

**MINUTES**  
**TAYLORS FALLS CITY COUNCIL MEETING**  
**City Hall, Council Chambers**  
**Monday, July 12, 2021**

The Agenda for this Meeting was posted Wednesday, July 7, 2021 at City Hall, the Post Office, and on the City's website. Copies were emailed to residents requesting such, and the Press was notified.

**CALL TO ORDER**

The Meeting was called to order at 6:30 pm by Mayor Mike Buchite.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the United States flag was recited.

**ANNOUNCEMENT**

The Mayor stated the Council would enter closed session for the purpose of an annual performance evaluation of Clerk-Treasurer Elizabeth Nealley.

Motion by Julik-Heine / Aanonsen to enter into closed session. Motion carried unanimously. The Council entered closed session at 6:33 pm.

**ROLL CALL - CLOSED PORTION OF MEETING**

Members Present: Mayor Mike Buchite, Ross Rivard, Larry Julik-Heine, Mary Murphy, Troy Aanonsen

Members Absent: None

Others Present: Clerk-Treasurer Elizabeth Nealley

**RETURN TO OPEN MEETING**

Motion by Murphy / Julik-Heine to return to open session. Motion carried unanimously. After some small talk between Mayor Buchite and Denise Martin of the Chisago County Press, the Council entered open session at 6:46 pm.

**ROLL CALL - OPEN PORTION OF MEETING**

Members Present: Mayor Mike Buchite, Ross Rivard, Larry Julik-Heine, Mary Murphy, Troy Aanonsen

Members Absent: None

Others Present: Clerk-Treasurer Elizabeth Nealley, John Tangen, Sandra Berg (Wannigan Days Committee), Lynn Longnecker (Wannigan Days Committee), Barbara Nelson, Becky Caneday, Denise Martin (Chisago County Press)

**SUMMARY OF CLOSED MEETING**

Mayor Mike Buchite explained that the City Council evaluated the job performance of Clerk-Treasurer Elizabeth Nealley during its closed meeting.

**ADOPTION OF AGENDA**

Mayor Buchite removed item # 3 from the Consent Agenda: Payment of invoice to Kelly & Lemmons, PA. This was for the amount of \$1,515.00 on statement 56107 regarding the purchase of property, and was in addition to the normal monthly fee of \$1,666.67. Mayor Buchite explained that the City Attorney had billed us in error. Motion by Julik-Heine / Rivard to approve the amended Agenda for the Monday, July 12, 2021 Taylors Falls City Council Meeting. Motion carried unanimously.

**APPROVAL OF CONSENT AGENDA**

Motion by Murphy / Julik-Heine to approve/accept the following Consent Agenda items: Minutes from previous meetings; Staff reports; Commission, Board, or Committee minutes/reports; Correspondence; as well as the following items:

**Claims & payroll**

The City Council approved by Consent Agenda payment of payroll check numbers 8004-8018 totaling \$15,509.06; as well as check numbers 31767, 31773-31805 and electronic check numbers 6302562-6302564 totaling \$118,601.26 for the previous month's expenditures.

**Request from Lions Club for gambling permit**

A gambling permit for Wannigan Days bingo on 7/16/21 at the Community Center was approved by Consent Agenda for the Lions Club.

**Additional payment on invoice to The Knox Company**

An additional payment of \$60.00 for shipping was approved by Consent Agenda for invoices INV02464640 and INV02464635 for The Knox Company. \$939.00 had been approved at the May Council Meeting. Total is \$999.00.

Motion carried unanimously.

## **PUBLIC FORUM**

Sandra Berg of the Wannigan Days Committee provided an update. She said that everything is ready. There will be two bands playing on the main downtown stage: The Rockin' Hollywoods and Miss Myra and the Moonshiners. Discussion followed.

