

Tyler, Minn. City Council

7 p.m. - Monday, February 1, 2016 - Tyler Fire Hall

1. Call Meeting to Order

2. Approve Agenda, Jan. 4 Meeting Minutes

3. Public Express

Members of the public are invited to make comment during this portion of the meeting.

4. Reports

- Correspondence
- Council Comments / Committee Reports
- Police Report
- City Attorney's Report
- Utilities Report
- Administrator's Report

5. Action Items

- A. Tyler Healthcare Center – Business Subsidy Agreement
- B. Streets Project
- C. Utility Shut Off Notice Policy
- D. Meeting Dates – Update
- E. Minimum maintenance road
- F. Tractor
- G. Review Financial Statements

6. Adjourn

The next regular council meeting will be 7 p.m. on Monday, March 7, 2016 at the Tyler Fire Hall.

City of Tyler
Regular Monday January 4, 2016 Council Meeting
Tyler Fire Hall
7:00 P.M.

In attendance Mayor Merv Peterson, Council Members, Petersen, Raschke, Sanderson, Harper, City Administrator Wolfington, City Attorney Glen Petersen, Police Officer Bloch, City Clerk Barb Powell, Mark Wilmes, Mike Williams, Mrs. Mike Williams, Alvina Welgraven, E.R. Thooft, Kate Thooft, Tom Mundt, John Bornhoft, Mary Maertens, Jonathon Moe, John Utoft, and Larry Wyttenback

The Monday, January 4, 2016 meeting was called to order by Mayor Peterson at 7:00pm.

Administrator Wolfington deleted one item from the agenda E. Signatures.

Motion to approve the agenda with the adjustment made by Petersen seconded by Sanderson and passed unanimously

Minutes of the December 7, 2015 meeting were reviewed. Motion by Raschke seconded by Sanderson and passed unanimously to approve the minutes.

THC Business Subsidy Agreement: Mayor Peterson stated that the purpose of the public meeting was for the council to take comment from the public relating to the proposed business subsidy agreement with the Tyler Healthcare Center. Legal Council Petersen explained the Business Subsidy Agreement to the council and the residents of Tyler present at the Council meeting. Legal Council Petersen stated that the subsidy is the transfer of the development property including all buildings and improvements owned by the City of Tyler and located thereon to THC. The business subsidy is needed because the project is not sufficiently feasible for THC to undertake without the business subsidy. The subsidy relates to the continued access by the public to Health Services offered from the facilities located upon the development property and the retention of jobs of the current THC workforce. The subsidy is needed in order to induce Avera Marshall to acquire membership control of THC. THC covenants that it will continue to provide some or all of the Health services for at least five years after the Benefit Date. Legal Council Petersen stated the City shall convey the development property to the developer for \$1.00 and grant to THC a non-exclusive parking easement. The developer for the purchase price of \$1.00 shall be subject to satisfaction with a few conditions. Legal Council Petersen stated that the 5 year limit on the covenants is because 5 years is the minimum by law. The Council asked questions to Legal Council Petersen. Mayor Peterson introduced the Avera representative Mary Maertens and the new CEO Jonathon Moe. Ms Maertens stated the 2016 goals for AVERA would be to get an electronic health recording system in place. Mayor Petersen opened the meeting up to the public for questions and comments. After some discussion Mayor Petersen requested the Council have a special meeting January 18, 2016 at 7:00 pm for the purpose of making a decision on the Business Subsidy agreement. Motion by Harper seconded by Raschke to adjourn the public hearing.

Mayor Petersen resumed the general city council meeting

Public Express: No one present

Correspondence- None

Council Comments- Mayor Peterson stated that after his first year of being the Mayor he thought it was very eventful. Mayor Peterson stated that he enjoyed most of the first year and looks forward to another good year ahead.

Police Report: Police Officer Bloch stated there were 17 calls of service for the month of December. There were a couple of arrests made.

City Attorney report: Nothing at this time

Utility Report: There was an electrical outage on December 22 for about an hour. East River was here and fixed the damaged lines. Lyon Lincoln Electric and Doug Jones were here working on our electrical services and feel that transformers and sagging lines are what would need to be worked on this year.

Administrator's Report: Nothing at this time

Maple Street Variance: Michael Williams is requesting a variance to build a garage with side walls that are 14 feet high instead of the 10 feet and the length would be 48 feet not the 40 feet as per building permit. Mr. Williams could not be present at the December meeting and apologized. He would like to work on tractors in the garage he is requesting to build. The neighbors present had no objections to Mr. Williams request. Mayor Peterson received three letters and a phone call all in favor of Mr. Williams building his garage. Motion by Petersen seconded by Harper to allow the variance for Williams to build his garage and passed unanimously.

