

**Minutes for a Special Meeting
Of the Winthrop City Council
Tuesday, March 17th, 2015**

A special meeting of the Winthrop City Council was called to order at 7:00 pm on Tuesday, March 17th, 2015, in the City Council Chambers, 305 N. Main Street, Winthrop MN for conducting business of the city.

- I. CALL TO ORDER** The meeting was called to order by Mayor Pierson at 7:00 p.m.
- II. ROLL CALL** Council members present Kelly Pierson, Bob Rickheim, Julie Trebelhorn, Pete Machaiek, Dale Malheim and Lyle Muth. City Administrator Jenny Hazelton and City Attorney Don Lannoye were also present. Audience members present: Matt Mathowitz (M & R Paving), Chris Larson (I & S Engineers), Shannon Sweeney (David Drown and Associates), Jessica Wiborg, Michael Lindstrom, Mark Santelman, Fritz Busch (New Ulm Journal), Ron Zachow, Ed Woeller, Gordy Grack (Winthrop Utilities), Mike Mattison (Winthrop News), Barb Johnson, Dave Trebelhorn, Oscar Olson (Winthrop Utilities), Marlene Roepke, Paul Donna (Robert W. Baird & Co.)

This special meeting of the Winthrop City Council was held to:

- Continue the public hearing on the RS Fiber bond sale.
- Pass a resolution approving property tax abatement related to phase 1 of the Fiber Optic Broadband Communications Project.
- Amend the Joint Powers agreement for the Renville-Sibley County Fiber Joint Powers Agency
- Pass the Parameters resolution
- Select an underwriter for the bond sale
- Award bids for the Carver and 8th Street project.

Public Hearing:

After the meeting was opened Mayor Pierson re-opened the public hearing from March 16th, 2015, at 7:02 pm. He then asked for any public comment.

Barb Johnson: Vote no on fiber project, she does not want to pay for the project if it fails. She feels that infrastructure is more important than bonding for a fiber to the home project.

Michael Lindstrom: Concerned if the city has to pick up the bill if should be a public vote. Concerned for people who are already struggling to pay their bills and concerned that the tax base is getting smaller putting a larger burden on the remaining tax payers.

Mark Santelman: Every rendition of the project is better than the last. The city should wait for the next version. He feels that because a new council and mayor were voted in

that it means the majority of citizens in Winthrop are against the project. He wants the citizens to be able to vote on this project.

Marlene Roepke: She feels that the elderly misunderstand how the project is going to be funded. Some think that if they sign up for service that they will be exempt from being taxed if it comes to that. She also feels that it should be voted on by the public.

Ron Zachow: He also feels it should be a public vote.

Dave Trebelhorn: He feels the Council is going down the right path. He feels the state is behind the project or they wouldn't have issued a \$1,000,000.00 grant to the project. The Lodge of Winthrop was the same type of bonding and no one showed up to the public hearing. Winthrop has taken risks before in the past and they have paid off eg. Heartland Corn Products and the Industrial Park. He feels that these are some of the reasons Winthrop has the lowest property taxes in the county. We are all in this together.

Mayor Pierson: He stated that he ran so that people would feel that they are heard. We all have a responsibility to be heard and voice opinions. The Council has held two open house events with very little turnout. He hopes the Council votes based on the feedback they have received from citizens.

Marlene Roepke: If there is a public vote people will come out and vote.

Julie Trebelhorn: At what point does government become irrelevant if everyone has to vote on every issue. The Council has to weigh all ends of the issue and do what they feel is best for the city as a whole.

Barb Johnson: We have high speed internet in town.

Mark Santelman: People aren't going to move to Winthrop for high speed internet. People move here because you get a lot of house for your money.

Jessica Wiborg: She works from home, her main office is in Bloomington. She is able to use the internet off her phone to conduct her work. Winthrop Telephone internet is good enough. Winthrop residents don't need high speed internet.

