

**Regular Meeting Sunrise Township
Thursday, November 16, 2017
Royal Wilcox Community Center**

Chair Carl Peter “Pete” Johnson called the Regular Sunrise Township Board Meeting to order at 7:03 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
Elizabeth Bellaver
Jason Klar
Peggy Pearson

Guy Bellaver
Reed Miner
Jhenny Rancone

Approve Agenda: Motion by Jeske Noordergraaf, second by Gerald Bjork, to accept the November 2017 agenda. Motion carried.

Meeting Minutes: Motion by Jeske Noordergraaf, second by Eric Leivian to approve the October 2017 minutes. Motion Carried.

Clerk Update Informed the Board of the Annual Road Status Mapping update due to Chisago County Public Works.

Treasurer Report: Treasurer Karen Anderson went over treasurer’s report. Motion by Eric Leivian, second by Gerald Bjork to accept the treasurer’s report as presented with claims list 5262 through 5267 and claims 5267 through 5285. Motion carried.

Commissioner Rick Greene Update: Not Present

Guy Bellaver / Elizabeth, Jhenny Rancone – Land Split / Sale: Permission was given to have driveway intersect Maple St. is approved by Sunrise Township Board for the driveway access location

CenturyLink Items

Interest rate will be 6.25% instead of 4.5%. The State of MN requires a buffer for people who do not pay their taxes which supersedes the contract to put it at 6.25%.

Reaffirm Adoption of Resolution 2017-1 (Resolution Adopting a Criteria for the Granting of Business Subsidies): Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Resolution Adopting a Criteria for the Granting of Business Subsidies: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Adoption of the Business Subsidy Agreement dated November 16, 2017: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Resolution Setting Subordinate Service District Charges: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Resolution Accepting Terms of the Grant Contract: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Final Contract Exhibit E Signatures: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

CenturyLink Assessment for County Auditor: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

Authorize Town Chairman and Town Clerk to execute any necessary documents for Sunrise: Placed on the Monday, November 20th, 2017 continued Regular Township Board meeting.

2017 Local Government Innovation Awards in the Township Category – Sunrise Township Wins: Sunrise Township won \$5,000 for the 2017 Local Government Innovation Award. Ceremony will be Dec 7 at 5 p.m. at the Humphrey School.

Citizens Forum: None

River Road / Mill Street: Place on March 2018 agenda.

T-shirts, Sweat Shirts, Caps: T-shirts and caps were purchased.

CenturyLink Fiber Optic Update: CenturyLink is moving along and no fiber has been installed down driveways yet. A Business Subsidy Agreement has not been signed yet.

Keystone Ave. Graveling – North Star: Place on December 2017 agenda. Carl Peter “Pete” Johnson to contact North Star regarding reimbursement for graveling.

Maintenance Update: Brushing, working on beaver dams, culverts and grading.

Motion by Gerald Bjork, second by Carl Peter “Pete” Johnson continue the Sunrise Township November 16, 2017 regular meeting to Monday, November 20, 2017 at 4:00 pm; 8:19 p.m. Motion carried.

Clerk Wendy Kowalke

Carl Peter “Pete” Johnson, Chair

Thursday, November 16, 2017 meeting continued
Monday, November 20, 2017 at 4 pm
Royal Wilcox Community Center

Pledge recited.

Board Members Present:

Carl Peter “Pete” Johnson, Chair

Jeske Noordergraaf, Vice Chair

Gerald Bjork

Eric Leivian

Deborah Graleske-Kelleher (Absent)

Treasurer: Karen Anderson (Absent)

Clerk: Wendy S. Kowalke

Others Present:

Attorney Robert Ruppe

Attorney Robert Ruppe stated the object is to get the ability to get fiber to the home. Only those properties that had agricultural remainder is taken off. If you have a legal right to put a house on the property it will be assessed. Excluded agricultural non-home stead, Agricultural homestead remainder, rural vacant land/non-productive – non homestead, managed forest land, exempt properties, payment in-lieu of taxes. CenturyLink did not provide information requested multiple times with no response. CenturyLink did not cooperate. Century Link is requiring Sunrise Township to make adjustments as the original information received from Century Link was not complete. CenturyLink would and did not provide information and communicate with Sunrise Township. Residents cannot sue the Township because the citizens petitioned to have this service provided. Land-locked parcels can apply for a cart-way so these properties can obtain high speed fiber optic to a parcel.

