

**TAYLORS FALLS CITY COUNCIL MEETING  
COUNCIL CHAMBERS  
MONDAY, AUGUST 11, 2014 – 6:45 P.M.**

**MINUTES**

The Agenda for this Meeting was posted Wednesday, August 6, 2014 at City Hall, the Post Office and on the City's Web Site. Copies were e-mailed to residents requesting such, and the Press was notified.

The Taylors Falls City Council began its regular meeting on Monday, August 11, 2014 in closed session at 6:45 p.m. in Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

**CALL TO ORDER**

The Meeting was called to order at 6:45 p.m. by Mayor Mike Buchite.

**PLEDGE OF ALLEGIANCE**

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

**ROLL CALL**

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Mary Jo Murphy

MEMBERS ABSENT: None

OTHERS PRESENT: Mike Kriz, Public Works Superintendent

**APPOINT SECRETARY**

MOTION BY RIVARD/MURPHY TO APPOINT JOHN TANGEN AS SECRETARY FOR THE CLOSED SESSION PORTION OF THIS MEETING. MOTION CARRIED UNANIMOUSLY.

**ANNOUNCEMENT**

The Mayor stated the Council would enter closed session for the purpose of an annual performance review of Mike Kriz, Public Works Superintendent.

MOTION BY JULIK-HEINE/MURPHY TO ENTER INTO CLOSED SESSION. AYES: ALL. MOTION CARRIED UNANIMOUSLY. The Council entered closed session at 6:45 p.m.

**RETURN TO OPEN MEETING**

The Mayor declared that the Council ended its closed meeting at 6:58 p.m.

MOTION BY JULIK-HEINE/MURPHY TO RETURN TO OPEN SESSION. AYES: ALL. MOTION CARRIED UNANIMOUSLY.

**PERSONS PRESENT AT RETURN TO OPEN MEETING**

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Mary Jo Murphy

MEMBERS ABSENT: None

OTHERS PRESENT: Mike Kriz, Public Works Superintendent

**SUMMARY OF CLOSED MEETING**

The Mayor declared the Council evaluated the job performance of Mike Kriz, Public Works Superintendent in its closed meeting. The closed meeting tape was sealed by the Mayor and placed in the locked employee file cabinet.

**OPEN MEETING CALL TO ORDER**

The Taylors Falls City Council continued their regular meeting on Monday, August 11, 2014 at 6:59 p.m. in the Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

## **ROLL CALL**

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine, Mary Jo Murphy  
MEMBERS ABSENT: None  
OTHERS PRESENT: Jo Everson, Clerk-Treasurer, Mike Kriz, Public Works Superintendent, Bill Neska, Public Works Maintenance Worker, Nick Anhut, Lori Warner, Susan Heaven, and Paul Ringnell from the Chisago County Press.

## **ADOPTION OF AGENDA**

MOTION BY MURPHY/TANGEN TO APPROVE THE AGENDA AS PRESENTED FOR THE AUGUST 11, 2014 COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

## **ADOPTION OF CONSENT AGENDA**

MOTION BY RIVARD/MURPHY TO APPROVE/ACCEPT THE FOLLOWING CONSENT AGENDA ITEMS: MINUTES OF CITY COUNCIL MEETINGS HELD ON JULY 14 AND JULY 28, 2014; STAFF REPORTS; COMMISSION/BOARD OR COMMITTEE MINUTES/ REPORTS; CONSIDER PAVING OF PATCH ON WEST STREET; CONSIDER APPROVAL OF CLAIMS & PAYROLL; AND CORRESPONDENCE. MOTION CARRIED UNANIMOUSLY.

## **APPROVAL OF MINUTES OF PREVIOUS COUNCIL MEETING MEETING(S)**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS CITY COUNCIL MEETINGS HELD ON JULY 14, AND JULY 28, 2014.

## **PUBLIC FORUM**

**Susan Heaven** spoke on behalf of Bill Schott, who owns two houses in Taylors Falls. Scott is now living in a nursing home, and is considering adding a provision to his trust to donate his house at 347 West Government Street to the City with certain conditions. The details have not yet been determined. Once they have, she was advised to bring a proposal to the Council.

**Lori Warner** introduced herself as a candidate for the House Seat 32B in the November General Election. She expressed concern with the recent controversy with North Bran's possible sale to the Superior Silica Sand company, which would bring hundreds of trucks through Taylors Falls on their way to North Branch. She assured the Council that she would support an alternative truck route, one that would benefit both Cities.

