

**TAYLORS FALLS CITY COUNCIL MEETING  
COUNCIL CHAMBERS  
MONDAY, AUGUST 14, 2017 – 7:00 P.M.**

**MINUTES**

The Agenda for this Meeting was posted Wednesday, August 9, 2017 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.

**CALL TO ORDER**

The Meeting was called to order at 7:00 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, Mary Jo Murphy, John Tangen

MEMBERS ABSENT: Larry Julik-Heine

OTHERS PRESENT: Adam Berklund, Troy Aanonsen 347 W. Government Street, Susan Sexauer & Tom Niedenfuer – 330 Basil Street, Bob Roepke – Community Asset Foundation, Denise Martin – Chisago County Press, Paul Rignell – Ledger Press.

**ADOPTION OF AGENDA**

The Consent Agenda was amended to add item #11 – Consider Purchase of HPC Materials

MOTION BY MURPHY/RIVARD TO APPROVE THE AGENDA, AS AMENDED, FOR THE AUGUST 14, 2017 TAYLORS FALLS CITY COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

**ADOPTION OF CONSENT AGENDA**

MOTION BY ROVARD/TANGEN TO APPROVE THE FOLLOWING CONSENT AGENDA ITEMS: STAFF REPORTS; COMMISSION/BOARD OR COMMITTEE MINUTES/REPORTS; CONSIDER LIONS CLUB BINGO APPLICATIONS; CONSIDER FIRE TRUCK REPAIRS; CONSIDER DEER HERD MANAGEMENT HUNT; CONSIDER APPROVAL OF CLAIMS & PAYROLL; AND CORRESPONDENCE. MOTION CARRIED UNANIMOUSLY.

**APPROVAL OF MINUTES OF PREVIOUS CITY COUNCIL MEETING MINUTES**

THE CITY COUNCIL APPROVE BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS CITY COUNCIL MEETING HELD JULY 10, 2017.

**PUBLIC HEARING**

**HOST APPROVAL FOR CITY OF HOWARD LAKE, MINNESOTA SENIOR LIVING REVENUE REFUNDING NOTES, SERIES 2017A.**

Mayor Buchite explained the protocol for the Public Hearing, after which he called the Hearing to Order at 7:03 p.m. and requested the Public Notice be read into the record:

*Notice is hereby given that the City Council of the City of Taylors Falls, Minnesota (the "City"), will meet in City Council chambers at the Taylors Falls City Hall, 637 First Street, in the City, at 7:00 p.m. on Monday, August 14, 2017, to consider giving host approval to the issuance by the City of Howard Lake, Minnesota (the "Issuer") of revenue obligations, in one or more series, under Minnesota Statutes, Chapter 462C (the "Act"), in order to refinance the cost of a project located in the City, pursuant to an existing housing program (the "Housing Program") under the Act and a joint powers agreement with the Issuer.*

*The Lodge of Taylors Falls, LLC, a Minnesota limited liability company ("Taylors Falls Lodge"), which is an affiliate of Community Asset Foundation, a Minnesota nonprofit corporation and 501(c)(3) organization (and, with all of its affiliates, the "Obligated Group"), proposes to refinance a Project, among others, including the*

*refunding of the outstanding principal amount of the City's, \$2,212,500 Senior Housing Revenue Bonds (The Lodge of Taylors Falls Project) Series 2014, the proceeds of which were used to finance the acquisition, construction, and equipping of a 24-unit assisted living facility located at 1051 Mulberry Road in the City (the "Project"). The Project is and will be owned by Taylors Falls Lodge and managed by The Evangelical Lutheran Good Samaritan Society.*

*The total maximum aggregate estimated principal amount of notes or other obligations to be issued by the Issuer is \$8,000,000.*

*The obligations, as and when issued, will not constitute a charge, lien, or encumbrance upon any property of the City or the Issuer, except the Project and the revenues to be derived from the Project. Such notes or obligations will not be a charge against the City's or the Issuer's general credit or taxing powers but are payable from sums to be paid by the Obligated Group Pursuant to a revenue agreement.*

