

COUNCIL PROCEEDINGS

June 3, 2008

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on June 3, 2008 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen (arrived at 5:15 p.m.), Erickson, Kajewski, Lee, Schmalz, and Nordhagen. Councilmembers Holten and Bendickson were absent. Mayor Nordhagen chaired the meeting.

APPROVAL OF AGENDA

Councilmember Kajewski motioned, being seconded by Councilmember Lee, to approve the agenda with the addition of two items. On vote being taken, the motion was unanimously approved and the agenda adopted.

RESOLUTION NO. 5-143-08: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 5-143-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to approve the May 20, 2008 Council Proceedings, as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-144-08: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 5-144-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to authorize payment of the bills and disbursements in the total amount of \$748,109.44. A printout of the approved payments and disbursements is attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-145-08: APPROVAL OF TEMPORARY 3.2% MALT LIQUOR LICENSE FOR CHAMBER OF COMMERCE

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 5-145-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to grant the Chamber of Commerce a Temporary 3.2% Malt Liquor License effective September 13, 2008 on LaBree Avenue or the Curling Club, from 5:00 p.m. until midnight.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-146-08: APPROVAL OF TEMPORARY 3.2% MALT LIQUOR LICENSE FOR PENNINGTON COUNTY FAIR BOARD

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 5-146-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to grant the Pennington County Fair Board a Temporary 3.2% Malt Liquor License effective July 9-13, 2008 at the Pennington County Fairgrounds, from noon to midnight each day.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-147-08: AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT TERMINAL ROOF REPAIRS

The City Council reviewed a proposed grant agreement. Following discussion, Councilmember Kajewski introduced Resolution No. 5-147-08, being seconded by Councilmember Erickson, that:

BE IT RESOLVED, by the City of Thief River Falls as follows:

1. That the State of Minnesota Agreement No. 92913 "Grant Agreement for Airport Improvement Excluding Land Acquisition" for State Project No. 5701-71 at the Thief River Falls Regional Airport is accepted.
2. That the Mayor and City Administrator are hereby authorized to execute this agreement and any amendments on behalf of the City of Thief River Falls.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-148-08: DECLARING THE OFFICIAL INTENT OF THE CITY OF THIEF RIVER FALLS TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF BONDS; AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO MAKE DECLARATIONS OF OFFICIAL INTENT ON BEHALF OF THE CITY

The City Council reviewed information with regard to funding of improvement projects. Following discussion, Councilmember Lee introduced Resolution No. 5-148-08, being seconded by Councilmember Schmalz, that:

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 providing that proceeds of tax-exempt bonds used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and,

WHEREAS, the City of Thief River Falls expects to incur certain expenditures which may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a bond.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of Thief River Falls as follows:

1. The City reasonably intends to make expenditures for the betterment of water utility systems of the City of Thief River Falls which are generally described as Exhibit A attached hereto, hereinafter the "Project" and reasonably intends to reimburse itself for such expenditures from the proceeds of bonds to be issued by the Midwest Consortium of Municipal Utilities ("MCMU"), a joint venture by utilities to be organized as a Minnesota nonprofit corporation pursuant to Minnesota Statutes Section 452.25, under MCMU's Minnesota Municipal Utilities Association pooled finance program. The maximum principal amount of such debt reasonably expected to be issued for the Project will not exceed \$425,000, the proceeds of which will be loaned by MCMU to the City pursuant to a loan agreement or lease or similar conduit financing arrangement.
2. This resolution is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated reimbursements are consistent with the City's budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the MCMU are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City's budget or financial policies to pay such Project original expenditures. The City has not adopted any allocation, budget, or restriction of moneys or adoption of a requirement or policy to reimburse a fund, the primary purpose of which is to prevent moneys from being available to pay an original expenditure the City intends to reimburse with proceedings of a borrowing.
3. This resolution is intended to constitute a declaration of official intent for purposes of Treas. Reg. § 1.150-2 and any successor law, regulation, or ruling.
4. The allocation of proceeds of the bonds to be issued to any Project original expenditures will be made not later than 18 months after the later of (i) the date the expenditure was paid or (ii) the date the property was placed in service or the project is abandoned, but in no event more than three years after the expenditure is paid (subject to the application of Treas. Reg. § 1.150-2(d)(2)(ii)).
5. The Project original expenditures to be reimbursed from proceeds of the bonds shall be capital expenditures, costs of issuance of the bonds, or other expenditures eligible for reimbursement under Treas. Reg. § 1.150-2(d)(3).

6. Other than (i) expenditures to be paid or reimbursed from sources other than proceeds of the bonds, (ii) expenditures constituting preliminary expenditures within the meaning of Treas. Reg. § 1.150-2(f)(2), or (iii) expenditures in a “de minimis” amount (as defined in Treas. Reg. § 1.150-2(f)(1)), no original expenditures for the Project have been paid by the City more than 60 days prior to the date of this resolution.

