

CITY COUNCIL MINUTES

January 12, 2026

The regular meeting of the Underwood City Council was called to order at 5:30 p.m. Persons present were Mayor Anna Kiser, Tim Hammes, Logan Solberg, Nicole Woodman and Doris Loe. Also present, Judy Everett, Lorrie Poser, Luke Mostue and Adam Barry.

A motion was made by Solberg and seconded by Loe, to accept the agenda and minutes as presented. All in favor, none opposed. Motion passed.

GUESTS: Cedar Walters with WCI

PUBLIC FORUM

CLERK/TREASURER REPORT

The following bills: Checks #27130-27200; auto pays #98059-98085; total \$262,366.83 were approved by a motion made by Hammes and seconded by Woodman. All in favor, none opposed. Motion carried.

A motion was made by Solberg and seconded by Hammes to approve the contract with Adam Barry, \$3,500.00 per month for 1 year. The checks will be made out to Adam's new company DEW Water Inc.

A motion was made by Loe and seconded by Hammes to approve the Johnson Jet-Line contract for 5 Year Sanitary Sewer Maintenance Program.

Cedar Walters from WCI talked about the Solar Cohort. Energy Analysis for Liquor Store and the City Building.

A motion was made by Loe and seconded by Nicole to approve the Liquor Store Project. All in favor, none opposed, motion carried. WCI will put together a proposal for the council to look at.

LIQUOR STORE REPORT

Inventory and the audit went well.

Motion made by Solberg and seconded by Woodman to approve the resignation of Patricia Claypool as of 12/27/25. All in favor, none opposed, motion carried.

MAINTENANCE REPORT

The shop has been cleaned and toilet replaced. Things are going well. The brush on the sweeper may need to be replaced every year.

The pickup has been shaking, Luke will bring into Minnesota Motors for quote.

Discussion on where to put the sand/salt pile for next year. It was mentioned to build a lean-to behind the shop.

Luke will check on new banner prices for the light poles.

BUDGET AND FINANCE

A motion made by Loe and seconded by Woodman to approve the CD Disbursement. All in favor, none opposed, motion carried.

UNFINISHED BUSINESS

Woodman and Loe will review the Personnel Policy for next meeting.

Will write up an addendum to the Animal Ordinance to include goats for cleaning up personal residence within the city.

Re-consideration of the Unemployment issue regarding an employee. Solberg will write up a letter to send in.

NEW BUSINESS

A motion was made by Woodman and seconded by Loe to adopt Resolution 0126-1 Certifying Charges to Property Taxes Payable 2026. Roll call: Ayes; Kiser, Hammes, Loe, Woodman, Solberg, Nays; None. Motion carried.

RESOLUTION #0126-1
CERTIFYING CHARGES TO PROPERTY TAXES PAYABLE 2026

BE IT RESOLVED by the Council of the City of Underwood, County of Otter Tail, State of Minnesota, that an assessment for past due utility charges specifically water & sewer usage be placed on the property taxes for the year payable 2026:

212 Foss St N
PARCEL 80000990184000
In the amount of \$365.00

Adopted by the Underwood City Council this the 12th day of January 2026.

Mayor Anna Kiser

ATTEST: _____
City Clerk Judy Everett

A motion was made by Woodman and seconded by Loe to adopt Resolution 0126-2 Consenting to Modification of the City of Underwood’s Healthcare Facilities Revenue Note, Series 2015 (Lake Region Healthcare Corporation Project) Roll call: Ayes; Kiser, Hammes, Loe, Woodman, Solberg, Nays; None. Motion carried.

Extract of Minutes of a Meeting of the
City Council of the City of
Underwood, Minnesota

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Underwood, Minnesota was duly held at City Hall in said City on Monday, January 12, 2026, commencing at 5:30 P.M.