Council man Harper had requested that the council look into the ordinance on a natural gas request from last month. Spindler added onto his house in 2007 when he did that he needed to remove the gas meter that was attached to the house, the line was stubbed back at the curb. Now he has switched back to natural gas. Since Spindler has had no line to his house for all these years and he has been paying the natural gas connection and did not have a line he feels he should have the \$6.00 charge refunded back to his account. There never was natural gas to the house before. Administrator Wolfington stated that the reason he pays the \$6.00 charge is the service is there if he wants access to it. As long as the service is ready to have the meter installed the \$6.00 gets charged. Motion by Petersen seconded by Raschke passed unanimously to deny Spindlers request.

Bee Ordinance: Last month the council had approved the bee ordinance but had requested a few modifications. Legal Council Petersen stated that he made the modifications and realized that the Chapter 9 farm animal ordinance need to be amended also as the farm animal stated that bees were included with farm animals. Legal Council Petersen also included a penalty provision with the bee ordinance. Motion by Raschke seconded by Sanderson and passed unanimously to approve the

Summary publication of the amending Chapter 9 code and the Summary Ordinance Adopting Amending Chapter 9 of the City Code and the Ordinance Amending Chapter 9.

Depositories and Newspaper: Resolution 2016-01 establishing Citizen's State bank and First Independent Bank as the official depositories and Tyler Tribute as the official newspaper motioned by Petersen seconded by Sanderson and passed unanimously.

2016 Committee Assignments: Mayor Peterson presented the committee assignments. Motion by Sanderson seconded by Petersen and passed unanimously to accept the committee assignments

Council Meeting Dates: For 2016 the July 4 meeting and September 5 dates are scheduled on Monday Holidays. Motion by Harper and seconded by Raschke to use July 11, 2016 and September 12, 2016 as the meeting dates for the council meetings and passed unanimously.

Frontier Phone System: At the December council meeting a Frontier phone system was presented to upgrade the phone system that is used at City Hall. The cost of the complete system including the Senior Center and the utility plant would be \$8,320.17 plus monthly billing. After some discussion a motion by Petersen seconded by Raschke and passed unanimously to go into an agreement with Frontier for the phone system with the purchase of the system at \$8,320.17 plus monthly billing. Administrator Wolfington stated there would be a two year upgrade to any of the system included with the agreement.

New Employee: Administrator Wolfington stated that he would like to have Steven Meyer as the new utility person. Motion by Harper seconded by Raschke and passed unanimously to hire Steven Meyer as the new utility person.

Tyler Golf Club: The Tyler Golf Club has requested a gambling permit for their yearly raffle that is held in April. Motion by Petersen seconded by Sanderson and passed unanimously to approve the gambling permit for the Tyler Golf Club

Motion by Sanderson seconded by Raschke and passed unanimously to approve the bills.

Motion by Petersen seconded by Sanderson and passed unanimously to go into closed session to discuss real property.

Mayor Mervyn Peterson

Attested: Barb Powell-City Clerk

To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Tyler Healthcare Center – Business Subsidy Agreement

Memo

During the January 2016 Tyler City Council meeting a public hearing was held to answer questions regarding a proposed Business Subsidy Agreement with Tyler Healthcare that would see the transfer of city owned property the hospital and clinic currently occupy to THC.

Following the public hearing, a meeting between the City represented by Mayor Merv Peterson and City Administrator Robert Wolfington, representatives from Tyler Healthcare and from Avera Marshall discussed the proposed agreement.

Please find attached the proposed business subsidy agreement for the transfer of the property to Tyler Healthcare. Mayor Peterson will make his recommendation at the council meeting.

Business Subsidy and Development Agreement

This Business Subsidy and Development Agreement (the "Agreement") is dated as of February ____, 2016 and is between the **City of Tyler, Minnesota** (the "City") and the **Tyler Healthcare Center, Inc.**, a non-profit corporation under the laws of the State of Minnesota ("THC" herein).

RECITALS

WHEREAS, the City is the owner of the real property set forth and legally described on the attached **Exhibit A** herein referred to as the "**Development Property**"; and,

WHEREAS, the City is the owner of the real property set forth and legally described on the attached **Exhibit B** herein referred to as the "**Parking Lot**";

WHEREAS, THC presently provides health care services from buildings and other improvements located upon the Development Property herein referred to as "**Health Services**"; and,

WHEREAS, THC patients, vendors, guests, invitees and staff utilize the parking facility located upon the Parking Lot;

WHEREAS, THC has determined that under the present economic circumstances, it is in the best interest of THC to enter into negotiations with Avera Marshall, a Minnesota nonprofit corporation, Marshall, Minnesota, through which Avera Marshall will become the sole member of THC; and,

WHEREAS, Avera Marshall has requested that the ownership of the Development Property be transferred to THC and along with a non-exclusive easement in favor of THC for parking purposes upon Parking Lot, as a condition of its negotiations with the present THC Directors; and,

WHEREAS, according to the records of the Lincoln County Assessor (parcel 20-0044-000), the Development Property has a taxable market value for the year 2015 in the amount of Five Million and One Hundred and Ninety-One Thousand and Three Hundred Dollars

(\$5,191,300.00), but due to the Development Property condition and needed renovations the actual market value is substantially less; and,

WHEREAS, the City and THC recognize and agree that the request by THC for the transfer of the Development Property from the City to THC is a "business subsidy" under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended (the "Subsidy Law"), and is subject to the provisions thereof, including without limitation reporting requirements and five year commitment by THC.

WHEREAS, the transfer of the Development Property to THC would result in a subsidy with the agreed value of approximately one Million Dollars (\$1,000,000.00); and,

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed, as follows:

1. Representations of THC:

- A. THC is a Minnesota corporation and has power to enter into this Agreement and to perform its obligations hereunder and is not in violation of the laws of the State.
- B. THC represents that it presently has no parent corporations.
- C. THC represents that the following are all of the State of Minnesota and "local government agency" grants (other than the subsidy hereunder) to the Facility:

NONE.
- D. THC represents that it is not in default on the date hereof on any subsidy agreement entered into by under the Subsidy Law.

2. The parties hereto stipulate to the following:

- A. The subsidy is the transfer of the Development Property including all buildings and improvements owned by the City and located thereon to THC.
- B. In order to satisfy the provisions of Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidies Act"), THC acknowledges and agrees that the

amount of the “Business Subsidy” granted to THC under this Agreement is \$999,999.00, which is the difference between \$1,000,000.00 (the fair market value of the Development Property) and \$1.00 (the purchase price paid by THC for the Development Property) and that the Business Subsidy is needed because the project is not sufficiently feasible for THC to undertake without the Business Subsidy.

- C. The subsidy relates to the continued access by the public to Health Services offered from the facilities located upon the Development Property and the retention of the THC workforce.
- D. The subsidy is needed in order to induce Avera Marshall to acquire membership control of THC and is to occur simultaneously with and is contingent upon the closing of that certain Membership Transfer Agreement with Avera Marshall. THC covenants that it will continue health care operations in the City for at least five years after the Benefit Date providing certain Health Services to be determined by Avera Marshall based on the quality and financial feasibility of such services.
- E. The public purposes of the subsidy are, as follows:
 - i. A business subsidy will permit the retention of jobs that might otherwise be lost, may permit the project to employ more people, pay higher wages, be of better quality, or in some way be of more value to the City.
 - ii. The project will prevent the closure of business needed in the community due to changes in market or economic factors.
- F. For purposes of the Subsidy Law, the subsidy is considered to be a forgivable loan to THC from the City.
- G. The Benefit Date is hereby determined to be the actual date of closing on the City’s sale of land to THC.

3. For purposes of Section 116J.994, Subdivision 3, of the Subsidy Law, the goals of the Business Subsidy are:

- A. The continuation of health care operations by THC in the City for at least **five (5)** years after the "Benefit Date" of the subsidy providing certain Health Services to be determined by Avera Marshall based on the quality and financial feasibility of such services..
- B. The continuation of the THC workforce at a level necessary to conduct health care operations in the City as set forth in Section 3(A) above, as determined by Avera Marshal.

4. Undertakings by the City:

- A. The City shall convey the Development Property to THC for \$1.00 and grant to THC a non-exclusive Parking Easement in the form attached hereto and incorporated by this reference as Appendix A upon satisfaction of the conditions identified in Section 4B.
- B. The City's obligation to convey the Development Property by quit claim deed to THC for the purchase price of \$1.00 shall be subject to satisfaction of the following conditions precedent:
 - i. THC shall be in material compliance with all the terms and provisions of this Agreement; and,
 - ii. Adequate provision is provided to the City that the Federal Tax Liens of records will be satisfied and released.

