

COUNCIL PROCEEDINGS

June 15, 2010

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on June 15, 2010 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Kajewski, Lee, and Mayor Nordhagen. Councilmember Schmalz was absent. Mayor Nordhagen chaired the meeting.

APPROVAL OF AGENDA

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

RESOLUTION NO. 6-120-10: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 6-120-10, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the June 1, 2010 Council Proceedings.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-121-10: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 6-121-10, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of \$608,607.30. 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. 6-122-10: APPROVAL OF PROGRESSION RAISE FOR MICHAEL SCHWANKE, WATER SYSTEMS OPERATOR

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 6-122-10, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve a progression raise for Michael Schwanke, Water Systems Operator. Mr. Schwanke shall progress to Step 2 of Grade Level 4/Pay Range 5 Water Systems Operator (post 2006 hire) salary schedule, retroactive to June 7, 2010.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-123-10: APPROVE RESOLUTION AUTHORIZING ENTERING INTO JOINT POWERS AGREEMENT WITH PENNINGTON COUNTY TO FORM AN AIRPORT AUTHORITY

The City Council reviewed a resolution to enter into a Joint Powers Agreement with Pennington County to form an Airport Authority. Following discussion, Councilmember Bendickson introduced Resolution No. 6-123-10, being seconded by Councilmember Cullen, that:

WHEREAS, The City of Thief River Falls, Minnesota (hereafter "City"), and the County of Pennington, Minnesota (hereafter "County"), desire to enter into a Joint Powers Agreement (hereafter "Agreement"), for the joint operation and maintenance of the Thief River Falls Regional Airport (hereafter "Airport"); and,

WHEREAS, The City and County desire to jointly avail themselves of authorization under Minnesota Statutes §360.031 to §360.0427 to create an Airport Authority (hereafter "Airport Authority") with the power of an independent Special Taxing District with the authority under Minnesota Statutes §275.066 to levy property taxes for Airport purposes; and,

WHEREAS, Pursuant to Minnesota Laws 2010, c. 389, §30, the Airport Authority shall exercise its levy authority through a levy on the referendum market value of the area, as defined in Minnesota Statutes section 126C.01, Subdivision 3, in lieu of a levy on the net tax capacity of the area; and,

WHEREAS, The Authority shall have all other powers as allowed by Minnesota Statutes, but shall not exercise those powers regarding airport zoning; and,

WHEREAS, County-wide tax levy authority, as well as potential multi-county tax levy authority, presents a fiscally responsible plan for furthering joint operation of the Airport and serving the interests of the public.

NOW, THEREFORE, BE IT RESOLVED, By the County Board of Pennington County, Minnesota, and the City Council of the City of Thief River Falls, Minnesota, as follows:

1. AIRPORT AUTHORITY. Pursuant to Minnesota Statutes §360.0425 to §360.0427, and §471.59, the City and County hereby create an Airport Authority for the purposes of acquiring, establishing, constructing, maintaining, improving, and operating the Airport. Furthermore, from the date of this Joint Resolution forward, the Airport Authority shall hereafter be formally referred to as the "Thief River Falls Regional Airport Authority", or hereinafter the "Airport Authority".

1.1. Commissioners. The Airport Authority shall consist of five Commissioners as follows: Two Commissioners to be appointed by the City Council, both of whom shall be members of the City Council; two Commissioners to be ap-

pointed by the County Board, both of whom shall be members of the County Board; and one lay Commissioner who is a resident of either the City or the County shall be mutually appointed by the City Council and the County Board. The City Council and County Board shall give strong consideration to appointing an elected official as the lay Commissioner. The Commissioners shall each be appointed for three year terms, and shall serve until their successors are appointed and qualified. Terms shall be staggered so that the terms of approximately one-third of the Commissioners expire each calendar year.

The City Council and County Board shall attempt to appoint a lay Commissioner who has relevant experience and interest concerning airport matters. An application process for the lay Commissioner shall be developed and implemented by the Airport Authority.

A Commissioner appointed from the City Council or County Board shall be considered to have resigned as a Commissioner at the time they are no longer a member of the City Council or County Board. A Commissioner shall be appointed to fill the remaining term of the resigning Commissioner in the same fashion as the resigning Commissioner was appointed.