7. Proceeds of the bonds issued to reimburse the Project original expenditures will be deemed spent only when (i) an allocation entry is made on the books or records of the City with respect to the proceeds of the bonds; (ii) the entry identifies an actual expenditure to be reimbursed, or where the Project is described as a fund or account, the fund or account from which the expenditure was paid; and (iii) the allocation is effective to relieve the bond proceeds from restrictions on unspent proceeds under applicable documents and state laws.

8. None of the proceeds of the bonds issued to reimburse the City for the Project’s original expenditures will be used within one year of the allocation (i) to refund another governmental obligation or (ii) to create or increase the balance in a sinking fund or replace funds used for such purpose, or (iii) to create or increase the balance in a reserve or replacement fund or replace funds used for such purposes; or will be used at any time to reimburse any person or entity (other than the City) for expenditures originally paid with the proceeds of an MCMU obligation or a City obligation (excluding a City inter-fund borrowing); unless (i) such amounts are deposited in a bona fide debt service fund or are used to pay debt service in the next one-year period on any MCMU obligation or City obligation other than the reimbursement bond, or (ii) the original issue was not reasonably expected to be used to finance the expenditure.

9. No action or inaction by the City with respect to the allocation of bond proceeds to reimbursement of Project original expenditures will be an artifice or device to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

10. The City Administrator of the City is hereby designated as the authorized representative of the City to declare in writing, in such form as may be approved by the City Council of the City of Thief River Falls and MCMU bond counsel, the official intent of the City from time to time to reimburse original expenditures for the Project from proceeds of debt to be issued by MCMU or by the City, for purposes of and in accordance with Treas. Reg. § 1.150-2.

EXHIBIT A
Description of Project
Replacement and Relocation of Water Mains as part of the
2008 Street, Sidewalk, and Utilities Improvement Project.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-149-08: APPROVAL OF CHANGE ORDER NO. 1 FOR 2007 STREET, SIDEWALK, AND UTILITIES IMPROVEMENT PROJECT

The City Council reviewed a Change Order for the 2007 Street, Sidewalk, and Utilities Improvement Project. Following discussion, Councilmember Kajewski introduced Resolution No. 5-149-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to approve Change Order No. 1 with Davidson Construction in amount of \$24,900 to add the following to the 2007 Street, Sidewalk, and Utilities Improvement Project:

To construct 10' x 8" thick Class 5 aggregate base for 1,575 linear feet of pedestrian walkway with 680 linear feet having eight-foot wide by two-inch thick bituminous surfacing. The walkway is to be constructed in Challenger First Addition.

BE IT FURTHER RESOLVED, that MMCDC, the developer, shall pay 100% of the cost for this addition.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-150-08: APPROVAL OF EXTENSION OF AMERICAN LEGION CLUB ON-SALE INTOXICATING LIQUOR LICENSE TO OUTDOOR DECK AREA

The City Council reviewed an application to extend the American Legion's on-sale intoxicating liquor license to an outdoor deck area. Following discussion, Councilmember Lee introduced Resolution No. 5-150-08, being seconded by Councilmember Erickson, that:

RESOLVED, by the City Council, to approve the extension of the American Legion Post 117 on-sale liquor license to include the outdoor deck area as described in the application, effective immediately.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 5-151-08: APPROVAL TO FILL VACANCY IN POLICE DEPARTMENT FOR A PATROL OFFICER

Chief of Police Murphy requested that the Police Department begin the hiring process to replace a newly created patrol officer vacancy. Following discussion, Councilmember Erickson introduced Resolution No. 5-151-08, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to authorize the Police Department to begin the process to fill a vacancy in the department for a patrol officer.

On vote being taken, the resolution was unanimously passed.

CITY COUNCIL COMMITTEE REPORTS

- North Township board meeting with Annexation Committee

UPCOMING MEETINGS

- Administrative Services Committee Meeting – June 9, 2008 at 4:30 p.m.
- Parks and Rec/Public Safety Committee Meeting – June 10, 2008 at 4:30 p.m.
- Public Works Committee Meeting – June 11, 2008 at 4:30 p.m.
- Public Utilities Committee Meeting – June 16, 2008 at 4:00 p.m.
- Planning Commission Meeting – June 16, 2008 at 7:00 p.m.
- City Council Meeting – June 17, 2008 at 5:00 p.m.

INFORMATIONAL ITEMS

- Arctic Cat Dealer Show in TRF at Ralph Engelstad Arena.
- Bid Opening at 11:00 a.m. on June 5, 2008 for 2008 Street, Sidewalk, and Utilities Improvement Project.
- Bid Opening at 1:00 p.m. on June 5, 2008 for Greenwood Street Bridge
- The City of TRF has received \$160,000 of additional federal funds for the Greenwood Street Bridge.

ADJOURNMENT

There being no further discussion, Councilmember Lee moved, being seconded by Councilmember Kajewski, to adjourn the meeting at 5:25 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator