

**Regular Meeting Sunrise Township
Thursday, May 18, 2017
Royal Wilcox Community Center**

Chair Carl Peter “Pete” Johnson called the Regular Sunrise Township Board Meeting to order at 7:00 p.m. Pledge of Allegiance was recited.

Board Members Present:

Carl Peter “Pete” Johnson, Chair
Jeske Noordergraaf, Vice Chair
Gerald Bjork
Eric Leivian
Deborah Graleske-Kelleher

Treasurer: Karen Anderson
Clerk: Wendy S. Kowalke

Others Present:

Lynn Wolleat, Maintenance
Todd Hagen, Ehlers
Chritina M. Mlejnek, PE Bolton & Menk, Inc.

Omar Khalafallah
Cal Anderson

Tom Freeberg
Manley Olson

Approve Agenda: Motion by Jeske Noordergraaf, second by Eric Leivian, to accept the May 2017 agenda with addition of road tour under new agenda. Motion carried.

Meeting Minutes: Motion by Jeske Noordergraaf, second by Gerald Bjork to approve the April 2017 minutes. Motion Carried.

Clerk Update: NONE.

Treasurer Report: Motion by Erick Leivian, second by Jeske Noordergraaf to accept the treasurer’s report as presented with claims list 5099 through 5125 and additional claims as follows:

Amador Township (1 st half fire billing)	\$19,938.77
ECM Publisher (Ordinance 2017/04-02-5)	\$129.20
ECM Publisher (Ordinance 2017/04-02-6)	\$129.20
ECM Publisher (Ordinance 2017/04-02-7)	\$76.00
Xcel Energy (security)	\$18.85
CenturyLink	\$144.25
Cal Anderson (32 gopher feet)	\$64.00
Todd Clobes (reimbursement for CenturyLink High Speed Internet)	\$8.73

Motion carried.

Motion by Jeske Noordergraaf, second by Eric Leivian to deposit the internet checks into a separate savings account. Motion carried.

Commissioner Update: Commissioner Rick Greene not present

Diane Helmin – Additional Driveway Request (Olson Road / Lowden Avenue): Diane Helmin is pursuing a piece of property on the corner of Lowden and Olson Road. Diane is inquiring if there would be a problem if she moves the current farm-road / driveway just south of its current location.

Easement Issue – Laurie Larson: People are driving on Ms. Larson’s property which is on private property. Because this is private property, Sunrise Township has no authority in this matter. The north side is open field and south side is woods. Even if there is an easement set up it still would be a private matter. Add to June agenda.

Wilcox Culvert (Old Koskala Farm): Chisago County Highway is going to replace the culvert.

Employee Review: Motion Carl Peter “Pete” Johnson, second by Eric Leivian to approve Stephen Forner for a 3% increase retroactive to the first of May, 3% increase to include per diem for regular town board monthly meeting retroactive to February 1 for the treasurer and clerk. Motion carried.

Citizens Forum: None.

Road Tour Date: June 7, 2017 at 6 p.m.

625,000 CenturyLink Bond / High Speed Internet: The State wants a Status Report turned in July and January by CenturyLink and then a request for reimbursement and the state will recover approximately about ½ of that. Tom Freeberg said that the completion date for the Sunrise Project should be around December 1, 2017. There are conflicts of who is in frontier and CenturyLink district. Tom Freeberg said the number of homes that fiber is going to be run to is 596 with the contract with the state. Todd Hagen said the closing is June 15, 2017 on bond by a local bank. Fiber will be run at no charge for properties with less than 700 feet. It is still the understanding that current CenturyLink customers will not be charged for fiber to the home if they are more than 700 feet according to Omar Khalafallah. A promotional letter will be sent out when project is complete. Nancy Hoffman will help with the business subsidy. Todd Ehlers is working on the business subsidy part.

Carl Peter “Pete” Johnson to work with Tom Freeberg on right of way issues.

Attorney Robert Ruppe went over the resolution to accept the proposal for the bank and is okay with the proposal.

Todd Hagen of Ehler received 3 bids for the bond.
Lake Area Bank was awarded the bond at 4.5% interest
Midwest One Bank came in at 4.75%
KS State Bank came in at 4.97%

Difference between low and high bid is approximately \$19,000 between winner and other banks. There was approximately \$65,000 reduction of the bond because of the citizens that pre-paid. This is a taxable bond. Non-rated bond with maximum flexibility. No penalty and prepay at anytime

Motion by Jeske Noordergraaf, second by Deborah Graleske-Kelleher for Resolution number 2017/05-18-08. Motion carried.

