

**REGULAR ROSEAU CITY COUNCIL MEETING  
MONDAY – August 1st, 2016 @ 5:00 P.M.  
ROSEAU CITY CENTER COUNCIL CHAMBERS  
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 Jeff Pelowski, Council members, Pat Novacek, Don Ross, Amy Bassingthwaite, and Jane Evans. Absent: none. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, City Attorney Pat Moren, Police Chief Ward Anderson, Liquor Store Manager Linda Roseborough, Fire Chief Jeff Ballard, Clerk-Treasurer Beth Hellquist, Jack Swanson – WILD 102 Radio, Lyle Grindy-Promotions Director, Britt Dahl and Sheila Winstead – Roseau County Museum.

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

Council member Jane Evans motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the July 11th, 2016 Regular meeting minutes as written.

Council member Don Ross motioned, Council member Jane Evans seconded and it was carried by unanimous vote to approve the following Consent Agenda:

1. Presentation of Accounts Payable claims July 1st, 2016 through July 31st, 2016 Batch AP073116. July 2016 AP Checks #60923-60994 = \$182,618.75.
2. Presentation of daily checks July 1, 2016 through July 31, 2016  
Electronic payments #154-179= \$345,849.77  
Checks #60873-60922 = \$246,679.93  
07/15/16 PR DD = \$38,901.79  
07/30/16 PR DD = \$39,701.09
3. Presentation of Receipt entries June 1, 2016 through June 30, 2016.
4. Presentation of Journal entries JV5312016.
5. Audit Committee review of May 2016 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –  
Upcoming scheduled meetings:  
September 12th, 2016 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 07/27/2016 is \$75,633.64.
9. Cash in bank-DNR Escrow as of 07/27/2016 is \$2,000.00.
10. Cash in bank-Regular checking as of 07/27/2016 is \$3,343,106.24.
11. Investment-Regular Hi Fi as of 07/27/2016 is \$1,546,240.67.
12. Investment Certificate of Deposit as of 07/27/2016 is \$777,446.20.
13. Investment Certificate of Deposit as of 07/27/2016 is \$779,389.84.
14. Investment Certificate of Deposit as of 07/27/2016 is \$784,174.54.
15. Investment Certificate of Deposit as of 07/27/2016 is \$788,893.90
16. Investment-Roseau EDA Money Market as of 07/27/2016 is \$191,576.91.
17. Cash in bank-Pine to Prairie Birding Trail as of 07/27/2016 is \$15,341.30.
18. Cash in bank-Roseau EDA as of 07/27/2016 is \$2,201.74.
19. League of Minnesota Cities – July Newsletter
- 20.

RESOLUTION NO. 31-16

RESOLUTION ACCEPTING DONATION

**WHEREAS**, Roseau Eagles Auxillary has presented to the City of Roseau a donation of \$100.00 and has designated that these donations be deposited in the City of Roseau Riverview Park Gazebo Concert Fund.

**WHEREAS**, the City Council is appreciative of the donations 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 donation is accepted and acknowledged with gratitude, and
2. That the donation will be allocated to the Riverview Park Gazebo Concerts.

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of August, 2016.

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Clerk/Treasurer

21.

RESOLUTION NO. 32-16

RESOLUTION ACCEPTING DONATION

**WHEREAS**, Chris & Jeanie Hamness has presented to the City of Roseau a donation of \$250.00 and has designated that these donations be deposited in the City of Roseau Riverview Park Gazebo Concert Fund.

**WHEREAS**, the City Council is appreciative of the donations 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 donation is accepted and acknowledged with gratitude, and
2. That the donation will be allocated to the Riverview Park Gazebo Concerts.

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of August, 2016.

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Clerk/Treasurer

22.

RESOLUTION NO. 33-16

RESOLUTION ACCEPTING DONATION

**WHEREAS**, Lloyd Foster has presented to the City of Roseau a donation of \$50.00 and has designated that these donations be deposited in the City of Roseau South Riverview Park

**WHEREAS**, the City Council is appreciative of the donations 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 donation is accepted and acknowledged with gratitude, and
2. That the donation will be allocated to the South Riverview Park.

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of August, 2016.