Lyle Muth: Education is so important to our school system and our city. Should a child in the country not be able to have the same opportunities as children in the city. Everyone is so focused on this project failing, let's talk about success. We will have the same opportunities as other cities if this succeeds. We have to be more positive. The risk of success is greater than the risk of failure.

Motion Machaiek, second Trebelhorn to close the public hearing. Passed Voice Vote. The public hearing was closed at 7:42 pm.

Mayor Pierson asked the Council if anyone was willing to entertain a motion to bring this to a vote of the people. Attorney Lannoye explained that if the Council passes a motion to bring this to a vote that they are essentially voting out of the project due to the time constraints of construction. No one entertained a motion.

Tax Abatement Resolution, Joint Powers Amendment, Parameters Resolution:

Shannon Sweeney then presented to the Council two resolutions: **Resolution R2015-07 Resolution Approving Property Tax Abatement Related to Phase I of Fiber Optic Broadband Communications Project.** Sweeney explained that this resolution allows the city to levy if there is a shortfall to the reserve fund, up to their portion of the project. He also explained that the first year of payments will be held in a reserve fund, there are sufficient funds for payments up to year four. There would be no potential tax to the city until year five. He then asked if there were any questions. Being none, motion was made by Machaiek, second Trebelhorn to approve Resolution R2015-07. Ayes: Trebelhorn, Rickheim, Muth; Nays: Malheim, Machaiek. Motion Passed.

Sweeney then explained the Parameters Resolution **Resolution R5015-08 Authorizing the Issuance, Sale, and Delivery of Taxable General Obligation Abatement Bonds, Series 2015 (RS Fiber Project); And Approving the Form of and Authorizing the Execution and Delivery of Certain Documents Relating to the Taxable General Obligation Abatement Bonds.** This resolution authorizes Winthrop to be the lead issuer of the bonds and also amends the Joint Powers Agreement with the RS Fiber Joint Powers board. Motion Trebelhorn, second Rickheim to approve Resolution R2015-08. Ayes: Trebelhorn, Rickheim, Muth; Nays: Malheim, Machaiek. Motion Passed.

Mayor Pierson then recommend a separate motion to pass the Joint Powers Amendment due to the fact that it is listed separately on the agenda: Motion Trebelhorn, second Muth to amend the Joint Powers board agreement. Ayes: Trebelhorn, Muth, Rickheim; Nays: Malheim, Machaiek. Motion Passed.

Select and Underwriter:

Sweeney then discussed the issue of bond underwriter to the council. Because Winthrop has agreed to be the lead issuer of the bonds they get to choose which bond underwriter they would like to have for the sale. Sweeney stated that Jim Landaas (Gaylord), Hazelton and himself interviewed two underwriters on behalf of the Joint Powers board; Paul Donna with Robert W. Baird & Co. and George Eilertson with Northland Securities. Sweeney came prepared with a recommendation stating that both underwriters came in comparable as far as issues. Baird came in a little bit higher when it came to bonds over \$5,000,000.00. Baird also came in a bit lower in cost savings. He said that he would be able to work well with either company the Council chose. Motion Malheim, second Muth to have Robert W. Baird & Co. be the underwriter for the bond sale. Passed Voice Vote.

Award Bids for Carver and 8th Street Project:

Chris Larson with I & S Engineers then presented the new bid from M & R Paving and Excavating. The bid came in just under the next lowest bidder at \$1,051,505.49. M & R will be doing all of the work themselves with no subcontractor. Larson checked all the references and all

checked out. He recommended awarding the bid to M & R for \$1,051,505.49 by passing **Resolution R2015-09 Resolution Accepting Bid**. Motion Malheim, second Trebelhorn to pass Resolution R2015-09. Passed Voice Vote.

Sweeney then explained that he was getting information ready for the bond sale for that project and will have it ready for the April 6th Council meeting.

Motion Trebelhorn, second Rickheim to adjourn. Passed Voice Vote. Meeting adjourned 8:15 pm.

Mayor

ATTEST:

City Administrator