

REGULAR ROSEAU CITY COUNCIL MEETING

MONDAY – April 5, 2021 at 5:00 P.M.

In person and WebEx meeting

121 Center Street East Suite 201

Roseau, MN 56751

The Regular monthly meeting of the Roseau City Council was held on the above date, time, and place. Members present were, Mayor Dan Fabian, Councilmembers: Pat Novacek, Brady Johnson, and Jane Evans. Absent: Amy Bassingthwaite. Others present were Community Development Coordinator Todd Peterson, Police Chief Ward Anderson, Liquor Store Manager Linda Roseborough, Fire Chief Craig McMillin, Parks and Rec Director Keith Severson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, Jack Swanson-Wild 102 Radio, and Kate Hammer. Tracee Bruggeman – Brady Martz was present via WebEx meeting.

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

Council member Pat Novacek motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve the March 1, 2021 regular meeting minutes as written.

Council member Jane Evans motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the March 15, 2021 Special meeting minutes with a correction in the second bullet point of removing a duplicated “tax abatement”.

Council member Brady Johnson motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims March 1, 2021 through March 31, 2021
Batch AP0033121.
CK# 69932-69965 = \$70,048.40
2. Presentation of daily checks March 1, 2021 through March 31, 2021
CK# 69809-69931 = \$295,110.00
VOID Ck #69299
VOID Ck #69460
E# 2316-2361 = \$421,679.97
PR 03/15/21 = \$42,260.20
PR 03/31/21= \$47,872.36
PR 03/31/21=\$1476.84
3. Presentation of Receipt entries February 1, 2021 through February 28, 2021.
4. Presentation of Journal entries JE013121.
5. Audit Committee review of January 2021 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. May 3rd, 2021 Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the Community Center- none
8. Investment–Roseau EDA Hi Fi as of 03/30/2021 is \$200,934.23.
9. Cash in bank-Regular checking as of 03/30/2021 is \$2,257,091.06.
10. Investment-Regular Hi Fi as of 03/30/2021 is \$1,563,801.59.

11. Investment Certificate of Deposit as of 03/30/2021 is \$823,713.91
12. Investment Certificate of Deposit as of 03/30/2021 is \$817,564.48.
13. Investment Certificate of Deposit as of 03/30/2021 is \$819,275.71.
14. Investment Certificate of Deposit as of 03/30/2021 is \$809,952.12.
15. Investment-Roseau EDA Money Market as of 03/30/2021 is \$206,909.37.
16. Cash in bank-Roseau EDA as of 03/30/2021 is \$492.75.
17. Local Government Pay Equity notification of compliance.
18. Roseau Court Townhomes Audit Complete (on file in Clerk's Office)
- 19.

RESOLUTION NO. 20-21

RESOLUTION ACCEPTING GRANT

WHEREAS, the Northwest Minnesota Arts Council, has presented to the City of Roseau, a grant of \$2625.00 and has designated that this grant be deposited in the City of Roseau Gazebo Concert Series Fund.

WHEREAS, the City Council is appreciative of the grant and commends them for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, BY THE City Council of the City of Roseau, Minnesota;

1. That the grant is accepted and acknowledged with gratitude, and
2. That the grant will be allocated to the City of Roseau Gazebo Concert Series Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 5th day of April, 2021.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

20. LG240B Application to Conduct Excluded Bingo at the Fair by the Am. Legion Aux
21. LG 220 Application for raffle at Gene's Bar and Grill by Northland Shooting Sports, Inc
22. Roseau Liquor Store March Monthly sales report
23. City of Roseau March 10021 Revenues & Expenditures Report
24. KLJ Airport Status Report
25. FYI-The City of Roseau was awarded the 2025 grant for the pedestrian bridge project.

Delegations/Petitions/Complaints –

Tracee Bruggeman from Brady Martz presented to council the City of Roseau audited financial statements for the year ended December 31, 2020. Ms. Bruggeman stated the audit went well and the City of Roseau has healthy fund balances and low debt levels, though the fund balance is down from the previous year.

Ms. Bruggeman noted a reportable finding. Minnesota Statute 118A.03 requires the City to obtain a bond or collateral which, when computed at its market value, shall be at least ten percent more than the amount of excess deposit. The City had deposits which were in excess of deposit insurance and the City did not have sufficient collateral to cover the deposits. CDC Peterson addressed this issue. The bank which monitors this had applied a bond to cover the deposits, not

realizing the bond's face value was not worth the value the bond stated. This was a clerical error, and when discovered the bank corrected it immediately. The bank and the City will continue to monitor the depository balances closely.