5. Obligations of THC:

- A. THC agrees that it will meet the goals identified in paragraph 3 of this Agreement;
- B. If the Goals identified in paragraph 3A are not met, THC agrees to repay a prorated part of the Business Subsidy to the City based upon actual years of health care operations if less than five, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually or in the alternative thereof, THC shall transfer the Development Property back to the City free and clear of any liens, claims and or encumbrances.
- C. THC agrees to (i) report its progress on achieving the Goals to the City until the Goals are met, or the Business Subsidy is repaid, whichever occurs earlier, (ii) include in the report the information required in Subdivision 7 of the Jobs Act on forms developed by the Minnesota Department of Trade and Economic Development, and (iii) send completed reports to the City. In no case shall THC's reporting obligations extend beyond five (5) years after the Benefit Date.
- D. THC agrees to file these reports no later than March 1 of each year commencing March 1, 2016 and ending March 1, 2021, and within 30 days after the deadline for meeting the Goals. The City agrees that if it does not receive the reports, it will mail THC a warning within one week of the required filing date. If within 14 days of the post marked date of the warning the reports are not made, THC agrees to pay to the City a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

- E. THC shall not transfer any part of the Development Property prior to the expiration of five years from the Benefit Date without prior consultation with the City; provided that THC can transfer the Development Property without consulting with the City, if THC has a minimum ownership interest in the transferee entity of not less than 50% or the sale is to a nonprofit tax-exempt organization in the City area.
- F. If THC sells all or a portion of the Development Property prior to the expiration of five years from the Benefit Date, THC shall sell such land for not less than its fair market value and THC shall pay net sale proceeds to the City not to exceed the stipulated value of the subsidy.
- G. THC agrees to provide the City with any additional information which may be required in order for the City to comply with its reporting requirements, as they may exist or be amended from time to time, under the Subsidy Law.

6. Construction.

- A. To the extent that provisions herein are more extensive or restrictive than any related term in another agreement and to the extent said terms herein are required by the Subsidy Law, the provisions hereof shall govern.
- B. THC and such successors and assigns shall operate, or cause to be operated, a facility conducting health care operations in the City and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.
- C. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, officer or employee of THC shall be personally liable to the City in the event of any default or breach by THC or on any obligations under the terms of this Agreement.
- D. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- E. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail,

postage prepaid, return receipt requested, or delivered personally, and

- i. in the case of THC is addressed to or delivered personally to:

Tyler Healthcare Center, Inc.
240 Willow Street
Tyler, MN 56178

- ii. in the case of the City is addressed to or delivered personally to the City at:

City of Tyler
230 North Tyler Street
Tyler, MN 56178

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

- F. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.
- G. This Agreement will be governed and construed in accordance with the laws of the state of Minnesota.
- H. This Agreement shall expire on March 1, 2021, unless earlier terminated or rescinded in accordance with its terms.
- I. Paragraph 6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and its seal to be hereunto duly affixed, and THC has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

THE CITY OF TYLER

TYLER HEALTH CARE CENTER, INC

By _____
Its: Mayor

By: _____
Its: Chairperson

By _____
Its City Administrator

EXHIBIT A

DEVELOPMENT PROPERTY LEGAL DESCRIPTIONS

Legal Description: (Parcel A)

All that part of the South Half (S~) of Section Numbered Three (3) in Township Numbered One Hundred Nine (109) North, Range Numbered Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit:

Beginning at a point One Hundred Eighty (180) feet East of the East line of Willow Street and Two Hundred (200) feet South of the South line of Oak Street in the City of Tyler, Lincoln County, Minnesota, as said streets are laid down and described and dedicated on the plats of the City of Tyler and measured at right angles to said streets, thence East parallel with the South line of Oak Street a distance of One Hundred (100) feet, thence South parallel with the East line of Willow Street a distance of One Hundred Eleven and 14/100 (111.14) feet, thence West parallel with the South line of Oak Street a distance of One Hundred (100) feet, thence North parallel with the East line of Willow Street One Hundred Eleven and 14/100 (111.14) feet to the point of beginning.

Legal Description: (Parcel B)

All that part of the South Half (S1/2) of Section Three (3) of Township One Hundred Nine (109) North, Range Forty-four (44) West of the Fifth P.M., bounded as follows: On the North by a line parallel with and distant South Three Hundred Eleven and fourteen-hundredths (311.14) feet from the South line of Oak Street; on the East by a line parallel with and distant East Two Hundred Eighty (280) feet from the East line of Willow Street; on the South by a line parallel with and distant South Four Hundred Eleven and Fourteen hundredths (411.14) feet from the South line of Oak Street and on the West by the said East line of Willow Street in the City of Tyler, Lincoln County, Minnesota.

