Stephanie Hanson as Community Development Director as of December 9, 2023, The East Bethel City Council directed staff to advertise for applicants for this position. Applications closed on December 30, 2022, but with only 5 applicants, the position was re-advertised and the closing date was extended until February 21, 2023. Notices were placed in the Union Herald, the City website, the League of Minnesota Cities website and on the community reader board for both these times.

The City received only two additional applications during the extension period and chose to conclude the advertisement process. The seven applications that were received through the two periods of advertisement were rated as to their qualifications relative to the job description and three were selected for interviews. Interviews were scheduled for March 2, 2023. However, On February 27, 2023, two of the candidates withdrew from consideration due to concerns with the salary range for the position and the offer of other employment.

The remaining candidate, Aaron Berg, was interviewed on March 2, 2023 by the City's Personnel Committee consisting of Mayor Harrington and Council Member Lewis along with City Administrator Davis and Deputy City Administrator Jeziorski. From the interview, Mr. Berg's performance demonstrated the qualifications necessary and required of the position and verified his competencies as listed on his resume.

Mr. Berg has a varied background in municipal affairs including five years as a member of the City of Cambridge Planning Commission and its Chairperson for three terms, a past member of the Isanti County School Board, a current member of the Cambridge City Council and an intern and City Planner for East Bethel since June 2022. His performance as the interim Community Development Director since December 29, 2022 has further proven his abilities to perform the duties of this position.

Aaron's diverse municipal government experience and educational background distinctly qualifies him to serve in this capacity. Mr. Berg would start at the beginning salary for this job,

\$89,793 per year, with benefits per City Policy. If approved for the position, Mr. Berg's official start date would be Tuesday, June 27, 2023.

Item F - Accept MN Department of Public Safety Grant

The Minnesota Department of Public Safety, through the State Fire Marshal Division, has awarded the City of East Bethel Fire Department a grant in the amount of \$7,265.25 through the Turnout Gear Washer/Extractor/Dryer Award program with a local match requirement of \$2,421.75. This reimbursement award is for the purchase and installation of a gear washer/extractor. The City will need to purchase, install and have the project completed between July 1, 2022 and June 30, 2024. The matching funds are in the 2023 Fire Department budget and the unit will be installed at Fire Station 2, 2369 221<sup>st</sup> Ave.

Item G - Approval of Resolution 2023-50

The cities of Columbus and East Bethel and Linwood Township have discussed with their councils/boards possible options for resolution of the current SRWMO situation with Ham Lake and have support of those councils/boards to dissolve and reform the JPA without Ham Lake. At our last meeting on this matter with Ham Lake on May 30, 2023, there was no progress on an agreement. As was discussed at our May 1, 2023 Work Meeting, it appears that Ham Lake is resolute in their stance regarding approval of a revised JPA and funding formula and discussions are at an impasse.

Linwood Township and the City of Columbus have approved resolutions of withdrawal for the intent to enter into a new JPA to reform the SRWMO with the City of East Bethel. Resolution 2023-50 is attached as East Bethel's intent to withdraw from the Sunrise River Water Management Organization and reform the WMO to reflect the new membership.

Item H - Purchase of Playground Equipment - Whispering Oaks Park

The 2023 Capital Improvement Plan includes the replacement of the main playground structure at Whispering Oaks Park. Other than the planned playground equipment replacement at Coon Lake Beach Community Center in 2024, this is the oldest and last piece of playground equipment that will require replacing for many years. The structure itself is rusting and has pieces of exposed rusted metal edges where the rubberized coating has worn off. The spiral slide was replaced recently due to vandalism and the playground manufacturer is fairly certain that slide can be incorporated into any new build. If the spiral slide is reused, the color scheme will have to match the existing spiral slide in some form. The swing set, rope climber, and exercise equipment were also recently replaced and are not included in the scope of this project.

\$35,000 was budgeted for Whispering Oaks Park in 2023 for replacement of the playground equipment and the resurfacing of the tennis courts. Based on previous quotes, it is anticipated that a tennis court resurfacing will cost approximately \$8,000 leaving up to \$27,000 for the playground equipment replacement.

At the June 13<sup>th</sup> Park Commission Meeting, the Park Commission reviewed three playground designs that fit the budget and parameters for the park site and recommended the Snow Globe design (attachment #1) for Whispering Oaks Park with a delivered cost of \$25,801. All three designs were previously bid as of a cooperative purchasing venture and would be able to incorporate the existing spiral slide. The pricing includes delivery. Installation would be handled by the Public Works Department.

Funding for this project was included in the 2023 Parks Capital Improvement Plan and is available in the Parks Capital Fund.

**Item I – Replacement fencing – Maynard Peterson Park**

The backstop fencing and baseline fencing at Maynard Peterson Park is damaged and is in need of replacement to make the athletic field safe for general use and regulation games. The replacement fencing would include moving the backstop back six feet and extending it up to 18 feet high to help with foul balls potentially hitting spectators or vehicles. A larger gate is needed along the first base line in order for maintenance equipment to fit and the fencing along each baseline out to the grass area is damaged beyond repair and will need to be replaced to align with the backstop and players benches. Fencing around the dugout area is also proposed. The remaining baseline fencing and outfield fence is newer and does not require replacement.

Staff have received three quotes for the fencing (attached) and recommend the low quote from Town and Country fence in the amount of \$18,995. Funding for the replacement fencing would be available from the Park Capital Fund. The Public Works Department will handle the removal and disposal of the existing fencing.

The MN Smoke, a local girls fast-pitch team, has entered into an agreement for weeknight use of Maynard Peterson Park and have agreed to help pay for field upgrades as part of the contract. A total of \$8,800 over a three year period will be paid towards Maynard Peterson Park. This funding will be used to offset and reimburse the Park Capital Fund which would be used to fund the fence replacement.

**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**  
**June 26, 2023**  
**Payment Summary**

<b>Payments for Council Approval</b>	
Bills to be approved for payment	\$390,912.24
Electronic Payroll Payments	\$40,237.89
Payroll City Council - June 15, 2023	\$1,748.06
Payroll Fire Department - June 15, 2023	\$13,103.34
Payroll City Staff - June 22, 2023	\$49,597.07
<b>Total to be Approved for Payment</b>	<b>\$495,598.60</b>

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
2014A	Bond Interest	79418	Bond Trust Services Corp.	311	31100	\$78,462.50
2015A	Bond Interest	79419	Bond Trust Services Corp.	310	31000	\$179,350.00
Arena Operations	Gas Utilities	833183314	Xcel Energy	615	49851	\$81.01
Arena Operations	Information Systems	B230614J	Anoka County Treasury Dept	615	49851	\$75.00
Arena Operations	Professional Services Fees	100106	Gibson's Management Company	615	49851	\$1,175.00
Building Inspection	Escrow Release	2022-00061	CARRINGTON HOMES LLC	101		\$6,600.00
Building Inspection	Escrow Release	2022-01170	JOHNSON, GARY	101		\$19,375.00
Building Inspection	Motor Fuels	24377983	Mansfield Oil Company	101	42410	\$446.45
Building Inspection	Refund Permit	2023-0499	K&S HEATING A/C & PLUMBING	101		\$1.00
Building Inspection	Refund Permit	2023-0499	K&S HEATING A/C & PLUMBING	101		\$100.00
City Administration	Information Systems	B230614J	Anoka County Treasury Dept	101	41320	\$75.00
City Administration	Legal Notices	951512	ECM Publishers, Inc.	101	41320	\$43.00
City Administration	Legal Notices	951513	ECM Publishers, Inc.	101	41320	\$43.00
City Administration	Professional Services Fees	M28307	TimeSaver Off Site Secretarial	101	41320	\$687.50
City Administration	Telephone		CenturyLink	101	41320	\$152.27
Elevage Project	Architect/Engineering Fees	50742	Hakanson Anderson Assoc. Inc.	405	40500	\$286.38
Engineering	Architect/Engineering Fees	490	Hakanson Anderson Assoc. Inc.	101		\$490.00
Engineering	Architect/Engineering Fees	50738	Hakanson Anderson Assoc. Inc.	101		\$700.00
Engineering	Architect/Engineering Fees	50738	Hakanson Anderson Assoc. Inc.	101		\$1,760.00
Engineering	Architect/Engineering Fees	50739	Hakanson Anderson Assoc. Inc.	101		\$560.00
Engineering	Architect/Engineering Fees	50740	Hakanson Anderson Assoc. Inc.	101		\$24,137.50
Engineering	Architect/Engineering Fees	50748	Hakanson Anderson Assoc. Inc.	101	43110	\$1,622.50
Engineering	Architect/Engineering Fees	60749	Hakanson Anderson Assoc. Inc.	101	43110	\$1,588.94
Finance	Conferences/Meetings		Desiree Stanford	101	41520	\$20.00
Finance	Travel Expenses		Desiree Stanford	101	41520	\$71.04
Fire Department	Cleaning Supplies	229228	Papco, Inc.	101	42210	\$191.88
Fire Department	Cleaning Supplies	229228-1	Papco, Inc.	101	42210	\$85.46
Fire Department	Clothing & Personal Equipment	310200	Aspen Mills, Inc.	101	42210	\$550.30
Fire Department	Conferences/Meetings	6291	F.I.R.E.	101	42210	\$1,500.00
Fire Department	Conferences/Meetings	11441	MN Fire Serv Cert Board	101	42210	\$605.00
Fire Department	Gas Utilities	833183314	Xcel Energy	101	42210	\$80.01
Fire Department	Information Systems	B230614J	Anoka County Treasury Dept	101	42210	\$75.00
Fire Department	Motor Fuels	24377960	Mansfield Oil Company	101	42210	\$258.87
Fire Department	Motor Fuels	24377983	Mansfield Oil Company	101	42210	\$710.28
Fire Department	Motor Vehicles Parts	108181484	Fleet Pride	101	42210	\$106.76



**City of East Bethel**  
**June 26, 2023**  
**Payment Summary**

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Fire Department	Motor Vehicles Parts	1921-113739	O'Reilly Auto Stores Inc.	101	42210	\$2.80
Fire Department	Motor Vehicles Parts	330272	S & S Industrial Supply	101	42210	\$1.36
Fire Department	Office Equipment Rental	34243729	GreatAmerica Financial Svcs	101	42210	\$151.78
Fire Department	Safety Supplies	41017814	Henry Schein, Inc.	101	42210	\$19.23
Fire Department	Small Tools and Minor Equip	968745	Ham Lake Hardware	101	42210	\$7.49
Fire Department	Telephone		CenturyLink	101	42210	\$87.73
Fire Department	Telephone		CenturyLink	101	42210	\$118.30
Fire Department	Telephone	13299700113387	Midcontinent Communications	101	42210	\$20.25
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	902848	EPA Audio Visual, Inc.	101	41940	\$420.00
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	455408-05-23	Premium Waters, Inc.	101	41940	\$49.67
General Govt Buildings/Plant	Gas Utilities	833183314	Xcel Energy	101	41940	\$82.56
General Govt Buildings/Plant	General Operating Supplies	5157109419	CINTAS	101	41940	\$17.53
Legal	Legal Fees	34932	Eckberg, Lammers, P.C.	101		\$48.00
Legal	Legal Fees	34932	Eckberg, Lammers, P.C.	101	41610	\$2,288.00
MSA Street Construction	Architect/Engineering Fees	50741	Hakanson Anderson Assoc. Inc.	402	40200	\$960.50
MSA Street Construction	Architect/Engineering Fees	50745	Hakanson Anderson Assoc. Inc.	402	40200	\$2,364.50
MSA Street Construction	Land		Constance Laumeyer	402	40200	\$14,000.00
Nexus	Professional Services Fees	94262	Ehlers	101		\$980.00
Nexus	Professional Services Fees	94264	Ehlers	101		\$840.00
Park Maintenance	Bldg/Facility Repair Supplies	968403	Ham Lake Hardware	101	43201	\$17.98
Park Maintenance	Bldg/Facility Repair Supplies	968509	Ham Lake Hardware	101	43201	\$2.00
Park Maintenance	Bldg/Facility Repair Supplies	10613	Menards - Forest Lake	101	43201	\$52.28
Park Maintenance	Bldg/Facility Repair Supplies	95452	Menards Cambridge	101	43201	\$27.94
Park Maintenance	Bldg/Facility Repair Supplies	95453	Menards Cambridge	101	43201	\$8.98
Park Maintenance	Bldg/Facility Repair Supplies	95589	Menards Cambridge	101	43201	\$64.99
Park Maintenance	Bldg/Facility Repair Supplies	95936	Menards Cambridge	101	43201	\$28.68
Park Maintenance	Bldg/Facility Repair Supplies	130688925-001	SiteOne Landscape Supply	101	43201	\$2.69
Park Maintenance	Bldg/Facility Repair Supplies	131100755-001	SiteOne Landscape Supply	101	43201	\$184.92
Park Maintenance	Bldg/Facility Repair Supplies	131101114-001	SiteOne Landscape Supply	101	43201	(\$100.24)
Park Maintenance	Chemicals and Chem Products	130891208-001	SiteOne Landscape Supply	101	43201	\$259.01
Park Maintenance	Chemicals and Chem Products	131069793-001	SiteOne Landscape Supply	101	43201	\$32.70
Park Maintenance	Cleaning Supplies	4097952	Dalco	101	43201	\$165.67
Park Maintenance	Clothing & Personal Equipment	4158428673	Cintas Corporation	101	43201	\$33.34
Park Maintenance	Clothing & Personal Equipment	4159154802	Cintas Corporation	101	43201	\$32.41
Park Maintenance	Equipment Parts	108181821	Fleet Pride	101	43201	\$15.91
Park Maintenance	Equipment Parts	02-991688	Lano Equipment, Inc.	101	43201	(\$2.04)
Park Maintenance	Equipment Parts	02-996786	Lano Equipment, Inc.	101	43201	\$126.42
Park Maintenance	Equipment Parts	02-997222	Lano Equipment, Inc.	101	43201	\$35.92
Park Maintenance	Motor Fuels		Linwood Country Store	101	43201	\$20.52
Park Maintenance	Motor Fuels	CEB053123	Linwood Country Store	101	43201	\$34.68
Park Maintenance	Motor Fuels	24377960	Mansfield Oil Company	101	43201	\$497.82
Park Maintenance	Motor Fuels	24377983	Mansfield Oil Company	101	43201	\$608.81
Park Maintenance	Other Equipment Rentals	MP223616	LRS	101	43201	\$60.00
Park Maintenance	Park/Landscaping Materials	92810	Isanti Ready-Mix, Inc.	101	43201	\$774.00
Park Maintenance	Park/Landscaping Materials	130688087-001	SiteOne Landscape Supply	101	43201	\$291.89



**City of East Bethel**  
**June 26, 2023**  
**Payment Summary**

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Park Maintenance	Park/Landscaping Materials	130867447-001	SiteOne Landscape Supply	101	43201	\$65.16
Park Maintenance	Repairs/Maint Machinery/Equip	V03097	Tri State Bobcat	101	43201	\$590.53
Park Maintenance	Safety Supplies	0362229524	Capital One Trade Credit	101	43201	\$30.00
Payroll	Insurance Premium	CNS0001276331	Delta Dental	101		\$684.47
Payroll	Insurance Premium	CNS0001276331	Delta Dental	101		\$51.04
Payroll	Insurance Premium	07 2023	Dearborn Group	101		\$1,976.57
Payroll	Insurance Premiums	265868853466	Medica	101		\$8,934.68
Payroll	Union Dues	06 2023	MN Public Employees Assn	101		\$351.00
Planning and Zoning	Legal Notices	952557	ECM Publishers, Inc.	101	41910	\$69.87
Planning and Zoning	Legal Notices	952558	ECM Publishers, Inc.	101	41910	\$69.87
Planning and Zoning	Professional Services Fees	M28307	TimeSaver Off Site Secretarial	101	41910	\$347.75
Recycling Operations	Gas Utilities	833183314	Xcel Energy	226	43235	\$40.51
Recycling Operations	Postage/Delivery	479040	Gregory Cardey	226	43235	\$350.00
Street Capital Projects	Architect/Engineering Fees	50744	Hakanson Anderson Assoc. Inc.	406	40600	\$100.00
Street Capital Projects	Architect/Engineering Fees	50746	Hakanson Anderson Assoc. Inc.	406	40600	\$1,432.55
Street Capital Projects	Architect/Engineering Fees	50747	Hakanson Anderson Assoc. Inc.	406	40600	\$15,938.59
Street Maintenance	Architect/Engineering Fees	50743	Hakanson Anderson Assoc. Inc.	403	43220	\$2,012.89
Street Maintenance	Bldg/Facility Repair Supplies	50144	Aker Doors, Inc.	101	43220	\$49.86
Street Maintenance	Bldgs/Facilities Repair/Maint	4158428673	Cintas Corporation	101	43220	\$9.09
Street Maintenance	Bldgs/Facilities Repair/Maint	4159154802	Cintas Corporation	101	43220	\$8.84
Street Maintenance	Bldgs/Facilities Repair/Maint	455408-05-23	Premium Waters, Inc.	101	43220	\$49.67
Street Maintenance	Bldgs/Facilities Repair/Maint	0201606	Zahl Petroleum Maintenance Co.	101	43220	\$330.75
Street Maintenance	Clothing & Personal Equipment	4158428673	Cintas Corporation	101	43220	\$33.35
Street Maintenance	Clothing & Personal Equipment	4159154802	Cintas Corporation	101	43220	\$32.42
Street Maintenance	Equipment Parts	108512975	Fleet Pride	101	43220	\$61.53
Street Maintenance	Equipment Parts	108513077	Fleet Pride	101	43220	\$148.08
Street Maintenance	Equipment Parts	001-1738139	Force America Distributing LLC	101	43220	\$2,273.08
Street Maintenance	Equipment Parts	001-1738141	Force America Distributing LLC	101	43220	\$88.66
Street Maintenance	Equipment Parts	IN001038676	Ziegler Inc.	101	43220	\$497.58
Street Maintenance	Gas Utilities	833183314	Xcel Energy	101	43220	\$23.79
Street Maintenance	Motor Fuels	24377960	Mansfield Oil Company	101	43220	\$1,234.61
Street Maintenance	Motor Fuels	24377983	Mansfield Oil Company	101	43220	\$263.82
Street Maintenance	Shop Supplies	174531	Metro Products, Inc.	101	43220	\$157.75
Street Maintenance	Shop Supplies	1539-194244	O'Reilly Auto Stores Inc.	101	43220	\$32.72
Street Maintenance	Street Maint Materials	73013	Unique Paving Materials Corp	101	43220	\$996.00
TIF 1-2	Professional Services Fees	94263	Ehlers	436	43600	\$1,950.00
TIF 1-3	Professional Services Fees	94266	Ehlers	437	43700	\$210.00
Water Utility Operations	Chemicals and Chem Products	6499352	Hawkins, Inc	601	49401	\$50.00
Water Utility Operations	Gas Utilities	5937869-5 6	CenterPoint Energy	601	49401	\$42.82
Water Utility Operations	Gas Utilities	9541753-1 6	CenterPoint Energy	601	49401	\$74.58
Water Utility Operations	Professional Services Fees	38333	Desiree Stanford	601	49401	\$2.78
Water Utility Operations	Professional Services Fees	39328	Desiree Stanford	601	49401	\$2.81
Water Utility Operations	Professional Services Fees	40521	Desiree Stanford	601	49401	\$2.81
Water Utility Operations	Professional Services Fees	41511	Desiree Stanford	601	49401	\$2.81
Water Utility Operations	Professional Services Fees	41535	Desiree Stanford	601	49401	\$2.84



# City of East Bethel

June 26, 2023

## Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
Water Utility Operations	Professional Services Fees	42652	Desiree Stanford	601	49401	\$2.90
Water Utility Operations	Telephone		CenturyLink	601	49401	\$155.41
Water Utility Operations	Telephone		CenturyLink	601	49401	\$198.76
Water Utility Operations	Telephone		CenturyLink	601	49401	\$73.57
Water Utility Operations	Utility Maint Supplies	0512658	Ferguson Waterworks #2518	601	49401	\$999.44
						<b>\$390,912.24</b>



# City of East Bethel

June 26, 2023

## Payment Summary

Dept Descr	Object Descr	Invoice	Check Name	Fund	Dept	Amount
<b>Electronic Payroll Payments</b>						
Payroll	PERA					\$9,890.66
Payroll	Federal Withholding					\$6,269.53
Payroll	Medicare Withholding					\$2,709.80
Payroll	FICA Tax Withholding					\$10,670.40
Payroll	State Withholding					\$3,827.51
Payroll	MSRS/H.S.A./HCSP					\$6,869.99
						<b>\$40,237.89</b>

# DRAFT MINUTES: NOT YET APPROVED

## EAST BETHEL CITY COUNCIL WORK MEETING

June 5, 2023

The East Bethel City Council met on June 5, 2023, at 7:00 p.m. for the regular City Council Work meeting at City Hall.

MEMBERS PRESENT:            Brian Mundle            Kevin Lewis  
   Tim Miller                Jim Smith

MEMBERS ABSENT:            Tim Harrington

ALSO PRESENT:                Jack Davis, City Administrator

### 1.0 – Call to Order

The June 5, 2023, City Council meeting was called to order by Acting Mayor Mundle at 7:00 p.m.

### 2.0 – Adopt Agenda

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

### 3.0 – Discussion of a Conduit Bond Issuance Proposal - Nexus

Davis presented the staff report indicating 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.

Davis stated 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.

Davis indicated 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.

Davis noted the potential impact to ISD 15 and any costs related to this item are currently being discussed by Nexus and the school district. The school district has been requested to provide comments on their current discussions with Nexus and we are hoping to receive a reply for presentation to Council at our June 5, 2023 Work Meeting.

Davis stated 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.

1 Davis stated from the presentation made to City Council on May 22, 2023, Nexus is coming to East  
2 Bethel either with or without the approval of the conduit bond financing. The difference between the  
3 two scenarios is that without conduit bond financing, Nexus would have a higher cost of borrowing of  
4 which a portion would be passed along to the school district in higher costs for classroom rental  
5 space and other chargeable expenses for the educational component of their service. Approval of  
6 the conduit bond financing would result in lower costs to ISD 15 as opposed to taking no action on  
7 this consideration.

8 Davis indicated the Public Hearing for issuance of conduit bonds for the Nexus Project would be  
9 rescheduled to either a Special Meeting on June 20, 2023 or the Regular Council Meeting on June 26,  
10 2023. The final date will be announced at our June 5, 2023 Work Meeting. The reason for the  
11 rescheduling is due to difficulties encountered in meeting the legal notice publishing deadline for  
12 June 12, 2023 Council Meeting.

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

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

20 Davis indicated this is a discussion item to answer or find the answer to any remaining questions  
21 Council may have regarding the request by Nexus relating to the City's participation in the conduit  
22 issuance for this project.

23 Davis stated Margaret Vimont, Nexus Vice President Service Development, was in attendance at the  
24 meeting if Council had any questions.

25 Margaret Vimont, Nexus Vice President Service Development, thanked the Council for having her at  
26 the meeting. She stated Nexus wanted to underscore what Davis had said and she encouraged the  
27 Council to separate out the issues that had to do with the educational impact of the program for the  
28 youth and the conduit bond issue because they had been encouraged about a year and a half ago and  
29 recently to reopen this facility for the youth.

30 Ms. Vimont noted their decision to reopen the facility for youth and their work with the Department  
31 of Human Services was on its own timeframe. She indicated they were working very closely with  
32 Superintendent Anderson to work out the educational programming to look at the options so that the  
33 impact was minimized to the community.

34 Ms. Vimont encouraged Council to separate that out from the support of the conduit financing  
35 support because the conduit financing only allowed all costs to Nexus to be lower and it allowed  
36 them to take advantage of what was available for nonprofits that were doing mission driven work to  
37 receive funding. She noted that funding was about a percentage lower, so that ended up being about  
38 \$37 million over the course of the loan. She indicated this allowed them to pay less interest and  
39 allowed all of the costs to be less, including what would be the cost of the educational space for the  
40 local School District.

41 Ms. Vimont stated Nexus believed it was in their common best interest to keep the cost of the loan as  
42 low as possible. She noted they would continue to work with Superintendent Anderson and there  
43 were various options as far as educating the youth.

1 Davis asked Ms. Vimont to go over the results of the meeting they had with the School District last  
2 week. Ms. Vimont stated they had a couple of meetings with what they called the intermediate  
3 school districts. She noted Superintendent Anderson and the District had a couple of options as far as  
4 the educational program including doing it themselves and hire the staff and work on all of the billing  
5 and financing for educating kids that come from another District.

6 Ms. Vimont stated one of the things they had learned from the St. Francis Schools Director of  
7 Business Operations was that the only issue for that School District were the kids that would be  
8 receiving special education services. She noted for kids that would be coming in that would not have  
9 special education services, all of the costs of educating those kids were billed back to their home  
10 school district. She indicated those costs would be the administrative costs, the school's costs,  
11 teaching staff, and the lease.

12 Lewis asked what about the kids with IEP. Ms. Vimont responded APS would be another group of  
13 special ed students and that was where the concern was with those costs.

