

**WALKER CITY COUNCIL
SECOND REGULAR MEETING MINUTES
WALKER FIRE HALL MEETING ROOM
Thursday, July 17, 2008**

CALL TO ORDER – Mayor Walhof

- Mayor Walhof called the regular scheduled meeting to order at 7:06 pm.
- Councilmember's present: Fjelstul, Finney, Worth, Wilkening, Walhof
- Councilmember's absent: None
- Others present during portions of the meeting included:

Terri Bjorklund, Administrator
John Valen, City Attorney
Ed Thue, Senior Leech Laker
Kelly Nelson, Resident
Ron Geiser, Shingobee Twp.
Shirley Mallory, Shingobee Twp.
Gail Levenson, Cass County EDC.
Ollie Agerlie, Senior Leech Laker

Joanne Mitchell, City Employee
Sue Sauer, Resident
Lloyd Peterson, Senior Leech Laker
Edith Asell, City Employee
Steve Olson, Chase Dev.
Bob Mallory, Shingobee Twp.

CONSENT AGENDA – Mayor Walhof

M/S Fjelstul, Finney, to approve the Consent Agenda Items 1 thru 5 as follows:

1. Consider approval to pay Invoice # 204875 to SEH in the amount of \$36,300.00 for work completed on the Airport Runway Extension and Rehabilitation Project.
2. Consider approval to pay Invoice to E-Gads, Inc. in the amount of \$12,477.62 for Building Inspection Services.

Motion passed: 5-0

SCHEDULED CITIZEN PRESENTATIONS – Mayor Walhof

- No Business

CITY STAFF COMMENTS/CONCERS – Administrator Terri Bjorklund

- No Business

PERSONNEL, BUDGET & ADMINISTRATION – Councilmember /Fjelstul

1. Consider approval to move forward by offering the Senior Leech Lakers a Proposed Standard Purchase Agreement.

Councilmember Fjelstul asks Councilmember Wilkening if he would like to address this. Councilmember Wilkening states that, "...basically the legal descriptions are addressed. You will notice that item A states construction of a senior citizens' center commences within one year of the date of closing and item B is the above described property used by the Seniors for the purpose of a senior

citizens' center, it being the intention of the parties to create in the Seniors a fee simple determinable in said property. My understanding of this is that the property that we are looking at on Highway 34, will be used as a senior center, assuming that the purchase agreement will be accepted, the dollar value in this purchase agreement is \$330,000 that would be plus the differential value of the land that would be added to it. The SUBJECT TO portion right below it, Item 1 through 3, I understand are standard portions of purchase agreements and if you have any questions in regard to that you may refer them to John Valen. Item number 4, there will be a reverter retained by the City. This states that if this property was not to be used as a senior center, that the board itself chose to dissolve their non-profit status and get rid of the board and the Senior Leech Lakers as such that the property along with any improvements would be returned to the City. The balance of the purchase agreement is standard language as far as the taxes, examination of title and default. If you have any additional questions in regards to that they should be addressed at this time."

Councilmember Fjelstul states he would like clarification on the possible reverter. Is what that really means is that a reversion of the land back to the city and improvements on the property and does it also include the building itself. City Attorney John Valen states that it is a two part reverter. Number one if they do not build anything on this within one year the land itself comes back to the City. If they do build on it, and it is not used by the seniors for a Senior Center then the land and the buildings on the land would revert to the City.

M/S Wilkening, Fjelstul to accept the purchase agreement as presented, and to send it to the Senior Center.

Mayor Walhof asks for discussion. Mayor Walhof states that he feels it would be appropriate to fill in the dates on the purchase agreement at this time. We have three areas that are blank that need filling in. The first one being on the top of the page, and then towards the bottom of the page the date of the closing, and then on the last page, possession of the properties. City Attorney John Valen states that the first one should be blank because that is the date that both parties sign the agreement. Councilmember Wilkening asks about what if dates were inserted and then needed to be changed. City Attorney John Valen states that dates can be changed and then initialed by each party. Assuming that the purchase agreement is accepted then that would be the date that goes at the top. Councilmember Fjelstul states that we would like a response prior to our regular August council meeting. Mayor Walhof states that it would be his recommendation to set the date of the acceptance on page one as August 1, 2008, the date of closing and August 15, 2008, as the date of possession. City Attorney John Valen states that you could include in your motion that you include a letter to the seniors that this offer is open until August 1, 2008.

