

## COUNCIL PROCEEDINGS

January 6, 2009

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on January 6, 2009 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen, Holten, Kajewski, Lee, Schmalz, and Mayor Nordhagen. Councilmembers Erickson and Bendickson were absent. Mayor Nordhagen chaired the meeting.

### **APPROVAL OF AGENDA**

Councilmember Cullen motioned, being seconded by Councilmember Schmalz, to approve the agenda. On vote being taken, the motion was unanimously approved and the agenda adopted.

### **RESOLUTION NO. 01-01-09: APPROVAL OF COUNCIL PROCEEDINGS**

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 1-1-09, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to approve the December 16, 2008 Hearing Proceedings as presented and the December 16, 2008 Council Proceedings as corrected.

On vote being taken, the resolution was unanimously passed.

### **RESOLUTION NO. 1-2-09: APPROVAL OF PAYMENT OF BILLS**

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 1-2-09, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of \$1,573,308.58. 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. 1-3-09: APPROVAL TO DESIGNATE THE TIMES NEWSPAPER AS THE OFFICIAL NEWSPAPER**

An annual item of business was presented. Following discussion, Councilmember Schmalz introduced Resolution No. 1-3-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to designate The Times as the official newspaper of the City of Thief River Falls.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-4-09: APPROVAL OF OFFICIAL DEPOSITORIES FOR CITY FUNDS**

An annual item of business was presented. Following discussion, Councilmember Schmalz introduced Resolution No. 1-4-09, being seconded by Councilmember Cullen, that:

RESOLVED, the City Council, to appoint the following institutions as official depositories for City funds for calendar year 2009:

Minnesota Municipal Money Market Fund  
c/o PMA Financial Inc.  
27545 Diehl Road, Suite 100  
Warrenville, IL 60555

Border State Bank  
1528 Highway 59 South  
Thief River Falls, MN 56701

Wells Fargo Bank West, NA  
208 Main Avenue North  
Thief River Falls, MN 56701

Piper Jaffray  
800 Nicollet Mall, Suite 880  
Minneapolis, MN 55402-7020

Northern State Bank  
201 Third Street East  
Thief River Falls, MN 56701

Wells Fargo Investments  
406 Main Avenue, 1<sup>st</sup> Floor  
Fargo, ND 58126

Edward D. Jones & Company  
105 Third Street East  
Thief River Falls, MN 56701

RBC Dain Rauscher, Inc.  
60 South Sixth Street  
Minneapolis, MN 55402

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-5-09: APPROVAL OF NORTHERN STATE BANK COLLATERAL IN EXCESS OF FDIC INSURANCE FOR 2009**

An annual item of business was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 1-5-09, being seconded by Councilmember Erickson, that:

RESOLVED, by the City Council, to approve an agreement with Northern State Bank for collateral in excess of the FDIC Insurance of \$250,000 per account for 2009.

BE IT FURTHER RESOLVED, to authorize the City Administrator to execute any and all documents necessary relating to this agreement.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-6-09: APPROVAL OF APPOINTMENT OF PROCESS SERVER FOR 2009**

An annual item of business was presented. Following discussion, Councilmember Cullen introduced Resolution No. 1-6-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to appoint the Chief of Police as the process server for calendar year 2009.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-7-09: APPROVAL OF APPOINTMENTS TO BOARDS AND COMMISSIONS**

An annual item of business was presented. Following discussion, Councilmember Schmalz introduced Resolution No. 1-7-09, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to accept the Mayor's recommendations and approve the following appointments:

HOUSING AND REDEVELOPMENT AUTHORITY – 5 year term  
Orville Hanson (reappointment)

PLANNING COMMISSION & BOARD OF ADJUSTMENTS AND APPEALS – 3 year term  
Mike Parker (reappointment)  
Kermit Genereux (reappointment)

COMMUNITY DEVELOPMENT ADVISORY BOARD – 3 year term  
Paul Ihle (reappointment)  
Ron Winter (reappointment)

TRF LIBRARY BOARD – 3 year term  
Jim Goldsberry  
Joyce Froschheiser (reappointment)  
Dee Schmidtgal  
Stacy Myhrer (reappointment)

REGIONAL LIBRARY BOARD – 3 year term  
Elvera Cullen (for a 1-year term)

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-8-09: APPROVAL OF COUNCILMEMBER APPOINTMENTS TO COMMUNITY AND STATEWIDE BOARDS, COMMISSIONS, AND COMMITTEES**

An annual item of business was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 1-8-09, being seconded by Councilmember Schmalz, that:

RESOLVED, to approve the following reappointments to various community/state boards and committees for calendar year 2009:

Airport Zoning Board	Ken Schmalz & Conrad Holten
Airport Advisory Board	Ken Schmalz
City Employee Safety Committee	Conrad Holten
Coalition of Greater Minnesota Cities	Elvera Cullen
Community Development Advisory Board	Ken Schmalz
Community Development Advisory Board (Ex-Officio)	Steve Nordhagen
Community Education Advisory Board	Elvera Cullen
Convention and Visitors Bureau Board	Floyd Erickson
Jobs, Inc. (Ex-Officio)	Emery Lee
Joint Rocksbury/North/City Zoning Board	Conrad Holten
League of Minnesota Cities	Steve Nordhagen
MEC Joint Powers Board	Floyd Erickson
MN Department of Transportation Variance Board	Steve Nordhagen
Northwest Regional Development Commission	Elvera Cullen
Northwest Regional Library Board	Elvera Cullen
Pennington County Building Committee	Ken Schmalz
Pennington County Historical Society	Odette Bendickson
Pennington County Water Quality Task Force	Glen Kajewski
Planning Commission/Board of Appeals & Adjustments	Conrad Holten
Red Lake River Corridor Enhancement Project	Glen Kajewski
TRF Chamber of Commerce Board of Directors	Odette Bendickson
TRF Library Board/Northwest Regional Library Board	Odette Bendickson
TRF Youth Development Committee	Floyd Erickson

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-9-09: APPROVAL OF APPOINTMENT OF COUNCILMEMBER KAJEWSKI AS ACTING MAYOR IN ABSENCE OF MAYOR NORDHAGEN FOR CALENDAR YEAR 2009**

An annual item of business was presented. Following discussion, Councilmember Cullen introduced Resolution No. 1-9-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to appoint Glen Kajewski as Acting Mayor in the absence of Mayor Nordhagen for calendar year 2009.

On vote being taken, the resolution was unanimously passed, with Councilmember Kajewski abstaining.

**RESOLUTION NO. 1-10-09: APPOINTMENT OF CITY COUNCIL COMMITTEE  
ASSIGNMENTS FOR CALENDAR YEAR 2009**

An annual item of business was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 1-10-09, being seconded by Councilmember Erickson, that:

RESOLVED, by the City Council, to appoint the following City Council Committees and Committee Members for calendar year 2009:

Capital Acquisitions

(Meets on the second Monday of January, April, July, and October)

Emery Lee, Chair  
Conrad Holten  
Steve Nordhagen  
Glen Kajewski

Budget and Finance

(Meets on the second Tuesday of January, April, July, and October)

Conrad Holten, Chair  
Odette Bendickson  
Floyd Erickson  
Elvera Cullen

Long Range Planning/Annexation

(Meets on the second Wednesday of January, April, July, and October)

Ken Schmalz, Chair  
Emery Lee  
Elvera Cullen  
Steve Nordhagen

Personnel and Labor

(Meets on the second Thursday of January, April, July and October)

Glen Kajewski, Chair  
Floyd Erickson  
Odette Bendickson  
Ken Schmalz

Administrative Services

(Meets on the second Monday of February, March, May, June, August, September, November, December)

Elvera Cullen, Chair  
Floyd Erickson  
Conrad Holten  
Ken Schmalz

Parks and Recreation/Public Safety

(Meets on the second Tuesday of February, March, May, June, August, September, November, December)

Steve Nordhagen, Chair  
Ken Schmalz  
Odette Bendickson  
Emery Lee

Public Works – meets on the second Wednesday of February, March, May, June, August, September, November, December

Floyd Erickson, Chair  
Glen Kajewski  
Conrad Holten  
Elvera Cullen

Utilities – meets on the second Thursday of February, March, May, June, August, September, November, December

Odette Bendickson, Chair  
Glen Kajewski  
Emery Lee  
Steve Nordhagen

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-11-09: APPROVAL OF INDEPENDENT SERVICES CONTRACT WITH JOBS INCORPORATED**

A recommendation was presented by Community Development Director Moore. Following discussion, Councilmember Kajewski introduced Resolution No. 1-11-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize and direct the Mayor and City Administrator to execute a contract with Jobs, Inc., whereby Jobs, Inc., shall reimburse the City for a portion of the salaries of the Community Development Director and the Community Development Secretary in exchange for their assistance in the activities of Jobs, Inc. for calendar year 2009.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-12-09: APPROVAL OF RETIREMENT OF ORRIN JOPPRU, ELECTRIC SUBFOREMAN**

The City Council reviewed a letter of retirement from Orrin Joppru, Electric Subforeman. Following discussion, Councilmember Schmalz introduced Resolution No. 1-12-09, being seconded by Councilmember Erickson, that:

RESOLVED, by the City Council, to accept the resignation/retirement of Orrin Joppru, Electric Subforeman, effective December 26, 2008.

The City Council wishes to express its gratitude to Mr. Joppru for his 40+ years of service to the City of Thief River Falls.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-13-09: APPROVAL OF APPOINTMENT OF GINGER ALBY AS JUVENILE OFFICER/ INVESTIGATOR**

Chief of Police Murphy presented a recommendation to the City Council. Following discussion, Councilmember Kajewski introduced Resolution No. 1-13-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the appointment of Ginger Alby, Patrol Officer, as the Juvenile Officer/Investigator, effective January 19, 2009. Ms. Alby shall be placed at the Law Enforcement Labor Service Grade Level 7 salary at that time.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-14-09: APPROVAL OF 2009 – 2011 LAW ENFORCEMENT LABOR SERVICE LABOR CONTRACT**

An Ad-Hoc Labor Committee recommendation was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 1-14-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, approve the 2009 – 2011 Law Enforcement Labor Service Labor Contract as presented.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-15-09: APPROVAL TO CALL FOR 2009 STREET, SIDEWALK AND UTILITIES IMPROVEMENT PROJECT FEASIBILITY REPORT**

Public Works Director Lindberg presented a recommendation for 2009 improvements. Following discussion, Councilmember Cullen introduced Resolution No. 1-15-09, being seconded by Councilmember Erickson, that:

WHEREAS, the following street and utilities improvements are being proposed for consideration by the City Council for construction in 2009:

- 1) Sanitary sewer extension - South Eastwood Addition;
- 2) Utilities extensions – Highway 59 SE (Care Center property);

- 3) Watermain replacements on Crocker Avenue; Taft Street from Kendall Avenue to Merriam Avenue;
- 4) Utilities extensions – Barzen Avenue (Agri Business Enterprise property);
- 5) Bituminous reclamation and resurfacing – Brooks Avenue from Third Street to Sixth Street; and,
- 6) Bituminous resurfacing – Greenwood Street from 350 feet east of Spruce Avenue to Hanson Drive.

Consideration will be included in the Feasibility Report to assess the benefited property for all or a portion of the cost of the improvements, pursuant to Minnesota Statutes, Chapter 429.

NOW, THEREFORE, BE IT RESOLVED, by the City Council, that the proposed improvements be referred to the Public Works Director for study and that he be instructed to report to the Council with all due speed advising the Council in a preliminary way as to whether the proposed improvements are necessary, cost-effective, and feasible and as to whether they should best be made as proposed or in connection with some other improvement, and the estimated cost of the improvements as recommended.

On vote taken, the resolution was unanimously passed.

**RESOLUTION NO. 1-16-09: RESOLUTION APPROVING CONVEYANCE OF DEVELOPMENT PROPERTY AND TRANSFER OF RELATED DEVELOPMENT OBLIGATIONS; APPROVING ASSIGNMENT OF TAX INCREMENT REVENUE NOTE FOR THE WHEATLAND ESTATES PROJECT**

City Attorney Ihle presented a recommendation to the City Council. Following discussion, Councilmember Kajewski introduced Resolution No. 1-16-09, being seconded by Councilmember Schmalz, that:

WHEREAS, the City of Thief River Falls (the “City”) has previously entered into that certain Contract for Private Development in Development District No. 1 and Tax Increment Financing District No. 1-8 (the “Development Agreement), dated as of November 1, 2007, with Summit Development, Inc., a Minnesota limited liability company (the “Developer”), as owner of certain property located within the City (as further described and defined in the Development Agreement, hereinafter the “Development Property”); and

WHEREAS, pursuant to the Development Agreement, the Developer proposed to construct a twenty-four (24) unit general occupancy rental housing development, of which 20% of the units will be occupied by persons at or below 50% of the area median income, and public improvements directly related thereto (the “Project”) within the City; and

WHEREAS, due to a financing gap, the City agreed, subject to terms and conditions contained in the Development Agreement, to contribute financial assistance to the Project in the form of tax increment financing revenues in a maximum principal amount not to exceed \$399,625 (the "Financial Assistance") from Tax Increment Financing District No. 1-8 as evidenced by a limited tax increment revenue note (the "Note") issued pursuant to the Development Agreement; and

WHEREAS, the Developer has conveyed the Development Property to Wheatland Estates, LLC ("Wheatland"), and the commencement and completion of construction of the Project have been delayed until December 31, 2009 due to financing delays; and

WHEREAS, the Development Agreement prohibits the sale, assignment, conveyance, lease, or other transfer of the Development Property and the obligations under the Development Agreement without the prior written consent of the City; and

WHEREAS, the Developer and Wheatland desire to assign the Note to Border State Bank (the "Bank") to secure construction financing for the Project; and

WHEREAS, the Development Agreement prohibits the assignment or transfer of the Note without the prior written consent of the City;

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

1. The conveyance of the Development Property to Wheatland and the construction of the Project pursuant to the revised timeline are in the best interest of the City and meet the housing development goals of the City and are in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and comply with the requirements of the Development Program and the Tax Increment Financing Plan.

2. The conveyance of the Development Property to Wheatland is hereby approved by the City pursuant to Sections 5.03 and 6.01 of the Development Agreement upon execution and delivery to the City of an agreement meeting the requirements of Section 6.01 of the Development Agreement whereby, among other things, Wheatland assumes all obligations of Developer under the Development Agreement, and the new Project construction timeline is hereby approved. Alternatively, if so advised by legal counsel, this Council authorizes the termination of the Development Agreement with the Developer and entering into a new development agreement with Wheatland in substantially the same form as the Development Agreement, but reflecting the new project construction timeline.

3. The assignment of the Note to the Bank is in the best interest of the City and meets the housing development goals of the City and is in accordance with the public purpose and provisions of the applicable state and local laws and

requirements under which the Project has been undertaken and complies with the requirements of the Development Program and the Tax Increment Financing Plan.

4. The assignment of the Note to the Bank is hereby approved by the City upon delivery to the City of a written instrument by the Bank meeting the requirements of Section 5.02 of the Development Agreement.

5. The form and the terms of the aforementioned agreements and instruments may be determined by the Mayor and City Administrator in consultation with the City Attorney and Dorsey & Whitney LLP, as special economic development counsel, and the Mayor and City Administrator may execute and deliver such documents as required to effectuate the approvals granted herein, and the execution and delivery of such agreements and instruments by the Mayor and City Administrator shall be conclusive.

On vote being taken, the resolution was unanimously passed.

#### **UPCOMING MEETINGS**

- Capital Acquisitions Committee Meeting – January 12, 2009 at 4:30 p.m.
- Planning Commission Meeting – January 12, 2009 at 7:00 p.m.
- Budget/Finance Committee Meeting – January 13, 2009 at 4:30 p.m.
- Long Range Planning/Annexation Committee Meeting – January 14, 2009 at 4:30 p.m.
- Personnel/Labor Committee Meeting – January 15, 2009 at 4:30 p.m.
- City Council Meeting – January 20, 2009 at 5:00 p.m.

#### **ITEMS FOR INFORMATION**

- City Council Calendar for 2009
- Sanitation to pick up Christmas Trees this Thursday and Friday and next Thursday and Friday.

#### **ADJOURNMENT**

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Kajewski, to adjourn the meeting at 5:20 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned.

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Steve Nordhagen, Mayor

Attest: \_\_\_\_\_  
Jodie R. Torkelson, City Administrator