*At the time and place fixed for the public hearing, the City Council of the City will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. Written comments will be considered if submitted at the above City office on or before the date of the hearing.*

*Coordinator Berklund referred to an email from the City's financial advisors at Ehlers stating that basically, this will allow The Lodge to refinance its private debt at a tax-exempt interest rate. There is no change to the city's own GO TIF Bonds. Other than lowering the Lodge's borrowing costs and thereby enabling a more financially viable facility in town, there is no direct financial benefit to the city.*

*There are protections the City put in place for its own TIF bonds in the unexpected case the Lodge was to default or cease operations. And there are protections in the development agreement that if annual TIF is not enough to cover the city's bond payments, the developer is to make up the difference. Keeping the facility financially viable sustains the TIF District with is repaying the City's bonds, and should give them extra resources to cover the city's bonds if the TIF is short. So there is some benefit, albeit indirect.*

Coordinator Berklund also referenced an email from the City Attorney that read:

*I have read the Assignment and Subordination of Development and Loan Agreement, as well as the Joint Powers Agreement. First, regarding the Subordination Agreement. The City is representing and warranting that the development agreement is valid, enforceable and that developer is not in default. Next, the City is representing and warranting that all the improvements have been completed as required by the development agreement. The City is also agreeing that all its rights under the development agreement are now subordinate to the mortgage. In other words, if the mortgage is defaulted, the lender has first claim to the project assets. As long as the above representations and warranties are correct, I see no problem with the assignment.*

*As to the Joint Powers Agreement. Taylors Falls is granting the City of Howard Lake the power to enter into the TIF agreement with the Community Asset Foundation. That Howard Lake will have, on behalf of the City of Taylors Falls, the right to exercise all powers under the Joint Powers Act.*

*One point to keep in mind is that in agreeing to this transaction the City of Taylors Falls is not creating a general obligation to repay the TIF financing. It is still a special limited obligation payable solely from the proceeds revenues and amounts pledged as security under the loan agreement. Said security being the assisted living projects owned and operated by Community Asset Foundation. The Resolution is acceptable.*

Bob Roepke, from the Community Asset Foundation confirmed this, and stated that the resolution explained that *in no event shall the Notes ever be payable from or charged upon any funds of the City. . . .*

Bob also gave an update on the capacity of the Lodges saying that they were at about 70% full and thanked the City for their involvement of the project.

Mayor Buchite explained that it was a need for the City and our intent with the project was not to profit from it, but rather have a place where residents could live out their lives, without having to leave the City.

The Mayor asked for public comments in favor of the project three times:

**None**

The Mayor asked for public comments opposed to the project three times:

**None**

The Mayor asked for public comments neutral to the project three times:

**None**

### **CLOSE OF HEARING**

MOTION BY MURPHY/TANGEN TO CLOSE THE PUBLIC HEARING HOST APPROVAL FOR CITY OF HOWARD LAKE, MINNESOTA SENIOR LIVING REVENUE REFUNDING NOTES, SERIES 2017A.

Public Hearing closed at 7:12 p.m.

### **PUBLIC FORUM**

NONE

### **STAFF REQUESTS**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA TO APPROVE THE VACATION REQUEST FROM COORDINATOR-ZONING ADMINISTRATOR ADAM BERKLUND FOR A HALF DAY AUGUST 24, AND A FULL DAY AUGUST 29, 2017.

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

NONE

### **UNFINISHED BUSINESS**

NONE

### **NEW BUSINESS**

**CONSIDER RESOLUTION 17-08-01 GIVING HOST APPROVAL TO THE ISSUANCE OF REVENUE REFUNDING BONDS**

With all Council Members in agreement that this resolution in no way would change anything with the City's bonds the Mayor called for a motion.