Legal Description: (Parcel C)

All that part of the South Half (1/2) of Section Numbered Three (3) in Township Numbered One Hundred Nine (109) North, Range Numbered Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit:

Beginning at a point on the North line of Bergstrom Street, which point is One Hundred Eighty (180) feet Easterly from the East line of Willow Street; thence running Northerly parallel to the East line of Willow Street a distance of One Hundred Fifty (150) feet; thence Easterly parallel to the North line of Bergstrom Street a distance of One Hundred (100) feet; thence Southerly parallel to the East line of Willow Street a distance of One Hundred Fifty (150) feet to the North line of Bergstrom Street; thence Westerly along the North line of Bergstrom Street a distance of One Hundred (100) feet to the point of beginning; as said streets are laid down

and described on the plat of the Sixth Railway Addition to the Town of Tyler as recorded, on file and of record in the office of the County Recorder in and for said County and State.

EXCEPT:

All that part of the Southeast Quarter of the Southwest Quarter (SE1/4SW1/4) and of the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, in Lincoln County, Minnesota, and in the City of Tyler, Minnesota, described as follows, to wit: That tract bounded on the south by the north line of Bergstrom Street, on the north by a line drawn parallel with and distant eighty-one (81) feet northerly from the north line of Bergstrom Street, on the West by a line drawn parallel with and distant two hundred thirty and six-tenths (230.6) feet easterly of the east line of Willow Street and on the East by a line drawn parallel with and distant two hundred eighty (280) feet easterly from the east line of Willow Street as said Streets are shown on the Plats of the City of Tyler, Minnesota, on file and of record in the office of the County Recorder in and for Lincoln County.

Legal Description: (Parcel D)

All that part of the Section Three (3), Township One Hundred Nine (109) North of Range Forty-four (44) west, bounded and described as follows: Beginning at a point on the North line of Bergstrom Street in the City of Tyler 280 feet easterly from the east line of Willow Street in said City, **thence running north a distance of 181.14 feet to the point of beginning**, thence running north parallel with Willow Street in said City of Tyler a distance of 180 feet, thence easterly parallel with Bergstrom Street a distance of 70 feet, thence southerly parallel with Willow Street a distance of 180 feet, thence westerly parallel with Bergstrom Street a distance of 70 feet to the point of beginning.

Legal Description: (Parcel E)

All that part of the City of Tyler, described as follows:

Beginning at a point on the north line of Bergstrom Street 350 feet easterly from the east line of Willow Street, thence running Northerly parallel with Willow Street in said City a distance of 361.14 feet, thence easterly parallel with Bergstrom Street a distance of 50 feet, thence southerly parallel with Willow Street a distance of 361.14 feet to the north line of Bergstrom Street, thence westerly along the North line of Bergstrom Street a distance of 50 feet to the point of beginning, as said streets appear on the plats of said City on file and of record in the Office of the County Recorder in and for said County and State.

Legal Description: (Parcel F)

All that part of the Southeast Quarter of the Southwest Quarter (SE1/4SW1/4) and of the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, in Lincoln County, Minnesota, and in the City of Tyler, Minnesota, described as follows, to wit:

That tract bounded on the south by the north line of Bergstrom Street, on the north by a line drawn parallel with and distant eighty-one (81) feet northerly from the north line of Bergstrom Street, on the West by a line drawn parallel with and distant two hundred thirty and six-tenths (230.6) feet easterly of the east line of Willow Street and on the East by a line drawn parallel with and distant two hundred eighty (280) feet easterly from the east line of Willow Street as said Streets are shown on the Plats of the City of Tyler, Minnesota, on file and of record in the office of the County Recorder in and for Lincoln County.

Legal Description: (Parcel G)

All that part of the South Half (S1/2) of Section Three (3) in Township One Hundred Nine (109) North, Range Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit: Beginning at a point on the East line of Willow Street in the City of Tyler, Four Hundred Eleven and fourteen/hundredths (411.14) feet South of the South line of Oak Street in said City; thence East One Hundred Eighty (180) feet; thence South, parallel with the East line of Willow Street, One Hundred Fifty (150) feet; thence West One Hundred Eighty (180) feet to the East line of Willow Street; thence North along the East line of Willow Street One Hundred Fifty (150) feet to the point of beginning.

Legal Description: (Parcel H)

Beginning on the north line of Bergstrom Street 280 feet east from the east line of Willow Street, thence north parallel to the east line of Willow Street a distance of 181.14 feet, thence east parallel to the north line of Bergstrom Street a distance of 70 feet, thence south parallel to the east line of Willow Street a distance of 181.14 feet to the north line of Bergstrom Street, thence west a distance of 70 feet to the point of beginning, in Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, according to the Plat thereof on file and of record in the office of the County Recorder in and for Lincoln County, Minnesota.

