

I. CALL TO ORDER.

A regular meeting of the City Council of the City of Litchfield was held in the City Council Chambers at the City Hall on Monday, July 2, 2018, commencing at 5:30 p.m. Acting Mayor Dingmann called the meeting to order.

A. ROLL CALL:

Mayor	Keith Johnson	Excused
Council Member-at-Large	Ron Dingmann	Present
Council Member Ward I	Mike Boyle	Excused
Council Member Ward II	Darlene Kotelnicki	Present
Council Member Ward III	Betty Allen	Present
Council Member Ward IV	Vern Loch, Jr.	Present
Council Member Ward V	Sara Miller	Present
City Administrator	Dave Cziok	Present
Assistant City Administrator	Joyce Spreiter	Present
Parks Foreman/Arena Manager	Chadd Benson	Present
City Attorney	Mark Wood	Present
Assistant City Engineer	Chuck DeWolf	Present
Independent Review	Amy Wilde	Present
KLFD	Tim Bergstrom	Present

II. CONSENT AGENDA -

Each item on the Consent Agenda was considered. No items were added or deleted.

A. COUNCIL MINUTES TO APPROVE:

- 1. June 18, 2018

B. FINANCIAL REPORTS TO APPROVE: None.

C. CLAIMS TO AUTHORIZE FOR PAYMENT –

- 1. Computer List of Bills for \$10,034,941.55

D. OTHER PAYMENTS:

- 1. Civic Arena Building Addition -

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-116
AUTHORIZE PAYMENT FOR THE
CIVIC ARENA BUILDING ADDITION**

WHEREAS, a contract has been awarded for the above titled item, and

WHEREAS, recommendation has been made and is on file to approve this payment,

NOW, THEREFORE, BE IT RESOLVED to approve Payment No. 8 for the Civic Arena Building Addition totaling \$48,494.18 as attached and on file.

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

E. ORDINANCES – SECOND READINGS: None.

F. LICENSES:

- 1. Lawful Gambling Permit – Meeker County Ducks Unlimited -

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-113
LAWFUL GAMBLING PERMIT FOR AN EXEMPT
ORGANIZATION DUCKS UNLIMITED, MEEKER COUNTY CHAPTER**

WHEREAS, an application for a lawful gambling license exemption was considered from the Ducks Unlimited, Meeker County Chapter,

NOW, THEREFORE, BE IT RESOLVED to approve the application for an Exemption from a Lawful Gambling license for the Ducks Unlimited, Meeker County Chapter on September 20, 2018 at Eagles Club 3424, 389 S CSAH 34, Litchfield, MN, and to direct submittal of a copy of this resolution with their application to the State Gambling Control Division.

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

- 2. Sales on Public Property - Kiwanis

G. OTHER ROUTINE MATTERS:

- 1. 2018-2019 Airport Liability Insurance Renewal -

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-114
2018-2019 AIRPORT LIABILITY INSURANCE RENEWAL**

WHEREAS, the City has had satisfactory insurance coverage with Swett and Crawford for several years, and

WHEREAS, our insurance agent recommends continuation of this policy,

NOW, THEREFORE, BE IT RESOLVED to renew Airport Liability Insurance coverage with Swett and Crawford from June 15, 2018 to June 15, 2019 and to authorize submittal of the premium in the amount of \$9,225.00, and

BE IT ALSO RESOLVED to authorize the Assistant City Administrator to sign the application and agreements as referenced above on behalf of the City of Litchfield.

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

2. Employment Offer -

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-115
EMPLOYMENT OFFER FOR
TEMPORARY PART-TIME POSITIONS**

WHEREAS, the City needs employees for temporary part-time positions, and

WHEREAS, the funds to fill these positions were approved in the 2018 Budget, and

WHEREAS, the supervisors will adjust the wage schedule for 2018 temporary part-time employees to fill these positions, and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Litchfield to offer 2018 temporary part-time employment with the City of Litchfield, to the following:

<u>Department</u>	<u>Re-Hires</u>	<u>New Hires</u>
<u>Parks</u>		Bret Wendlandt
<u>Liquor</u>		Margo Farrell

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

3. Muddy Cow Noise Ordinance Variance Request -

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-117
MUDDY COW
EXEMPTION FROM NOISE ORDINANCE**

WHEREAS, the City of Litchfield has a noise ordinance in place, and

WHEREAS, the Muddy Cow has requested a noise variance for July 14, 2018 (Watercade), and

WHEREAS, the proposed request involves community functions,

NOW, THEREFORE, BE IT RESOLVED that the Muddy Cow is granted an exemption from the noise control regulations for the date as stated above.

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

H. COMMUNICATIONS:

1. Minutes and Reports:

- a. Heritage Preservation Commission Minutes – June 25, 2018

July 2, 2018

After review, it was moved by Council Member Loch, seconded by Council Member Miller, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-120
APPROVING CONSENT AGENDA**

WHEREAS, the Consent Agenda has been assembled and presented, and

WHEREAS, all requests to have items removed have been duly noted,

NOW, THEREFORE, BE IT RESOLVED to approve the Consent Agenda as presented except for items, if any, which were requested to be removed for individual consideration.

Adopted by the City Council this 2nd day of July, 2018.

Approved:

Attest:

ACTING MAYOR

ASSISTANT CITY ADMINISTRATOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

III. TIMED ITEMS – None.

IV. ACKNOWLEDGMENT OF AUDIENCE/PRESENTATIONS – None.

V. COMMISSION RECOMMENDATIONS –

A. HERITAGE PRESERVATION COMMISSION –

1. 2018 Certified Local Government Grant Award -

Council Member Kotelnicki provided the recommendations of the Heritage Preservation Commission to accept the Certified Local Government (CLG) Grant Award. She discussed preparation of an RFP for the procurement process.

After review, it was moved by Council Member Kotelnicki, seconded by Council Member Allen, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-118
ACCEPT CERTIFIED LOCAL GOVERNMENT (CLG) GRANT AWARD**

WHEREAS, the Heritage Preservation Commission is a federally recognized Certified Local Government and eligible for federal dollars administered through the Minnesota Historical Society, and

WHEREAS, Certified Local Government (CLG) grant applications are available once a year, and

WHEREAS, in 2011 a CLG grant provided for development of a public education program focused on downtown Litchfield including a walking tour brochure and historic photo displays, and

July 2, 2018

WHEREAS, the Council approved submitting an application for a CLG grant for additional public education, and
Resolution No. 18-7-118 – Cont'd

WHEREAS, the City was awarded \$8,300 for Fiscal Year 2018 to prepare materials for a Litchfield downtown walking tour,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Litchfield hereby accepts the Certified Local Government (CLG) grant in the amount of \$8,300 from the Minnesota Department of Administration State Historic Preservation for the purpose as stated above.

Adopted by the City Council this 2nd day of July, 2018.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

ACTING MAYOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

VI. COMMITTEE REPORTS – None.

VII. LEGAL CONSIDERATIONS – None.

VIII. BUSINESS –

A. 2018 FRONTAGE ROAD AND OVERLAY IMPROVEMENTS - AWARD BIDS –

Assistant City Engineer Chuck DeWolf provided the bid results for the 2018 Frontage Road and Overlay Improvements project. He recommended adopting a resolution declaring intent for the City to reimburse itself as part of bond issuance requirements.

After review, it was moved by Council Member Kotelnicki, seconded by Council Member Miller, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-121
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 Litchfield, Minnesota (the "City"), as follows:

1. Recitals.

(a) 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 the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

(b) The Regulations generally require that the City 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).

Resolution No. 18-7-121 – Cont'd

(c) 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.

(d) 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.

2. 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 Assistant City Administrator 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:

(a) 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.

(b) 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.

(c) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect to issue reimbursement bonds 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.

(d) 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.

3. Reimbursement Allocations. 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.

4. 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 this 2nd day of July, 2018.

Attest:

ASSISTANT CITY ADMINISTRATOR

Approved:

ACTING MAYOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

EXHIBIT A

Declaration of Official Intent

The undersigned, being the duly appointed and acting Assistant City Administrator of the City of Litchfield, 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 to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City.

2. This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

Street Improvements:
2018 Frontage Road & Overlay Improvements – \$1,225,000

3. 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 by the City after the date of payment of such costs. As of the date hereof, the City reasonably expects that \$1,225,000 is the maximum principal amount of the Bonds which will be issued to finance the Project.

