

A regular meeting of the City Council for the City of Fairfax, Minnesota was held on September 14<sup>th</sup>, 2021 at 7:00pm in the City Council Chambers.

Members: Brad Augustin, Josh Bunkers, Brad Bastian, Steve Schmidt, Jared Firle

Absent: None

Visitors: Nicholas Johnson, City Administrator  
Joel Grejtak, Superintendent of Streets and Utilities  
Scott Froehlich, Chief of Police  
Denny Adamski, Police Officer  
Aaron Walton, City Attorney  
Paul Zaid, Standard Gazette & Messenger  
Derek Carlson, Retro Holdings LLC  
Jon Schlenske, CEO of Southern Minnesota Behavioral Health  
Deb Loverude, COO of Southern Minnesota Behavioral Health  
Jim Cuff  
Wally Runck

The meeting was called to order.

The Pledge of Allegiance was recited.

The agenda was reviewed. A motion was made by Bastian and seconded by Bunkers to approve the agenda. All voted in favor. None voted against. The motion was carried.

The consent agenda was reviewed. A motion was made by Schmidt and seconded by Firle to approve the consent agenda. All voted in favor. None voted against. The motion was carried.

Consent Agenda:

1. Approval of Consent Agenda
2. Consider Approval of Minutes
  - a. August 10<sup>th</sup>, 2021 Council Meeting Minutes
3. Consider Approval of Claims for Payment
4. Consider Approval of On-Sale, Off-Sale, and Sunday Liquor Licenses for KKH LLC dba Neisens of Fairfax
5. Consider Approval of MMUA Annual Safety Contract

Derek Carlson, Jon Schlenske, and Deb Loverude updated the Council on the progress of the mental health support facility in the former Middle School. The goal is to be open in 18 to 24 months with hiring to begin in 12 months. They will need 6 licenses from the State and will encompass children to adults flexible to their needs. They anticipate approximately 50 professional staff with support staff in addition.

The Council reviewed resolution 2021-12, a resolution providing for the redemption and payment of the 2013A Natural Gas Refunding Bonds. A motion was made by Firle and seconded by Bunkers to adopt the resolution. All voted in favor. None voted against. The motion was carried.

RESOLUTION PROVIDING FOR THE REDEMPTION AND PREPAYMENT  
OF THE GENERAL OBLIGATION NATURAL GAS REVENUE REFUNDING BONDS,  
SERIES 2013A

WHEREAS, the City hereby determines and declares that it is necessary and expedient to call for redemption and prepayment all outstanding principal of the City's \$1,605,000 original principal amount General Obligation Natural Gas Revenue Refunding Bonds, Series 2013A, dated September 1, 2013, which mature on and after December 1, 2022; and

WHEREAS, \$750,000 aggregate principal amount of the Bonds which mature on December 1, 2022, and thereafter are callable on December 1, 2021, and any date thereafter at a price of par plus accrued interest, as provided in the resolution of the City Council duly adopted on August 13, 2013, authorizing the issuance of the Bonds; and

WHEREAS, the redemption on December 1, 2021, of \$750,000 principal amount of Bonds maturing on and after December 1, 2022, is consistent with covenants made with the holders thereof; and is necessary and desirable for the reduction of debt service cost to the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fairfax, Minnesota, as follows:

Redemption of Bonds. The Bonds shall be redeemed and prepaid on December 1, 2021, in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit A, which terms and conditions are hereby approved and incorporated herein by reference.

Adopted by the City Council for the City of Fairfax, Minnesota this 14<sup>th</sup> day of September, 2021.

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Mayor

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City Administrator

The Council reviewed resolution 2021-13, a resolution authorizing a \$360,000 interfund loan from the Electric Fund to the Natural Gas Fund. A motion was made by Schmidt and seconded by Bastian to adopt the resolution. All voted in favor. None voted against. The motion was carried.

**City of Fairfax**

**Resolution 2021-13**

**A Resolution Authorizing a \$360,000 Interfund Loan from the Electric Fund to the Natural Gas Fund and Providing for the Terms and Conditions Therein**

WHEREAS, the City of Fairfax adopted Resolution 2021-12, a resolution providing for the redemption and prepayment of the General Obligation Natural Gas Revenue Refunding Bonds, Series 2013A, on September 14<sup>th</sup>, 2021.

WHEREAS, the City of Fairfax recognizes a transfer of funds from the Electric Fund to the Natural Gas Fund is necessary to complete the redemption and repayment of the 2013A Natural Gas bonds.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Fairfax as follows:

1. The City Council hereby authorizes the transfer of \$360,000 from the Electric Fund to the Natural Gas Fund for the purpose of completing the redemption and repayment of the General Obligation Natural Gas Revenue Refunding Bonds, Series 2013A. This transfer is established as an Interfund Loan between said Funds.
2. The term of the loan shall be six (6) years with the first payment due by June 30<sup>th</sup> of each year beginning in 2022.
3. The interest rate of the loan shall be zero (0) percent annually.
4. The principal payment of the loan shall be \$60,000 per year.
5. Exhibit A, attached hereto and made a part thereof this resolution, reflects the aforementioned terms and conditions set forth.
6. The City Council may amend the terms of the Interfund Loan at any time by resolution.

Adopted by the City Council of the City of Fairfax, Minnesota this 14<sup>th</sup> day of September, 2021.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

**City of Fairfax**

**Electric Fund to Natural Gas Fund \$360,000 Interfund Loan Schedule**

**Exhibit A**

<b>Repayment Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payment</b>	<b>Balance</b>
6/30/2022	\$60,000	\$ --	\$60,000	\$300,000
6/30/2023	\$60,000	\$ --	\$60,000	\$240,000
6/30/2024	\$60,000	\$ --	\$60,000	\$180,000
6/30/2025	\$60,000	\$ --	\$60,000	\$120,000
6/30/2026	\$60,000	\$ --	\$60,000	\$60,000
6/30/2027	\$60,000	\$ --	\$60,000	\$ --

The Council reviewed quotes to construct a 4 site RV campground. Upon further discussion the Council consensus was to forego the project entirely. No action taken.

The Council reviewed a quote from River Creek Nursery to install memorial landscaping for Lenny Linsmeier at Lions Park where the memorial tree had been planted. The cost to install the memorial landscaping was \$6,872.00. A motion was made by Firle and seconded by Schmidt to approve the quote. All voted in favor. None voted against. The motion was carried.

The Council reviewed a quote and concept art to install a mural on the Lions Park bathroom building. Upon further discussion the consensus was to forego the project entirely. No action taken.

The Council reviewed the health insurance renewal for the City of Fairfax. The renewal included a three (3) percent increase in premiums. A motion was made by Bunkers and seconded by Bastian to approve the renewal. All voted in favor. None voted against. The motion was carried.

The Council reviewed resolution 2021-11, a resolution adopting the 2022 preliminary levy and budget. A motion was made by Schmidt and seconded by Bunkers to adopt the resolution. All voted in favor. None voted against. The motion was carried.

**City of Fairfax  
Resolution 2021-11**

State of Minnesota            )  
County of Renville            )  
City of Fairfax                 )

**Resolution Adopting the 2022 Preliminary Levy and 2022 Preliminary Budget**

Be it resolved by the City Council of the City of Fairfax, County of Renville, State of Minnesota, that the following sums of money be levied in 2022, upon the taxable property in the City of Fairfax, for the following purposes:

General Fund	\$327,675.00
2015A Bond	\$32,503.00
2018A Bond	\$25,648.00
2019A Bond	\$89,174.00
Total Tax Levy	\$475,000.00

Be it further resolved by the City Council that the preliminary 2022 budget is hereby adopted.

Be it further resolved by the City Council that a public hearing be called for the purpose of receiving public comment on the 2022 proposed levy and budget. Said public hearing is set at 7:00pm on the 14<sup>th</sup> of December, 2021.

The City Administrator is hereby instructed to transmit a copy of this resolution to the Auditor of Renville County, Minnesota.

Adopted by the City Council for the City of Fairfax, Minnesota this 14<sup>th</sup> day of September, 2021.

Attest:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

A motion was made by Firle and seconded by Bastian to hire Brady Schroeder to the Fire-Rescue Department. All voted in favor. None voted against. The motion was carried.

Staff reports and financial information was received.

Joel Grejtak requested a spending limit to purchase a hauling truck to be used for snow hauling and other duties as a snow hauling contractor was not found. A motion was made by Firle and seconded by Schmidt to authorize up to \$60,000 to be spent on a suitable vehicle. All voted in favor. None voted against. The motion was carried.

Aaron Walton requested action to adopt the Certificate of Approval of Subdivision for the recent action between the City of Fairfax and 333 3<sup>rd</sup> Ave SE LLC (formerly Retro Holdings LLC) to readjust the property lines. A motion was made by Schmidt and seconded by Firle to approve the Certificate of Subdivision. All voted in favor. None voted against. The motion was carried.

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

Attest:

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Mayor

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City Administrator