APPENDIX A

NON-EXCLUSVIE PARKING EASEMENT

WHEREAS, the City of Tyler, Minnesota, hereafter, "City" is the owner of the following tract ("Lot" herein) located in the City of Tyler, County of Lincoln and State of Minnesota:

That part of the South Half of the South Half (S1/2S1/2) of Section Three (3), Township One Hundred Nine (109) North Range Forty-Four (44) West, described as follows: Beginning on the west line of Willow Street in the City of Tyler 200 feet south of the south line of Oak Street; thence South on the west line of Willow Street 100 feet; thence West 210 feet; thence North 100 feet; thence East 210 feet to the West line of Willow Street, the point of beginning, Lincoln County, Minnesota.

AND

Lot Numbered Six (6) of Block Fifty-Six (56) in Sorenson and Pedersen Addition to the City of Tyler, Minnesota.

WHEREAS, the Tyler Health Care Center, Inc., ("THC") herein presently operates a health care facility, including a clinic, hospital and long term care facility, on property set forth and legally described on the attached Exhibit A; and,

WHEREAS, there presently exists upon the Lot a parking facility presently used by THC and the City; and,

WHEREAS, THC has requested and City has consented to grant to THC this easement for certain non-exclusive parking privileges upon the Lot for the benefit of the THC, as well as its employees, patients, contractors, guests and invitees; and,

THEREFORE, the City of Tyler, Minnesota for valuable consideration the receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey onto THC a non-exclusive perpetual easement for parking of vehicular traffic and for ingress and egress to and from the Lot for the benefit of THC, as well as THC's patients, employees, contractors, guests and invitees, which easement shall be subject to the following:

1. The Lot shall be burdened by said easement in favor of THC, as wells as THC's successors in title to the property described on Exhibit A, until such time as THC or its

successors in interest discontinue operations of the health care facility located upon property described on Exhibit A at which time this easement shall terminate.

2. Neither the City nor the THC or their respective successors in title shall obstruct or restrict the use of any paved portions of the Lot and driveways and THC shall cooperate in the removal of all THC related vehicles when necessary for maintenance operations including the removal snow.
3. THC acknowledges that the City presently operates a park open to the public from lands lying adjacent to the Lot and the City together with members of the public shall retain the continued right to utilize the Lot for parking purposes and to make improvements for the benefit of the public for areas not presently developed for parking purposes.
4. In the event that this Easement shall be determined to conflict with easements of record with respect to grants previously obtained by the City for the improvement of the Lot, the City and THC agree to cooperate to amend this easement to bring this easement into conformity with easements of record.
5. The RECITALS set forth in the WHEREAS clauses are hereby incorporated by this reference.

Witness the due execution hereof on this the _____ day of _____, 2016.

THE CITY OF TYLER

TYLER HEALTH CARE CENTER, INC

By _____
Its: Mayor

By: _____
Its: Chairperson

By _____
Its City Administrator

[illegible]

The foregoing instrument was acknowledged before me this ____ day of February, 2016, by Mervin Peterson, as Mayor and Robert Wolfington, as City Administrator on behalf of the City Council of the City of Tyler, Minnesota, as Grantors.

Notary Public

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, of February, 2016, by _____, as Chairperson on behalf of the Tyler Healthcare Center, Inc., as Grantee.

Notary Public

This instrument was drafted by:
Petersen Law Office, PLLC
225 North Tyler Street
P. O. Box 671
Tyler, Minnesota 56178

EXHIBIT A

LEGAL DESCRIPTIONS

TYLER HOSPITAL LEGAL DESCRIPTIONS

Legal Description: (Parcel A)

All that part of the South Half (S1/2) of Section Numbered Three (3) in Township Numbered One Hundred Nine (109) North, Range Numbered Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit:

Beginning at a point One Hundred Eighty (180) feet East of the East line of Willow Street and Two Hundred (200) feet South of the South line of Oak Street in the City of Tyler, Lincoln County, Minnesota, as said streets are laid down and described and dedicated on the plats of the City of Tyler and measured at right angles to said streets, thence East parallel with the South line of Oak Street a distance of One Hundred (100) feet, thence South parallel with the East line of Willow Street a distance of One Hundred Eleven and 14/100 (111.14) feet, thence West parallel with the South line of Oak Street a distance of One Hundred (100) feet, thence North parallel with the East line of Willow Street One Hundred Eleven and 14/100 (111.14) feet to the point of beginning.

Legal Description: (Parcel B)

All that part of the South Half (S1/2) of Section Three (3) of Township One Hundred Nine (109) North, Range Forty-four (44) West of the Fifth P.M., bounded as follows: On the North by a line parallel with and distant South Three Hundred Eleven and fourteen-hundredths (311.14) feet from the South line of Oak Street; on the East by a line parallel with and distant East Two Hundred Eighty (280) feet from the East line of Willow Street; on the South by a line parallel with and distant South Four Hundred Eleven and Fourteen hundredths (411.14) feet from the South line of Oak Street and on the West by the said East line of Willow Street in the City of Tyler, Lincoln County, Minnesota.

