



ALBERTVILLE CITY COUNCIL
May 17, 2010
MINUTES

ALBERTVILLE CITY HALL

7:00 PM

CALL TO ORDER – PLEDGE OF ALLEGIANCE

Acting Mayor Fay called the meeting to order and led in the Pledge of Allegiance.

ROLL CALL

PRESENT: Acting Mayor Tom Fay, Council members Larry Sorensen, John Vetsch, and Dan Wagner

OTHERS PRESENT: City Administrator Larry Kruse, City Engineer Adam Nafstad, City Planner Al Brixius, City Clerk Bridget Miller, City Attorney Mike Couri, Public Works Supervisor Tim Guimont, Fire Chief Tate Mills, Kennedy and Graven Bond Counselor Ben Johnson, Dominion Management Representative Ryan Lunderby, Dominion Management Representative Mark Moorhouse, and Frank Hogan of Dominion Management

ABSENT: Mayor Ron Klecker

AMENDMENTS TO THE AGENDA

The Monday, May 17, 2010 agenda was amended as follows:

Council member Vetsch requested to add item 9.K.1. under Administration – 2009 Audit

CMs Sorensen/Wagner **motioned** to approve amendments made to the May 17, 2010 agenda adding item 9.K.1. Administration – 2009 Audit. Motion carried unanimously.

PUBLIC HEARING

ALBERTVILLE MEADOWS ALSO KNOWN AS DOMINIUM MANAGEMENT HAS REQUESTED A PUBLIC HEARING WITH RESPECT TO THE ISSUANCE OF REVENUE BONDS UNDER MINNESOTA

STATUTES, CHAPTER 462C, AS AMENDED, FOR THE FINANCING OF A MULTIFAMILY HOUSING DEVELOPMENT AT ALBERTVILLE CITY HALL LOCATED AT 5959 MAIN AVENUE NE

Ben Johnson, Kennedy and Graven City Bond Counselor stated the basic purpose of this public hearing is for the City Council to consider the approval and adoption of a housing program (the "Program") in accordance with the requirements of Minnesota Statutes, Chapter 462C, as amended (the "Act") and the Internal Revenue Code of 1986, as amended, for the issuance of one or more series of revenue bonds (the "Bonds") to finance the acquisition, rehabilitation, equipping and certain other costs with respect to a 75-unit multifamily rental housing development known as "Albertville Meadows" located at 10732 County Road 37 in the City (the "Project"). The proceeds of the Bonds will be loaned to Albertville Leased Housing Associates III, LP (the "Borrower") and a partner of which will be Albertville Leased Housing Associates III, LLC and used by the Borrower for the following purposes: (1) acquisition of the Project, (2) rehabilitation of the Project, (3) equipping of the Project, (4) funding certain reserves for the Bonds, and (5) financing all or a portion of the costs of issuing the Bonds.

Johnson continued by stating that following the public hearing, the Council will consider a resolution approving the adoption of a Housing Program and granting preliminary approval to the issuance of the Bonds by the City and the loan proceeds thereof to the Borrower for the purposes set forth above. The aggregate face amount of the Bonds proposed to be issued by the City is presently estimated not to exceed \$9,500,000.

Acting Mayor Fay opened the public hearing at 7:04 p.m.

Ryan Lunderby, representing the Albertville Meadows Apartment complex, noted that the apartments were initially presented to Albertville City Council for development approximately 17 years ago. Knowing that, it is apparent these units could use some upgrading. The Bonds will be special, limited obligations of the City payable solely from the revenues pledged to the payment thereof and the Bonds will not be a general or moral obligation of or be secured by the taxing power or any property or assets of the City. Before issuing the Bonds, the City will enter into an agreement with the Borrower, whereby the Borrower will be obligated to make payments at least sufficient at all times to pay the principal of and interest on the Bonds when due. No holder of any Bond will ever have the right to compel any exercise of the taxing power of the City to pay the Bonds or the interest thereon, nor to enforce payment against any property of the City except money payable by the Borrower to the City and pledged to the payment of the Bonds.

The key issues regarding the bonds are:

- This is a conduit bond and will not be a general or moral liability of the City of Albertville.
- The issuance of this type of Bond does not affect the City's debt levy.
- The issuance of this type of Bond does not affect the ability of the City to issue "Bank Qualified" bonds in 2010 for the City's own projects.

- The issuance of this type of Bond does not count against the City for purposes of the City's total debt limit.
- The income level and residency requirements will not change. It was a previous tax credit project and this is a continuation of what is there.

In relationship to the financial consideration: the City sponsorship of the bond should generate an estimated \$45,000 in fees.

Under Minnesota Statutes, Chapter 462C, the City must host a public hearing and adopt a resolution approving a Housing Program and granting approval to issue tax exempt revenue bonds. Federal law requires that the Borrower reserve 20% of the units in the Project for low or moderate income tenants and that there be rehabilitation/renovation improvements made to the Project. Final approval of the financing will be presented to the Council at a later date.

Acting Mayor Fay asked if there was anyone in the audience regarding the public hearing approving the adoption of a housing program and granting preliminary approval of the issuance of bonds for the purposes set forth in Resolution No. 2010-013.

Mark Moorhouse briefly reported that the \$16,000 per unit will include updating of the basic equipment or furnishing such as refrigerator, stove, dishwasher if applicable, possibility of upgrading the bathroom area. The financing will also apply towards the exterior structure of the development such as the landscaping and exterior components of the building. Albertville has experienced a few storms over the past number of years involving straight-line winds, flooding, and hail.

No other members of the audience wanted to express their concern regarding the public hearing notice.

Acting Mayor Fay closed the public hearing at 7:24 p.m.

APPROVE A RESOLUTION APPROVING THE ADOPTION OF A HOUSING PROGRAM AND GRANTING APPROVAL TO THE ISSUANCE OF THE BONDS BY THE CITY AND THE LOAN THE PROCEEDS THEREOF TO THE BORROWER FOR THE PURPOSES SET FORTH ABOVE. THE AGGREGATE FACE AMOUNT OF THE BONDS PROPOSED TO BE ISSUED BY THE CITY IS PRESENTLY ESTIMATED NOT TO EXCEED \$9,500,000

Acting Mayor Fay looked to the Council for a motion to adopt Resolution No. 2010-013.

CMs Wagner/Sorensen **motioned** to approve **Resolution No. 2010-013** entitled a Resolution Relating to Issuance of Revenue Bonds for the Financing of the Acquisition and Rehabilitation of a Multifamily Housing Development Under Minnesota Statutes, Chapter 462C, as amended; Granting Preliminary Approval to the Issuance of such Revenue Bonds; Establishing

Compliance with certain reimbursement Regulations Under the Internal Revenue Code of 1986, as amended; and taking certain other actions with respect thereto; the signed copy will be scanned; the electronic scanned version will be kept on file in the office of the City Clerk and serve as the official record. Acting Mayor Fay, Council members Sorensen and Wagner voted aye. Council member Vetsch voted nay. Motion carried.

CONSENT AGENDA

✱ CONSENT AGENDA

All items with an asterisk (✱) are considered to be routine in nature by the City Staff and will be enacted by one motion. There will be no separate discussion of these items unless a Council member or citizen so requests. In such event, the item will be removed from the General Order of Business and considered in its normal sequence on the agenda.

There are three (3) items listed on the May 17, 2010 Consent Agenda.

CMs Sorensen/Wagner **motioned** to approve the May 17, 2010 Consent Agenda item 9.E.1. Authorize the Monday, May 17, 2010 Payment of Claims (bills) for check numbers **028378** to **028422**; 9.F.1. Monday, May 3, 2010 **Board of Review** minutes; and, 9.F.2. Monday, May 3, 2010 **regular City Council** minutes as presented. Motion carried unanimously.

DEPARTMENT BUSINESS

FIRE DEPARTMENT

Fire Chief Mills gave a brief update on the fire fighter training. The fire fighters are progressing with the training and completing Grant Applications. The Albertville Fire Department is a recipient of a couple of the Grants that were applied for. The City received \$3,700 from the Minnesota Firefighter Board of Training and Education to put three (3) firefighters through Firefighter 1, and four (4) Second year firefighters through Firefighter 2; \$4,000 from Mn Homeland Security Emergency Management to put 20 firefighters through Hazmat Ops Certification Training; and \$37,260 from FEMA Assistant to Firefighters Grant to be used towards the purchase of 18 new turnout gear sets and 30 new firefighting helmets. It is great that the fire fighters had time this past year to apply for these funds, which will assist in upcoming years during these economic times.

PUBLIC WORKS DEPARTMENT

Authorize the purchase of a Kubota B3030 Utility Tractor with heated cab and 51" snow blower for \$24,435.18 less trade of 1985 John Deere 855 of \$3,000 plus tax for a total of \$22,908.85

Public Works Supervisor Guimont noted that the 25-year old John Deere 855 has seen its better days. The John Deere would be fine for residential use and is in need of replacement. In relationship to the health and safety of the employees, a sealed cab is recommended when they are spraying herbicides in parks and the Kubota B3030 Utility Tractor is the only one right now that has a sealed cab.

PW Supervisor Guimont reported that this past winter, staff tried out several larger snow blower units that cost in excess of \$100,000. Although these are great, durable workhorses for blowing snow, their size, visibility and lack of versatility is also a problem, not to mention the cost. The proposed Kubota unit is a compromise providing the versatility that is needed.

Guimont reviewed the key issues related to the purchase of the equipment, which are:

- There is a need to replace the 1985 John Deere 855 tractor, (current duties are high maintenance the John Deere demonstrates low productivity).
- Over recent years there has become a need for a heavy duty snow blower to clear miles of sidewalks. In prior years, staff would focus on Main Avenue NE only to clear sidewalks for the students to safely travel.
- Staff has a need for a sealed cab to perform the task of spraying herbicides throughout the parks.
- Albertville Public Works Committee has reviewed the need for a new Utility Tractor and is recommending the purchase of a Kubota B3030 Utility Tractor to accomplish the job duties of the Public Works and Parks Departments.

The area of funding the equipment came up during the presentation. Staff reassured the Council that the equipment has been budgeted for by building the necessary reserves to purchase equipment utilizing cash with an effort to avoid borrowing funds. Currently there is \$39,007 in the Tractor/Mower Budget and is a planned purchase.

CMs Sorensen/Vetsch **motioned** to accept the Public Works Committee recommendation to authorize the purchase of a Kubota B3030 Utility Tractor with heated cab and 51" snow blower at a cost of \$24,435.18 less trade-in of a 1985 John Deere 855 valued at \$3,000 plus tax for a total cost of **\$22,908.85** with funds from Capital Projects Fund 102. Motion carried unanimously.

FINANCE DEPARTMENT

☛ *Authorize the Monday, May 17, 2010 Payment of Claims (bills)*

CMs Sorensen/Wagner **motioned** to authorize the Monday, May 17, 2010 Payment of Claims (bills) for check numbers **028323** to **028375** as presented that will be scanned with supporting documents; the electronically scanned version will be kept on file in the office of the Finance Director that will serve as the City's official record. Motion carried unanimously.

CITY CLERK

☛ *Approve May 3, 2010 Board of Review minutes*

CMs Sorensen/Wagner **motioned** to approve the May 3, 2010 regular Council minutes as presented, the signed copy will be scanned and retained as the official City record. Motion carried unanimously.

☛ *Approve May 3, 2010 regular City Council minutes*

CMs Sorensen/Wagner **motioned** to approve the May 3, 2010 regular Council minutes as presented, the signed copy will be scanned and retained as the official City record. Motion carried unanimously.

ANNOUNCEMENTS and or UPCOMING MEETINGS

There was a general discussion in regards to setting a joint meeting with Albertville City Council, Otsego City Council, and the Wright County Commissioner or Board. Three (3) dates were set at the joint Albertville and Otsego City Councils' meeting held in April. Staff will get back to the Councils with a date.

May 2010

24 all day **Memorial Day observed – City offices closed**
25 6:00 p.m. **Joint Powers Water Board meeting TUESDAY**

June 2010

7 7:00 p.m. **City Council meeting**
8 7:00 p.m. **Planning and Zoning Commission meeting**
9-13 varies **Friendly City Days**
11 **Albertville-St. Michael softball tournament**
14 6:00 p.m. **STMA Ice Arena Board meeting**
21 7:00 p.m. **City Council meeting**
28 6:00 p.m. **Joint Powers Water Board meeting**

July 2010

5 all day **Independence Day observed – City offices closed**
6 7:00 p.m. **City Council meeting TUESDAY**
12 6:00 p.m. **STMA Ice Arena Board meeting**
13 7:00 p.m. **Planning and Zoning Commission meeting**
19 7:00 p.m. **City Council meeting**
26 6:00 p.m. **Joint Powers Water Board meeting**

ADJOURNMENT

CMs Wagner/Sorensen **motioned** to adjourn the Monday, May 17, 2010 regular City Council meeting at 8:15 p.m. Motion carried unanimously.

Bridget Miller, City Clerk (recording secretary)