Committee Reports

Planning Commission –

CDC Peterson informed council that the Planning Commission met Monday, March 29, 2021 at 12pm. The following items were discussed.

- At 12:05 pm a Public Hearing was held for Conditional Use Application from Chad Fulton (#2-21) seeking to have 1st floor apartments in C-1 zoning district at 101 Main Avenue S. The public hearing was published in the newspaper and all property owners within 350' were notified of the hearing. One public comment was received from Joseph Bain prior to meeting. Mr. Bain expressed the following concerns:
 - He believes there is a need for commercial space in the downtown district and therefore this space should not be converted from that use.
 - He felt there were negative impacts to his business from previous residential tenants in this particular building.
 - He believes that keeping Main Street and Center Street as office and retail on the main level preserves the Roseau Marketplace.

Mr. Fulton responded that while he did not exhaust all avenues to seek commercial tenants, he did advertise the space and the only two inquiries he received were not viable. He has, however, received many inquiries on converting the space to residential. There was a question about the need for commercial space. CDC Peterson stated that there are existing empty commercial spaces in the downtown area. There was also a question about existing 1st floor residential spaces. CDC Peterson responded that there are some, but nothing on Main Avenue or Center Street at this time. Some exist in the building at TH11 and Main Avenue. The Planning Commission recommended the City Council approve Conditional Use Application #2-21 (Chad Fulton) to allow apartment units on the first floor of the building located at 101 Main Avenue S, on the condition that no on-street parking be permitted for residential tenants of the building.

After discussion, Council member Jane Evans motioned, Council member Brady Johnson seconded and it was carried by unanimous vote to approve Conditional Use Application #2-21 (Chad Fulton) to allow apartment units on the first floor of the building located at 101 Main Avenue S, on the condition that no on-street parking be permitted for residential tenants of the building.

- At 12:15 pm a Public hearing was held for Conditional Use Application from Kate Hammer (#1-21) seeking a home occupation for a pottery studio located at 202 Center Street E. CDC Peterson reported that the public hearing was published in the newspaper and that all property owners within 350' were notified of the hearing. CDC Peterson noted that one public comment was received from a neighbor in support of the application who was supportive of the arts. There would be minimal foot traffic into the home. The Planning Commission recommends the City Council approve Conditional Use

Application from Kate Hammer (#1-21) seeking a home occupation for a pottery studio located at 202 Center Street E. Kate Hammer was present to answer questions.

After discussion, Council member Pat Novacek motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve Conditional Use Application from Kate Hammer (#1-21) seeking a home occupation for a pottery studio located at 202 Center Street E.

Roseau County Commissioner

County Commissioner Jack Swanson stated that the County and several other cities run into the same problem of having to hire auditors to prepare the financial statements and short of having more employees and a CPA on staff there will always be this deficiency.

Commissioner Swanson informed council that the County is going to share a County Engineer with Kittson County, at least for the time being, until Roseau County can hire one of its own. Currently, engineers are making more in the private sector than the County can afford to pay.

Commissioner Swanson stated that City property taxes are down, the County property taxes are up slightly, and the School property taxes are up significantly.

Operations Committee

The Operation Committee did not meet.

Oakcrest Golf Course

Council member Brady Johnson informed council that he and Council member Amy Bassingthwaite have not met with the Oakcrest Golf Club, but the golf course is open. Council member Johnson stated that this is the second earliest opening on record.

Airport Committee

The Airport Committee did not meet.

CDC Peterson informed council that there was a water issue that flooded the main terminal floor. There has been no explanation as to where the water came from and it has not happened since. CDC Peterson notified the insurance agent in case the carpet tiles let loose or other issues arise from the water.

EDA

CDC Peterson informed council that the EDA met March 31, 2021.