MOTION BY MURPHY/RIVARD TO ADOPT RESOLUTION 17-08-01 GIVING HOST APPROVAL TO THE ISSUANCE OF REVENUE REFUNDING NOTES AND AUTHORIZING THE EXECUTION OF A SUBORDINATION AGREEMENT AND A JOINT POWERS AGREEMENT. MOTION CARRIED UNANIMOUSLY.

### **CONSIDER BORDER CITIES DEVELOPMENT ZONE POLICY AND MAP**

Coordinator Berklund reported that at the last meeting City Council agreed to enter into a MOU with the Department of Employment and Economic Development as a part of the 2017 Border City Enterprise Zone. A policy was also discussed that fit the parameters of the state's program, while using the template of a City of similar size. The changes that were made to the policy were that there was a set amount of \$5,000 per business regardless of which category they applied for. Also, for the start of the program, qualifying new businesses will have to have been established after January 1, 2017 and will be a first come first serve policy. Lastly Council determined that to qualify, businesses would need to be located within the Downtown Commercial and St. Croix River II zones.

MOTION BY MURPHY/RIVARD TO ADOPT RESOLUTION 17-08-02 APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT FOR THE 2017 BORDER CITY ENTERPRISE ZONE CREDITS; FURTHER MOVED TO ADOPT RESOLUTION 17-08-03 ADOPTING POLICY FOR THE TAYLORS FALLS DEVELOPMENT ZONE;

FURTHER MOVED TO ADOPT RESOLUTION 17-08-04 SETTING BOUNDARIES FOR THE TAYLORS FALLS DEVELOPMENT ZONE. MOTION CARRIED UNANIMOUSLY.

### **CONSIDER SOLAR CUP EXTENSION**

Council Member Rivard reported that Ecoplexus has submitted the required documentation to request a one year extension to the Stein "Fox" CUP solar energy system (PID 20.00081.40, 20.00081.00, and 20.00087.50). Their letter was submitted to the City on July 27, 2017 and stated the regulatory problems for which they were unable to complete the project within one year. A recommendation to approve the extension was made by the Planning Commission on August 7.

### **SECTION 1000.008 CONDITIONAL USES**

**Subd. 2 Expiration of Conditional Use Permit By Non-Use.** Whenever within one (1) year after granting a conditional use permit, the work as permitted by the permit shall not have been completed, such permit shall expire unless an extension of time in which to complete the work has been granted by the City Council. Such extension shall be requested in writing and filed with the Zoning Administrator at least thirty (30) days before the expiration of the original conditional use permit. There shall be no charge for filing of such a petition. The request for extension shall state facts showing a good faith attempt to complete the work permitted in the conditional use permit. The extension may be granted for up to one (1) year. Such petition shall be presented to the Planning Commission for a recommendation and to the City Council for a decision and shall be requested only one time on a singular action. Upon expiration of a conditional use permit, the County Recorder shall be notified of the termination of the permit.

MOTION BY TANGEN/RIVARD TO ACCEPT RECOMMENDATION FROM THE PLANNING COMMISSION TO APPROVE A ONE YEAR EXTENSION TO ECOPLEXUS FOR THE FOX SOLAR CONDITIONAL USE PERMIT WITH AN EXPIRATION DATE OF AUGUST 14, 2018. MOTION CARRIED UNANIMOUSLY.

### **CONSIDER BEAMS AT HERITAGE PARK**

Coordinator Berklund reported that at the May meeting Council directed staff to get costs for replacing the steel beams between the monuments at Heritage Park. Discussing this with Public Works Superintendent Mike Kriz it was decided to use green-treated 4" x 6" beams as over the course of time any broken ones could be easily replaced. It was also determined that new anchors would be needed to be built into the monuments. Cox Masonry has already agreed to install these anchors if we supply them. I contacted Tom Bantarri of Lakes Area Manufacturing with the design we would need who gave me an estimate of:

86 – brackets (front & back)	@ \$33.72 = \$3,500.00
200 – SS Bolts Tamper Proof \	
400 – SS Washers	\$600.00
200 – SS Nylock Nuts	/

We will also need:

42 - 16' 4"x 6" green-treat timbers	@ \$33.52 = \$1,441.36
A total of:	\$5,541.36

\*there is currently a 11% rebate at Menards so we will get \$158.56 back.

\*\*there is approximately 3.15 tons of steel we will recycle @ \$160/ton, so we will get around \$504

\*\*\*we did receive another bid for the brackets, but the brackets alone would have been over \$6,000

MOTION BY TANGEN/RIVARD TO APPROVE A COST OF \$5,541.36 TO REPLACE THE BEAMS AND BRACKETS BETWEEN THE MONUMENTS AT HERITAGE PARK TO BE PAID FROM THE PARK IMPROVEMENTS FUND 404-45200-403. MOTION CARRIED UNANIMOUSLY.

#### **CONSIDER COMMUNITY FUND GRANT**

The Chisago Lakes Area Community Foundation's Community Fund was established in 2008 to benefit the entire Chisago Lakes Area and fulfill charitable needs that enhance the quality of life in our area. This local foundation serves the cities of Almelund, Center City, Chisago City, Chisago Lakes Township, Franconia Township, Lindstrom, Shafer, Shafer Township and Taylors Falls and the surrounding areas.

In 2010, Taylors Falls received \$500 for the split-rail fence at the Pump House Park. This year staff's idea was to apply in hopes of receiving a "sponsorship" for one of the kiddie events at Wannigan Days. By the looks of their grants page, amounts range from \$500 to \$1,500.

MOTION BY RIVARD/MURPHY TO AUTHORIZE STAFF TO SUBMIT A GRANT APPLICATION TO THE CHISAGO LAKES AREA COMMUNITY FOUNDATION IN THE AMOUNT OF \$1,000 FOR THE PURPOSE OF KEEPING WANNIGAN DAYS EVENTS FREE TO THE PUBLIC. MOTION CARRIED UNANIMOUSLY.

#### **CONSIDER REPAIRS TO MILITARY ROAD**

Public Works Superintendent Mike Kriz submitted a report that the boils on Military Road are breaking up the surface and slowly deteriorating the road. He said the base under the road needs to be addressed. He, along with the City Engineer, explored many options and came up with fixing the bad spots by grinding up the asphalt and reclaiming for a good base. Four contractors were contacted and looked at it, but only one submitted a quote that would complete the road. Prefer Paving submitted a quote of \$21,450.

MOTION BY RIVARD/MURPHY TO APPROVE ESTIMATE FROM PREFER PAVING AT A COST OF \$21,450 FOR ASPHALT REPAIRS TO MILITARY ROAD TO BE PAID FROM THE STORMWATER UTILITY FUND 600-49800-500. MOTION CARRIED UNANIMOUSLY.

#### **CONSIDER ROAD REPAIR ON LOCUST AND BRIAR**

Public Works Superintendent Mike Kriz also reported that there are two spots that need base correction and patched with asphalt on Locust and Briar Lanes. These repairs are critical because the road cannot be seal coated unless fixed. Since Prefer Paving will be in town for Military Road, this would be a good time for the repairs. Prefer Paving submitted a quote of \$3,000 for these repairs.

MOTION BY TANGEN/RIVARD TO APPROVE ESTIMATE FROM PREFER PAVING AT A COST OF \$3,000 FOR MAINTENANCE AND PAVING PATCHES ON LOCUST AND BRIAR LANES TO BE PAID FROM THE STREET IMPROVEMENTS FUND 650-4300-540. MOTION CARRIED UNANIMOUSLY.