Amended M/S Wilkening, Fjelstul to amend motion to include a letter of transmittal for acceptance prior to August 1st.

Mayor Walhof asks if the seniors would like to say anything at this time. Lloyd Peterson asks "what about the shortfall". Councilmember Fjelstul states that, "... this is our offer based on what we assume the value of the property is, plus the land that we are giving you. The quote for the senior center is essentially for a building of \$415,000. We have heard from the community that they want us to be careful with our expenditures, not that they are against the senior center in any respect, but that we should be more in line with what the evaluation of the property is. This motion does not provide for any provision to cover any shortfalls. This is our offer to you of \$330,000.00 and you will have to get back to us on if you will accept this or not, and if not then we will make another decision on what we are going to do. One of those decisions could be a condemnation process and we are trying to avoid that."

Councilmember Wilkening states that he wishes that Lloyd Peterson would have been at the public meeting because then he would have heard the citizens. Lloyd Peterson states that they were instructed by their attorneys not to attend and that he finds it rather interesting that he was approached at noon by Mr. Holly at Ace Hardware, he knew all about this before we did. Mayor Walhof told Mr. Peterson that this was not a secret. Mr. Peterson said that someone could have called us and told us, we have been sitting here waiting for a contract. Mr. Peterson stated that they will evaluate the purchase agreement.

Councilmember Fjelstul states that he would like to clarify that the City's objective is to purchase the property for a parking lot. We have no intentions of advising you seniors on what to do with the money. Councilmember Wilkening states some of the comments that were made at the public meeting.

Mr. Peterson states that they will review the purchase agreement and get back to you before the next council meeting.

Motion Passed 5-0

2. **M/S** Fjelstul, Finney to consider approval of the First Amendment to the TIF 2-9 (Country Inn & Suites) Development Agreement, contingent upon the City receiving a Certified Check in the amount of \$147,601.01 to cover the shortfall, between Tax Increments received and the Bond Payments due, and receiving the recording fee of \$46.00 to record the documents with Cass County. City Administrator Terri Bjorklund gives some information and background on the possible sale of the Country Inn and Suites. They are working diligently on closing the deal on August 25. She also gives information on the bond refinance and other information on the TIF district. City Attorney John Valen states that he needs to disclose that Mr. Udhwani is his client, and that he accepted the representation thinking that there would be no conflict of interest with the City. "I don't think there is but if the council disagrees I will remove myself from this issue." City Administrator Terri Bjorklund adds that these documents were not

drawn up by Mr. Valen, Mary Ippel from Briggs and Morgan was the attorney that drew up the papers and they were reviewed by Mr. Valen on behalf of the City and Mr. Udhwani. So these agreements did come from another party.

3. **M/S Fjelstul, Finney** to consider approval of the Assignment and Assumption of Liability Agreement pertaining to TIF 2-9 (Country Inn & Suites), contingent upon the City receiving a certified check in the amount of \$147,601.01 to cover the shortfall, between Tax Increments received and the Bond payments due, and receiving the recording fee of \$46.00 to record the documents with Cass County. City Administrator Terri Bjorklund states that this defines the agreement of the sale.

Motion Passed 5-0

ECONOMIC DEVELOPMENT/LIQUOR STORE – Councilmember Wilkening

1. Discussion and possible action on water line Utility Easements.
Councilmember Wilkening states that, “In your packet there are two documents and email from Bob Yochum, and the second is a letter from Tianna Country Club. The letter from Tianna Country club is what triggered the email from Bob Yochum. As you know we are in the process of working through easements to extend utilities out to the former Aw-Gwah-Ching property. Tianna has been approached as well as the School District and at the last meeting the City approved the easements on the extension of our properties.