- Promotions Director Mary Hoffer had provided the March Promotions report to the EDA along with a newspaper article "Destination Roseau".
- CDC Peterson informed council the EDA was notified last week that Minnesota Housing had awarded the City of Roseau a \$1.441 million grant to fund the Eleven01 project. In addition, both the TIF and Tax Abatements were approved by the City, School and County. Skip Duchesneau, DW Jones, had provided an update pro forma for the project with updated construction costs. Due to increasing costs of construction and materials the estimate for construction of the Eleven01 project has gone up approximately \$250,000. Additionally, increasing interest rates have driven the borrowing capacity down by

another \$100,000. Thus, the benefits of the increased grant amount from Minnesota Housing have been diminished. The net result is about a \$110,000 reduction in the equity injection originally budgeted by the City/EDA in the original \$500,000 grant application. The final equity amount will need to be determined when actual bids are received on the project. The EDA reviewed the preliminary plans for the Eleven01 project. It was consensus of the EDA members that the project is desperately needed, and it needs to move forward. City Attorney Moren stated that there is a bank meeting on Friday concerning the bonding. City Attorney Moren will look at the bid document. The abstract will need to be updated but should not take long. CDC Peterson stated that the plans are almost done, it will take another week to pull it all together. The next step is the appraisal. Then we will need the bid numbers, hopefully by mid-June early July. There may be a different bidding process to break apart the bids to be exempt from paying sales tax.

- CDC Peterson informed council that the NW Multi-County HRA may be interested in participating in the redevelopment of existing buildings in the region to create new housing units. CDC Peterson has spoken with Charity Brault about a few options in Roseau. The three buildings that were discussed were one owned by Karl Nelson on TH11, the building owned by Kit Li on Main Avenue and the former hospital building owned by Lewellyn Wibbles on TH11.
- CDC Peterson asked for council approval to transfer the \$93,500 from the sale of lots in the Industrial Park to Roseau County and Byfuglien Trucking, Inc back to the EDA.

Council member Jane Evans motioned, Council member Pat Novacek seconded, and it carried by unanimous vote to transfer the \$93,500 from the sale of lots in the Industrial Park to Roseau County and Byfuglien Trucking, Inc back to the EDA.

Department Reports

Liquor Store

Liquor Store Manager Roseborough informed council that she is planning on leaving in June depending on the sale of her house. Manager Roseborough would like to assist council in hiring and training a replacement to make it an easy transition. Manager Roseborough has reviewed the job description and asked council approval to advertise the position. The full council will do the interviews as it is a department head position. City Attorney Moren stated that a written resignation would have to be submitted to council as well.

After discussion, Council member Jane Evans motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve advertising for the Liquor Store Manager position and to advertise it as open until filled.

Fire Department

Fire Chief Craig McMillin informed council that work at the fire hall should be done by the end of the month. The fire department has responded to 12 grass fires so far this spring. One fire was quite large, but the Forestry did a great job stopping it despite the strong winds.

The fire department had been called to assist in getting 2 dogs off the river ice. Chief McMillin complemented the police department as Police Officer Berggren had tied a rope around himself and saved the dogs before the fire department arrived.

Police Department

Police Chief Ward Anderson informed council that the newest part time Police Officer Buckentin has accepted a full-time position in Warroad. Officer Buckentin will continue work limited part time shifts for the City of Roseau. Police Chief Anderson stated that the department is advertising again.

Chief Anderson informed council that County Deputy Sheriff Kelly Gustafson may take some part time shifts for the City of Roseau.

Council discussed ways to retain Police Officers. Chief Anderson stated that this is a tough time for law enforcement. This is a unique time in the Country and in Minnesota. It is hard to find people who want to be in law enforcement. There are at least 32 other agencies advertising for multiple positions.

Police Chief Anderson asked for council approval to accept a gift card from Alex Hilde in the amount of \$500.00 for Police Department purposes.

After discussion, Council member Pat Novacek motioned, Council member Brady Johnson seconded to approve accepting a gift card from Alex Hilde in the amount of \$500.00 for Police Department purposes.

RESOLUTION NO. 22-21

RESOLUTION ACCEPTING DONATION

WHEREAS, Alex Hilde, has presented to the City of Roseau, a \$500.00 gift card and has designated that this gift card be used for Police Department purposes.

WHEREAS, the City Council is appreciative of the donation and commends them for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, BY THE City Council of the City of Roseau, Minnesota;

- 3. That the gift card is accepted and acknowledged with gratitude, and
- 4. That the gift card will be allocated to the City of Roseau Police Department.

Adopted by the City Council of the City of Roseau, Minnesota this 5th day of April, 2021.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

Police Chief Anderson asked council if he may buy back his current service weapon for his own personal use when he trades it in on his new one. On behalf of the City, he will be selling the service weapon to a licensed firearms dealer. City Attorney Moren stated that Chief Anderson would not be prohibited from buying the gun back from a licensed firearms dealer. The initial sale proceeds as paid by the licensed firearms dealer for the service weapon would be paid to the City of Roseau.