Pursuant to due call and notice thereof, a regular meeting of the Town Board of Sunrise Township, Chisago County, Minnesota, was duly called and held at the Township Hall on May 18, 2017, at 7:00 P.M., for the purpose, in part, of authorizing the issuance and awarding the sale of \$560,000 Taxable General Obligation Subordinate Service District Bonds, Series 2017A.

The following members were present: Carl Peter Johnson, Jeske Noordergraaf, Gerlald Bjork, Eric Leivian, Deborah Galeske- Kelleher and the following were absent: none Member Noordergraaf introduced the following resolution and moved its adoption:

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$560,000 TAXABLE GENERAL OBLIGATION SUBORDINATE SERVICE DISTRICT BONDS, SERIES 2017A AND PLEDGING SUBORDINATE SERVICE DISTRICT CHARGES FOR THE SECURITY AND THE PAYMENT THEREOF

A. WHEREAS, Sunrise Township (the "Township") is authorized by Minnesota Statutes, Chapters 365A and 475 , as amended (collectively, the "Act"), to finance all or a portion of special serviced provided in a duly established subordinate service district by the issuance of general obligation bonds of the Township payable primarily from subordinate service district charges levied again properties within the subordinate service district and

B. WHEREAS, in accordance with the Act, the Township held a public hearing regarding the establishment of the Subordinate Service District (the "District") on February 23, 2017, and adopted a resolution (the "Resolution") on February 23, 2017 approving the establishment of the District and specifying the special services to be provided and allocation of the subordinate service district charges to be levied, all pursuant to the Act; and

C. WHEREAS, the Town Board has determined that, within sixty (60) days after publication of the Resolution, no petition for a referendum on establishment of the District or the special services to be provided was received by the Township in accordance with the Act; and

D. WHEREAS, the Township has heretofore determined and declared that it is necessary and expedient to issue \$560,000 aggregate principal amount Taxable General Obligation Subordinate Service District Bonds, Series 2017A (the "Bonds" or individually, a "Bond"), pursuant to Minnesota Statutes, Chapters 365A and 475, to undertake the special services described in the Resolution in order to finance the acquisition, construction and installation of a "fiber-to-the user" broadband communications network and related facilities within the District (the "Project"); and 2

E. WHEREAS, the Township proposes to enter into a Business Subsidy Agreement, dated May 18, 2017 (the "Business Subsidy Agreement") with Qwest Corporation, a Colorado corporation, d/b/a Century Link QC (the "Company") which will provide terms to facilitate the Project and to also provide a business subsidy to the Company; and

F. WHEREAS, no other obligations have been sold pursuant to a private sale within the last twelve calendar months of the date hereof which when combined with this issue would exceed the \$1,200,000 limitation on negotiated sales as required by Minnesota Statutes, Section 475.60, Subdivision 2(2);

NOW, THEREFORE, BE IT RESOLVED by the Town Board of Sunrise Township, Minnesota, as follows:

1. Acceptance of Offer. The offer of Lake Area Bank, in Forest Lake, Minnesota, to purchase the \$560,000 aggregate principal amount of the Bonds and to pay therefor the sum of \$560,000, all in accordance with the terms and at the rates of interest hereinafter set forth, are hereby accepted.

2. Bond Terms; Original Issue Date; Denominations; Maturities; Interest and Redemption. The Township shall forthwith issue the Bonds, which shall be in fully registered form without interest coupons, shall be dated, mature, bear interest, be subject to redemption and be payable as provided in the form of the Bond.

3. Purpose; Findings. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Project shall proceed with due diligence to completion. The Town covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

4. Bond Registrar. The Town Clerk, Sunrise Township, Minnesota, is appointed to act as bond registrar and transfer agent with respect to the Bonds (the "Bond Registrar"), and shall do so unless and until a successor Bond Registrar is duly appointed, Any successor Bond Registrar shall act as Bond Registrar and transfer agent pursuant to any contract the Town and successor Bond Registrar shall execute which is consistent herewith. The Bond Registrar shall also serve as paying agent unless and until a successor paying agent is duly appointed. Principal and interest on the Bonds shall be paid to the registered holders (or record holders) of the Bonds in the manner set forth in the form of Bond.