1.2. Compensation. Commissioners shall receive no compensation for their services, but shall be entitled to reimbursement of pre-approved expenses, including, but not limited to, travel expenses, incurred in the discharge of the Commissioner's duties.

1.3. Meetings. The Airport Authority shall meet at least once every other month, or as needed, and shall keep minutes of all meetings.

At the first meeting of the Airport Authority, and at the first meeting in each year thereafter, the Airport Authority, from its Commissioners, shall select a chair, a vice-chair, a secretary, and a treasurer who shall serve one year terms or until their successors are appointed and qualified.

A majority of the Commissioners shall constitute a quorum for purposes of conducting business of the Airport Authority. Action may be taken by the majority vote of not less than a majority of the Commissioners present, providing there is a quorum. Robert's Rules of Order shall be used to conduct meetings of the Airport Authority.

2. POWERS OF AUTHORITY. The Airport Authority, except as hereinafter provided, shall have all of those powers granted under Minnesota Statutes §360.032 to §360.047 including the right to acquire necessary property to enlarge, improve, maintain, equip, operate, and regulate the Airport and other air navigation facilities and airport privileges to be acquired, controlled, and operated under this Joint Resolution. Rules and regulations provided for by Minnesota Statutes §360.038, Subd. 3, as the same may be amended from time to time, may be pro-

posed by the Airport Authority but shall be enacted only by the City Council and the County Board, pursuant to the provisions of Minnesota Statutes §360.042, as the same may be amended from time to time.

The Airport Authority shall have the authority to hire or retain permanent and/or temporary employees and to obtain professional services that may be necessary to accomplish the purposes for which the Airport Authority was created.

3. **AUTHORITY TO LEVY PROPERTY TAX.** Pursuant to Minnesota Statutes §275.066, the Airport Authority shall have the status of a Special Taxing District with the authority under Minnesota Statutes §360.0427 to impose a property tax levy under and pursuant to the procedures set forth in Minnesota Statutes §275.065 to §275.07. The Airport Authority shall exercise its levy authority through a levy on the referendum market value of the area, as defined in Minnesota Statutes, section 126C.01, subdivision 3, in lieu of a levy on the net tax capacity of the area as provided for in Minnesota Laws 2010, c. 398, §3. The Airport Authority may exercise its levy authority to raise revenue for future capital costs to further the construction, maintenance, improvement, and development of the Airport. The Airport Authority may levy a maximum of \$200,000.00 per year.

4. **INCREASE OR DECREASE IN SIZE OF AUTHORITY.** The Airport Authority may be increased in size or membership by the addition of other governmental entities if each of the additional governmental entities and each of the governmental entities then participating as members of the Airport Authority, adopt a joint resolution agreeing to the size or membership increase. Similarly, the Airport Authority may be decreased in size if each of the participating governmental entities and the then participating Airport Authority Commissioners consent to the change and make provisions for the retention or disposition of its assets and liabilities.

5. **DISSOLUTION OF AUTHORITY.** The Airport Authority may be dissolved after payment of all debts and adoption of a joint resolution by the governing body of all governmental entities then participating as members. Before dissolution, the property of the Airport Authority must be sold, transferred, or distributed as agreed to by the participating governmental entities. Any remaining funds must be distributed to the general funds of the participating governmental entities in proportion to their relative shares of the most recent levy.

6. **TRANSFERS TO AIRPORT AUTHORITY.** The City shall convey to the Airport Authority the existing capital assets (non-real property) owned by the City and presently used at the Airport, shall transfer to the Airport Authority all leases concerning the Airport, and shall transfer to the Airport Authority all existing Airport debt for assumption by the Airport Authority. The capital assets, leases, and debt are as set forth in Exhibit "A" attached hereto and made a part hereof, which Exhibit "A" shall be subject to revision as agreed.

The City shall lease to the Airport Authority the real property, including fixtures, currently developed and used for the Airport. This lease shall be for 99 years, shall be for the sum of \$1.00 per year, and shall require the Airport Authority to be responsible for all maintenance and repairs of the real property and fixtures and for any real property taxes and special assessments. This lease shall terminate at such time as the Airport Authority is dissolved.

7. EXCLUSIONS AND SPECIAL CONSIDERATIONS. The parties hereto agree that the following shall apply to certain real property and personal property items at the Airport:

7.1. Water Reservoir. The City shall retain ownership, use of, and access to the water reservoir currently in use and water lines associated with the water reservoir. Should the City be required to make modifications to the water reservoir and/or water lines due to maintenance requirements or by governmental direction, the City shall be entitled to expand, maintain, and construct additions to the water reservoir and water lines as long as the expansion, maintenance, and construction do not materially interfere with Airport runway safety or flight operations. For purposes of this Joint Resolution, the term "materially" shall mean physical interference with existing Airport runway safety and flight operation, as determined by the Federal Aviation Administration (hereafter "FAA") rules. Any expansion, maintenance, or construction of the water reservoir and associated water lines shall require that timely notice be provided to the Airport Authority to ensure that the expansion, maintenance, and construction is in compliance with FAA rules respecting Airport runway safety and flight operations. Airport Authority review shall occur prior to construction or implementation of any expansion, maintenance, or construction of the water reservoir and associated water lines and shall be completed in a timely fashion.

7.2. New Construction. By mutual agreement, the City and County may construct governmental buildings on the Airport. By mutual agreement, the City and County may permit construction of buildings on the Airport to implement private economic development compatible with Airport operations and services. In addition to compliance with FAA and other appropriate regulatory requirements, public and private construction on Airport real property must be approved by the Airport Authority respecting the use, location, and design of such public and private construction.

7.3. Additional Real Property. Should the Airport Authority require additional real property, the City shall be given the opportunity to purchase that additional real property. The additional real property would then be subject to the lease set forth in paragraph 6. Should the City decide not to acquire the additional needed real property, the Airport Authority shall have the right to acquire the additional needed real property and the additional needed real property acquired by the Airport Authority shall be subject to distribution pursuant to dissolution as set forth in paragraph 14 herein.

7.4. Airport Income. All income received by the City or County which is derived by the Airport would be transferred to the Airport Authority. This does not include the Passenger Facility Charges.

8. AIRPORT ZONING. There is a current Airport zoning ordinance. That zoning ordinance shall remain in place, together with the planning commission that is established by the zoning ordinance to carry out the purposes of the zoning ordinance.

9. AIRPORT MANAGER. The Airport Authority may appoint an Airport Manager for an indefinite term. The Airport Manager shall serve at the will of the Airport Authority and may be removed from employment at any time, with or without cause. Duties, responsibilities, and compensation of the Airport Manager shall be determined by the Airport Authority. The Airport Manager shall be an ex officio member of the Airport Authority and may serve as the assistant to the secretary of the Airport Authority. Furthermore, all other employees of the Airport shall be hired by and be subject to the management of the Airport Authority and shall be paid and enjoy all benefits conferred upon them by Airport Authority.

10. ANNUAL BUDGET. Prior to August 1 of each year, the Airport Authority shall prepare an annual budget for Airport finances for the ensuing fiscal year of the Airport. Also, prior to August 1 of each year, the Airport Authority shall, after its review and approval, submit the annual budget to the City Council and the County Board. The budget shall be substantially balanced. The budget shall follow the format as established by the Airport Authority after consultation with the County Auditor and City Finance Director, and at a minimum provide the following information:

- A. Estimated Revenues, divided as follows:
 - a) Federal and State grants;
 - b) Property Tax Levy;
 - c) Capital Reserve; and
 - d) Miscellaneous revenues.
- B. Estimated Operational and Capital Expenditures, divided as follows:
 - a) Personnel services;
 - b) Services other than personnel;
 - c) Supplies and materials;
 - d) Capital Improvement Fund;
 - e) Bond retirement fund;
 - f) Joint Airport Zoning Board/Board of Adjustment Operations;
and
 - g) Miscellaneous expenditures.

11. FINANCES. The Airport Authority may contract with an independent entity to conduct its bookkeeping and payroll. A report of expenditures shall be made at every Airport Authority meeting.

The Airport Authority shall establish independent bank accounts into which all revenue and receipts belonging to the Airport Authority, including, but not limited to, property tax levy receipts and all other Airport revenues, shall be deposited intact to the credit of such Airport Authority accounts. No disbursements shall be made from such accounts except by check or electronic funds transfer nor unless a verified claim for services and/or commodities actually rendered or to be delivered has been submitted to and approved for payment by the Airport Authority. Approval of payments shall occur at the Airport Authority meetings after review by the Airport Authority. Further, no disbursements may be made from such Airport Authority accounts for non-Airport expenses and purposes. Payment and disbursement of funds by check or electronic funds transfer shall require the signatures of any two of the following: chair, vice-chair, secretary, treasurer, or Airport Manager. The Airport Manager shall have authority to approve budgeted expenditures up to an amount established by the Airport Authority. Expenditures in excess of that amount must be approved by the Airport Authority. The Airport Manager, with the assistance from the Airport treasurer and an independent accounting service, shall account for the Airport Authority accounts. The cash in the Airport Authority accounts shall be in the custody of the Airport Manager. These fiscal officers shall report their activities and account balances to the Airport Authority on a monthly basis.

The fiscal year of the Airport Authority and the Airport Authority accounts shall be January 1st through December 31st, of each year. An independent annual audit of the Airport Authority accounts shall be arranged for by the Airport Authority.

12. REPORTS. In addition to its annual audit, the Airport Authority, by May 1st of each year, shall prepare and present to the City Council and County Board a comprehensive annual report of its activities and finances. The Airport Authority shall also prepare and present to federal and state officials such reports as may be required by law, regulation, or contract.

13. TERM AND TERMINATION. This Joint Resolution shall be in full force and effect for the term of five years from the date hereof and shall automatically renew thereafter for like periods of five years unless terminated by written notice from any party to the other party or parties at least 365 days prior to the expiration of any such period or by mutual consent in writing. Notwithstanding termination, powers of the Airport Authority under this Joint Resolution shall continue to the extent necessary to maintain and operate the Airport until disposition under paragraph 14 herein of the property acquired by the Airport Authority.

14. DISPOSITION OF PROPERTY UPON TERMINATION. As soon as practicable after termination of this Joint Resolution, the Airport Authority shall dispose

of all property acquired by the Airport Authority. If no agreement as to disposition is reached within three months after termination, each participating governmental entity shall, within 30 days thereafter, appoint a person, who may be a member of the governmental entity, as its representative, and the Minnesota Commissioner of Aeronautics shall appoint a representative, who shall together constitute an advisory board on disposition on the Airport Authority property. This board shall, as soon as possible, prepare and recommend to the Airport Authority and each participating governmental entity a complete plan for the disposition of all property acquired under this Joint Resolution. Such plan shall provide for the continuation of the use of the property as a public airport, if practicable. Upon termination of this Joint Resolution, each party shall provide for the payment of principal and interest on outstanding bonds issued as a result of this Joint Resolution, and in absence of another arrangement mutually agreed upon, each party shall assume the payment of debts and liabilities incurred by the Airport Authority in the same proportion as it contributes to the Airport Authority accounts through property tax levy under paragraph 3.

The lease from the City to the Airport Authority for the real property on which the Airport operates shall automatically terminate when this Joint Resolution is terminated.

15. INSURANCE.

15.1. Personal Property. The Airport Authority shall be responsible for insuring all personal property owned by the Airport Authority and neither the City nor the County shall have any responsibility for damage to, loss of, or theft of the Airport Authority's personal property.

15.2. Liability Insurance. The Airport Authority shall, during the term of this Joint Resolution, at its expense, maintain a policy or policies of public liability insurance naming the City and County as additional insured parties under reasonable limits of liability of not less than the amounts dictated by Minnesota Statute §466.04, as amended from time to time. The Airport Authority shall defend and hold harmless the City and the County and their elected officials, employees, and agents from any damage, injury, death, or any other claims of any nature caused by the actions or inactions of the Airport Authority or the Airport Authority's employees, agents, contractors, or others working at the direction of the Airport Authority.

15.3. Actions. The Airport Authority shall not do anything in or about the Airport premises which will in any way impair or invalidate the obligation of the insurer under the above policy or policies of insurance.

15.4. Insurance Requirements. The insurance which the Airport Authority is required to maintain shall be issued by an insurance company licensed to do business in the State of Minnesota and acceptable to City and the County. The

insurance policies shall provide for not less than 20 days written notice to the City and County before cancellation, non-renewal, termination, or change in coverage, and the Airport Authority shall deliver to the City and County a duplicate original or certificate of such insurance policy or policies.

15.5. Waiver. The Airport Authority hereby waives and releases any claims, liabilities, and causes of action against City or the County, their elected officials, employees, and agents, for loss or damage to, or destruction of, any of the personal property, whether that of the Airport Authority, City or County, or others in, upon, or about the Airport premises resulting from fire, explosion, or other perils, whether included or not included in standard extended coverage insurance, whether caused by the negligence of any said persons or otherwise.

16. INDEMNIFICATION. The Airport Authority shall be considered a separate and distinct public entity to which the City and the County have transferred all responsibility and control for actions taken pursuant to this Joint Resolution. The Airport Authority shall comply with all Federal and Minnesota State laws and rules that govern a public entity. City and County shall be entitled to the protections of Minnesota Statutes §466.

The Airport Authority shall fully defend, indemnify, and hold harmless the City and the County against all claims, losses, liability, suits, judgments, costs, and expenses by reason of the action or inaction of the Airport Authority and/or its employees and/or the agents of the Airport Authority. This Joint Resolution to indemnify and hold harmless does not constitute a waiver by any participant of limitations on liability provided under Minnesota Statutes §466.04.

To the full extent permitted by law, actions by the parties pursuant to this Joint Resolution are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes §471.59, Subd. 1a(a); provided further that for purposes of that statute, each party to this Joint Resolution expressly declines responsibility for the acts or omissions of the other party. The Parties to this Joint Resolution are not liable for the acts or omissions of the other participants to this Joint Resolution except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other participants.

17. AMENDMENTS. This Joint Resolution may be amended by following the procedure used for the adoption of the Joint Resolution.

18. FIRST MEETING DATE. The first meeting of the Airport Authority shall be held on the 28th day of June, 2010.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-124-10: APPROVAL OF COMMERCIAL ENERGY RENOVATION LOAN PROGRAM FOR JIM DAGG d.b.a. JAK OF TRF, INC.

A Community Development Advisory Board recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 6-124-10, being seconded by Councilmember Kajewski, that:

WHEREAS, the Community Development Advisory Board met on June 9, 2010 to consider a loan application submitted by Jim Dagg d.b.a. JAK of TRF, Inc., owner of property located at 201 Horace Avenue North, to assist in the financing of insulating and residing a portion of the upstairs of the building plus roofing with added insulation.

WHEREAS, the Community Development Advisory Board has recommended that the City Council approve the loan as requested.

THEREFORE, BE IT RESOLVED, by the City Council, to accept a Community Development Advisory Board recommendation to grant Jim Dagg, d.b.a. JAK of TRF, Inc. a \$57,352.13 Commercial Energy Renovation Loan for insulating, residing, and roofing at 201 Horace Avenue North. The loan will be payable over seven (7) years at zero percent (0%) interest.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-125-10: APPROVAL OF STOREFRONT RENOVATION LOAN PROGRAM FOR KEITH MOEN d.b.a. KM TRANSMISSION

A Community Development Advisory Board recommendation was presented. Following discussion, Councilmember Erickson introduced Resolution No. 6-125-10, being seconded by Councilmember Bendickson, that:

WHEREAS, the Community Development Advisory Board met on June 9, 2010 to consider a loan application submitted by Keith Moen d.b.a. KM Transmission, to assist in the financing of renovations to his business located at 616 Davis Avenue North. Mr. Moen is proposing to replace his front garage doors with energy efficient doors, along with installing new energy efficient equipment.

WHEREAS, the Community Development Advisory Board has recommended that the City Council approved the loan as requested.

THEREFORE, BE IT RESOLVED, by the City Council to accept a Community Development Advisory Board recommendation to grant Keith Moen d.b.a. KM Transmission a Storefront Renovation Loan in the amount of \$14,617.00 payable over five (5) years at three percent (3%) interest.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-126-10: APPROVAL OF COMMERCIAL LOAN REQUEST FOR WHEATLAND ESTATES

A Community Development Advisory Board recommendation was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 6-126-10, being seconded by Councilmember Lee, that:

WHEREAS, the Community Development Advisory Board met on June 9, 2010 to consider a Commercial Loan Fund Request submitted by Wheatland Estates Apartments, to assist in the costs for removing a dirt pile caused by soils not suitable to build upon which resulted in the existing soil dug out and replaced with better soil. Plus an outstanding bill from Ehler's, the financial advisor firm used to create necessary documents for the City's TIF District.

WHEREAS, the Community Development Advisory Board has recommended that the City Council approve the loan as requested.

THEREFORE, BE IT RESOLVED, by the City Council, to accept a Community Development Advisory Board recommendation to grant Wheatland Estates Apartments a Commercial Loan Fund Request in the amount of \$34,000.00 payable over ten (10) years with a balloon payment after 4.5 years (to coincide with the existing loan) at three percent (3%) interest. Requested collateral: Mortgage on the building and Personal Guarantee.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-127-10: APPROVAL OF EAGLE SCOUT PROJECT ALONG THE RIVERWALK BY BRETT DREVLLOW

The City Council heard a presentation from Brett Drevlow regarding his Eagle Scout Project. Following discussion, Councilmember Lee introduced Resolution No. 6-127-10, being seconded by Councilmember Cullen, that:

WHEREAS, Brett Drevlow presented his Eagle Scout Project to repair some of the pictographs and repair and/or replace some of the benches along the River Walk.

THEREFORE, BE IT RESOLVED, that the City Council hereby accepts the proposed Eagle Scout project as presented by Brett Drevlow.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-128-10: APPROVE THE ISSUANCE OF GENERAL OBLIGATION WATER TREATMENT CROSSOVER REFUNDING BONDS, SERIES 2010A

Finance Director Johnson made a presentation to the City Council. Following discussion, Councilmember Cullen introduced Resolution No. 6-128-10, being seconded by Councilmember Bendickson, that:

BE IT RESOLVED, by the City Council of the City of Thief River Falls, State of Minnesota (herein, the "City"), as follows:

1. The City Council hereby finds and declares that it is necessary and expedient for the City to sell and issue its fully registered general obligation water treatment refunding bonds in the total aggregate principal amount of not to exceed \$2,950,000 (herein, the "Bonds"). The proceeds of the Bonds will be used, together with any additional funds of the City which might be required for (i) an advance refunding of all or a portion of the January 1, 2013 through 2023 maturities, aggregating up to \$2,925,000 in principal amount, of the City's General Obligation Water Treatment Refunding Bonds, Series 2003, dated September 1, 2003 as date of original issue, and (ii) to pay the costs associated with issuing the Series 2010A Bonds.
2. The City Council desires to proceed with the sale of the Bonds by direct negotiation with Northland Securities, Inc. ("NSI").
3. The Mayor and the Administrator are hereby authorized to approve the sale of the Bonds in the aggregate principal amount of not to exceed \$2,950,000 and to Execute a bond purchase agreement for the purchase of the Bonds with NSI, provided the total net savings is at least \$125,000 and the savings meet the 3% savings test as set forth in Minnesota Statutes 475.67, subdivision 12.
4. Upon arrival of the sale of the Bonds by the Mayor and the Administrator, the City Council will take action at its next regularly scheduled meeting thereafter to adopt the necessary approving resolutions as prepared by the City's bond counsel.
5. NSI is authorized to prepare an Official Statement related to the sale of the Bonds.
6. If the Mayor and Administrator have not approved the sale of the bonds to NSI and executed the related bond purchase agreement by December 31, 2010, this resolution shall expire.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 6-129-10: APPROVAL OF EMPLOYMENT OF JASON DARCO,
WATER SYSTEMS FOREMAN**

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 6-129-10, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to accept a Public Utilities Committee recommendation to approve the employment of Jason Darco as Water Systems Foreman. Mr. Darco shall begin employment at Step 1 of the Water Systems Foreman salary schedule, effective June 17, 2010 contingent upon successful completion of all pre-employment testing requirements.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 6-130-10: APPROVE LOW BIDS FOR WATER TREATMENT
CHEMICALS**

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 6-130-10, being seconded by Councilmember Bendickson, that:

WHEREAS, the following low bids were received for the purchase of Water Treatment Plant chemicals:

Quicklime:			
Graymont	\$ 210.00/ton	\$ 59,850.00	total bid
Ferric Sulfate:			
Hawkins Water Treatment	\$ 487.60/ton	\$104,834.00	total bid
Sodium Tripolyphosphate:			
Hawkins Water Treatment	\$2,200.00/ton	\$ 4,070.00	total bid
Chlorine:			
Hawkins Water Treatment	\$1,275.00/ton	\$ 8,925.00	total bid
C02:			
POET	\$ 150.00/ton	\$ 13,050.00	total bid
Hydrofluorosilicic Acid:			
Hawkins Water Treatment	\$ 4.72/gal.	\$ 6,608.00	total bid
Anhydrous Amonia:			
DPC Industries Inc.	\$ 2.50/gal.	\$ 7,500.00	total bid
Anionic Polyacrylamide Flocculant:			
Nalco. Co.	\$ 1.22/gal.	\$ 2,074.00	total bid
Powdered Activated Carbon:			
Norit Activated Carbon	\$.69/lb.	\$110,400.00	total bid
Potassium Permanganate:			
American International Chemical Company	\$ 2.05/lb.	\$ 71,750.00	total bid

WHEREAS, all bids submitted are included on the attachment.

THEREFORE, BE IT RESOLVED, that the City Council, hereby accepts the low bids for the purchase of the Water Treatment Plant chemicals as listed above.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-131-10: APPROVAL OF LOW BID FOR 2010 UTILITIES IMPROVEMENT PROJECT

The City Council was presented with the Summary of Bids for the 2010 Utilities Improvement Project. Following discussion, Councilmember Lee introduced Resolution No. 6-131-10, being seconded by Councilmember Erickson, that:

WHEREAS, pursuant to an advertisement for bids for the 2010 Utilities Improvement Project, improvements described as:

- 1) Water main replacement: State Avenue – 3rd Street to 7th Street;
- 2) Water main replacement: Duluth Avenue – 4th Street to 6th Street;
- 3) Replace seven existing water main gate valves in Noreen's First Addition (Southtown);
- 4) Storm sewer repair: 11th Street between LaBree Avenue and Horace Avenue;
- 5) First Street water main replacement: Crocker Avenue to Spruce Avenue and Crocker Avenue water main replacement: First Street to Third Street.

WHEREAS, bids were opened at 2:00 pm on June 10, 2010 and the low bidder was Davidson Construction. Three other bids were also received.

THEREFORE, BE IT RESOLVED, by the City Council, that;

- 1) The Mayor and City Administrator are hereby authorized and directed to enter into a contract with the low bidder for the 2010 Utilities Improvement Project, according to the Plans and Specifications approved by the City Council and on file in the Office of the City Administrator.
- 2) The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-132-10: APPROVAL TO ACCEPT THE LOW STATE BID FROM NORTHERN MOTORS FOR THE PURCHASE OF TWO POLICE SQUAD CARS

Police Chief Murphy presented a Public Safety Committee recommendation to the City Council. Following discussion, Councilmember Bendickson introduced Resolution No. 6-132-10, being seconded by Councilmember Cullen, that:

WHEREAS, the City Council had approved and authorized the Police Department to purchase two patrol vehicles by State bid at the May 18, 2010 Council Meeting; and,

WHEREAS, the City has received the following patrol vehicle bids:

Thief River Ford - 2011 Ford Crown Victoria Police Interceptor	\$23,474.00
Westside Motors - 2010 Dodge Charger Police Package	\$22,264.00
Northern Motors – 2011 Chevrolet Impala Police Package	\$20,516.00

THEREFORE, BE IT RESOLVED, by the City Council, to accept the low State bid of Northern Motors and authorize the purchase of two 2011 Chevrolet Impala Police Packages in the amount of \$20,516.00 each, for a total of \$41,032.00.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-133-10: APPROVAL OF TEMPORARY ON-SALE INTOXICATING LIQUOR LICENSE EXTENSION TO OUTSIDE AREA FOR EAGLES AERIE CLUB

The City Council was presented a request from the Eagles Club. Following discussion, Councilmember Cullen introduced Resolution No. 6-133-10, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to approve a temporary extension of the Eagles Club On-Sale Intoxicating Liquor License to an outside fenced off designated area and the cul-de-sac on Red Lake Boulevard effective on July 20, 2010 from 4:00 p.m. until 8:00 p.m.

Approval is based upon the City receiving the required Certificate of Insurance specifically adding the designated outdoor area.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-134-10: APPROVAL OF B & K STUMP GRINDING QUOTE FOR BOULEVARD/PARK STUMP REMOVAL

The City Council reviewed quotes received for boulevard/park stump removal. Following discussion, Councilmember Cullen introduced Resolution No. 6-134-10, being seconded by Councilmember Erickson, that:

WHEREAS, two quotes were received for boulevard/park stump removal services:

B & K Stump Grinding:

Stump Grinding Only	\$.70 per stump diameter inch
With Cleanup	\$1.25 per stump diameter inch
With Cleanup & Fill	\$1.75 per stump diameter inch

Issak's Tree Service:

Stump Grinding Only	\$1.00 per stump diameter inch
With Cleanup	\$1.50 per stump diameter inch
With Cleanup & Fill	\$2.00 per stump diameter inch

THEREFORE, BE IT RESOLVED, by the City Council, to accept the quote submitted by B & K Stump Grinding for boulevard/park stump removal services effective July 1, 2010 through June 30, 2011. The rate structure quoted and accepted is:

Stump Grinding Only	\$.70 per stump diameter inch
With Cleanup	\$1.25 per stump diameter inch
With Cleanup & Fill	\$1.75 per stump diameter inch

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-135-10: APPROVE RENEWAL OF LEASE WITH HANSEN LEASE & RENTAL OF FARGO d.b.a. HERTZ RENT-A-CAR

A Public Works Committee recommendation was presented. Following discussion, Councilmember Bendickson introduced Resolution No. 6-135-10, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council to approve the Public Works Committee recommendation to authorize and direct the Mayor and City Administrator to execute a lease with Hansen Lease & Rental of Fargo, dba Hertz Rent-A-Car, effective July 1, 2010 through July 1, 2011.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-136-10: APPROVAL OF TRANSFER OF BLACK CAT SPORTS BAR & GRILL ON-SALE INTOXICATING LIQUOR LICENSE AND SUNDAY ON-SALE LIQUOR LICENSE TO ALAN GRZADZIELEWSKI

The City Council reviewed the transfer of the liquor license for the Black Cat Sports Bar & Grill. Following discussion, Councilmember Lee introduced Resolution No. 6-136-10, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to approve the transfer of the On-Sale Intoxicating Liquor License and the Sunday On-Sale Liquor License at the Black Cat Sports and Grill to Alan Grzadzielewski, effective July 1, 2010, contingent upon successful passage of the required background checks and completion of required insurance requirements.

On vote being taken, the resolution was unanimously passed

RESOLUTION NO. 6-137-10: APPROVAL TO APPOINT MAYOR NORDHAGEN AND COUNCILMEMBER KAJEWSKI TO AIRPORT AUTHORITY

The City Council discussed appointments to the newly formed Airport Authority. Following discussion, Councilmember Cullen introduced Resolution No. 6-137-10, being seconded by Councilmember Bendickson, that:

RESOLVED, by the City Council, to appoint Councilmember Glen Kajewski and Mayor Steve Nordhagen as the City's representatives to the Airport Authority.

On vote being taken, the resolution was unanimously passed

COUNCIL COMMITTEE REPORTS

- Public Utilities Committee – report by Bendickson
- Parks & Recreation/Public Safety Committee – report by Bendickson
- Public Works Committee – report by Erickson

UPCOMING MEETINGS

- City/County Meeting – June 14, 2010 at 7:00 a.m. at Dee's Kitchen
- Presentation by Coalition of Greater MN Cities – June 15, 2010 at 4:30 p.m. in the Council Chambers.
- City Council Meeting – June 15, 2010 at 5:00 p.m.
- Red Lake Watershed Board Hearing on County Ditch #1 – June 30, 2010 at 7:00 p.m. in the Imperial Room at the REA.
- City Council Meeting – July 6, 2010 at 5:00 p.m. in the Council Chambers.

INFORMATIONAL ITEMS

- May Investment Schedule

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Kajewski, to adjourn the meeting at 5:56 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