#### **CONSIDER PURCHASE OF HISTORIC PRESERVATION COMMISSION MATERIALS**

Council Member Tangen reported that at the HPC meeting last Wednesday the commission requested to purchase a copy of "A Field Guide To American Houses". They are at a cost of \$20.02 and they will need seven copies totaling \$140.14, plus Shipping. These books are very beneficial for any Site Alteration Permits as well as designating properties. They also will be property of the City so when a commission member resign's or ends their term, it will be returned to the City.

Their New Equipment fund has already been spent on house markers, so they are requesting using the remaining Training & Instruction fund. Note, they did receive a scholarship from the Minnesota Historical Society so these funds are available.

MOTION BY MURPHY/RIVARD TO APPROVE THE PURCHASE OF SEVEN BOOKS FOR THE HPC WITH THE REQUEST OF THE FUNDS TO BE TAKEN FROM THE TRAINING AND INSTRUCTION FUND 101-41960-208. MOTION CARRIED UNANIMOUSLY.

### **CONSENT AGENDA**

#### **CONSIDER APPROVING EXCLUDED BINGO FOR THE LIONS CLUB ON NOVEMBER 17 & 25, 2017**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA TO APPROVE THE REQUEST FROM THE TAYLORS FALLS LIONS CLUB TO CONDUCT EXCLUDED BINGO AT THE TAYLORS FALLS MEMORIAL COMMUNITY CENTER ON NOVEMBER 17 & 25, 2017.

#### **CONSIDER REPAIRS TO THE NUMBER ONE PUMPER FIRE TRUCK**

The Fire Department determined there was another problem with their #1 pumper truck when the check engine light came on. It was taken to Northland Truck Repair locally for a diagnostic and their scan tool could not read it. Then it was taken to Blaine Brothers who had the correct scan tool and it was determined there was a problem with the truck's ECM (engine control module). It was recommended to take it to an authorized International dealer. It was brought to Astleford International in Minneapolis for repairs which came at a cost of \$5,691.31.

This was considered an emergency repair and has already been repaired and returned, emergency approval by CM Murphy.

THE CITY COUNCIL APPROVED BY CONSENT AGENDA TO APPROVE THE PAYMENT TO ASTLEFORD INTERNATIONAL TO REPLACE THE TRUCK'S ECM ON THE DEPARTMENT'S #1 PUMPER AT A COST OF \$5,691.31 TO BE PAID FROM THE REPAIRS MAINTENANCE EQUIPMENT FUND 101-42260-404.

#### **CONSIDER 2017 DEER HERD MANAGEMENT HUNT**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA TO AUTHORIZE A SPECIAL TAYLORS FALLS ARCHERY DEER HERD MANAGEMENT HUNT FROM SEPTEMBER 16 – DECEMBER 31, 2017.

### **APPROVAL OF CLAIMS & PAYROLL**

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE PAYMENT OF CHECK NUMBERS 29813 - 29858 TOTALING \$176,063.36 FOR JULY EXPENDITURES AND CHECK NUMBERS 7279 – 7289 TOTALING \$11,912.36 FOR JULY PAYROLL.

### **LIAISON OR COUNCIL MEMBER REPORTS**

**Ross Rivard** – reported that the PC met briefly to make a recommendation on the solar extension. He also noted the Public Works guys were doing a great job, and it shows in how nice the City looks.

**John Tangen** – reported that the HPC meet on Wednesday and reviewed three Site Alteration Permits and that Troy Aanonsen would be attending the Minnesota Historical Society's annual Preservation Conference in September, which we also received a grant to pay for.

**Mary Murphy** – reported that there still hadn't been an EDC meeting, also that her daughter would be getting married this weekend.

**ADJOURNMENT**

MOTION BY MURPHY/TANGEN TO ADJOURN THE MEETING OF THE TAYLORS FALLS CITY COUNCIL HELD THIS AUGUST 14, 2017. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:47 p.m.

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Michael D. Buchite, Mayor

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Adam Berklund, Coordinator

**APPROVED:** SEPTEMBER 11, 2017