



LIVONIA TOWNSHIP REGULAR BOARD MEETING MINUTES
HELD VIA GOTOMEETING
IN RESPONSE TO THE COVID 19 PANDEMIC
JUNE 4, 2020

Supervisors present: Hass, Hiller, Kuker, Maloney and Pool.

Staff present: Clerk/Treasurer Hammre, Deputy Clerk/Treasurer Fiedler, Maintenance Coordinator Berghuis

Others present: Tammy Omdal - Northland Securities, Martha Ingram – Kennedy & Graven LTD, Troy Gilchrist – Township Attorney – Kennedy & Graven LTD.

1. Chairman Hass called the meeting to order at 7:02 pm.

2. Pledge of Allegiance: The assembly recited the Pledge of Allegiance.

3. Approve Meeting Agenda: Maloney/Hiller unanimous to approve the Meeting Agenda as presented.

4. Fire Hall Bonds: Hass turned the meeting over to Martha Ingram, Bond Attorney and Tammy Omdal, Northland Securities. Omdal provided information about the bond sale process. The bank proposal with the lowest true interest cost was The Bank of Elk River at 2.08%. This proposal is comparable to “A” rated bonds. The funds will be used to pay for Livonia Township’s half of the cost of the Zimmerman/Livonia Fire Hall/Event Center. Omdal then summarized the process the Township has completed up to this point including the necessary steps to gain the authority to fund the project with bonds. The bonds being issued are 2020A Bonds with a 20-year term, the bonds are secured by property taxes and abatement levy. The final maturity will be February 1, 2041. The Bonds are callable at any time. The final par amount of bond principal is \$2,900,000. This is an increase from the initial discussion on April 6, 2020 of 2,560,000. The Town Board opted for the higher authorized amount of \$2,900,000. Omdal asked for questions. Hiller asked if the 2.08% is the combined interest rate for the 2 types of bonds – CIP and Abatement. Omdal verified that 2.08% is the true interest cost for the combined bonds. Hiller asked if the other proposals were comparable. Omdal replied that Bremer Bank’s proposal, true interest cost was 2.199% and First National Bank Milaca’s proposal, true interest cost was 2.724%. Kuker asked what the City of Zimmerman bond proposals were. Omdal replied that though they could have been different, all responding banks proposed the same rates for the City of Zimmerman. There were no further questions for Omdal.

Ingram then described the Resolution and the actions that are required to approve the sale of bonds to the Bank of Elk River and the history of the process to get to this point. She also pointed out that the Resolution being presented for approval includes an approval of the Amendment to the JPA between Livonia Township and the City of Zimmerman concerning the responsibility of the cost of the project, each entity being responsible for 50% of the cost. If the Town Board does not approve the JPA, then a motion would need to be made that an amendment to the JPA would be needed before it is approved. Ingram suggested that this is the time to discuss the JPA. Ingram asked if there are any questions. Hiller stated that a point he has been troubled with is that the Township must make sure that it is locked in for the tax revenue to ensure the ability to pay the obligation. There have been some alterations in paragraph 5 of the JPA by Township Attorney Gilchrist, working with the City Council, to ensure that the township will retain revenue to pay the portion of the bond obligation from any property annexed into the City of Zimmerman for the entire period of the bond, and any tax revenue over that amount would go to the City upon annexation. The City of Zimmerman rejected that part of the agreement at their last Council Meeting. Hiller stated that there was agreement between the Township and City until shortly before this meeting when he was told the City wants the agreement in a different document. Ingram stated that she is neutral and went on to explain the options and that approving the issuance of bonds is needed at this meeting. Hiller stated that he does not want to vote to approve the issuance of the bonds unless he is assured that Livonia Township will be protected financially, and he wants it addressed tonight. Hiller stated that this has been discussed for 4 months with no action or binding assurance. Ingram discussed the process if the bonds are not accepted, including the necessity to start the bond proposal over. Kuker explained to the audience that annexation would take tax revenue from the township, which would leave the bond obligation to be paid by fewer residents, potentially increasing their tax burden significantly.



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Jay Whitting and Josh Bondhus, Zimmerman City Council members in attendance, joined the conversation. Discussion followed about the project, expectations, verbal agreements, SAC and WAC fees, and other issues involved with the property. Town Board Attorney Gilchrist answered questions about the Orderly Annexation Agreement and how long it would take to produce a new agreement to replace the current OAA which will expire the end of this year. Discussion included the impact to the bonding if the discussion and approval is postponed. Ingram said that if approval is postponed, the proposals will not longer be valid. Hass said the City of Zimmerman had approved the documents except for the paragraph protecting Livonia Township's revenue in the event of annexation.

Hiller said the township is looking out for the township residents. Maloney asked when the bond closing date is. Omdal stated that closing is June 30. Maloney asked if the town board does not approve the JPA tonight, but does approve the bond award, if the city and township cannot agree before the closing if the town board can decide not to go through with the closing of the bonds. Ingram did verify that the Livonia board could decide not to close on the bonds on June 30. The Board can adopt the Resolution but strike the JPA Amendment. Maloney stated that he thinks the town board should approve the awarding of the bond and if the township and city can not come to an agreement then the township can cancel the closing or call in the bonds. Discussion about Township Attorney working with the City Attorney to come up with language that both entities can agree on. Gilchrist will work with City Counsel and come to an agreement by Friday, June 5.

Hiller made the motion to pass the awarding of bonds at the quoted price to the Bank of Elk River and strike the resolution for the Amendment to the JPA. Kuker seconded the motion.

Roll call vote:

Todd Maloney – yes; Sheldon Pool – yes; Kevin Hiller – yes; Matt Kuker – yes; Butch Hass – yes. Motin passed unanimously by roll call vote.

6. Crack Seal: Hass/Hiller unanimous by roll call to approve crack seal on the roads identified on the supplied township map as identified by Maintenance Coordinator Berghuis.

7. Safety Glass: Virus and bullet resistant safety glass quote for town office window provided. Hiller to investigate shatter resistant plexiglass instead.

8. North Point Park Wetland Violation: Hiller to arrange a meeting with Zoning staff to meet at the park to find out what corrective action needs to be taken. Hass directed Hiller to schedule the meeting and another available Board member will also meet.

Hass also commented that there is some washing out of the shoulder corner on 241st on the inside corner in the 2020 road project area. Hass talked to engineer Nick and some corrective action will be taken by Maintenance Coordinator Berghuis.

An unidentified GoToMeeting meeting attendee commented that he wants the Lake Fremont minimum maintenance road to be open for part of the winter. It was explained that maintenance and wear on the road are factors to closing it during the winter and spring.

Hiller/Pool, unanimous to adjourn the meeting at 8:37 pm.

Approved this 22nd day of June 2020.

Chairman or Vice Chairman

Clerk/Treasurer or Deputy Clerk/Treasurer