City of Calumet

Special Meeting to Discuss selling the Tower & Leases

Tuesday April 25, 2023, 10:00 a.m.

In the Council Room

Mayor Tuorila called the meeting to order at 10:08 a.m.

Present: Mayor John Tuorila, Council members Tim Zaren, and Dan Strand. Also present: Clerk April Serich, Public Works Supervisor Bob Hoshal, Public Works Maintenance worker Bill Berger, Account Bonnie Sterle and Attorney John Licke.

Attorney John Licke discussed the possibility of selling the communications tower. We would need a draft outlining the terms of an agreement. The engineer can look at the maintenance records. Discussed the DNR easement for road access.

He looked at the current leases. If it states the right to transfer leases is not prohibited then it can be done. There were a couple of concerns. T-Mobile has a statement in their lease that says the entire interest in property. At&t says if a transfer use interferes with the facility, they can say no. Verizon says they have right to assign in contract. We should contact them about their view on the sale of the tower.

We discussed the use of a commercial real estate agent or broker and what the cost would be.

The buyer will want to see the income and expenses as well as maintenance records.

Mayor Tuorila and Attorney John Licke will draw up a formal letter to all tenants on the tower as well as Paul Bunyan and Mediacom.

Discussed keeping the property except a 70x100 area under the tower. The guyed wires and anchors are on city land.

Check with DNR on selling property. Ask Jordan Schafer about the leases. We should let the DNR know we might sell the tower.

Accountant Bonnie Sterle discussed the financial aspect of selling the tower. The money from the tenants on the tower helps with the city budget. We need to ask what is right for the city in longevity. In 2022 the Tower Fund Receipts were $88,656.84 and the Disbursements were $1,316.04 with an ending balance of $162,484.03.

The offer from Everest on the table is:

1. $1,805,000 at closing.
2. $404,000 a year for 5 years.
3. $240,000 a year for 10 years.

The estimated revenues would be approximately 30 years of receipts in 10 years with the $240,000 a year option. The city would need to commit a certain amount of funds into special accounts and designate investments in specific conservative investments.

The money could be used as a match for grants on projects.

Taking money at closing would be less liability.

Interest would come back to the city each year.

Bonnie asked, “what does the city really want to get out of the tower?”

She said, “it makes sense financially with the legal aspects taken care of.”

Accountant Bonnie Sterle and Attorney John Licke left the meeting.

Next the council discussed lawn mowers. The cost of two new John Deere Zero turn mowers would be $18,000 with the trade in values for two mowers at $7,200. The cost of one Cub Cadet mower is $16,000.

Discussed the money from selling the old fire hall being used to pay off the track loader, lawnmowers, and the balance for the pick-up.

Discussed the MN OSHA Safety Grant up to $10,000. It could be for a snowblower for the track loader, and other safety equipment. A set of forks for the track loader is also needed.

Discussed the plow on the dump truck. Bill rewelded it for now. A new V-plow is approximately $11,000. We will bring it up at the next meeting. The dump truck also needs airbrakes. They will bring it to Figgins for repair.

Discussed the community service workers and if there is enough work for them.

Bob and Bill created a list of projects that need to be completed.

Patch tarring pot holes, lots of brushing all over town, cut trees at Depot area and around town and haul away, garbage needs to be picked up around town and along Hwy#169 and Co Rd #12, weed whacking especially around the signs, paint curbs, paint tops of fire hydrants, fix the infield at the ball park, kill weeds and put sand down, paint the safety bars on the DNR monitoring wells, work at the dumpsters for cleanup days and the brush pile needs to be taken care of with class 5 for the burn pile road.

The parks need mulch and weeds killed.

Discussed parking tickets and door hangers for water shut offs getting printed.

Meeting adjourned at 12:30 p.m. Tuesday, April 25, 2023.

Respectfully Submitted, Approved,

April Serich, City Clerk John Tuorila, Mayor