The following Council members were present: Ann Kiser, Tim Hammes, Logan Solberg, Nicole Woodman and Doris Loe
and the following were absent: None

Council member Nicole Woodman introduced the following resolution and moved its adoption:

CITY OF UNDERWOOD
RESOLUTION NO. 0126-2

RESOLUTION CONSENTING TO MODIFICATION OF THE CITY OF UNDERWOOD’S
HEALTHCARE FACILITIES REVENUE NOTE, SERIES 2015
(LAKE REGION HEALTHCARE CORPORATION PROJECT)

WHEREAS, Minnesota Statutes, Sections 469.152 through 469.165 (the “Act”), gives municipalities the power to issue revenue notes or other obligations to finance industrial development projects to promote the welfare of the state by providing necessary health care facilities so that adequate health care services are available to residents of the State of Minnesota at reasonable cost; and

WHEREAS, pursuant to the Act and a resolution of the City of Underwood, Minnesota (the “City”), adopted on March 2, 2015, the City previously issued its Healthcare Facilities Revenue Note, Series 2015 (Lake Region Healthcare Corporation Project) (the “Note”), in the original aggregate principal amount of \$8,642,400, which is currently owned by Old National Bank, the successor by merger to Bremer Bank, National Association (the “Lender”); and

WHEREAS, pursuant to a Loan Agreement, dated as of April 15, 2015 (the “Loan Agreement”), between the City and Lake Region Healthcare Corporation, a Minnesota nonprofit corporation and Section 501(c)(3) organization (the “Borrower”), the City loaned the proceeds of the Note to the Borrower for the purpose of financing a portion of the costs of (a) the design, development, construction, equipping and furnishing of an approximately 81,000-square-foot replacement medical office and clinic building, a same-day surgery facility, and related infrastructure improvements and parking lots, all located at 111 West Vernon Avenue in the City of Fergus Falls, Minnesota, owned by Lake Region Medical Building, LLC, or a related entity, and leased to the Borrower, (b) the demolition of certain existing buildings and other surplus improvements, and (c) certain costs of issuance (collectively, the “Project”); and

WHEREAS, pursuant to the Loan Agreement, the Borrower agreed to repay the loan in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the Note in full when due, and the City has assigned its rights, title, and interest in the Loan Agreement (except for certain rights of indemnification and to reimbursement for certain costs and expenses) to the Lender pursuant to a Pledge Agreement, dated as of April 15, 2015 (the “Pledge Agreement”), between the City and the Lender; and

WHEREAS, the City has been advised by the Lender that (a) the Note provides that the interest rate on the loan is a variable rate to be adjusted on certain rate reset dates based upon the 10-Year LIBOR/Swap Rate or the 5-Year LIBOR/Swap Rate, plus a spread, but (b) the 10-Year LIBOR/Swap Rate and the 5-Year LIBOR/Swap Rate were phased out effective June 30, 2023, and are no longer available; and

WHEREAS, the City has been advised by the Lender that the Borrower and the Lender have agreed to replace the 10 Year LIBOR/Swap Rate with the 10 Year Treasury Constant Maturity Rate and the 5 Year LIBOR/Swap Rate with the 5 Year Treasury Constant Maturity Rate (the “Modification”), as further described in the Allonge to Note (the “Allonge”), a substantially final form of which has been provided to the City; and

WHEREAS, the Lender and the Borrower have requested that the City consent to the Modification; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Underwood, Minnesota, as follows:

1. The City consents to the Modification and approves the Allonge in all respects.
2. The Mayor and the City Clerk are hereby authorized to execute and deliver the Allonge and any other related documents on behalf of the City.
3. Prior to execution, the Allonge may only be modified if the modifications do not alter the substance of the transaction and are approved by Taft Stettinius & Hollister LLP as bond counsel to the City, provided that delivery of the Allonge shall be conclusive evidence of approval.
4. This Resolution shall be in full force and effect from and after its passage.

Adopted by the City Council of the City of Underwood, Minnesota, on Monday,