5. Form of Bond. The Bonds, together with the Certificate of Registration, shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CHISAGO COUNTY
SUNRISE TOWNSHIP
R-1 \$560,000

TAXABLE GENERAL OBLIGATION SUBORDINATE SERVICE DISTRICT BOND,
SERIES 2017A

Interest Rate	Maturity Date	Date of Original Issue
4.50%	February 1, 2028	June 15, 2017

REGISTERED OWNER: LAKE AREA BANK
PRINCIPAL AMOUNT: FIVE HUNDRED SIXTY THOUSAND DOLLARS Sunrise Township, Chisago County, Minnesota (the "Issuer"), certifies that it is indebted and for value received promises to pay to the registered owner specified above, or assigns duly certified on the

Certificate of Registration attached to and made a part of this Bond (the "Owner"), in the manner hereinafter set forth, the \$560,000 principal amount of this Bond in the principal installments due on the dates and in the amounts, respectively, as follows, with each such principal installment bearing interest until paid at the interest rate of 4.50% per annum:

Principal Installments Due February 1		Principal Installments Due February 1	
	Amount		Amount
02/01/2019	\$45,000	02/01/2024	\$55,000
02/01/2020	50,000	02/01/2025	60,000
02/01/2021	50,000	02/01/2026	60,000
02/01/2022	50,000	02/01/2027	65,000
02/01/2023	55,000	02/01/2028	70,000

Interest. Interest shall be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018, and shall be calculated on the basis of a 360 day year consisting of twelve 30 day months. At the time of final payment of all principal of and interest on this Bond, the Registered Owner shall surrender this Bond to the Town Clerk at the Town Hall, Sunrise Township, Minnesota.

THE ISSUER HAS ELECTED TO ISSUE THIS BOND AS A TAXABLE BOND, AND THE INTEREST IS INTENDED TO BE INCLUDED IN GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES AND, TO THE SAME EXTENT, INCLUDED IN BOTH GROSS INCOME AND TAXABLE NET INCOME FOR STATE INCOME TAXATION PURPOSES.

Redemption. This Bond is subject to redemption and prepayment at the option of the Issuer on any date without penalty, in whole or in multiples of \$1,000, upon written notice to the Owner, at a redemption price of par plus accrued interest to day of prepayment. If redemption is in part, the Issuer may select the specific principal installments hereof, or applicable portions thereof, to be prepaid.

Issuance; Purpose; General Obligation. This Bond is one of an issue in the total principal amount of \$560,000, all of like date of original issue and tenor, except as to number, maturity, interest rate and denomination, issued pursuant to and in full conformity with the Constitution and laws of the State of Minnesota and pursuant to a resolution adopted by the Town Board on May 18, 2017 (the "Resolution"), for the purpose of providing money to finance the acquisition, construction and installation of a "fiber-to-the user" broadband communications network and related facilities. This Bond is payable out of the Taxable General Obligation Subordinate Service District Bond, Series 2017A Fund, constitutes a general obligation of the Issuer and to provide moneys for the prompt and full payment of its principal, premium, if any, and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are hereby irrevocably pledged.

Date of Payment Not a Business Day. If the nominal date for payment of any principal of or interest on this Bond shall not be a business day of the Issuer or of the Holder, then the date for such payment shall be the next such business day and payment on such business day shall have the same force and effect as if made on the nominal date of payment.

Fees upon Loss. The Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with any legal or unusual costs regarding a lost Bond.

Treatment of Registered Holder. The Issuer and Registrar may treat the person in whose name this Bond is registered as the holder hereof for the purpose of receiving payment as herein provided (except as otherwise provided herein with respect to the Record Date) and for all other purposes, whether or not this Bond shall be overdue, and neither the Issuer nor the Registrar shall be affected by notice to the contrary.

Transfer. This Bond is transferable by the Owner in person or the Owner's attorney duly authorized in writing at the principal office of the Bond Registrar upon presentation and surrender hereof to the Registrar, all subject to the terms and conditions provided in the Resolution and to reasonable regulations of the Issuer contained in any agreement with the Registrar. Thereupon the Issuer shall execute and the Registrar shall authenticate and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee (but not registered in blank or to "bearer" or similar designation), of an authorized denomination or denominations, in aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security unless the Certificate of Authentication hereon shall have been executed by the Bond Registrar.

