

A budget workshop for the City Council for the City of Canby, Minnesota was held on September 15th, 2015 at 6:30 P.M. in the City Council Chambers.

Members: Nancy Bormann, Nate Oellien, Frank Maas

Absent: Denise Hanson, Jeff Varcoe

Visitors: Nicholas Johnson, City Administrator
Gerald Boulton, City Attorney

The budget workshop was opened.

Nicholas Johnson discussed the 2016 preliminary budget with Council.

The budget workshop was closed.

A regular meeting of the City Council for the City of Canby, Minnesota was held on September 15th, 2015 at 7:00 P.M. in the City Council Chambers.

Members: Nancy Bormann, Nate Oellien, Frank Maas, Denise Hanson

Absent: Jeff Varcoe

Visitors: Nicholas Johnson, City Administrator
Gerald Boulton, City Attorney
Ryan Feiock, Canby News
Steve Fenlon, Western Mental Health
Lauri Hopp
Sawyer Kraus
Stephanie Prokop
Emily Tomaszewski
Konnor King
Jared Philipp
Baily Hints
Nolan Fink

The Pledge of Allegiance was recited.

The meeting was called to order.

The minutes of September 1st, 2015 were reviewed. A motion was made by Maas and seconded by Oellien to approve the minutes. All voted in favor. None voted against. The motion was carried.

Steve Fenlon presented on behalf of Western Mental Health requesting support from the City in issuing tax exempt conduit bonds to assist with a refinancing and capital project. Resolution

2015-9-15-1, a resolution calling for a public hearing on the issuance of the debt, was reviewed. A motion was made by Oellien and seconded by Hanson to adopt the resolution. All voted in favor. None voted against. The motion was carried.

RESOLUTION 2015-9-15-1

RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ISSUANCE OF A HEALTH CARE FACILITIES REVENUE NOTE AND AUTHORIZING THE PUBLICATION OF A NOTICE OF THE PUBLIC HEARING (WESTERN MENTAL HEALTH CENTER PROJECT)

BE IT RESOLVED By the City Council (the “Council”) of the City of Canby, Minnesota (the “City”), as follows:

1. State Authorization. The law firm of Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P., bond counsel (“Bond Counsel”), has informed the City that Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”), gives municipalities the power to issue revenue obligations for the purpose of promoting the welfare of the state by the active attraction, encouragement and development of economically sound industry and commerce to prevent so far as possible the emergence of blighted and marginal lands and areas of chronic unemployment, as well as the provision of necessary health care facilities, so that adequate health care services are available to residents of the state at reasonable cost.

2. The Borrower and the Project. The City has received from Western Mental Health Center, who has represented to the City that it is a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Borrower”), a proposal that the City assist with the financing of the following project pursuant to the Act (the “Project”): (i) the construction and equipping of a new clinic and administrative facility at the Borrower’s main campus located at 1212 East College Drive in Marshall, Minnesota, which when completed will result in a combined building of approximately 20,740 square feet; (ii) the refinancing of taxable indebtedness originally issued to benefit the Borrower; and (iii) the financing of a portion of the costs of issuance of the Note (hereafter defined).

3. The Note. It is proposed the costs of the Project will be financed in part through the issuance of the City’s Health Care Facilities Revenue Note (Western Mental Health Center Project), Series 2015, in the original aggregate amount of approximately \$4,500,000 (the “Note”).

4. Public Hearing. Bond Counsel has further informed the City that before proceeding with consideration of the Borrower’s financing request it is necessary for the Council to hold a public hearing on the proposal, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 469.154, Subdivision 4 of the Act. The public hearing is

proposed to be held by this Council at its regular meeting on October 21, 2015. A form of the Notice of Public Hearing for the Project is attached hereto as Exhibit A. The general nature of the Project and an estimate of the aggregate principal amount of the Note will be described in the Notice of Public Hearing.

5. Notice of Public Hearing. Bond Counsel, at the direction of the City Administrator, is authorized and directed to cause notice of the public hearing to be published once in the official newspaper of the City and also in a newspaper of general circulation available in the City, not less than 14 days nor more than 30 days prior to the date fixed for the public hearing. The City reserves the authority to revise the notice after this Resolution is adopted, subject to the approval of the City Administrator, counsel to the City, and Bond Counsel.

This resolution is hereby adopted by the City Council of Canby, Minnesota, on this 15th day of September, 2015.

ATTEST:

Nancy Bormann, Mayor

Nicholas Johnson, City Administrator

The public hearing to receive comment on the creation of City TIF district 1-27 was opened. There were no attendees. The public hearing was closed.

Ordinance 325, an ordinance granting a non-exclusive natural gas franchise to MN Energy Resources, was reviewed. A motion was made by Hanson and seconded by Oellien to adopt the ordinance. All voted in favor. None voted against. The motion was carried.

Ordinance 325

An Ordinance granting Minnesota Energy Resources, a subsidiary of WEC Energy Group, a Wisconsin corporation, its successors and assigns, a natural gas franchise and the authority to construct, operate, maintain, and extend a natural gas distribution plant and system, and granting the right to use the streets, alleys, and other public places within the present or future corporate limits of the City, of Canby, Minnesota

Be it ordained by the City Council of the City of Canby Minnesota, as follows:

FRANCHISE GRANTED

The City of Canby, Minnesota, (hereinafter referred to as "Grantor") hereby grants a non-exclusive franchise to Minnesota Energy Resources, a subsidiary of WEC Energy Group, a

Wisconsin corporation, (hereinafter called "Grantee"), its lessees, successors and assigns. Grantee is hereby granted the right, privilege, franchise, permission and authority to lay, construct, install, maintain, operate and extend in, along, over or across the present and future streets, alleys, avenues, bridges, public rights-of-way and public places as are now within the present or future limits of said Grantor, a natural gas distribution system and all facilities necessary for the purpose of supplying natural gas or processed gas for all purposes to the inhabitants of said Grantor and consumers in the vicinity thereof, and for the distribution of natural gas from or through said Grantor to points beyond the limits thereof. Such facilities shall include, but not be limited to, all mains, services, pipes, conduits and appliances necessary or convenient for transmitting, transporting, distributing and supplying natural gas for all purposes for which it may be used, and to do all other things necessary and proper in providing natural gas service to the inhabitants of Grantor and in carrying on such business.

TERM

The rights and privileges granted by this Ordinance shall remain in effect for a period of Twenty-five (25) years from the effective date of this Ordinance.

GOVERNING RULES AND REGULATIONS

This Ordinance is granted subject to all conditions, limitations and immunities now provided for, or as hereafter amended, and applicable to the operations of a public utility, by State or Federal law. The rates to be charged by Grantee for service within the present or future corporate limits of Grantor and the rules and regulations regarding the character, quality and standards of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body or bodies as may, from time to time, be vested by law with authority and jurisdiction over the rates, regulations and quality and standards of service to be supplied by Grantee. Provided however, should any judicial, regulatory or legislative body, having proper jurisdiction, take any action that precludes Grantee from recovering from its customers any cost associated with services provided hereunder, then Grantee and Grantor shall renegotiate the terms of this Ordinance in accordance with the action taken, so as to allow Grantee to be made whole economically. In determining the rights and duties of the Grantee, the terms of this franchise Ordinance shall take precedence over any conflicting terms or requirements contained in any other Ordinance enacted by the Grantor.

If an energy supplier is unable to furnish an adequate supply of energy due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the Grantee, then the Grantee shall have the right and authority to adopt reasonable rules and regulations limiting, curtailing or allocating extensions of service or supply of energy to any customers or prospective customers, and withholding the supply of energy to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective

customers, and shall be non-discriminatory as between communities receiving service from the Grantee.

CONSTRUCTION AND MAINTENANCE OF COMPANY FACILITIES

Any pavements, sidewalks or curbing taken up and any and all excavations made shall be done in such a manner as to cause only such inconvenience to the inhabitants of Grantor and to the general public as is reasonably necessary; and repairs and replacements shall be made promptly by Grantee, leaving such properties in as good as condition as existed immediately prior to excavation.

Grantee agrees that for the term of this grant, it will use its best efforts to maintain facilities and equipment sufficient to meet the current and future energy requirements of Grantor, its inhabitants and industries. While maintaining its facilities and equipment, Grantee shall obtain permits as required by ordinance, except that in emergency situations, Grantee shall take immediate unilateral actions as it determines are necessary to protect the public health, safety, and welfare; in which case, Grantee shall notify Grantor as soon as reasonably possible.

Grantor will give Grantee reasonable notice of plans for street improvements where paving or resurfacing of a permanent nature is involved that affect Grantee's facilities. The notice shall contain the nature and character of the improvements, the rights-of-way upon which the improvements are to be made, the extent of the improvements and the time when the Grantor will start the work, and, if more than one right-of-way is involved, the order in which this work is to proceed. The notice shall be given to the Grantee a sufficient length of time, considering reasonable working conditions, in advance of the actual commencement of the work to permit the Grantee to make any additions, alterations, or repairs to its facilities.

EXTENSION OF COMPANY FACILITIES

Upon receipt and acceptance of a valid application for service, Grantee shall, subject to its own economic feasibility criteria, make reasonable extensions of its distribution facilities to serve customers located within the current or future corporate limits of Grantor.

RELOCATION OF COMPANY FACILITIES

If Grantor elects to change the grade of or otherwise alter any street, alley, avenue, bridge, public right-of-way or public place for a public purpose, Grantee, upon reasonable notice from Grantor, shall remove and relocate its facilities or equipment situated in the public rights-of-way, if such removal is necessary to prevent interference and not merely for the convenience of the Grantor, at the cost and expense of Grantee. If Grantor orders or requests Grantee to relocate its facilities or equipment for the primary benefit of a commercial or private project, or as a result of the initial request of a commercial or private developer or other non-public entity, and such removal is necessary to prevent interference and not merely for the convenience of the Grantor or other

right-of-way user, Grantee shall receive payment for the cost of such relocation as a precondition to relocating its facilities or equipment. Grantor shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause Grantee unreasonable additional expense in exercising its authority under this section. Grantor shall also provide a reasonable alternative location for Grantee's facilities. Grantor shall give Grantee written notice of vacating of a public right-of-way. Vacating of a public right-of-way shall not deprive the Grantee of its right to operate and maintain existing facilities, until the reasonable cost of relocating the same are first paid to the Grantee.

Any person or corporation desiring to move a building or other structure along, or to make any unusual use of any street, alley, avenue, bridge, public right-of-way or public place which shall interfere with the facilities or equipment of the Grantee, shall first give notice to the Grantor and the Grantee and pay a sum sufficient to cover the expense and damage incident to the moving of Grantee's facilities and equipment.

CONFIDENTIAL INFORMATION

Grantor acknowledges that certain information it might request pursuant to this franchise may be of a proprietary and confidential nature. If Grantee requests that any information provided by Grantee to Grantor be kept confidential due to such proprietary or commercial value, Grantor and its employees, agents, and representatives shall maintain the confidentiality of that information, to the extent allowed by law. If Grantor is requested or required by legal or administrative process to disclose any such confidential information, Grantor shall promptly notify Grantee of such request or requirement so that Grantee may seek an appropriate protective order or other relief. Grantor shall use all reasonable efforts to ensure that the confidentiality of Grantee's confidential information is maintained.

FORCE MAJEURE

It shall not be a breach or default under this franchise if either party fails to perform its obligations hereunder due to Force Majeure. Force Majeure shall include, but not be limited to, the following: 1) physical events such as acts of God, landslides, lightning, earthquakes, fires, freezing, storms, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery, equipment or distribution or transmission lines; 2) acts of others such as strikes, work-force stoppages, riots, sabotage, insurrections or wars; 3) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, executive order, or regulation promulgated by a governmental authority having jurisdiction; and any other causes, whether of the kind herein enumerated or otherwise not reasonably within the control of the affected party to prevent or overcome. Each party shall make reasonable efforts to avoid Force Majeure and to resolve such event as promptly as reasonably possible once it occurs in order to resume performance; provided, however, that this provision shall not obligate a party to settle any labor strike.

HOLD HARMLESS

Grantee, during the term of this Ordinance, agrees to save harmless Grantor from and against all claims, demands, losses and expenses arising directly out of the negligence of Grantee, its employees or agents, in the constructing, operating, and maintaining of distribution and transmission facilities or appliances of Grantee; provided, however, that Grantee need not save harmless Grantor from claims, demands, losses and expenses arising out of the negligence of Grantor, its employees or agents.

SEVERABILITY

If any clause, sentence or section of this Ordinance is deemed invalid by any judicial, regulatory or legislative body having proper jurisdiction, the remaining provisions shall not be affected.

NON WAIVER

Any waiver of any obligation or default under this franchise shall not be construed as a waiver of any future defaults, whether of like or different character.

REPEAL CONFLICTING ORDINANCES

This ordinance, when accepted by Grantee as provided below, shall constitute the entire agreement between the Grantor and the Grantee relating to this franchise and the same shall supersede all prior ordinances pertaining to this franchise agreement, and any terms and conditions of such prior ordinances or parts of ordinances in conflict herewith are hereby repealed. Ordinance No.253 of the City of Canby Minnesota, is hereby repealed as of the effective date hereof.

EFFECT AND INTERPRETATION OF ORDINANCE

The captions which precede each section of this ordinance are for convenience in reference only and shall not be taken into consideration in the interpretation of any of the provisions of this ordinance.

EFFECTIVE DATE AND ACCEPTANCE

This Ordinance shall become effective and be a binding contract between the Grantor and Grantee, upon its final passage and approval by Grantor, in accordance with applicable laws and regulations, and upon acceptance by Grantee by written instrument within sixty (60) days of passage by the governing body, and filed with the City Clerk of the City of Canby, Minnesota. The City Clerk shall sign and affix the community seal to acknowledge receipt of such acceptance, and return one copy to Grantee. If Grantee does not, within sixty (60) days following passage of this Ordinance express in writing its objections to any terms or provisions contained therein, or reject this ordinance in its entirety, Grantee shall be deemed to have accepted this ordinance and all of its terms and conditions.

Passed and approved by the City Council of the City of Canby, Minnesota, on this 15th day of September, 2015.

Attest:

Mayor

City Administrator

Resolution 2015-9-15-2, a resolution approving the decertification of TIF 1-15, was reviewed. A motion was made by Oellien and seconded by Maas to adopt the resolution. All voted in favor. None voted against. The motion was carried.

Resolution 2015-915-2

A RESOLUTION APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NUMBER 1-15 OF THE CITY OF CANBY

WHEREAS, on November 15th, 2000 the City of Canby the “Authority” in and for the City of Canby (the “City”) created Tax Increment Financing District Number 1-15 (the “District”) within Development District Number 1 (the “Project”); and,

WHEREAS, as of the date hereof all bonds and obligations to which tax increment from the District have been pledged have been paid in full or defeased and all other costs of the Project have been paid; and,

WHEREAS, the Authority by this resolution to cause the decertification of the District after which all property taxes generated by property within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Canby, Minnesota that staff shall take such action as is necessary to cause the County Auditor of Yellow Medicine County to decertify the District as a tax increment district and to no longer remit tax increment payable 2015 from the District to the City.

Dated: September 15th, 2015

Attest:

Mayor

City Administrator

Resolution 2015-9-15-3, a resolution adopting the TIF 1-27 plan and creating the district, was reviewed. A motion was made by Hanson and seconded by Maas to adopt the resolution. Bormann, Maas, and Hanson voted in favor. None voted against. Oellien abstained. The motion was carried.

CITY OF CANBY

RESOLUTION NO. 2015-9-15-3

RESOLUTION ADOPTING THE TAX INCREMENT FINANCING PLAN FOR AND THE CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-27

BE IT RESOLVED By the City Council (the Council) of the City of Canby, Minnesota (the City) as follows:

Section 1. Recitals.

- 1.01. On June 17, 1985, the Council adopted a Development Program for Development District No. 1, pursuant to and in accordance with Minnesota Statutes Sections 469.124 through 469.134 (previously Chapter 472A).
- 1.02. It has been proposed that the City create a Plan for Tax Increment Financing District No. 1-27.
- 1.03. The Council has investigated the facts and has caused to create the Tax Increment Financing Plan (Plan) for Tax Increment Financing District No. 1-27.
- 1.04. The City has performed all actions required by law to be performed prior to the adoption of the Plan, including, but not limited to, notification of Yellow Medicine County and the Independent School District and holding a public hearing regarding the Plan upon such notice as is required by law.
- 1.05. The Plan is contained in a document entitled "Tax Increment Financing Plan, for Tax Increment Financing District No. 1-27, City of Canby" dated September 15, 2015, on file at city hall.
- 1.07. The City Council has fully reviewed the contents of the Plan and has on this date conducted a public hearing thereon at which the views of all interested persons were heard.

Section 2. Findings Relating to the Plan for Tax Increment Financing District No. 1-27.

- 2.01. It is found and determined that it is necessary and desirable for the sound and orderly development of the District and the City as a whole, and for the protection and preservation of the public health, safety, and general welfare, that the authority of the TIF Act be exercised by the City to create the Plan for Tax Increment Financing District No. 1-27.
- 2.02. It is further found and determined, and it is the reasoned opinion of the City, that the actions proposed in the Plan for Tax Increment Financing District No. 1-27, could not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that therefore the use of tax increment financing is necessary to assist the project.
- 2.03. The expenditures proposed to be financed through tax increment financing are necessary to permit the City to realize the full potential of the District in terms of development intensity and tax base.
- 2.04. The creation of the Plan for Tax Increment Financing District No. 1-27 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the tax increment financing district by private enterprise.
- 2.05. The Plan conforms to the plans for development of the City as a whole.
- 2.06. The City Council has relied upon the opinions and recommendations of its advisor and the personal knowledge of the members of the council in reaching its conclusions regarding the creation of the Plan.
- 2.07. Tax Increment Financing District No. 1-27 is a redevelopment tax increment financing district within the meaning of Minnesota Statutes Section 469.174, Subd. 10.

Section 3. Approval of the Tax Increment Financing Plan.

- 3.01. The Plan for Tax Increment Financing District No. 1-27 is hereby adopted and the district is hereby created.
- 3.02. The advisor is authorized and directed to file a copy of the Plan for Tax Increment Financing District No. 1-27 with the Minnesota Department of Revenue and the State Auditor Office.

Dated: September 15, 2015.

Attest:

Mayor

City Administrator

Resolution 2015-9-15-4, a resolution adopting the 2016 preliminary levy, was reviewed. A motion was made by Maas and seconded by Maas to adopt the resolution. All voted in favor. None voted against. The motion was carried.

Resolution 2015-9-15-4

City of Canby

State of Minnesota
County of Yellow Medicine
City of Canby

Resolution Adopting the 2016 Preliminary Levy

Be it resolved by the council of the City of Canby, County of Yellow Medicine, Minnesota that the following sums of money be levied in 2016, upon the taxable property in the City of Canby, for the following purposes:

General Fund	\$370,800.00
Canby Inn & Suites Abatement	\$36,100.00
Farmer's Co-op Abatement	\$7,350.00
Fire Hall Inter-Fund Loan of 2014	\$10,629.00
2010 Infrastructure Bond	\$150,000.00
2014 Infrastructure Bond	\$150,000.00
2016 Swimming Pool Bond	\$20,418.00
Total Tax Levy	\$745,297.00

The City Administrator is hereby instructed to transmit a copy of this resolution to the auditor of Yellow Medicine County, Minnesota.

Attest:

Mayor

City Administrator

A motion was made by Oellien and seconded by Hanson to adopt the preliminary budget. All voted in favor. None voted against. The motion was carried.

The consensus of the Council was to move to the 1st and 3rd Wednesday starting in October for Council meetings.

A motion was made by Maas and seconded by Oellien to adjourn to closed session for Union negotiations. All voted in favor. None voted against. The motion was carried.

A motion was made by Maas and seconded by Hanson to reopen the meeting. All voted in favor. None voted against. The motion was carried.

A motion was made by Maas and seconded by Oellien to adjourn the meeting. All voted in favor. None voted against. The motion was carried.

Attest:

Mayor

City Administrator