## **NEW BUSINESS**

### **Discussion on the history of the commercial lot (downtown former MNDoT lot)**

(The Clerk is neutral and has no opinion on the following conversation except that City Staff has researched and found that the item in question did not go before the Council, and that the 2018 agendas and minutes are organized and readily available.)

Councilmember Aanonsen: At the last meeting I proposed a city-wide survey. Councilmember Murphy had some concerns and said I was not following proper procedure and that I needed to learn my history.

Councilmember Murphy: I didn't say that.

Aanonsen: Well, according to the minutes. In July of 2010 there was an agreement with MNDoT (Minnesota Department of Transportation) that the lot would be given to the City of Taylors Falls in exchange for the area in the sand/salt storage facility to be built and paid for by the City. The City then leased at no cost to the State for 10 years. In exchange, the City got ownership of the commercial lot, with the value of the property at \$150,000. In August of 2010, the commercial lot was used as collateral for a loan for \$175,000 through the Chisago County HRA. The agreement required the loan to be paid back by December of 2020. In November of 2013, the lot was used again for collateral for a loan from the Chisago County HRA for \$20,000, and this was also to be paid by December of 2020. \$195,000 in total. On December 31, 2020, the balance due was \$150,000. The estimated value of the commercial lot at that time was \$89,000. In August of 2010, the \$175,000 loan was passed by Consent Agenda September of 2010, unanimous by three Councilmembers present. In November of 2013 by Consent Agenda the \$20,000 was passed unanimously by three Councilmembers present. The mortgage amendment dated March of 2018 between the City of Taylors Falls and the Chisago County HRA combines and resets the payment due date to December of 2026, with no collateral. The City Clerk at that time didn't sign it, but it was signed by Elizabeth Nealley. I have asked for either an agenda posting, meeting minutes, repayment agreement, or recorded vote on this amended mortgage, and I have received nothing. I have some questions for Councilmember Murphy: Was this mortgage amendment authorized by the City Council?

Murphy: I would say it has to be.

Aanonsen: Then I should see some minutes for a recorded vote somewhere.

Murphy: That I don't know, I wasn't present, I was not a Councilmember.

Aanonsen: Is that something that should be authorized by the City Council?

Murphy: I have no idea.

Aanonsen: Are there other Councilmembers that feel that it should be authorized by the City Council?

Mayor Buchite: Sure

Aanonsen: ...for extending the debt by five years?

Buchite: Yep

Murphy: Oh, probably. Oh, that's the question. Somewhere.

Aanonsen: How do I get those?

Buchite: Well that would be something that you could ask Elizabeth for. I'm not sure she would be able to pull that up quickly, or would have access to it readily.

Clerk-Treasurer Nealley: Could I just make one comment? It actually was Adam who notarized it. I just signed it as City Clerk.

Aanonsen: I agree, and that is another question I have. It was dated March of 2018, why was Mary Tomnitz not the signature on that mortgage amendment?

Murphy: She had left.

Buchite: Transition period.

Aanonsen: Well, there was a four month period there. It was notarized the end of July. So the document was established in March of 2018. So we don't have minutes, we don't have a recorded vote? We're passing on the debt to the taxpayers for another 5 years and you don't have any proof that it came through the City Council at all?

Buchite: I would say that we do but we don't have it readily available. That would be something that would have to be looked into.

Aanonsen: But that's something I could get?

Buchite: Sure.

Aanonsen: This is an official request for that.

Buchite: Absolutely.

Nealley: Could I say something? I have looked and it did not go before the Council.

Buchite: Okay, interesting. Okay. She's not aware of it going before the City Council.

Nealley: I had just started.

Aanonsen: So there is no proof that the Council actually agreed upon this amendment?

Buchite: I wouldn't remember back to 2018 or 2017. I just don't remember.

Aanonsen: Do we think that we should?

Murphy: What are you leading to?

Aanonsen: I'm leading to I think we should be transparent and the people should have a recorded vote when their debt is extended five years for \$150,000.

Buchite: Yeah and I think that we should look into that to find out that information for you.

Murphy: I'm not so sure that that's not on any tax roll?

Buchite: It's not on our tax roll portion.

Former Councilmember Tangen: Is it a no-interest loan?

Buchite: It does have a balloon payment in 2026 which is what Troy is saying.

Tangen: There's no accrued interest.

Aanonsen: You didn't charge the State any interest either. So we paid \$175,000 to build the building, and we didn't charge them anything for it. We used that land as collateral, the commercial property as collateral for \$195,000 but right now it's worth \$89,000.

Buchite: Well we don't know that it's worth 89,000. It's whatever that person is willing to pay for it.

Aanonsen: Well, the estimated value of it.

Councilmember Julik-Heine: We don't do things underhanded.

Aanonsen: So there should be a recorded vote.

Murphy: There should be something. But we are two people away from the minutes that was taken on that time. I mean we had Jo, then we had Elizabeth moved in, then we had Adam and we had Steve, so I don't know how well the minutes are maintained. You can look out on the website and see if you can find any minutes.

Buchite: The website is down and under construction.

Murphy: That's right, okay, but you definitely, there's a record of it definitely.

Aanonsen: There's definitely a record of it?

Murphy: Oh yes. There's records of all of the minutes available.

Aanonsen: For this mortgage amendment?

Murphy: For everything that we talk about here.

Aanonsen: So if I request them again for the 3rd time from city Staff, then they'll just show up?

Murphy: Well, it depends on time.

Aanonsen: So first it depended on staff and now it depends on time?

Murphy: That the staff don't have, to look it up for you. They just don't just take an undertaking at your whim. They do it based upon the opportunities that are presented to them.

Aanonsen: It was not a whim.

Murphy: She doesn't do a whim for me. It's as time permits. Now, I can let her talk to you about that and it sounds like she's done some digging for you. But again, water bills come first, you know, statements come second, you know there's whatever. Invoices come third. Banyon comes fourth.

Aanonsen: Is transparency in there anywhere?

Murphy: It would be if she could find the minutes for you then she would be fulfilling your request.

Aanonsen: So it will be transparent after she finds the minutes.

Murphy: It's when she can find them.

Aanonsen: So if she doesn't find them and has a comment saying that...

Murphy: No, it doesn't stop, they continue looking, because we've now changed the difference between how they're stored and how they're maintained on the website. The website is down, so we can't even look there. So if you can find them, a miracle would happen. If not, then we would just keep digging until we can find what you need. Give us time. It's not an issue of whether they're there or they're not, Troy. It's the fact that it's time consuming finding them.

Aanonsen: So, it's possible that they're not there?

Murphy: No, it's not possible.

Aanonsen: So they are there.

Murphy: They're there. It's just finding them. It's like a needle in a haystack.

Aanonsen: Well, it shouldn't be.

Murphy: Well typically it shouldn't be.

Aanonsen: It shouldn't be especially on an amended mortgage - it should be available.

Murphy: It should be, it should be but again I've said we've had four people turn over. I've not been part of personnel but I do know when I've asked for something, it doesn't get done immediately because they have to look for it.

Aanonsen: Well I did ask and it was looked through in detail and nothing came up, there was nothing.

Murphy: Sure. Sure. But when did you ask?

Aanonsen: I asked twice in probably the past two weeks.

Murphy: Yeah, I would allow a month minimum.

Aanonsen: Because City Staff hasn't had the time? Can't dig deep enough?

Murphy: That's exactly right.

Aanonsen: That's the reason you're using?

Murphy: That's exactly right. We're going through this issue with not enough. 40 hours, it's not enough for her, 24 is not enough for... You heard that from her, is that we are having issues with time.

Aanonsen: She's gotten back to me twice, found nothing.

Murphy: Well, just keep going.

Aanonsen: You want me to keep asking?

Murphy: No you don't need to ask, you only need to ask once because she knows what she's looking for.

Aanonsen: How about the audits from 2010 to 2013, how about those?

Murphy: You could ask, I don't know how you get the audits.

Aanonsen: Well they should be here at the City.

Murphy: Right. The Mayor would know that. I don't know that.

Aanonsen: Oh okay, so that's another thing.

Murphy: But I know about time, and that time is that she's not available a lot of the times.

Aanonsen: Well time is relative, actually. They're either there or they're not.

Murphy: We don't know without looking and I'm not willing to look. I don't get paid to do that.

Aanonsen: Oh, wouldn't you be concerned about it? I worked on this for a month.

Murphy: Yeah, nope, not until you brought it up.

Aanonsen: And I didn't get paid for it either.

Murphy: No money has transpired. I wasn't part of the negotiation, nor part of the mortgage pieces of that. You'd have to go find probably Mary Tomnitz and Jo Everson to find out how that was managed. Right now, I can't give you an answer because I wasn't part of that. Number two is that I'm asking you to be courageous enough to say we have to wait until we can find them.

Aanonsen: I think I need to be courageous enough to say: Where are the minutes? Where is the recorded vote? That's what I need to be courageous enough to say.

Murphy: It's never been an issue.

Aanonsen: Well, it is now.

Murphy: It is for you, yeah.

Aanonsen: I think it should be for all of us.

Murphy: You can't speak for me, Troy.

Aanonsen: Random mortgage and stick the taxpayers with \$150,000.

Buchite: They're not stuck with it, no money's transferred for another five years.

Aanonsen: Well there was a balloon payment last month wasn't there, now that's just gone?

Buchite: There's no balloon payment...

Aanonsen: There is no balloon payment exactly...

Buchite: ...not until 2026.

Aanonsen: Right.

Murphy: And I'm going to defer the rest of this, Troy, to the Mayor because you're not being spontaneous enough to know that we are working as best as we can and we are diligent on what we do. I am not going to let our people drop everything they do because you have one question. I am deferring to the Mayor.

Aanonsen: Are you saying it's not an important question?

Murphy: No I did not say that. I said please have courageousness to know that we are on the edge of not being able to get our own work done. Let alone something that you are requesting.

Mayor Buchite took a few minutes to explain the history of the deal with the HRA EDA. Then he said: Should it be in the minutes? Absolutely. Should the Council be voting on this stuff? Absolutely. Do I know it's in the minutes? If I see it in front of me, yes, but I would assume it's in the minutes because all the minutes have been taken care of, I hope that, but I didn't record the minutes myself. I looked at them but that's three years ago. I don't remember back three years ago. Yes, they all should be recorded and supposed to be there. Because this council is not supposed to be taking any action with out voting on it.

Aanonsen: Okay so my question stands and I would make another request that...

Buchite: ...for copies?

Nealley: Excuse me...

Murphy: I'm the staff liaison.

Aanonsen: So yes, right, that's right and that's why I'm discussing it with you.

Murphy: I can help find these for you but I can't come in to work and look for them, okay? You don't need to make another request, it's duly noted.

Aanonsen: Okay, good.

Buchite: Anything else?

Aanonsen: The only thing would be the invoice from the attorney is at \$1,515.00. So that was a mistake that the attorney corrected, telling us he didn't do anything. So how did that happen?

Mayor Buchite then spoke about the City having a potentially interested buyer, information about the soils and zoning of the property, if there was Council authorization for the attorney's work on the purchase agreement, and if they would hold a closed meeting to discuss it.

Buchite: Is the timing a little bit squirrely, yes it is. It looks weird. It looks bad. But it really is a matter of you are going to believe what I say or you're not. I'm not going to try to change your mind... Sandra, you wanted to say something?

Resident Sandra Berg: Well, yeah. I would just hope that that person wouldn't be part of the Economic Development Commission. And Elizabeth had something to say, she was raising her hand.

Nealley: Just, I wanted to let you guys know what I found in my research - what Troy was asking for. Because we do have the 2018 minutes organized in a book, with all the agendas, and yeah, I've been through them.

Buchite: Just a matter of finding the information?

Nealley: No. It didn't go before Council.

Buchite: It's not there?

Nealley: There is an email in which you request to put it on the agenda, and it just didn't happen. I just want to let you guys know the truth.

Murphy: Not looking anymore.

Buchite: It's okay, mistakes get made.

Mayor Buchite then discussed the offer.

Buchite: Zoning ...supposed to preserve the downtown district, okay, but what does that mean because how many buildings downtown really match each other? Not a lot. It's going to be hard for me to argue that that doesn't look appropriate for us.

Berg: I really do care about not bringing that before the City Council.

Buchite: Bringing what before the Council?

Berg: The refinance. That's a big deal. Our money that you were refinancing without anybody knowing about it, officially.

Mayor Buchite then spoke some more about building the building with the HRA EDA, and what was used as collateral.

Buchite: I'm not trying to deceive anybody, not trying to intentionally do anything wrong.

Murphy: There has never been an opportunity ever, to deceive the City, the residents.

### **Request from Public Works for pumps for lift station #1**

Vice-Mayor Rivard described the problem with the pumps at the lift station. They were last replaced 7 years ago. Next year the other side can be replaced. Councilmember Julik-Heine said that it benefits the City to have an efficient sewer system. Discussion followed.

Motion by Murphy / Julik-Heine to approve the request from Public Works to have the pumps at lift station #1 replaced at a cost not to exceed \$54,510.70 from the sewer fund and completed by Tri-State Pump & Control. Motion carried unanimously.

### **Authorize purchase and installation of vault latrine at Heritage Park**

Mayor Buchite said that the Heritage Park fund had \$40,000. He explained that the TAP Grant that previous Zoning Administrator Berklund had acquired for the City had previously been planned to be partially used for this, but that current Zoning Administrator Heth had said that the cost of administering the grant was not worth it. He said they could pull money from the General Fund. Councilmember Julik-Heine mentioned that Heritage Park was increasingly popular and a great asset to the City. The Parks & Rec Commission had recommended one with 2 toilets. Councilmember Rivard mentioned a wedding that had taken place at the park and that it was a great improvement to the City. Councilmember Aanonsen said it looks nice, but pointed out that the texture costs \$5,000.

Motion by Murphy / Julik-Heine to authorize Zoning Administrator Heth to solicit quotes and potentially purchase the vault latrine through the public agency purchasing cooperative Sourcewell, to be paid from the Heritage Park fund. Motion carried unanimously.

### **Schedule for Budget Workshop Meetings**

The Council agreed that Wednesday mornings still worked and to meet at 7:30 at the Mayor's Office in City Hall weekly from August 4 through September 8.

Motion by Murphy / Aanonsen to approve meeting weekly at 7:30 am on Wednesdays from August 4 through September 8 in the Mayor's Office in City Hall for the annual open Budget Workshop City Council meetings. Motion carried unanimously.

### **Resolution 21-07-01 accepting donations to Wannigan Days Fund**

Mayor Buchite spoke about the Resolution.

Motion by Murphy / Aanonsen to adopt Resolution 21-07-01 accepting the donation from Schoony's Malt Shop for \$75.00 to the Wannigan Days fund. Motion carried unanimously.

### **Resolution 21-07-02 accepting DNR Conservation Partners Legacy Grant for Heritage Park**

Larry Julik-Heine explained that this Heritage Park project was brought to the City by resident Nick Arens, who suggested restoring prairie grass in the park. He suggested that grant money was available from the Conservation Partners Legacy Grant who agreed to fund the cost of the seed and seeding. There was a time crunch, so it was a field decision to accept the grant money.

Motion by Julik-Heine / Murphy to adopt Resolution 21-07-02 accepting the DNR Conservation Partners Legacy Grant from Chisago County Soil and Water to the City of Taylors Falls in the amount of \$4,385.00 to be used for the prairie restoration project at Heritage Park. Motion carried unanimously.

### **LIAISON OR COUNCIL MEMBER REPORTS**

#### **Council Member Mary Murphy (Heritage Preservation Commission liaison)**

- said: I'm working on some of the projects and trying to figure out a negotiation with the police department but a little birdie told me, so I want to let Sandy know, and Troy because he is so new here. You weren't here, weren't interested in our City Council... when Adam was here. So I have to let you know and let Troy know because he was just here recently - the minutes were done by Adam, who is no longer here. So why they weren't done, who made them not be done, I can only say that it just didn't get done and the source is that Adam did it.
- the conversation continued... Aanonsen: The Mayor has already said that mistakes were made... Just last month you questioned my procedures. I am questioning whether that was proper procedure. Murphy: That I wouldn't know because it was Adam's but what I was saying I never questioned your procedure but what was told that it has to come up through the department reps. I never questioned you. Buchite: Okay, okay guys. Murphy: But I wanted to say that's why... Buchite: Wait wait wait. I don't want to go down this road anymore. Murphy: I know. I know, know that it was a... Buchite: Stop. Murphy: I may have not... Buchite: Stop, stop. Murphy: I know, I know, and the other thing I need to say is... Buchite: The round table, here...
- finished by saying: This is my last meeting here because my grandchildren are so important to me than taking on the responsibilities of babysitting other Councilmembers. Thank you.
- got up and began a discussion with resident Sandra Berg in the audience while Councilmember Julik-Heine gave his report. She left the room, and Denise Martin from the Chisago County Press followed her out of the meeting. Later, as the meeting continued, Councilmember Murphy returned to the Council Chambers with her City-issued laptop, bag, and accessories and left them with Clerk-Treasurer Nealley. She then left City Hall as the meeting continued.

#### **Council Member Larry Julik-Heine (Parks & Recreation Commission liaison)**

- said the maintenance guys are doing a terrific job around town.
- said the PRC will be doing its cash bingo for Wannigan Days.
- explained that drought was a problem for the prairie restoration project. They would be reseeding in the fall, and it was the opportunity for a community event, perhaps even bringing in local school kids.

#### **Council Member Ross Rivard (Planning Commission liaison)**

- said the PC hadn't met in a while.
- mentioned that during Wannigan Days, Public Works would be putting in a lot of hours. Discussion followed with Wannigan Days Committee heads Lynn Longnecker and Sandra Berg who mentioned blocking streets for the parade, the possibility of putting out flags for the parade, fireworks on Saturday, and Sheriff Thyen and Senator Koran in the dunk tank. Barbara Nelson of the CERT said they would be meeting in regards to Wannigan Days. Councilmember Julik-Heine mentioned the Sunday morning croquet tournament.

#### **Council Member Troy Aanonsen (Economic Development Commission liaison)**

- said he met with Fire Chief Vodenka-Reed. They are waiting to hear back on a FEMA grant.
- said that the EDC had a lot of recommendations that they would bring up at a future meeting.

#### **Mayor Mike Buchite**

- said that National Night Out was scheduled for August 17 in Taylors Falls.
- said he would attend the HRA EDC Summit.
- said he would check with our auditors at AEM about where the mortgage refinance went wrong, if it went wrong.

### **ADJOURNMENT**

Motion by Julik-Heine / Aanonsen to adjourn the meeting of the Taylors Falls City Council held this Monday, July 12, 2021. Motion carried unanimously.

Being no further business to come before the Council, the meeting adjourned at 7:48 pm.

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Ross Rivard, Vice Mayor

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Elizabeth Nealley, Clerk-Treasurer

### **APPROVED**

Monday, November 8, 2021