

MINUTES OF COUNCIL MEETING/PUBLIC HEARINGS

May 7, 2012

A regular council meeting was duly called to order by Mayor Robert Roesler at 5:06 p.m. on Monday, May 7, 2012 with members Robert Roesler, Jeff Ross, Kurt Olson, Carroll Behne and Brad Ringnell present. Absent, none. Also present, City Admin/EDA Director Jamie Letzring, Deputy Clerk Irene Schlaphoff and Financial Advisor Shannon Sweeney.

Motion by Ross to approve the agenda, second by Ringnell, carried.

Motion by Ringnell to approve the minutes of the April 16 and April 20 council meetings as written and sent to each council member for study, second by Olson, carried.

Consent agenda including payment of bills and a fence permit at 17 N Osborne St was declared approved.

The public hearing regarding the issuance by the Sherburn EDA of its housing development bonds in an aggregate principal amount not to exceed \$550,000 was called to order. Financial Advisor Shannon Sweeney of David Drown Associates reminded all present that, while housing development bonds rely on revenues from the facility, full faith and credit of the city is pledged in these general obligation bonds. The bonds will be issued at the first council meeting in June with a maturity date in 2035, and will involve the Economic Development Authority in the issuance process. Because the housing development bond maximum is \$3,000,000, the gap will be filled using tax abatement bonds.

Motion by Ringnell to close the public hearing, second by Behne, carried.

Motion by Ross to approve Resolution 2012-16 Approving the Housing Finance Program and the Issuance and Sale by the Economic Development Authority of the City of Sherburn of its Housing Development Bonds, Series 2012 in an Amount Not to Exceed \$545,000 Backed by the Full Faith and Credit of the City of Sherburn, Minnesota, second by Ringnell. Olson, yea; Ringnell, yea; Ross, yea; Behne, yea; Roesler, yea; Resolution 2012-16 approved.

The public hearing regarding the tax abatement and issuance of bonds for the for the purpose of financing an expansion of a senior housing project was called to order. Financial Advisor Shannon Sweeney of David Drown Associates explained that these tax abatement bonds pledge a portion of the city's tax base rather than assessing 20% as required by statute; however housing revenues will be used to make the payments. If these revenues are not adequate, a tax levy will be required. He stated that the low interest rates are a result of the city's pledge, which translates into preserving the facility's ability to pay.

Motion by Ringnell to close the public hearing, second by Olson, carried.

The regular council meeting convened with a motion by Behne to approve Resolution 2012-17 Authorizing a Tax Abatement on Property within the City of Sherburn and the Issuance of Bonds for the Purpose of Financing an Expansion of a Senior Housing Project, second by Olson. Behne, yea; Ross, yea; Ringnell, yea; Olson, yea; Roesler, yea; Resolution 2012-17 approved.

Motion by Ringnell to approve Resolution 2012-18 Providing for the Issuance and Sale of \$1,250,000 General Obligation Tax Abatement Bonds, Series 2012B and Pledging Tax Abatements for the Security and Payment Thereof, second by Ross. Mr. Sweeney stated that the low interest rate and 20-year term may have been the reason that only one bid was received; area banks declined to bid but may have purchased a portion of these tax-exempt bonds. Ross, yea; Ringnell, yea; Behne, yea; Olson, yea; Roesler, yea; Resolution 2012-18 approved.

City Auditor Joel Stencil of EideBailly was present with the 2011 audit for the City of Sherburn. Mr. Stencil distributed and reviewed the executive summary, which illustrated a reduction in the general fund balance, cash and cash equivalents as a result of increased expenditures of more than \$195,000. As expected, the water/wastewater fund ran a deficit because of the PFA loan for upgrades at the disposal plant, while the municipal liquor store showed a net income.

EDA revenues continue to exceed expenditures, and Temperance Lake Ridge experienced a \$197,000 increase in cash over the previous year.

In other matters, it was noted that the City is paying for a post office box for which it does not have access, and it was recommended that this box be closed or access obtained; personal use of property and equipment was detected, and it was recommended that department members cease using the wash bays at the fire hall; and it is a violation of statute for flowers to be purchased using public funds at the assisted living facility.

Motion by Ringnell to approve a pull tab contribution to MCW Summer Recreation in the amount of \$500.00 and to Relay for Life in the amount of \$20.00, second by Behne, carried.

Motion by Ringnell to approve a request from the Lions Club to close N Manyaska St between E First St and E Second St for a street dance from 5:00 p.m. to 8:00 p.m. during the Holiday Festival, second by Ross, carried.

Motion by Olson to approve a request from the Sherburn C & C for \$100.00 toward flowers for the N Main St planters, second by Ringnell, carried.

Administrator report:

- Temperance Lake Ridge memory care expansion drawings have been completed; Tom Skinner of Miller Architects & Builders is finalizing subcontractors, and mobilization is expected by May 14th.
- Reminder that city-wide clean-up day is June 16th under the water tower.
- Request has been received for exclusive rights to scrap iron on June 16, but request was not granted.
- Ambulance transit refund has been received in the amount of \$236.80; application for excise tax refund in the amount of \$886.41 has been submitted.
- A civic group of MCW students have been painting the park shelter house each day; project will be completed by public works before Memorial Day weekend.
- Beemer Companies have not yet committed to a start date on the East 5th/Lynn St project.
- April movie report has been received.
- Liquor store kitchen is closed while renovations are underway; new menus are available.
- Ditch between E First St and E Third St is embedded with trees making it impassable for equipment needed to trench the area in order to create water flow; removal will be costly. Public works will be directed to remove small trees along one side of the ditch per Councilor Ringnell.
- City Engineer Greg Mitchell of Bolton & Menk has learned that the S Main St railroad repair will cost \$11,000 - \$16,000 with the city purchasing the materials and work to be done by the railroad. Motion by Ringnell to proceed with the repair of the S Main St railroad tracks as proposed by railroad officials, second by Ross, carried.

In other business, Councilor Olson suggested that catch basins be jetted and surfaces be kept clear of debris; Councilor Ringnell inquired about the N Elm St project, which has been put on hold while the Temperance Lake Ridge memory care expansion takes place; windows at the fire hall need to be replaced; Councilor Ross spoke of the condition of the property behind his.

Discussion was held regarding the purchase of a leaf compactor and the advantages and benefits to the citizens of Sherburn. Set aside funds are inadequate to make this purchase without levying additional dollars at this time. Further study will be conducted before a decision is made.

Motion to adjourn by Ringnell, second by Olson, carried. Meeting declared adjourned at 6:55 p.m.