It was council consensus that Chief Anderson may buy back his service weapon after the weapon is sold to a licensed firearms dealer, if the dealer subsequently has the weapon for sale.

Superintendent

City Superintendent David had nothing new and asked council if they had questions for him. There was some discussion as to the mapping of the utility right-of-ways, as Roseau Electric is interested in bringing fiber optics into the City limits.

Parks and Rec Director

Parks and Rec Director Keith Severson provided to Council a March Monthly Summary Department Report and highlighted some of the following:

- Director Severson has been meeting with the Park and Arena Boards and has begun rebuilding programs and is learning systems so they can be run to their full capabilities.
- Director Severson is moving away from RecDesk for all reservation and registrations and is implementing software specific to each program for better management.
- Director Severson stated that the City Park is open, though the power and water are still off, and the bathrooms are locked. A clean-up day is being planned for April 22 from 4-6 pm, with hot dogs served at 6 pm at the City Park.
- Registration for Summer Camp should open on April, 12th.
- Director Severson informed council that the Park Office is not guest friendly and is in need of attention. Refurbishing the park office is not in the budget, but the docks on the north trail came in under budget would council consider allocating that unused money to the park office. Director Severson will work with City Superintendent Drown on estimates for refurbishing the park office to present to council at the May 3rd council meeting.

City Attorney

City Attorney Michelle Moren informed council noting until closed meeting.

Community Development Coordinator

- CDC Todd Peterson provided to council the following memo from Roseau County Affordable Housing Fund. "In 1998 the City of Roseau in cooperation with various businesses and jurisdiction in the County funded a down payment assistance pool to help local residents to purchase homes in Roseau County. The City of Roseau initially supplied \$137,500 to the pool to support housing purchases occurring in the City of Roseau. Other partners contributed to the pool in similar fashion. The pool has been successful in helping hundreds of people get into homes in Roseau County over the past 20 years. The program has remained very popular and in recent years the demand for down payment assistance loans has outstripped the amount of funding in the pool. The RCAHF has been able to access some County Levy funds and NWHRA dollars to

augment our pool dollars in the last couple of years to make loans that could not otherwise be made. However, these dollars do not return to the pool and may not always be available. Therefore, the RCAHF committee is looking at options to meet the increasing demand for pool funds. The RCAHF committee recently lowered the amount of funds that can be obtained by a recipient from \$7,500 to \$5,000 to make the funds go further, but this likely will not be enough to meet the recent demand for loans which as averaged around 4 loans per month recently. The loan pool repayments can normally fund around 2 loans per month at \$5,000. Therefore, the RCAHF is making a request of pool participants to provide additional funding to help stabilize the pool and make it better able to meet current demand. The request is for each pool participant to consider providing a new infusion of \$10,000 to the RCAHF pool.”

CDC Peterson informed council that the requested \$10,000 is not a budgeted amount, but it is a very useful program.

After discussion, Council member Jane Evans motioned, seconded by Council member Pat Novacek and carried by unanimous vote to contribute \$10,000 to the RCAHF pool contingent on at least 70% of the pool participants also contribute \$10,000 matches.

- CDC Peterson provided to council Oak Crest Estates Improvement Financing options for financing to cover Phase 1 of the infrastructure to get the lots ready to go (water, sewer, storm sewer and gravel street. No curb and gutter.) (\$525,000):
Equipment Lease-Buyback

Citizens State Bank-10 years (2.23%) \$57,875 per year

Border State Bank-10 years (2.34%) \$58,933 per year

2021 Budget Amount-\$79,200

After discussion, Council member Jane Evans motioned, Council member Brady Johnson seconded and it was carried by unanimous vote to proceed with the \$525,000 loan from Citizens State bank for 10 years at 2.23% \$57,875 per year.

- CDC Peterson provided to council a memo on the American Rescue Plan. “Congress recently passed the American Rescue Plan which contains a provision providing funding to every local government in the country. The funding is provided on a modified community development block grant formula that is largely based on population. The City of Roseau is estimated to receive \$304,000 from the formula. The funding will be allocated in two separate draws. The first is expected to be provided in June of 2021 with the second received in May of 2022. The fund can be used for the following activities:
 - Assistance to households, small businesses, and non-profits to aid in response to the public health emergency. Aid to hard hit industries such as tourism, travel, and hospitality.
 - Replacement of lost revenue due to the COVID pandemic

- Premium pay for essential workers
- Investments in water, sewer, or broadband infrastructure.”