Legal Description: (Parcel C)

All that part of the South Half (S1/2) of Section Numbered Three (3) in Township Numbered One Hundred Nine (109) North, Range Numbered Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit:

Beginning at a point on the North line of Bergstrom Street, which point is One Hundred Eighty (180) feet Easterly from the East line of Willow Street; thence running Northerly parallel to the East line of Willow Street a distance of One Hundred Fifty (150) feet; thence Easterly parallel to the North line of Bergstrom Street a distance of One Hundred (100) feet; thence Southerly parallel to the East line of Willow Street a distance of One Hundred Fifty (150) feet to the North line of Bergstrom Street; thence Westerly along the North line of Bergstrom Street a distance of One Hundred (100) feet to the point of beginning; as said streets are laid down

and described on the plat of the Sixth Railway Addition to the Town of Tyler as recorded, on file and of record in the office of the County Recorder in and for said County and State.

EXCEPT:

All that part of the Southeast Quarter of the Southwest Quarter (SE1/4SW1/4) and of the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, in Lincoln County, Minnesota, and in the City of Tyler, Minnesota, described as follows, to wit: That tract bounded on the south by the north line of Bergstrom Street, on the north by a line drawn parallel with and distant eighty-one (81) feet northerly from the north line of Bergstrom Street, on the West by a line drawn parallel with and distant two hundred thirty and six-tenths (230.6) feet easterly of the east line of Willow Street and on the East by a line drawn parallel with and distant two hundred eighty (280) feet easterly from the east line of Willow Street as said Streets are shown on the Plats of the City of Tyler, Minnesota, on file and of record in the office of the County Recorder in and for Lincoln County.

Legal Description: (Parcel D)

All that part of the Section Three (3), Township One Hundred Nine (109) North of Range Forty-four (44) west, bounded and described as follows: Beginning at a point on the North line of Bergstrom Street in the City of Tyler 280 feet easterly from the east line of Willow Street in said City, thence running north a distance of 181.14 feet to the point of beginning, thence running north parallel with Willow Street in said City of Tyler a distance of 180 feet, thence easterly parallel with Bergstrom Street a distance of 70 feet, thence southerly parallel with Willow Street a distance of 180 feet, thence westerly parallel with Bergstrom Street a distance of 70 feet to the point of beginning.

Legal Description: (Parcel E)

All that part of the City of Tyler, described as follows:

Beginning at a point on the north line of Bergstrom Street 350 feet easterly from the east line of Willow Street, thence running Northerly parallel with Willow Street in said City a distance of 361.14 feet, thence easterly parallel with Bergstrom Street a distance of 50 feet, thence southerly parallel with Willow Street a distance of 361.14 feet to the north line of Bergstrom Street, thence westerly along the North line of Bergstrom Street a distance of 50 feet to the point of beginning, as said streets appear on the plats of said City on file and of record in the Office of the County Recorder in and for said County and State.

Legal Description: (Parcel F)

All that part of the Southeast Quarter of the Southwest Quarter (SE1/4SW1/4) and of the Southwest Quarter of the Southeast Quarter (SW1/4SE1/4) of Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, in Lincoln County, Minnesota, and in the City of Tyler, Minnesota, described as follows, to wit:

That tract bounded on the south by the north line of Bergstrom Street, on the north by a line drawn parallel with and distant eighty-one (81) feet northerly from the north line of Bergstrom Street, on the West by a line drawn parallel with and distant two hundred thirty and six-tenths (230.6) feet easterly of the east line of Willow Street and on the East by a line drawn parallel with and distant two hundred eighty (280) feet easterly from the east line of Willow Street as said Streets are shown on the Plats of the City of Tyler, Minnesota, on file and of record in the office of the County Recorder in and for Lincoln County.

Legal Description: (Parcel G)

All that part of the South Half (*SI*/2) of Section Three (3) in Township One Hundred Nine (109) North, Range Forty-four (44) West of the Fifth Principal Meridian, bounded and described as follows, to wit: Beginning at a point on the East line of Willow Street in the City of Tyler, Four Hundred Eleven and fourteen/hundredths (411.14) feet South of the South line of Oak Street in said City; thence East One Hundred Eighty (180) feet; thence South, parallel with the East line of Willow Street, One Hundred Fifty (150) feet; thence West One Hundred Eighty (180) feet to the East line of Willow Street; thence North along the East line of Willow Street One Hundred Fifty (150) feet to the point of beginning.

