

CITY COUNCIL MINUTES  
JANUARY 5, 2015

The regular meeting of the Underwood City Council was called to order at 7:00 p.m. Persons present were Paul Hoff, Marilyn Olson, Rick Jacobson and Jim Erpelding. Bert Kinzler was absent. Also present were Anna Kiser, Paxton Lind and Anita Gumphrey.

The clerk administered the Oath of Office to Hoff and Jacobson.

The agenda and minutes were approved by motion of Olson, second by Erpelding.

Kent Mattson from Pemberton Law and Brett Longtin, CFO of Lake Region Healthcare Corp. introduced themselves. Kent summarized the request from Lake Region to have the City of Underwood be the conduit for tax-exempt financing for the corporation. The city took similar action in 2011. The City is being asked to serve as a conduit for this debt to be issued by State Bank to Lake Region as the borrower. Mr. Mattson explained that the City would incur no cost, nor be subject to any liability on the note. The note would not constitute a debt of the City or affect the credit rating on bonds the city would issue for its municipal purposes. The City is being asked to approve a resolution calling for a public hearing to be held on March 2, 2015 in Underwood.

A motion by Paul Hoff and second by Jim Erpelding was made to adopt resolution #0115-4. Roll Call Vote: Ayes: Hoff, Olson, Erpelding, Jacobson; Nays: none; Absent: Kinzler

**RESOLUTION #0115-4**

**RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ISSUANCE OF HEALTH CARE REVENUE FINANCING TO FINANCE A HEALTH CARE PROJECT UNDER MINNESOTA STATUES, SECTION 469.1655**

**WHEREAS**, Minnesota Statues, Section 469.152 through 469.1655, as amended (the "Act"), confers upon cities, the power to issue revenue bonds to finance health care facilities; and

**WHEREAS**, the City Council (the "Council") of the City of Underwood, Minnesota (the "City") has received from Lake Region Healthcare Corporation, a Minnesota nonprofit corporation (the "Borrower"), a proposal that the City assist in financing a portion of the project described on the Notice of Public Hearing attached hereto, through the issuance of revenue bonds or other revenue obligations (in one or more series) (the "Notes") pursuant to the Act; and

**WHEREAS**, before proceeding with consideration of the request of the Borrower it is necessary for the City to hold a public hearing on the proposal pursuant to the Act:

**NOW, THEREFORE, BE IT RESOLVED** by the city Council of the City of Underwood, Minnesota, as follows:

1. A public hearing on the proposal of the Borrower will be held at the time and place set forth in the Notice of Public Hearing attached hereto. The general nature of the Project and an estimate of the aggregate principal amount of Notes to be issued to finance the proposal are described in the Notice of Public Hearing.

2. The Clerk-Treasurer is hereby authorized and directed to cause notice of the hearing to be given one publication in the official newspaper of the City and also in a newspaper of general circulation available in the City, not less than 14 days prior to the date fixed for the hearing, substantially in the form of the attached Notice of Public Hearing.

The motion for the adoption of the foregoing resolution was duly seconded by member Jim Erpelding, and after full discussion thereof and upon vote being taken thereon, the following voted in favor thereof: Paul Hoff, Marilyn Olson, Jim Erpelding, Rick Jacobson

And the following voted against the same: none

And the following member was absent: Bert Kinzler;

Whereupon said resolution was declared duly passed and adopted.

\_\_\_\_\_  
Mayor Paul Hoff

ATTEST: \_\_\_\_\_  
City Clerk Anna Kiser

EXHIBIT A  
NOTICE OF PUBLIC HEARING ON A  
PROPOSAL FOR ISSUANCE OF HEALTH CARE REVENUE NOTES  
(LAKE REGION HEALTHCARE CORPORATION PROJECT)

Notice is hereby given that the City Council of the City of Underwood, Minnesota (the "City"), will meet in the City Council chambers at the Underwood Community Center, 200 Main Street South, in the City of Underwood, Minnesota, at 7:00 p.m. on Monday, March 2, 2015, to consider the proposal of Lake Region Healthcare Corporation, or a related entity (the Borrower") that the City issue revenue obligations to finance the second phase of a Project hereinafter described, pursuant to Minnesota Statutes, Sections 469.152 to 469.1655, as amended (the "Act").

