

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JANUARY 3, 2017

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:00 p.m., Monday, January 3rd, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Steve Nordaune, Steve Schaub, Joe Fagnano and Scott Peterson. Staff present: City Manager Crystal Johnson, Finance Director Michael Betker and City Clerk Joan Taylor. Also in attendance were Terri Dinesen from the Granite Falls Historical Society and Advocate Tribune News Editor Caitlyn Mahium.

MINUTES: M/S NORDAUNE/SCHAUB TO APPROVE THE MINUTES OF THE DECEMBER 19th REGULAR MEETING. Motion carried unanimously.

BILLS: M/S NORDAUNE/GALOW TO APPROVE BILLS PRESENTED FOR PAYMENT. Motion carried unanimously.

HISTORICAL SOCIETY: Terri Dinesen was in attendance to request authorization to submit a grant application to the Minnesota Historical Society Legacy Fund for engineering services to cover costs to complete an inspection and research options for additional repairs needed for the Volstead House. Following discussion Nordaune introduced a resolution authorizing submittal of the grant application.

RESOLUTION NO. 17-1

RESOLUTION AUTHORIZING SUBMITTAL OF GRANT APPLICATION
TO THE MINNESOTA HISTORICAL SOCIETY

WHEREAS, Terri Dinesen on behalf of the Granite Falls Historical Society is in the process of completing a Legacy Grant application for assistance from the Minnesota Historical Society in to cover engineering costs to complete an inspection and research options for additional repairs needed for the Volstead House.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving submittal of the grant application to Minnesota Historical Society for assistance to the city in the inspection and recommendation for repairs to the Volstead House.

Adopted by the City Council this 3rd day of January, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Schaub, the resolution was adopted unanimously.

REPORTS: The following reports were acknowledged at this time: Finance, Kilowatt Community Center Board, Public Works and Utilities Commission.

CITY ENGINEER: M/S NORDAUNE/SCHAUB TO RE-APPOINT RODEBERG & BERRYMAN AS THE CITY'S ENGINEERS FOR CALENDAR YEAR 2017. Motion carried unanimously those present.

AIRPORT ENGINEER: M/S GALOW/NORDAUNE TO RE-APPOINT BOLTON & MENK AS THE CITY'S AIRPORT ENGINEERS FOR CALENDAR YEAR 2017. Motion carried unanimously.

ELECTRICAL ENGINEER: M/S NORDAUNE/PETERSON TO RE-APPOINT HDR ENGINEERING, INC. AS THE CITY'S ELECTRICAL ENGINEERS FOR CALENDAR YEAR 2017. Motion carried unanimously.

BOARDS & COMMISSIONS: M/S NORDAUNE/GALOW TO RE-APPOINT MARK HENDERSON AND DAVE BEASLEY TO THE EDA BOARD. Motion carried unanimously.

CITY ATTORNEY: Nordaune introduced the following resolution and moved its adoption to enter into an agreement with Holmstrom & Kvam as the city attorneys for calendar year 2017.

RESOLUTION NO. 17-2

RESOLUTION ENTERING INTO EMPLOYMENT AGREEMENT
WITH CITY ATTORNEY FOR CALENDAR YEAR 2017

WHEREAS, an Employment Agreement has been reached that is acceptable with the City Attorney and the City Council,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving an employment Agreement with Gregory L. Holmstrom, Spencer H. Kvam and Jeremy Blackwelder as City Attorney and Assistant City Attorneys, effective January 1, 2017.

Adopted by the City Council this 3rd day of January, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Schaub, the resolution was adopted unanimously.

ELECTRIC RATE STUDY: Upon the recommendation of the Utilities Commission, Nordaune introduced the following resolution and moved its adoption authorizing execution of the Electric Rate Study proposal received from Missouri River Energy Services. The study will be paid for by CMPAS.

RESOLUTION NO. 17-3

RESOLUTION ACCEPTING PROPOSAL TO COMPLETE ELECTRIC RATE STUDY

WHEREAS, Missouri River Energy Services has submitted a proposal to complete an electric rate study in the amount of \$17,500; and

WHEREAS, the Utilities Commission at its December meeting recommended the city accept the proposal received from Missouri River Energy Services as this study will be paid for by Central Municipal Power Agency/Services (CMPAS).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal received from Missouri River Energy Services to complete an electric rate study for the city which will be paid by CMPAS.

Adopted by the City Council this 3rd day of January, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Fagnano, the resolution was adopted unanimously.

BONDS: Todd Hagen from Ehlers & Associates the city's bond consultants recommended council adopt a resolution that would allow for the city to get reimbursed for costs related to projects that council has authorized where outside funding sources will be used. Following discussion Schaub introduced a resolution and moved its adoption establishing procedures relating to compliance with reimbursement bond regulations under the IRS code.

RESOLUTION NO. 17-4

RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Granite Falls, Minnesota (the "City"), as follows:

Recitals.

