

REGULAR ROSEAU CITY COUNCIL MEETING

MONDAY – December 4, 2023, at 5:00 P.M.

In person 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, Amy Bassingthwaite, Brady Johnson, and Mary Hayes. Absent: None. Others present were Community Development Coordinator Todd Peterson, Assistant City Superintendent Gary Przekwas, Police Chief Marc Hodge, Fire Chief Leon Huot, Liquor Store Manager Niki Johnson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, and city residents Jomar Bernat and Troy Hammer.

Acting Mayor Pat Novacek called the meeting to order, and the Pledge of Allegiance was said.

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to approve the November 6, 2023, regular meeting minutes as written.

Councilmember Brady Johnson motioned, Council member Mary Hayes seconded, and it was carried by unanimous vote to approve the following amended consent agenda. Alcohol approval for the LifeCare Gala that was moved from April 20, 2024, to April 6, 2024, the November 2023 City Revenues & Expenditures, and Liquor Monthly Sales Report were added.

1. Presentation of Accounts Payable claims November 1, 2023, through November 30, 2023, Batch AP11302023
CK# 75210-75239 = \$55,136.71
2. Presentation of daily checks November 1, 2023, through November 30, 2023
CK# 75075-75209=\$618,997.33
E# 3653-3701=\$376,400.84
PR 11/15/23=\$37,961.00
Vac Pay Out =\$1,088.58
Fire Dept = \$30,730.80
PR 11/30/23=\$46,418.14
Void Check #74873
3. Presentation of Receipt entries October 1, 2023, through October 31, 2023.
4. Presentation of Journal entries JE093023.
5. Audit Committee review of September 2023 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. January 8, 2024, Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the City Center
 - April 6, 2024 – LifeCare Gala
8. Investment–Roseau EDA Hi Fi as of 11/28/2023 is \$185,213.16.
9. Cash in bank-Regular checking as of 11/28/2023 is \$2,741,893.80.
10. Investment-Regular Hi Fi as of 11/28/2023 is \$1,572,133.44.

11. Investment Certificate of Deposit as of 11/28/2023 is \$841,125.28
12. Investment Certificate of Deposit as of 11/28/2023 is \$854,060.03.
13. Investment Certificate of Deposit as of 11/28/2023 is \$841,411.67.
14. Investment Certificate of Deposit as of 11/28/2023 is \$836,646.59.
15. Investment-Roseau EDA Money Market as of 11/28/2023 is \$209,102.01.
16. Cash in bank-Roseau EDA as of 11/28/2023 is \$25.29.
17. Approve 2024 Airport Hangar Leases contingent upon all paperwork is obtained by the Clerk's office.

Hangar

1. Adam Erdman
 2. Jason Goulet
 3. Andy Stoskopf
 4. Darrin Smedsmo
 5. Erick Hallie
 6. Brian Norman
 7. Sara Broten
 8. Glen Holm
 9. Lynette Trangsrud
 10. Dan Whipple
18. NWRL board member Jean Johnson's reappointment
 19. LMC Ins Trust 2023-24 Coverages, Rates & Dividend amount
 20. U of M Extension facility use agreements
 21. Roseau Youth Hockey Raffle
 22. November 2023 City Revenues & Expenditures
 23. Liquor Store Monthly Sales Report

Delegations/Petitions/Complaints

Committee Reports

Planning Commission

CDC Todd Peterson informed council that the Planning Commission did not meet.

Roseau County Commissioner

Roseau County Commissioner Jack Swanson was absent.

Operations Committee

The Operations Committee did not meet.

Oakcrest Golf Course

The Oakcrest Golf course is closed for the winter.

Airport Committee

The Airport Committee did not meet.

EDA

The EDA November 29, 2023, at 12:00 pm.

CDC Peterson reviewed the EDA meeting minutes. There were no actionable items. The following information from the EDA meeting minutes was discussed.

“Administrator Peterson provided an update on activities being undertaken for the Ten01 apartment development. It was noted that the announcement for the MH Workforce Housing Grant was likely to come out in late December with applications being due in April and awards announced in June. The goal was to complete the project on a similar timeline to the Eleven01 with a fall 2024 groundbreaking and occupancy by fall 2025, but with the late grant announcement that would be difficult, though not impossible. It was also reported that the market valuation for the Eleven01 Apartment project was considerably higher than projected in the TIF and tax abatements approved for the project. This valuation indicated that the figures used for the Ten01 TIF and tax abatement were also low, leaving money on the table for the project. BakerTilly, the city’s financial advisor estimated that an additional \$100,000 in TIF and tax abatement could be generated using the actual Eleven01 market valuation. This \$100,000 could be matched with \$200,000 in State Grant funding providing an additional \$300,000 in gap funding to the project. It was noted that the TIF and tax abatements would have to be redone to capture this increased funding level but would be a rather simple process. This will be brought to the January City Council meeting for consideration as the changes would only need to be complete prior to submission of the MN Housing Workforce Grant application in April.”

Council also discussed the Titan Machinery’s new building, moving of their old shop and expansion project.

Department Reports

Liquor Store

Liquor Store Manager Niki Johnson informed council on the following:

- November sales were very good with deer hunting and Thanksgiving.
- The food drive has wrapped up with the Liquor Store receiving approximately \$500.00 and food to donate to the food shelf.
- The Liquor Store’s new shelving and flooring planning is underway.
- Sales are on to clear old product out of the store.

Fire Department

Fire Chief Leon Huot informed council on the following:

- Roseau Fire Relief Association Investment Report Card was provided to council for review.
- One fire fighter has retired in 2023.
- Chief Huot will discuss the Knox boxes with other department heads and get that information to City Attorney Moren.

Police Department

Police Chief Marc Hodge informed council on the following:

- The full time Police Department applications window closed end of last week with only one applicant which Chief Hodge will be reviewing.
- A County Deputy has asked about a part time position which would only be temporary.

- Marco has been contacted about possibly putting Wi-Fi in the Police Dept. Chief Hodge stated that it cannot be used with the BCA data base, and the Police Department found that it cannot be used with the body cameras either as it is also private information so it may not be worth putting in.
- There was discussion on the Red Alert that had gone out last week and why some cell phones did not receive it. Reasons for not receiving the alert may have been, the alert was limited to a 3 or 4 block radius, new phones have GIS built into them and the GIS may not have been activated. Councilmember Novacek recommended having a meeting with law enforcement and John Buley from the state to go over the process of activating alerts. Council also discussed being notified of the Police Department press release as Mayor and councilmembers may receive calls from concerned residents.
- A monthly report for council on the more severe crimes happening in Roseau was discussed. Chief Hodge and City Attorney Moren will discuss what can be in the report.

Superintendent

City Superintendent David Drown was absent.

Assistant City Superintendent Gary Przekwas informed council on the following:

- There was general maintenance done around the city,
- The Christmas lights are up,
- There are issues with heat in the City Center and Trane is working on it.
- The temporary sanitation worker has quit.
- The City Crew needs two full time employees and has two applicants which will be reviewed.

CDC Peterson and Assistant Superintendent Przekwas discussed with council the cost of CDL training. Most of the City Crew are required to have CDLs and one of the sanitation workers is ready to start CDL training but the cost of just the class is around \$3,700. It was recommended that the City and those employees requiring CDL's sign a contract where the City will pay the cost of the training and the expenses associated with it, but if the employee were to leave employment before 3 years of employment after the CDL is obtained the employee would have to reimburse the City the cost of the training prorated depending on the employee's length of service after obtaining their CDL.

CDC Peterson asked for authorization for the sanitation worker to sign up for the course as the sanitation crew is short staffed. City Attorney Moren will draw up a contract for the CDL training.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was approved by unanimous vote to authorize the signing up of the sanitation worker to start CDL training and for City Attorney Moren to draw up a contract where the City will pay the cost of the training and the expenses associated with it. If the employee were to leave employment before 3 years of employment after the CDL is obtained the employee would have to reimburse the City the cost of the training prorated depending on the employee's length of service after obtaining their CDL.

There was discussion on the power boxes in the north parking lot that were installed for the Farmers Markets. The boxes had been locked but one was open, and an electric car used it as a

charging station over the weekend. City Attorney Moren and council discussed citing for theft of services. It was also discussed that some internet sites have these outlets listed as charging stations though they are not. Assistant Superintendent Przekwas stated that they would check to make sure the outlet boxes are locked. CDC Peterson suggested putting a laminate on the boxes that states these are not public charging stations. No action taken.

CDC Peterson provided to council the following information and resolution.

ROSEAU ATV PARK

- The city is working with the Powersports Group and the MnDNR on the best avenue to move forward in developing the Roseau ATV Park. It was the consensus to attempt to get the ATV park and associated trails incorporated into the MNDNR Off-Highway Vehicle Grant-in-Aid Program (GIA). The GIA program would help provide structure and funding for the on-going operation and maintenance of the park and trails.
- The City has been in contact with Karen Cladas (MnDNR) on the steps to get the park and trails into the GIA program. The first step would be for the city to pass a resolution in support of the inclusion of the park and trails in the GIA program. The next step would be to provide the DNR with a GPS map of all existing trails. The final step would be to have a public input process on the trails if one was not already completed through the USACE process. City Staff has been able to obtain the public input materials from the East Diversion EA and forwarded these items to the DNR for review.
- Levi Marland from the powersports club has been leading the effort to develop a master plan for improvements to be incorporated in the city's GIA application. Mr. Marland has volunteered to GPS all the existing trials that have not already been mapped by the club. The trail GPS mapping was also forwarded to the DNR for review.
- **Council Action:** Approve resolution to act as the sponsor of the Roseau ATV park and East Diversion ATV trails for the GIA program.

RESOLUTION 53-23

LEAD AGENCY SPONSORSHIP OF ROSEAU POWERSPORTS TERRAIN PARK AND EAST DIVERSION OFF-ROAD TRAILS FOR INCLUSION IN STATE GRANT-IN-AID PROGRAM

WHEREAS, the City of Roseau in cooperation with the Roseau Parks Department and Roseau Powersports Club desires to include the Roseau Powersports Terrain Park and East Diversion Off-Highway Vehicle Trails for inclusion the State of Minnesota's Grant-In-Aid Trail Program; and

WHEREAS, the USACE, as part of the construction of the East Diversion Flood Control Project, developed and constructed approximately 9.13 miles of motorized off-road trails and terrain for the enjoyment of off-highway enthusiasts; and

WHEREAS, the City of Roseau is the owner of the trail and park lands and is responsible for the ongoing maintenance of the terrain park and off-highway trails; and

WHEREAS, the City of Roseau is an eligible agency to submit an application for the State Grant–In–Aid program;

NOW THEREFORE, BE IT RESOLVED, that the City of Roseau supports and agrees to act as the lead agency sponsor and fiscal agent for the of Roseau Powersports Terrain Park and East Diversion Off-Road Trails application for inclusion in the State of Minnesota Grant–In–Aid Program for a period of 2 years.

Resolved and agreed upon this 4th day of December, 2023

After discussion, Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve Resolution 53-23 for the City of Roseau to act as the sponsor of the Roseau ATV Park and East Diversion ATV trails for the GIA program for a period of 2 years.

Councilmember Novacek inquired about the arena. Assistant Superintendent Przekwas informed council that all compressors are working.

City Attorney

City Attorney Moren presented to council the following:

- Agreement for Dog Pound Services. This agreement is between the City of Roseau and Jason Monsrud. It is a 3 year contract starting January 1, 2024, and will automatically renew every three years unless either party terminates it. Mr. Monsrud will provide the City with a Certificate of Insurance. City Attorney Moren stated that the agreement with Roseau County (as we share this service with the County) has been sent to the County for review and consideration at their next board meeting. The old contract was \$600 per month and the new contract is \$700 per month.

Councilmember Brady Johnson motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to approve the Agreement for Dog Pound Services.

- Resolution 55-23

RESOLUTION NO. 55-23

A RESOLUTION ACCEPTING A CONDITIONAL DONATION TO THE CITY OF ROSEAU FROM POLARIS INDUSTRIES FOR CONSTRUCTION OF THE

PROPOSED WORKFORCE HOUSING PROJECT KNOWN AS THE “TEN01 PROJECT”

At the regular meeting of the City Council of the City of Roseau, Minnesota, held on Monday, December 4, 2023, at 5:00 p.m., a Motion was made by Councilperson Pat Novacek for passage of the following Resolution:

THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the City of Roseau, Minnesota, is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et. seq. for the benefit of its citizens and is specifically authorized to accept gifts.

WHEREAS, Polaris Industries has offered to contribute the sum of \$100,000.00 in the year 2023 to be used solely for the construction of the proposed Ten01 workforce housing project, which project will benefit the citizens of the City of Roseau; and

WHEREAS, said donation is conditional upon the City of Roseau and/or the City of Roseau Economic Development Authority (EDA), awarding a bid for the construction of the project; and

WHEREAS, the Ten01 Project will not be financially feasible for the City/EDA unless the City/EDA receives a State of Minnesota Workforce Housing grant, to be awarded in June of 2024; and

WHEREAS, in the event that the Ten01 Project does not obtain the requisite grant or other funding, and a bid for the construction of the project is not awarded by December 1st, 2024, then the donation made by Polaris Industries (made solely for the Ten01 Project) is to be returned in its entirety by the City.

WHEREAS, the City Council of the City of Roseau finds that it is appropriate to accept the conditional donation as offered by Polaris Industries.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEAU AS FOLLOWS:

1. That the conditional donation by Polaris Industries of \$100,000.00 to be used solely for the Ten01 Workforce Housing Project is accepted and shall be used only for the Ten01 Project.
2. That in the event that the City of Roseau/EDA does not award a contract for the construction of the Ten01 project by December 1st, 2024, the \$100,000.00 conditional donation shall be returned in its entirety to Polaris Industries.

3. That the \$100,000.00 donation shall be held in an appropriate fund by the City as determined by its Auditor until it is either used for the Ten01 Project or returned to Polaris Industries.
4. That the City Clerk/Treasurer is hereby directed to issue a receipt to Polaris Industries acknowledging the City's receipt of said conditional donation.

This Motion for Resolution was seconded by Councilperson Mary Hayes, and upon a vote being taken, the following voted in favor: Mayor Fabian, Councilmembers Novacek, Bassingthwaite, Johnson, and Hayes.

The following voted against the same: None

The following abstained: None

The following were absent: None

Adopted by the Council this 4th day of December, 2023.

EFFECTIVE DATE: December 4, 2023.

Mayor

ATTEST:

City Clerk-Treasurer

I hereby certify that the foregoing resolution is a true and correct copy of the original resolution adopted by the City Council of the City of Roseau on December 4, 2023.

Elizabeth Carlson, City Clerk-Treasurer,
City of Roseau, Minnesota.

CDC Peterson informed council that he had talked to Tracee from BradyMartz. A special fund will be set up for the Ten01 project. This donation will be held in the Ten01 special revenue fund.

Community Development Coordinator

CDC Peterson reviewed the On-Going City Project Status Report – 12/4/2023. (Portions of the report were covered in other sections of the council meeting.)

POST OFFICE CLUSTER BOXES (Mike Picard has been working on these)

- The city has modified three surplus cluster boxes located in the city shop yard to be installed in the Oak Crest West, Oak Crest South, and Oak Crest Estates Developments to meet the existing and future mail delivery needs of the three developments.
- The cluster box locations were approved by the Roseau Postmaster.
- The city has poured concrete pads for the boxes and replaced old PO box locks. City is waiting on the Post Office to provide a post office master lock for each box before final installation.

CITY TREE PLANTING PROJECT (2024 & 2025 PROJECT)

- The city was awarded \$51,900 to plant 200 trees across the city in 2024 and 2025
- The grant covers costs of materials (trees, guards, mulch & water bags), equipment (auger rental) and labor to plant and water trees over the next two years.
- **Council Action** - The MNDNR has provided an Exhibit A & B: Grant Project Deliverables attachment for a grant agreement. The City Council must concur with the terms of these exhibits.

There was discussion of where the trees would be planted, who would be in charge of this project as reports will need to be provided and who would be doing the work.

CDC Peterson stated that some part time employees will need to be hired to work with a city crew member to plant and care for the trees. CDC Peterson has been in contact with Holter's Floral and will contact Carol's Cedar Cellar to provide expert help if needed. Outside labor is also covered with this grant.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to concur with the terms of the MNDNR Exhibit A& B: Grant Project Deliverables attachment for a grant agreement.

6:00 pm Truth in Taxation Public Hearing

At 6:00 pm the City Council held a public hearing on the proposed 2023, payable 2024, tax levy and the 2024 city budget.

Councilmember Brady Johnson motioned, seconded by Councilmember Amy Bassingthwaite to open the public hearing. The motion passed by unanimous vote.

There were no comments written or oral received by the city in advance of the meeting.

City resident Jomar Bernat stated he was there to learn and asked about homestead credits, valuation, and the levy. Mayor Fabian stated that the homestead credit comes from the state and the state formula was discussed in length. The higher the value of the property the lower the homestead credit. The valuation or estimated market values are done by the County and the County Board meets next Tuesday morning for their Truth in Taxation meeting.

CDC Peterson discussed the proposed 3% increase in the levy which amounts to approximately \$60,000 spread out over the city. New development also adds to the base so that helps to spread it out even more. There has been a shift in valuations. The residential values have outpaced everything, so even if the levy were zero there would still have an increase to some residential taxes.

Mayor and Council thanked Mr. Bernat for the work they do at the Veterans Memorial Park.

City resident Troy Hammer stated that his questions had been answered.

After discussion, Councilmember Amy Bassingthwaite motioned to close the public hearing seconded by Councilmember Mary Hayes and carried by unanimous vote.

Community Development Coordinator (continued)

CDC Peterson continued reviewing the On- Going City Project Status Report

WEST SIDE STORM SEWER (2024 CONSTRUCTION) – ESTIMATED PROJECT COST \$4.8 MILLION

- Houston Engineering has completed the preliminary engineering and environmental assessments for EDA grant. Awaiting the environmental consultants final report to provide to EDA for grant approval. Tom Baron, EDA has indicated that there are no other items needed from city to approve grant.
- The City has reached an agreement with EDA and Railroad on permit language for pipeline crossing. The State of Minnesota has requested additional RR permit requirements for approval. The changes have been submitted to RR for approval.
- City has received a draft grant agreement from MNDNR for capital grant funding, funds have been released to DNR from MMB (\$1.9 million).

- City has completed and submitted a \$237,000 PROTECT grant application for MNDOT ATP-2 to help fund the local cost share.
- Final design and bidding will be undertaken winter of 2023-24 for 2024 bidding and construction, if EDA grant awarded. Local cost share estimated at \$237,000.
- **Council Action – Approve draft MNDNR grant agreement.**

CDC Peterson reviewed the draft agreement and asked for council direction to move forward. No motion is needed at this time.

It was Council consensus to move forward with the draft MNDNR grant agreement.

ROSEAU RIVER PEDESTRAIN BRIDGE (2024 CONSTRUCTION) – ESTIMATED PROJECT COST \$1.8 MILLION

- Four grants have been obtained to fully fund the project construction (\$1.1 million MnDOT Transportation Enhancement Grant, \$250,000 DNR-Trails Grant, MnDOT \$253,000 Carbon Reduction Program Grant, and \$275,000 MnDOT Alternate Transportation Program Grant. None of the grant agreement have been executed.
- Preliminary design of the bridge and trail sections have been completed. Final design cannot be initiated until all grant agreements are executed. The city is awaiting Houston Engineering to complete a Project Memorandum for grant execution. Final SHPO comments were received 11/27/23.
- Final design and bidding must be completed in fall '23 or winter '24 to keep project on funding timeline.
- Sitework is planned for completion in the fall of '24 with final bridge placement in the spring of '25.

TEN01 APARTMENT PROJECT (2024 CONSTRUCTION) – ESTIMATED COST STILL TO BE DETERMINED

- DW Jones continues to develop on a new apartment project for the Roseau EDA to meet housing demands in the community. A second 45-unit apartment project called the Ten01 is being developed for the land adjacent to the Eleven01.
- The project would be financed in a similar fashion to the Eleven01 with the sale of revenue bonds and gap funding from the State of Minnesota's Workforce Housing Grant program. Local employers Polaris, LifeCare and Karl Manufacturing have pledged contributions to the proposed project and the city has used revenue from the Eleven01 project to purchase the land for the project. Equity funds are anticipated to come from the Roseau Court Townhomes which are owned outright by the city of Roseau and can be refinanced. The project should have minimal financial impact to the city.
- Minnesota Housing has not yet provided a request for proposals for the new Workforce Housing Grant program. This is anticipated for late December with an April 1st application due date and

awards in June 2024. The late grant announcement may make it challenging to initiate a project in 2024.

- Construction costs and interest rates are large unknown as this time. DW Jones is in the process of developing a pro forma to determine the feasibility of the project.

MN TH 11 RECONSTRUCTION PROJECT (2025 CONSTRUCTION) – ESTIMATED LOCAL COST \$300-400,000

- MnDOT District 2 Staff are working on the final design for the reconstruction of MN HWY 11 from MN TH 89 to 11th Avenue NE. Project is planned for construction in the summer of 2025.
- The project will consist of a mill and overlay of the roadway from the Roseau River Bridge east to 11th Avenue NE and a completed reconstruction and narrowing of the highway from the Roseau River Bridge west to TH 89 to accommodate wider sidewalks to meet accessibility standards. The project will also involve the complete reconstruction of sidewalks on both side of the highway as the current sidewalks do not meet accessibility requirements. The project will also involve the removal of all boulevard trees along the corridor.
- MnDOT has notified city officials of the requirement for the local unit of government to cost share on some of the items involved in the project including street lighting (estimated at \$70,000), signal lighting (estimated at \$150,000) and utility relocations which cost is unknown at this time but given an estimate of \$20k to \$120k. All remaining items will be paid 100% by MnDOT.
- The city has raised concerns about the cost-share of the project and has requested credit for providing easements and right of way at no cost to MnDOT. This is being considered by MnDOT, but it is not standard practice. The city and Houston Engineering are also seeking alternative funding sources to defray costs.
- **Council Action:** MnDOT is seeking guidance from the city on what it is prepared to cost share on the TH11 and TH89 projects before proceeding further on either project.

CDC Peterson stated that MnDOT District 2 has acknowledged their fault in not informing the cities of the local cost share the state is imposing on the cities though these are state projects initiated by the state. CDC Peterson has been pushing back and MnDOT sounds like they may pick up the lighting on one side, but even if there is a different plan for the lighting utilities will still need to be moved.

Mayor Fabian would like a meeting with MnDOT District 2 Engineer JT Anderson and asked CDC Peterson and Assistant Superintendent Przekwas to attend as well.

Delaying the 89 project was discussed, but the City of Roseau wants the 89 project and did not ask for the Highway 11 project.

CDC Peterson informed council there was nothing new on the Airport projects.

ROSEAU AIRPORT PROJECTS (2024-5) AWOS REPLACEMENT & RUNWAY RECONSTRUCTION – ESTIMATED PROJECT COSTS \$2.7 MILLION

- TKDA has begun design of the runway reconstruction and AWOS replacement projects.
- The AWOS or automated weather observation system is scheduled to be replaced in 2024. Initially, this was going to be a cost-shared project with MnDOT Aeronautics at 75/25, but recent funding changes at MnDOT Aeronautics has change the cost share to 100% State.
- The runway reconstruction project is scheduled for 2025 and will require closing the airport for much of the summer of 2025 to complete the work. The local cost share of the project will be \$120,000 with FAA paying 90% of the cost, and the State and City splitting the remainder 50/50.
- The city and TKDA held a conference call with FAA and MnDOT on November 1st to discuss the runway length at the Roseau Airport. Polaris has a stated goal of replacing their Cessna Citation jet and Beechcraft King Air turbo prop aircraft with new Embraer Praetor and Phenom jet aircraft. These new aircraft require longer runways and may not be able to land in Roseau during any adverse weather conditions. The city requested FAA allow ROX to transition to a longer runway to meet the new conditions as outlined in the airport’s master plan.
- FAA and MnDOT expressed the need to document the changed condition. TKDA is working with Polaris to document the changed aircraft usage requirements and timelines.
- FAA and MnDOT both expressed concerns with the existing natural gas line that runs under the runway and that any lengthening of the runway will trigger a requirement to relocate the gas line out from under the runway. The existing easement for the gas line requires the gas company to be responsible for the relocation of the gas line if a runway extension necessitates its relocation. The city has initiated discussions with the gas company on the proposed project.

MN TH 89 RECONSTRUCTION TO AN URBAN SECTION (2026 CONSTRUCTION) - ESTIMATED LOCAL COST \$700,000

- Houston Engineering and MnDOT District 2 continue to work on the final design of TH 89 as an urban highway from 7th Street SW to TH 11. The reconstruction of the highway would involve the lowering of the roadway, installation of a curb and gutter highway with associated stormwater facilities to eliminate the existing deep ditches. Roundabouts will be constructed at the 6th Street SW and Center Street intersections. Pedestrian facilities are planned for the east and west sides of the highway.
- MnDOT is seeking input from the city on cost-shared items including the reconstruction of the local street legs of the roundabout at 6th Street, highway lighting and pedestrian facilities outside of the MnDOT right of way. Initial estimates of these cost shared items are roughly \$600,000.
- The City has identified the Local Road Improvement Program (LRIP) as a potential grant that could fund a significant portion of the local cost share on the 6th Street Roundabout. The application requires Roseau County as the City’s sponsor. Roseau County has approved sponsoring the city’s application.

- **Council Action:** Approve resolution authorizing the submission of a LRIP grant application for the local legs of the 6th Street SW roundabout.

CDC Peterson stated that the city will be required to cost share the local legs of the roundabout at 6th Street. However, there is a grant that may be able to fund almost all of the local share on the local street legs and it was recommended that the city authorize submission of a local road improvement program (LRIP) to assist in funding the city's share of the TH89 roundabout at 6th Street.

RESOLUTION 54-23

CITY OF ROSEAU APPLICATION FOR MNDOT LOCAL ROAD IMPROVEMENT PROGRAM GRANT

WHEREAS, the Roseau City Council has identified a public need for the improvement to the MN TH 89 corridor through the City of Roseau; and

WHEREAS, the City of Roseau, in conjunction with MNDOT District 2, has initiated a reconstruction project (SP-6806-33) to convert the rural section of TH 89 through the City of Roseau to an urban section to improve roadway safety and flow, increase pedestrian access and safety, address severe urban flooding issues, and improve aesthetics along the highway at a total project cost of \$12,181,900, including storm water improvements; and

WHEREAS, the City of Roseau is responsible for the reconstruction costs and on-going maintenance of the local street legs of the newly proposed TH89 & 6th Street SW roundabout, located outside of the MnDOT right of way; and

WHEREAS, the City of Roseau has secured funding to construct \$4.8 million in stormwater improvements to upgrade the stormwater capacity along the TH 89 corridor in order to facilitate the highway reconstruction project and eliminate frequent urban flooding; and

WHEREAS, the total local cost share of the comprehensive TH89 project, including stormwater upgrades, exceeds the fiscal capacity of the City of Roseau; and

WHEREAS, the City of Roseau is an eligible agency to submit an application for funding from the Local Road Improvement Program with Roseau County as the lead agency sponsor;

NOW THEREFORE, BE IT RESOLVED, that the City of Roseau supports and approves the application for \$558,200 in funds from the Local Road Improvement Program to assist in the reconstruction of the local 6th Street SW legs of the TH89 & 6th Street SW intersection roundabout.

Resolved and agreed upon this 4th day of December 2023

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to approve Resolution 54-23 authorizing the submission of a LRIP grant application for the local legs of the 6th Street SW roundabout.

MEMORIAL ARENA – HISTORIC DESIGNATION

- The city of Roseau has contracted with Daniel Hoisington (Historian) to complete a National Register of Historic Places nomination for Memorial Arena. The nomination document was provided to SHPO the week of November 27th. If approved by the State, the nomination will be forwarded to the National Park Service in Washington D.C. for consideration of designation. The work of Mr. Hoisington was funding 100% by a State Historic Preservation Grant.
- If the city is successful in obtaining federal historic designation for Memorial Arena, the facility could be eligible for State Legacy funding for preservation and restoration work to the facility, including key items like the facility structure, roofing, mechanical systems, etc.
- SHPO recently released a request for applications for \$1 million in State Capital Grant-in-Aid funds that can provide funding to public buildings for historic preservation projects.
- **Council Action:** Authorize submission of a Capital Grant-in-Aid grant application for Memorial Arena to repair facility roof and/or ice plant and to authorize the solicitation of quotes for preparation of project plans for grant review purposes.

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to move forward with the Grant-in-Aid grant application for Memorial Arena to repair facility roof and/or ice plant and to authorize the solicitation of quotes for preparation of project plans for grant review purposes.

ROSEAU WELLNESS CENTER

- JLG Architects has completed a feasibility study for the proposed design of a new Wellness Center for the Roseau Community. This study has been posted to the Roseau website for public review and comment.
- Amy Haggemiller, Duluth YMCA, has been hired by the Wellness Center Committee to complete a pro forma business plan for the operation and maintenance of the wellness center as developed by JLG. The cost of the business plan is estimated at \$1,000.
- All costs to date, have been paid with a \$40,000 Blandin Foundation grant.
- The City of Roseau submitted a \$5.75 million capital grant to the Minnesota Legislature for consideration in 2024. The Minnesota Senate Bonding Committee was in Roseau in August to hear about the project.
- The matching funds for the State Capital grant were projected to be provided with a potential local sales tax. However, a moratorium in the 2023 legislature on all new local sales taxes has halted that effort. No alternative source of matching funds has been identified. A State task

force is researching local sales taxes and charged with providing recommendations to the legislature in January. The task force has not yet developed any recommendations. The city has provided a comment letter to the task force on the importance of this local revenue option.

- The Stakeholder Fundraising Committee has met to discuss potential options to for fundraising for the project.

ROSEAU RIVER WATER TRAIL – GREATER MINNESOTA REGIONAL PARKS AND TRAIL DESIGNATION

- The Roseau River Water Trail was identified as a project with good potential to be designated as a Greater Minnesota Regional Park/Trail and was invited to provide a full master plan for project development and funding.
- In March of 2023, the city of Roseau, on behalf of the trail partners (Roseau County and Roseau River Watershed District) submitted a Master Plan to the GMRPTC for consideration.
- On October 27th Todd Peterson, Jane Evans, and Tracy Halstensgard met with Joe Czapiewski and Renee Mattson of the Greater Minnesota Regional Parks and Trails Commission in Roseau to tour the proposed trail and park sites for possible designation.
- Joe Czapiewski with the Greater Minnesota Regional Parks and Trails Commission contacted the city on November 10th on our application and Master Plan review. Mr. Czapiewski stated that there were a couple of deficiencies in our Master Plan needing work prior to the GMRPTC board review for Regional Park designation. Mr. Czapiewski indicated that if we can address three deficiencies in our current Master Plan the river trail would receive designation as a regional trail. The three deficiencies included: 1) a formal joint powers agreement or memorandum of understanding (MOU) between the City, County and Watershed needs to be provided outlining the overall management of the individual sites and how they would be managed together as part of the regional trail and not as individual parks; 2) the Trail Group needed to address how it is going to address maintenance of river debris to keep the river trail navigable, particularly the upstream sections of the river; and finally 3) the Commission would like to see a more unified map or plan that provides details on improvements and how all of the parks work together. He stated that after visiting the sites it made more sense, but he felt the Master Plan drawings in the application did not present that well. The city has initiated conversation with the Watershed regarding these items.
- **Council Action:** authorize entering into a joint powers' agreement or MOU with Roseau County and the Roseau River Watershed District for the joint management of the Roseau River Regional Water Trail parks.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to authorize entering into a MOU with Roseau County and the Roseau River Watershed District for the joint management of the Roseau River Regional Water Trail parks.

CDC Peterson presented to council the following items not on the status report.

TEMPORARY EASEMENTS – MN TH 11 – ROSEAU TO WARROAD PROJECT

MnDOT is requesting zero cost temporary easements for property owned by the City of Roseau at the Roseau Airport for construction activities related to the TH11 realignment. The two properties requested for temporary easements involved the demolition/removal of the 310th Street intersection with TH11 at the Roseau Airport.

Councilmember Amy Bassingthwaite motioned, Councilmember Pat Novacek seconded, and it was carried by unanimous vote to approve MnDOT's request for zero cost temporary easements for property owned by the City of Roseau at the Roseau Airport for construction activities related to the TH11 realignment. The two properties requested for temporary easements involved the demolition/ removal of the 310th Street intersection with TH11.

MINNESOTA DEPARTMENT OF CORRECTIONS LEASE 12169 RENEWAL REQUEST

The Dept of Corrections' lease the property located at 201 Main Avenue South from the City. Their current lease expires on April 30, 2024, and they would like to renew the lease for another 5 years. Currently, the lease amount is \$2565.50/mo. CDC Peterson used the annual CPI as an escalator for the last 7 years of the term of the lease recommended to the City Council to renew the lease at a rate of \$3,234/mo.

After discussion, it was council consensus to renew the Department of Corrections lease for \$3,234/mo. The Department of Corrections will draw up a new lease for council approval.

Mayor Council

Discuss Budget 2024, 2024 Tax Levy and proposed 2024 utility rate increases.

CDC Peterson presented to council a slightly revised budget summary. The City Council reviewed the proposed 2024 budget as presented by CDC Peterson. In reviewing the budget there were lengthy discussions regarding several items in the budget, as well as past expenditures.

CDC Peterson presented to council proposed 2024 utility rate increases for the water and sewer funds. A proposed \$2.50 (residential) and \$3.25 (commercial) increase on the water customer charge which would provide a projected 10% revenue increase, and a \$2.00 (residential) and \$2.50 (commercial) increase on the sewer customer charge that would provide a projected 9% revenue increase.

After considerable discussion, Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded to approve the 3% tax levy increase, and the proposed budget with the proposed increased water customer charge, but not the proposed increased sewer customer charge.

After further discussion, the above motion and second were put to a vote.

In Favor: Mayor Fabian, Councilmembers Bassingthwaite, Johnson, and Hayes.

Voting Against: Councilmember Novacek

After considerable discussion Brady Johnson moved to introduce the following resolution for consideration:

#R 56 -23
RESOLUTION
FINAL 2023 PAYABLE 2024 TAX LEVY

WHEREAS, on September 11, 2023 the City Council of the City of Roseau, Minnesota, motioned and approved holding a Truth in Taxation Hearing at 6:00 pm, December 4th, 2023 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 2023 payable 2024 property tax levy in the amount of \$1,157,450 and with a breakdown as follows:

2023 PAYABLE 2024
FINAL TAX LEVY

1.	General Levy	\$ 1,098,704
	Library Expenses	\$ 58,746
	Total General	\$ 1,157,450
	2023 Payable 2024 Final Levy Grand Total	\$ 1,157,450

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

The motion for adoption of the foregoing Resolution was duly seconded by Councilmember Amy Bassingthwaite and upon a vote being taken thereon, the following voted in favor thereof: Mayor Fabian, Councilmember Bassingthwaite, Johnson, and Hayes.

Voting Against: Councilmember Novacek

Absent: None

Abstaining: None

Adopted by the City Council this 4th day of December 2023.

Mayor

City Clerk - Treasurer

After discussion Brady Johnson moved to introduce the following resolution for consideration:

#R 57-23
RESOLUTION
2024 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 2023 payable 2024 Tax Levy,

NOW THEREFORE BE IT FURTHER RESOLVED that the 2024 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:

2024 FINAL BUDGET

	REVENUE	DISBURSEMENTS	+ OR (-) BALANCE
101 General	\$3,544,160	\$ 4,644,996	\$ (1,100,836)
228 Lodging Tax	\$ 65,000	\$ 66,150	\$ (1,150)
231 DOC Lease	\$ 30,800	\$ 9,400	\$ 21,400
233 TIF	\$ 140,800	\$ 131,200	\$ 9,600
457 Pedestrian Bridge	\$ 1,878,000	\$ 1,878,000	\$ 0
460 Storm Water Project	\$ 4,552,000	\$ 4,800,000	\$ (248,000)
601 Water Enterprise	\$ 475,550	\$ 446,260	\$ 29,290
602 Sewer Enterprise	\$ 361,500	\$ 331,851	\$ 29,649
603 Garbage Enterprise	\$ 500,000	\$ 466,186	\$ 33,814
604 Electric Enterprise	\$ 4,189,000	\$ 3,774,669	\$ 414,331
609 Liquor Enterprise	<u>\$ 2,290,300</u>	<u>\$ 2,092,402</u>	<u>\$ 197,898</u>
TOTAL ALL FUNDS	\$ 18,027,110	\$ 18,641,114	\$ (614,004)

The motion for adoption of the foregoing Resolution was duly seconded by Amy Bassingthwaite and upon a vote being taken thereon, the following voted in favor thereof: Mayor Fabian, Councilmembers, Bassingthwaite, Johnson, and Hayes.

Voting Against: Councilmember Novacek

Absent: None

Abstaining: None

Adopted by the City Council this 4th day of December 2023.

Mayor

City Clerk-Treasurer

Councilmember Novacek requested that the City pay for retiring Superintendent Drown's phone for the next two months. Approved by Council consensus.

Unfinished Business-

There being no further business Councilmember Amy Bassingthwaite motioned to adjourn the City Council regular meeting, Seconded by Councilmember Mary Hayes and it was carried by unanimous vote.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian