

MINUTES, REGULAR MEETING  
CITY COUNCIL, CITY OF LA CRESCENT, MINNESOTA  
OCTOBER 9, 2017

Pursuant to due call and notice thereof, the first meeting of the City Council of the City of La Crescent for the month of October was called to order by Mayor Mike Poellinger at 5:30 PM in the La Crescent City Hall, La Crescent, Minnesota, on Monday, October 9, 2017, followed by the Pledge of Allegiance.

Upon a roll call taken and tallied by the City Administrator, the following members were present: Members Bernie Buehler, Ryan Hutchinson, Brian Krenz, Dale Williams and Mayor Mike Poellinger. Members absent: None. Also present was City Administrator Bill Waller, City Attorney Skip Wieser, City Engineer Tim Hruska and Tammy Omdal from Northland Securities.

Mayor Poellinger asked if anyone wished to take action to change the agenda as presented. There were no changes requested.

**ITEM 1 – CONSENT AGENDA**

At this time, the Mayor read the following items to be considered as part of the Consent Agenda for this regular meeting:

- 1.1 MINUTES – SEPTEMBER 25, 2017
- 1.2 BILLS PAYABLE THROUGH OCTOBER 5, 2017

At the conclusion of the reading of the Consent Agenda, Mayor Poellinger asked if the Council wished to have any of the items removed from the Consent Agenda for further discussion. Member Buehler made a motion, seconded by Member Krenz, as follows:

**A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.1 – BOND SALE AWARD RESOLUTION**

Tammy Omdal from Northland Securities reviewed with City Council information relating to the 2017 capital equipment certificate bond issue. City Council reviewed a Resolution and it was recommended to adopt this Resolution. Member Williams introduced the following resolution and moved its passage and adoption:

**RESOLUTION NO. 10-17-22**

**PROVIDING FOR THE ISSUANCE AND SALE OF A \$896,000 GENERAL OBLIGATION  
EQUIPMENT CERTIFICATE OF INDEBTEDNESS, SERIES 2017A AND LEVYING A TAX FOR  
THE PAYMENT THEREOF**

A. WHEREAS, the City of La Crescent, Minnesota (the "City"), has heretofore determined and declared that it is necessary and expedient to issue a \$896,000 General Obligation Equipment Certificate of Indebtedness, Series 2017A (the "Certificate"), pursuant to Minnesota Statutes, Chapter 475 and Minnesota Statutes, Section 412.301, to finance the purchase of various equipment for the City (the "Equipment"); and

B. WHEREAS, each item of equipment to be financed by the Certificate has an expected useful life at least as long as the term of the Certificate; and

C. WHEREAS, the amount of the Certificate does not exceed one-quarter of one percent (0.25%) of the estimated market value of the taxable property in the City (\$396,976,063 times 0.25% is \$992,440); and

D. WHEREAS, no other obligations have been sold pursuant to a private sale within the last twelve calendar months of the date hereof which when combined with this issue would exceed the \$1,200,000 limitations on negotiated sales as required by Minnesota Statutes, Section 475.60, Subdivision 2(2).

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of La Crescent, Minnesota, as follows:

1. Acceptance of Offer. The offer of Availa Bank, Carroll, Iowa, to purchase the Certificate and to pay therefor the sum of \$896,000, all in accordance with the terms and at the rate of interest hereinafter set forth, is hereby accepted.

2. Original Issue Date; Denominations; Maturities; Interest. The City shall forthwith issue the Certificate, which shall be in fully registered form without interest coupons, shall be dated, mature, bear interest, be subject to redemption and be payable as provided in the form of the Certificate.

3. Purpose. The Certificate shall provide funds to finance the Equipment. The total cost of the Equipment, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Certificate.

4. Registrar. Northland Trust Services, Inc., in Minneapolis, Minnesota, is appointed to act as registrar and transfer agent with respect to the Certificate (the "Registrar"), and shall do so unless and until a successor Registrar is duly appointed, all pursuant to any contract the City and Registrar shall execute which is consistent herewith. The Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Certificate shall be paid to the registered owners (or record owners) of the Certificate in the manner set forth in the form of Certificate.

5. Form of Certificate. The Certificate, together with the Registrar's Certificate of Registration, shall be in substantially the following form:

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
HOUSTON AND WINONA COUNTIES  
CITY OF LA CRESCENT**

R-1

\$896,000

**GENERAL OBLIGATION EQUIPMENT CERTIFICATE OF INDEBTEDNESS,                    SERIES 2017A**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 2027	November 8, 2017	

REGISTERED OWNER:

PRINCIPAL AMOUNT:       EIGHT HUNDRED NINETY-SIX THOUSAND DOLLARS

THE CITY OF LA CRESCENT, HOUSTON AND WINONA COUNTIES, MINNESOTA (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, unless redeemed for prior payment, and to pay interest thereon semiannually on February and August 1 of each year (each, an "Interest Payment Date"), commencing August 1, 2018, at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months) until the principal sum is paid or has been provided for. This Certificate will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issue hereof. The principal of and premium, if any, on this Certificate are payable upon presentation and surrender at maturity (or optional redemption) hereof at the office of Northland Trust Services, Inc., in Minneapolis, Minnesota (the "Registrar"), acting as paying agent, or any successor paying agent duly appointed by the Issuer. Mandatory redemption principal payments are payable without presentation and surrender to the Registrar. Interest on this Certificate will be paid on each Interest Payment Date and will be paid by check or draft mailed to the person in whose name this Certificate is registered (the "Owner") on the registration books of the Issuer maintained by the Registrar and at the address appearing thereon at the close of business on the first day of the calendar month of such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Owner hereof as of the Regular Record Date, and shall be payable to the person who is the Owner hereof at the close of business on a date (the "Special Record Date") fixed by the Registrar whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to the Owner not less than ten days prior to the Special Record Date. The principal of and premium, if any, and interest on this Certificate are payable in lawful money of the United States of America shall be paid by check or draft mailed to the Registered Owner.

Optional Redemption. This Certificate is subject to redemption and prepayment at the option of the Issuer on February 1, 2024, and on any payment date thereafter at a price of par plus accrued interest, in whole or in multiples of \$1,000, upon written notice to the Registered Owner, at the redemption price equal to par plus accrued interest to date of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

Mandatory Redemption. The Certificate shall be redeemed by lot in the following years and principal amounts, without any premium, plus accrued interest thereon to such redemption dates:

## Mandatory Redemption Schedule

### February 1, 2027 Term Certificate (inclusive)

<u>Year</u>	<u>Principal Amount</u>
2019	\$84,000
2020	92,000
2021	95,000
2022	97,000
2023	100,000
2024	103,000
2025	106,000
2026	108,000
2027 (maturity)	111,000

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Certificate then outstanding.

The Issuer may, at its option to be exercised on or before the thirtieth day next preceding any date specified in the Mandatory Redemption Schedule, deliver to the Registrar written notice, which shall (i) specify a principal amount of such Term Certificate previously redeemed (otherwise than pursuant to the Mandatory Redemption Schedule) or purchased and cancelled by the Registrar and not theretofore applied as a credit against any redemption of Certificate pursuant to the Mandatory Redemption Schedule, and (ii) instruct the Registrar to apply the principal amount of such Term Certificate so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer. Each such Term Certificate so delivered or previously redeemed or purchased and cancelled shall be credited by the Registrar against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

Issuance; Purpose; General Obligation. This Certificate is issued as a single instrument pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the City Council on October 9, 2017 (the "Resolution"), for the purpose of providing money to finance the purchase of various items of capital equipment for the Issuer. This Certificate is payable out of the General Obligation Equipment Certificate of Indebtedness, Series 2017A Fund of the Issuer. This Certificate constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Certificate shall not be a business day of the Issuer or of the Registered Owner, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Transfer. This Certificate is transferable by the Registered Owner in person or the Registered Owner's attorney duly authorized in writing at the principal office of the Registrar upon presentation and surrender hereof to the Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Registrar. Thereupon the Issuer shall execute and

the Registrar shall authenticate and deliver, in exchange for this Certificate, one or more new fully registered Certificates in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Certificate, of the same maturity and bearing interest at the same rate.

Fees upon Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any legal or unusual costs regarding lost Certificates.

Authentication. This Certificate shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Registrar.

Qualified Tax-Exempt Obligation. This Certificate has been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Certificate, have been done, have happened and have been performed, in regular and due form, time and manner as required by law and that this Certificate, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of La Crescent, Houston and Winona Counties, Minnesota, by its City Council has caused this Certificate to be executed on its behalf by the manual or facsimile signatures of its Mayor and its City Administrator, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

Registrable at: NORTHLAND TRUST SERVICES, INC.

\_\_\_\_\_

Payable at: NORTHLAND TRUST SERVICES, INC.

CERTIFICATE OF AUTHENTICATION

This Certificate is one of the Certificate described in the Resolution mentioned within.

LA CRESCENT,  
HOUSTON AND WINONA COUNTIES,  
MINNESOTA

NORTHLAND TRUST SERVICES, INC.  
Minneapolis, Minnesota  
Registrar

s/ Facsimile  
\_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Authorized Signature

/s/ Facsimile  
\_\_\_\_\_  
City Administrator

## CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Certificate may be made only by the registered owner or the registered owner's legal representative last noted below:

DATE OF  
REGISTRATION

REGISTERED OWNER

SIGNATURE OF  
REGISTRAR

November 8, 2017

Availa Bank  
126 W, 6<sup>th</sup> St.  
Carroll, Iowa 51401

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6. Execution. The Certificate shall be executed on behalf of the City by the manual or facsimile signatures of its Mayor and City Administrator, the seal having been omitted as permitted by law. In the event of disability or resignation or other absence of either such officer, the Certificate may be signed by the signature of that officer who may act on behalf of such absent or disabled officer. In case either such officer whose signature shall appear on the Certificate shall cease to be such officer before the delivery of the Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery

7. Delivery; Application of Proceeds. The Certificate when so prepared and executed shall be delivered by the Finance Director to the Purchaser upon receipt of the purchase price and the Purchaser shall not be obliged to see to the proper application thereof.

8. Funds and Accounts. There is hereby created a special fund to be designated the "General Obligation Equipment Certificate of Indebtedness, Series 2017A Fund" (the "Fund") to be administered and maintained by the Finance Director as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the City. The Fund shall be maintained in the manner herein specified until the Certificate and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate accounts:

(i) Capital Account. To the Capital Account there shall be credited the proceeds of the sale of the Certificate. From the Capital Account there shall be paid all costs and expenses of the acquisition of the Equipment and costs of issuance of the Certificate including all costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65. The moneys in the Capital Account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Certificate may also be used to the extent necessary to pay interest on the Certificate due prior to the anticipated date of commencement of the collection of taxes herein levied.

(ii) Debt Service Account. There are hereby irrevocably appropriated and pledged to, and there shall be credited to, the Debt Service Account: (i) any collections of all taxes heretofore, herein or hereafter levied for the payment of the Certificate and interest thereon; (ii) all funds remaining in the Capital Account after the payment of all costs of the Equipment; (iii) all investment earnings on funds held in the Debt Service Account; and (iv) any and all other moneys which are properly available and are appropriated by the governing body of

the City to the Debt Service Account. The Debt Service Account shall be used solely to pay the principal and interest of the Certificate and any other general obligation certificates of the City hereafter issued by the City and made payable from said account as provided by law.

No portion of the proceeds of the Certificate shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (1) for a reasonable temporary period until such proceeds are needed for the purpose for which the Certificate was issued and (2) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Certificate or \$100,000. To this effect, any proceeds of the Certificate and any sums from time to time held in the Capital Account or Debt Service Account (or any other City account which will be used to pay principal or interest to become due on the certificates payable therefrom) in excess of amounts which under then applicable federal arbitrage regulations may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in the Fund shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Certificate to be "federally guaranteed" within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code").

9. Tax Levy; Coverage Test. To provide moneys for payment of the principal and interest on the Certificate there is hereby levied upon all of the taxable property in the City a direct annual ad valorem tax which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the City for the years and in the amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
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See Attached Tax Levy Schedule

The tax levies are such that if collected in full they will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the Certificate. The tax levies shall be irrevocable so long as the Certificate is outstanding and unpaid, provided that the City reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61, Subdivision 3.

10. General Obligation Pledge. For the prompt and full payment of the principal and interest on the Certificate, as the same respectively become due, the full faith, credit and taxing powers of the City shall be and are hereby irrevocably pledged. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Certificate and any other certificates payable therefrom, the deficiency shall be promptly paid out of any other funds of the City which are available for such purpose, and such other funds may be reimbursed with or without interest from the Debt Service Account when a sufficient balance is available therein.

11. Certificate of Registration. The City Administrator is hereby directed to file a certified copy of this resolution with the County Auditors of Houston and Winona Counties, Minnesota, together with such other information as each such County Auditor shall require, and to obtain from each County Auditor a certificate that the Certificate has been entered in each respective County Auditor's Register and that the tax levy required by law has been made.

12. Records and Certificate. The officers of the City are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Certificate, certified copies of all proceedings and records of the City relating to the Certificate and to the financial condition and affairs of the City, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Certificate as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

13. Compliance With Reimbursement Certificate Regulations. The provisions of this paragraph are intended to establish and provide for the City's compliance with United States Treasury Regulations Section 1.150-2 (the "Reimbursement Regulations") applicable to the "reimbursement proceeds" of the Certificate, being those portions thereof which will be used by the City to reimburse itself for any expenditure which the City paid or will have paid prior to the Closing Date (a "Reimbursement Expenditure").

The City hereby certifies and/or covenants as follows:

(i) Not later than sixty days after the date of payment of a Reimbursement Expenditure, the City (or person designated to do so on behalf of the City) has made or will have made a written declaration of the City's official intent (a "Declaration") which effectively (i) states the City's reasonable expectation to reimburse itself for the payment of the Reimbursement Expenditure out of the proceeds of a subsequent borrowing; (ii) gives a general and functional description of the property, project or program to which the Declaration relates and for which the Reimbursement Expenditure is paid, or identifies a specific fund or account of the City and the general functional purpose thereof from which the Reimbursement Expenditure was to be paid (collectively the "Project"); and (iii) states the maximum principal amount of debt expected to be issued by the City for the purpose of financing the Project; provided, however, that no such Declaration shall necessarily have been made with respect to: (i) "preliminary expenditures" for the Project, defined in the Reimbursement Regulations to include engineering or architectural, surveying and soil testing expenses and similar prefatory costs, which in the aggregate do not exceed 20% of the "issue price" of the Certificate, and (ii) a de minimis amount of Reimbursement Expenditures not in excess of the lesser of \$100,000 or five percent of the proceeds of the Certificate.

(ii) Each Reimbursement Expenditure is a capital expenditure or a cost of issuance of the Certificate or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.

(iii) The "reimbursement allocation" described in the Reimbursement Regulations for each Reimbursement Expenditure shall and will be made forthwith following (but not prior to) the issuance of the Certificate and in all events within the period ending on the date which is the later of three years after payment of the Reimbursement Expenditure or one year after the date on which the Project to which the Reimbursement Expenditure relates is first placed in service.

Each such reimbursement allocation will be made in a writing that evidences the City's use of Certificate proceeds to reimburse the Reimbursement Expenditure and, if made within thirty days after the Certificate is issued, shall be treated as made on the day the Certificate is issued.

Provided, however, that the City may take action contrary to any of the foregoing covenants in this paragraph upon receipt of an opinion of its Bond Counsel for the Certificate stating in effect that such action will not impair the tax-exempt status of the Certificate.



14. Defeasance. When the Certificate has been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered owner of the Certificate shall, to the extent permitted by law, cease. The City may discharge its obligations with respect to any installment of principal of the Certificate which are due on any date by irrevocably depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any installment of principal of the Certificate should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The City may also at any time discharge its obligations with respect to any installment of principal of the Certificate, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

15. Negative Covenant as to Use of Proceeds and Equipment. The City hereby covenants not to use the proceeds of the Certificate or to use the Equipment, or to cause or permit them to be used, or to enter into any deferred payment arrangements for the cost of the Equipment, in such a manner as to cause the Certificate to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

16. Tax-Exempt Status of the Certificate; Rebate. The City shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Certificate, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Certificate, and (iii) the rebate of excess investment earnings to the United States, if the Certificate (together with other obligations reasonably expected to be issued and outstanding at one time in this calendar year) exceeds the small issuer exception amount of \$5,000,000.

For purposes of qualifying for the exception to the federal arbitrage rebate requirements for governmental units issuing \$5,000,000 or less of bonds, the City hereby finds, determines and declares that (i) the Certificate is issued by a governmental unit with general taxing powers, (ii) no Certificate is a private activity bond, (iii) ninety-five percent or more of the net proceeds of the Certificate is to be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City), and (iv) the aggregate face amount of all tax exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities thereof, and all entities treated as one issuer with the City) during the calendar year in which the Certificate is issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

17. Designation of Qualified Tax-Exempt Obligations. In order to qualify the Certificate as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City hereby makes the following factual statements and representations:

- (i) the Certificate is issued after August 7, 1986;
- (ii) the Certificate is not "private activity bonds" as defined in Section 141 of the Code;
- (iii) the City hereby designates the Certificate as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;

(iv) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the City (and all entities treated as one issuer with the City, and all subordinate entities whose obligations are treated as issued by the City) during this calendar year 2017 will not exceed \$10,000,000;

(v) not more than \$10,000,000 of obligations issued by the City during this calendar year 2017 have been designated for purposes of Section 265(b)(3) of the Code; and

(vi) the aggregate face amount of the Certificate does not exceed \$10,000,000.

The City shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

18. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

19. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

ADOPTED this 9<sup>th</sup> day of October, 2017.

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

**ATTACHMENT TO RESOLUTION**

**TAX LEVY SCHEDULE**

**105% Levy**

<b>Date</b>	<b>Total P+I</b>	<b>105% Levy</b>	<b>Levy Year</b>	<b>Collection Year</b>
02/01/2019	114,320.89	120,036.93	2017	2018
02/01/2020	114,330.00	120,046.50	2018	2019
02/01/2021	114,800.00	120,540.00	2019	2020
02/01/2022	114,187.50	119,896.88	2020	2021
02/01/2023	114,520.00	120,246.00	2021	2022
02/01/2024	114,770.00	120,508.50	2022	2023
02/01/2025	114,937.50	120,684.38	2023	2024
02/01/2026	114,022.50	119,723.63	2024	2025
02/01/2027	114,052.50	119,755.13	2025	2026
<b>Total</b>	<b>\$1,029,940.89</b>	<b>\$1,081,437.93</b>		

The foregoing motion was duly seconded by Member Hutchinson and upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

**ITEM 2.0 – PUBLIC HEARING – ANNEXATION – 1327 VALLEY LANE**

At 5:35 PM the City Council held a public hearing to consider input on the proposed annexation of the property located at 103 Crescent Avenue that the owners had requested to be annexed and the adoption of Ordinance No. 517 annexing this property. City Attorney Wieser reviewed the map and findings for the Ordinance. Mayor Poellinger opened the meeting for public comment. There were no public comments. Following further discussion, Member Williams introduced the following Ordinance, and moved its passage and adoption:

**ORDINANCE NO. 517**

**AN ORDINANCE OF THE CITY OF LA CRESCENT, MINNESOTA ANNEXING LAND LOCATED IN LA CRESCENT TOWNSHIP, HOUSTON COUNTY, MINNESOTA PURSUANT TO MINNESOTA STATUTES § 414.033 SUBDIVISION 2(3), PERMITTING ANNEXATION BY ORDINANCE**

**WHEREAS**, a petition signed by all the property owners, requesting that property legally described herein be annexed to the City of La Crescent, Minnesota, was duly presented to the Council of the City of La Crescent on the 28<sup>th</sup> day of August, 2017; and

**WHEREAS**, said property is unincorporated and abuts the City of La Crescent on the westerly and a portion of the easterly boundaries; is less than 120 acres; is not presently served by public sewer facilities or public sewer facilities are not otherwise available; and

**WHEREAS**, said property is currently residential and annexation is requested to facilitate the extension of city services for the residential development of the property; and

**WHEREAS**, the City of La Crescent held a public hearing pursuant to Minnesota Statutes § 414.033 Subd. 2b, on October 9, 2017, following thirty (30) days written notice by certified mail to the Town of La Crescent and to all landowners within and contiguous to the area legally described herein, to be annexed; and

**WHEREAS**, provisions of Minnesota Statutes § 414.033 Subd. 13 are not applicable in that there will be no change in the electric utility service provider resulting from the annexation of the territory to the municipality.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA CRESCENT HEREBY ORDAINS AS FOLLOWS:**

1. The City Council hereby determines that the property as hereinafter described abuts the city limits and is or is about to become urban or suburban in nature in that residential use is being proposed for said property which requires or will need city services, including public sewer facilities.

2. None of the property is now included within the limits of any city, or in any area that has already been designated for orderly annexation pursuant to Minnesota Statute § 414.0325.

3. The corporate limits of the City of La Crescent, Minnesota, are hereby extended to include the following described property, said land abutting the City of La Crescent and being 120 acres or less in area, and is not presently served by public sewer facilities or public sewer facilities are not otherwise available, and the City having received a petition for annexation from all the property owners of the land, to wit:

**LOT FIVE (5), BLOCK TWO (2), CRESCENT VALLEY SUBDIVISION TO THE TOWNSHIP OF LA CRESCENT, HOUSTON COUNTY, MINNESOTA.**

The above described property consists of a total of 0.57 acres, more or less. Copies of the corporate boundary map showing the property to be annexed and its relationship to the corporate boundaries and all appropriate plat maps are attached hereto.

4. The City of La Crescent, pursuant to Minnesota Statutes § 414.036, that with respect to the property taxes payable on the area legally described herein, hereby annexed, shall make a cash payment to the Town of La Crescent in accordance with the following schedule:

a. In the first year following the year in which the City of La Crescent could first levy on the annexed area, an amount equal to \$465.34; and

b. In the second and final year, an amount equal to \$465.34.

5. That pursuant to Minnesota Statutes § 414.036 with respect to any special assessments assigned by the Town to the annexed property and any portion of debt incurred by the Town prior to the annexation and attributable to the property to be annexed, but for which no special assessments are outstanding, for the area legally described herein there are no special assessments or debt incurred by the Town on the subject are for which reimbursement is required.

6. That the City Administrator of the City of La Crescent is hereby authorized and directed to file a copy of this Ordinance with the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, the Minnesota Secretary of State, the Houston County Auditor, and the La Crescent Township Clerk.

7. That this Ordinance shall be in full force and effect and final upon the date this Ordinance is approved by the Office of Administrative Hearings.

**PASSED AND ADOPTED** by the City Council of the City of La Crescent, Minnesota, this 9<sup>th</sup> day of October, 2017.

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Mayor

ATTEST:

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City Administrator

In approving the above Motion, the City Council made the following findings of facts:

1. The property owners signed a Petition requesting that the property be annexed to the City of La Crescent;
2. The property is not presently served by public sewer facilities and public sewer facilities are not otherwise available;
3. The property is currently residential;
4. Minnesota Statutes § 414.033 Subd. 13 is not applicable as there will be no change in the electric utility service provider; and
5. More than 30 days written notice was provided to La Crescent Township and to contiguous landowners by certified mail.

The foregoing motion was duly seconded by Member Krenz and upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The ordinance was declared duly passed and adopted.

City Attorney Wieser then reviewed with Council the Summary Ordinance for publication. The Council made the following findings of facts: that publication of the summary informs the public of the intent and effect of the Ordinance.

Member Williams then made a motion, seconded by Member Krenz as follows:

**MOTION THAT A PRÉCIS FORMAT OF SAID ORDINANCE 517 BE PUBLISHED IN THE OFFICIAL NEWSPAPER OF THE CITY AND WITH “OFFICIAL COPY” SO MARKED BE KEPT ON FILE IN THE OFFICE OF THE CITY ADMINISTRATOR**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

After the adoption of the Ordinance, the Council reconvened with the schedule of the Regular City Council Meeting.

### **ITEM 3.2 – VETERANS PARK – PARKING LOT REVIEW**

City Engineer Tim Hruska reviewed with City Council the two alternatives that have been prepared regarding the proposed new parking lot and storm water infrastructure at Veteran's Park. City Engineer Tim Hruska addressed questions from the City Council. Following discussion, no action taken.

### **ITEM 3.3 – AGENDA REQUEST – VETERANS PARK/PARK STREET**

City Council reviewed an Agenda Request Form from Jeff Henthorne regarding concerns and the traffic flow on Park Street regarding the entrance for the proposed new parking lot for the event center and the effect on the environment if the parking lot is built. City Council also heard neighbor input. Following an extended discussion, no action was taken.

### **ITEM 3.4 – ENGINEERING/ESCROW/DEVELOPMENT AGREEMENTS**

City Administrator Waller reviewed with City Council the that in order to proceed with the City's role in the development of the hotel/event center project, the following steps would be required:

1. Request that the City Engineer develop a proposal to prepare the plans and specifications for the parking lot/storm water improvement project at Veteran's Park. This proposal would be presented at a future City Council meeting.
2. In order to safeguard the City from preparing plans and specifications for an improvement project that does not happen, it was recommended that the City Council authorize the City Attorney to prepare an escrow agreement between the City and the developers of the hotel/event center project. The City would suggest that the developers place in escrow one-half of the cost to prepare the plans and specifications for the parking lot/storm water improvement project. In the event that the hotel/event center project does not proceed, the City would retain the funds that were escrowed. If the project does proceed, and is finalized, the City would then return the escrowed funds to the developer.
3. The City will need to prepare two development agreements for the proposed improvement project. One for the event center, and another for the hotel. It was recommended that the City Council authorize Mary Ippel at Briggs & Morgan to complete the development agreements. The estimated cost to prepare the development agreements is between \$5,000 - \$8,000. It was also recommended that City Council require that the developers of the hotel/event center project pay one-half of the cost to prepare the development agreements, with an initial payment of \$2,500 required prior to the work being commenced.

Following discussion, Member Williams made a motion, seconded by Member Buehler, as follows:

**MOTION TO DIRECT THE CITY ENGINEER TO DEVELOP A PROPOSAL TO PREPARE THE PLANS AND SPECIFICATIONS FOR THE PARKING LOT/STORM WATER IMPROVEMENT PROJECT AT VETERAN'S PARK INCLUDING A WEST BANK CONNECTION WITHOUT A CONNECTION TO PARK STREET, AND A SECOND ALTERNATIVE WITH A RECONFIGURED PARKING LOT.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

City Council was also informed there would be a meeting with MnDOT on November 4, 2017 regarding the improvements.

City Attorney Wieser then reviewed with City Council the escrow agreement between the City and the developers of the hotel/event center project. Following discussion, Member Krenz made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO AUTHORIZE AN ESCROW AGREEMENT BETWEEN THE CITY AND THE DEVELOPERS OF THE HOTEL/EVENT CENTER PROJECT WHEREIN THE DEVELOPERS PLACE IN ESCROW ONE-HALF OF THE COST TO PREPARE THE PLANS AND SPECIFICATIONS FOR THE PARKING LOT/STORM WATER IMPROVEMENT PROJECT AND IN THE EVENT THAT THE HOTEL/EVENT CENTER PROJECT DOES NOT PROCEED, THE CITY WOULD RETAIN THE FUNDS THAT WERE ESCROWED AND IF THE PROJECT DOES PROCEED, AND IS FINALIZED, THE CITY WOULD THEN RETURN THE ESCROWED FUNDS TO THE DEVELOPER.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

City Administrator Waller reviewed with City Council the need for Development Agreements for the proposed improvement project. Following discussion, Member Buehler made a motion, seconded by Member Williams, as follows:

**MOTION TO AUTHORIZE MARY IPPEL AT BRIGGS & MORGAN TO PREPARE TWO DEVELOPMENT AGREEMENTS FOR THE PROPOSED IMPROVEMENT PROJECT, ONE FOR EACH THE EVENT CENTER AND THE HOTEL, AT A COST OF BETWEEN \$5,000 - \$8,000 FOR THE AGREEMENTS AND TO REQUIRE THAT THE DEVELOPERS OF THE HOTEL/EVENT CENTER PROJECT PAY ONE-HALF OF THE COST TO PREPARE THE DEVELOPMENT AGREEMENTS, WITH AN INITIAL PAYMENT OF \$2,500 REQUIRED PRIOR TO THE WORK BEING COMMENCED.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

### **ITEM 3.5 – PLANNING COMMISSION MINUTES – OCTOBER 3, 2017**

Don Smith, Planning Commission Chairman, reviewed with City Council the Planning Commission Minutes for the October 3, 2017 meeting. The Planning Commission had one item that required consideration by the City Council. The Planning Commission recommended that the conditional use permit submitted by the owner of 710 Shore Acres Road to allow for an "Alternate elevation method other than the use of fill to elevate a structure's lowest floor above the Regulatory Flood Protection Elevation" in a flood fringe area in an R-1A zoned district be approved. The Planning Commission referenced the following conditions and findings of fact for City Council to consider:

#### Conditions:

1. The homeowner signs the non-conversion form allowing City Staff to inspect the flood openings to insure they are operational.
2. The lower level only be used for storage.

#### Findings of Fact:

1. The enclosed area is above grade on at least one side of the building.
2. The enclosed area is designed to internally flood.
3. The enclosed area is constructed with flood resistant material.
4. The enclosed area is used solely for storage.
5. The request complies with the DNR.
6. This is a permitted use for residential use.
7. We have approved similar C.U.P. in the past

Following discussion, Member Williams made a motion, seconded by Member Krenz, as follows:



**MOTION TO APPROVE THE CONDITIONAL USE PERMIT SUBMITTED FOR THE PROPERTY LOCATED AT 710 SHORE ACRES ROAD TO ALLOW FOR AN “ALTERNATIVE ELEVATION METHOD OTHER THAN THE USE OF FILL TO ELEVATE A STRUCTURE’S LOWEST FLOOR ABOVE THE REGULATORY FLOOD PROTECTION ELEVATION” IN A FLOOD FRINGE AREA IN AN R-1A ZONED DISTRICT WITH THE ABOVE STATED CONDITIONS AND TO ADOPT THE FINDINGS STATED ABOVE AND AS STATED IN THE OCTOBER 3, 2017 PLANNING COMMISSION MINUTES.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.6 – PERSONNEL COMMITTEE RECOMMENDATION**

City Administrator Waller reviewed with City Council a recommendation from the Personnel Committee that on November 8, 2017, Drew Koch will have completed his 6 month probationary period as Utility Maintenance Worker #1 for the City of La Crescent. It was recommended that City Council approve the probationary status be removed on November 8, 2017 and Mr. Koch be classified as a regular city employee. Following discussion, Member Buehler made a motion, seconded by Member Hutchinson, as follows:

**MOTION TO APPROVE THE PROBATIONARY STATUS BE REMOVED ON NOVEMBER 8, 2017 FOR DREW KOCH AS UTILITY MAINTENANCE WORKER #1 FOR THE CITY OF LA CRESCENT AND THAT MR. KOCH BE CLASSIFIED AS A REGULAR CITY EMPLOYEE.**

Upon a roll call vote taken and tallied by the City Administrator, all Members present voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried.

**ITEM 3.7 – MnDOT RESOLUTION**

City Administrator Waller reviewed with City Council correspondence from MnDOT regarding the community entrance sign on trunk highway #61. The original limited use permit for the municipal identification entrance sign was issued in 1997, and is now in the process of being updated. In order for the City to maintain the

community entrance sign, it was recommended to the City Council to approve the resolution and approve the updated limited use permit. Member Krenz introduced the following resolution and moved its passage and adoption:

**RESOLUTION NO. 10-17-23**

**RESOLUTION TO ENTER INTO PERMIT WITH THE COMMISSIONER OF TRANSPORTATION OF THE STATE OF MINNESOTA PROVIDING LIMITED USE OF CERTAIN RIGHT OF WAY OF TRUNK HIGHWAY 16**

BE IT RESOLVED by the City Council of the City of La Crescent, Minnesota, that the City enter into a permit with the Commissioner of Transportation of the State of Minnesota providing for the limited use, under the terms and conditions set forth therein, of certain right of way of Trunk Highway 16 within the City.

The limited use of the right of way will be for purpose of constructing an maintaining a Municipal Identification Entrance Sign within the right of way of Trunk Highway 16 at the locations designated and shown on the attached exhibits.

The Mayor and City Administrator are authorized to execute said permit on behalf of the City.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LA CRESCENT, MINNESOTA, THIS 9<sup>TH</sup> DAY OF OCTOBER, 2017.

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator

The foregoing motion was duly seconded by Member Williams and upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the resolution duly passed and adopted.

**ITEM 3.8 – 2018 GENERAL FUND BUDGET REVIEW**

City Administrator Waller gave an overview to City Council of the proposed 2018 general fund budget and the proposed resolution that sets the preliminary levy. A general discussion was held. No action was taken.

**ITEM 8.1 – CORRESPONDENCE – MnDOT – PROJECT UPDATE**

City Council reviewed an email correspondence from MnDOT dated October 5, 2017 with an update on the Highway 61/14/16 project. No action taken.

**ITEM 9 – CHAMBER OF COMMERCE**

The La Crescent Chamber did not have a report.

**ITEM 10 – ITEMS FOR NEXT AGENDA**

Member Williams asked for an update on the train whistle and train not moving to be placed on agenda for the next meeting.

There being no further business to come before the Council at this time, Member Buehler made a motion, seconded by Member Hutchinson, to adjourn the meeting. Upon a roll call vote taken and tallied by the City Administrator, all Members voted in favor thereof, viz;

Bernie Buehler	Yes
Ryan Hutchinson	Yes
Brian Krenz	Yes
Dale Williams	Yes
Mike Poellinger	Yes

and none voted against the same. The motion was declared duly carried and the meeting duly adjourned at 6:46 PM.

APPROVAL DATE: \_\_\_\_\_

SIGNED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Administrator