## **STAFF REPORTS & REQUESTS**

### **ADMINISTRATIVE DEPARTMENT**

**CLERK-TREASURER.** THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE AUGUST 2014 FINANCIAL REPORTS PRESENTED BY CLERK-TREASURER JO EVERSON.

**PLANNING & ZONING.** THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE AUGUST 2014 PLANNING & ZONING REPORT PRESENTED BY COORDINATOR-ZONING ADMINISTRATOR ADAM BERKLUND.

### **PUBLIC WORKS DEPARTMENT**

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE PUBLIC WORKS DEPARTMENT AUGUST 2014 REPORT AS PRESENTED BY PUBLIC WORKS SUPERINTENDENT MIKE KRIZ.

### **CITY ATTORNEY**

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE JULY 2014 BILLING STATEMENTS FROM THE CITY ATTORNEY'S OFFICE OF KELLY AND LEMMONS, P.A.

## **COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS**

### **LIBRARY BOARD**

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS LIBRARY BOARD MEETING HELD ON JULY 30, 2014.

## **UNFINISHED BUSINESS**

None.

## **NEW BUSINESS**

### **CONSIDER REVIEW OF PRE-SALE REPORT FOR G.O. BONDS**

### **CONSIDER RESOLUTION 14-08-01 CALLING FOR THE PUBLIC HEARING FOR THE ISSUANCE OF HOUSING & HEALTHCARE FACILITY REVENUE BONDS AND PROPOSED HOUSING PROGRAM**

Nick Anhut from Ehlers and Associates was present to explain the financial aspects of the proposed assisted living facility to be known as The Lodge of Taylors Falls, to be located on the west side Mulberry Street, just north of Caneday Court. There are two types of financing for this project. The City's portion is the Tax Increment Bonds (TIF), which will be repaid 100% from projected TIF revenues generated by the new development.

The second type of financing has been requested by the Developer's, Community Asset Foundation. It is a Healthcare Facility Revenue Bond, which is a tax exemption bond, backed by the City's full faith and credit which would not affect the City's bonding capacity. The City would act only as a conduit to allow the Foundation to access this type of financing (sometimes referred to as a "mortgage") from the bank. City assumes no obligation for its repayment. A public hearing would be required for both bonding proposals on Monday, September 8, 2014. The Foundation has scheduled to close on this mortgage on September 24<sup>th</sup>. Anhut (from Ehlers) recommended that it would be in the City's best interests to issue its debt after the Developer has finalized their portion of the financing. The bank would then guarantee funding for the construction of the facility.

The Council's next meeting following the September 24<sup>th</sup> closing, would be October 13<sup>th</sup>. The Developers do not want to wait until then because it would be too late to begin construction on the site work. They have requested the City consider an alternative.

Anhut explained there were two options:

1. The Council could call a Special Council Meeting on Monday, September 29<sup>th</sup> (Monday). Prior to the meeting Ehlers would solicit proposals through a competitive sale process where banks and various underwriters would bid on the City's bond request. It would then be presented to the Council for final award at the Special Meeting, and could then move into closing on the bond issue shortly thereafter.
2. The Council could authorize a "Parameter Resolution" which would establish certain limits approved in advance by the Council. Included would be the maximum amount of the General Obligation bond, the minimum price of the bonds and the acceptable level of interest rate. It also would allow a City Representative(s), (recommended were the Mayor and Clerk-Treasurer) to execute the bonds on behalf of the City based upon their parameters. If Council prefers this option, they would not have to meet for a Special Meeting. Ehlers would solicit for bonds prior to the date agreed to, and the representative(s) would review the bids to be sure they were within the parameters set by the Council, and would award the bid accordingly. Ehlers could then move on executing the financing in final. The City's Bond Attorney would draft the Resolution.

Two Resolutions were presented at this meeting. Resolution 14-08-01 calls for a public hearing on behalf of developer and their financing. They are looking for city tax exemption in order to engage in their side of the financing. This would require a public hearing, and City must authorize that tax exemption. Once completed, they can move on partnering with their bank to begin closing on their financing on September 24, 2014.