4. 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.

5. As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: July 2, 2018

Assistant City Administrator
City of Litchfield, Minnesota

After review, it was moved by Council Member Loch, seconded by Council Member Allen, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 18-7-119
ACCEPTING BIDS ON 2018 FRONTAGE ROAD & OVERLAY IMPROVEMENTS**

WHEREAS, pursuant to an advertisement for bids for the 2018 Frontage Road & Overlay Improvements, bids were received on Tuesday, June 26, 2018, were opened and tabulated according to law and held over until Monday, July 2, 2018, and the following bids were received complying with the advertisement:

	<u>Net Bid</u>
Knife River Corporation Sauk Rapids, MN	\$1,019,854.00
Duininck, Inc. Prinsburg, MN	\$1,052,885.57

Mid-Minnesota Hot Mix \$1,134,539.25
Annandale, MN

Resolution No. 18-7-119 – Cont’d

Hardrives, Inc. \$1,287,000.00
Rogers, MN

AND WHEREAS, it appears that Knife River Corporation of Sauk Rapids, MN is the lowest responsible bidder,

NOW, THEREFORE, BE IT RESOLVED by the City of Litchfield, Minnesota:

1. To give a conditional award to Knife River Corporation of Sauk Rapids, MN conditioned on final review of the bid documents by the City’s staff, for the 2018 Frontage Road & Overlay Improvements.
2. The Mayor and Assistant City Administrator are hereby authorized and directed to enter into a contract with Knife River Corporation of Sauk Rapids, MN in the name of the City of Litchfield for the 2018 Frontage Road & Overlay Improvements according to specifications on file on the office of the Assistant City Administrator.

Adopted by the City Council this 2nd day of July, 2018.

Approved:

Attest:

ACTING MAYOR

ASSISTANT CITY ADMINISTRATOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

B. AQUATIC FACILITY DISCUSSIONS –

City Administrator Cziok explained that he included the road map as a reminder as to where the City sits with the next potential steps. He said he felt that there was maybe some miscommunication on how quickly the City was ready to move forward concerning the sales tax referendum concept. Referring to the road map, he stated administration had recommended the next step to be setting up a meeting with the school board. Cziok said the School Board was willing to meet in September at the last Council meeting but since then have agreed to meet with the Council on July 9th. He added however until that date administration can’t really offer an opinion on any financing options as they relate to an aquatic project since the City does not know the scope, the scale of the project.

1. Sales Tax Report –

Referring to the Sales Tax Implementation Fact Sheet included in the Council packet, City Administrator Cziok provided some information concerning the specifics about referendum question requirements that were asked at the last meeting. He explained the question needs 3 components including identifying the project or projects, identifying how much and how long the City is going to collect sales tax, and identifying if the City is funding debt with the sales tax. He said the language is vague and there are a lot of legalities the City would want to consider and recommended seeking legal counsel when determining the question for referendum purposes. Cziok said best practices suggest since the City can’t advertise or promote a yes campaign that the City develop a fact sheet that explains specifically what the City is trying to accomplish. He said it is up to the Council to determine how much detail they need included in the question in order for the referendum to be successful. He discussed timelines for the question to be included in the 2018 General Election and explained that a referendum held outside of the general election would require approval by the State legislature. The Council

discussed the information provided including election timelines and the components of a sales tax referendum. No formal action was taken.

2. School Board Discussions –

City Administrator Cziok reported that the School Board agreed to meet at 6:00 p.m., July 9, 2018 at the School Board meeting room. He commented that this is the first joint meeting with the School Board and discussed expectations concerning the outcome. The Council reviewed the questions administration prepared for the School Board to consider. City Administrator Cziok said he will provide the School Board with the questions ahead of time in order for them to prepare responses. He added the School Board in turn would be preparing questions and would provide them to the City Council in advance. It was noted that any other questions be forwarded to City Administrator Cziok. No formal action was taken.

IX. ADDITIONAL ITEMS – None.

X. ANNOUNCEMENTS – None.

XI. ADJOURNMENT –

The City Council meeting adjourned at 5:59 p.m. by unanimous consent.

Attest:

ASSISTANT CITY ADMINISTRATOR

Approved:

ACTING MAYOR