

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – SEPTEMBER 14, 2009 @ 5:00 P.M.
ROSEAU CITY CENTER COUNCIL CHAMBERS
121 Center Street East Suite 201
Roseau, MN 56751**

A Regular monthly meeting of the Roseau City Council was held on the above date, time and place. Members present were Mayor Jeff Pelowski, Council members Linda Vatnsdal, Gerry Schiltz and Curt Ireland. Absent Council member Pat Novacek. Others present were Clerk-Treasurer Michelle Slater, Superintendent David Drown, Community Development Coordinator Peterson, Police Chief Ward Anderson, Liquor Store Manager Brad Wiberg, Attorney Patrick Moren, Jack Swanson-Roseau County Commission and Wild102, Roseau Promotions Director Lyle Grindy, David McDonald and Fire Chief Tim Skime.

Mayor Pelowski called the meeting to order and the Pledge of Allegiance was said.

The following corrections(s)/additions(s) were noted in the August 3, 2009 minutes;
Page 3 – The East Diversion would have required a railroad bridge in this area; however, Minnesota Northern Railroad has indicated they plan to abandon the railroad tracks from Roseau east to Warroad. ~~and the land will be for sale.~~

Page 4 - ~~The gazebo cost would not exceed \$41,149.49 and the concrete costs would not exceed \$16,000. Phase I does not include walkways or plantings. Since the total is over the \$45,000 Park Gazebo 2009 budget, Council member Ireland motioned to authorize the Gazebo project expenditure not to exceed \$58,149.49 (Gazebo \$41,149.49, cement work \$16,000 less the NMF funds of at least \$9000).~~

The gazebo estimate was \$41,149.49 and the concrete costs would not exceed \$16,000. Phase I does not include walkways or plantings. Since the total is over the \$45,000 Park Gazebo 2009 budget, Council member Ireland motioned, to authorize the Gazebo project city share not exceed \$48,149.49. the balance of Phase I costs will be paid by the city using donations to the Roseau Parks & Recreation Riverview Park Fund at Northwest Minnesota Foundation.

Council member Ireland motioned, Council member Vatnsdal seconded and it was carried by unanimous vote to approve the August 3, 2009 minutes with changes.

Council member Schiltz motioned, Council member Vatnsdal seconded and it was carried by unanimous vote to approve the following Consent Agenda items:

- a. Accounts payable claims from August 4, 2009 through September 14, 2009 as presented, with a batch number of AP083109 and is filed in edit books in the City Clerk's Office.
- b. Daily Batch checks written from August 1, 2009 through August 31, 2009 were audited, approved and are filed in edit books in the City Clerk's Office.
- c. Receipt entries July 1, 2009 to July 31, 2009 were audited, approved and are filed in edit books in the City Clerk's Office.
- d. Journal entries July 1, 2009 through July 31, 2009 were audited, approved and are filed in edit book in the City Clerk's Office.
- e. A review of June 2009 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
 - a. September 22, 2009 Comprehensive Plan Work Session at 5:00 p.m.
 - b. October 5, 2009 Regular monthly meeting.
- g. Roseau County Agricultural Society thank-you.
- h. MAOSC notice of board meeting September 18, 2009.
- i. Approve VFW Post 8663 Temporary On-Sale Liquor License to serve alcohol at the ATVAM Convention to be held at the City Center September 19, 2009.
- j. Wikstrom-Public Utilities information.
- k. Liquor Store August 2009 Sales Report.
- l. 2008 Partnership Distribution – Roseau Court Townhomes.
- m. Investment-Roseau EDA HiFi as of 09/08/09 is \$109,376.74.

- n. Cash in bank-DNR Escrow as of 09/08/09 is \$289,000.00.
- o. Cash in bank-Regular checking as of 09/08/09 is \$886,374.61.
- p. Investment-Regular HiFi as of 09/08/09 is \$3,650,445.77.
- q. Cash in bank-Liquor Credit Card as of 09/08/09 is \$11,563.79.
- r. Cash in bank-Airport Fuel Sales Credit Card as of 09/08/09 is \$399.49
- s. Investment-Roseau EDA Money Market as of 09/08/09 is \$119,703.98.
- t. Cash in bank-Pine to Prairie Birding Trail as of 09/08/09 is \$3,615.85.
- u. Cash in bank-Scandinavian Festival as of 09/08/09 is \$2,673.49.
- v. Cash in bank-Roseau Community Youth Project as of 09/08/09 is \$3,324.14.
- w. Cash in bank-Welcome to Roseau as of 09/08/09 is \$1,137.17.
- x. Cash in bank-Roseau EDA as of 09/08/09 is \$4,236.40.
- y.

HEATSHARE PROGRAM AGREEMENT

COMES NOW, City of Roseau, in joint partnership with The Salvation Army, an Illinois Corporation (The Salvation Army), submits its joint customer contribution fund program plan as follows:

PROGRAM NAME: HeatShare (A voluntary non-governmental program of The Salvation Army), which has been in existence since 1982.

PURPOSE: The purpose of this energy related program, shall be to advance the common good and general welfare of the people by soliciting voluntary contributions from customers and employees to assist needy Minnesotans with energy related problems, including but not limited to residential heating bills, repairs on home heating equipment, and shut offs; and to provide assistance in reducing the cost of utilities for qualified low-income elderly, disabled, and others with special needs who have difficulty paying their energy related expenses.

CUSTOMER NOTIFICATION: Customers will be notified through City of Roseau. Notifications will be made via bill inserts and/or Newsletters. In addition, press releases and media notification will be utilized when appropriate and beneficial to HeatShare and the City of Roseau.

TRANSFER/DISTRIBUTION OF FUNDS: City of Roseau will transfer funds to The Salvation Army on a regular basis in amounts equal to contributions received and processed prior to such date. Funds will be allocated by each Salvation Army unit corresponding to City of Roseau in direct proportion to donations received from their area. On an exceptional basis, The Salvation Army, will have at their discretion, the authority to adjust the distribution of funds where they deem fit. A minimum of 85% of the funds will be used in the distribution of funds as per the attached guidelines A-1 and A-2.

IMPLEMENTATION: Implementation is scheduled with the insertion of customer notification/authorization in at least one monthly bill or newsletter each year thereafter, unless this agreement is terminated.

ADDITIONAL: City of Roseau proposes at this time to defray the expense of solicitation through paying of bill insert costs, any promotional costs deemed necessary, and the cost of collection and transmittal of contributions.

EFFECTIVE DATE: This plan becomes effective this September 1, 2009, and stays effective until August 31, 2010, or until City of Roseau or The Salvation Army terminates this agreement by giving a 90 day written notice to the other party.

NOTICE: The Salvation Army will follow the operational guidelines (A-1 and A-2) attached hereto. Notices shall be deemed given upon personal delivery, or when deposited in the United States mail, postage prepaid and addressed as follows:

If to City of Roseau:

Attn: Michelle Slater
 Title: City Clerk
 Address: 121 Center St East Suite 200
Roseau, MN 56751
 Phone: 218-463-1542

If to The Salvation Army:

Attn: Mike McGlone
 Title: Statewide HeatShare Director
 Address: 2445 Prior Avenue
Roseville, MN 55113
 Phone: 651-746-3542

WHEREFORE, City of Roseau, requests that its proposed joint customer contribution fund program be approved as submitted.

By: _____
 Title: _____
 Attest: _____
 Title: _____
 Dated the _____ day of _____ 2009

The Salvation Army
An Illinois Corporation

By: _____
Title: Divisional Commander
Attest: _____
Title: Statewide HeatShare Director
Dated the _____ day of _____ 2009

Cynthia Madigan was not present to make a 2010 Census presentation as stated on the agenda.

After reviewing correspondence from Mike Lorenson (e-mail dated 09/10/09), Council member Ireland motioned, Council member Schiltz seconded and it was carried by unanimous vote that as stated in the May 4, 2009 Council minutes, the Council denies Mr. Lorenson's request to waive the cost of certain services on his City of Roseau light bill.

Roseau Promotions Director Lyle Grindy reported on the following events;

- Art in the Park held at the Pioneer Farm.
- Minnaqua held at the Roseau City Park.
- Krazee Daze and flea market.
- Roseau River Fishing Tournament. There is interest in combining this Tournament with the Minnaqua and advertise it as a 2-day event.
- Welcome to Roseau picnic held at the Roseau City Park.
- Relay for Life held at the Roseau City Park.
- Quilt S'More hosted a Minnesota Quilt Shop Hop, where it was reported over 700 guests visited during the event.
- August 20, 2009 State Secretary of Agriculture Gene Hugeson town meeting held at the City Center
- There were over 40 antique tractors in a parade down Main Avenue at the start of the Pioneer Farm Festival. The tractors were driven from surrounding communities and met in Roseau for the parade.
- The ATVAM Convention will be held this weekend at the City Center.
- On September 26, 2009 an ALS 5K walk, 10K run is scheduled in Roseau.
- On October 1, 2009 the annual Art Crawl and Moonlight Madness will take place.

Grindy made a request on behalf of the C & C that the Council consider a solution to eliminate the unsightly, unkept ditches along highways 89, 11 and 310 coming into Roseau. No action was taken.

The Planning Commission;

- Were given an update on cleanup issues at the Westside Trailer Court.
- Discussed the need for the highway 11 bridge to be repainted and asked who would be responsible. Superintendent Drown reported the Highway 11 bridge would be repainted during the regular maintenance schedule set forth by the State of Minnesota.

After discussion, Council member Schiltz motioned, Council member Ireland seconded and it was carried by unanimous vote to direct Community Development Coordinator Peterson and Attorney Moren to work together to initiate steps to abate the hazardous conditions existing at the former Jensen's Seed & Wool property owned by Burlington Northern Railroad property following the procedures established in the City Code.

Council member Ireland introduced the following Ordinance and moved for its adoption;

ORDINANCE NO. 16 THIRD SERIES

(Uncodified)

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA, TO AMEND THE ROSEAU CITY CODE SECTION 11.03 GOVERNING LAND USE REGULATION (ZONING); SAID SECTION 11.03 BEING ENTITLED "DISTRICTS ESTABLISHED, ABBREVIATIONS, ZONING DISTRICT MAP, ANNEXATION AND ZONING PERMIT".

The City Council of the City of Roseau, Minnesota, ordains as follows:

SECTION 1. That the official zoning district map incorporated by reference in the Roseau City Code, Section 11.03, is amended to reclassify the following described real estate from F-R (FARM RESIDENTIAL) to R-1 (SINGLE FAMILY RESIDENCE).

Lots Seven (7) and Eight (8), in Block Two (2) in Jensen's Subdivision, according to the recorded plat thereof on file and of record in the office of the County Recorder in and for Roseau County, Minnesota, containing .321 acres more or less.

AND

Lots Five (5) and Six (6), in Block Two (2), Jensen's Subdivision, according to the recorded plat thereof on file and of record in the office of the County Recorder in and for Roseau County, Minnesota, containing .321 acres more or less.

SECTION 2. All ordinances and parts of ordinances inconsistent with this ordinance are hereby repealed.

SECTION 3. The ordinance shall take effect and be in full force after its passage and publication.

Dated this 14th day of September, 2009.

APPROVED:

ATTEST:
s/s Michelle Slater
City Clerk-Treasurer

s/s Jeff Pelowski
Mayor

The motion for adoption of the foregoing Resolution was duly seconded by Council member Vatsdal and upon vote being taken thereon, the following voted in favor thereof: Ireland, Vatsdal, Schiltz and Pelowski

and the following voted against the same: None

and the following abstained: None

and the following were absent: Novacek

Whereupon said resolution was declared duly passed and adopted.

Council member Schiltz motioned, Council member Ireland seconded and it was carried by unanimous vote to set a Public Hearing to consider the Steven A. Anderson (#3-09) Variance request to construct a 3' by 6' sign totaling 18 square feet at 900 3rd Street Northeast, his place of business, in lieu of the 2.5 square feet allowed, as recommended by the Planning Commission.