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Clerk/Treasurer

23. Roseau Liquor Store Revenues and Expenses – July 2016

24. City Revenues and Expenses – July 2016

### **Delegations**

Britt Dahl from the Roseau County Museum presented to council a maintenance contract price quote breakdown for the Liebert HVAC system within the Roseau County Historical Society and Museum. The quotes were from Northwoods Heating and Cooling of Roseau, Gartner Refrigeration Company of Duluth and Twin Cities Refrigeration, Inc of Eden Prairie.

- Northwoods Heating and Cooling of Roseau, MN has serviced the Liebert units in the museum in the past and would enter into a yearly maintenance contract for \$3,000 that does not include repairs that need to be done currently.
- Gartner Refrigeration Company of Duluth, MN services the Roseau County Courthouse, Jail and Social Services Liebert HVAC systems. They would charge \$400.40 for the trip to Roseau then \$100/hour for labor rates. They will try to make the cost affordable and to ensure the HVAC units are running correctly, even if it means making a special trip. They have Liebert training and Liebert Reps come twice a year to the courthouse on a preventative maintenance contract.
- Twin Cities Refrigeration, Inc of Eden Prairie, MN originally installed the Liebert units but had not responded with a quote at this time.

Britt Dahl stated with the retirement of Wayne Ziska there is no one maintaining the system. The operation of the Liebert HVAC system has been going downhill. The temperatures in the museum have been in the mid 70's with the humidity around 64%. The ideal temperature is between 68-72 degrees with 42% humidity.

City Superintendent Drown stated that one pump is down, but another is ordered and should be arriving shortly, so it will get repaired. The pumps are not common, so it takes a while once they are ordered for them to arrive. The pump costs approximately \$2,000 so it would be expensive to order an extra to have sitting as a spare in case of another failure. The pumps have outlasted their life expectancy of 7 years.

Britt Dahl stated the Roseau County Museum does not have a budget to maintain the HVAC units and that the City has taken care of the Leibert HVAC units in the past when needed. The Leibert HVAC units are solely for the climate control of the museum and the current rent levels from the museum did not address these added costs.

After discussion it was council consensus to table further discussion concerning the maintenance contract for the HVAC units for the budget meetings.

## **Committee Reports**

### **Roseau Promotions Director**

Promotions Director Lyle Grindy presented the following items:

- The Civic and Commerce Farmers Market continues to grow. Last Saturday there were 22 vendors of which 6 were new. They had good quality items and good value.
- Crazy days will be August 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup>. The streets will be blocked off Thursday and Friday but will be open Saturday. Saturday vendors will set up on the sidewalks. The Duck Pond will be there for the kids, with the proceeds going to the ODC. The Dog Show winners will be receiving Roseau Dough. And several activities are scheduled in front of the old Ben Franklin store.
- The Annual Wine Walk will be Saturday the 13<sup>th</sup> of August. The sign up is at Transfers Unlimited.
- The Convention and Visitors Bureau along with the Civic and Commerce are looking for more participation for the new "Go Roseau" site. Contact Todd or Lyle. It is a good deal at No Cost!
- Polaris stocks closed at \$97.31

### **Planning Commission-**

CDC Todd Peterson reported the Planning Commission met on July 25th, 2016.

CDC Peterson informed council the Oak Crest Senior Housing Board would like to replace an aging non-illuminated building identification sign along Main Avenue South with a new 4'x5' illuminated sign. It was noted the original 4'x5' sign was placed without approval from the City of Roseau and exceeds the maximum size allowed in the R-1 zoning district. Some members of the Planning Commission were concerned about illuminating the sign as it might negatively impact homes adjacent to the apartment building.

The Planning commission recommends the Roseau City Council set a public hearing for Oak Crest Senior Housing (Variance 2016-2) for the purposes of placing a new illuminated sign 4' x5' (40 SF) on lieu of the maximum allowed 16 SF in a R-1 district.

After discussion, Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to set a public hearing for August 22<sup>nd</sup> at 12:30pm in the City of Roseau Council Chambers for Oak Crest Senior Housing (Variance 2016-2) for the purposes of placing a new illuminated sign 4' x5' (40 SF) on lieu of the maximum allowed 16 SF in a R-1 District.