The "Project" consists of financing a portion of the costs of (a) the design, development, construction, equipping and furnishing of (i) an approximately 81,000 square foot replacement medical office and clinic building and (ii) a same-day surgery facility; (b) related infrastructure improvements and parking lots, all to be located at 111 West Vernon Avenue in the City of Fergus Falls, Minnesota; (c) demolition of existing building and other surplus improvements; and (d) cost of issuance. The Project will be owned by a related entity and leased to the Borrower.

The maximum aggregate estimated principal amount of Notes or other obligations to be issued by the City to finance the Project will be no more than \$10,000,000.

Such Notes or other obligations, as and when issued, will not constitute a charge, lien or encumbrance upon any property of the City, except the Project and the revenues to be derived from the Project. Such Notes or obligations will not be a charge against the City's general credit or taxing powers but are payable from sums to be paid by the Borrower pursuant to a revenue agreement.

Approval of the Project was previously granted by the Commissioner of the Department of Employment and Economic Development, State of Minnesota, and the application, as approved, the exhibits, and letter of approval are available for public inspection during normal business hours, at the City Hall in the City.

At the time and place fixed for the public hearing, the City Council of the City will give all persons who appear at the hearing an opportunity to express their views with respect to the proposal. Written comments will be considered if submitted at the above city office on or before the date of the hearing.

BY ORDER OF THE CITY COUNCIL OF  
THE CITY OF UNDERWOOD, MINNEOTA

By Anna Kiser  
It's Clerk-Treasurer

#### CLERK/TREASURER REPORT

The following bills were approved by motion of Erpelding, second by Jacobson.

19318	PAYROLL	114.51
19319	PAYROLL	181.01
19320	PAYROLL	73.88
1931	PAYROLL	861.42
19322	PAYROLL	110.82
19323	PAYROLL	20.32
19324	PAYROLL	0.00
19325	PAYROLL	73.88
19326	PAYROLL	886.55
19327	PAYROLL	172.64
19328	PAYROLL	1081.77
19329	PAYROLL	73.88
19330	PAYROLL	46.17
19331	PAYROLL	85.16
19332	MN CHILD SUPPORT PAYMENT CENTER	46.18
19333	CARDMEMBER SERVICE	488.26
95233	EDA DEBT SERVICE	1128.35
95234	FARMERS STATE BANK	1128.35
95236	CITY OF UNDERWOOD	73.88
95237	CITY OF UNDERWOOD	47.09
95238	CITY OF UNDERWOOD	38.45
19334	PAYROLL	111.29
95239	MN DEPT OF REVENUE-SLAES TAX	3272.00
1708	SVINGEN, CLINE & LARSON, P.A.	224.00
1709	DENZELS REGION WASTE	71.37
19335	VIKING COCA-COLA OF FERGUS FALLS	146.60
19336	H BOYD NELSON, INC.	5315.69

19337	THIS WEEK'S SHOPPING NEWS	52.80
19338	FERGUS TRANSPORTATION	48.30
19339	FERGUS FALLS NEWSPAPERS INC.	40.00
19340	BEVERAGE WHLOESALERS INC.	3785.15
19341	MID-CENTAL ICE	65.10
19342	JOHNSON BROTHERS LIQUOR CO.	860.30
19343	PHILLIPS WINE & SPIRITS INC.	1455.20
19344	UNDER-MART	394.79
19345	LAKES COUNTRY SERVICE CO-OP	84.00
19346	LIBERTY BUSINESS SYSTEMS, INC.	23.01
19347	VICTOR LUNDEEN COMPANY	506.46
19348	SVINGEN, M CLINE & LARSON, P.A.	416.00
19349	DENZELS REGION WASTE	122.85
95240	PUBLIC EMPLOYEES RETIREMENT ASSN.	525.29
95241	PUBLIC EMPLOYEES RETIREMENT ASSN.	198.20
19350	O'REILLY AUTOMOTIVE	59.86
1710	PAYROLL	165.73
19351	PAYROLL	266.03
19352	PAYROLL	22.16
19353	PAYROLL	691.48
19354	PAYROLL	181.01
19355	PAYROLL	828.71
19356	PAYROLL	949.32
19357	PAYROLL	174.01
95242	GOPHER STATE ONE-CALL, INC.	2.90
95243	LAKE REGION ELECTRIC COOPERATIVE	164.16
95244	PARK REGION MUTUAL TELEPHONE CO.	343.64
95245	CITY OF UNDERWOOD	327.70
19358	DATA WRANGLERS LLC	700.00
95246	PUBLIC EMPLOYEES RETIREMENT ASSN.	512.06
95247	AT & T MOBILITY	62.37
19359	POSTMASTER	60.00
19360	TEAM LABORATORY CHEMICAL CORP.	153.88
19361	OLSON OIL CO.	701.65
19362	BATTLE LAKE REF & HTG.	37.40
19363	HAWKINS INC.	431.00
19364	OTTER TAIL POWER COMPANY	2681.23
19365	BEVERAGE WHLOESALERS INC.	3112.00
19366	H BOYD NELSON, INC.	6257.15
19367	AMERICAN BOTTLING COMPANY	66.69
19368	PAUSITS WINE COMPANY	212.00
19369	VINOCOPIA	726.00
19370	PHILLIPS WINE & SPIRITS INC.	2808.60
19371	JOHNSON BROTHERS LIQUOR CO.	1096.29
19372	SHELL PAYMENT CENTER	42.70
19373	LIBERTY BUSINESS SYSTEMS, INC.	7.35
19374	PAYROLL	267.58
19375	PAYROLL	66.50
19376	PAYROLL	652.59
19377	PAYROLL	199.48
19378	PAYROLL	760.23
19379	PAYROLL	892.91
19380	PAYROLL	140.69
19381	CARDMEMBER SERVICE	407.12
95248	CITY OF UNDERWOOD	47.09
95249	CITY OF UNDERWOOD	38.45
95250	PUBLIC EMPLOYEES RETIREMENT ASSN.	448.67

95251	MN DEPT OF REVENUE	476.63
95252	FARMERS STATE BANK	3072.33
95253	WATER SYSTEM DEBT FUND	3900.00
95254	RD LOAN FUND	900.00
95255	SEWER IMPROVEMENT FUND	3000.00
95257	FARMERS STATE BANK	609.57
95258	CITY OF UNDERWOOD	20,000.00
IAD309	CD INTEREST	13.60
IAD310	CD INTEREST	49.41
IAD311	CD INTEREST	49.48
IAD312	CD INTEREST	44.47
IAD313	CD INTEREST	4.94
IAD314	CD INTEREST	49.05
IAD315	CD INTEREST	24.53
IAD316	CD INTEREST	24.52
IAD317	CD INTEREST	9.90
IAD318	CD INTEREST	123.19
IAD320	CD INTEREST	13.69
IAD321	CD INTERET	109.50

Ann reported that the conversion to the new CTAS program may take some time as there are a number of coding changes that need to take place, as well as a number of glitches in the new system.

**MAINTENANCE REPORT**

Paxton reported that the treatment plant has been fine-tuned and is working as it should.

Budget & Finance

A motion by Olson, second by Jacobson was approved to adopt Resolution #0115-1.

Roll Call Vote: Ayes: Hoff, Olson, Erpelding, Jacobson; Nays: none; Absent: Kinzler.

**RESOLUTION #0115-1  
RESOLUTION ADOPTING FINAL BUDGET FOR 2015**

**BE IT RESOLVED** by the City Council of the City of Underwood, County of Otter Tail, and State of Minnesota, that the final budget for 2015 be approved.

Adopted by the City Council of the City of Underwood, Minnesota this the 5<sup>th</sup> day of January 2015.

\_\_\_\_\_ ATTEST: \_\_\_\_\_  
 Mayor Paul Hoff City Clerk Anna Kiser

Ann informed the council that the loan payments to RD have been made. She also noted that the IRS mileage rate for 2015 is \$0.575.

The fee schedule and the CD designations were reviewed and approved as presented by motion of Erpelding, second by Jacobson.

Anita reported the there would be little change or savings in changing our credit card service company at this time. She will have more information on the state changes that will go into effect later this year, after the upcoming MMBA meeting in February.

Water & Sewer

Ann informed the council that she had not heard from either All-State Well or Fergus Well in regard to a bid for the new monitoring well. After some discussion, a motion by Hoff, second by Jacobson was approved to hire Braun Intertec for \$8700. Ann will inform Bob from APEX and find out if the rate will have changed since the original quote.

NEW BUSINESS

A motion by Erpelding, second by Olson was approved to adopt Resolution #0115-2. Roll Call Vote: Ayes: Hoff, Olson, Erpelding, Jacobson; Nays: none; Absent: Kinzler.

**RESOLUTION #0115-2**

**RESOLUTION STATING ANNUAL DESIGNATIONS**

**WHEREAS**, at the first council meeting certain designations are required to be made by the City Council;

**THEREFORE, BE IT RESOLVED**, that the following designations shall be made for 2015:

1. The official newspaper of the City of Underwood shall be The Battle Lake Review.
2. The primary depository of the City of Underwood shall be Farmers State Bank.
3. The City Attorney for legal advising, litigation and prosecutions shall be Svingen, Cline, & Larson, PLLP.
4. The Acting Mayor who shall preside and perform duties in the absence of the Mayor shall be Bert Kinzler.
5. The Council shall have standing committees consisting of a minimum of two Council members. These committees and members for 2015 shall be as follows:

Budget and Finance: Paul Hoff & Bert Kinzler

Street, Lighting, Parks, & Recreation: Jim Erpelding & Rick Jacobson

Water & Sewer: Bert Kinzler & Rick Jacobson

Personnel & Safety: Marilyn Olson & Jim Erpelding

Building & Equipment: Jim Erpelding & Paul Hoff

Housing & Economic Development: Council

Zoning Administrator: City Clerk

Zoning: Paul Hoff, Bert Kinzler, Jim Erpelding & Paxton Lind

Planning Commission: Paul Hoff, Chairperson; Marilyn Olson Co-chairperson; Bert Kinzler, Jim Erpelding, Rick Jacobson & Paxton Lind

Board of Adjustment & Appeals: All Council Members

6. Paul Hoff, Bert Kinzler and Jim Erpelding will be the co-signers for all checks.

**AND, BE IT ALSO RESOLVED**, that the firm for auditing purposes for the year 2014 be Carlson Highland, CPA.

Adopted by the City Council of the City of Underwood, County of Otter Tail, State of Minnesota, this the 5<sup>th</sup> day of January 2015.

\_\_\_\_\_  
Mayor Paul Hoff

ATTEST: \_\_\_\_\_  
City Clerk Anna Kiser

A motion by Hoff, second by Olson was approved to adopt Resolution #0115-3. Roll Call Vote: Ayes: Hoff, Olson, Erpelding, Jacobson; Nays: none; Absent: Kinzler

**RESOLUTION #0115-3**

**RESOLUTION TO APPROVE THE RENEWAL OF LIQUOR LICENSES**

**BE IT RESOLVED** by the City Council of the City of Underwood, County of Otter Tail, State of Minnesota that the renewal of the liquor licenses for the American Legion, Stockman’s Tavern, Underwood Oil, Inc. aka Underwood Quik-Stop, and Under-Mart be approved contingent upon the receipt to the City Clerk before 3:30 p.m. on December 31, 2014 the following:

1. Proof of insurance
2. Payment of license fees
3. Certificate of Compliance

Adopted by the City Council of Underwood, Minnesota this 5<sup>th</sup> day of January 2015.

\_\_\_\_\_  
Mayor Paul Hoff

ATTEST: \_\_\_\_\_  
City Clerk Anna Kiser

The clerk informed those present that the annual Fire Association meeting would be held on January 28 at 7:00 p.m. Persons attending will be Hoff and Kinzler.

A motion by Olson, second by Erpelding was made to approve the Hazardous Waste Collection. Ann will make the arrangements.

As there was no further business, the meeting adjourned at 7:30 p.m.

\_\_\_\_\_  
Mayor Paul Hoff

ATTEST: \_\_\_\_\_  
City Clerk Anna Kiser