

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
APRIL 1, 2019

A regular session of the Granite Falls City Council was called to order by Mayor Smiglewski at 7:00 p.m., Monday, April 1st, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Steve Nordaune, Brad Peterson, Joe Fagnano and Scott Peterson. Staff present: City Manager Crystal Johnson, Finance Director Neal Carstensen and City Clerk Joan Taylor. Also in attendance were EDA Director Cathy Anderson, City Attorney Greg Holmstrom Tyler Knutson, James Wollan and Advocate Tribune News Reporter Noah Lusti.

CONSENT AGENDA: M/S/P GALOW/NORDAUNE TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Minutes, Bills, Fire Department Report and Meetings & Events.

CITY CHARTER: City Attorney Greg Holmstrom was in attendance to review the process of adopting the new City Charter as prepared.

REPORTS: The Kilowatt Community Center Board and Utilities Commission reports were acknowledged at this time.

CMPAS: Upon the recommendation of the Utilities Commission, Nordaune introduced the following resolution and moved its adoption authorizing execution of the Power Sales Agreement which will add 1,500 megawatts of wind power for a minimum of 10 years to a maximum of 15 years at a not-to-exceed price of \$31 per megawatt hour.

RESOLUTION NO. 19-49

RESOLUTION AUTHORIZING THE EXECUTION OF A WHOLESALE POWER AGREEMENT

WHEREAS, City of Granite Falls Minnesota ("City") owns and operates an electric utility system under Minnesota law and through such utility distributes and sells electric power and energy at retail;

WHEREAS, City is a member of the Central Minnesota Municipal Power Agency, a joint electric power agency formed under Minnesota Statutes Section 453.51 through 453.62 ("CMMPA");

WHEREAS, City has determined that it is in the best interests of its electric ratepayers to enter into a power sales agreement with CMMPA for the purchase of an entitlement share of a long term fixed dispatch energy product being obtained by CMMPA from a wholesale supplier;

WHEREAS, the agreement is anticipated to (i) start in 2021 for a term of no less than 10 years and no greater than 15 years (ii) include a price of energy that does not exceed \$31.00 per megawatt hour for the term of the agreement; and (iii) include renewable attributes commensurate with the energy share; and

WHEREAS, the Council/Commission has examined all other matters it deems relevant;

NOW, THEREFORE, be it resolved as follows:

1. The "Power Sales Agreement Between Central Minnesota Municipal Power Agency and the City of Granite Falls for Purchase of Fixed Dispatch Energy" ("Agreement") be hereby approved in substantially the form presented to the (Council/Commission).
2. The Mayor and City Manager is authorized to execute and deliver the Agreement to the counterparties on behalf of the City, with such changes therein as shall be approved by the City Attorney and/or other designated representatives of the

City, the execution thereof to constitute conclusive evidence of the Mayor and City Manager’s approval of any and all changes or revisions therein from the form of the Agreement hereby approved.

THIS RESOLUTION SHALL BE IN FULL FORCE AND EFFECT IMMEDIATELY AFTER ITS PASSAGE AND APPROVAL AS PROVIDED BY LAW.

Passed and approved this 1st day of April, 2019.

Mayor
Dave Smiglewski

Attest City Clerk
Joan Taylor

With second by B. Peterson, the resolution was adopted unanimously.

TEMPORARY LICENSE: M/S NORDAUNE/B. PETERSON APPROVING A TEMPORARY LIQUOR LICENSE TO THE NETWORK COMMUNITY TO HOLD A BEER TASTING AT THE VOLSTEAD HOUSE ON APRIL 7TH FOR NATIONAL BEER DAY. Motion carried unanimously.

CITY HALL COPIER: EDA Director Anderson reviewed with council the research staff has done regarding replacement of the City Hall copier. Following discussion Fagnano introduce a resolution and moved its adoption requesting proposals to replace the copier.

RESOLUTION NO. 19-50

RESOLUTION REQUESTING PROPOSALS TO REPLACE THE CITY HALL COPIER

WHEREAS, it has been recommended that the City Hall copier be replaced.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, requesting proposals for replacement of the City Hall copier.

Adopted by the City Council this 1st day of April, 2019.

David Smiglewski
Mayor

ATTEST:
Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

IT NEEDS: Cathy Anderson also spoke with council concerning IT needs at City Hall. Following discussion it was the consensus of council to form an ad hoc committee to develop a plan and decide what IT needs the city has. The committee will consist of Cathy Anderson, City Manager Crystal Johnson and Council Member Scott Peterson.

Cathy Anderson also requested council permission to put a television in the lobby of City Hall which could run Channel 8 and advertise the City of Granite Falls. Following discussion, Nordaune introduced a resolution and moved its adoption authorizing the placement of a television in the lobby of City Hall at a cost of \$500.

RESOLUTION NO. 19-51

RESOLUTION APPROVING PLACEMENT OF A TELEVISION IN THE CITY HALL LOBBY

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving the placement of a television in the lobby of City Hall to play Channel 8.

Adopted by the City Council this 1st day of April, 2019.

David Smiglewski
Mayor

ATTEST:
Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously.

PRAIRIE GRASS BURN: Following discussion, M/S NORDAUNE/OTAIBI AUTHORIZING PIONEER TELEVISION TO BURN THE PRAIRIE GRASS ADJACENT TO THEIR LOCATION. The motion carried unanimously.

WATER TREATMENT PLANT: Water Superintendent Anderson requested council authorization to burn the prairie grass next to the Hydroelectric Plant in order to get rid of the thistle and weeds. Following discussion it was decided by council to have Chris Anderson review this with Fire Chief Craig Opdahl to decide if it could be done at this location.

DONATION: Following discussion, Galow introduced a resolution and moved its adoption authorizing a donation of \$2,500 to Granite Falls Health to help with the purchase of a new transit van.

RESOLUTION NO. 19-52

RESOLUTION APPROVING DONATION
TO GRANITE FALLS HEALTH CARE CENTER

WHEREAS, the Granite Falls Health Care Center has requested financial assistance for the purchase of a new Care Center bus.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation of \$2,500 to the Granite Falls Health Care Center to help with the purchase of a new bus.

Adopted by the City Council this 1st day of April, 2019.

David Smiglewski
Mayor

ATTEST:
Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

ACCOUNTS RECEIVABLE: Finance Director Neal Carstensen is recommending council consider discontinuing active collection of certain delinquent accounts. Following discussion council would like staff to review if anything more can be done to collect these accounts.

2019 STREET/UTILITY IMPROVEMENTS: Nordaune introduced the following resolution and moved its adoption authorizing execution of a Memorandum of Understanding between the city and Reverence for Life and Concern for People, Inc. to cost share

on a 50/50 basis the proposed street improvement project on the entrance road to Project Turnabout.

RESOLUTION NO. 19-53

RESOLUTION AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING

WHEREAS, part of the 2019 Street & Utility Improvements is Project 3 which includes removal of the existing bituminous surface, shaping the existing base and placing new bituminous at an estimated cost of \$25,000; and

WHEREAS, Reverence for Life and Concern for People, Inc. has agreed to share the cost of this improvement on a 50/50 split with the city.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of a Memorandum of Understanding between the City and Reverence for Life and Concern for People, Inc. splitting the cost of this improvement on a 50/50 basis.

Adopted by the City Council this 1st day of April, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Galow, the resolution was adopted by the following vote: Aye: Galow, Otaibi, Nordaune, B. Peterson, Fagnano and S. Peterson. Abstain: Smiglewski.

HYDROELECTRIC PLANT: Following discussion it was the consensus of council to proceed with bidding to complete the safety improvements to the Hydroelectric Plant as proposed by BARR Engineering.

POST-ISSUANCE DEBT COMPLIANCE POLICY: Upon the recommendation of the city’s bond consultants, Nordaune introduced the following resolution and moved its adoption of the Post-Issuance Debt Compliance Policy for Tax-exempt and Tax-advantaged Governmental Bonds.

Resolution 19-54

Adopting Post-Issuance Debt Compliance Policy for Tax-exempt and Tax-advantaged Governmental Bonds

WHEREAS, the City of Granite Falls, Minnesota (the “City”) from time to time will issue tax-exempt and tax-advantaged governmental bonds; and

WHEREAS, under the Internal Revenue Code of 1986, as amended and related regulations (the “Code”), and Securities and Exchange Commission (the “SEC”) the City is required to take certain actions after bond issuance to ensure that interest on those bonds remains in compliance with the Code and SEC; and

WHEREAS, the City has determined to adopt a policy regarding how the City will carry out its compliance responsibilities via written procedures, and to that end, has caused to be prepared documents titled Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures; and

WHEREAS, The City Council (the “Council”) of the City has reviewed the Post-Issuance Debt Compliance Policy in connection with the Post-Issuance Debt

Compliance Procedures and has determined that it is in the best interest of the City to adopt the Policy.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF GRANITE FALLS, MINNESOTA; the Council approves the Policy as shown in the form attached; and

BE IT FURTHER RESOLVED; the City staff is authorized to take all actions necessary to carry out the Post-Issuance Debt Compliance Policy and Post-Issuance Debt Compliance Procedures.

Adopted by the City Council of Granite Falls, Minnesota this 1st day of April, 2019.

ATTEST:

Joan M. Taylor
City Clerk

David Smiglewski
Mayor

With second by Otaibi, the resolution was adopted unanimously.

BONDS: The city’s bond consultants recommends 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 Nordaune introduced a resolution and moved its adoption establishing procedures relating to compliance with reimbursement bond regulations under the IRS code.

RESOLUTION NO. 19-55

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 1st day of April, 2019.

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.

2018 STREET/UTILITY IMPROVEMENTS: Staff updated council concerning the completion of the 2018 Street and Utility Improvements.

MEMORIAL PARK: Following discussion it was the consensus of council to submit another grant application for Phase IV to the Memorial Park Improvements.

2020 CENSUS: M/S NORDAUNE/OTAIBI AUTHORIZING FORMING A COMPLETE COUNT COMMITTEE REGARDING THE 2020 CENSUS. Motion carried unanimously.

FLOOD UPDATE: Mayor Smiglewski updated the council as to the current flood event.

APPOINTMENT: As six names have been suggested for the Hospital Board opening, council voted by paper ballot as follows: 4 – Scott Rasmusson, 1 - Phil Kelly and 1 – Pam Peyton. After which, M/S NORDAUNE/B. PETERSON TO APPOINT SCOTT RASMUSSON TO THE HOSPITAL BOARD. Motion carried by the following vote: Aye:

Galow, Nordaune, Smiglewski, B. Peterson and Fagnano. Nay: S. Peterson. Abstain: Otaibi.

ADJOURN: M/S NORDAUNE/S. PETERSON TO ADJOURN at 8:40 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total 2XL CORPORATION:	123.28
Total AEM FINANCIAL SOLUTIONS LLC:	7,000.00
Total AMARIL UNIFORM CO:	1,743.95
Total AMERICAN DOOR WORKS:	153.00
Total BEVERAGE WHOLESALERS:	442.33
Total BOND TRUST SERVICES CORP:	445,902.50
Total BORDER STATES ELECTRIC SUPPLY:	349.07
Total BREAKTHRU BEVERAGE:	7,235.47
Total BREDEKEN, HEATHER:	200.00
Total BURGESSON, BRAD:	105.00
Total CENTURYLINK:	147.84
Total CHIPPEWA COUNTY:	43.00
Total CINTAS:	143.50
Total CITIZENS ALLIANCE BANK:	30.00
Total CNH CAPITAL:	365.71
Total COCARD:	138.38
Total COLLECTION BUREAU:	50.00
Total CONVENTION & VISITORS BUREAU:	431.96
Total DAMON FARBER LANDSCAPE ARCHITECTS:	9,157.51
Total DAN'S SHOP INC:	9.54
Total DAVE'S ELECTRIC MOTOR CO:	219.99
Total DUININCK BROS. INC.:	46,762.20
Total FIRE SAFETY U.S.A.:	1,006.00
Total GRANDVIEW VALLEY WINERY:	672.00
Total GRANITE FALLS HEALTH:	3,436.74
Total GRANITE TRUE VALUE:	1,106.08
Total HAWKINS INC:	592.77
Total HEARTLAND PAYMENT SYSTEMS:	73.87
Total HOERNEMANN, PAUL:	50.00
Total IRBY:	353.09
Total JOHN DEERE FINANCIAL:	140.32
Total JOHNSON BROS WHOLESALE LIQUOR:	12,276.20
Total JT SERVICES:	154.23
Total LIGHT FUND:	33,991.48
Total LOCATORS & SUPPLIES:	502.38
Total LOCHER BROTHERS:	8,297.57
Total MADISON BOTTLING CO.:	12,886.72
Total MARCO TECHNOLOGIES LLC:	77.82
Total MARTIN MARIETTA AGGREGATES:	428.10
Total MED COMPASS:	1,775.00
Total MEYER'S REPAIR & TOWING INC:	514.09
Total MID-AMERICAN RESEARCH CHEMICAL:	570.00
Total MITLYNG ELECTRIC & REFRIG.:	463.20
Total MN AWWA:	30.00
Total MN DEPT OF REVENUE:	26,282.00
Total MN POLLUTION CONTROL AGENCY:	25.00
Total MN POLLUTION CONTROL AGENCY:	45.00
Total MN VALLEY TESTING LAB INC.:	258.00
Total MN WEST COLLEGE:	5,480.00
Total MONEY MOVERS:	20.75
Total MUNICIPAL EMERGENCY SERVICES:	1,091.00
Total MVTV:	338.75
Total NCPERS GROUP LIFE INS:	48.00
Total OFFICE DEPOT:	295.15
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Total PETERSON, BRENDA:	1,180.00
Total PHILLIPS WINE & SPIRITS CO.:	5,909.66
Total PIONEERLAND LIBRARY SYSTEM:	1,829.58
Total POSTMASTER:	1,000.00
Total PRENTICE PLACE COMMONS ASSN:	100.51
Total RECREATION SUPPLY COMPANY:	82.84
Total RICHTER, NICK:	3,290.00
Total RODEBERG & BERRYMAN INC.:	7,874.00

Total ROUNDLAKE VINEYARDS & WINERY:	225.00
Total SAWMILL, THE:	174.97
Total SENTRY SYSTEMS INC:	112.40
Total SMIGLEWSKI, DAVID:	106.14
Total SOUTHERN WINE & SPIRITS OF MN:	2,323.70
Total STEFFEN, KERRY:	412.50
Total TAYLOR, JOAN:	148.98
Total TREASURER STATE OF MINNESOTA:	40.00
Total TROY'S ELECTRIC COMPANY:	817.74
Total UPS:	41.62
Total US BANK:	1,501.52
Total VIKING COCA-COLA BOTTLING CO.:	314.40
Total VISA:	5,329.22
Total WATER CONSERVATION SERVICE INC:	764.93
Total WESTERN FEST:	300.00
Total WOODS, KEITH:	250.00
Total XPRESS BILL PAY:	220.18
Total YELLOW MEDICINE EAST:	22,787.46
Total YMC FAIR BOARD:	100.00
Total ZEP:	270.49
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Grand Totals:	691,543.38
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