CDC Peterson informed council the Planning Commission reviewed a variance request from LifeCare Medical Center (2016-1) for the placement of a new wall sign on the north addition to the LifeCare Medical Center Campus. The maximum total signage allowance in a P-1 zone is 275 SF. LifeCare Medical Center currently maintains 324 SF of total signage on the campus and is proposing an additional 36 SF with the new sign, for a variance request of 85 SF. The new signage will be located over a new entrance to the LifeCare Medical Center campus and is necessary for users of the facility to be able to identify the entrance on this addition.

The Planning Commission recommends the Roseau City Council set a public hearing for LifeCare Medical Center (Variance 2016-1) for the purposes of placing a new 36 SF sign at a new entrance of the LifeCare Medical Center which will bring the total amount of signage to 360 SF, in lieu of the 275 SF maximum allowed in a P-1 District.

After discussion, Council member Pat Novacek motioned, Council member Jane Evans seconded and it was carried by unanimous vote to set a public hearing for August 22<sup>nd</sup> at 12:30 pm in the City of Roseau Council Chambers for LifeCare Medical Center (Variance 2016-1) for the purposes of placing a new 36 SF sign at a new entrance of the LifeCare Medical Center which will bring the total amount of signage to 360 SF, in lieu of the 275 SF maximum allowed in a P-1 District.

CDC Peterson stated Officer Marc Hodge was not at the Planning Commission meeting so there was not an update on the clean-up report. CDC Peterson noted there was still garbage that had to be removed from the Westside trailer court where trailers had been dismantled and removed.

#### **Roseau County Commissioner –**

Roseau County Commissioner Jack Swanson informed council on the following items:

- The County will be starting budget discussions this month. Commissioner Swanson stated the County budget will likely remain close to the same as previous years. One area of concern may be the budget for the county jail. The State changed the sentencing guidelines. If an inmate is sentenced for less than one year they stay in the County jail at the County expense.
- The County has received positive feedback on the Valley Med Helicopter. The contract with Valley Med will automatically renew unless action is taken.
- Commissioner Swanson attended the National Association of Counties in Long Beach California. He noted how populated Los Angeles County was in comparison to Roseau County. Roseau County has approximately 16,000 people and a budget of 21 million, Los Angeles County has over 10 million people and budgets 28 billion. When Los Angeles County prints notices they need to print them in 128 languages.

**Operation Committee** – The operations committee did not meet

#### **Oak Crest Golf Course –**

Council member Don Ross stated the Polaris Scramble was held at the golf course over the weekend and went well.

#### **Airport Committee –**

CDC Todd Peterson informed council the Airport Committee did not meet, but the new Jet A fuel tank was installed at the airport by O'Day last week.

#### **EDA**

CDC Todd Peterson reported the EDA met July 29, 2016 and the following items were discussed:

- The main discussion was working on a housing project again with the school construction class. The last School Housing project was basically financially a wash, but it did add a new house to the community; the City did get reimbursed; and it was a very good experience for the students. CDC Peterson informed council, Polaris is interested in contributing towards a similar project if the school construction class is used. This project would be headed up by a general contractor working for North West Community Action. CDC Peterson asked council if they would be

interested in providing \$25 to \$30 thousand to cover the funding gap. Polaris plans to repurpose \$175,000 in housing funds to this project; however, \$175,000 is not enough to build a house as the last one cost approximately \$198,000.

Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote for the City of Roseau to provide gap funding for the next School house project.

- The Old Farmers Union Building still has not been leased, though parties are interested.
- The EDA discussed loans it has out.
- And the EDA discussed the use of promotional videos for the recruitment of people to work and explore the Roseau community.

## **Department Reports**

### **Liquor Store-**

Liquor Store Manager Linda Roseborough and CDC Todd Peterson had met with representatives from Miners Inc. to listen to Miners tentative plans to redevelop the area around the Super 1 store. Miners will be tearing down the old USave building and the Old Builders Supply building, but potentially saving the old Hardees Building. Miners asked if the Liquor Store would be interested in relocating to the old Hardees Building.