14 Lewis asked if that was what they did not have any answers on. Mr. Vimont responded there would  
15 be an impact, but she did not think the St. Francis School's Director of Business Operations knew  
16 exactly what that would be. She noted that was what they were working on now.

17 Ms. Vimont stated they had found out from other facilities in the State, as well as when the previous  
18 owners were running Cambia Hills, it was about 50 percent. She indicated the concern was that only  
19 about 50 percent of the youth that would be there, not the entire student population. She indicated  
20 their population would also be lower with a capacity of 40 and the daily average would be 34. She  
21 stated they were talking about an impact of approximately 17 special education students. She  
22 indicated that was much smaller than they were fearing to start with.

23 Ms. Vimont noted one of the options for the School District was to have an intermediate district or a  
24 co-op that would provide the education for the kids and then they would handle all of the billing,  
25 collection, hiring, etc. She noted this had some clear advantages because it would remove some of  
26 the things that Superintendent Anderson was concerned about. She indicated they have had  
27 meetings with two of those alongside Superintendent Anderson.

28 Ms. Vimont stated they had spoken with the intermediate district that provided the educational  
29 program at Cambia Hills, but they said they were not in a position to do this because they were not  
30 accepting new members at this point, but they were generous in sharing the details of the program  
31 and they would assist as a consultant if needed.

32 Ms. Vimont indicated the one intermediate district they were still talking with was the Metro  
33 Northeast District and she believed Superintendent Anderson was having a discussion with them  
34 today. She believed Superintendent Anderson was weighing options as far as St. Francis doing it  
35 themselves or engaging with an intermediate district and what would be the impact be so they could  
36 make the best choice for the community.

37 Lewis stated they had received from Davis a "mockup" of a CUP, which was the same that Cambia  
38 Hills had. Ms. Vimont stated she had received that document today and she had made some  
39 comments that she was going to send back to Davis. She noted from their perspective the number of  
40 beds was lower for them. She indicated for them the age range was in the 12- to 16-year-olds.

41 Mundle asked if it would be the City's plan to review it and make it to be more suitable to run with  
42 the property rather than a particular owner of the property. Ms. Vimont stated some of the uses of

1 the building and the description of the gym and the land and the recreation area seemed right on  
2 point, but there were some key things that needed to be tailored for them.

3 Mundle stated the Council would be reviewing that at a future meeting before everything was  
4 approved.

5 Lewis asked if they knew when Superintendent Anderson was going to be at the point where he could  
6 make a presentation to the Council. Ms. Vimont responded she did not know.

7 Lewis asked what Nexus' back-up plan was. Ms. Vimont responded they were trying to support  
8 Superintendent Anderson as best they could, but the provision of the educational program was  
9 beyond their jurisdiction and purview.

10 Lewis asked if they were subject to the constraints the School District faced. Ms. Vimont responded  
11 that was correct and the provision of the educational program would be the responsibility of St.  
12 Francis, whether they contract with someone else or keep that work themselves. She stated they  
13 were trying to be as good of a partner as they could, but the decision about how to do that, and  
14 whether or not to keep it in the District or have a co-op do it was something they were trying to make  
15 sure they knew if there was any access to other options. She indicated the decision about how to  
16 handle this resided with the School District.

17 Lewis believed there were a lot of black holes and it was the Council's job to do due diligence for the  
18 City and this made them nervous. Mr. Vimont stated it was important not to mix the issues of the  
19 conduit loan in the educational program because they were not related to one another. She  
20 indicated bringing the program back to the community was something they were told the community  
21 was highly supportive of and so the building was put back to its original use with this proposal. She  
22 indicated it was that spirit and faith that Nexus came forward and became a willing partner in this.  
23 She stated they were not aware of any educational issues when they came forward with a mental  
24 health provider. She indicated they wanted what was best for the youth and they want to partner  
25 with every constituency in the community to make it work.

26 Mundle stated he believed it was still the view of the City to be a supportive partner in this endeavor.

27 Ms. Vimont indicated these services were desperately needed in the State and she was glad to hear  
28 the City wanted to be a supportive partner and that the community was in support of this much  
29 needed resource for the youth in the State.

30 Lewis noted the CUP would need to be updated for Nexus' numbers. He requested a copy of Cambia  
31 Hills' payment in lieu of taxes document. Davis responded he would send that out. He noted there  
32 was one that was approved, passed, adopted, and recorded and that one was calculated based on  
33 property values. He indicated that site, if it could be cut up into three lots versus what taxes it would  
34 produce versus the estimated cost of services were. He did not think that could be used now, so  
35 what they were doing now was calculating what the cost of services were for servicing Nexus in terms  
36 of Police, Fire, and Public Works. He indicated they were getting information from the Sheriff's  
37 Department and the Fire Department as to how many calls they have each had as well as average  
38 incidents for snowplowing, etc. He indicated he did not have all of the numbers, but what they had  
39 was getting close to what the cost was for Cambia Hills, which was about \$4,500 per year.

40 Davis stated that cost was predicated on them not losing money, so if they had to file a form with the  
41 City each year as a part of their audit, to show what their financial statement was, so in that case, if  
42 they did not make any money for the year, they did not owe any payment in lieu of taxes. However,  
43 if they did exceed that break even figure, then that number was applicable.

1 Lewis asked if the City would be informing the people who live closest to the facility of the upcoming  
2 public meeting. Davis responded that had not been done yet, but staff would notice it on the website  
3 that there will be a public hearing, and staff will also put it on Facebook as well as out on an email  
4 blast, or they can actually send a letter out tomorrow which should be received on Thursday.

5 Lewis believed that was advisable because there was a lot of “blowbacks” from the residents nearest  
6 this facility when it was proposed. He wanted to make sure the residents who were the closest to the  
7 facility had a chance to learn about what was being planned and had a chance to express their  
8 opinions.

9 Ms. Vimont stated she had heard third hand that there had not been negative community impact  
10 from the youth that lived at the facility, so she didn’t know if that ended up changing people’s  
11 opinions.

12 Smith noted he was at a couple of the meetings and there were a lot of people that were angry with  
13 it and against it. He believed it was important that the City get the message out to the neighbors and  
14 let them know what was going on. Ms. Vimont stated if there was anything Nexus could do to help  
15 the communication, they would be willing to participate in any way.

16 Lewis inquired about how far a distance a letter would be sent out to the residents. Davis asked him  
17 how far out he wanted the notice to be sent.

18 Mundle suggested a half a mile. Lewis agreed.

19 Lewis stated he had driven the area recently and it did not appear too densely populated with  
20 people, but he wanted to make extra effort of advising people about this so if they had concerns,  
21 they could show up and get them addressed.

22 Smith asked if there was a flyer the City could make up. He stated he was willing to go around and  
23 put them in people’s paper boxes so the City did not need to mail them. He stated it was important  
24 they make the right decision as the last time this was discussed it did not turn out very well. He  
25 noted they needed to take all precautions to do this right.

26 Lewis asked once the CUP was drafted with all of the proper numbers, would this go to the Planning  
27 Commission. Davis responded this did not have to go to Planning as it was not a land use issue. He  
28 indicated the last time it had gone to Planning as the CUP was a part of the land use that time.  
29 However, since they were not changing any of the terms of the CUP, then it only needed to go to the  
30 Council.

31 Davis stated to Smith’s point, a lot of people no longer had paper boxes, so he believed it was better  
32 for the City to send a notice out by mail if they wanted to contact everyone.

33 Lewis stated that was fine and he did not think it would be a huge expense. Smith noted they needed  
34 to do this soon though. Davis stated staff would get it out tomorrow.

35 Smith inquired from Ms. Vimont information about the meeting they had. Ms. Vimont stated the first  
36 meeting they had was with Davis, the former Mayor, the Community Development Director, and the  
37 representatives of the owners of the building. She noted this meeting was 1.5 to 2 years ago.

38 Smith stated what Ms. Vimont was saying was they met with three or four people. He wanted to  
39 make sure that was clear and there were no meetings where a lot of people voiced their opinion. Ms.  
40 Vimont responded, no, that was just a representative sample of the City Council.

41 Miller stated if the City did this, it was his understanding that it would save or potentially save  
42 taxpayers money, and if they didn’t do this or Nexus did it themselves, it would cost the taxpayers

1 more money in the long run. Ms. Vimont responded she could not say yes or no because if they  
2 denied the conduit financing, then Nexus would need to decide if they would try to find another town  
3 or city to do the conduit financing and this would be delayed which would cost them money. She  
4 indicated the only way that would impact East Bethel was that the educational programming would  
5 get offered and there would be a cost for the space of the educational program, their cost per square  
6 foot would be higher if they end up paying the entire increased interest. She noted if the City turned  
7 them down, they would need to proceed at a higher rate and that would be a decision they would  
8 need to make. She noted the outcome of that decision would determine whether or not it would  
9 impact the City.

10 Miller asked if Ms. Vimont knew why Ham Lake was not proceeding with this. Ms. Vimont responded  
11 the information she had was secondhand, but she had heard a councilmember met with their Mayor  
12 and said there was concern from the school about the School District's impact, and Ham Lake had  
13 said if it was not popular in East Bethel, then they wouldn't support it.

14 Lewis stated initially it seemed like the conduit financing would be the concern, but that was the least  
15 of his concerns. He noted his concern was the School District and because they don't want this to  
16 affect the residents who were already paying plenty of taxes and didn't want to pay anything  
17 additional through a levy. Ms. Vimont responded she hoped Superintendent Anderson or the School  
18 District's Director of Business Operations would be in attendance at the next meeting to talk about  
19 the impact and how this could be handled. She noted if she understood it correctly, with the worst-  
20 case scenario, this would come down to a few dollars a year per citizen. However, it was important  
21 for the Council to hear directly from the School District and what their options were. She noted  
22 educational financing was not her area of expertise.

23 Davis stated he would get the notice letter out tomorrow and would get a copy of the program that  
24 was adopted for Cambia out also.

#### 25 **4.0 – Electrical Permits – Change to State Permit Issuance and Inspection**

26 Davis presented the staff report indicating prior to July 20, 2011, all electrical inspections in the City  
27 were through the Minnesota Department of Labor and Industry (DLI). At this time, a change in  
28 regulations relating to electrical inspections allowed East Bethel the option of contracting with an  
29 independent inspector or DLI for this service.

30 Davis stated the independent contractual option allowed the City to recover a percentage of the  
31 scheduled fees for these permits, work with a local inspector that could provide same day inspections  
32 and assure continuity of inspectors for the service.

33 Davis stated Brian Nelson, an East Bethel resident, was the City's Electrical Inspector and served in  
34 this capacity from 2011 to 2018. The City of East Bethel then contracted electrical inspections to Sloth  
35 Inspections located in Andover, MN. Andy Sloth handles inspections for Andover, Anoka, Brooklyn  
36 Park, Osseo, and Ramsey. Other cities that contract with this firm are Arden Hills, Champlin, Little  
37 Canada, Maplewood, New Brighton, Hugo, Centerville, North Oaks, and White Bear Lake.

38 Davis noted as independently contracting this service has experienced increased costs and the DLI has  
39 improved their performance in this area, the difference between the two services has equalized and  
40 Council is requested to evaluate our choices in this matter.

41 Davis indicated the advantages of contracting the electrical inspection service are that 20 percent of  
42 the permit revenue is retained by the City to cover the administrative costs for this service.

1 Davis stated the disadvantages of contracting the electrical inspection service are/were: Confusion as  
2 who to contact with questions and for inspections; Costs have increased to residents for permits;  
3 Scheduling inspections is usually only 2 days per week; and the financial incentives for the City have  
4 been minimized.

5 Davis noted the advantages of going with DLI are: Administration of the entire process is no longer a  
6 responsibility of or a cost to the City; Electrical questions, permits and inspections are in one place for  
7 contractors and residents; and permit costs would now be less for contractors and residents.

8 Davis stated with surrounding cities and counties using the same service, there are advantages and  
9 efficiencies in scheduling that enable an increase in inspection availability with potential for  
10 inspections to be offered up to 4 days per week.

11 Davis stated the disadvantages of contracting with the DLI are: An estimated loss of annual revenue  
12 in the amount of \$4.840/year (based on 2022 receipts), and here could be some initial confusion with  
13 transition to new service.

14 Davis summarized, there seemed to be no additional conveniences or savings for the residents, City  
15 or contractors that the independent contracting once provided. Blaine, Spring Lake Park, Columbus,  
16 St. Francis, Ham Lake, Oak Grove, Bethel, and Linwood use the State for electrical permitting. Of the  
17 21 cities in Anoka County, only 7 contract with an independent inspector.

18 Davis indicated as the previous electrical inspector was a local resident, inspections were available 4-  
19 5 business days per week with same day inspections always a possibility. Since transitioning from  
20 Brian Nelson to Sloth Inspections, permit inspection scheduling can be issues as inspection times are  
21 only available 2 days per week. As certain other city permits cannot be issued until the electrical  
22 inspections have been completed, this has delayed the issuance of those permits that are contingent  
23 on this sequence.

24 Davis noted the contract with Sloth Inspections may be terminated with or without cause by either  
25 party with 30 days written notice. It should be noted that the City has is not dissatisfied with Sloth  
26 Inspections but utilizing the DLI will be a better value for those that require electrical inspection  
27 services.

28 Davis stated inspection fees for the independent contract have added a minimum of a \$10 more per  
29 inspection over the State charges for residential electrical permits. This increased costs to cover  
30 inflationary expenses has not come with any additional benefits to residents and contractors.

31 David indicated the impact of the new fee schedule, adopted by the City on June 13, 2022, along with  
32 an increase in percentages paid to the electrical inspector has resulted in less revenue to the City.  
33 Staff estimates that each electrical permit currently issued requires an average of 30 minutes per  
34 permit to process from application to final billing. Approximately 1 permit per day is issued and  
35 administrative costs are estimated to be \$5,500 per year.

36 Davis stated staff was seeking direction from Council as to continuing to contract with Sloth  
37 Inspections or change to the service offered by the DLI.

38 Mundle inquired about the Department of Labor contract and the estimated loss of annual revenue  
39 of approximately \$4,800. He asked if the revenue was used to cover staff time dealing with electrical  
40 paperwork and permits, so it wasn't actually revenue. Davis responded that was correct and staff  
41 believes they would be saving approximately \$5,000, along with staff time, which could allow that  
42 staff person to do extra work.

43 Lewis stated this appeared straightforward.

1 Davis stated if it was the direction of Council, staff would contact the Department of Labor and then a  
2 Resolution would need to be passed, which would take approximately 4 to 6 weeks to get this in  
3 operation on their side, and then any outstanding permits would remain with Mr. Sloth until they  
4 were gone through with the final approval.

5 Mundle asked if there were any issues with using the State for electrical inspections. Smith  
6 responded no and he wanted to get this done.

## 7 **5.0 – Community Development Director Position Discussion**

8 Davis presented the staff report indicating City Council reviewed the Community Development  
9 Director position at their Work Meeting on April 3<sup>rd</sup> and there was discussion to keep Aaron Berg in  
10 the City Planner position and set his pay at his current salary plus the \$1,000 per month additional he  
11 is receiving for his interim Community Development Director assignment. If we don't compensate this  
12 person's work for the responsibilities of the position at or near the market rate, finding employment  
13 elsewhere at a higher salary in this job market would be no problem.

14 Davis stated at the Finance Committee on May 10<sup>th</sup>, the subject of the Community Development  
15 Director's position was discussed and staff recommended that it remain in the draft budget. As a  
16 result of the discussion, it was suggested that staff make a case for retaining the position and present  
17 it to Council for consideration.

18 Davis indicated the summarized of the history of the position and the reasons Council should  
19 consider keeping the position, including:

- 20 • City Council approved a change in title for the division head of this department on August  
21 15, 2012 from City Planner to Community Development Director/City Planner to reflect  
22 the additional duties of the position but the ordinance was not changed to reflect that  
23 additional designation.
- 24 • In 2015 the title was eventually shortened to Community Development Director and the  
25 Community Development Department assumed the supervision of the functions of the  
26 Building Department. This was approved by Council with the adoption of the 2015 Budget  
27 on December 3, 2014. Again, this was not changed in the City Ordinance, Section 2-424.
- 28 • With the resignation of Stephanie Hanson effective December 9, 2023, The East Bethel  
29 City Council directed staff to advertise for the vacant Community Development Director  
30 position. The position was advertised twice and only 7 applications were received. Of  
31 these seven, only three met the qualifications and these were invited for interviews. Two  
32 days prior to the interview, two of the candidates withdrew. The remaining candidate was  
33 interviewed on March 2, 2023 and this person, who met all the qualifications, was  
34 recommended for approval for hire to the City Council on March 13, 2023.

35 Smith noted Ms. Hanson resigned in 2022, not 2023. Davis responded he was correct and  
36 thanked him for pointing this out.

- 37 • The hire for and the retention of this position is on hold pending final City Council action  
38 on this matter. As difficult as it is in the current labor market to attract qualified and  
39 dedicated employees and we have an employee who meets all the requirements for this

1 job and has proven his abilities, it would seem that this is a priority position for the City to  
2 staff.

3 Davis stated a City Planner is a position that doesn't include all the responsibilities and duties  
4 required for the work that is currently needed and being performed. The City Planner is more  
5 focused on the mechanics of the permit, variance, and zoning processes. The Community  
6 Development Director position encompasses a much wider variety of additional duties and  
7 involves a broader scope of responsibilities including:

- 8 • Reviews development proposals to ensure conformance with growth goals and  
9 policies.
- 10 • Implements, oversees, and updates the City's Comprehensive Plan.
- 11 • Guides and provides recommendations to Planning Commission and City Council  
12 on Comprehensive Plan policy.
- 13 • Supervises the enforcement of ordinances to ensure compliance with city codes
- 14 • Oversees and administers all Planning, Zoning and Building Department activities.
- 15 • Oversees and directs the physical development of the community including  
16 administration of all parts of the Subdivision Ordinance.
- 17 • Oversees the review of and recommend changes to the City's Codes and  
18 Ordinances.
- 19 • Performs Staff liaison duties for the Planning Commission meetings and prepares  
20 agendas supporting material for meetings.
- 21 • Prepares and monitors budgets for the Community Development Department.
- 22 • Provide assistance and resolution in zoning disputes and other issues that arise in  
23 the performance of this position.
- 24 • Manage all TIF and developer agreements to include required fees, developer  
25 obligations and maintenance of escrow accounts.
- 26 • Maintain and monitor the City GIS program.
- 27 • Monitor activities and completes the requirements of program mandates for the  
28 Metropolitan Council, state agencies, and other local and regional governments  
29 that affect local planning and reports such activities to the City Administrator in a  
30 timely manner
- 31 • Supports and coordinates efforts to recruit and retain businesses in the city
- 32 • Serves as a City liaison to the Chamber of Commerce, Anoka Count Regional  
33 Economic Development Commission and the Minnesota Department of  
34 Employment and Economic Development and works with these groups to  
35 promote and market the economic goals of the City.

36 Davis stated if there is to be but one full-time person responsible for all the land use,  
37 planning and business development for the city, the Community Development Director  
38 position was more appropriate for addressing issues of a developing city than that of a City  
39 Planner. Existing growth pressures require a higher degree of involvement and attention to

1 prevent unintended or secondary consequences of developmental decisions. Demands on  
 2 cities that are on a major highway in the metro area are more extensive than those  
 3 municipalities that are not in areas that are becoming prime locations for development,  
 4 only require minimal services and have no city utilities.

5 Davis stated the city ordinance that established the planning and inspection/ordinance  
 6 enforcement division is and reads:

7 Chapter 2 –Administration, Article 6, Section 2-424 establishes a Community Development  
 8 Department and reads;

9 *Planning division.* A planning division is hereby established. The division head shall be the  
 10 city planner. The city planner shall be appointed by the city council based on the  
 11 recommendation of the city administrator. City planning and zoning regulations, review of  
 12 development proposals and other planning activities shall be under the supervision of the  
 13 city planner. The size of the division shall be determined by the city council based on the  
 14 recommendation of the city administrator. The city planner shall supervise operations of the  
 15 planning division, including all assigned personnel, and shall be responsible for all  
 16 equipment assigned to the division used in its operation. The city planner shall prepare and  
 17 file reports as may be requested by the city administrator.

18 *Inspection/ordinance enforcement division.* An inspection/ordinance enforcement division is  
 19 hereby established. The division head shall be the building official. The building official shall  
 20 be appointed by the city council based on the recommendation of the city administrator.  
 21 City building code enforcement, zoning ordinance enforcement and other code enforcement  
 22 activities shall be under the supervision of the building official. The size of the division shall  
 23 be determined by the city council based on the recommendation of the city administrator.  
 24 The building official shall supervise operations of the inspection division, including all  
 25 assigned personnel, and shall be responsible for all equipment assigned to the division used  
 26 in its operation. The building official shall prepare and file reports as may be requested by  
 27 the city administrator. (Ord. No. 104B, § 13, 10-3-2007)

28 Davis stated if Council was on board with keeping and staffing the Community Development  
 29 Director position, City Council was requested to consider this ordinance be amended to read:

30 A Community Development Department is hereby established. The division head shall be  
 31 the Community Development Director. The Community Development Director shall be  
 32 appointed by the City Council based on the recommendation of the city administrator. City  
 33 planning and zoning regulations, review of development proposals and other planning  
 34 activities along with activities related to economic development shall be under the  
 35 supervision of the Community Development Director. City building code enforcement,  
 36 zoning ordinance enforcement and other code enforcement activities shall be under the  
 37 supervision of the Community Development Director and implemented by the building  
 38 official. The size of the division shall be determined by the city council based on the  
 39 recommendation of the city administrator

40 The Community Development Director shall supervise operations of the Community  
 41 Development Department, including all assigned personnel, and shall be responsible for all  
 42 equipment assigned to the division used in its operation. The Community Development  
 43 Director shall prepare and file reports as may be requested by the city administrator.

1 Davis indicated per ZipRecruiter, the average salary in Minnesota for a Community Development  
2 Director was \$98,787 a year. While ZipRecruiter is seeing salaries as high as \$161,221 and as low as  
3 \$40,677, the majority of Community Development Director salaries currently range between \$79,400  
4 (25th percentile) to \$121,500 (75th percentile) with top earners (90th percentile) making \$140,881  
5 annually in Minnesota.

6 Davis stated the starting salary recommended for this position is \$89,727 per year which is 77% of the  
7 metro average of \$117,000 for cities in the 10,000 to 15,000 population range. This position has been  
8 included in the preliminary 2023 draft budget.

9 Davis indicated the City has a qualified candidate for this position who has shown that he was willing  
10 to take on additional responsibilities, has performed above expectations and should be compensated  
11 equal to the additional duties he has assumed. Staff requests that City Council discuss a change to  
12 Section 2-424 of City Code as described above, re-open the discussion of the hire for this position and  
13 provide direction to staff as to their recommendation on this topic.

14 Smith stated he personally did not see the need to have the position filled. He indicated Berg was  
15 doing a good job and it had been six months since Ms. Hanson had left and they were still operating.  
16 He noted the City was not insanely building where they need a person who had to take control of that  
17 part and had to instruct the building officials. He asked if he worked under Davis. Davis responded  
18 he currently worked under the Community Development Department, but acknowledged everyone  
19 worked under him, but he reported directly to the Community Development Director.

20 Smith stated basically they don't have one right now and Berg was filling in. Davis responded Berg  
21 was the Interim Director and he was assuming all of the duties Ms. Hanson had.

22 Smith pointed out Berg was still doing his own job as City Planner as well as Interim Director. He  
23 noted Berg had asked him how he could do two jobs when he was one person. He acknowledged it  
24 was difficult and his suggestion was that Davis needed to help him. Davis responded he was helping  
25 out as much as possible, but this was only temporary and if they did this full-time, other things would  
26 get neglected.

27 Smith stated he needed to see proof that things needed to be done. He indicated he needed to know  
28 what they were doing every day. He asked how they could be doing the job of two people. Davis  
29 responded both him and Berg were splitting Ms. Hanson's duties up with both of them working extra  
30 hours.

31 Smith stated he was trying to figure out how they were working overtime. Davis responded they  
32 both work on Saturdays and Sundays, and they are both working overtime.

33 Smith asked if they were getting paid for the overtime. Davis responded they did not get paid  
34 overtime.

35 Smith stated he wanted proof they were working all of the hours they said they were. He asked for  
36 their timesheets. He indicated if the City was building out of control, then he could understand the  
37 need for a Community Development Director, but the City's wasn't building out of control. Davis  
38 noted the City was getting ready for building to increase and they had to face it and get ready for it.

39 Mundle asked if they wanted to be proactive or reactive in development.

40 Smith stated they could try and prepare for something that you are hoping was going to happen, or  
41 deal with it when it came up. He indicated they could not sit there prepared beforehand. He stated  
42 they had staff right now that could take care of it if the City had construction growth. Davis  
43 responded the problem with that was that staff was letting a lot of other things go and putting things

1 off, so they were not addressing items like Code enforcement which was not being taken care of as it  
2 should be. He indicated he was getting behind on the broadband items that needed to get done also.

3 Smith stated they had someone that did Code enforcement. Davis indicated they did have someone  
4 who did Code enforcement, but it was difficult and one person could not do it all. He stated there  
5 had to be two people, along with him helping out. He stated there are two or three people that were  
6 working on Code enforcement right now.

7 Smith stated he wanted to see proof that everyone is really putting all of their effort into this and  
8 doing of the work. Davis stated a lot of the work was coming from his side. He indicated he wasn't  
9 complaining and he wasn't asking for anything, but he had been putting in quite a few hours into his  
10 timesheets.

11 Smith stated Davis was paid well for what he did. Davis responded he understood that, and that was  
12 why he was willing to help out and give it his all.

13 Mundle noted Davis also had his own duties.

14 Smith stated they could all work together on this and he did not think they needed to hire another  
15 employee when they could do it themselves.

16 Mundle stated right now this was only intended to be a Band-Aid. Davis agreed this was only  
17 temporary. He indicated the City had a good person right now that can fill the role and do a great  
18 job, but if they don't pay him for what he was doing, it would be easy for him to move on and find  
19 something else. He stated he did not know if they could find someone with Berg's qualifications in  
20 this job market to replace him.

21 Smith stated if Berg took this position then they would need to find a City Planner. Davis responded  
22 that was still up in the air.

23 Smith asked if there was no difference, how that could be up in the air. He asked if Berg moved into  
24 this different job, would this leave the City Planner position open and who would do that. Davis  
25 responded they were going to try and do it between all of them.

26 Smith noted Davis couldn't do the job of the Community Development Director, but he could do the  
27 job of the City Planner. Davis responded no, what he said was they were not going to address the  
28 City Planner position right now and they were going to bring that up in the budget discussions and it  
29 would be up to the City Council to decide if they want to keep that position or not. He noted Berg  
30 was doing the work of a Community Development Director, but he was not getting paid market rate  
31 for that position. He stated the City lost four people last year to surrounding cities because they  
32 received more pay for doing the same job.

33 Mundle stated the City was not paying Berg what another City would pay Berg. He indicated he knew  
34 other cities are calling the City employees and trying to recruit them away. He asked if Berg left  
35 tomorrow, where would that put the City's community development.

36 Smith stated in other words, just give Berg a raise because they were afraid he was going to leave.  
37 Davis stated Berg was doing the job.

38 Smith indicated in less than a year ago Berg started out at \$17 per hour, and then he would go up to  
39 \$72,000 all of a sudden. He noted they gave him another \$1,000 a month, so now they want another  
40 \$20,000 on top of that. He asked if that made sense. Davis responded if a person was doing the  
41 work, they were qualified, and they proved that they could do the job, the City had to pay market  
42 rate to get people for that position.

1 Smith asked why someone would take \$17 an hour if they had all of the experience. He did not  
2 believe Berg would have received all of that experience in a year. At least it did not work that way in  
3 the real world.

4 Davis noted Berg had experiences someone did not receive in school. He stated Berg had been on a  
5 planning commission for 5 years; a chairman of a planning commission; on a school board for 4 years;  
6 and he currently was on a City Council. He indicated Berg knew how the process worked and he had  
7 experience that you didn't learn in textbooks. He noted Berg also had a law enforcement background  
8 and he knew how to deal with people. He stated Berg handled situations very, very well. He noted  
9 he had watched Berg and Berg had done an excellent job and would be a great candidate to fill this  
10 position. He believed if they were going to have one position (Community Development Director or  
11 City Planner), they needed to have the Community Development Director.

12 Smith asked if they promoted Berg to Community Development Director and gave him another  
13 \$20,000 per year, then they wouldn't need a City Planner. Davis responded right now they didn't  
14 need a City Planner, but eventually they would need to get more staff depending on the City's  
15 growth.

16 Smith stated they were willing to speculate that all of a sudden they were going to have this huge  
17 growth when the entire Country was a mess right now. He indicated they couldn't afford to spend  
18 residents' money on speculation. Davis believed it would be cheaper to do it this way. He stated the  
19 City Planner would only be hired if and when growth started occurring in the City.

20 Lewis stated he understood that part of the Council's job was to do their due diligence and not  
21 squander the residents' money. He believed it was appropriate for Berg to have a full year as the City  
22 Planner because Berg just got the position last July after being hired in June.

23 Lewis asked Davis when he knew Ms. Hanson was going to leave the City. Davis responded he would  
24 need to go back and look but he believed it was approximately 2 to 3 weeks, or maybe 30 days. He  
25 stated it was not 3 or 6 months.

26 Lewis stated he was in on the hiring meeting and it was clear from Berg's resume that he did have a  
27 lot of experience related to planning issues, but being on a planning commission was not the same as  
28 doing the in-office work behind the scenes work. However, he believed it was good that Berg had a  
29 full year as the City Planner.

30 Lewis stated he had one overriding question though and that was in February, he spoke with a  
31 woman names Julie Bohr, who worked for Ham Lake as the Building and Zoning Clerk for Ham Lake.  
32 He indicated Ham Lake had approximately 40 percent more people than East Bethel, they were closer  
33 to the cities, and were under more development pressure than East Bethel. He indicated Ham Lake  
34 does not have a Community Development Director, so he asked her how they were able to do that.  
35 He indicated Mr. Bohr's response was that that she worked with the City Administrator, the City  
36 Engineer, the Building Official, and the City Attorney. He asked how Ham Lake was able to do that  
37 and East Bethel wasn't.

38 Lewis stated he liked Berg and believed he was a conscientious person, which was a valuable trait,  
39 but he could not imagine how with this hire, East Bethel would get rid of the City Planner position, or  
40 at least not hire a right-hand person for the Community Development Director to do the zoning  
41 research and fill out the appropriate documents. Davis stated Berg was super-efficient, which he  
42 believed was based on Berg's previous experiences. He noted Berg was good at research, he was  
43 very organized, and he had shown he could handle the tasks. He noted he did talk to Berg and he did

1 have a job description which he could give to Council, but it did not compare anything at all to what  
2 they expect out of the City Planner/Community Development Director.

3 Lewis stated other people that Davis mentioned were doing the other pieces of it. He indicated the  
4 City Administrator was the liaison with the Chamber of Commerce and the Met Council and it was  
5 other people doing other parts of it instead of the Community Development Director. However, he  
6 indicated Ms. Bohr had made it very clear that was how Ham Lake made things work and it was  
7 working as a group instead of one individual having the responsibility. Davis responded that was  
8 what they essentially did. He stated they worked as a group with himself and Ms. Hanson when she  
9 was with the City and now he worked with Berg. He stated while he didn't want to speak to Ham  
10 Lake's vision, their vision was not East Bethel's vision. He noted Ham Lake did not have  
11 developments coming forward with the 200-unit housing development, a five-acre commercial  
12 project, potential 300 to 400 unity housing developments where the golf course was, and the Cambia  
13 Hills stuff. He noted East Bethel was dealing with higher intensive growth pressure issues than Ham  
14 Lake was. He indicated Ham Lake was almost built out along their corridor also and theirs was more  
15 for rural residential type subdivisions. He believed comparing East Bethel to Ham Lake was  
16 comparing apples to oranges at this point.

17 Mundle stated the other big difference was that Ham Lake did not have water and sewer and East  
18 Bethel did. He indicated East Bethel had a \$2 million reserve capacity loan that he would like paid off  
19 as much as possible. Lewis stated at least that was going to be capped this year or at the latest next  
20 year.

21 Mundle stated he would like to put that off as much as possible. Lewis indicated he was  
22 misunderstanding and asked what Mundle meant. Mundle explained as long as they keep up with  
23 the annual SAC goals for the connections, that delayed paying that.

24 Lewis stated he figured that was the driving issue in East Bethel. He stated it was when something  
25 happened and then it created a lot of follow-up decisions because it happened. He noted that was  
26 the downstream effect of what happened in 2010. He stated they had to strike a balance between do  
27 they let it drive their decision or was it just something they were cognizant of and they do not let it  
28 drive their decisions.

29 Davis stated in this case it was the best of two worlds. He indicated if they owe \$2 million and that  
30 it's capped at \$2 million. He indicated if they continue to have development, that meant they don't  
31 have to start paying on this and eventually it could actually pay for this whole loan itself. Lewis stated  
32 which they would not do.

33 Davis stated there was going to come a point in time that the City was going to build down in the area  
34 where there was water and sewer and unless the City wanted to expand their services, then they  
35 were pretty well out of real higher density.

36 Davis believed Berg was an exceptional employee and he would hate to lose Berg because he is not  
37 getting paid for what he was actually doing. He stated it would be a great loss to the City if they let  
38 Berg leave at this point.

39 Mundle stated essentially Berg had a year of experience with the City, how the City worked, who the  
40 people were, what they did, and who did what. He noted Berg had a large jumpstart on somebody  
41 else they would hire and it would take a new person a long time to come up to speed with a lot of  
42 things. He stated they had the advantage of Berg serving as a City Planner and after Ms. Hanson  
43 resigned, Berg stepped up to the plate to do more work.

1 Mundle stated when they hired Berg, Berg had a lot of smart book learning and some experience  
2 already from being on a planning commission and what the year with East Bethel had given him was  
3 real world experience, where he has been actually filling in a lot of gaps and that was why he had  
4 been able to pick up speed so much and the last year had really been valuable for him. He noted the  
5 with work that Berg was doing right now and the experience he had received so far and the  
6 investment the City had put into Berg, he would like to retain Berg. He asked if Berg were to leave  
7 because the City did not pay him what he was worth, where that would put the City for community  
8 development. He stated there was no back-up person for this position, except the receptionist, the  
9 building official, and the building inspector. He indicated Davis could step in and help out, but it was  
10 not Davis's job to be the Community Development Director. He stated with this job market, Berg  
11 could go anywhere and get more money for what he was doing right now.

12 Davis stated Berg was gradually getting to be the liaison for the Chamber of Commerce also. He  
13 noted this was a team effort so when one person was coming up with time shortages, then he (Davis)  
14 stepped in and helped in any way he could. He noted the building officials also help out some as well  
15 as the administrative assistant also could help out some. Davis noted they were following the same  
16 process as Ham Lake, but it might just be a bit higher level and he believed there was a bit more  
17 pressure to it.

18 Lewis asked if Berg was willing to resign from the Cambridge City Council if he was the Community  
19 Development Director. Davis responded he had not approached Berg about this. Lewis stated he  
20 wanted to talk to Berg about that.

21 Davis stated he did not know if Berg would want to resign from the Cambridge City Council, but he  
22 was confident Berg would make it a point that this position would be his priority. He indicated they  
23 could talk to him about conflicts with Council meetings also.

24 Lewis realized they had this conversation before and he believed most people would have an issue  
25 with it.

26 Smith stated if Ham Lake and East Bethel had the same people on the same team, how Ham Lake did  
27 without a Community Development Director. Davis responded Ham Lake's issues were not as  
28 involved as East Bethel's were as East Bethel had more growth pressures than Ham Lake.

29 Mundle stated East Bethel had sewer and water that allowed for development.

30 Smith stated all you hear about was sewer and water and asked if that was a big deal. He stated what  
31 he was hearing was excuses.

32 Davis stated they had been given this issue and they had to make the best of it. He indicated they  
33 needed to generate as much revenue as possible to pay the sewer and water off so they don't put  
34 more burden on the taxpayers. Smith asked if every business in East Bethel in that area hooked up to  
35 sewer and water. Davis responded they had two they were still working and one of those they are  
36 going to have to issue a citation on.

37 Smith asked if everyone else was hooked up. Davis responded that was correct.

38 Davis asked what direction did Council want to go with this. Smith stated as long as they did not need  
39 to hire a City Planner immediately and they had enough people to take care of things, he was in  
40 agreement.

41 Davis stated that he and Berg would make this work and he believed they could get by for now.  
42 However, as long as they are going along at this pace, they could keep up, but if development would  
43 start to ramp up, then Council would need to look at other options. Smith stated he understood that.

1 Lewis stated he did not feel bad about asking all of these questions because Berg sits on a city  
2 council, and he would ask the exact same questions.

3 Smith stated he liked Berg and he thought he was a “good guy”, but he did not want to waste  
4 taxpayers’ money when they had people that could do the job without hiring any additional people.  
5 Davis stated he believed this would be a benefit to the taxpayers because they were getting one  
6 individual who knew how to do the work and Berg was dedicated and would get the job done.

7 Lewis asked if Berg was willing to work for the City for the next 20 years. Davis responded he would  
8 see what he could do.

9 Smith noted that he felt better about this. Miller stated he felt the same way and when they talked  
10 about eliminating one job and not bringing in a new person they never got into the discussion when  
11 they were going to replace that position. He indicated this was a huge difference in making a decision  
12 because he wanted the best people they could have working in the City. He stated he felt  
13 comfortable with this now. He stated he liked Berg and believed he was doing a good job.

14 Smith asked how much they would be paying Berg now as the Community Director. Davis responded  
15 \$89,787.

16 Lewis asked if that was before the cafeteria plan. Davis responded that was correct. He noted with  
17 benefits and everything, this position would be around \$115,000.

18 Smith stated that was good money and he believed Berg was a good guy.

19 Davis asked if the Council was comfortable with staff amending the City Ordinance to reflect those  
20 changes that were in staff’s report. He explained they would revise the City Planner designation  
21 currently in there to Community Development Director and then entertaining a motion to hire Berg  
22 for the position.

23 Smith asked why they had to change the City Ordinance. Davis responded because it needed to  
24 conform to the title. Smith stated he was fine with it.

25 Davis thanked the Council and stated he believed this would benefit everyone.

## 26 **6.0 – Ordinance Review**

27 Davis presented the staff report indicating the East Bethel Planning Commission completed a review  
28 of the proposed changes to City Ordinance, Appendix A, Zoning, Section 28 – Architectural Standards  
29 and Appendix A, Zoning, Section 24 – Exterior Storage at their May 23, 2023 meeting. This review  
30 completed their initial work of the review that was discussed at their April 25, 2023. The existing  
31 architectural standard ordinance is exhibited as Attachment 1 to Council’s packet, the Council’s  
32 proposed changes are presented in Attachment 2 to Council’s packet, and the Commission’s  
33 recommendations are shown in Attachment 3 to Council’s packet. The existing Exterior Storage  
34 ordinance is exhibited as Attachment 4 to Council’s packet, the Council’s proposed changes are  
35 presented in Attachment 5 and the Commission’s recommendations are shown in Attachment 6 to  
36 Council’s packet.

37 Davis stated should post frame constructed buildings be permitted in the Hwy 65 Corridor (an area  $\frac{3}{4}$   
38 mile on either side of TH 65), architectural standards for these types of structures should be  
39 developed to ensure minimum standards for exterior appearance.

40 Davis noted that Councilperson Tim Miller requested amendments to:

- 41 • Zoning, Section 28 – Architectural Standards

- 1           •       Zoning, Section 14 – Detached Accessory Structures
- 2           •       Zoning, Section 24 – Exterior Storage, Light Industrial and B-3 Districts
- 3           •       Zoning, Section 24 – Exterior Storage, B-2 District

4  
5       Davis stated amendments to these Ordinance sections would require a properly noticed Public  
6       Hearing to be held prior to any consideration of approval at a regular Council meeting.

7       Davis noted the Planning Commission would begin their review of ordinance changes for Appendix A  
8       – Zoning, Section 10-4, Accessory Storage Containers at their June 27, 2023 Meeting.

9       Davis requested the City Council review the recommendations of the Planning Commission as  
10       exhibited in Attachments 3 and 6 to Council’s packet and determine if these were adequate as  
11       presented or require additional amendments and direct staff to proceed accordingly.

12       Davis stated the Planning Commission had recommended that pole type materials were not  
13       permitted as primary exterior building materials. He indicated the EDA had some discussions about  
14       this and stated they recognize there was a place for these types of buildings and recommended they  
15       look at either having certain zones or certain areas of the City designed for them or develop their own  
16       standards so that they would be compatible with what had been built. He indicated there were  
17       certain areas that maybe they want to even eliminate, like the Classic Commercial Park where all of  
18       the buildings were masonry tilled up adorned concrete panels.

19       Davis noted if they didn’t have some type of standards in there, someone could put up a post frame  
20       construction building with a garage door, front door, no overhangs, or anything which might not fit in  
21       with what was there and might even devalue some of the investments some of those businesses had.  
22       He believed this might take another meeting or two and he would like to send this back to the  
23       Planning Commission and have them look at where they can accommodate these types of buildings  
24       and develop some standards.

25       Mundle stated he agreed with that direction.

26       Miller stated he had no problem with protecting the brick-and-mortar businesses and that was not an  
27       issue. He indicated the idea behind this was allowing those businesses up Highway 65. He gave the  
28       example of the Closet Store and it being a steel building. He indicated that business had done well.  
29       He stated the last time he had handed out photographs of other businesses including attorney’s  
30       offices, medical facilities, etc., which were a lot of service industries. He stated this was designed to  
31       do one thing and one thing only, and if they sent it back to the Planning Commission with that  
32       understanding, he would have no problem with it.

33       Miller stated they were trying to open the door for new businesses going up in the corridor and he  
34       believed this would open up expansion and they would have an avenue for new businesses to start  
35       and would not have to pay millions of dollars to build a building. He noted steel construction was  
36       also stronger than concrete. He stated they did offer panels right now with a 30-year warranty on the  
37       paint, fading, and chips, which was a lot longer than they would find on concrete.

38       Miller stated he didn’t say this was perfect, but it was an idea to help businesses and in talking with  
39       businesses they thought it was a pretty good idea. He stated in talking to businesses everyone said  
40       they wanted a building to look good and professional and that was where he wanted the City to come  
41       in and give the businesses that opportunity. He stated new businesses would have the opportunity to  
42       not “stick everything they own” into the building before they could even get into it and the building  
43       would look sharp as well as work for them. He noted this would allow other businesses who were  
44       currently in the City to expand also.

1 Davis stated he agreed 100 percent and it had been his thoughts that there was a place for everything  
2 here and they just needed to ensure that it was going to match everything that was going on and  
3 have some standards. He indicated they all know there had been tremendous advances in not only  
4 the construction materials, but to design alternatives you could have with the post frame  
5 construction buildings now and he believed there was a place for them.

6 Davis stated his professional recommendation as the City Administrator would be to send this back to  
7 the Planning Commission explaining it more along those lines and see if they could come up with  
8 something and bring it back to the Council and go from there.

9 Miller stated he would like to see something done in the 7<sup>th</sup> as he believed it would be a good mix; it  
10 would be beneficial; and it would basically open the door a little bit for new businesses to come into  
11 that area. He stated you could drive up Highway 65 all day long and they were going to see a ton of  
12 different steel constructed buildings and if they could control the style and make it conform to what  
13 they were looking for, even if they needed to compromise a little bit to give the current or new  
14 businesses a chance to take advantage of the new technology that was out there with these  
15 buildings. If that was the understanding, he has no problem with it.

16 Davis stated there was only so much the Planning Commission could do in one meeting and the last  
17 meeting had lasted for hours, so if necessary, this might need to be stretched over 2 or more  
18 meetings.

19 Miller stated it had already been two months and he had no problem as long as the Planning  
20 Commission had the right direction of what they are looking for. He believed that might have been  
21 the issue before, that it was too vague and they did not give direction as to what they wanted it to  
22 look like and how they wanted it done. He believed this would help. Miller indicated they had a lot  
23 of business savvy people who knew what they wanted to see also, so if everyone had the same vision,  
24 it would help.

25 Davis stated staff would do some research on this as to what some other cities had done and what  
26 standards those cities had and hopefully then integrate those with some photos to show exactly what  
27 they were talking about. He believed this needed to be looked at in depth because they don't want  
28 to limit this to one type of building in the City. He believed there were other options and he's seen  
29 some of the post frame construction buildings that look fantastic.

30 Smith agreed.

31 David asked Miller if he could send him the pictures electronically.

32 Smith stated there were some good pictures. Miller stated he would and he realized his vision and  
33 what he was looking for when describing things might not be what others are thinking of. He noted it  
34 came down to clarity and he believed the pictures were going to help because they would see his  
35 vision. He indicated this was not a pole barn with spray paint on it. He stated this was done with  
36 class and they were structurally sound to withstand any kind of weather.

37 With respect to Section 24 exterior storage, David believed the main consideration was that in all of  
38 the zones, the exterior storage was permitted with a CUP, which meant these could be evaluated on  
39 a case-by-case basis. He indicated the things they had addressed were related to numbers for size  
40 heights which were just guidelines because the CUP was going to control exactly what happened with  
41 that.

42 Smith asked if each of the businesses that had exterior storage had a CUP. Davis responded some of  
43 them did, but he was not sure if all of them did as some of them were probably grandfathered in.

**7.0 – Amendment to City Code, Section 18-240, Mobile Food Vendor Units**

Davis presented the staff report indicating each year, staff receive multiple requests for information regarding the regulation or permitting food trucks within the City of East Bethel.

Davis stated currently, there is not an applicable licensing process for allowing food trucks to operate within City limits outside of the City-sponsored Booster Day event in July.

Davis indicated City staff have reviewed food truck ordinances from surrounding cities and have created a proposed addition and amendment to our own ordinance sections that will allow the operation of food trucks in a safe and organized manner.

Davis requested the City Council review the recommendations of staff as exhibited in Attachment 1 to Council's packet and determine if these are adequate as presented or require additional amendments and direct staff to proceed accordingly.

Lewis asked if there was anything in particular that brought this to their attention. Davis responded no, but the City has had requests for food trucks in the past and the City has had to say no. He indicated his biggest concern about food trucks was that the City would not allow them to compete with storefront businesses. He indicated a food truck also essentially did not pay taxes. He indicated food trucks also did not have the overhead that an existing business did such as Route 65 Pub and Grub or Moonshine Whiskey, or any other restaurant that was in the City.

Mundle stated he had read through this and it looked good to him. He suggested after Council reviewed it, to bring it to the Planning Commission for their recommendation.

Smith stated he had also read through it and his concerns were that they don't really have that much right now for the food trucks in the Ordinances. He stated if they started putting Ordinances together for this, it was like another law for some business to operate and they don't even use that many food trucks that often. He stated he did not want to scare away the people.

Smith stated it was his opinion that it was going to cost the food truck drivers a lot of money, and he did not know what they even had in their trucks now.

Davis stated they were basing this on what the surrounding cities had done and those cities seemed to have no issues with having those food trucks complying with their regulations. He believed it was important to have this as food trucks were becoming more popular. He indicated in the past, food trucks were basically used for someone to walk up and get their lunch, but now they are being used as catering events for graduations and parties. He noted he had even seen one used at a funeral.

Mundle stated he had just seen on a local Facebook a post where someone was looking for a barbecue food truck for a 75-person event and was asking for recommendations.

Miller asked right now food trucks could not come into the community. Davis responded that was correct. Mundle noted except for when they were allowed in the City for Booster Days.

Davis stated there was an exception for food trucks on Booster Days since it was a City-sponsored event. He indicated if someone had a catering license they could come in also.

Lewis asked what would the cost be for a City license or permit for a food truck. Davis responded staff had not determined that yet, but staff would look to see what the other cities were charging and keep it consistent with them.

Lewis noted he used to go with his Father to a food truck when he was a child. He indicated one thing that came with food trucks was traffic and people gathering around.

1 Davis recommended they send this to the Planning Commission for their input.

## 2 **8.0 – Communications Survey Results Report**

3 Davis presented the staff report indicating at the recommendation of City Council and Council  
4 Member Lewis, staff developed a short survey regarding methods of communication from the City of  
5 East Bethel, and how residents receive news and information about what is happening in the City.  
6 This survey was launched in April and was available for responses through May 26.

7 Davis stated although the survey was created for online responses, efforts were made to make the  
8 survey accessible to all since not all citizens may have access to complete the survey online. The  
9 survey was promoted on the City's website and was sent out to the email subscriber list for the News  
10 Flash module. It was also promoted at the Spring Town Hall meeting, and in the City newsletter, and  
11 was communicated that it was available in paper form if individuals preferred this response method.

12 Davis noted in total, 76 responses were received. Although this response rate is only a small portion  
13 of our population (less than 1%), the feedback provided is sufficient to draw conclusions and provide  
14 recommendations to improve communications among citizens.

15 Davis stated questions included in the survey allowed residents to provide feedback on the City's  
16 current communication efforts with citizens and recommendations for improvement. It targeted the  
17 specific methods of communication, type of information that is provided, and requested community  
18 engagement and additional suggestions.

19 Davis requested the City Council review the results of the Communications Survey as exhibited in  
20 Attachment 1 to Council's packet and determine how to best utilize the responses and/or implement  
21 the suggestions presented, and direct staff to proceed accordingly.

22 Davis stated one of the interesting things to note was how often someone visited the City of East  
23 Bethel's website, and 88.2 percent visit the website a few times a month or less. He indicated that  
24 showed the website was not being utilized. He stated the top three comments were requests to send  
25 a newsletter out more frequently. He indicated if the newsletter would go out more frequently, staff  
26 would like to explore sending it out electronically. However, he was not sure if sending it out  
27 electronically would reach everybody, but doing it electronically would be easier, faster, and cheaper  
28 and they could send out monthly reports too, but they would need to ensure that residents recognize  
29 that it was available in that form.

30 Lewis asked if the City had any existing relationship with a communication consultant who worked  
31 with municipalities on their communications programs. Davis responded he did not, but staff could  
32 reach out for some assistance. He indicated the main issues and one of the biggest challenges they  
33 had was communicating with the residents. He noted one of the best sources the City had was the  
34 website and the City needed to figure out how to utilize that better.

35 Davis stated another interesting item was that people wanted more public meetings, but he was not  
36 sure what that defined with respect to public meetings. He indicated the City currently had  
37 approximately 76 meetings a year counting all of the City Council meetings, work meetings, Town Hall  
38 meetings along with 36 scheduled Commission meetings. He stated he did not know if they wanted  
39 more of the Town Hall type meetings, but generally what they've experienced with the Town Hall  
40 type meetings was that the same people showed up all of the time and therefore there was not a lot  
41 of demographics of the audience. He noted staff had to figure out some things regarding this.

1 Davis stated people also wanted more information on development projects and updates on public  
2 works programs, which they could focus on that on the website, but they had to get people to look at  
3 the website.

4 Lewis stated it seemed to him that it might be worth spending some funds to get some professional  
5 experienced counseling involved in how to approach this. He indicated he was not a web designer  
6 and when he asked Carrie Frost about it, he thought she had done the work on the website, but  
7 someone else had worked on it and he thought they had done a good job.

8 Davis stated the City had many groups work on the website, but Civic Plus is the one that put it all  
9 together. He stated he would like to present this to the EDA to get their feedback on this. He noted  
10 this might be a good use for their funds on how to improve communication.

11 Lewis stated he supported that suggestion.

12 Mundle agreed and noted this slightly went hand-in-hand with the Business Retention and Expansion  
13 Program.

14 Davis pointed out that social media such as Facebook and Next Door accounted for some of the other  
15 responses.

16 Lewis asked if someone could post on someone else Facebook site. Davis responded if that site was  
17 willing to accept posts, there was nothing wrong with that.

18 Lewis pointed out that the newspaper was also a source of local information. Davis noted the local  
19 newspaper was a source that very few people used and he believed there were more online  
20 subscriptions to the paper than actual hard copies being distributed.

21 Smith stated his concern was when he saw newsletter mailed 1.3% and now they were going to do a  
22 mailing on Nexus and that was scary. Davis acknowledged this was a bit confusing and he didn't have  
23 it in front of him, but he had asked Ms. Frost about that today and she said there was another option  
24 to this and believed the directions were not read and suggested they be discarded because it wasn't  
25 related or the answers did not relate to what the question was.

26 Davis stated 75 responses was less than one percent of the City response rate.

27 Mundle asked how many surveys had been sent out. Davis responded most of them were done  
28 online, but people could send paper copies in. He indicated there was no direct mailing that went  
29 out.

30 Lewis stated he believed there should be 6 newsletters a year instead of 4 and have them a little  
31 thinner and leaner and have fewer Met Council articles and instead focus on East Bethel. Davis  
32 stated the mailing cost probably would not change much, so they might want a two-page newsletter  
33 and possibility have something come out monthly.

34 Lewis stated Ham Lake did monthly newsletters. Davis noted Ham Lake hired someone to do that  
35 and East Bethel might have to do that also if additional newsletters were sent out.

36 Lewis stated he was in support of contracting things out and renting talent. Davis stated staff would  
37 still need to provide the content and then a contractor would assemble it and mail it out. He believed  
38 this was doable and would investigate it further.

39 Davis stated the other interesting thing was the type of information the residents wanted which  
40 included upcoming community development projects, public hearing notices, and upcoming public  
41 works projects. Lewis noted they could point everyone to the City website also.

1 Davis agreed that the more the City could get people to start using the website, the more effective a  
2 tool that would be for communication.

3 Lewis noted the survey was his idea and he believed it was tremendously valuable and he was glad it  
4 was done.

5 Davis stated he would bring this up to the EDA for their recommendations.

## 6 **9.0 – Code Enforcement Report**

7 Davis updated the Council on the City's unresolved code enforcements including 181 Bryant Lane,  
8 4631 Viking Blvd., 19419 E. Tri Oak Circle, 3233 227<sup>th</sup> Lane, 22879 Staples Street, 726 192<sup>nd</sup> Avenue,  
9 and 3111 182<sup>nd</sup> Avenue.

10 Davis noted on 4631 Viking Blvd, Smith was working with the property owner on this matter. Smith  
11 responded he had not gotten ahold of her yet, but he was going to work with her now that they got  
12 the Ordinance change with the septic system situation. He stated he would get it figured out and  
13 bring it back to Davis. Or he could bring it to Council if that was what the Council wanted.

14 Davis suggested he bring it to him and have a meeting and they could come up with a  
15 recommendation.

16 With respect to 3233 227<sup>th</sup> Lane, Lewis stated he was under the impression that the people who had  
17 been staying there hadn't stopped staying. Davis responded that was what they suspected, but they  
18 knew at one time there were some people probably living there, which had apparently stopped. He  
19 indicated now the issue had to do with work done without permits.

20 Mundle stated the State's defense attorney continued to represent that she was trying to schedule a  
21 meeting with the City. He asked if there had been any contact to set that meeting up. Davis gave an  
22 update on the meeting they had with Mr. Sloth.

23 With respect to 22879 Staples Street, Smith requested before the City proceeded to Court, or even  
24 when they start the violation part of this, he wanted to have Council involved before the City even  
25 decided to get the attorney involved. He wanted to know everything about it so they were not  
26 wasting more money with the attorney and wasting resident's money. Davis pointed out that on the  
27 prosecution side, they paid a flat fee no matter if they prosecuted one case or 15 cases, but he  
28 indicated he would present those to the Council for their feedback.

29 Lewis requested they go back to 181 Bryant Lane. He noted this property was less than 200 yards  
30 from his house and he had a vested interest in it. He asked what steps staff thought was possible  
31 moving forward. Davis responded there were a couple of ways to address it and it depended how  
32 aggressive they wanted to be in the process of abatement and assessment.

33 Lewis stated he knew the person who lived there and he made a commitment to Council and  
34 indicated he would go over there and talk to him about it and explain what the next steps were. He  
35 indicated he did not like to see this go that way, but this was affecting the peaceable enjoyment of his  
36 property. He stated he had been "kind of slack" about this because that person used to be his friend  
37 and he did not like to bring this kind of news to someone who had challenges in their life. Smith  
38 stated he would do that and would go with Lewis for support.

39 Lewis stated what he needed was a Kevlar vest. Mundle suggested taking Davis along also if they did  
40 this.

1 Lewis stated since he knew him, he would go first to talk to him first and see if he could make any  
2 progress instead of asking anyone else to put themselves at risk. He stated he would report back to  
3 Council.

4 **Council Vacancy**

5 Davis stated as everyone knew, Tim Harrington had resigned from his Mayor's position and at the  
6 next meeting there would be the process started to declare a vacancy for that position. He noted if  
7 one of the existing Councilmembers was appointed Mayor, then they would need to fill a vacancy for  
8 a Council seat.

9 Smith asked if they would do that at the next Council meeting. Davis responded that would be the  
10 first thing on the agenda. He noted they had to accept the resignation first and then declare the seat  
11 vacant and then proceed with the appointment. He noted the other option was to take applications.

12 **10.0 – Adjourn**

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

15 Meeting adjourned at 9:03 p.m.

16 Submitted by:

17 Kathy Altman

18 *TimeSaver Off Site Secretarial, Inc.*

# DRAFT MINUTES: NOT YET APPROVED

## EAST BETHEL CITY COUNCIL MEETING

June 12, 2023

The East Bethel City Council met on June 12, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT:            Brian Mundle            Kevin Lewis  
   Tim Miller                Jim Smith

ALSO PRESENT:                Jack Davis, City Administrator  
   Eric Larson, City Attorney

### 1.0 Call to Order

The June 12, 2023, City Council meeting was called to order by Acting Mayor Mundle 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 adding Item 4.0 B, Resolution 2023-46, A Resolution to fill the Mayoral position vacated by the resignation of Mr. Tim Harrington. Lewis stated I'll second. Mundle asked any discussion? To the motion, all in favor say aye. All in favor. Mundle asked any opposed? That motion passes. Motion passes unanimously.

### 4.0 Presentations and Public Hearings

#### 4.0 A Resolution 2023-38, Accept Resignation of Mayor Tim Harrington, Declaration of a Mayoral Vacancy on the East Bethel City Council

Davis presented staff's report indicating Tim Harrington submitted his resignation as Mayor on June 1, 2023 effective immediately. Unless the resignation expressly stated it is to take effect at a future date, the resignation would be effective when received by the Council. If the resignation stated it took effect on a specified date, the vacancy would occur on that date if it had been received by the Council or other official authorized by the Council to receive documents on its behalf, even if the Council had not formally accepted it at a Council meeting. To withdraw a resignation, the resigning officer must submit a written statement of withdrawal in the same manner as the resignation. In order to be effective, the withdrawal must be received before the Council accepts the resignation by Resolution or before an officer authorized to receive it has issued a written acceptance.

Davis stated Acting Mayor and Councilmember Brian Mundle has performed the duties of Mayor and would continue with these duties until a successor was appointed.

Davis noted resignations should be accepted by Resolution of the City Council and upon acceptance, the resignation could not be withdrawn.

Davis indicated as the Council must fill vacancies in elective offices, it must make a determination as to the vacancy. In this case, the resignation of Mr. Harrington supports the existence of the vacancy and Council should pass a resolution declaring the Mayor's seat vacant and then fill it as soon as possible.

1 Davis explained that State law provided that statutory City Councils make the appointment to fill a  
2 vacancy, except in the case of a tie vote when the Mayor makes the appointment. That means all  
3 members of the Council, including the Mayor, can vote on the appointment. And as long as at  
4 least a quorum of the Council is present, a majority vote of those present is sufficient to make the  
5 appointment. State law does not place any limitation on a Mayor's ability to make an  
6 appointment in the case of a tie vote. As a result, the Mayor can appoint any qualified person  
7 willing to fill the vacancy even if that person was not the subject of the original appointment vote.

8 Davis indicated when the vacancy was for the Mayor's office and the Council casts a tie vote, the  
9 Acting Mayor should make the appointment. The Acting Mayor may not, however, appoint  
10 himself or herself. The Council may appoint any individual who is eligible for election to that  
11 office. Generally, to be eligible a person must be a U.S. citizen, a resident of the City, and at least  
12 21 years old. The Council is not obligated to appoint any candidate previously defeated in an  
13 election for the office. A resigning Councilmember may not vote on the appointment of the  
14 successor to that vacancy. A Councilmember who is elected Mayor, however, may participate in  
15 the appointment vote to fill the vacancy in his or her former Council position.

16 Davis noted that Minnesota law was silent on the appointment process and, thus, the City Council  
17 may decide how it will go about determining persons to appoint.

18 Davis stated under certain circumstances, individuals appointed to fill Council vacancies serve on  
19 a temporary basis, and the City must hold a special election to elect a permanent replacement to  
20 fill the vacancy. Two factors determine whether an election is required: first, whether filing has  
21 opened for the next regular City election, and second, the length of the unexpired portion of the  
22 term at the time of the vacancy. If the vacancy occurs on or after the first day to file as a  
23 candidate for the next regular city election or if less than two years remain in the unexpired term,  
24 the City does not need to hold a special election, and the appointed person can serve out the  
25 remainder of the unexpired term. No special election is required in this case. (Source: LMC –  
26 Handbook for Minnesota Cities)

27 Davis recommended first to consider approval of Resolution 2023-38, accepting the resignation of  
28 Tim Harrington as Mayor of East Bethel, declaring a vacancy of this seat and upon this action  
29 filling this seat as soon as possible. If the seat is filled at the meeting, the new Mayor can take the  
30 Oath of Office and assume this position immediately.

31 Davis recommended second that should a sitting member of City Council be appointed to the  
32 Mayor's seat, Council is requested to adopt Resolution 2023-39, Declaration of vacancy of a  
33 Council seat and make an appointment for this seat as soon as possible. If the seat is filled at the  
34 meeting, the new councilperson can take the Oath of Office and assume this position  
35 immediately.

36 **Smith stated I'll make a motion to adopt Resolution 2023-38, A Resolution Accepting a Resignation**  
37 **and Declaring a Mayoral Vacancy on the East Bethel City Council. Miller stated I'll second.** Mundle  
38 asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any opposed?  
39 That motion passes. **Motion passes unanimously.**

#### 40 **4.0 B Resolution 2023-47, A Resolution to fill the Mayoral Position**

41 Davis stated should a Councilmember be appointed to the Mayor seat, Council is requested to adopt  
42 Resolution 2023-39, declaring the vacancy in the City Council seat and make an appointment for that  
43 seat as soon as possible. He indicated, however, before they act on this Resolution, the Council  
44 should approve to add the resolution to the agenda, Resolution 2023-46, that stated the special City

1 Council, following prior precedence, will seek the nomination from its members, a Mayoral candidate  
2 followed by a vote to fill the seat from the nominees.

3 Davis indicated the Council was requested to nominate and vote for the mayoral appointment as a  
4 result of this Resolution and staff is requesting the Resolution 2023-46 follow the process of selecting  
5 a nominee for Mayor.

6 Mundle asked if they would take Resolution two now. Davis responded Council needed to do  
7 Resolution three first, the appointment of the Mayor. Then, after the Mayor was appointed from a  
8 member of the Council, there would be a vacant Council seat and the Council at that time would  
9 declare that vacancy.

10 Davis stated the normal procedure that the City had followed in the past was that Council decided to  
11 nominate one of their own for the Mayor and with that, there would be a vote on the nominees. He  
12 indicated whoever received the most votes would become the Mayor. He explained this had been  
13 done by voice vote in the past, but Council could hold a ballot vote also if they wanted. He stated  
14 staff was seeking a nomination from the Council to appoint the Mayor's position.

15 **Miller stated I'll make a motion to nominate Kevin Lewis to be Mayor. Smith stated I'll second.**

16 Larson stated the job of the Acting Mayor was to see if there were going to be any other nominations  
17 three times. After that, he noted they could have a vote or a discussion.

18 Mundle asked three times if there were any other nominations. Larson stated the nominations were  
19 closed and Council could have their discussion, or if there was no discussion, then they could bring  
20 this to a vote.

21 Mundle asked if it needed to be a roll call vote. Larson responded it did not need to be.

22 Mundle asked if there was any discussion.

23 **Miller stated I'll make a motion to nominate Kevin Lewis to be Mayor. Smith stated I'll second.**

24 Mundle asked any discussion? To the motion, all in favor say aye. **All in favor.** Mundle asked any  
25 opposed? That motion passes. **Motion passes unanimously.**

26 Larson stated Lewis had now been nominated as the Mayor of the City of East Bethel.

27 Davis stated now the Council needed to adopt Resolution 2023-46, appointing Lewis as the Mayor of  
28 East Bethel and once that had been done, the new Mayor needed to take the Oath of Office after  
29 which Lewis would take over the meeting.

30 **Smith stated I'll make a motion to adopt Resolution 2023-46, A Resolution Appointing Kevin Lewis**  
31 **as Mayor of the City of East Bethel. Miller stated I'll second.** Mundle asked any discussion? To the  
32 motion, all in favor say aye. **All in favor.** Mundle asked any opposed? That motion passes. **Motion**  
33 **passes unanimously.**

34 Lewis stated so everyone knew, he only had two years left in his term, while the rest of the Council  
35 had four years. He indicated otherwise, the other Councilmember would be giving up two years of  
36 his term.

37 **Lewis took the Oath of Office.**

38 Davis stated the Council now needed to adopt Resolution 2023-39, a Resolution Declaring the  
39 Vacancy of the City Council Seat.

40 **Smith stated I'll make a motion to adopt Resolution 2023-39, A Resolution Declaring a Vacancy of a**  
41 **City Council Seat. Miller stated I'll second.** Lewis asked any discussion?

1 Mundle thanked Davis and Larson for doing all of this in a timely manner that was easy to follow.

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

3 **Motion passes unanimously.**

4 Davis asked if Council wanted to set the application deadline for the vacant Council seat for the next  
5 Council meeting. Lewis responded yes. He stated they already had someone in mind to take the  
6 vacant Council seat. He indicated it was someone with a lot of experience in the City and instead of  
7 going ahead and appointing him, which they could do, they wanted to give a two-week period for  
8 anyone else who felt they were better suited to do the job than Bob DeRoche, the former Mayor,  
9 former Councilmember, and former Roads Commissioner, to submit their letter of interest and their  
10 resume for review and an interview would then be scheduled.

11 Lewis stated he wanted the process to be open the way it should be and they would name the new  
12 Councilmember at the next Council meeting and they would be deferring any major business until the  
13 Council was fully impaneled.

14 Davis stated they would put the notification on the City website, the City's reader board, and social  
15 media outlets. Lewis asked if the City bulletin was going to be out in time to make a difference. Davis  
16 responded it would be very close.

#### 17 **4.0 C Public Hearing: Nexus Conduit Bond Financing**

18 Lewis thanked whoever was in attendance who wanted to speak on this and they appreciated  
19 everyone who showed up for this. He indicated whoever wanted to speak, even if it was not on the  
20 conduit bond financing, was welcome to speak.

21 Davis presented staff's report indicating at the May 1, 2023 Work Meeting, City Council received a  
22 presentation from the City's bond counsel, Dorsey and financial advisor, Ehlers, regarding a request  
23 for the City's participation in \$10 million in conduit bond financing for the proposed purchase of the  
24 Cambia Hills facility by Nexus Family Healing.

25 Davis stated the City of Ham Lake initially considered to partner with East Bethel to be a \$7 million  
26 bond issuer for the project but later declined to participate as a co-partner in the conduit bond  
27 issuance. However, the Anoka County Finance Committee, composed of Commissioners Matt Look,  
28 Julie Braastad, and Jeff Reinert recommended approval of the Nexus request to be the second bond  
29 conduit partner behind East Bethel. The Committee showed a high level of support for their service  
30 and understood the value the conduit bond program could bring to the project. The Committee  
31 expects their recommendation to receive all County approvals.

32 Davis noted ISD 15 School Superintendent, Karsten Anderson, spoke in support of the need for the  
33 service be provided by Nexus at the May 1st meeting, but had concerns regarding charges for rent,  
34 state re-imburement of the of ISD 15's cost for out of district students and staffing for district  
35 provided services. City Council Members questioned if there would be additional costs borne by the  
36 school district to support these services. Discussions are underway to resolve these matters.

37 Davis indicated from the presentation made to City Council on May 22, 2023 and further reviewed at  
38 the June 5, 2023 City Council Work Meeting, Nexus is coming to East Bethel either with or without  
39 the approval of the conduit bond financing. The difference between the two scenarios is that without  
40 conduit bond financing, Nexus would have a higher cost of borrowing of which a portion would be  
41 passed along to the school district in higher costs for classroom rental space and other chargeable  
42 expenses for the educational component of their service. Approval of the conduit bond financing  
43 would result in lower costs to ISD 15 as opposed to taking no action on or rejecting this consideration.

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

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

8 Davis indicated the City of East Bethel will hold a Public Hearing at this meeting to take comment  
9 regarding the consideration of the issuing conduit bonds in the amount of \$10 million to Nexus  
10 Diversified Community Services (Nexus). Anoka County has agreed to partner with City and issue \$7  
11 million in bonds to complement the City's proposed participation in the project.

12 Davis stated Nexus will be purchasing the Cambia Hills property and provide the same service as the  
13 previous operator, Cambia Hills of East Bethel, LLC.

14 Davis noted the bonds that would be issued pose no liability or expense to the city and qualify for tax  
15 exempt status that enable a lower payback of the bonds over conventional financing. The  
16 implications of these savings is a lesser impact on potential costs to the school district.

17 Davis stated conduit bonding is a means to issue tax exempt bonds to finance health care services  
18 (MN State Statutes 469.153, subd. 2). Again, this issuance would create no liability or expense to the  
19 City.

20 Davis noted the Public Hearing is only related to the issuance of the bonds. The educational  
21 component of the Nexus service is a separate matter with ISD 15 and these two groups are currently  
22 engaged in discussions to work out the details of their agreement.

23 Davis requested City Council hold a public hearing regarding the \$10 million issuance of conduit  
24 bonds for the Nexus for purchase of the Cambia Hills Facility to be operated under the terms of the  
25 Conditional Use Permit that exist for the use of this property, and at the conclusion of the public  
26 hearing, consider approval of Resolution 2023-40 as exhibited in Attachment 1 and documents  
27 relating thereto as exhibited in Attachments 2-5 in Council's packet. City Bond Counsel, Dorsey,  
28 developed these documents on behalf of the City and endorses the approval of the same.

29 Lewis opened the Public Hearing at 7:20 p.m.

30 Jeff Fry, 1635 207<sup>th</sup> Lane NE, asked if Nexus defaulted on this are the bonds going to fall back against  
31 the residents. Lewis responded the Council had been assured they won't and that is the nature of  
32 conduit bonding.

33 Larson stated Lewis was correct and this was not pledged as a credit of the City. He indicated what  
34 the City was doing as an issuer was serving as a conduit and allowing it to be tax exempt and as a  
35 result, that lowers the cost to the ultimate recipient who had to pay those bonds. He restated not  
36 one cent of the City would be pledged to payment of the bonds at any time, even in an event of a  
37 default.

38 David Kiefer, 19056 Jackson Street, asked what about the School District as the taxpayers who were  
39 the ones that paid for the School District. Larson responded he had dealt with a lot of general  
40 obligation bond financing, as well as revenue bond and conduit bond financing, etc., but when it  
41 came down to really what are the financial implications were with respect to the issue, he was going  
42 to defer that question to the bond counsel with the Dorsey firm. He noted he was not dodging the  
43 question, but he wanted it to be answered with the best person possible.

1 Ms. Rhonda Skoby, Dorsey and Whitney, stated she represented the City as bond counsel for this  
2 financing. She stated to answer the question about the School District, if the borrower defaulted on  
3 the bonds, it does not flow to the School District as there would be a mortgage on the property and  
4 that property would be used to pay the bonds.

5 Ms. Skoby indicated the reason the School District came in was because the students at the program  
6 were entitled to a free education, which meant the School District would provide that education and  
7 there would be an agreement. She could not speak in as much detail as the borrower could to the  
8 state of negotiations of that agreement, but the program costs were through the lease and that was  
9 why they the School District was involved. She noted if the bonds were defaulted on and not paid,  
10 that never went to the School District.

11 Mr. Kiefer noted the City did not have a good record when it came to this type of thing when they  
12 cosigned years ago for Castle Towers Mobile Home Park, and the owner went bankrupt with the City  
13 ending up owning the trailer park. He stated this was worrisome. Ms. Skoby responded that  
14 sounded like a different type of financing.

15 Mundle stated it was Court ordered that the City had to do that. Mr. Kiefer indicated that was still  
16 not a good thing to do as a City.

17 Lewis stated it was the Council's core responsibility to the residents who elected them do to the best  
18 due diligence they could before they made decisions, and the Council took that seriously.

19 Mr. Kiefer stated the other issue was that Cambia Hills didn't even last a year and what happened if  
20 Nexus did the same thing and the City would have to sell the building to pay for the bonds.

21 Mundle stated it was his understanding that Nexus had a very different plan to achieve the same  
22 services and they would be starting off differently with different staff and a lower student population.

23 Mr. Kiefer indicated that was what the residents were told when Cambia Hills came in. He stated the  
24 City was told they would do a great job and it was going to be a great thing for the community.

25 Mundle stated and then it wasn't. He noted there was the pandemic that caused staffing issues.

26 Mr. Kiefer stated Cambia Hills had not followed State regulations to run the facility and there were  
27 young people who were injured because of it. He indicated there was a suicide attempt with a pair of  
28 scissors. He stated one of his concerns was if Nexus took over the building, were they going to have  
29 better guidelines for their staff than Cambia Hills did. He noted young people were in turmoil and  
30 needed guidance and they did not need somebody to just let them do whatever they wanted.

31 Mr. Kiefer indicated they had young people escape from the facility and one stole a vehicle and drove  
32 it down to Minneapolis. He stated when Cambia Hills came in, they asked if Cambia would have their  
33 own security but were told security was not needed. He noted the Sheriff's Department had told him  
34 they had many calls there, so then the cost of public safety went up too. He asked Council to inquire  
35 about Nexus hiring their own security so things like that did not happen again.

36 Lewis stated the City intended to do their due diligence and he had a thick folder with a lot of  
37 information on Nexus. He indicated he had been studying this with the help of a resident and had  
38 been doing research on the company and had a lot of information.

39 Mr. Kiefer stated the City did the same thing with Cambia Hills also. Lewis responded it took him 15  
40 minutes of Google research and he could see something with wrong with the Hills Corporation. He  
41 indicated he did not know who was doing the research, but they were not digging very hard.