The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

The Regulations generally require that the City (as the issuer of or the primary obligor under the bonds) make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the Finance Director to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect that reimbursement bonds will be issued to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

Reimbursement Allocations. If the City is acting as the issuer of the reimbursement bonds, the designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted by the City Council of the City of Granite Falls, Minnesota on the 3rd day of January, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

CERTIFICATION

The undersigned, being the duly qualified and acting Finance Director of the City of Granite Falls, Minnesota, hereby certifies the following:

The foregoing is true and correct copy of a Resolution on file and of official, publicly available record in the offices of the City, which Resolution relates to procedures of the City for compliance with certain IRS Regulations on reimbursement bonds. Said Resolution was duly adopted by the governing body of the City (the "Council") at a regular meeting of the Council held on _____. The Council meeting was duly called, regularly held, open to the public, and held at the place at which meetings of the Council are regularly held. Councilmember _____ moved the adoption of the Resolution, which motion was seconded by Councilmember _____. A vote being taken on the motion, the following members of the Council voted in favor of the motion to adopt the Resolution: _____

and the following voted against the same:

Whereupon said Resolution was declared duly passed and adopted. The Resolution is in full force and effect and no action has been taken by the Council which would in any way alter or amend the Resolution.

WITNESS MY HAND officially as the Finance Director of the City of Granite Falls, Minnesota, on _____.

Finance Director
City of Granite Falls, Minnesota

EXHIBIT A
Declaration of Official Intent

The undersigned, being the duly appointed and acting Finance Director of the City of Granite Falls, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the City as follows:

1. The undersigned has been and is on the date hereof duly authorized by the City Council of the City to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.

This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

The City reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$_____ is the maximum principal amount of the Bonds which will be issued to finance the Project.

Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Regulations.

As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: _____, 20__.

Finance Director
City of Granite Falls, Minnesota

With second by Galow, the resolution was adopted unanimously by those present.

ASSESSMENT SERVICES: Norduane introduced the following resolution and moved its adoption accepting the proposal of Rural Appraisal Services in the amount of \$30,000 to provide assessment services for calendar year 2018.

RESOLUTION NO. 17-5

RESOLUTION ACCEPTING PROPOSAL OF
RURAL APPRAISAL SERVICES FOR ASSESSMENT SERVICES

WHEREAS, a proposal has been submitted Rural Appraisal Services, Steven and David Hammerschmidt, to provide assessment services for calendar year 2018 in the amount of \$30,000; and

WHEREAS, the proposal is calculated by the assessment rate of \$18.75 per parcel for 1,600 parcels.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal of Rural Appraisal Services to provide assessment services for calendar year 2017 in the amount of \$30,000.

Adopted by the City Council this 3rd day of January, 2017.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Schaub, the resolution was adopted unanimously.

ORDINANCE: M/S NORDAUNE/PETERSON TO HAVE THE 2ND READING AND SUBSEQUENT ADOPTION OF AN ORDINANCE GRANTING A FRANCHISE TO MEDIACOM MINNESOTA LLC.

ORDINANCE NO. 179

AN ORDINANCE GRANTING A FRANCHISE TO MEDIACOM MINNESOTA LLC TO CONSTRUCT, OPERATE, AND MAINTAIN A CABLE SYSTEM IN THE CITY OF GRANITE FALLS, MINNESOTA; SETTING FORTH CONDITIONS ACCOMPANYING THE GRANT OF THE FRANCHISE; PROVIDING FOR REGULATION AND USE OF THE SYSTEM; AND PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

SUMMARY OF ORDINANCE FOR PUBLICATION

On January 3, 2017, the City of Granite Falls, Minnesota (“City”) adopted an Ordinance granting a Cable Television Franchise to Mediacom. The Ordinance serves two purposes. First, it is intended to provide for and specify the means to attain the best possible cable service for the public by providing requirements for cable with respect to technical standards, customer service obligations, and related matters. Second, it grants a non-exclusive cable

franchise to Mediacom to operate, construct and maintain a cable system within the City and contains specific requirements for Mediacom to do so.

The Ordinance includes the following: 1) imposes on Mediacom a franchise fee of five percent (5%) of Mediacom’s annual gross revenues; 2) establishes a franchise term of ten (10) years; 3) provides a list of schools and public buildings entitled to receive complimentary cable service; 4) requires Mediacom to dedicate channel capacity for public, educational and governmental (“PEG”) programming and provides capital support for the PEG channel; 5) mandates customer service standards regarding Mediacom’s provision of cable services; and 6) requires a security fund to enforce Mediacom’s compliance with the Ordinance.

It is hereby determined that publication of this title and summary will clearly inform the public of the intent and effect of Ordinance No. 79. A copy of the entire Ordinance shall be posted at the Granite Falls City Hall.

It is hereby directed that only the above title and summary of Ordinance No. 79 be published, conforming to Minn. Stat. §331A.01, with the following:

Motion was approved unanimously.

GREATER MN REGIONAL PARKS & TRAILS: Council reviewed information relative to how the grant money will be distributed once approved by the Legislature.

DISEASED ELM TREE REMOVAL PROGRAM: Council reviewed the year-end forestry report. As noted in the report 11 trees and 5 stumps were removed during the 2016 season.

ADJOURN: M/S/P NORDAUNE/SCHAUB TO ADJOURN at 7:29 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ANDERSON, TED:	75.00
Total ARNESON DISTRIBUTING INC.:	100.00
Total ARTISAN BEER COMPANY:	32.00
Total BEVERAGE WHOLESALERS:	186.80
Total BJORGE, MAGGIE:	1,360.00
Total BOLTON & MENK INC:	6,250.00
Total BONNEMA SURVEYS:	425.50
Total BORDER STATES ELECTRIC SUPPLY:	7,677.10
Total BREAKTHRU BEVERAGE:	1,463.76
Total BRUNNER, MICHAEL:	55.00

Total CARL'S BAKERY:	780.57
Total CENTURYLINK:	2,137.41
Total CHAMBER OF COMMERCE:	3,400.00
Total CITIZENS ALLIANCE BANK:	30.00
Total CNH CAPITAL:	998.48
Total COALITION OF GREATER MN CITIES:	5,358.00
Total COCARD:	51.43
Total COLLECTION BUREAU:	50.00
Total COUNTRYSIDE PUBLIC HEALTH:	500.00
Total CRYSTEEL TRUCK EQUIPMENT:	58.00
Total DAN'S SHOP INC:	188.52
Total DAVID DROWN ASSOCIATES INC:	4,500.00
Total FASTENAL COMPANY:	45.14
Total FLEXIBLE INFORMATION SYSTEMS:	692.00
Total G & K SERVICES:	73.45
Total GOPHER STATE ONE-CALL:	12.15
Total GRAINGER INC, WW:	55.32
Total GRANDVIEW WINERY:	1,716.00
Total GRANITE FALLS AMBULANCE:	7,500.00
Total GRANITE TRUE VALUE:	3,052.99
Total GREATER MN PARKS & TRAILS:	150.00
Total GREATER MN PARTNERSHIP:	500.00
Total HAROLDSON, ARLENE:	190.00
Total HEARTLAND PAYMENT SYSTEMS:	95.59
Total HENLE PRINTING COMPANY:	866.91
Total HOERNEMANN, PAUL:	255.00
Total HOLMSTROM & KVAM PLLP:	1,224.75
Total IMS PLUMBING LLC:	296.71
Total JOHNSON BROS WHOLESALE LIQUOR:	2,148.47
Total KEEPRS:	84.98
Total KOERLIN, KEITH:	124.36
Total KRANITZ, FRANK:	325.00
Total LEWIS, DAN:	96.33
Total LIGHT FUND:	33,791.93
Total LINCOLN PIPESTONE RURAL WATER:	37.17
Total LOCHER BROTHERS:	6,572.45
Total MADISON BOTTLING CO.:	9,399.70
Total MARCO TECHNOLOGIES LLC:	92.95
Total MCALPIN TEAM-EDINA REALTY:	50.00
Total MCCLEERY, MARCUS:	200.00
Total MCOA:	150.00
Total MEIER ELECTRIC INC:	1,258.24
Total MINNESOTA VALLEY TECH. INC:	85.70
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Total MN DEPT OF REVENUE:	24,879.00
Total MN NCPERS-496000:	48.00
Total MN VALLEY TESTING LAB INC.:	257.00
Total MUNICIPAL EMERGENCY SERVICES:	901.40
Total MVTV:	348.75
Total NIELSEN, BETSY:	60.00
Total NIHCA:	399.00
Total OFFICE DEPOT:	39.27
Total OFFICE OF MN.IT SERVICES:	75.28
Total OFFICE PEEPS:	29.21
Total O'REILLY AUTO PARTS:	14.61
Total PETERSON, BRENDA:	750.00
Total PHILLIPS WINE & SPIRITS CO.:	2,788.45
Total POSTMASTER:	400.00
Total RAMBOW:	300.00
Total REZNECHEK, DONALD:	682.50
Total RICHTER, NICK:	300.00
Total RODEBERG & BERRYMAN INC.:	18,612.30
Total RURAL APPRAISAL SERVICES:	30,000.00
Total SENTRY SYSTEMS INC:	100.36

Total SHRED-IT USA:	67.72
Total SOUTHERN WINE & SPIRITS OF MN:	1,463.34
Total STENERSEN, JEREL:	30.00
Total STREICH, LISA:	80.00
Total UPS:	28.31
Total US BANK:	1,666.99
Total USDA RURAL DEVELOPMENT:	36,605.59
Total VANCO SERVICES:	39.25
Total VERIZON WIRELESS:	5,513.74
Total VESSCO INC.:	410.35
Total VIKING COCA-COLA BOTTLING CO.:	177.60
Total VISA:	1,301.45
Total WEST CENTRAL SANITATION:	602.62
Total WEST CENTRAL UTILITY COORDINATING COMMIT:	100.00
Total WESTERN MN PRAIRIE WATERS:	3,750.00
Total WILLIE'S KORNER STORE:	405.42
Total WINE MERCHANTS:	120.00
Total XPRESS BILL PAY:	89.55
Total YELLOW MEDICINE CO. AUDITOR:	83.50
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Grand Totals:	240,506.42
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