We had a meeting with the School District and Tianna. Tianna followed up that meeting with this letter of nine points, which seems to be reasonably obsessive such as considering we already have and existing easement. They are asking for \$300,000 for the requested easement. They are also asking for guarantees as far as what happens if there are damages during the construction project and after its completion. Councilmember Wilkening states some “what if scenarios “. The County Board is requesting to have authorization to go ahead with an assessment of the property in question, both the Tianna property and the School District property, to determine the value of what that easement should be, so we can move forward with this. I guess what I am not completely sure of is are we authorizing the assessment of the property to be contingent?”

Administrator Terri Bjorklund states that what the board is looking for is support in their recommendation to hire the valuation group (not to exceed \$10,000 utilizing State funds) to provide an opinion of easement value over the School District #113 and Tianna Country Club properties, and further authorized the Committee of the Board (Commissioners Demgen and Dowson) to pursue alternatives including other routes or condemnation of the preferred route (Distric#113 and Tianna Country Club) if necessary.

Councilmember Wilkening states that, “This is a very critical project for our City. It has the opportunity to pave the way for health care facilities, the state will retain the 55 acres adjacent, and we as the City are partners in this project. I would recommend and I make the motion that we would support the County’s action to move forward with and appraisal and consider alternative routes.”

Mayor Walhof asks Councilmember Wilkening if his motion was to use the wording of your motion. Councilmember Wilkening answers correct. Mayor Walhof , which would be to further authorize to hire the valuation group not to exceed \$10,000.00, to provide an opinion of easement value over the School District #113 and Tianna Country Club properties, and further authorize the Committee of the Board to pursue alternatives including other routes or condemnation of the preferred route. Councilmember Wilkening states that is correct. Councilmember Finney Seconds the Motion.

M/S Wilkening, Finney
Motion Passed 5-0

PARKS & RECREATION/LIBRARY – Councilmember Worth

Councilmember Worth states that she has no business.

Mayor Walhof asks City Administrator Terri Bjorklund to report what happened in the park. She stated that last night at approximately 9:00 the men’s restroom had been vandalized. The bathroom door had been taken apart and used to destroy the urinal in the men’s restroom. This morning with considerable help from the general public, Chief Tennis was able to do an investigation and before 11:00 am today we had the culprit. His parents are willing to pay the cost of any damage done. I have requested cost estimates on the repairs. The young man has been told that he is no longer welcome in the City Park. That is where we are at with this incident.

Councilmember Wilkening would like to commend Chief Tennis on the work he did, he acted very quickly. I got the information about 7:30 this morning and by 10:30 this morning with the results. Councilmember Fjelstul stated that he thinks it is important that we get the message to the public that this is not expectable behavior and that in the future they will be prosecuted. I don’t know how to do this because you have a juvenile involved and some how this message needs to get out.

City Administrator Terri Bjorklund stated that we were very lucky in this investigation because of the alert people in town. She also stated that we had a boat and a float plane come in and park on the beach side, these are thing we need to point out to our police force because they can not always be in the park. Councilmember Fjelstul states that perhaps we should put an editorial in the paper on behalf of the City Council showing appreciation to the community for their observance and their assistance in the apprehension might be in order. Councilmember Worth stated that if someone gave her the details she would be more then happy to write the editorial. Councilmember

Wilkening states that he has seen the float plane parked by the beach. There were various discussions with the councilmember's on the plane parked at or by the beach.

Mayor Walhof states that people have been driving on the park grass, and through the middle of the park, and this is very, very dangerous especially when there are children on the play ground. He would like the park board to consider putting in some more boulders to keep people from driving into the park. Also the area that the City crew uses to access the lift station, we need to do something to stop people from driving through there. Councilmember Wilkening asks if this is something that can be addressed this evening with out the park board feeling slighted. Mayor Walhof states that if the Council feels ok in directing that we can get that done tonight. Councilmember Wilkening states that he does not want to bypass the park board's authority but something that needs immediate attention here tonight we should definitely get that done.

M/S Worth, Wilkening
Motion carried 5-0

PUBLIC WORKS & SAFETY/ CEMETERY– Councilmember Finney
No Business

OTHER BUSINESS – Mayor Walhof
No Business

ADJOURNMENT – Mayor Walhof
Mayor Walhof adjourned the meeting at 7:37

Bradley J. Walhof, Mayor

Attest: _____
Terri Bjorklund, Administrator