Taxable Interest. The interest on this Bond is included in the gross income of the owner hereof for purposes of United States income tax and to the same extent in both gross income and taxable net income for purposes of State of Minnesota income tax.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed, precedent to and in the issuance of this Bond, have been done, have happened and have been performed, in regular and due form, time and manner as required by law, and that this Bond, together with all other debts of the Issuer outstanding on the date of original issue hereof and the date of its issuance and delivery to the original purchaser, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, Sunrise Township, Chisago County, Minnesota, by its Town Board has caused this Bond to be executed on its behalf by the facsimile or manual signatures of its Chairman and its Town Clerk, the corporate seal of the Issuer having been intentionally omitted as permitted by law.

Date of Registration:

June 15, 2017

REGISTRABLE BY AND PAYABLE

AT:

Town Clerk

Sunrise Township, Minnesota

SUNRISE TOWNSHIP,

CHISAGO COUNTY, MINNESOTA

/s/ Facsimile

Chairman

/s/ Facsimile

Town Clerk

CERTIFICATE OF REGISTRATION

The transfer of ownership of the principal amount of the attached Bond may be made only by the registered owner or the registered owner's legal representative last noted below:

DATE OF REGISTRATION, REGISTERED OWNER, SIGNATURE OF BOND REGISTRAR

June 15, 2017

REGISTER OF PARTIAL PAYMENTS

The installment of principal amount of the attached Bond has been prepaid on the dates and in the amounts noted below:

DATE AMOUNT, SIGNATURE OF OWNER, SIGNATURE OF BOND REGISTRAR

If a notation is made on this register, such notation has the effect stated in the attached Bond. Partial payments do not require the presentation of the attached Bond to the Bond Registrar, and an Owner could fail to note the partial payment here.

6. Execution. The shall be in typewritten form, shall be executed on behalf of the Township by the signatures of its Chairman and Town Clerk and be sealed with the seal of the Township; provided, as permitted by law, both signatures may be manual or photocopied facsimiles and the corporate seal has been omitted. In the event of disability or resignation or other absence of either officer, the Bonds may be signed by the manual or facsimile signature of the officer who may act on behalf of the absent or disabled officer. In case either officer whose signature or facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, the signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

7. Delivery; Application of Proceeds. The Bonds when so prepared and executed shall be delivered by the Town Clerk to the Purchaser upon receipt of the purchase price, and the Purchaser shall not be obliged to see to the proper application thereof.

8. Fund and Accounts. There is hereby created a special fund to be designated the "Taxable General Obligation Subordinate Service District Bonds, Series 2017A Fund" (the "Fund") to be administered and maintained by the Town Clerk as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Township. The Fund shall be maintained in the manner herein specified until the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund the following separate funds:

(a) Project Fund. To the Project Fund there shall be credited the proceeds of the sale of the Bonds, less capitalized interest . From the Project Fund there shall be paid the Issuance Expenses, as defined in the Agreement, and there shall be advanced to the Company bond proceeds for the payment of the costs and expenses of constructing the Project subject to satisfaction of the conditions of Section 3.03 of the Agreement.

(b) Bond Fund. To the Bond Fund there is hereby pledged and irrevocably appropriated and there shall be credited: (i) capitalized interest in the amount of \$0 to provide sufficient funds to pay interest due on the Bonds on or before February 1, 2018 (ii) all proceeds from the subordinate service district charges (the "Service Charges") in an amount sufficient to pay the annual principal payments on the Bonds; (iii) any collections of all taxes hereafter levied for the payment of the Bonds and interest thereon in the event the Service Charges are insufficient therefor; (iv) all funds remaining in the Project Fund after completion of the Project and payment of the costs thereof; (v) all investment earnings on funds held in the Bond Fund; and (vi) any and all other moneys which are properly available and are appropriated by the governing body of the Township to the Bond Fund. The Bond Fund shall be used solely to pay the principal and interest and any premiums for redemption of the Bonds and any other general obligation bonds of the Township hereafter issued by the Township and made payable from said account as provided by law.

9. General Obligation Pledge. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing powers of the Township shall be and are hereby irrevocably pledged. If the balance in the Bond Fund is ever insufficient to pay all principal and interest then due on the Bonds payable therefrom, the deficiency shall be promptly paid out of any other accounts of the Township which are available for such purpose, and such other funds may be reimbursed without interest from the Bond Fund when a sufficient balance is available therein.

10. Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Township may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Township may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Township may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

11. Taxable Status of the Bonds. The Township does not qualify the Bonds as tax exempt under the Internal Revenue Code of 1986, as amended. It is hereby determined that the Bonds are to be issued as fully taxable obligations, and all interest received on the Bonds is to be included in the gross income of the Holder of any Bond for federal income taxation

purposes and, to the same extent, in both gross income and taxable net income for state income taxation purposes.

12. Approval of Business Subsidy Agreement. The Town Board hereby approves the Business Subsidy Agreement in substantially the form submitted, and the Chairman and Town Clerk of the Township are hereby authorized and directed to execute the Business Subsidy Agreement on behalf of the Township. The approval hereby given to the Business Subsidy Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Township officials authorized by this resolution to execute the Business Subsidy Agreement. The execution of the Business Subsidy Agreement by the appropriate officer or officers of the Township shall be conclusive evidence of the approval of the Business Subsidy Agreement in accordance with the terms hereof.

13. Certificate of Registration. The Town Clerk is hereby directed to file a certified copy of this resolution with the County Auditor of Chisago County, Minnesota, together with such other information as the County Auditor shall require, and to obtain the County Auditor's certificate that the Bonds have been entered in the County Auditor's Bond Register and that the tax levy required by law has been made.

14. Records and Certificates. The officers of the Township are hereby authorized and directed to prepare and furnish to the Purchaser, and to the attorneys approving the legality of the issuance of the Bonds, certified copies of all proceedings and records of the Township relating to the Bonds and to the financial condition and affairs of the Township, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Bonds as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the Township as to the facts recited therein.

15. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

16. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof. The motion for the adoption of the foregoing resolution was duly seconded by member Galeske-Kelleher and, after a full discussion thereof and upon a vote being taken thereon, the following voted in favor thereof: Carl Peter Johnson, Jeske Noordergraaf, Gerlald Bjork, Eric Leivian, Deborah Galeske- Kelleher.
and the following voted against the same: None
Whereupon the resolution was declared duly passed and adopted.

Sunrise Township / Palmer Land Purchase: Contour line has not been cleared up. Charlotte Wilcox and Carl Peter "Pete" Johnson will be going to property owners to clear boundary property lines. Property owners need to agree on property lines.

River Road / Mill Street (Mill Street Location / Soil Borings): One property corner was off by .8 of a foot. There have not been any borings completed. If soil borings are taken it would cost approximately \$2,500 to \$3,000. Property assessments were discussed. Motion by Gerald Bjork, second by Jeske Noordergraaf to take soil borings. Deborah Galeske-Kelleher against. Motion carried.

Royal Wilcox Community Center: No action taken.

Johnson Gravel Pit Update Attorney Addendum: Place on June agenda. Send a reminder to Attorney Robert Ruppe

Sign Program Update: Brent Roshell, PE said 5 signs were added and 64 signs need to be removed. Brent will take this information to the Chisago County.

County Road 70 / Chisago County Road Contract: Motion by Gerald Bjork, second by Eric Leivian to sign the road contract between Chisago County and Sunrise Township. Motion carried.

Ballfield Sign: Armstrong is getting back to Gerald Bjork for sign. More quotes will be obtained.

Facebook Page Update: The account has been set up and Sunrise Township has a facebook page Sunrisetownshipmn facebook.

Motor Grader Update: closed.

Sweeper Quote: Ordered a sweeper and waiting for wiring harness. Sweeper is approximately \$20,000.

Maintenance Update: Need an outhouse at the park. Carl Peter "Pete" Johnson will contact Jimmy's Johnnys. Start graveling next week. Chloride will start on June 6th. Sunrise Township will be loading gravel. Would like to get a metal detector to find culverts. Ordering culverts.

Board Comments: Gerald Bjork is wondering if the Board is looking at blacktopping any roads. A new culvert went in on 475th street. Clerk Kowalke to send letter to North Star Solar to request gravel and chloride be placed on Keystone Avenue (approximately 1 mile) due to the deterioration of the road due to the heavy traffic and large equipment traffic from North Star Solar. Sunrise Township will not accept verbal permits as we now have a right-of-way ordinance and application. Christina M. Mlejnek will get back to us on ordinance fees.

Motion by Eric Leivian, second by Gerald Bjork, to adjourn at 9:23 p.m. Motion carried.

Clerk Wendy Kowalke

Carl Peter "Pete" Johnson, Chair