MOTION BY RIVARD/TANGEN TO ADOPT RESOLUTION 14-08-01, A RESOLUTION APPROVING THE ISSUANCE OF HOUSE AND HEALTHCARE FACILITY REVENUE BONDS, AND THE ADOPTION OF A HOUSING PROGRAM AUTHORIZING THE PUBLICATION OF A PUBLIC HEARING FOR "THE LODGE OF TAYLORS FALLS". MOTION CARRIED UNANIMOUSLY. (attached)

The second Resolution, 14-08-02 calls for the Council to consider the sealed proposals at their September 22, 2014 meeting, and expecting to also award the sale at that meeting. Because the dates have been changed for the Developer's closing on their financing, Anhut recommended, and Clerk-Treasurer Jo Everson agreed, that the adoption of this Resolution be tabled in order to consider a Parameter Resolution at the August 25, 2014 Council Meeting.

MOTION BY MURPHY/JULIK-HEINE TO TABLE ACTION ON THE PROPOSED RESOLUTION 14-08-02, PROVIDING FOR THE SALE OF A \$725,000 GENERAL OBLIGATION TAX INCREMENT BOND, SERIES 2014A, UNTIL THE AUGUST 25, 2014 COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

**CONSIDER EMPLOYEE RECOGNITION FOR YEARS OF SERVICE**

MOTION BY RIVARD/JULIK-HEINE TO RECOGNIZE THE FOLLOWING EMPLOYEES FOR THEIR YEARS OF SERVICE WITH THE CITY OF TAYLORS FALLS:

- JO EVERSON, 20 YEARS ON FEBRUARY 8, 1994
- BILL NESKA, 15 YEARS ON JULY 12, 1999
- MIKE KRIZ, 5 YEARS ON AUGUST 24, 2009

MOTION CARRIED UNANIMOUSLY. The Council presented Certificates of Appreciation and gift cards to commemorate each year of service.

**CONSIDER SIDEWALK REPLACEMENT AT PETRO PLUS STATION #2**

Public Works Superintendent recommended that sidewalk be replaced in front of the new Adium Oil Station (Petro Plus) #2. The contractors are just finishing up concrete work on site and it would be the best time to have it done. The total cost of the project would be approximately, \$4,000.00, with the property owner paying for half of the project cost.

MOTION BY TANGEN/JULIK-HEINE TO APPROVE THE INSTALLTION OF SIDEWALK ADJACENT TO THE PETRO PLUS GAS STATION #2, THE COST OF THE PROJECT IS TO BE A 50/50 COST SHARE WITH THE PROPERTY OWNER, AT A COST TO THE CITY NOT TO EXCEED \$2,000, TO BE PAID FROM THE PUBLIC WORKS SIDEWALK BUDGET (43100-408). MOTION CARRIED UNANIMOUSLY.

**CONSIDER PAVING OF PATCH ON WEST STREET**

THE CITY COUNCIL AUTHORIZED BY CONSENT AGENDA THE PATCHING OF WEST STREET THAT WAS DISTURBED DUE TO A WATER MAIN BREAK LAST WINTER, AT A COST OF \$2,500 BY PREFERRED PAVING, TO BE PAID FROM THE WATER FUND (601).

**APPROVAL OF CLAIMS & PAYROLL**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE PAYMENT OF CHECK NUMBERS 25889 – 25923 TALLING \$65,717.34 IN EXPENDITURES, AND CHECK NUMBERS 6503 – 6515 TALLING \$13,741.36 FOR JULY PAYROLL.

**LIAISON OR COUNCIL MEMBER REPORTS**

**Ross Rivard** reported that the Planning Commission continues would be holding a public hearing next week on a Conditional Use Permit for the project The Lodge at Taylors Falls.

**Mary Murphy** reported she would soon be meeting with her departments that she serves as liaison. She commented that gratitude should be extended to those who volunteered to install three of the five signs for the RiverWalk Trail [EDC Chair Barbara Nelson, Mayor Mike Buchite, and Donald Grover].

**John Tangen** reported that the HPC and the CERT would be submitting their budgets soon. The HPC is in the process of reviewing another site to designate.

**Mayor Mike Buchite** reminded everyone that the Partisan Primary Election is Tuesday, August 11, 2014.

**CORRESPONDENCE**

THE CITY COUNCIL ACKNOWLEDGED BY CONSENT AGENDA THE FOLLOWING CORRESPONDENCE PROVIDED IN THE AUGUST 11, 2014 CITY COUNCIL MEETING PACKET:

1. STAFF CORRESPONDENCE & EMAIL'S

**ADJOURNMENT**

MOTION BY JULIK-HEINE/MURPHY TO ADJOURN THE MEETING OF THE TAYLORS FALLS CITY COUNCIL HELD THIS 11<sup>TH</sup> OF AUGUST, 2014. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:37 p.m.

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Michael D. Buchite, Mayor

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Jo Everson, Clerk-Treasurer

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John Tangen, Acting Secretary

**APPROVED:** SEPTEMBER 8, 2014

**RESOLUTION 14-08-01**

**CITY OF TAYLORS FALLS  
CHISAGO COUNTY  
STATE OF MINNESOTA**

**A RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ISSUANCE  
OF HOUSING AND HEALTHCARE FACILITY REVENUE BONDS AND OF A  
ADOPTION OF A HOUSING PROGRAM AND AUTHORIZING THE PUBLICATION  
NOTICE OF PUBLIC HEARING (THE LODGE OF TAYLORS FALLS PROJECT)**

WHEREAS, Minnesota Statutes, Chapter 462C, as amended (the "Act"), authorizes and empowers municipalities of the State of Minnesota (the "State") to issue and sell certain revenue bonds in the form of bonds or other obligations and lend the proceeds thereof for the purpose of providing financing for the acquisition, construction and equipping of certain senior housing facilities with services; and

WHEREAS, the City Council of the City of Taylors Falls, Minnesota (the "City"), has received from The Lodge of Taylors Falls LLC, a Minnesota limited liability company (the "Borrower"), whose sole member is Community Asset Foundation, a Minnesota nonprofit corporation, a proposal that the City undertake a program to assist in financing a housing project described in the attached Notice of Public Hearing, through the issuance of revenue bonds or other obligations (in one or more series) (the "Bonds") pursuant to the Act; and

WHEREAS, the City has been advised that a public hearing and City Council approval of the financing of the housing program is required under Section 147(f) of the Internal Revenue Code and the Act;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Taylors Falls, Minnesota, as follows:

1. A public hearing on the proposal of the Borrower will be held at the time and place set forth in the Notice of Public Hearing hereto attached.
2. The housing finance program and the general nature of the project and an estimate of the principal amount of Bonds to be issued to finance the project are described in the attached form of Notice of Public Hearing.
3. A draft copy of the housing finance program with proposed forms of all attachments and exhibits thereto will be on file in the office of the Clerk-Treasurer.
4. The Clerk-Treasurer is hereby authorized and directed to cause notice of the hearing to be given one publication in the official newspaper of the City not less than 15 days prior to the date fixed for the hearing, substantially in the form of the attached Notice of Public Hearing.

APPROVED THIS 11<sup>TH</sup> DAY OF AUGUST, 2014

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Michael D. Buchite, Mayor

ATTEST:

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Jo Everson, Clerk-Treasurer

**Extract of Minutes of a Meeting of the  
City Council of the  
City of Taylors Falls, Minnesota**

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Taylors Falls, Minnesota, was duly held at the City Hall in said City on Monday, the 11<sup>th</sup> day of August, 2014, at 7:00 o'clock P.M.

The following members were present: Mayor Mike Buchite, Vice-Mayor Ross Rivard, Council Member John Tangen, Council Member Larry Julik-Heine, and Council Member Mary Murphy. and the following were absent: none.

Council Member Ross Rivard introduced the following 14-08-01 Resolution and moved its adoption:

A RESOLUTION CALLING FOR A PUBLIC HEARING  
ON A PROPOSAL FOR THE ISSUANCE OF HOUSING AND HEALTHCARE  
FACILITY REVENUE BONDS AND A PROPOSED HOUSING PROGRAM  
PURSUANT TO CHAPTER 462C, MINNESOTA STATUTES  
AND AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING  
(THE LODGE OF TAYLORS FALLS PROJECT)

The motion for the adoption of the foregoing Resolution was duly seconded by Council Member John Tangen, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Mayor Mike Buchite, Vice-Mayor Ross Rivard, Council Member John Tangen, Council Member Larry Julik-Heine, and Council Member Mary Murphy.

and the following voted against the same: none.

Whereupon said Resolution was declared duly passed and adopted.

ATTEST:

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Jo Everson, City Clerk