1 Mr. Kiefer stated he hoped the elected officials were doing their due diligence to protect the  
2 taxpayers and the residents around Cambia Hills because that was not done when Cambia Hills came  
3 in. He hoped Nexus would be a different treatment center because a treatment center was needed.  
4 He stated he did not want this to negatively affect the residents or the School District.

5 Sharon Johnson, 20241 Highway 65, stated she was speaking in favor of the conduit bond. She  
6 believed the State needed this facility and she was satisfied there was little to no risk to the City  
7 financially though the conduit bond from what she had heard in the presentation.

8 Ms. Johnson noted there had been some social media out there about lost opportunity in taxes,  
9 which she believed was very minimal. She understood the impact would be \$25 per resident and she  
10 was willing to pay \$25 a year for this facility, even if the City did lose tax funds.

11 Ms. Johnson stated with respect to the security issue, she did think that was a concern and needed to  
12 be addressed. She believed the City and Council was doing their due diligence. She stated this was a  
13 moral issue also for the City to try and help the youth with mental health issues and to her the money  
14 was not as important.

15 Mr. Reiter, 19207 Staples Street, stated he understood from the presentation that the community  
16 would pay up to \$130,000 per year to rent classroom space, which would all fall on the School  
17 District. He noted it was not known whether the School District would be reimbursed from the  
18 students' home districts either so there would be an additional cost for this also. He indicated from  
19 his research, the property should take in approximately \$2 million in commercial and property taxes.  
20 He stated this facility was a 501(c)(3) and there are three conditions which would qualify for it not  
21 having to pay property taxes including if it was a government or educational facility, or a charity. He  
22 did not believe this qualified for any of the three as it was a private hospital. He stated the pilot was  
23 possibly invalid.

24 Lewis responded to clarify, the pilot agreement was payment in lieu of taxes, so the entity that  
25 doesn't pay property taxes pays some money to the City to help defray the cost of providing City  
26 services to them.

27 Mr. Reiter noted the previous owner agreed to a pilot of \$4,500 a year if they made a profit, but he  
28 did not believe this organization qualified for the non-taxation rights to that property. He stated he  
29 had heard from residents that the previous owner agreed to pay sewer and water charges to hook up  
30 to it, and those might not have been fully paid for. Also, he understood the facility agreed to pay for  
31 the road to be built in front of the facility and he again did not believe that had been fully paid for.

32 Mr. Reiter stated he had posted on social media that this might increase taxes \$40 to \$50, but if it  
33 was true this property should be assessed at \$26 million, the opportunity cost was looking more like  
34 \$300 to \$400 per resident which was a very high cost of allowing a commercial entity not to pay their  
35 due taxes.

36 Davis stated all utility bills had been received and the special assessments on the road construction  
37 and water and sewer were up to date. He noted if the property were sold, that balance would be  
38 paid off in full time settlements.

39 Lewis asked what was still in arrears currently. Davis responded there were no arrears and  
40 everything had been paid the entire time. He indicated there were still \$243,000 owing on special  
41 assessments – another eight-year construction that counted the road and the water and sewer.

42 Miller asked if they were paying this the entire time. Davis responded they had and all payments had  
43 been made. He noted they got a special assessment twice a year on their tax statement and even

1           though they were tax exempt, they did receive a tax statement, which did have the special  
2           assessment amounts.

3           Ruth Larson, 18440 Jackson Street, stated they all knew there was a need for these kids, but she was  
4           also worried about the School District. She heard they would be hiring staff at \$20-25 per hour and  
5           she did not know if the staff at the School District were getting paid that so she was concerned this  
6           facility would be drawing more of the School District's special education staff over to that facility.

7           Ms. Larson inquired about the \$7 million from Anoka County. She asked if the City would be liable for  
8           that.

9           Ms. Larson believed everyone's tax statement in the City would also be going up and asked would the  
10          St. Francis School District go up as much as theirs was across the board. Davis responded it was the  
11          entire School District.

12          Ms. Larson stated she was concerned for the students and hoped they had well trained staff as  
13          mental health was a serious issue and if they did not have the right staff, it would fall apart.

14          Brian Bezanson, 22337 Quincy, stated he had heard a lot of rumors about how Cambia Hills went  
15          down and he believed that needed to be corrected. He noted because Cambia Hills had a bad  
16          business plan, was not necessarily a reflection on Nexus. He indicated he had doubts himself after  
17          sitting through the first Nexus meeting. He noted he had spoken with Superintendent Anderson also  
18          and he did not believe Mr. Anderson had any objection to this. He stated he personally did not see  
19          that there was a risk to the City and he believed this would be a benefit to the community.

20          Lori Dagle, 1913 233<sup>rd</sup> Avenue NE, stated she had a child who had significant mental health needs and  
21          was in District 15. She noted all three of her children went through that District and the middle child  
22          wouldn't be served by this District or by the St. Francis District so they had to go out of the District to  
23          get him the care he needed. She indicated they had to go to 916 and the St. Francis School District  
24          did pay 916 for that service. She stated not only did they pay for his education, but they paid for  
25          transportation of him all the way to White Bear Lake and back every day. She believed that cost a lot  
26          more than it would have if there had been a place in the local School District with local teachers  
27          teaching him.

28          Ms. Dagle stated when it got to the point where her son needed inpatient treatment, there was  
29          nothing around the State to help him and he had to go to a facility in Wisconsin. She stated this  
30          facility was needed in their community and she did not think there was any risk. She asked when  
31          Cambia Hills failed, did the City pay anything and did the taxpayers pay anything. Davis responded,  
32          no and that Cambia Hills was privately owned.

33          Davis stated there was some misconceptions that the City had some ownership in the building and  
34          property, but this was built privately and when the facility failed, it did not affect the residents  
35          financially.

36          Ms. Dagle stated it sounded like Nexus would not affect the City of East Bethel financially either. She  
37          thanked the City and Council.

38          Ruth Larson asked what benefit did the City get out of this program. Davis responded the City would  
39          get to reopen a vacant building. He noted one of the worst things a City could have for economic  
40          development was having the building vacant. He indicated they originally thought this might be the  
41          beginning of trying to develop some type of a medical base segment for the City. He noted this was a  
42          beautiful facility and it did facilitate their economic development program and marketing. He

1 indicated it also showed the City was trying to have progressive top facilities in the City. He believed  
2 these were good for the community.

3 Davis stated they did not pay taxes because they were tax exempt. He noted Cambia Hills had  
4 entered into a pilot program, which they started out with an agreement to pay \$4,500 if their  
5 revenues were 103%. However, they never reached that because they were only open for 9 months.  
6 He stated as far as revenue, the City didn't get anything from Cambia Hills, but the City did receive  
7 other things that were of a benefit to the community.

8 Davis indicated with respect to jobs, if people work in the City, they were going to stop at the  
9 convenience stores for gas, etc., or they might stop by a restaurant for lunch. He noted this also had  
10 a potential multiplier effect in the community to take those dollars and put them in local hands so  
11 they could turn over more than one time.

12 Dr. Michelle Murray, CEO Nexus, and Scott McGuire, CFO Nexus, approached the podium.

13 Dr. Murray congratulated Mayor Lewis on being elected Mayor. She thanked everyone for their  
14 comments. She stated she wanted to address some of the concerns that people had expressed. She  
15 stated this was a difficult business with youth with serious mental health issues who had a lot of  
16 traumas. She noted sometimes brain issues got in the way of effective functioning and this was  
17 challenging. She indicated this was a hard business and they were not going to promise that it would  
18 always be smooth sailing as they were going to have challenging kids as well as staffing issues at  
19 times.

20 Dr. Murray stated they were responsible for training their staff, which they would do, but this was a  
21 hard job. She indicated for staff to learn how to do it took a lot of time when they were dealing with  
22 human lives. She acknowledged this was not a perfect science.

23 Dr. Murray indicated Nexus had been in business since 1972 providing these type of services. She  
24 stated this was the backbone of their business and what they did. She indicated they would partner  
25 with any business, entity, or stakeholder to ensure they were good neighbors in the City.

26 Dr. Murray wanted to make it clear that the kids they were serving were not in detention and if the  
27 youth were in the Court system, then they went to juvenile detention, which was not what this was.  
28 She stated juvenile detention was a locked facility and this was a mental health arm. She indicated  
29 the kids could be very challenging and it did not change the issues of what they would have to  
30 address, but these youth were not juvenile Court ordered kids. She stated these kids were in need of  
31 mental health services and they were there either voluntarily or because the Counties in the State  
32 need to help the families get the right help.

33 Dr. Murray stated she knew there were concerns about them taking staff from the other schools, but  
34 they were not going to be running a school; the School District would be running the schools and it  
35 was up to the School District to figure out how to do that. She indicated they would not be  
36 competing for teachers unless they wanted to stop teaching and wanted to become mental health  
37 counselors, which was very different than teaching, and also had lower pay than what a teacher  
38 would make. She stated it was not their intent to come to the City and take other workers away.

39 Dr. Murray noted it was a very different lifestyle to be a mental health counselor compared to a  
40 teacher or a paraprofessional.

41 Dr. Murray stated with respect to Cambia, Cambia did the best they could to build this facility. She  
42 noted Minnesota had never seen this level of care and the last 5 years had been a learning curve for  
43 the State. She indicated Cambia promised a lot of things about how the State would back them up.

1 She noted Cambia was operating at a very different time than now and they had learned a lot about  
2 the psychiatric residential treatment facility in the last five years, and that was the reason they had  
3 not come into Minnesota previously, because the State did not have things figured out yet. But they  
4 had come a long way now and the State had been a good partner in learning from past mistakes.

5 Dr. Murray stated their rate was significantly higher than what Cambia had because they had now  
6 lifted the cap on the rates and now they were able to charge a rate that actually paid for the direct  
7 allowable expenses where Cambia was not allowed to do that. She noted the other thing that  
8 impacted Cambia was that they wanted PRTs to follow and the reason they were following that was  
9 because the State was still learning and they did not know if they should be following the Department  
10 of Health regulations or the Department of Human Services regulations, but the State had now  
11 figured that out for providers so there was a lot more clarity about what regulations they were  
12 accountable to.

13 Mr. Murray noted with respect to insurance, the providers were told that insurance would pay for the  
14 kids, which was not the case. Because a PRTF was different than other residential treatment in the  
15 State because the State wasn't used to the PRTF, but now with legislation that just passed, insurance  
16 had to pay for this level of mental health care and it could not be denied. She indicated this was not  
17 how it was when Cambia started.

18 Dr. Murray stated with respect to staff, this was always an issue with any business and it was difficult  
19 to get staff, but they were going to have the same challenges and they were going to have to work  
20 hard on that.

21 Dr. Murray stated with respect to the hold harmless with the school, there were still a lot of  
22 uncertainty from the St. Francis School District about how they were under a grandfathered billing  
23 and they were worried that they would not be able to build the home school district.

24 Lewis requested a further explanation on the hold harmless thing.

25 Dr. Murray noted she was not an educator, but it was her understanding that there were different  
26 ways the school districts billed for students based on the State, and St. Francis School District was still  
27 a part of the hold harmless billing. She believed rather than being able to build new revenue coming  
28 in, they had to spend down what they already had in order to build new, so they were worried that  
29 by bringing more students in, they would not be able to build the home school district to bring in  
30 revenue and they would have to pay out of pocket.

31 Dr. Murray stated St. Francis already had done with another residential entity through VOA where  
32 they had a program that they billed for the regular education students and they are able to bill the  
33 home school district for those charges. So, it was not a cost to the School District to educate the  
34 regular education students. She indicated they were projecting approximately 50 percent of the kids  
35 would be regular education and the other 50 percent would most likely be special education. She  
36 noted the amount they had potential to bill for the regular education could offset the special  
37 education, so it was not a drastic cost to the School District that they had initially thought. She  
38 indicated with Cambia they were projecting 60 plus kids, but with Nexus there were going to be less  
39 students and they would have a different agreement. She believed there would be a drastic  
40 reduction from what they had experienced with Cambia.

41 Scott McGuire stated the payroll was \$20 million, which was a considerable amount of money that  
42 was going to be coming into this area.

1 Dr. Murray stated the kids would stay in the facility for school along with the teachers, but they don't  
2 have to do it that way and it was up to the School District decision as to how they wanted to do this.  
3 She indicated the School District had the option of paying for a lease and keeping the kids there and  
4 bringing the teachers in. They also had the option of bussing the kids out elsewhere. She indicated it  
5 was their understanding they did not have the facility to do that and they would prefer to do it there.  
6 She stated they knew the District would prefer to have a co-op do it and that was why they were  
7 talking to other partners.

8 Dr. Murray indicated they had this building, which they had not built, that had 10 classrooms in it and  
9 those classrooms would not be a part of the treatment program, but they were in the same building  
10 for safety reasons. She indicated when the School District came in to operate the classrooms the  
11 students would get the same education that they would legally anywhere else.

12 Jordan Lahti, 22713 Palisade Street, asked with respect to the lease, would the School District be  
13 paying it as well as bringing in staff and they have to pay to use the facility.

14 Dr. Murray stated this is the same for the School District right now and if they had to go somewhere  
15 to educate, they have got to pay. She noted they either have to buy a building or pay a lease. She  
16 noted they had looked at the space and indicated they could use the space. She indicated the School  
17 District could also use the space for other reasons also not necessarily having anything to do with the  
18 kids. She stated they were looking at the space now because they needed the space for their  
19 education. She indicated they could go anywhere and just lease space for the school and then they  
20 build that as part of their charging back the home districts coming out of there. She noted it was no  
21 different than how they are doing their building costs now.

22 Mr. Lahti stated the costs they were incurring, were going to be incurred for these children to come  
23 in to be educated and the taxpayers of East Bethel were going to be picking up those costs. Ms.  
24 Murray responded it depended on the child, the school, and the funds that they had. She indicated  
25 regular education students were coming from the taxpayers, but they could bill outside of the County  
26 for those kinds. She indicated the County was not paying for regular education of the students that  
27 came from another school district. She stated the School District would bill that home county for that  
28 education and they are supposed to get reimbursed.

29 Mr. Lahti inquired about special education. Ms. Murray responded special education had to go into  
30 their hold harmless, but the revenues that they brought in for the regular education could go towards  
31 that, or they could use their billing mechanisms that they had now for that.

32 Mr. Lahti asked where the billing for the special ed came from. Dr. Murphy responded that came  
33 from the State formula. She noted special education had a State formula. She noted they were  
34 billing the State, but with their hold harmless the school would be a little more worried about this  
35 because they have a hold harmless. She noted they already had pockets of money to spend in this  
36 District, so they cannot get new revenues until they spend it and that has to do with special ed.

37 Lewis requested more clarification on the hold harmless. He indicated the reason he was asking was  
38 because there was another hold harmless phrase that was applied to the bonds and if they use the  
39 City's \$10 million per year bond limit and the City wanted to do anything else, then they have a  
40 higher interest rate. He stated that was about as confusing as this one.

41 Ms. Skoby stated there was a hold harmless in the bonds. She explained the bonds would be issued  
42 as bank qualified bonds, which meant banks in particular could invest in this type of bond at a tax -  
43 exempt rate. She indicated this type of bond was only available to small issuers, and it defined a

1 small issuer as a municipality that issued less than \$10 million in a year, so this issuance would use  
2 the full East Bethel \$10 million amount.

3 Ms. Skoby indicated as far as she knew, the City had no plans to issue any other bonds in 2023, but if  
4 something happened and the City needed to redo all of the road, or a situation where the City  
5 needed to issue bonds, the City's emergency bonds could not be issued as being qualified. She stated  
6 they would be issued at a higher interest rate than they would otherwise be issued.

7 Ms. Skoby stated the bond documents did include hold harmless language, so any difference any  
8 increase in interest rate that the City had to pay because it could not issue its bond on a bank  
9 qualified basis, that cost also got passed to the borrower. She indicated her fees, if there were any  
10 City audit fees, or if the IRS said there was a problem, all of that would get passed to the borrower  
11 (Nexus).

12 Mr. McGuire noted someone had asked what were the benefits to the City for this project, and Davis  
13 had done a nice job of articulating it, but there was one thing left out and that was that the borrower  
14 could pay up to \$100,000 to the City for them being the conduit of this deal. He indicated that was a  
15 fee they could charge up to \$100,000 to them that they would then pay to the City of East Bethel.

16 Ms. Larson asked if there was more money coming in from the special education from the State than  
17 there was from the regular. Dr. Murray stated she was not an educator and she believed it would be  
18 better for the School District to talk about this, but schools really struggle with special education even  
19 though there was a high rate and the way it came in did not always work penny for penny. She  
20 indicated the special education rate had more to do with the hold harmless and the funds of the  
21 District.

22 Ms. Larson stated she knew the only School District for special education was a lot higher than the  
23 regular education. Dr. Murray that was correct, but they could not bill back to the home school  
24 district for the special education the way they could for the regular education, so what they did was  
25 they could bill the home school districts of these kids and get that revenue so they were not taken  
26 out of their own packet. She noted they do that right now with the VOA.

27 Dr. Murray stated they were here today to seek a positive City Council vote for their loan from the  
28 City being a bond conduit, so that they could acquire a reduced interest rate when they purchase the  
29 building. She stated the vote today was not about them coming in and the City and doing the  
30 programming or how this was going to impact the school, but about them getting the City's support  
31 to do the conduit bond financing so they could get a lower interest rate.

32 Dr. Murray indicated the City in 2018 already supported the building of this site to be built specifically  
33 to provide mental health services to youth and the building had already been built. She noted the  
34 City had many investors and invested in the City to build this building. She stated at that time the City  
35 issued a CUP, which was attached to the land and the building to be used for a designated purpose.  
36 She noted they had every intent to follow all the rules and regulations regarding that conditional  
37 permit, but that was already in use and connected to the building.

38 Dr. Murray stated Nexus was pleased to be able to continue the mission that was intended when the  
39 building was built to provide much needed medical health services for the youth in Minnesota. She  
40 wanted to make it clear to Council, the vote tonight would not affect any part of the plans to restore  
41 the building to its intended use and those plans would proceed. She indicated they had every intent  
42 to purchase the building and return the building for its purpose to serve kinds with mental health.

1 Dr. Murray indicated the vote had nothing to do with them coming in buying a building or to provide  
2 services; it was only about saving them money. She stated their target date for accepting the first  
3 youth was by December 1 and that process was unfolding according to plan was unrelated to the  
4 questions in front of the Council tonight. She noted all of the necessary permits and applications  
5 were submitted and were in place for them to proceed.

6 Dr. Murray stated when the program was restored, the local School District would need to provide  
7 the education and they had said that they would provide that or they would find another District to  
8 provide the educational services per State education law.

9 Dr. Murray indicated Nexus was working in partnership with Superintendent Anderson and his staff  
10 to find the best option for this educational program, but this was completely unrelated to the matter  
11 in front of the Council tonight. She stated the School District understood they would be operating in  
12 a program with or without the Council's vote; they would be operating this program, and they were  
13 committed to providing the education and working with them to find all of the possible solutions.

14 Dr. Murray stated there was no financial risk to the City and voting no meant that their costs  
15 increased by \$3.5 million, which would result in higher costs to the education system – it would  
16 make their lease go up, because they had to have a way to pay that 3.5 million. She noted it would  
17 also increase the taxes of the State because the taxpayers of the State and not just the City would pay  
18 for the services to be done.

19 Dr. Murray indicated a positive Council vote was not a vote to endorse them coming; they were going  
20 to run the program and they had every intent to purchase the building. She noted the vote had  
21 nothing to do with them coming or not coming and they would be providing the service. She stated  
22 the vote of a positive was about endorsing the City to receive up to \$100,000 cash payment in fees to  
23 sue however the City wanted, and it was about taxpayers in the State saving tax dollars as well as  
24 having a more reasonable lease cost to the school to provide the schooling.

25 Dr. Murray stated the conduit financing allowed Nexus to pay lower interest and it would lower  
26 everybody's cost, including how much the lease for the educational space would cost the District.  
27 She noted the savings did not go into their pockets and they were not asking for this reduction  
28 because it was going to be more money for them.

29 Dr. Murray noted they would not make a profit on this business and they were not allowed to make a  
30 profit because of Federal and State dollars that got used – it was simply going to turn into more of the  
31 State having to pay for this and their tax dollars paying for it. She indicated the only entity that would  
32 make money on this were the banks and the vote was about saving taxpayers money.

33 Dr. Murray stated one of their concerns was somewhere along the way when word got out that they  
34 were planning to come in, people seemed to have intertwined the District's concern about educating  
35 the youth and finding staff. She acknowledged it was hard to find staff, but they seemed to have  
36 intertwined that problem with the purpose of this vote. She encouraged everyone to not combine  
37 issues or concerns that did not actually have anything to do with one another.

38 Dr. Murray stated they hoped the City would partner with them and the City would accept them and  
39 in return they would try to be good stewards, neighbors, and partners. She asked the Council to  
40 please help them make this more financially viable as they were a non-profit.

41 Brian Bezanson stated Dr. Murray had not spoken about security to keep the children safe and  
42 contained at the facility. Dr. Murray responded they could hire security as they were not regulated  
43 by the State and the State would not allow it because this was a treatment center for mental health

1 and they did not want any kind of co-mingling and mixing of any kind of security presence with  
2 mental health. She indicated they would train their staff to follow the proper procedures and they  
3 would work with the Police Department about the impacts that they had. She noted they would have  
4 24 hour a week staff to watch the kids and those ratios had a lot to do with security also, which  
5 would be three kids to one staff. She noted they would only have 38 kids in the program versus the  
6 60 that the building was originally designed for. She stated most of the kids would also have their  
7 own single room, which also helped with security as well.

8 Mr. Murray noted she was not discussing security in the classrooms though, as they were not in  
9 charge of the classrooms, but the actual hours when they were doing the treatment. She stated the 3  
10 to 1 ratio was not the people in the building either, but the actual staff hired to be working and  
11 supervising the kids directly.

12 Paula Marsh Geurts, 4356 200 Lane NE, stated she was a former Cambia employee from the  
13 beginning and there were some things that absolutely happened, but it was unfortunate they did not  
14 hear about the good things that had happened. She indicated there were many stories about children  
15 that suffered and came out better children after treatment. She stated the staff cared about the  
16 children and the children did well, even though it was challenging. She noted there were many  
17 wonderful things that happened at Cambia Hills. She noted working at Cambia Hills was the best job  
18 she had ever had.

19 Joe Reiter, 19207 Staples Street, believed there was a disconnect about what was being talked about  
20 with one being the compassionate services that Nexus provided and the other was how was it going  
21 to get paid for. He noted he was only speaking for himself, but his concerns were that the CUP on the  
22 facility would need to be completely revised as it was written for Cambia Hills.

23 Mr. Reiter stated the normal course of action was a CUP would go before the Planning Commission to  
24 be considered and advice would be given to the City Council, but this had not been done yet.  
25 Additionally, he pointed out that the facility sat on a 40-acre section of prime commercial land and  
26 taxed at a correct rate, it would bring in the City about \$2 million.

27 Mr. Reiter indicated this was the largest facility in the City and by not paying any taxes, it was going to  
28 leave a big gap in how the City funded other things. He asked if Nexus planned to pursue  
29 continuation of the current payment in lieu of taxes, or would they operate as a regular commercial  
30 facility. He stated he would prefer that it was not borne on the residents, but rather the State agency  
31 that was paying for them.

32 Ms. Johnson stated the vote tonight was on the conduit bond and it was not about whether the CUP  
33 was valid or not and she believed that was what they should be thinking about right now.

34 Davis stated with respect to Mr. Reiter's comments, he had discussions with Nexus and they were  
35 working on revising the pilot program and also making those modifications to the CUP.

36 Davis stated he did not think the property was ever rezoned commercial. He indicated the previous  
37 owners wanted to sell the property and retire. He noted the City had informed the previous owners  
38 if they were ever interested in selling to contact the City and when Cambia was looking, he directed  
39 Cambia to the owner of the property. He noted the building was currently in receivership and the  
40 City was never involved in the ownership of the building – it was totally privately owned. He  
41 requested Mr. Fuglie of Certas Financial to explain the receivership process.

42 Robert Fuglie, Service Financial, stated they were the Court designed receiver. He noted receivership  
43 was a special case of ownership whereby the default was set aside to have the property returned to a

1 use for its highest and best purpose. He indicated Service Financial represented all of the creditors  
2 and they are agnostic in this process.

3 Mr. Fuglie indicated their role was to preserve the building and to make certain the payments were  
4 paid as they should be, and to act as a proxy for an owner. However, he indicated the building was  
5 technically not owned by anybody right now and it was a special place similar to bankruptcy, but  
6 without the bankruptcy protection.

7 Lewis closed the Public Hearing at 8:31 p.m.

8 **Mundle stated I'll make a motion to adopt Resolution 2023-40, Resolution Relating to a Financing**  
9 **Under Minnesota Statutes, Section 469.152 through 469.165, As Amended, on Behalf of Nexus**  
10 **Diversified Community Services; Authorizing Execution and Delivery of Documents Relating**  
11 **There to. Miller stated I'll second for discussion purposes. Lewis asked any discussion?**

12 Miller stated he had never heard of a company coming in without a Conditional Use Permit in place  
13 with this kind of money involved. He indicated he was not saying it was not done, but he had never  
14 heard of it.