CDC Peterson informed council though the Hardees building is larger than the current liquor store it is still not as big as the liquor store would be if it completed its expansion plans. The old Hardees building would require a lot of work and remodeling to meet the needs of the liquor store. Council member Pat Novacek stated that he believed that a pipe had burst during the winter and there had been 3 to 4 inches of ice on the floor.

### **Police Department –**

Police Chief Ward Anderson informed council Channing Kimble from Warroad had been hired as a part time police officer.

Police Chief Anderson asked council approval to offer \$15.00 per hour for Matron Pay. Matrons have to travel with female and juvenile inmates when they are being transported. There are not many female inmates transported and Donna Bazey has been traveling with as a Matron, but there needs to be others willing to do matron duties and \$10 per hour just isn't enough. The Sheriff's office is currently paying \$15 per hour for Matrons.

Pat Novacek motioned Amy Bassingthwaite seconded and it was carried by unanimous vote to increase the Matron pay to \$15.00 per hour.

Council member Don Ross brought up the issue of peddlers in a white van selling cleaning products. The City of Roseau has an ordinance regulating transient merchants. Police Chief Anderson and CDC Peterson informed council there are exceptions to the transient merchant licensing requirements when it comes youth organizations and religious organizations. The peddlers in the white van say they are supporting youth organizations. Police Chief Anderson stated there have been a couple of issues and they may be asked to leave town. They have been seen littering and \$125 cash was reportedly taken from a resident's home.

### **Fire Department**

Fire Chief Jeff Ballard informed council on the following items;

- The fire department has been interviewing new applicants and may be taking on 4 to 6 new fire fighters. One of the applicants is from Denmark. He is well trained already but Fire Chief Ballard

did not know the legalities of hiring him. Council advised Chief Ballard to have Assistant City Attorney Michelle Moren contact the League attorney for guidance.

- The Fire Department will begin moving equipment into the Old Farmers Union building storage Bays, though some work may have to be done to the doors. CDC Peterson recommended signage so people do not park in front of the doors.
- The Fire Department's Ball will be on September 24<sup>th</sup>.
- The Fire Relief Association will put \$100,000 towards a new fire truck. Polaris may donate as well. Fire Chief Ballard will get a rough idea of the cost of a new truck and the funds that are being donated and bring the information to the next meeting.

### **Superintendent-**

City Superintendent David Drown informed council the Roseau Electric Association provided the only bid for the automated meter system and provided two quotes for the Metering project. One quote was for \$561,303 and the other was for \$630,916.00. The \$70,000 difference between the quotes is due to the projected use of two different water meters. Superintendent Drown stated he felt the price will come in closer to the lower quote as most of the lower priced water meters can be used, with just a few of the higher priced ones used in the areas where wells of building construction interfere with readings. By contracting with REA the city offsets a lot of equipment cost as REA will collect all of the City meter reads for us (\$6,000 per year). City employees will install the new meters. This will take some time as they will need to go into every home and business. One meter route will be completed at a time. Two systems will have to run side by side until the project is complete in early 2018. Some of the current meters are reading slow, the new meters could show a 25 to 30% increase in sales. Superintendent Drown asked for council approval to start the project contingent on Assistant City Attorney Moren's review of the quotes and contract. Superintendent Drown stated if the project were started this year it should be completed in early 2018. The City will need to spend approximately \$120,000(unbudgeted) before January 1<sup>st</sup> and then \$220,000 over the next two budget cycles.

Council member Pat Novacek motioned, Council member Don Ross seconded, and it was carried by unanimous vote to proceed with the Automated Metering System project with REA contingent on Assistant City Attorney Michelle Moren's review of the quotes and contract.

City Superintendent Drown informed council the last section of road repair is going well. Drown also stated there had been a lot of trouble with the water system and the repairs are running way over budget in the water department.

**City Attorney-** No new business

### **Community Development Coordinator-**

CDC Peterson reported on the following items:

- The Army Corps of Engineers is advertising for bids to remove the "plug" in the diversion project. There is also a slough area between the bridge and river that needs to be repaired.
- The City crew will regrade a section of the park bike trail to get better drainage. The Corps will be paving the reworked section.
- No new information on the flood plain maps. If the new flood plain maps come out in September they could be published in March.

Mayor Pelowski inquired as to when homes will be considered out of the flood plain. Will the LFD remove them from the flood plain or the LOMR? If it is the LOMR, can the LOMR be approved at the same time as the LFD or soon after? CDC Peterson will check into it.

CDC Peterson presented to council the Preliminary Cost Summary for Phase 1 of the South River View Park. Phase 1 includes the Building, the Splash Pad, the Playground and some of the landscaping. The preliminary cost estimate for Phase 1 is \$496,566.00. \$239,163 in donations has been raised, leaving only \$11,000 more, to reach the full city match. There is concern the bids will come in high this fall as most of the contractors already have work lined up for this season. Bids may come in cheaper in the spring when contractors are looking for work.

CDC Peterson asked council for authorization to allow the Park Board to advertise for bids not to go over the \$500,000.

Council member Pat Novacek motioned, Council member Jane Evans seconded and it was carried by unanimous vote to authorized the Park Board to proceed with the bidding process, up to the \$500,000, and accept the bids if warranted.

CDC Peterson informed council MN Energy would like to be put on the September City Council agenda to present a \$7,500 donation to the South River View Park project.

### **Mayor Council**

Council member Pat Novacek thanked Police Chief Ward Anderson and the Police department; Fire Chief Jeff Ballard and the Fire department; and City Superintendent and the City crew for all of the support they gave to the Roseau County Fair.

CDC Todd Peterson presented council with two City Auditor Proposals. The three year proposal from BradyMartz, the current city auditor, came in significantly lower than the CliftonLarsonAllen proposal. Both firms are equally qualified. CDC Peterson recommended to council that the City stay with BradyMartz.

After discussion it was council consensus to table the discussion and get a bid from Hoffman, Dale & Swenson of TRF who does the County audit.

CDC Peterson informed council it was time to start working on the 2017 Budget. This is a negotiation year with the Police Association and the Roseau City Employees Association and volunteers were needed to serve on the negotiation committee. Mayor Jeff Pelowski and Council member Amy Bassingthwaite volunteered to be on the negotiation committee.

### **Community Master Plan Review – Housing**

CDC Peterson opened discussion on Section 8: Housing

This information was gleaned primarily from the 1997 Housing Study done for the Cities of Roseau and Warroad and the 2012 Study that was done for the whole county.

The biggest housing issue in the City has been the lack of housing. This lack of housing, suppresses the growth of Roseau and the surrounding area and existing companies are forced to expand out of the area where they can readily find employees.

Council discussed the kind of housing needed and what the City of Roseau could do to help. In the past the City would create subdivisions and roads and contractors would come in and build spec. homes. The current economics of building spec. housing makes it risky for contractors in small communities. The City may have to offer more incentives, loans and TIF, and become more proactive and involved in the building process to take some of the risk off of the builders. Also, fewer people can afford to buy or build a home and with the new codes and regulations. Once affordable trailer homes, have also significantly



increased in price. This leaves apartments as the most affordable choice. Apartment rent can be subsidized to help lower income families. Families have also become smaller. Townhome style units may be appealing to the smaller family unit.

Some of the older homes that are for sale in the City are not the style and do not have the amenities people are looking for. Some of these houses should be removed or substantially rehabilitated to accommodate the current home buyers. The City of Roseau has to have some vacancies to have a healthy housing market.

Mayor Pelowski suggested moving the two paragraphs on page 4, starting with the words “The City needs...”, to the Goals, Policies & Programs section. CDC Peterson stated he could also include Factual data from the 2012 housing study as an appendix.

Council discussed the poor shape of the two mobile home parks within the limits and ways to encourage the Park owners to clean them up. Old trailers have no value and there is nowhere to dispose of them so people just abandon them. The park owner does not own them and do not want to be saddled with the removal cost. New trailer homes are too expensive to buy as they need to meet energy and building codes. Trailer parks appear to be a dying business.

The next section the City Council will be discussing will be Transportation.

**Unfinished Business**

Council member Jane Evans thanked Police Chief Ward Anderson and City Superintendent David Drown for helping with the ALS Fund Raiser.

Council member Pat Novacek motioned, Council Member Amy Bassingthwaite seconded, and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

\_\_\_\_\_  
Clerk – Treasurer

\_\_\_\_\_  
Mayor