Council member Ireland motioned, Council member Schiltz seconded and it was carried by unanimous vote to set the Steven A. Anderson (#3-09) Public Hearing (as stated above) for Tuesday, September 29, 2009 too accommodate the 10-day publishing requirements, as recommended by the Planning Commission.

Council member Ireland motioned, Council member Schiltz seconded and it was carried by unanimous vote to set a Public Hearing for September 29, 2009 to consider the David McDonald (#5-09) Variance request to construct and addition with a front yard setback of 20 feet in lieu of the 30 foot requirement as recommended by the Planning Commission.

Council member Schiltz motioned, Council member Vatsdal seconded and it was carried by unanimous vote to approve the Flaig Addition Preliminary Plat, as recommended by the Planning Commission.

Roseau County Commissioner Jack Swanson reported;

- The Commissioners are working on 2010 levies and budgets and they approved a preliminary 5.5% 2010 levy increase, which would require they spend about \$800,000 in reserves if they also approved the proposed 2010 budget. A proposal to impose a hard hiring freeze was not approved by Commissioners and a voluntary employee wage freeze has been denied by County employees, who have a wage contract in place through 2010.
- The Commissioners are in support of the proposed Minnesota Northern railroad abandonment from Roseau to Warroad and they indicated they would like to see the rail line remain in the public domain.

Council member Vatnsdal motioned, Council member Schiltz seconded and it was carried by unanimous vote to approve the ULTEIG Engineering Services Contract for the Airport and the Mayor was authorized to execute the agreement

Community Development Coordinator Peterson reported the Mndot Aeronautics Division has supplied the City of Roseau with used Airport runway VASI lights from another airport, the only cost for replacement of the existing lights will be the wiring and installation.

Council member Vatnsdal reported the Beautification Committee has had very good comments on the work they have done this year. The flowers will be watered later this fall and how long will depend on budget dollars. Vatnsdal thanked the city crew for placing the mulch around the City Center, at a cost savings.

The Council was notified Badger classmates of former Representative Maxine Penas are in the process of planting a maple tree on the City Center property in her memory. They have been working with the City Center Committee and Superintendent Drown for the best placement.

Community Development Coordinator Peterson reported the EDA met on August 26, 2009 and:

- Are working on getting contracts signed for the gasification project.
- Have approved a loan for a local business.

Liquor Store Manager Wiberg asked for direction on whether an outdoor sign for the liquor store that was previously discussed should be included in the 2010 Budget. Council consensus was the sign should be included in the 2010 Budget for consideration.

Fire Chief Skime reported;

- The firemen's ball will be held September 26, 2009
- He has reviewed the burning permit wording and the Council approved the additional wording to suggest there be no burning until after 6:00 p.m.
- The Roseau Firemen will be attending a regional meeting in Karlstad in October.
- The Roseau Firemen have been approached to see if a schedule can be worked out to resolve a problem with firefighters being available to fight fires on the weekends and holidays. Skime will be working with Council member Curt Ireland and his firemen to review the work schedule of the ambulance drivers to see if a similar work schedule will work for the fire department.
- There is a high-pressure gas utility training exercise planned for September 29, 2009. Fire fighters and emergency personnel, both local and from surrounding communities have been invited to attend.
- Police Chief Anderson seized a vehicle within the last couple of years that was previously used by the parks and recreation departments and now is in disrepair. He requested the vehicle be donated to the fire department for training purposes and Council consensus approved the request.

Police Chief Anderson reported the new squad car has not been delivered yet. Anderson also met with Sjoberg's Cable TV to report we now have the ability to make a call from any phone to interrupt the Cable TV system with emergency notifications. When in use, all channels go blue.

Superintendent Drown asked that the 2009-10 MMUA Safety Management Program Contract be carried over to the October 5, 2009 Council meeting agenda, pending review.

Superintendent Drown requested fuel bids and two were received as follows:

Northern Resources Cooperative	Cost plus \$0.04c gal
Holiday Station Stores	Cost plus \$0.55c gal

Based on the fuel bids Council member Vatnsdal motioned, Council member Ireland seconded and it was carried by unanimous vote to accept the Northern Resources Cooperative fuel bid of Cost plus \$0.04c gal.

Superintendent Drown reported the Riverview Park Gazebo has been ordered.

The Council scheduled special meetings on October 14, 2009 at 5:00 p.m. and October 15, 2009 at 5:00 p.m. to meet with department heads/committees on their 2010 Preliminary Budget requests.

Council member Ireland introduced the following Resolution and moved for its adoption:

#R 26-09

RESOLUTION ADOPTING PRELIMINARY 2009 PAYABLE 2010 TAX LEVY

BE IT RESOLVED, that the City Council of the City of Roseau hereby approves the 2009 payable 2010 preliminary tax levy in the amount of \$1,049,243 as follows:

2010		
PRELIMINARY LEVY		
1.	General Levy	\$ 718,316
	Library	40,000
	Total General Levy	\$ 758,316
2.	Special Levies	
	a. (602) PFA Loan \$237,000	\$ 2,000
	b. (602) PFA Loan \$950,000	5,000
	c. (331) Refunding 2003A	158,608
	d. 2008 Unallotment recoup	68,268
	e. 2009 Unallotment recoup	57,051
	Total Special Levy	\$ 290,927
	Grand Total	\$ 1,049,243

BE IT FURTHER RESOLVED that the Clerk-treasurer submits to the Roseau County Auditor, the proper documentation certifying that the 2010 preliminary levy has been adopted.

s/s Michelle Slater
Clerk-Treasurer

s/s Jeff Pelowski
Mayor

The motion for adoption of the foregoing Resolution was duly seconded by Council member Vatsndal and upon vote being taken thereon, the following voted in favor thereof: Ireland, Vatsndal, Schiltz and Pelowski

and the following voted against the same: None

and the following abstained: None

and the following were absent: Novacek

Whereupon said resolution was declared duly passed and adopted.

Council member Ireland introduced the following Resolution and moved for its adoption:

#R 27-09

RESOLUTION ADOPTING PRELIMINARY 2010 PRELIMINARY BUDGET

BE IT RESOLVED, that the City Council of the City of Roseau hereby approves the 2010 Preliminary Budget be adopted as follows:

2010 PRELIMINARY BUDGET			
	REVENUE	EXPENSES	BALANCE
General Fund	\$2,252,929	\$3,559,321	(\$1,306,392)
Housing and Debt Service Funds	\$ 402,726	\$ 457,915	(\$ 551,189)
East Diversion Project	\$ -0-	\$ 50,000	(\$ 50,000)
	\$2,655,655	\$4,067,236	(\$1,411,581)
Ttl General/Debt/Special Accts			
Water Fund	\$ 378,600	\$ 371,626	\$ 6,974

Sewer Fund	\$ 343,500	\$ 274,300	\$ 69,200
Garbage Fund	\$ 376,000	\$ 363,334	\$ 12,666
Electric Fund	\$3,156,550	\$2,772,197	\$ 384,353
Liquor Fund	\$1,499,050	\$1,313,882	\$ 185,168
	=====	=====	=====
Ttl Enterprise Funds	\$5,753,700	\$5,095,339	\$ 658,361

s/s Michelle Slater

s/s Jeff Pelowski

The motion for adoption of the foregoing Resolution was duly seconded by Council member Vatsndal and upon vote being taken thereon, the following voted in favor thereof: Ireland, Vatsndal, Schiltz and Pelowski

and the following voted against the same: None

and the following abstained: None

and the following were absent: Novacek

Whereupon said resolution was declared duly passed and adopted.

Council member Schiltz motioned, Council member Vatsndal seconded and it was carried by unanimous vote that by State law, in lieu of the Truth in Taxation Meeting, the December 7, 2009 Regular Council meeting will start at 5:00 p.m. and the agenda will include 6:00 p.m. final 2010 Levy and Budget discussion and the opportunity for public comment and consideration of the final 2010 Levy and Budget. The mayor made this announcement, as required, to the audience in attendance.

Council member Ireland motioned, Council member Vatsndal seconded and it was carried by unanimous vote to cost share with Roseau County, based on City employee participant use and to designate Janet Lundbohm from the Clerk's Office to be the City liaison to help with the 4th Annual Roseau County/Roseau City Health Fair to be held October 29, 2009 in the Roseau Community Center.

The Council acknowledged 2009 LMC Regional meetings information received.

The Council acknowledged H1N1 Influenza information received.

Regarding the August 3, 2009 Council motion to renew the Northland Community and Technical College (NCTC) Lease for a period of 10 years at a charge of \$250 per month, due to NCTC policy, the Council was asked to renew the lease for a period of 5 years at a charge of \$250 per month and the Council approved by consensus.

Council member Vatsndal motioned, Council member Schiltz seconded and it was carried by unanimous vote to approve the Agricultural Utilization Research Institute (AURI) Collaboration Agreement and Community Development Coordinator Peterson was authorized to execute the agreement as follows;

**Agricultural Utilization Research Institute
Agricultural Innovation Center (AIC)
Minnesota's Center for Producer-Owned Energy
COLLABORATION AGREEMENT**

COLLABORATION AGREEMENT made by Agricultural Utilization Research Institute (AURI)/Minnesota's Center For Producer-Owned Energy *hereinafter referred to as* Agricultural Innovation Center (AIC) and the City of Roseau, Federal Tax Identification Number _____

And State Tax Identification Number _____ for AURI Project Number AIC-040.

WHEREAS, AURI and the City of Roseau executed an Initial Assistance Agreement effective on September 1, 2009.

WHEREAS, The City of Roseau desires services, including but not limited to Technical Assistance, Business Assistance, or Organizational, Outreach and Development Assistance (Core Services) from AURI and AURI is willing to provide this assistance to the City of Roseau.

NOW, THEREFORE, it is agreed by and between AURI and the City of Roseau that:

- I. Duration of Agreement: This collaboration agreement shall be effective from March 13, 2008 through June 30, 2010.
- II. Project Funding: Inconsideration of the City of Roseau's compliance with the terms and conditions contained in the AGREEMENT and attachments hereto, funding shall be provided as follows:

AURI (DOE funding)	\$200,000
AURI (State of MN)	50,000
The City of Roseau	300,000
Farmer's Union Enterprises	100,000
MN Wheat Research and Promotion Council	15,000
Minnesota Turf Seed Council	<u>15,000</u>
Total	\$680,000

If the funds which AURI will use to pay for the services performed under this Agreement are either state funds to be received from the State of Minnesota or federal funds to be received from Federal government, then if for any reason such funds become unavailable AURI may immediately terminate this Agreement upon written notice to Community Power Corporation. In the event of such termination Community Power Corporation shall immediately cease the performance of any services to be provided hereunder, and Community Power Corporation shall be entitled to payment for those services performed, or partially performed, prior to the date of such termination.

III. **Discretion:** AURI in its sole discretion may provide or not provide each, any or all Core Services to the City of Roseau.

IV. **Conditions:** The City of Roseau's receipt of AURI Core Services pursuant to this collaborative agreement is subject to each, every and all condition(s) contained in Exhibit A (Community Power Corporation's proposal dated July 20, 2009), attached hereto, and to each, every and all applicable rules or regulations adopted or amended by AURI which conditions, rules and regulations shall be communicated by AURI to the City of Roseau in writing

V. **AURI's Responsibilities:**

- A. **Project Manager:** AURI personnel will serve as primary project manager(s) for Project #AIC-040-Roseau Gasification Project. As project activities are completed, all Project invoices, including invoices with respect to services from third-party suppliers, will be submitted to AURI for review and approval and, if approved, payment by AURI.
- B. **Invoices:** AURI will issue invoices based on the payment terms set out on the attached Exhibit A (Community Power Corporation's proposal dated July 20, 2009) to the City of Roseau for its committed share of activities rendered on its behalf. The first invoice issued to the City of Roseau may be for less than three months.
- C. **Reports:** With each invoice provided to the City of Roseau AURI will provide to the City of Roseau a project outline demonstrating the progress of the project to date.

VI. **The City of Roseau's Responsibilities:**

- A. **Project Activity:** Assure that The City of Roseau through its personnel, staff and management is actively involved in all phases of Project # AIC-040 and that the City of Roseau meets its commitment requirements.
- B. **Payment of AURI Invoices:** Make payment of each AURI invoice within 30 days of the invoice date.
- C. **Reports:** A report outlining the Roseau Gasification project (more specifically, the installation of a 75 kW CHP Modular Biopower System) shall be submitted with each invoice payment request.
- D. **Irrevocable Letter of Credit:** Provide to AURI a bank's irrevocable letter of credit, or other documentation acceptable to AURI certifying the availability of cash committed to Project # AIC-040-Roseau Gasification Project.
- E. **Work plan and Budget:** The City of Roseau shall fully comply with Project # AIC-040-Roseau Gasification project, the project work plan and budget as presented in Exhibits A and B to this Agreement. See paragraph "XII Amendment" of this agreement regarding changes to the project agreement.

VII. **Non-Payment of Invoices:** Non-payment of AURI invoices by the City of Roseau will result in project suspension on day thirty-five (35) following the invoice date.

VIII. **Default:** If the City of Roseau fails to perform any term, condition or responsibility created by this Agreement with respect to Project # AIC-040 the providing of Core Services by AURI shall immediately cease. Upon the City of Roseau's failure to perform any term, condition or responsibility created by this Agreement with respect to Project # AIC-040, the City of Roseau shall be responsible to pay AURI the value to each, any and all Core Services provided by AURI to Project # AIC-040.

IX. **Waiver of Claims.** The City of Roseau waives and forever discharges any claim for damages or specific performance whether at law or in equity with regard to Core Services, which the City of Roseau receives or does not receive from AURI pursuant to this collaborative agreement.

The City of Roseau shall indemnify, hold harmless and defend AURI and its employees from any and all claims and causes of action arising from the failure of any third party to fulfill its funding commitment to the City of Roseau or AURI. This paragraph shall survive the termination of this agreement.

X. **Project Completion:** Upon completion of Project # AIC-040:

- A. AURI shall provide to the City of Roseau a final invoice for any outstanding cost-shared expenditure.

Upon AURI receiving final payment from the City of Roseau, AURI shall provide:

- 1. A final report to the City of Roseau, and
- 2. A receipt of the City of Roseau's final payment, and
- 3. Documentation of the services provided.
- B. The City of Roseau shall pay the invoice within 30 days of the date of the final invoice, and shall provide documentation of match not previously reported to AURI.

XI. **Promotion/Publicity:** The City of Roseau shall not use AURI's name for advertising, promotional, or publicity purposes, other than to reflect the collaborative relationship of AURI and the City of Roseau without the written permission of AURI's Director of Communications.

XII. **Assignment:** The City of Roseau shall not assign or transfer any right(s) or obligations(s) created by this agreement without the prior written consent of AURI.

XIII. Amendment: This collaborative agreement may only be changed by a written amendment approved and signed by AURI and the City of Roseau.

XIX. Waiver: AURI does not waive any of its rights by failing to enforce any obligation of the City of Roseau, which is created by this agreement.

XV. Parties Bound: This funding agreement shall bind AURI; it's Assigns or Successors in interest

XVI. Confidentiality: AURI will treat all mutually agreed upon information provided by Applicant as confidential. Minnesota Statutes stipulate that information provided to or gathered by AURI related to its programs must be treated as private data. Such data includes.

- A. Financial data, statistics and information furnished in connection with AURI and/or AURI financial assistance, including credit information, financial statements of net worth, income tax returns (either personal or corporate) and any other personal financial records;
- B. Security information, trade secret information, or labor relations information disclosed to members of the Board or employees of AURI with regard to service delivery.

If proprietary information is provided to AURI, it should be limited, set apart from the rest of the text of the application, and clearly marked as CONFIDENTIAL. AURI will limit the dissemination of such information to staff and project reviewers on a confidential basis; but in any event, AURI does not assume any liability for inadvertent disclosures.

XVII. Captions: Captions in this funding agreement are for convenience of reference only.

XVIII. No Partnership, Joint Venture, or Fiduciary Relationship Created: Nothing contained in this collaborative agreement shall be interpreted so as to create a joint venture or relationship of principal or agent between AURI and the City of Roseau.

XIX. Cumulative Rights: No right or remedy conferred or reserved to AURI or the City of Roseau is exclusive. Each right or remedy shall be cumulative and in addition to every other right or remedy existing at law, in equity or by Statute. Delay or Omission on the part of AURI or the City of Roseau in exercising any right shall not operate as a waiver of such right or any other right. A waiver of a right or remedy on any one occasion shall not be considered as a bar or waiver of the ability to exercise any right or remedy in the future.

XX. Entire Agreement: This collaborative agreement contains the entire understanding of AURI and the City of Roseau. No representations, promises or undertakings, whether oral, implied or written have been made by either AURI or the City of Roseau unless expressly stated in this collaborative agreement and neither AURI nor the City of Roseau has relied on any verbal representations, agreements, or understandings not expressly set forth in this collaborative agreement.

XXI. Attorney's Fees: In any action or proceeding pursuant to this agreement, the prevailing party shall be entitled to any fees, costs, expenses and disbursements from the non prevailing party. This paragraph will survive the termination of this agreement.

XXII. Minnesota Law: This agreement shall be construed and enforced pursuant to the laws of the State of Minnesota.

XXIII. Pursuant to MN Statutes section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practice of the Contractor and its employees, agents, and subcontractors, relevant to this contract, shall be made available and subject to examination by the Council, Minnesota Department of Agriculture, the legislative Auditor and/or State Auditor, for a minimum of six years from the end of the contract.

In WITNESS WHEREOF, AURI and the City of Roseau sign this agreement to be effective on the day and date first above written.

The City of Roseau

Agricultural Utilization Research
Institute/Agricultural Innovation Center

By: _____
Title: _____
Date: _____

By: _____
Title: Executive Director
Date: _____

- Exhibits:
- A. Community Power Corporation's BioMax Proposal
 - B. Budget.

Community Development Coordinator Peterson reported the placement of the gasification equipment is under review. Since it must be placed on City-owned property, a site in the vicinity of Memorial Arena is being considered.

Community Development Coordinator Peterson reported recent rains resulted in continued leaking of the Community Center windows, Kraus-Anderson will return to determine the cause and seek another solution.

Council member Vatsdal motioned, Council member Ireland seconded and it was carried by unanimous vote to authorize the expenditure of 15 additional track light fixtures at a cost of 2,135.00 in the museum and the addition of sound attenuation for the museum mini theatre at a cost of \$2,590.00 as requested. If there is a State bonding balance left after the City Center heating system is fixed, the Community Center window leakage is resolved and new lighting has been installed above the steps going to the second floor in the City Center, any balance will be used to pay for this museum request.

Community Development Coordinator Peterson reported;

- A solution to the leaking of the seals in the City Center heating system is still being sought.
- The Council Chambers sound system is on order and should be installed by the end of October.

- The new lighting to be placed above the second floor steps in the City Center has been received and will be installed.

Community Development Coordinator Peterson gave a Roseau East Diversion Project update.

It was reported Mayor Pelowski and Community Development Coordinator Peterson gave a presentation to the Minnesota House Bonding Committee for the next round of the Roseau East Diversion Project funding.

Regarding Clerk Slater's upcoming retirement, Community Development Coordinator Peterson reported he has supplied Employer's Association, Inc. with a preliminary reorganizational chart for the Clerk's Office and is looking for clear direction from the Council on what, if any changes, they envision for the Clerk's Office. Council consensus was to direct the matter to the Operations Committee for a recommendation.

It was reported the U.S. Army Corps of Engineers have scheduled a landowners meeting on Thursday, October 1, 5:30 p.m. in the Roseau City Council Chambers. Clerk Slater was directed to send a notice of event since a quorum of the Council may attend.

A proposal from Employer's Association to review current City of Roseau employee wage and benefits at an estimated cost of \$7,290, by Council consensus will be included in the 2010 Budget for consideration.

Council member Ireland motioned, Council member Vatnsdal seconded and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

Clerk-Treasurer

Mayor