

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – December 7th, 2015 @ 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, Acting Mayor Pat Novacek, Council members Don Ross, Amy Bassingthwaite, and Jane Evans. Absent: Mayor Jeff Pelowski. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, City Attorney Pat Moren, Assistant City Attorney Michelle Moren, Police Chief Ward Anderson, Liquor Store Manager – Linda Roseborough, Clerk-Treasurer Beth Hellquist.

Acting Mayor Pat Novacek 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 November 2nd, 2015 Regular meeting minutes as written.

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

1. Presentation of Accounts Payable claims November 1st, 2015 through November 30th, 2015 batch AP113015.
2. Presentation of daily checks November 1, 2015 through November 30, 2015.
3. Presentation of Receipt entries October 1, 2015 through October 31, 2015.
4. Presentation of Journal entries JV093015.
5. Audit Committee review of September, 2015 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. January 4th, 2016 Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the Community Center-MN Canola Growers-12/16/2015
8. Investment–Roseau EDA Hi Fi as of 12/01/2015 is \$50,761.28.
9. Cash in bank-DNR Escrow as of 12/01/2015 is \$2,000.00.
10. Cash in bank-Regular checking as of 12/01/2015 is \$2,502,380.37.
11. Investment-Regular Hi Fi as of 12/01/2015 is \$1,544,437.23.
12. Investment Certificate of Deposit as of 12/01/2015 is \$775,319.91.
13. Investment Certificate of Deposit as of 12/01/2015 is \$777,234.88.
14. Investment Certificate of Deposit as of 12/01/2015 is \$782,029.85.
15. Investment Certificate of Deposit as of 12/01/2015 is \$786,712.66.
16. Cash in bank-Airport Fuel Sales Credit Card as of 12/01/2015 is \$16,953.19.
17. Investment-Roseau EDA Money Market as of 12/01/2015 is \$180,581.81.
18. Cash in bank-Pine to Prairie Birding Trail as of 12/01/2015 is \$11,630.80.
19. Cash in bank-Roseau EDA as of 12/01/2015 is \$3,051.73
20. Northwest Minnesota Foundation-Grant-“Fitness Station for Fitness Trail”
21. Minnesota Pollution Control Agency-Johnson Oil Co
22. LG220-Application for Exempt Permit-KC Pro West, Inc.
23. KLJ-Airport Project Status Report
24. November 2015 Liquor Store Revenue & Expenditures
25. November 2015 City Revenue & Expenditures
26. LGA Resolution R#46-15

**RESOLUTION #46-15
CITY OF ROSEAU
STATE OF MINNESOTA**

Resolution in Support of Increasing Local Government Aid in the 2016 Legislative Session

WHEREAS, Local Government Aid (LGA) is an important source of funding for our city and

WHEREAS, LGA provides funding to help restrain property taxes on homeowners and businesses and

WHEREAS, LGA assists in providing for basic services such as public safety, infrastructure and fire protection and

WHEREAS, the legislature and state agencies have imposed unfunded mandates upon local cities, including increased pension requirements, expensive wastewater infrastructure costs, among other mandates and

WHEREAS, an LGA increase and improved formula distribution would help the City of Roseau do the following: lower property taxes, especially for those on fixed incomes, improve our ability to adequately maintain our aging infrastructure and provide essential services to our area and

WHEREAS, no Omnibus Tax Bill was passed by the 2015 legislature, thus freezing the LGA appropriations;

THEREFORE, BE IT RESOLVED that the City of Roseau supports an increase in the base appropriation for Local Government Aid of \$45.5 million effective for aid payable in 2017 and a fair and equitable distribution mechanism that treats similar communities similarly and urges adoption of this proposal by the House and Senate.

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the following:
Representative Dan Fabian, Senator LeRoy Stumpf, Speaker of the House Rep. Kurt Daudt, Senate Majority Leader Sen. Tom Bakk, House Tax Chair Rep. Greg Davids, Senate Tax Chair Sen. Rod Skoe and Governor Mark Dayton.

Adopted: _____

Attest: _____

27. Certify uncollected charges for services to property taxes payable in the year 2016.

Delegations-none

Committee Reports

Roseau Promotions Director

Roseau Promotions Director Lyle Grindy was absent.

Planning Commission-

CDC Todd Peterson informed council the Planning Commission met November 30th, 2015. The Planning Commission discussed the proposed sign ordinance. By unanimous vote, the Planning Commission recommended to the City Council the adoption of Ordinance No. 30 (Third Series) amending the Land Use Code Section 154.220-154.226 entitled "Signs".

Council member Amy Bassingthwaite motioned, Council member Jane Evans seconded and it was carried by unanimous vote to set a Public Hearing date for January 4th, 2015 at 5:30 p.m. as part of the Regular City Council meeting.

Police Officer Marc Hodge provided a report on the progress of the clean-up on the West Side Trailer Court. Clean-up has stopped. Police Chief Anderson will look into ways to enforce the removal of the remaining units and debris.

The Planning Commission revisited the discussion on issuing transient merchant permits in the City of Roseau for vendors seeking to do business on public property (Parking lots/parks/streets/sidewalks). It was consensus of the Planning Commission members that the City not become involved in the issuing of transient business licenses as are currently required by City Ordinance. These licenses are, by Code, to be issued by Roseau County, which does not currently provide such licenses. It was the recommendation of the Planning Commission to leave the process as it is today.

It was discussed by the Planning Commission to not hold any of the regularly scheduled meetings over the winter (December-February) unless there was an agenda item to discuss.

Roseau County Commissioner –

Roseau County Commissioner Jack Swanson was absent

Operation Committee –

CDC Todd Peterson informed council the Operations Committee did not meet.

Oak Crest Golf Course – Closed for the season-no new business.

Airport Committee –

CDC Todd Peterson informed council the Airport Committee did not meet, but introduced a couple of airport items.

CDC Todd Peterson presented the proposed Lease agreement with Polaris. Article 5 of the Lease agreement is modified to state that the parties of this agreement will equally divide the payments of all utilities. Each year after, the Lessee shall be required to pay the cost of the utilities based upon the percentage of usage from the previous year. The new contact for Polaris is Tim Howard as Brian Barber is no longer with Polaris.

Assistant City Attorney Michelle Moren asked council for the authority to make the changes to Article 5 of the Lease, without the need to bring the lease agreement back to council.

Council member Jane Evans motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve as drafted, the Hangar Lease agreement with Polaris, and give Assistant City Attorney Michelle Moren the authority to make the changes without the need to bring the lease agreement back to council.

CDC Todd Peterson presented a quote KLJ Engineering received from Valley Petroleum to replace the underground tanks at the airport with above ground tanks. The Jet A tank is leaking fuel into the secondary containment. The 100LL tank has to be retested but may be leaking ground water into secondary containment. The MPCA has given the City 60 days to repair. It is not clear if the repair has to be fully completed in 60 days or if work towards completion of the project will suffice.

Valley Med would like 10,000g -12,000g tanks so a full transport could be delivered. Valley Med would participate in the local cost share.

There is State and Federal funding available for part of the cost but they may not release the money in the time allotted to replace the tanks. The City of Winstead's FAA Entitlement money may be available for the City of Roseau to use if they do not have a need for it in 2016.

More information is needed for council to take action.

Beautification Committee – no new business

EDA –

CDC Todd Peterson informed council the EDA did meet in November.

Darrin Smedsmo of Parkland Place discussed rent and vacancy issues. Mr. Smedsmo indicated that rents may be lowered once the DEED grant is reworked and additional monies are given to Parkland Place.

Lowering the rent may help with the vacancy issue.

It was discussed that a committee should be formed to recruit families to Roseau. There is still a need for more employees in this area.

CDC Peterson informed council the construction of Tamarac Apartments is back on schedule. Tamarac Apartments had to hire a new construction crew. The weather has been favorable allowing the construction crew to catch up on the project.

The house built by the School, the City of Roseau and NWCA is finished. The goal is to sell the house by the end of January. Once the sale is completed the money loaned to the project by the City of Roseau will come back to the City.

Department Reports

Liquor Store-

Liquor Store Manager Linda Roseborough noted the Liquor Store has new wine racks, but no new business to discuss.

Fire Department-

Fire Chief Jeff Ballard was absent.

Assistant City Attorney Michelle Moren informed council the new rural fire contracts will be written up upon council approval to use the current rates.

Resolution #43-15 Fire Contract

R #43-15

RESOLUTION ACCEPTING FIRE CONTRACTS

WHEREAS, discussion was had by the City Council of the City of Roseau regarding the proposed Fire Protection Agreements among the City of Roseau, the following organized Townships and Roseau County on behalf of the following unorganized Townships:

Organized Townships:

Beaver Township;

Dieter Township;

Enstrom Township;

Falun Township;

Golden Valley Township;
Grimstad Township;
Jadis Township;
Malung Township;
Mickinock Township;
Palmville Township;
Reine Township;
Ross Township;
Spruce Township;
Stafford Township; and

Unorganized Townships:

Roseau County for the following unorganized Townships:

159-37
160-37
163-38
163-39
163-40
164-38
164-39
164-40

BE IT RESOLVED that the City of Roseau shall enter into the Fire Protection Agreements with the above named Organized Townships and the County of Roseau on behalf of the unorganized Townships, and that the Mayor and City Clerk-Treasurer are hereby authorized to execute said Fire Protection Agreements on behalf of the City of Roseau.

Attest:

Elizabeth Hellquist, City Clerk-Treasurer

Pat Novacek, Acting Mayor

Council member Amy Bassingthwaite motioned, Council member Jane Evans seconded and it was carried by unanimous vote to approve Resolution #43-15 Accepting Fire Contracts.

Police Department – No new business.

Superintendent-

City Superintendent David Drown informed council the arena may not get shingled this year. It is so late in the year the shingles may not set. City Superintendent Drown recommended the shingling be put off until spring as the roof is not leaking, or have the contractor warrantee the shingling job.

City Attorney- no new business

Community Development Coordinator-

CDC Todd Peterson presented council with a new accounting software proposal to move from our current accounting software which is provided by both D.R. Frey & Co. and Total Register Systems to a fully integrated billing, accounting, POS and inventory system provided by a Minnesota company Banyon Data Systems. D.R Frey & Co. is not a Minnesota company and has had to make custom changes as the City of Roseau is its only Minnesota customer. These custom changes have been costly over the past few years.

Currently the software updates, support and training, cost the City \$10,000 - \$20,000 per year. Banyon would cost the City less than \$3,500 per year. Within 5 years, the savings from annual support will more than pay for the initial software purchase and data conversion.

Additional Banyon modules can be added to streamline billing, accounting, credit card and online payments, and meter reads.

Work is still being done to see if all of the historic data can be transferred into the Banyon software.

CDC Peterson asked for council approval to commit to purchasing the billing and accounting software from Banyon providing the current historic data can be converted for use in the new Banyon system.

Council member Jane Evans motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve the purchase of Banyon Data Systems software provided the current historic data can be converted for use in the new Banyon System.

CDC Peterson informed council the Grant for the Diversion project expires the end of December. As FEMA has not certified the project yet, the grant agreement can be amended and extended for another year.

CDC Peterson informed council the Corps is sending the mapping models to FEMA. CDC Peterson is hoping to hear soon that FEMA has received all of data. Once FEMA has receives all of the data a 90 day process begins.

CDC Peterson and Superintendent Drown informed council the Coalition of Greater Minnesota Cities is bringing a lawsuit against the EPA and MPCA over the proposed waste water phosphorous limit. Superintendent Drown stated the suit originated because there is too much algae growing in Lake Winnipeg. Superintendent Drown stated there is no way to reach the proposed phosphorous limits and believes there is more phosphorus entering the water system from agriculture than from the cities. The CGMC is asking for a \$1/sewer hook-up contribution from each city for this lawsuit effort.

CDC Peterson informed council a decision did not need to be made tonight. More information will be coming.

CDC Peterson informed council the rooms rented by Northland College were under-utilized. However beginning in January, Northland College and Polaris Industries plan on creating college classes towards AA degree.

Mayor Council

CDC Todd Peterson presented council with the latest version of the 2016 preliminary budget. This budget assumes no tax levy, includes all of the proposed projects, a 3% increase in the electric rate, 4% increase in the garbage rate, a 3% employee pay increase, capital improvements and equipment. The employee

health insurance will basically remain the same. The city has a current fund balance of approximately \$6.9 million. Based on past year's we will end 2016 with a fund balance somewhere around \$7 million.

6:00 PM Public Meeting

Council member Jane Evans motioned, Council member Don Ross seconded and it was carried by unanimous vote to open the public hearing.