CDC Peterson suggested that this funding be used for the water tower.

- CDC Peterson presented a \$7,587.51 quote from Corporate Technologies for switches and firewalls from CISCO. It is cheaper to renew at the 3-year rate. It saves about half of what the annual rate is. Corporate Technologies is slightly less than the MARCO quote and Corporate Technologies is the City of Roseau’s IT provider.

After discussion, Council member Brady Johnson motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the \$7,587.51 quote from Corporate Technologies for switches and firewalls from CISCO at the 3-year rate.

- CDC Peterson informed council that five cities including Breckenridge and Roseau have been in a long litigation on phosphorus limits on our wastewater treatment facilities with the MPCA. Breckenridge received its conditional permit from MPCA on April 1st, 2021. The issuing of this permit starts a 3-year clock in which MPCA and the five cities will attempt to establish phosphorus limits based on a comprehensive plan for the entire Red River Watershed to mitigate phosphorus damages to Lake Winnipeg. If a plan cannot be agreed to within the 3-year timeframe MPCA may establish limits as had been previously proposed and the cities would be in a position to have to relitigate the imposed limits.

Mayor Council

Mayor Fabian stated that he had been approached to write a letter to the editor for the Line 3 Project. Mayor Fabian asked City Attorney Moren and Council for their direction. City Attorney Moren recommended that Mayor Fabian not write the letter to the editor on the Line 3 Project as it is a politically charged subject.

CDC Peterson presented to council, for review, the July 1, 2018, through June 30, 2021 Cooperation Agreement between Independent School District No. 682 and the City of Roseau. This agreement of sharing providing services and programs with the school goes back decades and works well. The new agreement will be effective from July 1, 2021.

Council member Jane Evans motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to close the meeting.

R #21-21

RESOLUTION CLOSING BOARD MEETING

WHEREAS, the Minnesota Open Meeting Law, Minn. Stat. § 13D.05, subd. 3(b) states that “meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege;” and

WHEREAS, the City has received communications from former employee Sara Hammann Vatnsdal (hereinafter Hamman) which communications contain threats of litigation regarding her resignation from City employment;

WHEREAS, Hammann has communicated that she felt she was forced to submit her resignation from the City; and

WHEREAS, Hammann, has requested that the Council amend minutes of a council meeting at which she resigned; and

WHEREAS, the Roseau City Council seeks to meet with its attorney, to discuss the requests and threat of litigation by Hammann; and

WHEREAS, it would be detrimental to the interests of the Roseau City Council to hold a public discussion with its attorney regarding the strengths and weaknesses of its legal position(s), strategy, and potential settlement position where an opposing party or opposing attorney could listen to or be made aware of the Roseau City Council's positions; and

WHEREAS, there is an absolute need for the Roseau City Council to obtain confidential legal advice regarding the litigation and potential settlement in order to maintain the attorney-client privilege.

BE IT RESOLVED by the Roseau City Council as follows:

1. The Roseau City Council hereby closes this meeting based upon the attorney-client privilege pursuant to Minn. Stat. § 13D.05, subd. 3(b);
2. The specific subjects to be discussed, pursuant to Minn. Stat. § 13D.01, subd. 3, are the legal strategy in responding to possible litigation against the City of Roseau, the request to amend council meeting minutes, and any settlement proposals which may be made by or responded to by the Roseau City Council.

Dated this ____ day of April, 2021.

Mayor

Clerk-Treasurer

The City Council reopened the meeting and Pat Novacek motioned, seconded by Jane Evans to not amend the November 2, 2020 City Council meeting minutes as requested by Sara (Hammann) Vatnsdal. The motion passed by unanimous vote.

Under unfinished business Mayor Dan Fabian noted that Congresswoman Michelle Fischbach would be visiting Roseau on Wednesday to meet with City representatives. There was a discussion about whether there would be a quorum of Councilmembers at the meeting and if the meeting should be continued. It was determined that a quorum would be present so Pat Novacek motioned, seconded by Brady Johnson to continue the meeting until Wednesday, April 7, 2021 at 10:45 am. The motion passed by unanimous vote.

No business was conducted at the April 7th continued meeting.

Council member Pat Novacek motioned, Council member Brady Johnson seconded, and the Roseau City Council meeting was adjourned.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian