

**Resolution # 2009-10
Town of Miliona**

**Resolution for Debt Servicing and Allocation of Costs Related to Central Lakes
Region
Sanitary District (CLRSD)**

WHEREAS, Miliona Township (the "Town") is currently a member of the Central Lakes Region Sanitary District (hereinafter CLRSD); and

WHEREAS, the Town's Board of Supervisors (the "Board") exercised its right to withdraw from CLRSD by resolution #2009-1 dated January 5, 2009, received by CLRSD Chair on January 6, 2009, for an effective date of January 9, 2011; and

WHEREAS, the Board has received written notice from Attorney John Kolb, attorney for CLRSD, of CLRSD costs allocated to the Town pursuant to CLRSD Resolution D-2009-06, Affirming Method of Allocation of Costs and Directing Notice of Allocation, consistent with Section 8 of Laws 2003, Chapter 127 (the "Enabling Legislation") in the amount of \$1,397,740.00 payable by November 1, 2009 (the "CLRSD Cost Allocation"); and

WHEREAS, the Board, with the advice of its legal counsel, has determined that the Town is obligated to pay said CLRSD Cost Allocation by November 1, 2009; and

WHEREAS, the Board, with the advice of its legal counsel, has considered various alternatives for payment of said obligation consistent with the Enabling Legislation and Laws 2009, Chapter 44; and

WHEREAS, the Board has held multiple open meetings to share and gather input from affected landowners and interested parties.

The Board makes the following FINDINGS:

1. Protecting the lake water and managing sewer systems within the Town provides benefit to all real properties within the Town. However, the primary intended purpose and anticipated benefit for which the above-referenced costs were incurred was for the real properties in the CLRSD designated area as currently defined within the Town (the "CLRSD Area").
2. CLRSD has established a precedent of levying ad valorem taxes against properties in the CLRSD Area to fund its annual operating expenses. However, the Town's original intent when joining CLRSD was that all taxable parcels within the CLRSD Area would be charged a set fee (the "Fee") for costs associated with CLRSD, with adjustments by the Board only when found necessary for reasons of fair and equitable application.

3. The Town has paid and continues to pay administrative and legal costs associated with CLRSD (the "Administrative Costs") from the Town's general funds, which are available to the Town through the collection of ad valorem taxes on all taxable property in the Town.
4. The Town's general funds are currently insufficient to pay the entire CLRSD Cost Allocation, and use of all available general funds for partial payment of the CLRSD Cost Allocation would reduce the availability of such funds for other necessary Town projects. Therefore, the Board finds that it is necessary and desirable to finance the CLRSD Cost Allocation through the issuance of bonds, and to pay debt service on said bonds as permitted pursuant to the Enabling Legislation and Laws 2009, Chapter 44.
5. Only the levy of ad valorem taxes to pay the CLRSD Cost Allocation would potentially allow property owners to qualify for a property tax refund. However, potential property tax refunds are subject to change or elimination by the state of Minnesota.
6. Spreading the CLRSD Cost Allocation equally by the collection of the Fee through the levy of special charges (the "Special Charges") against taxable parcels within the CLRSD Area will best avoid the wide variations in ad valorem taxes paid by individual property owners. The Board has considered and adjusted the Fee when found necessary for reasons of fair and equitable application, as described hereinafter.
7. The Board has worked with the Town's field assessor to identify parcels within the CLRSD Area that contain multiple seasonal rental dwellings (the "Resort Parcels"), that contain multiple owner-occupied dwellings (the "Condominium Parcels") or that have been documented as unbuildable (the "Unbuildable Parcels"). The Board has determined that the most fair and equitable method of spreading the CLRSD Cost Allocation among such parcels is to charge a single Fee for each Resort Parcel, to charge a single Fee per owner-occupied dwelling on Condominium Parcels, and to charge no Fee for any Unbuildable Parcels.
8. The Condominium Parcels and the total number of Fees to be charged against these parcels are as follows:

Parcel ID Number	Owner	Total Fees Charged
42-0385-000	Miltona Beach Properties Inc.	29
42-0381-800	Tamarac Bay Corp. Inc.	25
42-0800-200	Miltona Bay Estates Inc.	34
42-0721-000	Missouri Angling Club	19

9. The Unbuildable Parcels for which no Fee will be charged are as follows:

Parcel Identification Number	Owner
42-0287-000	Smokey Timbers Foundation
42-0288-000	Public Road
42-0295-000	Public Road
42-0296-100	Miltona Lakeview Estates
42-0332-000	Smokey Timbers Foundation
42-0333-999	Public Road
42-0338-869	Public Road
42-0374-800	State of Minnesota
42-0376-999	Public Road
42-0446-900	Public Road
42-0454-000	Public Road
42-0460-499	Public Road
42-0468-000	Mount Calvary Lutheran
42-0513-999	Public Road
42-0516-120	Public Road
42-0519-999	Public Road
42-0640-070	Maple's Edge Estates Assoc.
42-0640-999	Public Road
42-0786-000	Minnesota Dep't of Natural Resources
42-0814-375	Public Road
42-0814-425	Parview Estates Townhomes
42-0939-210	Miltona Developers Inc.
42-0530-000	Klatke/John W. & Rita A.
42-0803-000	Steidl/Theodore P. & Norma J.
42-0812-000	Steidl/Theodore P. & Norma J.
42-0814-175	Blank/Thomas A. & Patrice L.
42-0896-000	Zacher/Benedict J. & Carol J.
42-0425-000	Lake Miltona Association
42-0415-000	Whiteoak/Randy Lee

10. It is most equitable, considering the balance of interests of all Town members, to (a) continue to pay the Administrative Costs with the Town's general funds; (b) pay up to \$200,000.00 of the CLRSD Cost Allocation from available Town funds; (c) finance the remaining CLRSD Cost Allocation of approximately \$1,197,740.00 through the issuance of the Town's General Obligation Bonds (the "Bonds"); (d) seek payment of the principal amount of the Bonds through the collection of Special Charges on parcels within the CLRSD Area as described above, and seek payment of the interest on the Bonds through the levy of ad valorem taxes on all taxable parcels within the Town; and (e) spread collection of the Special Charges and ad valorem taxes equally over a period of five (5) years.

11. The Board hereby finds that prepayment of the Fee by CLRSD Area landowners should be permitted within certain parameters, as more fully described hereinafter. The principal amount of the Bonds will be reduced in the amount of any prepayments received.

NOW THEREFORE, THE TOWN BOARD OF SUPERVISORS OF THE TOWN OF MILTONA HEREBY RESOLVE THAT:

1. All Administrative Costs incurred by the Town and paid through general funds shall remain as paid through said general funds without reimbursement from other sources.
2. The Board shall take all necessary actions to issue the Bonds in an approximate principal amount of \$1,197,740.00, representing the CLRSD Cost Allocation less up to \$200,000 to be paid from the Town's general funds and subject to adjustment downwards in the case of any prepayments as described herein, and (a) to pay the principal of the Bonds through the collection of Special Charges levied against the parcels within the CLRSD Area listed in the attached Exhibit A (subject to adjustment in the case of prepayments as described below), and (b) to pay the interest on the Bonds through the collection of ad valorem taxes levied against all taxable property in the Town. Such Special Charges and ad valorem taxes shall be spread upon the tax rolls and collected by the Douglas County Auditor and paid to the Town in equal installments over a period of five years, commencing in taxes-payable year 2010.
3. Owners of taxable parcels within the CLRSD Area may prepay their Fee. All prepayments must be made in accordance with the following parameters:
 - (a) Prepayments must be in the amount of the entire principal amount of the Fee.
 - (b) No Special Charge shall be levied against a parcel that prepays its Fee if the prepayment is received by the Miltona Town Clerk prior to October 1, 2009.
4. Costs incurred in issuing the Bonds shall be paid from the Town's general funds.
5. The Town Clerk is authorized and directed to amend Exhibit A as necessary to incorporate any prepayment of Fees and to file this resolution with the Douglas County Auditor. Such filing shall constitute the Town's official certification of the Special Charges to be collected.

Adopted by the Miltona Town Board of Supervisors this 8th day of September, 2009.

By the following vote

Gary Anderson ✓
Jerome Haggemiller ✓
Keith Baldwin ✓

Gary Anderson
Gary Anderson, Town Chair

ATTEST: Thomas A. Blank
Thomas A Blank, Town Clerk