



**CITY OF GAYLORD  
SPECIAL CITY COUNCIL MEETING**

Monday, March 16, 2015

7:00 P.M., Berdan Center, 705 E. 4<sup>th</sup> St., Winthrop, MN 55396

**Members Present:** Mayor Boeder and Members Landaas, Muchow, and Uecker  
**Members Absent:** Council Members DeVlaeminck and Losure  
**Staff Present:** Kevin McCann, City Administrator  
**Visitors Present:** Members of the RS Fiber JPA, RS Fiber Co-op, various consultants, and various members of the public

**1. Call Meeting to Order, Pledge of Allegiance & Confirmation of Quorums**

Pursuant to due call and notice thereof, the meeting of the City Council was called to order by Mayor Boeder at 7:01 p.m.

The Pledge of Allegiance was recited by Council and visitors present.

Mayor Boeder acknowledged a quorum was present.

**2. RS Fiber Presentations**

**A. RS Fiber Finance – Phil Keithahn, Sterling Capital**

Phil Keithahn with Pro Growth Bank in Gaylord as well as Sterling Financial presented the financial portion of the RS Fiber project with costs for the build out of the cities as well as where the financing is coming from.

**B. RS Fiber Cooperative Project Construction & Operation – Dan Pecarina, Hiawatha Broadband Communications**

Dan Pecarina with Hiawatha Broadband Communications gave a presentation on the project and statistics on how the project has changed over the last year, what the project will consist of, and background work that is currently being done in anticipation of beginning the backbone and build out of two cities this year. He also presented a timeline of the build out of the rest of the cities as well as building out the townships.

**C. Abatement Resolutions & Council Actions – Jenny Boulton, Kennedy & Graven**

Jenny Boulton with Kennedy and Graven presented the abatement resolution and council actions that the councils are being asked to act on tonight. She also explained the loan agreement that Winthrop is acting on as lead issuer on behalf of the project. The tax abatement pledges from the cities to Winthrop, the shortfall agreement, and the Joint Powers Board amendment was also explained. She explained that the project benefit to the cities was equal to the cost and the public purpose was to increase or improve tax base, employment opportunities, retain and gain business and provide public access to high speed internet for all.

Boulton then asked each council to open the public hearing portion of their meeting.

**3. Public Hearing**

Mayor Boeder called the Gaylord Public Hearing to Order at 8:10 PM.

Boulton then asked each council if they had any written comment from the public.

Councilor Machaiek, City of Winthrop, provided the only written comments from an e-mail from Samuel Shult, a Winthrop resident, with a number of questions to be addressed.

Boulton took live comment before addressing the written questions.

Doug Munch, Mayor, City of New Auburn, asked about the shortfall funding and if cities were only responsible for the portion up to their allocated percentage of the project.

Boulton responded that yes that was the case. Cities are only responsible for their percentage of the shortfall.

Jason Pierce, Councilor, City of Stewart, asked why Winthrop was not required to pass a shortfall agreement like the rest of the cities.

Boulton responded that because Winthrop was selling the bonds that the other cities would be paying them and their portion would be already included. She also explained that Winthrop was only responsible for their percentage as well.

Doug Munch, Mayor, City of New Auburn, asked about the wireless broad band if television service was included with that.

Dan Pecarina explained that television service was not included with the wireless broadband but online television like Netflix, Hulu, Google TV would be able to be accessed through the wireless broadband.

Boulton then read the written questions presented:

Q: Are all of the parcels listed?

A: Shannon Sweeney-No all of the parcels are not listed, only a sample selection to represent the entire city were selected.

Q: Can owners contest the assessment?

A: Sweeney-No the entire town is subject to an amount relevant to their property value.

Q: Have all demographics been considered e.g.: abandoned homes, reduced rural properties?

A: Dan Pecarina: Yes all demographics have been considered, abandon or vacant homes or properties were not included and predicted population increases were not used for future projections.

Q: Will the State border to border broadband initiative affect the project? If everyone has is why is ours unique?

A: Pecarina-If everyone has it we will stay relevant to the surrounding area, and if not it will put our project area in a place to draw more residents and businesses. If we don't have it people will not consider this area as place to live and work or send their children to school.

Q: What is the economic development factor?

A: Pecarina- The economic development factor is providing services to people are here as well as drawing new residents and businesses to the area. Population retention as well as expansion.

Q: Are minutes being taken and will they be made available to the public?

A: Boulton-Yes, each council secretary is required to take minutes like any other meeting.

Boulton then asked each council to close or continue their meeting until a later date.

Mayor Boeder closed the Public Hearing at 8:35 PM.

#### **4. Adoption of Abatement Resolutions**

Boulton stated that each member city not continuing their public hearing to a later date is asked to approve their respective abatement resolutions.

Mayor Boeder presented Resolution 2015-09 – Resolution Approving Property Tax Abatement Related to Phase 1 of the RS Fiber Project.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER UECKER SECONDED, TO APPROVE RESOLUTION 2015-09 – RESOLUTION APPROVING PROPERTY TAX ABATEMENT RELATED TO PHASE 1 OF THE RS FIBER PROJECT. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

5. **Authorization of Execution of Amended Joint Powers Agreement**

Boulton stated that each member city not continuing their public hearing to a later date is asked to authorize execution of the amended Joint Powers Agreement.

Mayor Boeder asked for council approval.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER UECKER SECONDED, TO APPROVE EXECUTION OF THE AMENDED JOINT POWERS AGREEMENT. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

6. **Parameters Resolutions**

Boulton stated that each member city not continuing their public hearing to a later date is asked to approve their respective parameters resolutions.

Mayor Boeder presented Resolution 2015-10 – Resolution Authorizing the sale of GO Tax Abatement Note Related to Phase 1 of the RS Fiber Project.

COUNCIL MEMBER LANDAAS MOVED, COUNCIL MEMBER MUCHOW SECONDED, TO APPROVE RESOLUTION 2015-10 – RESOLUTION AUTHORIZING THE SALE OF GO TAX ABATEMENT NOTE RELATED TO PHASE 1 OF THE RS FIBER PROJECT. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED.

7. **Adjournment of Special Meeting**

There being no further business to come before the City Council. COUNCIL MEMBER UECKER MOVED, COUNCIL MEMBER LANDAAS SECONDED TO ADJOURN. WITH ALL MEMBERS VOTING IN FAVOR, THE MOTION CARRIED. The meeting was adjourned at 8:45 p.m.

---

Kevin McCann  
City Administrator

---

Don Boeder  
Mayor