15 Miller stated he did not feel comfortable doing this. He indicated he did not like the idea that the City  
16 would get \$100,000, but Nexus was going to have \$3.5 million savings over the life of the loan. And if  
17 the City did not do it, then Nexus would not save this money and it would cost the residents more.

18 Miller indicated there are too many open holes. He realized they were talking about a conduit bond,  
19 but they did not know the actual impact. He acknowledged places like this facility were needed, but  
20 he didn't feel comfortable voting in favor of the bond given a "if you do or don't situation".

21 Miller stated CUP's were put in place to prevent things from coming in that the residents did not  
22 agree with and that was the reason CUP's were important and required. He noted the current CUP  
23 had not been looked at in three years and it was not up to date. He indicated the CUP was supposed  
24 to be looked at annually, which had not been done and it had Cambia Hills written all over it. He  
25 stated they could not fill in the blanks or start crossing out names. He noted this had not been sent  
26 to the City Committees either and that was why they had the Committees. He stated this was his  
27 opinion.

28 Miller stated there are too many openings to say, "Yes, let's do this". He indicated it was going to cost  
29 people more money if they don't and that was how he felt about it.

30 Smith stated he agreed with Miller, and to him it looked like they were "putting the cart in front of  
31 the horse". Smith indicated they still need questions answered (especially with Superintendent  
32 Anderson). He noted other people were making answers for Superintendent Anderson and he was  
33 not at this meeting to answer questions. He stated he wanted to hear from Superintendent  
34 Anderson soon.

35 Smith stated he definitely agreed with Miller that residents looked out for other residents. He  
36 indicated Cambia Hills was a disaster, and they have to be very careful so that doesn't happen again.

37 Mundle asked how much time was needed for this to be passed and what was the timeframe looking  
38 like. Mr. McGuire responded if they were not on pace to close on this by August 1, they would have  
39 to delay their first client into March, 2024. He indicated the reason for this was because they did not  
40 want to try and hire staff over the holidays. He asked if the City was talking a couple of weeks.

41 Davis responded if they wanted to have another public hearing, it could come up at the June 26, 2023  
42 Council meeting.

1 City Attorney Larson stated the Council had closed the public hearing which indicated that the public  
2 hearing process for this particular bond consideration on that particular component had been met.  
3 He indicated Council could table or continue this for further discussion and deliberation if they  
4 wanted. He stated if the Council tabled this, it could be back on the next Council agenda on June 26<sup>th</sup>.

5 Lewis stated with respect to the research he referred to earlier, there were issues in the past about  
6 negative things that Nexus facilities and other people's facilities, and given the business they were in,  
7 it did not surprise him in the least. But he noted there was one thing that surprised him and that was  
8 at Nexus' operations in Austin and Onamia, they were paying property taxes. He asked what was the  
9 reason why they would pay property taxes on those two facilities and not this facility when they were  
10 in the same State.

11 Mr. McGuire responded they are not certain yet whether or not they qualify for it. He noted they  
12 were a 501(c)(3).

13 Mr. Fuglie explained that in the State of Minnesota, the tax exemption was issued under an IPPC,  
14 which was an institution for a purely public charity. He noted there was a series of tests that were  
15 required for that, that was approved by the County. He stated the PRTF program in the State, was by  
16 its nature, a zero-gain provision in care. So there was no profit motivator for the care provider, which  
17 directly meant that in Minnesota PRTs would be run by not-for-profit organizations. He indicated  
18 based on their discussions with Anoka County, and then also as precedent in other operations and St.  
19 Peter, in Nicollet County, and in Duluth, in St. Louis County, those PRT apps were classified as tax  
20 exempt. Lewis thanked him for the clarification.

21 A member of the audience asked what PRT stood for. Mr. Fuglie responded it was Psychiatric  
22 Residential Treatment Center.

23 Mr. McGuire noted with the three and a half million dollars of savings to them, that was just  
24 mentioned, they did not make profit on it. He indicated they had zero profit potential, the three and  
25 a half million was actually savings to the taxpayers in Minnesota, not to them. He stated that was not  
26 savings to them because they were reimbursed by the taxpayers of the State of Minnesota.

27 Mr. McGuire stated with respect to Mr. Anderson, he had been invited and was aware of these  
28 meetings, so he was not sure why Mr. Anderson had not shown up to give the Council an update.

29 Mr. McGuire stated he knew the Council wanted to hear from Superintendent Anderson and he  
30 would like to hear from him also in front of this audience.

31 Smith noted all he heard was from Nexus, saying what Superintendent Anderson had said and he  
32 wanted to hear directly from Superintendent Anderson.

33 Mr. McGuire understood Smith's concerns and that this was hearsay. He indicated it would be great  
34 if they could get Superintendent Anderson to come to the June 26, 2023, meeting.

35 Miller asked if that delay still applied for reimbursement they were talking about on how the State  
36 paid it back. Mr. McGuire responded that would be best answered by Superintendent Anderson as it  
37 was not in his "wheelhouse."

38 **Mundle stated I'll make a motion to table this to the next Council meeting. Miller stated I'll**  
39 **second.** Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked  
40 any opposed? That motion passes. **Motion passes unanimously.**

41 Lewis noted again that no major decisions would be made until they had a full Council.

#### 42 **4.0 D Public Hearing: Off Sale Liquor License – Bethel Liquor**

1 Davis stated that staff is recommending that Council conduct a public hearing regarding an Off-Sale  
2 Liquor License for Bethel Liquor, LLC as required by East Bethel City Code, Article III, Intoxicating  
3 Liquors, Section 6-55. Per notification requirements, the public hearing for this date was published in  
4 the *Anoka County Union*.

5 Davis indicated at the conclusion and close of the public hearing, Council will be requested to  
6 consider the approval of an Off-Sale Liquor License for Bethel Liquor LLC, dba: Snak Atak #4 located at  
7 23733 Highway 65 NE.

8 Davis stated the applicant is the new owner of the property, which previously held an identical  
9 license. All application materials, completed background checks, and fees have been submitted for  
10 the Off-Sale Liquor License.

11 Davis noted final approval of the license would be contingent on approval of State Commissioner of  
12 Public Safety. Approval of Council is required prior to action by the State.

13 Davis recommended conducting the public hearing to receive comments on the Off-Sale Liquor  
14 License for Bethel Liquor LLC, dba: Snak Atak #4. Once the public hearing is closed, and if there are  
15 no reasons to deny the license, staff recommends Council consider approval of an Off-Sale Liquor  
16 license for Bethel Liquor LLC, dba: Snak Atak #4 located at 23733 Highway 65 NE, East Bethel, MN  
17 55011.

18 Lewis opened the Public Hearing at 8:47 p.m.

19 Jeff Fry, 1635 207<sup>th</sup> Lane NE, asked if the City could fill the pothole on Eveleth Street just south of  
20 209<sup>th</sup>. Lewis asked how did this relate to the liquor store. Mr. Fry responded it did not relate to the  
21 liquor store. Davis stated he had noted this.

22 Lewis asked if anyone wanted to say anything about the liquor store.

23 Lewis closed the Public Haring at 8:48 p.m.

24 **Miller stated I'll make a motion to approve an Off-Sale Liquor License for Bethel Liquor LL, dba:**  
25 **Snak Atak #4 located at 23733 Highway 65 NE, East Bethel, MN. Smith stated I'll second.** Lewis  
26 asked any discussion?

27 Miller asked if Council could get these permits or forms for things they were approving filled out. He  
28 understood if there were a couple of things scratched out, but he wanted things to be more precise  
29 so he didn't have to look all over the place. He stated he did not have a problem approving this  
30 though. Davis responded if they wanted to copy the application, staff could certainly provide that.

31 Miller stated he did not want to change a copy of an application, he just wanted it filled out a little bit  
32 better so there was more information.

33 Smith stated he understood this had to be approved by the State. Davis stated Council approved it  
34 now and then the final approval was done by the State. He noted once it was approved by Council,  
35 then it was sent to the State for them to issue their final approval.

36 To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.  
37 **Motion passes unanimously.**

## 38 **5.0 Public Forum**

39 There were no comments made.

## 40 **6.0 Consent Agenda**

- 1 ~~Item A: Approve Bills~~
- 2 ~~Item B: Approve Meeting Minutes May 22, 2023 City Council Meeting~~
- 3 Item C: Resolution 2023-41 Juneteenth Holiday
- 4 ~~Item D: AHS Impound/Kenneling Contract~~
- 5 ~~Item E: Overlay Project Bids~~
- 6 Item F: 2023-2024 Liquor Licenses
- 7 Item G: Resolution 2023-42, Cedar East Bethel Lions Temporary One Day Liquor License
- 8 Item H: Resolution 2023-44, Allowing Route 65 Temporary Liquor Sales in a City Park for Booster
- 9 Days Event
- 10 Item I: Resolution 2023-45, Allowing East Bethel Booster Days Inc. to Conduct a Raffle for Booster
- 11 Days Event

12 **Miller stated I'll make a motion to approve the Consent Agenda. Smith stated I'll second.** Lewis  
 13 asked any discussion? Smith requested to pull Item A. Lewis requested to pull Items B, C, and E.  
 14 To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.  
 15 **Motion passes unanimously.**

16 **6.0 A Approve Bills**

17 Smith asked under the Fire Department, Metro Garage Door, what was that for. Davis responded  
 18 that was part of the result of an OSHA inspection and they had to replace the closure sensors and the  
 19 control boxes in all three fire stations.

20 Smith asked what the Eckberg Lammers charge in the amount of \$9,975.75 was for. Davis responded  
 21 that was their prosecution fee. He indicated this was their flat fee that they charge for doing  
 22 essentially, code enforcement cases.

23 Smith asked what the other Eckberg Lammers charge in the amount of \$6,428.00 was for. Davis  
 24 responded that was for the civil services. He indicated they had some unusually high interactions with  
 25 the City Attorney involving some of the code enforcement cases. He indicated he had a copy of the  
 26 bill if Smith wanted to look at it.

27 Smith asked what the third charge for Eckberg Lammers was for in the amount of \$864.00. Davis  
 28 responded that was the cost for the Prairie Hill Subdivision but that was paid from their escrow  
 29 account.

30 Smith asked what was the NACA County charge in the amount of \$1,000 for. Davis responded that  
 31 was for the updates annually the City paid every two years for the updates for the aerial photography  
 32 that they did countywide as part of our GIS system.

33 Smith asked if this \$1,000 was for them to fly a drone. Davis responded they did overflights with an  
 34 airplane.

35 Lewis asked under assessing, he assumed the \$14,008.28 was a quarterly payment for next year's  
 36 assessments being done this year. Davis responded that was the quarterly payment for the first  
 37 quarter of this year for next year's assessment.

38 Lewis inquired about the elections charge. Davis responded that was part of the JPA agreement that  
 39 the City paid Anoka County for the servicing and maintenance of the election machines they had at  
 40 the City. He noted there were six election machines that were stored at the City. He indicated the  
 41 City had a JPA agreement where the County maintained and serviced those machines.

1 Lewis asked under payroll what was MSRS/H.S.A./HCSP. Davis responded that was for the municipal  
2 state retirement system. And the HSCP was the hospitalization plan the City had. He indicated the  
3 City matched employee contribution to that MSRs system which was done on a monthly basis.

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

#### 7 **6.0 B Approve Meeting Minutes May 22, 2023 City Council Meeting**

8 Lewis requested on page 3 of 15, Line 9, change Marie to Murray.

9 Lewis requested on page 14 of 15, Line 29 through 31, insert the word "by" after "businesses".

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

#### 13 **Reconsideration of Consent Agenda**

14 Lewis noted Item D was the Animal Humane Society. Larson stated Lewis had pulled Item C, not D.  
15 Lewis indicated he had misspoken and intended to pull Item D and not C.

16 Larson stated Lewis should move for reconsideration of the prior approval and move that for  
17 reconsideration to approve C and pull Item D from the Consent Agenda.

18 **Lewis stated I'll make a motion for reconsideration of the prior approval and move that Item C be**  
19 **approved and Item D be pulled from the Consent Agenda. Smith stated I'll second.** Lewis asked any  
20 discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion  
21 passes. **Motion passes unanimously.**

#### 22 **6.0 D AHS Impound/Kenneling Contract**

23 Lewis asked on the Animal Humane Society impound kennel contract, was that a change in the  
24 procedures. Davis responded the City had the contract with Animal Humane Society before it was  
25 approved. He noted last year the Animal Humane Society had a quarantine of their facility  
26 temporarily for eight weeks and did not take any animals. He stated it was then the City entered into  
27 that temporary contract with our Isanti County Animal Control, and this was just a renewal of the  
28 contract the City was previously working on.

29 Lewis asked if Coon Rapids was a drop off location. Davis responded that was correct.

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

#### 33 **6.0 E Overlay Project Bids**

34 Lewis noted the Resolution needed to be changed to reflect him as Mayor.

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

#### 38 **7.0 New Business. Commission, Association, and Task Force Reports**

39 No reports given.

1 **8.0 Department Reports**

2 **8.0 A Community Development**

3 None.

4 **8.0 B Engineer Report**

5 None.

6 **8.0 C City Attorney**

7 **8.0 C.1 City Attorney Report – Cannabis Bill, HF100A**

8 Davis presented staff's report indicating City Attorney Eric Larson would review the provisions  
9 HF100A Bill which contained the rules and regulations for license issuance for a cannabis  
10 business. The effective date of the most of the recently passed cannabis legislation was August 1,  
11 2023. Before this date, cities needed to take action on where, when, and how these types of  
12 businesses could operate within the municipality.

13 Mr. Larsen would review: What options did cities have for regulation; What obligations did cities  
14 have under Cannabis Bill HF 100A; Did the Cannabis Bill only create new laws for Cannabis  
15 businesses of do cities had to amend or adopt other ordinance or policies.

16 Davis recommended Council discuss this item for a response to this legislation.

17 Larson stated in light of fact that cannabis marijuana had been unlawful and illegal in the United  
18 States and the State of Minnesota for a long time, to make it legal opened up a number of issues both  
19 on a personal level, but also most importantly, for governmental bodies as far as oversight, regulation  
20 and what it meant with respect to the impacts on the community, and how best to essentially  
21 navigate those particular impacts.

22 Larson indicated right now, that piece of Legislation was 155 pages in length and it made sense given  
23 the fact that now they are looking at regulating something that had been overall strictly prohibited.  
24 He noted it meant that municipalities, counties, and the State, as well as the elected and appointed  
25 officials, and their attorney such as himself trying to assist them was really having a heavy lift.

26 Larson stated it was going to be an overall learning curve that they would have for a few years before  
27 they actually had to get their feet so solidly under them.

28 Larson explained the cannabis legislation was effective August 1, 2023. Cannabis, also known as  
29 marijuana, would be legal which meant that the possession of cannabis use, manufacturing, and sale  
30 of particular cannabis products would be legal in the State of Minnesota. He noted as a result, the  
31 State of Minnesota in this legislation was going to be forming a new office to oversee and regulate  
32 this new legal substance and that was going to be the Office of Cannabis Management.

33 Larson stated what was helpful was that the Office of Cannabis Management would be doing the  
34 licensing of any retail sale as well as the licensing of any businesses engaged in that particular process  
35 of growing for retail use all the way up to the retail sale itself, was not going to be up to counties or  
36 the cities to oversee the licensing and that licensing would not actually occur, it would not occur on  
37 August 1, 2023.

38 Larson indicated it was not until the Office had actually been created and had put together guidance,  
39 regulations, a license application, and overview process until the actual sale occurred in the State or  
40 even in East Bethel.

41 Larson stated what it did mean that was as of August 1 any person at the age of 21 or older, may use  
42 possess or transport cannabis paraphernalia; may possess 12 ounces or less of cannabis flour in a

1 public place; may possess two pounds or less of cannabis flour in a person's residence; and may  
2 possess or transport eight grams or less of adult use cannabis concentrate.

3 Lewis noted the prosecution and law enforcement was being handled by prosecutors, the County  
4 Attorney's Office, the State Public Enforcement, public safety personnel, as well as the Court system  
5 and the attorneys.

6 Larson stated he wanted to focus on what it meant as far as municipal regulation. Because when the  
7 City did get into the Office of Cannabis Management, looking and being prepared to provide licensing  
8 in place, then they were requiring that local municipalities have a registration process and actually  
9 register.

10 Larson noted that gets in that traditional time, place, and manner regulation, and zoning and land use  
11 oversight that municipalities do for all businesses. He noted that gets into if they are going to allow  
12 for retail sale of cannabis in the City and under what zoning such as distance restrictions, etc.

13 Larson stated they are going to need to determine what they are going to do as far as what  
14 information they are going to ask within their registration in order to help inform how they are going  
15 to go through that administrative oversight, and what fees they are going to impose noting there was  
16 a cap on those fees as far as what they could impose.

17 Larson stated they would have to make sure those fees were related to the administrative oversight  
18 that they are going to engage in, and they are going to have to look at what resources the City had in  
19 terms of the overall employment and human resources because the City could not refuse as of  
20 August 1, 2023.

21 Larson noted employment was based upon cannabis use, except for some particular excluded areas  
22 of employment where they could still have cannabis being a filter for particular types of employment,  
23 so it raised those type of issues. He indicated the Council had to be aware that people were going to  
24 be able to engage in home growth, but there were limitations with respect to that home growth of  
25 cannabis.

26 Larson asked how would the City regulate this and make sure that they have code enforcement, clear  
27 regulations, and a clear understanding by the residents of the community as to what they could  
28 legally do it with respect to home growth, and then the City's code enforcement and City Code itself.

29 Larson noted there was still a lot to be investigated, and this raised more questions than answers. He  
30 stated one of the things that they were lucky in the State of Minnesota was that we had the League  
31 of Minnesota Cities to collectively help try to essentially provide answers, templates, and guidance.

32 Larson stated one of the things that was available in the Legislation was that municipalities could  
33 impose a moratorium. He indicated a moratorium could be in place up until January 1, 2025, and that  
34 was the direction that at least at this point. He believed the City should at least look into a  
35 moratorium, but that did not mean the City had to keep that moratorium in place all the way until  
36 January, 2025. He indicated if at an earlier point, the City felt that it had a good grasp of the situation  
37 they could lift the moratorium before then.

38 Larson stated since licensing was not going to occur for some time, why would the City need to rush  
39 into a moratorium and that was one of the things he needed to research to see if it's necessary for  
40 the City to consider adopting a moratorium before August 1, 2023.

41 Larson stated he did not want any unintended consequences as well. He noted there were creative  
42 people out there that looked for loopholes, as well as for soft spots within a city and he did not want  
43 East Bethel to be a science hotspot, so he was thinking about that as well.

1 Larson indicated he gave his report verbally because he was still trying to get more of a command of  
2 this and intended to revisit this issue under the City Attorney report at the June 26, 2023 Council  
3 meeting. He stated he might have a recommendation for additional action steps to be taken on June  
4 26, 2023 or possibly sometime in July.

5 Lewis stated he looked forward to Larson's report.

6 Mundle suggested this could be brought up at the July Work Meeting. Larson stated he believed this  
7 was going to be an ongoing kind of discussion and he felt they were going to be layering on as far as  
8 what steps they take and how they took those steps as well as in what order. He believed that this  
9 was going to be an ongoing discussion for 2023 and throughout 2024.

#### 10 **8.0 D Finance**

11 None.

#### 12 **8.0 E Public Works**

13 None.

#### 14 **8.0 F Fire Department**

15 None.

#### 16 **8.0 G City Administrator Report**

17 None.

### 18 **9.0 – Other Items**

#### 19 **9.0 A Staff Report**

20 Davis noted due to Mr. Harrington's resignation, the Council needed to appoint a Councilmember to  
21 the City's EDA. He noted the City was required to have two Councilmembers on that Committee and  
22 Councilmember Mundle was presently on the EDA. He recommended the Council appoint another  
23 person to the EDA.

24 Lewis asked if he could appoint himself. Davis responded it would be best to have somebody else.

25 **Mundle stated I'll make a motion to appoint Mayor Lewis to the EDA. Miller stated I'll second.**

26 Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any  
27 opposed? That motion passes. **Motion passes unanimously.**

28 Davis stated on Wednesday, June 21, staff had called a special meeting with the Planning Commission  
29 and Council to receive a presentation from Capstone development. He indicated they want to show  
30 what their plans were for the Viking Meadows Golf Course property.

31 Lewis asked why that was necessary and why couldn't this be done at the Planning Commission  
32 meeting. Davis responded it was because they were very serious about doing this, and they wanted  
33 to give some background information to both bodies so when it came up at a Council meeting, there  
34 would be more time focused on the details.

#### 35 **9.0 B Council Reports**

36 Smith stated he has had a lot of people calling him and saying they thought the Nexus thing was a  
37 done deal. He asked if the City had received any calls. He stated he did not know where people were  
38 getting their information, but he wanted to put on the record that it is not completely done yet.

39 Lewis requested that staff try and get the packets out before Friday afternoon so the Council had  
40 time to review everything and ask staff questions. He recommended getting them on Thursday

1 afternoon. Davis responded they would try to do their best to get the packets out earlier and that is  
2 always staff's goal, but lately, they've been a little short-handed.

3 Lewis stated he would appreciate that. He asked if they could just get the agenda beforehand so they  
4 could work collaboratively on the agenda.

5 Mundle stated he had no report.

6 Miller stated he had no report.

7 **9.0 C Other**

8 None.

9  
10 **10.0 D Closed Session**

11 **10.0 D.1 Purchase or Sale of Real Property – Minn. Statute Section 13.D.0 subd. 3(c); Easement Acquisition**  
12 **for the University Avenue Street Reconstruction Project**

13 Larson stated thank you Mr. Mayor. For the benefit of the public, we'd note that at this time the  
14 Council's about to go into Closed Session to review an easement acquisition for the University Avenue  
15 Street Reconstruction Project.

16 This Closed Session will be tape recorded as required by Statute with that tape being maintained for a  
17 period of two years. The Council will come back into Open Session after having concluded its Closed  
18 Session and announce if there are any actions taken during the course of the Closed Session. With  
19 that being said, Mr. Mayor, I recommend that a motion be made to go into Closed Session for the  
20 purposes I've indicated.

21 **Mundle stated I'll make a motion to go into Closed Session at 9:20 p.m. for the purposes that City**  
22 **Attorney's indicated. Smith stated I'll second.** Lewis asked any discussion? All in favor say aye? **All**  
23 **in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

24 *(Council moved into Closed Session.)*

25 *(Council reconvenes Open Session.)*

26 Larson stated thank you Mr. Mayor. For the benefit of the public and for the record, we note the  
27 Council is back in Open Session after having concluded a Closed Session. The Closed Session was  
28 attended by the entire Council, City Administrator Davis, and himself.

29 Larson stated with respect to the decision made by this body the body had under the closed session,  
30 authorized purchase with the not to be disclosed purchase price at this time since that had not been  
31 secured and was still a confidential negotiating item for Eastman acquisition for the University  
32 Avenue Street Reconstruction Project. The actual purchase price itself would become public once that  
33 purchase agreement had been entered into between the city of East Bethel and the private property  
34 owner. Larson stated that was the end of his report.

35 **11.0 Adjourn**

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

38 Meeting adjourned at 9:20 PM.

39 Submitted by:

40 Kathy Altman

41 *TimeSaver Off Site Secretarial, Inc.*

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

**RESOLUTION NO. 2023-49**

**RESOLUTION DESIGNATING CHECK SIGNATORY APPROVAL**

**WHEREAS**, the City of East Bethel must approve those City officials designated to sign checks for the City’s First Bank and Trust Checking Account;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT:** the following persons are designated official signatories for the City of East Bethel’s First Bank and Trust Checking Account:

- Mayor:** Kevin Lewis
- Council Member:** Brian Mundle
- City Administrator:** Charles Davis

Adopted this 26<sup>th</sup> day of June 2023 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

\_\_\_\_\_  
Kevin Lewis, Mayor

ATTEST:

\_\_\_\_\_  
Jack Davis, City Administrator



June 22, 2023

Aaron Berg

Appointment/Offer of Employment – Community Development Director

Dear Mr. Berg,

At its regular meeting on Monday June 26, 2023, the City Council will consider our recommendation to make an offer of employment for the City of East Bethel Community Development Director position to you. The official start date of the position would be June 27, 2023.

- Starting Salary: \$89,793, Grade 11, Step A of the 2023 Pay Plan.
- Insurance Benefits: \$1,425 per month or \$712.50 per pay period
- PERA: Coordinated
- Vacation: Earned at a rate of ten (10) days per year or 3.08 hours per pay period. You may use the vacation as you accrue the time.
- Sick Leave: One day, eight (8) hours per month. You may use the sick leave as you accrue time.
- Holidays: Twelve (12) holidays per year.
- Probationary period: Six (6) months.
- Pay periods: Twenty six (26) pay periods per year.

If you have any questions, please do not hesitate to contact me at 763-367-7850.

Sincerely,

Jack Davis  
City Administrator

---

I have read and understand the offer of employment from the City of East Bethel. I accept the offer as presented:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please sign and date the offer letter and return a copy of the signed letter for our file.  
Thank you.

## CITY OF EAST BETHEL POSITION DESCRIPTION

<b>Position Title:</b> Community Development Director	<b>FLSA Status:</b> Exempt/Non-essential/Nonunion/Confidential
<b>Department/Division:</b> Community Development	<b>Position Status:</b> Regular Full-Time
<b>Accountable To:</b> City Administrator	<b>Salary Grade:</b> Grade 11
<b>Prepared By:</b> City Administrator	<b>Date:</b> November 22, 2022

**Position Summary:**

Under the general supervision of the City Administrator, this position is responsible for city planning, zoning and subdivision administration, Building Department supervision, updates to the comprehensive plan and City ordinances and economic development activities.

**Essential Duties and Responsibilities:**

- Reviews development proposals to ensure conformance with growth goals and policies.
- Implements, oversees and updates the City's Comprehensive Plan.
- Guides and provides recommendations to Planning Commission and City Council on Comprehensive Plan policy.
- Oversees and administers all Planning, Zoning and Building Department activities.
- Oversees and directs the physical development of the community including administration of all parts of the Subdivision Ordinance.
- Oversees the review of and recommend changes to the City's Codes and Ordinances.
- Performs Staff liaison duties for the Planning Commission meetings and prepares agendas supporting material for meetings.
- Prepares and monitors budgets for the Community Development Department.
- Provide assistance and resolution in zoning disputes and other issues that arise in the performance of this position.
- Manage all TIF and developer agreements to include required fees, developer obligations and maintenance of escrow accounts.
- Maintain and monitor the City GIS program.
- Performs other duties and responsibilities as required.

Oversees and develops the City's Economic Development plans and activities, including but not limited to:

- Establishing and strengthening of economic development relationships with elected officials, business leaders, agencies, developers and citizen organizations.
- Provide technical assistance to advance economic development strategies and projects, including financing and incentive tools.
- Promote and market the City as a desirable location in which to locate or expand a business.
- Update and maintain current economic development information on a centralized website.
- Performs Staff liaison duties to the Economic Development Authority and prepares agendas and reports.
- Proficient knowledge of funding sources, grant/loan programs and financing tools.
- Performs other duties and responsibilities as required

**Minimum Qualifications:**

- Bachelor's Degree with a major in Community Development, City Planning, Urban Affairs or a related field.
- Minimum of five years' experience in a public Community Development discipline with experience in business retention, recruitment and marketing.
- Documented experience of and success in economic development activities.
- Knowledge of State Statutes, regulations, policies and practices which apply to planning activities and economic development.
- Ability to socially, physically and mentally perform all essential functions under the working conditions as described herein.
- Ability to speak, read, write and comprehend the English language at a level associated with this position.
- Completion of a positive background check.

**Knowledge, Skills and Abilities:**

- Extensive experience in business retention, recruitment and marketing.
- Ability to work effectively and cordially with City officials, outside agencies, consultants, developers, co-workers and the general public.
- Working ability to read and interpret financial reports, building and site plans, plats and city service maps.
- Working ability to perform mathematical calculations, analyze data, prepare reports and make public presentations.

- Good communication abilities and a positive personality.
- Effective organizational skills to manage projects and document department records.
- Computer knowledge and the ability to work with various Microsoft and Adobe products.
- Ability to work independently and provide appropriate work direction and supervision to department staff.
- Attendance of meetings outside of regular work hours.
- Ability to work in a deadline driven, fast paced environment that requires continual interaction with the public, staff and elected officials.

**Physical Demands & Working Conditions:**

The physical demands that are described herein are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals to perform essential functions.

- Ability to occasionally lift, push, pull and/or carry objects weighing up to 25 pounds
- Specific vision abilities required by this position include close vision, distant vision, peripheral vision and ability to focus as it relates to such tasks as reading documents, processing paperwork, reviewing plans, and viewing computer monitor.
- Office environment: sitting for extended periods at a personal computer using repetitive movements and small motor skills; working closely with others; frequent interruptions.
- The noise level in the office environment is usually moderate.
- Bend, stoop, squat, kneel, balance or reach as required.

Approved by:



\_\_\_\_\_  
City Administrator

# MINNESOTA DEPARTMENT OF PUBLIC SAFETY



Alcohol and  
Gambling  
Enforcement

Bureau of  
Criminal  
Apprehension

Driver  
and Vehicle  
Services

Emergency  
Communication  
Networks

Homeland  
Security and  
Emergency  
Management

Minnesota  
State Patrol

Office of  
Communications

Office of  
Justice Programs

Office of  
Pipeline Safety

Office of  
Traffic Safety

State Fire  
Marshal



## State Fire Marshal

445 Minnesota Street • Suite 145 • Saint Paul, Minnesota 55101-5145

Phone: 651-201-7200 • Fax: 651-215-0525

[www.dps.state.mn.us](http://www.dps.state.mn.us)

Date: June 5, 2023

Name: East Bethel FD

RE: Gear Washer/Extractor/Dryer Award

The Minnesota Department of Public Safety, through the State Fire Marshal Division, is pleased to notify you that your fire department has been awarded the amount of **\$7,265.25**

from the Turnout Gear Washer/Extractor/Dryer Award program with a local match requirement of **\$2,421.75**. This reimbursement award is for the purchase and installation of a gear washer/extractor as proposed in your project proposal. Your department will need to purchase, install and have the project completed between July 1, 2022 and June 30, 2024. If there is a change to the type of gear washer/extractor purchased, prior authorization must be received from the State Fire Marshal division.

In order to process your reimbursement award you must:

1. Complete and sign the enclosed Request for Reimbursement Form by July 1, 2024. Your fire department is encouraged to send in your Request for Reimbursement Form anytime during the July 1, 2022-June 30, 2024 fiscal year.
2. Attach documentation of funds paid. Documentation includes: paid invoices for purchase, delivery and installation of approved gear washer/extractor/dryer.
3. Mail, fax or email the Request for Reimbursement Form and supporting documentation.

The funds will be disbursed upon receipt of the signed, completed form, along with the proper supporting documentation. You will not receive a check in the mail, your reimbursement will be electronically deposited into the account that corresponds to the tax identification number provided on the Request for Reimbursement Form.

If you have questions regarding your award, please email me at [nolan.pasell@state.mn.us](mailto:nolan.pasell@state.mn.us) or you may call me at (651) 201-7218.

Sincerely,

Nolan Pasell  
Special Projects Coordinator

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

**RESOLUTION 2023-50**

**RESOLUTION TO WITHDRAW FROM A JOINT  
POWERS AGREEMENT AND TO EXPRESS THE CITY'S  
INTENT TO  
ENTER INTO A NEW JOINT POWERS AGREEMENT TO  
REESTABLISH SUNRISE RIVER WATERSHED MANAGEMENT  
ORGANIZATION**

**WHEREAS**, in 2011, the City of East Bethel ("City") entered into an amended joint powers agreement ("JPA") related to the formation and continued operation of the Sunrise River Watershed Management Organization ("SRWMO");

**WHEREAS**, the City has been committed to carrying out the purposes of the SRWMO as provided in Minnesota Statutes, sections 103B.201-103B.255 ("Act"), the JPA, and the watershed plan adopted by the SRWMO Board ("Board");

**WHEREAS**, the Board has not been able to finalize a budget for the SRWMO because the governing body of one of the member communities has refused to ratify the budget as required by the JPA, even though the disagreement in the budget formula amounts to a difference in the amount the community pays of about \$2,000;

**WHEREAS**, representatives of the communities have met several times in an attempt to resolve any issues regarding the budget and the operations of the SRWMO, but it is clear the community's concern is largely with a different watershed district and the overall structure of the watershed system under Minnesota law;

**WHEREAS**, the community with the concerns has not exercised its option to withdraw from the JPA;

**WHEREAS**, the City and the other communities desire to continue the work of the SRWMO, but the refusal by one community to approve the budget has made it clear the SRWMO can no longer function under the current JPA despite several attempts to negotiate amendments to avoid the impasse;

**WHEREAS**, Section 5.1 of the JPA allows a community to withdraw from the JPA by providing 60 days written notice of its intent to withdraw and, under Section 6.1(C), the SRWMO must dissolve if at least two communities withdraw from the JPA;

**WHEREAS**, if at least two communities withdraw, the Board is required under Section 6.1(D) of the JPA to give at least 90 days' notice of the intent to dissolve the SRWMO to the affected counties and the Board of Water and Soil Resources;

**WHEREAS**, the communities that desire to continue the work of the SRWMO plan to enter into a new joint powers agreement to reestablish the SRWMO immediately upon the dissolution of the SRWMO so its operations can continue uninterrupted; and

**WHEREAS**, the City Council determines it is in the best interests of the City to provide notice of its intent to withdraw from the JPA so the three communities desiring to continue to properly manage surface water in accordance with the Act can do so through the reestablished SRWMO.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council as follows:

1. The City intends to withdraw from the JPA so it can work cooperatively with the other communities to develop and adopt a new JPA to continue the work of the SRWMO.
2. This Resolution shall serve as the written notice required under Section 5.1 of the JPA of the City's intent to withdraw from the JPA effective as of the effective date of the dissolution of the SRWMO.
3. The City is current with its financial obligations to the SRWMO and the City understands its withdrawal is conditioned on it meeting its full financial obligations through the effective date of withdrawal.
4. The City intends to enter into a new joint powers agreement to reestablish the SRWMO that will take effective immediately upon the effective date of the dissolution of the current organization. The City's representative on the Board is authorized and directed to present the proposed new joint powers agreement to the City Council for final adoption prior to the dissolution of the SRWMO.
5. The City Clerk is hereby authorized and directed to provide a copy of this Resolution to the Board and to each of the communities that are parties to the JPA.

Adopted this 26<sup>th</sup> day of June 2023.

CITY OF EAST BETHEL

---

Kevin Lewis, Mayor

ATTEST:

---

Jack Davis, City Administrator

**\$25, 801**



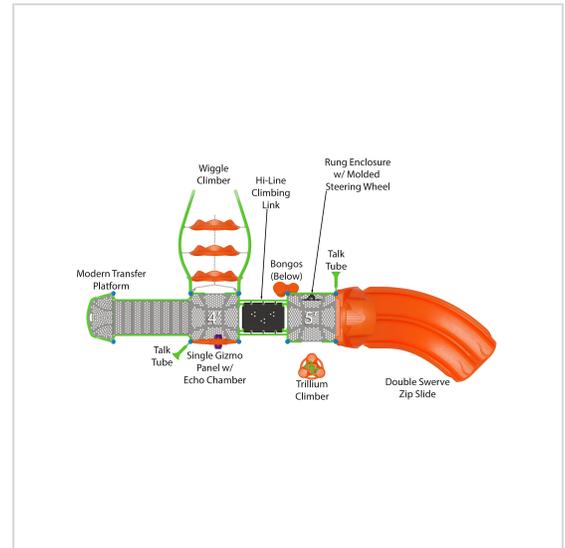
**ACTIVE**

## Snow Globe

Product Line: PrimeTime

**Model # PT23018**

The new standard for affordable play, PrimeTime play systems pack an enormous amount of play value into compact designs. The smaller footprint of PrimeTime commercial playground equipment requires less surfacing and has a lower overall cost.



### Specifications

<b>Length</b>	37'
<b>Width</b>	23'
<b>Age Range</b>	5 to 12 Years
<b>Fall Height</b>	5'
<b>Number of Children</b>	

### Accessibility

<b>Accessible</b>	6
<b>Elevated</b>	6
<b>Ground Level</b>	2
<b>Types</b>	2

**\$27,854**



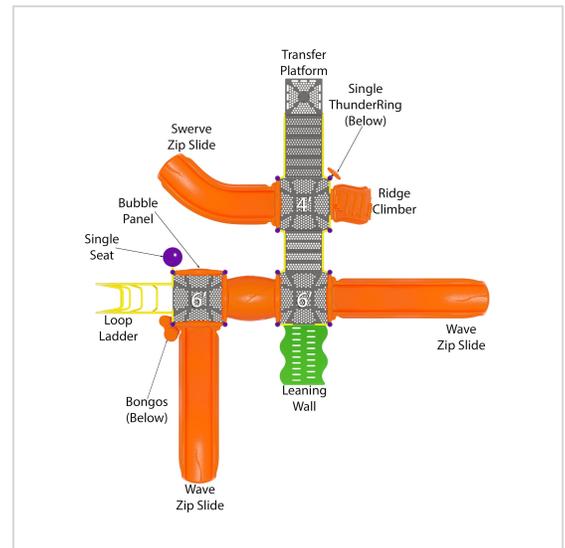
**ACTIVE**

## Antelope Canyon

Product Line: PrimeTime

**Model # PT22279**

The new standard for affordable play, PrimeTime play systems pack an enormous amount of play value into compact designs. The smaller footprint of PrimeTime commercial playground equipment requires less surfacing and has a lower overall cost



### Specifications

Length	36'
Width	35'
Age Range	5 to 12 Years
Fall Height	6'
Number of Children	

### Accessibility

Accessible	8
Elevated	8
Ground Level	3
Types	3



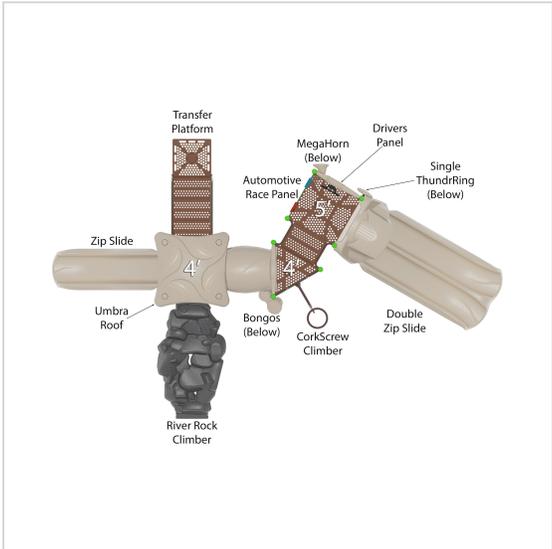
**ACTIVE**

**Elk Wood**

Product Line: PrimeTime

Model # PT22219

The new standard for affordable play, PrimeTime play systems pack an enormous amount of play value into compact designs. The smaller footprint of PrimeTime commercial playground equipment requires less surfacing and has a lower overall cost.



Specifications	
Length	28'
Width	38'
Age Range	5 to 12 Years
Fall Height	5'
Number of Children	30-35

Accessibility	
Accessible	7
Elevated	7
Ground Level	3
Types	3



# Town & Country — FENCE —

Item 6.0 I, Attachment 1

8511 Xylon Avenue North | Brooklyn Park, MN 55445  
Phone: 763-425-5050 | Fax: 763-425-9006  
Email: [sales@tcfence.com](mailto:sales@tcfence.com) | Website: [www.tcfence.com](http://www.tcfence.com)

City of East Bethel PROPOSAL SUBMITTED TO	763-367-7876 PHONE	06/13/23 DATE
2241 221 <sup>st</sup> Ave NE STREET	Maynard Petersen Field JOB NAME	
East Bethel, MN 55011 CITY, STATE AND ZIP CODE	Booster Park JOB LOCATION	

We hereby submit specifications and estimates for:

- Furnish & Install 6' High Chain Link Fence & 18' High Backstop
- 240' of 6' High Chain Link Sideline and Dugout Fencing
  - 72" – 9 gauge galvanized chain link fabric
  - 1 5/8" SS40 top rail
  - 2 3/8" SS40 line posts driven 48" deep @ 10' on center or less
  - 2 7/8" SS40 end, corner, and gate posts set in 36" deep concrete footings
  - (1) – 12' wide double swing gate installed at end of 1<sup>st</sup> base line fence
    - heavy duty bulldog hinges and pad-lockable fork latch
- 36' of 18' high backstop fence
  - 72" – 9 gauge galvanized chain link fabric top, middle, and bottom of backstop
  - 1 5/8" SS40 rails at bottom, 6', 12', and top
  - All 4" SS40 posts set in 48" deep concrete footings

**TOTAL PRICE INSTALLED - \$18,995.00\***  
**\*Removals of existing done by City\***

Notes/Exceptions:

- Price does not include grading, staking, survey or clearing of fence line.
- Price does not include Bond, add \$8.20/\$1,000.00 if needed.
- Priced for completion during 2023 Construction season.
- Electrical grounding is not included, by others.
- Additional charges will apply if a secondary sweep/locate is required.
- Hydro-vac excavation, saw cutting, core drilling of holes if needed are not included.
- **Winter weather and frozen ground conditions may limit the work that can be completed.**
- Town & Country Fence is a member of PEC Premier, Veriforce, and ISNetworld.
- SD Excise tax is not included and will be the responsibility of the General. Certificate required if awarded to Town & Country Fence.

Terms of Payment to be made as follows: **50% down, material draw at 60% of contract value (less received 50% down), monthly progress billings, and balance upon completion, unless otherwise specified above, payment due upon receipt and subject to approved credit**

Purchaser agrees to indemnify and hold harmless Town and Country Fence and its agents from and against any and all claims, liabilities and damages, including outside and in-house attorneys' fees and costs, arising from or related any failure to erect fence, guardrail, or other products on or within property lines; any failure to comply with by-laws, restrictive covenants, building codes or other restrictions; encroachment or interference with any easement; damage to any improvements, including underground sprinklers, utilities, including wires or pipes; frost heave; personal injury or death; removal of fence or products. Purchaser agrees that Town and Country Fence's liability shall not exceed the amount paid to it under this Proposal. Town and Country Fence shall not be liable for any direct, indirect, special, incidental, or consequential damages. Purchaser agrees to be responsible for excavated soil or Town and Country Fence shall dispose of soil for an additional charge. All work to be completed according to standard industry practices. Any alteration or deviation from this proposal requires Town and Country Fence's prior written consent and shall automatically become part of and subject to this Proposal. Any additional costs from any such change shall result in an extra charge, which Purchaser agrees to pay. Purchaser agrees to pay Town and Country Fence's outside and in-house attorneys' fees and costs in the collection and enforcement of this Proposal. This Proposal contingent upon strikes, accidents or delays beyond Town and Country Fence's control and supersedes all prior written or oral agreements. Purchaser agrees to carry all homeowner, liability and other necessary and required insurance. Town and Country Fence's workers are fully covered by Workers Compensation Insurance or other required insurance. All fence or product remains the property of Town and Country Fence until paid for by Purchaser and Purchaser authorizes Town and Country Fence to remove the same and charge Purchaser for the fence or product and their removal if payment is not made per the terms of this Proposal. Purchaser agrees to pay 1.5% per month on all past due accounts. Any fence project that is considered custom or has special order materials is not returnable and therefore not fully refundable. A minimum of 25% restocking fee will apply with certain items being subject to higher restock fees as established from time to time by Town and Country Fence. Unless objected by the Purchaser, Town and Country Fence shall place a lawn sign on the property for the duration of Town and Country Fence's work.

**Acceptance of Proposal.** The above prices, specifications, terms, and conditions are satisfactory and accepted by Purchaser. Town and Country Fence is authorized to do the work as specified and Purchaser agrees to make payment as outlined above.

Date of Acceptance \_\_\_\_\_

By: Mark Wassink

Mark Wassink – Commercial Sales

This Proposal may be withdrawn by Town & Country Fence within 15 days.

**Purchaser**  
Purchaser Name: \_\_\_\_\_

By: \_\_\_\_\_

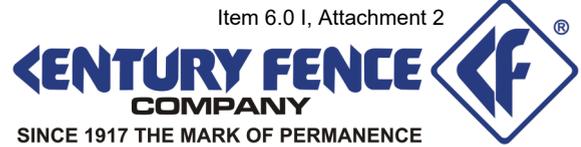
Print Name \_\_\_\_\_

Its: \_\_\_\_\_

**Equal Opportunity Employer**

# Quote

Century Fence Company  
14839 Lake Dr NE  
Forest Lake, MN 55025



<b>Quote To:</b> City Of East Bethel 2241 221st Ave NE East Bethel, MN 55011	<b>Project Location:</b> Maynard Peterson Park 312 Laurel Ave East Bethel, MN	Quote #: 17786 Quote Date: 6/16/2023
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## Description

18' Backstop 10x16x10  
Furnish and install 108 LF of 6 Foot high galvanized chain link fence. Line post shall be 3" O.D. Galvanized steel pipe Concrete Set 60" in depth and spaced a maximum of 10' on centers. The fence shall consist of top/bottom rails which will be 1-5/8" O.D. Galvanized pipe.

- 2 - End post: 4" O.D. Galvanized pipe - Concrete Set 60" Deep
- 2 - Corner post: 4" O.D. Galvanized pipe - Concrete Set 60" Deep

Dugouts  
Furnish and install 110 LF of 6 Foot high galvanized chain link fence. Line posts shall be 2-1/2" O.D. Galvanized steel pipe ConcreteSet 48" in depth and spaced a maximum of 10' on centers. The fence shall consist of top/bottom rails which will be 1-5/8" O.D. Galvanized pipe.

- 8 - End post: 2-1/2" O.D. Galvanized pipe - Concrete Set 48"
- 4 - Corner post: 2-1/2" O.D. Galvanized pipe - Concrete Set 48"

Side Line Fence  
Furnish and install 180 LF of 6 Foot high galvanized chain link fence. Line posts shall be 2" O.D. Galvanized steel pipe ConcreteSet 48" in depth and spaced a maximum of 10' on centers. The fence shall consist of top/bottom rails which will be 1-5/8" O.D. Galvanized pipe.

- 4 - End post: 2-1/2" O.D. Galvanized pipe - Concrete Set
- 4 - Connections to tie into backstop and dugout

Notes:  
Excludes Excavation through rock, Excavation through frost, Grubbing, Hydro-excavating, Permit, Prevailing Wages, Private Utility Locate, Survey

Quote Total: \$25,700.00

Quote Valid For 15 days

<b>Buyer's Signature:</b> _____	<b>Date:</b> _____	<b>Submitted by:</b> <u>Jason Larson</u>
<b>Change</b>	This quote when accepted in writing by purchaser and by Century Fence Company includes the terms and conditions set forth on <a href="http://www.centuryfence.com">www.centuryfence.com</a> which are incorporated by reference and becomes a contract between two parties. If the project is cancelled upon agreement and special materials were purchased, the customer agrees to pay	
<b>Acceptance:</b> 100% of the material cost	<b>Office:</b> 651-464-7373	<b>Cell:</b> 612-666-1680
<b>Terms of Payment:</b> Net Cash upon receipt of invoice.	<b>Email:</b> JLarson@centuryfence.com	

**ARROW FENCE CO.**  
18607 HWY 65 N.E. SUITE B  
CEDAR, MN 55011  
763-755-0088 FAX: 763-515-4213

**PROPOSAL**

Proposal Submitted To: <b>CITY OF EAST BETHEL</b>	Date: <b>9/12/2023</b>
Address: 2241 221ST AVE N.E.	Phone: <b>367-7876</b>
City/State/Zip: E. BETHEL, MN 55011	Fax:
Sales Rep:	Date of Plans:
Sales Rep #:	Customer Email:
Job Name: <b>MAYNARD PETERSON PARK</b>	Job Location:

We hereby propose to furnish material and labor necessary for the completion of:

250' OF 6' 9GA. WITH 1 5/8" TOP AND BOTTOM RAILS AND 1 - 12' D.D. GATE  
2" LINES 2 3/8" CORNER AND END POSTS 40WT. PIPE

10 X16X10 X 18' TALL BACKSTOP WITH 4" POSTS, 3" LINE POST 10' OF 6GA. WIRE AT THE BOTTOM  
AND 8' 9GA. TOP WITH 6 - 1 5/8" RAILS

Customer is responsible for all property lines and permits. Excess dirt from post holes will be left at job site unless otherwise specified. 50% down, balance due upon completion, unless prior arrangements have been made.

In the event of unforeseen digging conditions extra charges for labor and equipment may be applied.

Arrow Fence co. is not responsible for costs to repair sprinkler lines in conflict with the fence installation.

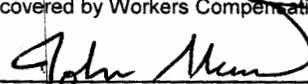
We propose hereby to furnish material and labor - complete in accordance with above specification, for the sum of:

TWENTY-FIVE THOUSAND EIGHT HUNDRED FORTY-SEVEN----- dollars \$ **\$25,847.00**

Payment to be made as follows

All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workers Compensation Insurance.

Authorized Signature



Date 6-12-23

Note: This proposal may be withdrawn by us if not accepted within 10 days.

**ACCEPTANCE OF PROPOSAL:**

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

Date of Acceptance \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

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



**Date:** June 26, 2023

**Agenda Item Number:** 7.0 A

**Agenda Item:** Public Hearing - City Ordinance, APPENDIX A – SECTION 24. EXTERIOR STORAGE Amendments

**Background:**

At their April 3<sup>rd</sup>, 2023 meeting the City Council requested that staff review proposed ordinance amendments to APPENDIX A – SECTION 24. EXTERIOR STORAGE. After a staff review the proposed changes were forwarded to Planning Commission for review, Public Hearing and a recommendation based on the discussion. At the April 25<sup>th</sup>, 2023 Planning Commission Meeting, a public hearing was held where there were no public comments received. Some informal comments were compiled from the commissioners however there was no formal recommendation. At the May 8<sup>th</sup>, 2023 City Council meeting, the informal comments were presented along with a staff recommended that it be returned to the Planning Commission for further discussion and formal recommendation. At the May 23<sup>rd</sup>, 2023 Planning Commission Meeting, a more in depth discussion was held on the proposed amendments and a formal recommendation (Attachment 3) was approved unanimously by the members.

**Attachments:**

- 1.) Zoning, Section 24 – Exterior Storage existing ordinance.
- 2.) Zoning, Section 24 – Proposed amendments.
- 3.) Zoning, Section 24 – Planning Commission’s recommendation with red-line amendment.

**Recommendation:**

Staff is requesting City Council hold a public hearing and consider approve the Planning Commissions formal recommendation to amend APPENDIX A – SECTION 24. EXTERIOR STORAGE.

**City Council Action:**

Motion by: \_\_\_\_\_

Second: \_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

---

## **SECTION 24. EXTERIOR STORAGE**

### **1. Exemptions.**

All products, materials, and equipment, except as specifically described in this ordinance, shall be stored within permitted structures or completely screened from view of adjoining properties and the public right-of-way except for the following:

- A. Off-street parking of licensed passenger automobiles and personal or commercial vehicles of less than 12,000 pounds gross vehicle weight rating (GVWR) in designated driveway or parking area.
- B. Off-street parking of vehicles and recreational vehicles that are permitted according to the provisions of this ordinance and any other city ordinance.
- C. Clothes lines, antennae, air conditioners in working condition, outdoor grills, play equipment, ornaments and monuments.
- D. Landscaping materials and equipment may be stored on a lot if these are used on the lot within a period of three months.

### **2. Inoperable vehicles and refuse materials.**

- A. Passenger automobiles and trucks not currently licensed by the state, or which are incapable of movement under their own power due to mechanical deficiency, which are parked or stored outside for a period in excess of 96 hours, and all materials stored outside in violation of the city ordinances, are considered refuse or junk and shall be disposed of according to city regulations.
- B. Any accumulation of refuse not stored in containers that comply with city ordinances, or any accumulation of refuse including car parts which has remained on a property for more than one week, is hereby declared to be a nuisance and may be abated by order of the zoning administrator or building official. The cost of removal shall be recovered in accordance with the city ordinances and state law.
- C. Repairable vehicles shall be stored in a designated storage area and not be visible from the public right-of-way or adjacent properties.

### **3. Residential districts.**

- A. All personal property shall be stored within a building or be fully screened so as not to be visible from adjoining properties and public streets, except for the following:
  - 1. Play and recreational equipment.
  - 2. Stacked firewood for the burning supply of the property resident shall be stored in the side yard or the rear yard at a minimum of five feet from the property line.
  - 3. Agricultural equipment and materials, if these are used or intended for use on the premises within a period of 12 months.
- B. Agriculture (A), Rural Residential (RR), Single Family Residential (R-1), Single Family and Townhome Residential (R-2) districts, and Coon Lake Residential (CL) districts.

1. Motor vehicles stored outside must be parked on a designated driveway.
  2. A maximum of five of the following vehicles must be parked on a designated driveway, or outdoor storage area located in a side or rear yard:
    - a. Recreational vehicles,
    - b. Boat/trailer combinations,
    - c. Snowmobile/trailer combinations,
    - d. Items of lawn equipment,
    - e. Items of construction equipment with a weight limit of 20,000 GVWR, or
    - f. Other equipment or trailers, or any combination thereof.
  3. The outdoor storage area must be completely screened from the public right-of-way and adjacent properties.
- C. Up to two automobiles or other motor vehicles or two snowmobiles or all-terrain vehicles may be located or displayed on any property for the purpose of sale, but such a vehicle, snowmobile, or all-terrain vehicle may not be so located or displayed more than on three separate occasions during any calendar year. The location or display to public view of an automobile or other motor vehicle or snowmobile or an all-terrain vehicle with a telephone number, an address, or the words "For Sale" affixed on the vehicle shall be evidence that the motor vehicle is located or displayed for the purpose of sale.

(Ord. No. 2021-06, 10-11-2021)

#### **4. I district and B-3.**

- A. Exterior storage is permitted in I-1 and B-3 districts as a conditional use permit and subject to the following conditions:
1. Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.
  2. Maximum amount of exterior storage cannot exceed 2 times the square footage of the Principal Building.
  3. Exterior storage cannot exceed the maximum allowable height of the principal building.

Construction yards are exempt from exterior storage requirements as outlined in Section 24, 4-A, provided they are located in the rear yard behind the principal building and cannot exceed the square footage of the Principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.

- B. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier.
1. Screening to be achieved through a combination of masonry walls, fencing, berming, and landscaping.
  2. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].
  3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.
- C. Exterior display in I-1 and B-3 districts.
1. The area occupied by exterior display shall not exceed 30 percent of the gross floor area of the principal building on the property.

2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.
3. Additional parking spaces shall be provided based upon the exterior display and sale area.

D. Prohibited storage

1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.
2. E. Parking up to three commercial vehicles, such as delivery and service trucks up to 20,000 GVWR, may be parked without screening if the vehicles relate to the principal use. Vehicles over 20,000 GVWR, construction equipment, and trailers shall require screening.
3. Semi-trucks and trailers shall not be considered part of outside storage if they are used in the normal business commerce and do not exceed the number of docks and or bay doors.

**5. B-2 district.**

A. Exterior storage is permitted with a CUP.

1. Exterior storage shall be limited to the rear yard, shall not exceed the square footage of the principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.
2. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].
3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.

B. Exterior display in B-2 Districts

1. The area occupied by exterior display shall not exceed ten percent of the gross floor area of the principal building on the property.
2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.
3. Additional parking spaces shall be provided based upon the exterior display and sale area.

C. Prohibited Storage

1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**7. B-1 district.**

- A. Exterior storage and exterior displays are not permitted.
- B. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**8. Mixed use districts.**

- A. Exterior storage is allowed with a conditional use permit.

- B. Except for temporary construction trailers and mobile services operated by public service agencies (i.e., bookmobile, bloodmobiles, etc.) as allowed by the city, and trailers parked in a designated and improved loading area, no vehicle may be used for office, business, manufacturing, testing, or storage of items used with or in a business or commercial enterprise unless an interim use permit has been obtained from the city.
- C. The city council may order the owner of any property to cease or modify open storage uses, including existing uses, provided it is found that such use constitutes a threat to the public health, safety, convenience, or general welfare.

(Ord. No. 19, Second Series, 5-5-2010; Ord. No. 48, Fourth Series, 9-21-2016; Ord. No. 2021-06, 10-11-2021)

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## **SECTION 24. EXTERIOR STORAGE**

### **1. Exemptions.**

All products, materials, and equipment, except as specifically described in this ordinance, shall be stored within permitted structures or completely screened from view of adjoining properties and the public right-of-way except for the following:

- A. Off-street parking of licensed passenger automobiles and personal or commercial vehicles of less than 12,000 pounds gross vehicle weight rating (GVWR) in designated driveway or parking area.
- B. Off-street parking of vehicles and recreational vehicles that are permitted according to the provisions of this ordinance and any other city ordinance.
- C. Clothes lines, antennae, air conditioners in working condition, outdoor grills, play equipment, ornaments and monuments.
- D. Landscaping materials and equipment may be stored on a lot if these are used on the lot within a period of three months.

### **2. Inoperable vehicles and refuse materials.**

- A. Passenger automobiles and trucks not currently licensed by the state, or which are incapable of movement under their own power due to mechanical deficiency, which are parked or stored outside for a period in excess of 96 hours, and all materials stored outside in violation of the city ordinances, are considered refuse or junk and shall be disposed of according to city regulations.
- B. Any accumulation of refuse not stored in containers that comply with city ordinances, or any accumulation of refuse including car parts which has remained on a property for more than one week, is hereby declared to be a nuisance and may be abated by order of the zoning administrator or building official. The cost of removal shall be recovered in accordance with the city ordinances and state law.
- C. Repairable vehicles shall be stored in a designated storage area and not be visible from the public right-of-way or adjacent properties.

### **3. Residential districts.**

- A. All personal property shall be stored within a building or be fully screened so as not to be visible from adjoining properties and public streets, except for the following:
  - 1. Play and recreational equipment.
  - 2. Stacked firewood for the burning supply of the property resident shall be stored in the side yard or the rear yard at a minimum of five feet from the property line.
  - 3. Agricultural equipment and materials, if these are used or intended for use on the premises within a period of 12 months.
- B. Agriculture (A), Rural Residential (RR), Single Family Residential (R-1), Single Family and Townhome Residential (R-2) districts, and Coon Lake Residential (CL) districts.

1. Motor vehicles stored outside must be parked on a designated driveway.
  2. A maximum of five of the following vehicles must be parked on a designated driveway, or outdoor storage area located in a side or rear yard:
    - a. Recreational vehicles,
    - b. Boat/trailer combinations,
    - c. Snowmobile/trailer combinations,
    - d. Items of lawn equipment,
    - e. Items of construction equipment with a weight limit of 20,000 GVWR, or
    - f. Other equipment or trailers, or any combination thereof.
  3. The outdoor storage area must be completely screened from the public right-of-way and adjacent properties.
- C. Up to two automobiles or other motor vehicles or two snowmobiles or all-terrain vehicles may be located or displayed on any property for the purpose of sale, but such a vehicle, snowmobile, or all-terrain vehicle may not be so located or displayed more than on three separate occasions during any calendar year. The location or display to public view of an automobile or other motor vehicle or snowmobile or an all-terrain vehicle with a telephone number, an address, or the words "For Sale" affixed on the vehicle shall be evidence that the motor vehicle is located or displayed for the purpose of sale.

(Ord. No. 2021-06, 10-11-2021)

#### **4. I district, and B-3.**

- A. Exterior storage is permitted in I-1 districts as a conditional use permit and subject to the following conditions:
1. Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.
  - ~~2. Maximum amount of exterior storage cannot exceed the square footage of the Principal building.~~
  - ~~3. Exterior storage cannot exceed 12 feet in height~~

Construction yards are exempt from exterior storage requirements as outlined in Section 24, 4-A, provided they are located in the rear yard behind the principal building and cannot exceed the square footage of the Principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.

- B. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier.
1. Screening to be achieved through a combination of masonry walls, fencing, berming, and landscaping.
  2. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].
  3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.
- C. Exterior display in I-1 districts.
1. The area occupied by exterior display shall not exceed 30 percent of the gross floor area of the principal building on the property.

2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.
  3. Additional parking spaces shall be provided based upon the exterior display and sale area.
- D. Prohibited storage
1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.
  2. E. Parking up to three commercial vehicles, such as delivery and service trucks up to 20,000 GVWR, may be parked without screening if the vehicles relate to the principal use. Vehicles over 20,000 GVWR, construction equipment, and trailers shall require screening.
  3. Semi-trucks and trailers shall not be considered part of outside storage if they are used in the normal business commerce and do not exceed the number of docks and or bay doors.

### ~~5. B-3 district.~~

- ~~A. Exterior storage is permitted in B-3 districts as a Conditional Use permit and subject to the following conditions:~~
- ~~1. Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right of way, private access easement, or within the required parking area.~~
  - ~~2. Maximum amount of exterior storage cannot exceed the square footage of the Principal building.~~
  - ~~3. Exterior storage cannot exceed 12 feet in height~~
- ~~B. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier. Screening to be achieved through a combination of masonry walls, fencing, berming, and landscaping.~~
- ~~1. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].~~
  - ~~2. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.~~
- ~~C. Exterior display in B-3 districts.~~
- ~~1. The area occupied by exterior display shall not exceed 30 percent of the gross floor area of the principal building on the property.~~
  - ~~2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.~~
  - ~~3. Additional parking spaces shall be provided based upon the exterior display and sale area.~~
- ~~D. Prohibited storage~~
- ~~1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.~~
- ~~E. Parking~~
- ~~1. Semi-trucks and trailers shall not be considered part of outside storage if they are used in the normal business commerce and do not exceed the number of docks and or bay doors.~~

### ~~6. 5. B-2 district.~~

- A. Exterior storage is permitted with a CUP.

~~1. Approved exterior storage shall be limited to an area no more than 100 square feet of the rear yard, and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.~~

1. Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.

2. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].

3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.

B. Exterior display in B-2 Districts

1. The area occupied by exterior display shall not exceed ten percent of the gross floor area of the principal building on the property.

2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.

3. Additional parking spaces shall be provided based upon the exterior display and sale area.

C. Prohibited Storage

1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**7. B-1 district.**

A. Exterior storage and exterior displays are not permitted.

B. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**8. Mixed use districts.**

A. Exterior storage is allowed with a conditional use permit.

B. Except for temporary construction trailers and mobile services operated by public service agencies (i.e., bookmobile, bloodmobiles, etc.) as allowed by the city, and trailers parked in a designated and improved loading area, no vehicle may be used for office, business, manufacturing, testing, or storage of items used with or in a business or commercial enterprise unless an interim use permit has been obtained from the city.

C. The city council may order the owner of any property to cease or modify open storage uses, including existing uses, provided it is found that such use constitutes a threat to the public health, safety, convenience, or general welfare.

(Ord. No. 19, Second Series, 5-5-2010; Ord. No. 48, Fourth Series, 9-21-2016; Ord. No. 2021-06, 10-11-2021)

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## **SECTION 24. EXTERIOR STORAGE**

### **1. Exemptions.**

All products, materials, and equipment, except as specifically described in this ordinance, shall be stored within permitted structures or completely screened from view of adjoining properties and the public right-of-way except for the following:

- A. Off-street parking of licensed passenger automobiles and personal or commercial vehicles of less than 12,000 pounds gross vehicle weight rating (GVWR) in designated driveway or parking area.
- B. Off-street parking of vehicles and recreational vehicles that are permitted according to the provisions of this ordinance and any other city ordinance.
- C. Clothes lines, antennae, air conditioners in working condition, outdoor grills, play equipment, ornaments and monuments.
- D. Landscaping materials and equipment may be stored on a lot if these are used on the lot within a period of three months.

### **2. Inoperable vehicles and refuse materials.**

- A. Passenger automobiles and trucks not currently licensed by the state, or which are incapable of movement under their own power due to mechanical deficiency, which are parked or stored outside for a period in excess of 96 hours, and all materials stored outside in violation of the city ordinances, are considered refuse or junk and shall be disposed of according to city regulations.
- B. Any accumulation of refuse not stored in containers that comply with city ordinances, or any accumulation of refuse including car parts which has remained on a property for more than one week, is hereby declared to be a nuisance and may be abated by order of the zoning administrator or building official. The cost of removal shall be recovered in accordance with the city ordinances and state law.
- C. Repairable vehicles shall be stored in a designated storage area and not be visible from the public right-of-way or adjacent properties.

### **3. Residential districts.**

- A. All personal property shall be stored within a building or be fully screened so as not to be visible from adjoining properties and public streets, except for the following:
  - 1. Play and recreational equipment.
  - 2. Stacked firewood for the burning supply of the property resident shall be stored in the side yard or the rear yard at a minimum of five feet from the property line.
  - 3. Agricultural equipment and materials, if these are used or intended for use on the premises within a period of 12 months.
- B. Agriculture (A), Rural Residential (RR), Single Family Residential (R-1), Single Family and Townhome Residential (R-2) districts, and Coon Lake Residential (CL) districts.
  - 1. Motor vehicles stored outside must be parked on a designated driveway.

2. A maximum of five of the following vehicles must be parked on a designated driveway, or outdoor storage area located in a side or rear yard:
    - a. Recreational vehicles,
    - b. Boat/trailer combinations,
    - c. Snowmobile/trailer combinations,
    - d. Items of lawn equipment,
    - e. Items of construction equipment with a weight limit of 20,000 GVWR, or
    - f. Other equipment or trailers, or any combination thereof.
  3. The outdoor storage area must be completely screened from the public right-of-way and adjacent properties.
- C. Up to two automobiles or other motor vehicles or two snowmobiles or all-terrain vehicles may be located or displayed on any property for the purpose of sale, but such a vehicle, snowmobile, or all-terrain vehicle may not be so located or displayed more than on three separate occasions during any calendar year. The location or display to public view of an automobile or other motor vehicle or snowmobile or an all-terrain vehicle with a telephone number, an address, or the words "For Sale" affixed on the vehicle shall be evidence that the motor vehicle is located or displayed for the purpose of sale.

(Ord. No. 2021-06, 10-11-2021)

#### **4. I district and B-3.**

- A. Exterior storage is permitted in I-1 and B-3 districts as a conditional use permit and subject to the following conditions:
1. Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.
  2. Maximum amount of exterior storage cannot exceed **2 times** the square footage of the Principal Building.
  3. **Exterior storage cannot exceed the maximum allowable height of the principal building.**

Construction yards are exempt from exterior storage requirements as outlined in Section 24, 4-A, provided they are located in the rear yard behind the principal building and cannot exceed the square footage of the Principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.

- B. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier.
1. Screening to be achieved through a combination of masonry walls, fencing, berming, and landscaping.
  2. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].
  3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.
- C. Exterior display in I-1 and B-3 districts.
1. The area occupied by exterior display shall not exceed 30 percent of the gross floor area of the principal building on the property.
  2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.

3. Additional parking spaces shall be provided based upon the exterior display and sale area.

D. Prohibited storage

1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.
2. E. Parking up to three commercial vehicles, such as delivery and service trucks up to 20,000 GVWR, may be parked without screening if the vehicles relate to the principal use. Vehicles over 20,000 GVWR, construction equipment, and trailers shall require screening.
3. Semi-trucks and trailers shall not be considered part of outside storage if they are used in the normal business commerce and do not exceed the number of docks and or bay doors.

**5. B-2 district.**

A. Exterior storage is permitted with a CUP.

1. Exterior storage shall be limited to the rear yard, shall not exceed the square footage of the principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.
2. Screening of the exterior storage shall be installed and maintained along all property lines. The screening shall not be less than six feet in height and shall preclude vision through the barrier. All screening shall meet the regulations in Section 23. Screening Requirements [Regulations].
3. All equipment and materials within the storage area shall be arranged in a neat and orderly manner.

B. Exterior display in B-2 Districts

1. The area occupied by exterior display shall not exceed ten percent of the gross floor area of the principal building on the property.
2. Exterior display and sale of merchandise shall not occur within 50 percent of the setback nearest a street.
3. Additional parking spaces shall be provided based upon the exterior display and sale area.

C. Prohibited Storage

1. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**7. B-1 district.**

- A. Exterior storage and exterior displays are not permitted.
- B. Accessory storage containers, as defined in Section 01. General Provisions of Administration, shall not be permitted.

**8. Mixed use districts.**

- A. Exterior storage is allowed with a conditional use permit.
- B. Except for temporary construction trailers and mobile services operated by public service agencies (i.e., bookmobile, bloodmobiles, etc.) as allowed by the city, and trailers parked in a designated and improved loading area, no vehicle may be used for office, business, manufacturing, testing, or storage of items used with or in a business or commercial enterprise unless an interim use permit has been obtained from the city.

- C. The city council may order the owner of any property to cease or modify open storage uses, including existing uses, provided it is found that such use constitutes a threat to the public health, safety, convenience, or general welfare.

(Ord. No. 19, Second Series, 5-5-2010; Ord. No. 48, Fourth Series, 9-21-2016; Ord. No. 2021-06, 10-11-2021)

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 8.0 C.1

**Agenda Item:** City Attorney Report - Cannabis Legislation

**Background Information:**

City Attorney Eric Larson will review the provisions HF100A Bill which contains the rules and regulations for license issuance for a cannabis business. The effective date of the most of the recently passed cannabis legislation is August 1, 2023. Before this date, cities need to take action on where, when and how these types of businesses can operate within the municipality.

Mr. Larsen will review his report with Council and make recommendations appropriate to this findings.

**Attachment(s):**

Attachment 1 – City Attorney HF100 A Report and Recommendation

**City Council Action:**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

**ECKBERG LAMMERS**  
**MEMORANDUM**

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Date: June 22, 2023  
To: East Bethel Mayor and City Council  
From: Eric Larson, City Attorney  
Subject: New Cannabis Law – Summary Analysis and Municipal Issues

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**BACKGROUND**

The 2023 Minnesota legislature passed cannabis legislation legalizing the use and possession of cannabis in the State of Minnesota effective August 1, 2023. The following is a summary introduction of the cannabis law and some of the issues municipalities, such as the City of East Bethel, should address as a result.<sup>1</sup> This Memorandum is focused on the cannabis legislation’s civil impacts for cities and does not address criminal/prosecution issues, which are being addressed by law enforcement and prosecutors.

**Cannabis Use and Possession Legalized.**

The new Cannabis legislation legalizes the possession, use, manufacturing, and sale of certain cannabis products within the state. It establishes the **Office of Cannabis Management (OCM)**, which is charged with, among other things, enforcing an organized system of regulation for the cannabis industry and the hemp consumer industry.

Possession, use, and home growth under this new law will be legal beginning Aug. 1, 2023, and legal sales are expected to begin sometime in January of 2025.

This law allows a person of 21 years of age or older to:

- Use, possess, or transport cannabis paraphernalia.
- Possess 2 ounces or less of cannabis flower in a public place.
- Possess 2 pounds or less of cannabis flower in a person’s residence.
- Possess or transport 8 grams or less of adult-use cannabis concentrate.
- Possess or transport edible products infused with a total of 800 milligrams or less of tetrahydrocannabinol.

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<sup>1</sup> Much of this Memorandum’s materials are pulled from the League of Minnesota Cities materials, which the League is regularly updating and is a good source for more detailed information as well as updated information.

- Give away cannabis flower and products in an amount that is legal for a person to possess in public.

The law authorizes an individual to use adult-use cannabis flower and adult-use cannabis products:

- In a private residence including the individual's curtilage or yard.
- On private property, unless the owner of the property prohibits the use of the products.
- On the premises of an establishment or event licensed to permit on-site consumption.

### **Cannabis Cannot Be Sold Now, Projected Retail Licensing - Approximately January 2025.**

Cannabis will not be able to be sold until the Office of Cannabis Management is established and able to issue licenses, projected timeline is January 2025 for when sales will be live to the public. Before beginning sales, a cannabis retailer must obtain a local retail registration.

However, the OCM will forward applications to cities for them to certify whether the proposed cannabis business complies with local zoning ordinance and, if applicable, whether the proposed business complies with the state fire and building code. The OCM may not issue a license to a cannabis business that does not meet local zoning and land use laws.

### **Municipal Local Zoning and Land Use.**

Importantly, a city possesses zoning and land use controls through which the city may limit the cannabis business' location and the number of cannabis businesses in the city. In short, cities are allowed to adopt reasonable restrictions on the time, place, and manner of the operations of a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses. Cities may prohibit the operations of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including a playground or athletic field.

The OCM will develop model ordinances for reasonable restrictions on the time, place, and manner of a cannabis business.

### **City Interim Ordinance Moratorium Authority.**

Accordingly, as the State and cities are evaluating the impacts and how to administrate given the new cannabis law, cities may adopt an interim moratorium prohibiting the sale, manufacturing, or distribution of adult-use cannabis. The interim moratorium may not extend beyond January 1, 2025.

The interim moratorium ordinance would authorize:

- A zoning and land use study to be conducted; and
- At the completion of the study that the city schedule a public hearing for the purpose of considering adoption or amendment of reasonable restriction on the time, place, and manner of the operation of a cannabis business as defined in the new law.

Before adopting an interim ordinance, the city must hold a public hearing on the moratorium ordinance. The interim moratorium ordinance may be in place until Jan. 1, 2025. The authority for an extended moratorium does not apply to the sale or production of low-potency hemp edible products.

### **RECOMMENDATION**

The purpose of an Interim Moratorium Ordinance is to study and assess, and, thereafter, adopt reasonable time, place, and manner city ordinances that are reasonable for the City of East Bethel pertaining the operations of cannabis businesses.

The East Bethel City Attorney recommends that the East Bethel City Council pass a motion authorizing staff to begin the process of implementing an Interim Moratorium Ordinance, including noticing and scheduling a public hearing, in order to consider the adoption of an Interim Moratorium Ordinance to be heard in August or as soon as practical thereafter.

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



**Date:** June 26, 2023

**Agenda Item Number:** Item 8.0 G.1

**Agenda Item:** July Work Meeting

**Background Information:**

Our monthly Work Meeting is scheduled for Monday, July 3, 2023 at 7:00 PM. The following item(s) are recommended for discussion:

1. 2024 Preliminary Budget Review and Discussion
2. Cedarwood (Village Green) Manufactured Home Park Expansion Proposal

**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 July 3, 2023 Work Meeting.

**City Council Action:**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_