

**NEW YORK MILLS CITY COUNCIL**  
**April 14, 2020**  
**4:30 p.m.**

**CALL TO ORDER AND DETERMINATION OF A QUORUM**

The regular meeting of the New York Mills City Council was called to order at 4:30 p.m. in the Council Chambers of the City Hall Building at 28 Centennial 84 Dr. West, New York Mills, Minnesota all members of the Council having been notified of the meeting and the business to be transacted. The meeting was available in person or via Zoom teleconference platform.

**Members Present** Maki, Roder, Hetland, Hoaby, and Nesland

**Members Absent** none

**Staff Present** City Clerk Julie Roberts, Public Works Director Kyle Mattson, and Police Chief James Gritz

**Guests Present** NYM Dispatch Reporter Chad Koenen, John Hagen, Eide Bailly, and Julie Eddington, Kennedy-Graven

**Call to Order** The meeting was called to order at 4:32 p.m. A quorum was present.

**Additions, Changes or Deletions to Agenda and Approval of Final Agenda**

**A motion was made by Hoaby and seconded by Nesland to approve the agenda as presented. The motion carried without a dissenting vote.**

**Approval of Minutes** -A motion was made by Hetland to approve minutes from the March 10, 2020, and the March 18, 2020 Emergency Council Meeting. The motion was seconded by Roder. The motion carried without a dissenting vote.

**Communications & Recognitions** – There were no communications included in the packet. Nesland acknowledged the work done by Clerk Roberts and congratulated her on the first childcare pod opening for business at the beginning of April, 2020. Nesland thanked Roberts and her group for the hard work they have done to make this happen.

**The regular council meeting was closed at 4:36 p.m. for the Public Hearing regarding Bonds Issued by Fergus Falls HRA for Schuett Otter Tail L.P.**

**The regular council meeting was resumed at 4:40 p.m.**

**Department Reports**

**Liquor Store Report** –Clerk Roberts presented the Liquor Store Report. Gross sales for the month of March were up over prior year by 6%. The bar was closed or half of the month due to the Covid-19 governor order. Net revenue for the month of March is down 7% over prior year, however there were \$3,100 spent do

remodel items in the bar since it had to be shut down. Year to date over prior year the net revenue is up 3%. The off sale hours have been cut back to eight hours a day Monday through Saturday.

**A motion was made by Hoaby to acknowledge receipt and review of the Liquor Store Report as presented. The motion was seconded by Hetland. The motion carried without a dissenting vote.**

**Fire Department Report** – Chief Brasel was not present at the meeting. Fire Department reports were included in the packet. There were 17 calls for the month of March. The Lucas machine for doing CPR has been received. The fire department relief association will donate the funds need to pay for it to the City and the City will make the payment on the invoice. The cost for the machine came to \$16,156.77.

**A motion was made by Nesland to acknowledge receipt and review of the Fire Department Reports as presented. The motion was seconded by Roder. The motion carried without a dissenting vote.**

**Police Report** – Chief Gritz’ report was included in the packet. Officer Berndt’s DMT training has been postponed and a new date has not been announced yet. All other in person trainings have been cancelled. The department continues to monitor the COVID-19 situation and is making contingency plans in case any of the officers become sick. The 2015 Explorer has a check engine light on and was taken in for service. All extra enforcement shifts have been cancelled or postponed at this time.

**A motion was made by Roder to acknowledge receipt and review of the Police Department Report as presented. The motion was seconded by Hetland. The motion carried without a dissenting vote.**

**Public Works Report** – Kyle Mattson’s report was included in the packet. Mattson applied for a \$10,000 grant through Minnesota Department of Health, source Water Protection, for exploratory well drilling on the Southpoint Property. The total estimate for the drilling was \$23,582. If the city does not receive the grant, he will not do the drilling and will reapply for the grant in the fall. A contractor has been scheduled for June or July to replace two flow meters in the water treatment plant at a total cost of \$8,950. Mattson said he is planning to replace a zero turn lawn mower. He has money set aside in the capital fund for this. Mattson has obtained parts, software, training and support estimates for our Phase 1 AMR meter reading system. There has been money set aside for this project and he would like to move forward with Phase I this year. Some discussion on the project ensued. Mattson is also obtaining updated quotes for the manufactured wood chips for the parks. This is in the budget for 2020 and he plans to move forward with replacing the rock in the parks with the wood chips this spring.

**A motion was made by Nesland to acknowledge receipt and review of the Public Works Report as presented and to move forward with the Phase I meter reading project and the mower purchase. The motion was seconded by Hoaby. The motion carried without a dissenting vote.**

**Open Forum – 5:00 p.m.** None

**Public Requests** – None

Department Reports cont’d:

**Administration Report** – Roberts’ report was in the packet. There were no step raises due in the upcoming month. Roberts reported that she has been spending time training in the new bar manager. The city office

has been closed to the public and employees have been working on back burner projects along with their normal work load. Mike Pederson has removed the canopy from the bar area and is working on a fresh coat of paint in bar while it is closed. When he is done with that, he will be painting in the off sale. There are also painting projects in the fire hall and the senior center. Roberts asked the council if they feel it would be okay to pay for the carpet cleaning and painting in the senior center as building maintenance.

**A motion was made by Nesland to acknowledge receipt and review of the Administration Report as presented and to charge the paint and carpet cleaning for the senior center to building maintenance. The motion was seconded by Hoaby. The motion carried without a dissenting vote.**

**2019 Audit Presentation** – John Hagen from Eide Bailly presented to the 2019 Audit results to the council. The city received a “clean” audit opinion. The city has a positive cash balance. This contributes to a favorable bond rating, it produces investment income and provides a source of working capital and offers a cushion for unexpected expenditures or revenue shortfalls. There was discussion about changing the transfers from utility departments so that they do not end up in a negative cash position at of year. Overall, Hagen said the audit went well and Hagen thanked the city staff for their help providing information.

#### **Committee Reports:**

**Budget & Finance Committee** – Roberts will be scheduling a meeting in early May.

**EDA Committee** – EDA loan payments have been deferred for four months to try to help out the small businesses during the COVID-19 shut down.

**Park Board** – Nesland said that Matt Radniecki no longer wants to be the president. The next meeting will be on May or June.

#### **Financial Consent Agenda –**

The financial information for the month of March was included in the packet. The payment of claims was also included in the packet.

**A motion was made by Hoaby and seconded by Nesland to approve the bills and financial statements as presented. The motion carried without a dissenting vote.**

#### **Old Business and Tabled Items:**

#### **COVID-19 Information/Updates:**

Clerk Roberts asked if anyone had any discussion or information regarding COVIC-19 matters. Nesland asked if the council would be doing a Zoom meeting in May if the shelter in place order was lifted on May 4. Roberts said if the shelter in place is lifted it will be an in person meeting. If the shelter in place is extended the meeting will be a Zoom meeting.

Roder explained that the Otter Tail County CDA has been trying to have bi-weekly meetings to keep people up to date on the COVID-19 information. Amy Baldwin is gathering the most up to date information and trying to keep cities in Otter Tail County up to date on the changing information.

**User Agreement between NYM School District and City of New York Mills** – A copy of the user agreement was included in the packet. This agreement has been reviewed by the city attorney and has been sent to Blain Novak at the school. This is for information purposed and will be an action item at the May 12, 2020 council meeting.

**Police Union Contract** – A meeting will be scheduled with the personnel committee early in May to discuss the Union Contract and the revisions suggested by our attorney.

**New Business:**

**Resolution Providing Host Approval to and Consenting to the Issuance, Sale and Delivery of Bonds by the Fergus Falls Housing and Redevelopment Authority of its Revenue Obligations; Approving and Authorizing the Execution of a Cooperative Agreement with the Fergus Falls Housing and Redevelopment Authority and the City of Fergus Falls; and Taking Other Actions with Respect Thereto. – Resolution No. 04-14-2020 was present:**

**CITY OF NEW YORK MILLS, MINNESOTA**

**RESOLUTION NO. 04-14-2020**

**RESOLUTION PROVIDING HOST APPROVAL TO AND CONSENTING TO THE ISSUANCE, SALE, AND DELIVERY BY THE FERGUS FALLS HOUSING AND REDEVELOPMENT AUTHORITY OF ITS REVENUE OBLIGATIONS; APPROVING AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT WITH THE FERGUS FALLS HOUSING AND REDEVELOPMENT AUTHORITY AND THE CITY OF FERGUS FALLS; AND TAKING OTHER ACTIONS WITH RESPECT THERETO**

BE IT RESOLVED by the City Council (the “City Council”) of the City of New York Mills, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. Pursuant to the Constitution and laws of the State of Minnesota, particularly Minnesota Statutes, Chapter 462C, as amended, a municipality is authorized to issue revenue bonds to finance multifamily housing developments.

1.02. Minnesota Statutes, Section 471.656, as amended, authorizes a municipality to issue obligations to finance the acquisition or improvement of property located outside of the corporate boundaries of such municipality if the obligations are issued under a joint powers agreement between the municipality issuing the obligations and the municipality in which the property to be acquired or improved is located. Pursuant to Minnesota Statutes, Section 471.59, as amended, by the terms of a joint powers agreement entered into through action of their governing bodies, two or more municipalities may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised and the joint powers agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units.

1.03. Schuett Otter Tail LP, a Minnesota limited partnership (the “Borrower”), has proposed that the City approve the issuance by the Fergus Falls Housing and Redevelopment Authority (the “Issuer”) of one or more series of taxable or tax-exempt revenue bonds (the “Bonds”), in the aggregate principal amount of up to \$13,450,000. The Borrower intends to apply a portion of the proceeds of the Bonds in the approximate principal amount of \$2,150,000 to acquire, rehabilitate, and equip a 30-unit multifamily housing development known as Kaleva Apartments located at 205 Walker Avenue North in the City (the “Project”). The Borrower will own the Project, which will preserve federally subsidized housing.

1.04. Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder require that, prior to the issuance of the Bonds, the City Council must consent to the issuance of the Bonds by the Issuer after conducting a public hearing thereon preceded by publication of a notice of public hearing (in the form required by Section 147(f) of the Code and applicable regulations) in a newspaper of general circulation within the City at least seven (7) days prior to the public hearing date.

1.05. A notice of public hearing (the “Public Notice”) was published at least seven (7) days before the regularly scheduled meeting of the City Council on the date hereof in the *New York Mills Dispatch*, the official newspaper of and a newspaper of general circulation in the City, with respect to the required public hearing under Section 147(f) of the Code.

1.06. On the date hereof, the City Council conducted a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, on providing consent to the issuance of the Bonds by the Issuer pursuant to the requirements of Section 147(f) of the Code and the regulations promulgated thereunder.

1.07. The City, the City of Fergus Falls, Minnesota, and the Issuer are proposing to enter into a Cooperative Agreement (the “Cooperative Agreement”) pursuant to which the City will consent to the issuance of the Bonds by the Issuer to finance, in part, the acquisition, rehabilitation, and equipping of the Project, and the Issuer will agree to issue the Bonds to finance, in part, the acquisition, rehabilitation, and equipping of the Project.

1.08. The Borrower has represented to the City that the principal of, premium (if any), and interest on the Bonds: (i) shall be payable solely from the revenue pledged therefor; (ii) shall not constitute a debt of the City or the Issuer within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or the Issuer or a charge against its general credit or taxing powers; and (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City or the Issuer other than the interest of the Issuer as set forth in one or more loan agreements to be entered into between the Issuer and the Borrower.

## Section 2. Approvals.

2.01. The City Council finds that it is in the best interest of the City to approve the issuance of the Bonds by the Issuer to finance, in part, the acquisition, rehabilitation, and equipping of the Project and hereby consents to the issuance of the Bonds by the Issuer for the purposes set forth above.

2.02. The Bonds shall be special, limited obligations of the Issuer payable solely from the revenues and security provided by the Borrower to the Issuer and pledged to the payment of the Bonds.

2.03. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver the Cooperative Agreement and any other documents deemed necessary to fulfill the intentions of this resolution. All of the provisions of the Cooperative Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Cooperative Agreement shall be substantially in the form on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Mayor and the City Clerk, in their discretion, shall determine, and the execution thereof by the Mayor and the City Clerk shall be conclusive evidence of such determination.

2.04. The Mayor and the City Clerk and other officers, employees, and agents of the City are hereby authorized and directed to prepare and furnish to bond counsel, the trustee, and the original purchaser of the Bonds certified copies of all proceedings and records of the City relating to the approval of the issuance of the Bonds, including a certification of this resolution.

2.05. The Borrower shall pay to the City any and all costs paid or incurred by the City in connection with this resolution, the Cooperative Agreement, the Bonds or the financing contemplated herein, whether or not the financing is carried to completion, and whether or not the Bonds or operative instruments are executed and delivered.

Section 3. Effective Date. This resolution shall be in full force and effect from and after its passage.

Adopted this 14<sup>th</sup> day of April, 2020 by the City Council of the City of New York Mills.

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Marsha Maki, Mayor

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Julie Roberts, Clerk

**A motion was made by Hoaby and seconded by Hetland to approve Resolution No. 04-14-2020 as presented. The motion carried without a dissenting vote.**

**League of Minnesota Cities Liability Coverage Waiver Form:** A Copy of the Liability Waiver Form was included in the packet.

**A motion was made by Nesland and seconded by Hoaby to accept and sign the Liability Coverage Waiver Form as presented. The motion carried without a dissenting vote.**

**Adjournment - A motion was made by Nesland and seconded by Hetland to adjourn. The motion carried without a dissenting vote.**

The meeting was adjourned at 5:35 p.m.

Respectfully submitted by,

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Julie A. Roberts  
City Clerk