

Minutes of the regular meeting of the City Council of Rush City held Monday, January 10, 2022, in the City Hall Council Chambers at 6:30 p.m.

Mayor Dahlberg called the meeting to order with the following members present: Councilors Frank Storm, Mick Louzek, Tom Schneider; Mayor Dan Dahlberg.

Member absent: Dan Meyer.

Others present included Fire Chief Bob Carlson, Airport Engineer Jake Jorgenson of SEH and Nikki Hallman of the County News Review.

Board of Review training was added to the agenda.

Motion by Storm, second by Louzek: To approve the amended agenda. MC

Motion by Louzek, second by Storm: To approve the minutes of the regular meeting of December 29, 2021. MC

Motion by Schneider, second by Storm: To approve the Bills and Claims of the City as presented to the Council and on file in the City offices. MC

Notices and communications were then reviewed. The League of MN Cities upcoming events and trainings bulletin was reviewed.

An update was given on the airport fuel tank repairs.

The 2022 Official Designations and Appointments were reviewed. The Administrator noted that City staff had contacted all committee members with expiring terms regarding their interest in continuing service. As some members had not yet responded, she requested that it be tabled until the next Council meeting.

The 2022 contract with Troth Law to provide City Attorney services was reviewed.

Motion by Louzek, second by Schneider: To approve the 2022 contract with Troth Law for City Attorney services. MC

At this time, those in attendance were called on for public comment.

The 2022 taxilane rehabilitation contract with SEH was reviewed. It was noted that the asphalt on some of the taxilanes at the airport has been rated as fair to poor condition. A map of the taxilanes recommended to be reconstructed was reviewed. Discussion followed regarding the portion of the project that is not eligible for FAA funding, which is the area adjacent to the T-hangar. The Administrator explained that this area is eligible for MNDOT funding at 75% MNDOT/25% local. She had spoken to the T-hangar association president about the cost of the local share and that it most likely will be forwarded to the T-hangar owners. The other option is to not reconstruct the area that isn't eligible for FAA funding. The T-hangar owners will conduct a meeting soon to discuss the issue. Because the proposed contract with SEH contains engineering for both the FAA eligible and ineligible portions of the project, it was recommended to table the contract consideration until the next Council meeting.

Mayor Dahlberg then opened the public hearing to review amendments to the Rush City Code, Chapter II. Operations and Administration, Part 3. Fire Department, Section 203.11 Establishing Fees for Emergency Protection Fire Services. It was noted that the notice of the public hearing was published in the local paper, per requirements. The amendments recommended by the Administrator and Fire Chief were discussed.

After calling for additional comments and hearing none, Mayor Dahlberg closed the public hearing.

Motion by Louzek, second by Schneider and carried: To approve the following:

ORDINANCE 2022-01

AN ORDINANCE AMENDING THE CITY CODE CHAPTER II, PART 3, SECTION 203.11 ESTABLISHING FEES FOR EMERGENCY PROTECTION FIRE SERVICES

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSH CITY THAT SECTION 203.11 OF THE CITY CODE BE AMENDED TO READ AS FOLLOWS:

203.11. Establishing Fees for Emergency Protection Fire Services

Subdivision 1: Purposes and Intent

This ordinance is adopted for the purpose of authorizing the City of Rush City to charge for fire service as authorized by Minn. Stat. 366.011, 366.012, and 415.01.

Subdivision 2: Definitions

A. "Fire service" means any deployment of firefighting personnel and/or equipment to extinguish a fire or perform any preventative measure in an effort to protect equipment, life, or property in an area threatened by fire. It also includes the deployment of firefighting personnel and/or equipment to provide fire suppression, rescue, extrication, and any other services related to fire and rescue as may occasionally occur.

B. "Fire service charge" means the charge imposed by the City for receiving fire service.

C. "Motor vehicle" means any self-propelled vehicle designed and originally manufactured to operate primarily upon public roads and highways, and not operated exclusively upon railroad tracks. It includes semi-trailers. It does not include snowmobiles, manufactured homes, all-terrain vehicles, or park trailers.

D. "Fire protection contract" means a contract between the City and a town or other city to provide fire services.

E. "Mutual aid agreement" means an agreement between the City and a town or other city for the City's fire department to provide assistance to the fire department of a town or other city.

Subdivision 3: Parties Affected

A. Owners of property within the City who receive fire service.

B. Anyone who receives fire services as a result of a motor vehicle accident or fire.

C. Owners of property in towns or cities to which the City provides fire service pursuant to a fire protection contract.

Subdivision 4: Rates

A. Fees will be charged according to the schedule established by the City Council. May include additional charges if call lasts more than two hours. The rates for the additional charges will follow the Fire Department Cooperative Agreement Rate Schedule with the MN DNR.

B. Additional equipment needed to aid in the extinguishment of a fire will be billed to the property owner. This will be the non-traditional firefighting equipment such as a backhoe, dozer, etc. that may be needed to move debris or contain a fire and disposables such as foam, personal protective equipment, etc.

Subdivision 5: Billing and Collection

A. Parties requesting and receiving fire services will be billed directly by the City of Rush City within thirty (30) days of the fire service. Additionally, if the party receiving fire services did not request services but a fire or other situation exists, which, at the

discretion of the fire department personnel in charge requires fire service, the party will be charged and billed. All parties will be billed whether or not the fire service is covered by insurance. Any billable amount of the fire charge not covered by a party's insurance remains a debt of the party receiving the fire service.

B. Parties billed for fire service will have sixty (60) days to pay. If the fire service charge is not paid by that time, it will be considered delinquent and the City will send a notice of delinquency.

C. If the fire service charge remains unpaid for thirty (30) days after this notice of delinquency, the City will use all practical and reasonable legal means to collect the fire service charge. The party receiving fire service shall be liable for all collection costs incurred by the City including, but not limited to, reasonable attorney fees and court costs. In the event the fire service charge is sent to a collection agency, a collection fee, according to the fee schedule established by the City Council, will be charged.

D. If the fire service charge remains unpaid for thirty (30) days after the notice of delinquency is sent, the City Council may also, on or before December 1st of each year, certify the unpaid fire service charges of persons owning property within the State of Minnesota to the county auditor for collection with property taxes. The City must give the property owner notice of its intent to certify the unpaid fire service charge by November 1st.

E. If vehicle owners do not pay their fire service charge for thirty (30) days after the notice of delinquency is sent, the City shall not charge the jurisdiction where the service was rendered, but shall revert to Paragraph C of this Subdivision to collect the fire service charge.

F. False alarms or carbon monoxide detector calls will not be billed as a fire call.

Subdivision 6: Mutual Aid Agreement

When the City fire department provides fire service to another fire department pursuant to a Mutual Aid agreement, the billing will be determined by the Mutual Aid Agreement.

Subdivision 7: Application of Collections to Budget

All collected fire charges will be city funds and used to offset the expenses in the fire equipment fund.

Subdivision 8: Effective Date

The ordinance shall become effective upon passage and publication.

Adopted by the City Council of Rush City this 10th day of January, 2022.

Mayor

Administrator

Motion by Storm, second by Louzek and carried: To approve the following:

RESOLUTION 2022-01
RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City of Rush City (the "City"), Minnesota, as follows:

1. Recitals.

(a) The Internal Revenue Service has issued final Treasury Regulations Section 1.103-18 (the "Regulations") dealing with reimbursement bond proceeds, which would include those proceeds of the City's bonds to be 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 prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of subsequent borrowings, that such declaration generally be made on or before the date the expenditure is actually paid, that the bonding occur and the reimbursement allocation be made from the proceeds of such bonds within one year of the payment of the expenditure (or not later than one year after the project is placed in service, if that is a longer period), and that the expenditure be a capital expenditure.

(c) The City desires to comply with the Regulations and to establish certain procedures relating thereto.

(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 made an official declaration of its reasonable intention (hereinafter referred to as the "Official Intent Declaration" or the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequent bonds or other borrowings. The City hereby authorizes the City Administrator to make the City's Official Intent 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 on or before the date the City pays the applicable project cost and shall state that the City reasonably intends and expects to reimburse itself for the expenditure with proceeds of a borrowing. Each Declaration may be made substantially in the form of the "Declaration of Official Intent" which is attached to and made a part of this Resolution.

(b) Each Declaration shall specifically contain the following statement: "This Declaration is a declaration of official intent under Treasury Regulations Section 1.103-18."

(c) Each Declaration shall and is hereby declared to be made and filed in the publicly available official books, records, or proceedings of the City, which shall be reasonably available for public inspection at the City Courthouse during normal business hours of the City on every business day during the period beginning on the earlier of ten days after the making of the Declaration or the date of issuance of the reimbursement bonds and ending on the day after the issuance of such bonds.

(d) Each Declaration shall, at a minimum, contain a general functional description of the property, project, or program for which the expenditure to be reimbursed is paid (for example, "sewer, water, street equipment, etc." or other specific, identifiable project of the City) or, in the alternative, shall identify the particular fund or account of the City from which the expenditure to be reimbursed is paid, including a description of the general functional purpose of that fund or account (for example, "park and recreation fund -- recreational facility capital improvement program").

(e) Each Declaration shall also contain a statement of the maximum principal amount of debt expected to be issued for the subject project.

(f) 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 that it will ultimately issue reimbursement bonds to provide long-term financing for 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 in general and the application in particular circumstances. It is the City's intention that Declarations not be made (i) when available funds of the City have been or are reasonably expected to be dedicated or otherwise reserved to fund on a long-term basis the particular expenditures involved or (ii) when it is not reasonably expected that reimbursement bonding will occur.

(g) The City 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 Official Intent Declarations, including recommendations on the timing of the issuance of such bonds so that the "reimbursement allocation" described in the Regulations and in paragraph 3 below can be made within the one-year time limits prescribed in the Regulations.

(h) This Resolution shall supplement and amend all prior determinations and policies adopted by the City in regard to complying with the Regulations, as initially proposed, and in the event of any inconsistency between the terms provided in this Resolution and said prior determinations or policies, the provisions of this Resolution shall govern.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of reimbursement bond proceeds to reimburse the source of temporary financing used by the City to make payment of the prior expenditure. Each allocation shall be evidenced by an entry on the official books or records of the City maintained for such reimbursement bonds; shall specifically identify the actual prior expenditure being reimbursed or, in the case of the reimbursement of a particular fund or account, the fund or account from which the expenditure was paid; and shall be effective to relieve the bond proceeds involved from any restriction under the bond resolution or other relevant legal documents for those bonds and under any applicable state statute applicable to unspent proceeds of such bond issue.

Passed by the City Council of Rush City this 10th day of January, 2022.

Mayor

Administrator

The December 2021 preliminary finance report was reviewed.

The Administrator noted that training for Board of Review and Equalization will be open until the end of January, 2022, and that Council members Frank Storm and Dan Meyer currently are trained.

Council concerns were then discussed.

Announcements were then given that City Hall will be closed on January 17, 2022 in observance of Martin Luther King, Jr. Day and that the Rush City Lions and Fire Department Polar Lunge will be held on February 12, 2022 on Rush Lake in front of Flickabirds, from 10:00 am-Noon.

Motion by Louzek, second by Storm: To adjourn the meeting at 7:40 p.m. MC

/s/ Amy Jo Mell
Administrator

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