Legal Description: (Parcel H)

Beginning on the north line of Bergstrom Street 280 feet east from the east line of Willow Street, thence north parallel to the east line of Willow Street a distance of 181.14 feet, thence east parallel to the north line of Bergstrom Street a distance of 70 feet, thence south parallel to the east line of Willow Street a distance of 181.14 feet to the north line of Bergstrom Street, thence west a distance of 70 feet to the point of beginning, in Section Three (3), Township One Hundred Nine (109) North, Range Forty-four (44) West, according to the Plat thereof on file and of record in the office of the County Recorder in and for Lincoln County, Minnesota.

To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Streets project

Memo

In 2015 the City Council authorized a streets study to be done by the engineering firm of Bolton & Menk. The results of the study were presented to the council later in the year 2015. The study yielded recommendations of doing work on the streets in four phases.

In January, Mayor Merv Peterson and City Administrator Robert Wolfington along with Dean Beck from the Utilities department met with Bill Helget from Bolton and Menk to discuss the project for 2016. Following that meeting Helget will provide a proposal for bids on the project. That proposal is expected to be presented at the council meeting on Monday, February 1.

The project has been budgeted for and we are exploring potential grant dollars to help pay for a portion of the project.

To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Utilities Shut Off Policy

Memo

In late 2015 I met with councilman Tim Sanderson and utilities billing clerk Sandra Bakker to discuss the length of time we give residents to pay past due chargers on their utility bills. We have come to a recommendation that we adjust our policy to send out shut off notices after 30 days past due, giving them an additional two weeks before we do the shut off process.

By State Law we are required to give residents a period of time to come in and either pay their bill or come up with a payment plan.

To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Meeting Dates - Update

Memo

During the January 2016 council meeting, the council approved its regular meeting dates for the year. There are a couple of adjustments and additions to be made to our meeting dates.

The March 1, 2016 date will need to be moved due to conflicts with elections. I am looking for direction for what day the council would like to reschedule that meeting.

Our date for Board of Appeals and Equalization has been scheduled for April 18, 2016. I am looking for approval of a resolution for that meeting.

We should also look at moving our November meeting to allow for canvassing of votes for the election.

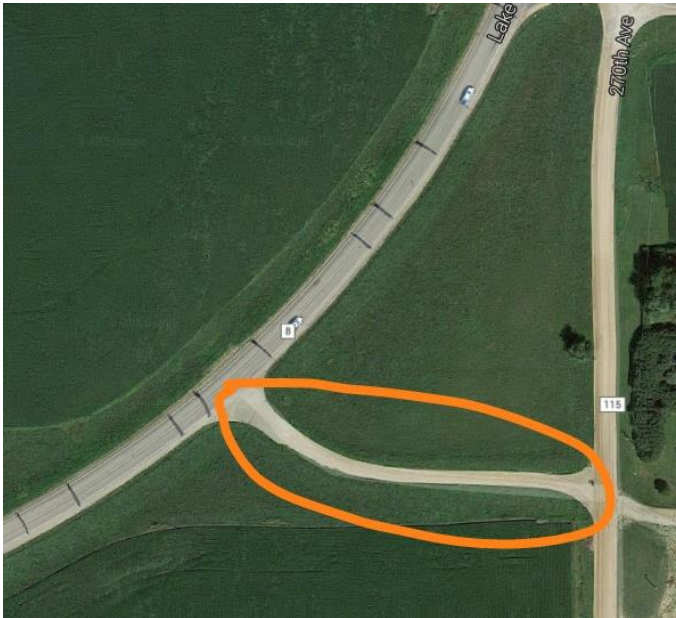
To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Minimum Maintenance Road

Memo

There is a small gravel road within city limits located on the north east side of Tyler. It is a road that has not had much work done on it from the city for many years. Earlier this year we had an individual who was driving on the section of road and got stuck.

According to our utilities staff we have not plowed that road in the past. For safety concerns and to ensure drivers aren't getting stuck regularly out there I propose the council approve through resolution designating this road a minimum maintenance road.

We will plow it out when time allows, but it won't be our first priority. In the Spring I am looking to do some gravel work on this section of road and will discuss that at a later date.



To: Tyler City Council
From: Robert Wolfington, Tyler City Administrator
Date: February 1, 2016
Subject: Tractor

Memo

This year the City has budgeted for the purchase of a tractor to replace one of our most used pieces of equipment. The tractor is used during snow removal, out at the burn site and in a number of other capacities.

I am seeking direction from the board if it is prepared to seek bids on the tractor and if it wants to go through the state bid process, I anticipate this purchase being under the \$100,000 cap or if we want to advertise.

For vehicle purchases we have gone through the state bid process in the past.