There is something called a modified assessment rule.

Attorney Ruppe explained the terms of the Grant Contract and answered questions presented by the Town Board. If approved by the Town Board, the township would sign the contract on page 8 (GRANTEE) and also the Conflict of Interest page (page 16).

Motion by Carl Peter “Pete” Johnson to approve Resolution No. 2017-11-20-1 Resolution Accepting Terms of Grant Contract entitled “Department of Employment and Economic Development, Office of Broadband Development, Border to Border Broadband Development Grant Contract, Sunrise Township, Sunrise Township Fiber to the Home, Grant No: BBGP-16-0056-K-FY17, \$1,074,852.00” contingent upon final approval by the Town Attorney. Motion seconded by Gerald Bjork. Motion carried.

RESOLUTION NO. 2017-11-20-1
RESOLUTION ACCEPTING TERMS OF THE GRANT CONTRACT

WHEREAS, Sunrise Township has applied for and received a grant from the Minnesota Department of Employment and Economic Development Office of Broadband Development (“DEED”) in the amount of \$1,074,852 to assist the Township in providing high-speed internet to residents within the Township through a partnership with CenturyLink; and

WHEREAS, DEED requires as a condition of receiving the grant proceeds that the Township enter into a contract entitled “Department of Employment and Economic Development, Office of Broadband Development, Border to Border Broadband Development Grant Contract, Sunrise Township, Sunrise Township Fiber to the Home, Grant No: BBGP-16-0056-K-FY17, \$1,074,852.00” (“Grant Contract”) acknowledging that the Township is duly qualified and agrees to perform all services described in the Grant Contract to the satisfaction of the State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF SUNRISE AS FOLLOWS:

1. The Grant Contract with DEED is hereby accepted and approved.
2. The Town Chairman and the Town Clerk are directed to enter into the Grant Contract with DEED in the name of Sunrise Township for the grant proceeds.
3. The Town Chairman and the Town Clerk are authorized to execute any necessary additional documents required by the State of Minnesota relating to the Grant Contract.
4. The Town Chairman is to immediately sign Exhibit E of the Grant Contract relating to the Conflict of Interest Disclosure Form and return it by email, via a scanned copy, to Jane Leonard at the following email address: jane.leonard@state.mn.us.

Approved by the Town Board of the Town of Sunrise this 20th day of November, 2017.

The Town Attorney, Robert Ruppe, informed the Town Board that he will scan and email the Resolution, Grant Contract and Exhibit E to Jane Leonard when he returns to the office tomorrow. DEED will then obtain the final signature necessary for the Agreement from their Deputy Commissioner. After Jane Leonard gets the final signature from the Deputy Commissioner, she will send to the Town Attorney and the Township a copy of the fully executed contract for the Township’s records.

Mr. Ruppe further informed the Town Board that DEED would be sending CenturyLink a Reimbursement Payment Request Form Template with a courtesy copy to the Township. Once CenturyLink has provided DEED with all requested documents, and DEED has finished its verification of the Project, DEED would then send a completed Reimbursement Payment Request Form to the Township for its signature. This form will have DEED’s approval to release the grant proceeds to CenturyLink. This completed form will be signed, scanned and emailed back to DEED. DEED will then submit a request for a check and either send the Township a check or if DEED has the Township’s vendor number on file, deposit the grant proceeds directly into the Township’s bank account. The Township would then issue a check to CenturyLink pursuant to the terms of the Business Subsidy Agreement.

Mr. Ruppe next explained the terms of the Business Subsidy Agreement and answered questions presented by the Town Board.