At 6:00 p.m. the Final Levy and Budget discussion and the opportunity for "public comment" and consideration of the Final 2016 Levy and Budget was held. Acting Mayor Pat Novacek asked for comment from the public and there were none, as no one was in attendance.

Mayor Jeff Pelowski was absent but furnished information on the 2016 property tax levy and the three factors that determine the tax rate.

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to close the public hearing.

After discussion Council member Jane Evans introduced the following resolution and moved for its adoption:

Resolution #44-15

FINAL 2015 PAYABLE 2016 TAX LEVY

WHEREAS, on September 14, 2015 the City Council of the City of Roseau, Minnesota, motioned and approved holding a Truth in Taxation Hearing at 6:00 pm, December 7th, 2015 Regular City Council meeting,

NOW, THEREFORE, BE IT RESOLVED, that the City of Roseau, County of Roseau, after holding its Truth in Taxation Public Hearing hereby adopts the final 2015 payable 2016 property tax levy in the amount of \$1,049,242 and with a breakdown as follows:

2015 PAYABLE 2016

FINAL TAX LEVY

1.	General Levy	\$ 997,501
	Library Expenses	\$ 46,741
	Total General	\$1,042,242
2.	Special Levies –	
	(602) PFA Loan \$950,000	\$ 5,000
	2015 Payable 2016 Final Levy Grand Total	\$1,049,242

BE IT FURTHER RESOLVED, that the Community Development Coordinator submits to the Roseau County Auditor the proper documentation certifying the levy has been adopted.

Attest:

Elizabeth Hellquist, City Clerk-Treasurer

Pat Novacek, Acting Mayor

The motion for adoption of the foregoing resolution was duly seconded by Council member Amy Bassingthwaite and upon vote being taken thereon, the following voted in favor thereof: Novacek, Ross Bassingthwaite, and Evans.

and the following voted against the same: None

and the following abstained: None

and the following were absent: Jeff Pelowski

whereupon, said motion was declared duly passed and adopted.

After considerable discussion Council member Don Ross moved to introduce the following resolution for consideration:

**#R 45 -15
RESOLUTION
2016 FINAL BUDGET**

WHEREAS, the City of Roseau is required to adopt a Tax Levy and annual operating budget,

AND WHEREAS, the City of Roseau has held a Truth in Taxation Public Hearing and adopted a 2015 payable 2016 Tax Levy,

NOW THEREFORE BE IT FURTHER RESOLVED that the 2016 General Fund, Special Revenue Funds and Enterprise Funds annual operating budget is hereby adopted, and the staff is directed to ensure its implementation as follows:

2016 FINAL BUDGET

	REVENUE	DISBURSEMENTS	+ OR () BALANCE
101 General	\$ 2,366,074	\$ 3,584,951	\$ (1,218,877)
228 Lodging Tax	\$ 58,000	\$ 70,775	\$ (12,775)
229 Commercial Rehab (SCDP)	\$ 1,000	\$ 0	\$ 1,000
233 TIF	\$75,284	\$ 68,098	\$ 7,186
450 Liquor Store Expansion	\$ 0	\$ 694,300	\$ (694,300)
601 Water Enterprise	\$ 404,833	\$ 327,692	\$ 77,141
602 Sewer Enterprise	\$ 372,286	\$ 310,304	\$ 61,982
603 Garbage Enterprise	\$ 416,000	\$ 387,583	\$ 28,417
604 Electric Enterprise	\$ 4,247,626	\$ 3,775,183	\$ 472,443
609 Liquor Enterprise	<u>\$ 1,841,250</u>	<u>\$ 1,531,473</u>	<u>\$ 309,777</u>
TOTAL ALL FUNDS	\$ 9,782,353	\$ 10,750,359	\$ (968,006)

The motion for adoption of the foregoing Resolution was duly seconded by Council member Jane Evans and upon a vote being taken thereon, the following voted in favor thereof: Ross, Evans, Bassingthwaite and Novacek

Voting Against: None
Absent: Jeff Pelowski
Abstaining: None

Adopted by the City Council this 7th day of December 2015.

Acting Mayor

City Clerk - Treasurer

Unfinished Business- there was no unfinished business.

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

ATTEST:

Clerk-Treasurer

Acting Mayor