



EAST BETHEL BULLETIN

March 2011

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Don't Miss the East Bethel Spring Town Hall Meeting

Wed, April 27, 2011

Open House - 6:00 p.m.
Q&A - 7:00 p.m.
Open House 8:00 p.m.

EB Senior/Community Ctr.

Call 763-367-7840 for more information

Budget

By Rita Pierce, Fiscal & Support Services Director

The City of East Bethel Budgets for 2011 and 2010 along with 2009 actual amounts are provided on **Page 2** in summary form. Governmental funds, which include General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds, are totaled together in this summary. The Water Fund, Sewer Fund, Ice Arena Fund and the Equipment Replacement Fund, which are Proprietary Funds are shown individually.

City Council's review of the 2011 budget began in July and continued into December. The primary purpose of these meetings are to provide citizens the opportunity to have input and comment on the 2011 budget. The preliminary budget and tax levy was adopted in September and the final budget and levy was adopted on December 1, 2010.

The economy has had a significant impact on

the City including falling property values, reduced state aids and declining development activities. The average residential property in East Bethel lost nearly twelve percent of its value when compared to 2009 values. City Council and Staff developed

plans to balance the budget and minimize impacts on property taxes for 2011 while making provisions for maintaining necessary and essential services.



For those interested, the complete budget document is available for review at East Bethel City Hall and on the City's website at www.ci.eastbethel.mn.us. Just click on Budget on the left hand side of the front page of the web site.

Taxpayers are encouraged to attend the budget meetings for 2012 which will begin mid summer of 2011. Dates and times of these meetings will be posted on the City's website, on the City Bulletin Board, in the newsletter or by calling 763-367-7840.

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Sewer and Water Project Given Partial OK

By David Schaaf, Acting City Administrator

In the fall of 2010, the City of East Bethel bid and awarded projects to provide municipal water and wastewater service in the vicinity of TH 65 and Viking Boulevard. The projects include two wells, a water tower, a water treatment plant, water distribution mains and sanitary sewers. The Metropolitan Council also plans to invest approximately \$24 million in facilities to collect, treat and dispose of the wastewater. The service area of these projects is a 3 mile long by 1.5 mile wide area starting at the south City limits and extending north along TH 65.

In January, 2011, the projects were suspended pending further review. The City Council subsequently hired Robert Schunicht a consulting engineer and part

owner of the firm Landform to complete a review and risk assessment of the projects. The review and risk assessment addresses three key questions:

1. Do current demographics support growth and provision of municipal services to this part East Bethel?
3. Can East Bethel be competitive with neighboring communities providing municipal services?
3. Can the project be funded by growth and not be a liability to existing residents?

The Landform review evaluated the project costs, operation costs, future costs and growth rates to determine if East

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Budget (continued from page 1)

City of East Bethel Summary Budget Statement

The purpose of this report is to provide summary 2011 budget information concerning the City of East Bethel to interested citizens. The budget is published in accordance with Minn. Stat. Sec. 471.6965. This is not the complete City budget; the complete City budget may be examined at East Bethel City Hall at 2241 221st Ave. N.E., East Bethel, MN 55011. The City Council approved this budget on December 1, 2010.

Governmental Funds 2011 Adopted Budget

BUDGETED GOVERNMENTAL FUNDS	2009 ACTUAL	2010 BUDGET	2011 BUDGET
REVENUES			
Taxes	\$4,528,336	\$5,049,373	\$4,853,162
Special Assessments	102,523	93,296	47,125
Licenses and Permits	118,516	138,350	117,500
Intergovernmental Revenues:			
Federal	13,901	88,500	83,000
State	1,623,659	518,126	715,757
County	195,649	30,000	30,721
Charges for Services	35,042	171,370	70,900
Fines and Forfeits	60,100	58,100	58,100
Miscellaneous	156,683	55,500	48,500
TOTAL REVENUES	\$6,834,409	\$6,202,615	\$6,024,765
OTHER FINANCING SOURCES			
Proceeds from Borrowing			
EXPENDITURES			
General Government	\$1,136,653	\$1,089,562	\$1,133,117
Public Safety	1,667,773	1,833,472	1,866,657
Streets and Highways	770,034	669,393	639,781
Sanitation - Recycling	34,803	38,612	35,735
Parks and Recreation	365,269	379,921	389,098
Economic Development and Housing	190,250	428,558	332,166
G.O. Debt Service	115,000	165,000	243,000
Debt Interest and Agent Fees	161,923	141,758	136,620
Transfers-Proprietary Funds	265,600	246,700	262,200
TOTAL EXPENDITURES	\$4,707,305	\$4,992,976	\$5,038,374
INCREASE IN FUND BALANCE	\$2,127,104	\$1,209,639	\$986,391
PROPERTY TAX LEVY REQUIREMENT TO FUND THIS BUDGET	\$ 4,676,487	\$ 5,021,373	\$ 5,061,659

Proprietary Funds 2010 Adopted Budgets

	Adopted 2010 Budgets				2011 Adopted Budgets	2010 Adopted Budgets
	Water	Sewer	Arena	Equipment Replacement		
OPERATING REVENUES	\$48,000	\$74,000	\$259,800	\$21,500	\$403,300	\$403,100
OPERATING EXPENSES						
Personal Services	18,569	18,485	-		37,054	35,905
Supplies	7,000	20,650	31,100		58,750	52,100
Contractual Services	21,550	26,400	177,550		225,500	233,471
Capital Equipment				258,000	258,000	418,000
OPERATING INCOME	\$881	\$8,465	\$51,150	(\$236,500)	(\$176,004)	(\$336,376)
NONOPERATING (EXPENSES) REVENUES						
Debt Service					0	0
Transfers				262,200	262,200	246,700
NET INCOME	\$881	\$8,465	\$51,150	\$25,700	\$86,196	(\$89,676)

Sewer and Water Project Given Partial OK (continued from page 1)

Bethel can successfully serve the TH 65/Viking Boulevard project area without financially impacting existing residents. The review presented the following findings:

The overall Metropolitan Area growth patterns and local demographics support continued growth in the TH 65 corridor, however, recent slowing of growth points to a frugal approach to public expenditures.

East Bethel's charges are somewhat higher than its neighboring communities but in an acceptable range.

The Metropolitan Council's \$24 million investment represents 56% of the initial cost of the providing service.

The project bonds have favorable interest rates and save approximately \$2 million in interest costs because of Federal tax credits. Net interest costs over the life of the bonds are \$14.5 million. Most communities provide basic water treatment initially and do not

add iron and manganese removal treatment until they have a strong customer base.

Delaying the provision of iron and manganese treatment reduces the cost of the initial projects by approximately one-third or \$5 million.

The risk assessment considered three alternatives at the following estimated costs:

Current projects --\$15.4 million
 Delay iron and manganese removal treatment--\$10.1 to 10.4 million
 No build--\$5.3 to 9.7 million

The risk assessment concluded that by delaying the water treatment plant new customers can financially support the system at a much reduced rate of growth. The review and risk assessment recommends proceeding with the 65/Viking projects without the iron and manganese removal plant.

The review and risk assessment was presented at a Special City Council meeting on Saturday, February 19. The high cost of the No

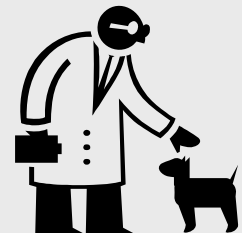
Build alternative and the resulting potential impact on existing East Bethel residents was a key point in the City Council's discussion. At the end of the lengthy and well-attended meeting, the City Council elected to proceed with the projects except the water treatment plant.

The council had learned that most cities in the metropolitan area did not start a water treatment plant at the inception of their water distribution service. However, they all provide basic treatment at the well head.

The council authorized a test well be drilled and water quality samples be collected from the ground water source planned for the new water system. This testing will allow the City to determine whether a water treatment plant as recommended by Bolton and Menk is necessary at this time. The City expects to receive those results in early April.

East Bethel Pet Clinic

- Where:** EAST BETHEL-ICE ARENA – 20675 Hwy. 65 NE.
- When:** SATURDAY – April 9, 2011, 9:00 am – 12:00 pm (Noon)
- Who:** All Communities Welcome
- Prices:**
- | | |
|------------------|---------|
| Rabies – Dog/Cat | \$15 |
| K-9 Distemper | \$15-20 |
| Feline Distemper | \$15-20 |
| Lyme | \$24 |
| Feline Leukemia | \$20 |
| Feline (FIP) | \$20 |
| Heartworm Test | \$20 |
- Heartworm & Flea/Tick Products will be sold



East Bethel City Code requires all dogs within East Bethel City Limits be licensed. Licenses are free with proof of rabies vaccination. Licenses will be available at the Pet Clinic. Call 763-367-7840 for more information.