Motion by Gerald Bjork to reaffirm adoption of Resolution No. 2017-1, Resolution Adopting a Criteria for the Granting of business Subsidies and adoption of the Business Subsidy Agreement dated November 16, 2017 between Sunrise Township, Minnesota and Qwest Corporation, d/b/a CenturyLink QC contingent on final approval by the Township's Bond Attorney. Motion seconded by Carl Peter "Pete" Johnson. Motion carried.

Mr. Ruppe stated that he would forward the two signed Business Subsidy Agreements to Lara Page with instructions to hold the documents in escrow pending Mary Ippel's approval. Mr. Ruppe reported that Ms. Page would then have CenturyLink sign the documents and forward a completed agreement to his office for the Township's files.

Motion by Eric Leivian to authorize the Town Chairman and the Town Clerk to execute any necessary documents for the Township to transmit the following funds via cashier's checks delivered to the CenturyLink via FedEx or by certified United States mail, return receipt requested: (i) the Net Proceeds of the Bonds in the amount of \$508,232, (ii) plus Prepaid Service Charges in an amount not less than \$64,947, plus (iii) the Broadband Grant to CenturyLink in the amount of \$1,074,852 all pursuant to the terms of Section 3.03 of the Business Subsidy Agreement dated November 16, 2017 between Sunrise Township, Minnesota and Qwest Corporation, d/b/a Century Link QC. Motion seconded by Gerald Bjork. Motion carried.

Mr. Ruppe next explained the process for the Township to be reimbursed for the costs of the Bond issued by the Township to pay for its portion of the Project.

Motion by Carl Peter "Pete" Johnson to approve Resolution No. 2017-11-20-2 Resolution Setting Subordinate Service District Charges for the purpose of facilitating the installation and financing high-speed internet through Qwest Corporation d/b/a CenturyLink (who would ultimately own the broadband system and provide the service) for the benefit of properties within the SSD. Please note for the minutes that the interest was raised from 4.25% as estimated in the letter sent to property owners to 6.25% as the bonds were issued at 4.25% and Minnesota law requires that there be a spread between the interest rate charged on the debt issued and the interest rate charged to residents. Further, the amount of the certification was rounded from \$941.27 to \$950.00 at the request of the Town Attorney and the Township's public finance consultants for ease of use. Motion seconded by Gerald Bjork. Motion carried.

**RESOLUTION NO. 2017-11-20-2
RESOLUTION SETTING SUBORDINATE
SERVICE DISTRICT CHARGES**

WHEREAS, on February 23, 2017, Sunrise Township established a Subordinate Service District ("SSD") over certain properties within the Township for the purpose of facilitating the installation and financing high-speed internet through Qwest Corporation d/b/a CenturyLink (who would ultimately own the broadband system and provide the service) for the benefit of properties within the SSD; and

WHEREAS, the Town has issued a bond, the proceeds of which have been used to reimburse CenturyLink for a portion of the installation costs of the high-speed internet within the SSD; and

WHEREAS, the Town seeks to recover the costs of the bond and its administrative and other costs through service charges authorized by Minn. Stat. § 365A.08.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF SUNRISE AS FOLLOWS:

1. The Township hereby levies a service charge against the 574 properties that have not prepaid in the amounts shown on the attached Exhibit A.
2. Such charge in the amount of \$950.00 shall be collected in equal principal amounts over a ten-year period commencing in 2018 and ending in 2027 and shall bear interest at 6.25% per annum.
3. The Township hereby directs the Township Clerk to certify this Resolution, with the attached Exhibit A, to the Chisago County Auditor.

Approved by the Town Board of the Town of Sunrise this 20th day of November, 2017.

Mr. Ruppe state that he will scan the Resolution and Certification forms and provide them along with Exhibit A to the Chisago County Auditor.

Motion by Jeske Noordergraaf, second by Eric Leivian to adjourn at 5:05 pm Motion carried.

Clerk Wendy Kowalke

Carl Peter "Pete" Johnson, Chair