

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – December 5th, 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, Council members, Pat Novacek, 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, City Attorney Michelle Moren, Police Chief Ward Anderson, Clerk-Treasurer Beth Hellquist, Lyle Grindy-Promotions Director, Zach Swanson-Wild 102 Radio, city residents Darlene Arneson and William Westman.

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

Acting Mayor Novacek noted the addition to item 7 on the Consent Agenda “Approve the use of alcohol in the Community Center – December 12th, 2016 Polaris Party” and the correction under Mayor and Council item c. should be “2017”.

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve the November 7th, 2016 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 November 17th, 2016 Special meeting minutes as written.

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

1. Presentation of Accounts Payable claims November 1st, 2016 through November 30th, 2016 Batch AP113016. CK#61589 - 61677 = \$362,023.54.
2. Presentation of daily checks November 1, 2016 through November 30, 2016
E#280 - 315 = \$372,464.52
CK#61503-61588 = \$130,455.08
11/15/16 PR DD500761E=\$33,568.29
11/30/16 PR DD500829E=\$38,226.85
ANNUAL FIRE DEPT 500792E= \$20,849.23
3. Presentation of Receipt entries October 1, 2016 through October 31, 2016.
4. Presentation of Journal entries JE9302016.
5. Audit Committee review of September 2016 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
January 9th, 2017 Regular City Council meeting at 5:00 pm.
7. Approve the use of alcohol in the Community Center-
 - a. December 12th, 2016 Polaris party

- b. January 16th, 2017 C & C Banquet
- c. January 19th, 2017 Wheat Growers
- 8. Investment–Roseau EDA Hi Fi as of 11/29/2016 is \$74,592.88.
- 9. Cash in bank-DNR Escrow as of 11/29/2016 is \$2,000.00.
- 10. Cash in bank-Regular checking as of 11/29/2016 is \$3,100,934.47.
- 11. Investment-Regular Hi Fi as of 11/29/2016 is \$1,547,283.05.
- 12. Investment Certificate of Deposit as of 11/29/2016 is \$779,601.75.
- 13. Investment Certificate of Deposit as of 11/29/2016 is \$781,527.29.
- 14. Investment Certificate of Deposit as of 11/29/2016 is \$786,348.74.
- 15. Investment Certificate of Deposit as of 11/29/2016 is \$791,057.41
- 16. Investment-Roseau EDA Money Market as of 11/29/2016 is \$234,415.49.
- 17. Cash in bank-Pine to Prairie Birding Trail as of 11/29/2016 is \$5,221.38.
- 18. Cash in bank-Roseau EDA as of 11/29/2016 is \$1,440.79.
- 19.

RESOLUTION NO. 39-16

RESOLUTION ACCEPTING GRANT

WHEREAS, Northwest Minnesota Foundation has presented to the City of Roseau a grant of \$1,500.00 and has designated that this grant be deposited in the City of Roseau South Riverview Park Project – Splash Pad 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 South Riverview Park Project-Splash Pad Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 5th day of December, 2016.

By: _____
Acting Mayor

Attest: _____
Clerk/Treasurer

20. RESOLUTION NO. 40-16
RESOLUTION ACCEPTING GRANT

WHEREAS, Northwest Minnesota Foundation has presented to the City of Roseau a grant of \$4,000.00 and has designated that this grant be deposited in the City of Roseau Mountain Biking and Hiking Trails 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 Mountain Biking and Hiking Trails Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 5th day of December, 2016.

By: _____
Acting Mayor

Attest: _____
Clerk/Treasurer

21. RESOLUTION NO. 41-16
RESOLUTION ACCEPTING GRANT

WHEREAS, Northwest Minnesota Foundation has presented to the City of Roseau a grant of \$2,500.00 and has designated that this grant be deposited in the City of Roseau Mountain Biking and Hiking Trails 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 Mountain Biking and Hiking Trails Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 5th day of December, 2016.

By: _____
Acting Mayor

Attest: _____
Clerk/Treasurer

22. LMCIT 16-17 Premium Rates / Coverage Changes
23. November 2016 City Revenues & Expenditures
24. November 2016 Liquor Store Monthly Sales
25. KLJ Airport Project Status Report

Delegations

Committee Reports

Roseau Promotions Director

Promotions Director Lyle Grindy presented the following items:

- C&C's kick off for "Holiday Fantasy" was Black Friday. Thank you to Mr. Don Ross for being the MC. The Merchants said the weekend traffic was good to great.
- 150,000 tickets have been printed and \$4,000 in Roseau Dough will be given out.
- The first drawing had winners from Piney MB, Jamestown ND, Lancaster, Warroad and Roseau.
- "Santa Day" at the City Center had 843 guests. (Saturday)
- "Christmas Treasures" at the City Center had 145 guests. (Sunday)

- “The Gift of Giving” has had over 60 donations so far. Overall the Holiday season is off to a good start!

Polaris Stock closed up at \$88.45

Planning Commission-

CDC Todd Peterson reported that the Planning Commission did not meet in November but may meet December 19th 2016 if there is anything on the agenda. There was discussion on the 4 vacant houses previously identified by the Planning Commission. Police Chief Ward Anderson and Building Official Kevin Wiskow have been working on contacting the owners to get these vacant buildings inspected and removed. The owner of the house on 2nd Street SE has applied for a demo permit so that house should be coming down. Police Chief Anderson is to call one of the owners in the morning but has not heard anything back on the other two buildings.

Council member Pat Novacek noted that some of the trash had been picked up around the trailers that are being dismantled in the Westside Trailer Court. Chief Anderson stated that the work dismantling them has come to a halt as one of the guys working on them has moved.

Roseau County Commissioner –

Roseau County Commissioner Jack Swanson was absent

Operation Committee – The Operations Committee met on November 21 to discuss the Park and Recreation Director, Chad Johnson’s, request to move into the street department. City Superintendent Drown requested time to determine the duties of the open position to see how it should best be filled.

Oak Crest Golf Course – The golf course is closed for the season.

Airport Committee –

CDC Todd Peterson informed council the Airport Committee did not meet. CDC Peterson stated MN DOT and the FAA met in November to discuss the Master Plan for the Roseau airport. MN DOT and the FAA recommend the “cross wind” runway not be closed and the fuel system stays where it is, as they do not want to pay to rebuild them. “Cross wind” (sod) runways are tough to justify but if they are already in place they do not want to lose them either.

EDA

CDC Todd Peterson reported the EDA met and the following items were discussed:

- CDC Peterson stated the City and EDA may not have to facilitate in the sale of the old Ben Franklin’s building as the owner and potential buyer may be able to reach a deal without the City or EDA’s involvement.
- CDC Peterson stated the state has the lease agreement ready for the building that “Twice the Charm” has vacated. Details on the cost of remodel are still being worked on. The state may pay the contractor up front or, the cost of the remodel may become part of the lease payment.

Department Reports

Liquor Store-

Liquor Store Manager Linda Roseborough was absent. CDC Peterson informed council the DSGW architects are working to finish drawing the plans on the liquor store expansion so it can go out for bids.

Fire Department - Fire Chief Jeff Ballard absent.

Police Department – Police Chief Ward Anderson had nothing new to report.

Superintendent-

City Superintendent Drown informed council installation of the new meters will begin later in February or March when all of the infrastructure is in place.

City Superintendent Drown informed council the Coalition of Greater Minnesota Cities (CGMC) is making headway against some of the regulations the MPCA is trying to enforce. Currently the MPCA is trying to lower the phosphates going into Lake Winnipeg. The cost to meet these regulations could be \$40,000 to \$50,000 per year. Superintendent Drown stated the MPCA won't stop there. If they get the phosphate regulations pushed through, the MPCA will then try to enforce other things. The CGMC is trying to hold the MPCA to scientific facts, rather than arbitrary rules.

City Superintendent Drown felt money is better spent fighting the MPCA regulations, and recommended council pay the \$924 voluntary assessment. This assessment is \$0.35 per capita annually above the annual dues, but may be stopped at any time.

Council member Jane Evans motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the \$924 for the CGMC 2016-2017 Environmental Action Fund Voluntary Assessment per Superintendent Drown's recommendation.

City Attorney - no new business.

Community Development Coordinator-

CDC Peterson presented to council a sign proposal, from Scenic Sign Corp., for a digital informational sign as there is no signage on the north side of the City Center building. This proposal is for a permanent sign with a message board. Signage would help promote the Library, Museum, community events, as well as draw people to the City Facebook page and website. The sign in this proposal is made of high density foam to look like brick and is very durable. The messaging is a two sided display and easily uploaded through the cloud.

The first proposal came in at \$80,000. CDC Peterson had Scenic Sign Corp. modify it down. The second proposal came in at \$62,265.00. CDC Peterson stated the main cost of the sign is the electronic messaging board portion of the sign so scaling it down further won't make much of a cost difference. Other digital companies may be cheaper but may not be as good.

North Country Inn and the Holiday station both have digital signs but they do not have day and night dimmers which make them less appealing.

Council was concerned about the cost and would like to see additional ideas and proposals. Council was also concerned the sign may block or partially block the art piece by the bridge. City Attorney Michelle Moren stated that a 1 year warranty was not long enough. CDC Peterson informed council that he will get additional proposals and suggested renting out message space to offset some the cost.

Mayor Council-

Discuss the 2017 Tax Levy

CDC Peterson presented to council the 2017 City Property Tax Levy. CDC Peterson informed council, though the 2017 Levy did not change, and has not changed since 2010, residential property taxes have increased. CDC Peterson informed council that the state did not change its formula and the City did not increase the amount it was seeking. The increase to residential taxes is due to higher residential property valuations. When a property sells, it affects all similar properties. State law states that all valuations must be within 10% of actual sales. The valuations for residential properties went up dramatically, 20 to 30 %, while the valuations on commercial properties were flat or went down. The increased valuation in the residential properties and the decreased valuation of the commercial properties pushed the larger portion of the tax capacity onto the residential properties. This increase did not just affect city residents, the county residential valuations went up as well.

Discuss the 2017 Preliminary Budget

CDC Peterson presented to council the City of Roseau 2017 Preliminary Budget. This budget did not change significant from the November preliminary budget, but it does include the minimal changes to the health insurance amounts.

Council member Jane Evans informed council when she attended the Library's "Christmas Treasure's" event. Some people voiced their concerns; over the finances for the Library, the importance of a library to the community and they encouraged the city to continue funding it.

Council members had calls concerning the vacant Park and Recreation position. Some concerns were that the scheduling would be pushed on to the hockey people and then would the baseball people be pushed to cover the baseball scheduling. Council is concerned about losing tournaments as this would also lead to lost revenue for businesses.

City Superintendent Drown informed council it would be run the way it has been run, but it will take some time to see how that position should best be filled.

Council member Jane Evans inquired as to whom pays for the digital speed signs that display the speed of cars as they enter a city. Police Chief Ward Anderson stated individual cities pay for them.

6:00 PM Truth in Taxation 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 2017 Levy and Budget was held.

CDC Peterson provided handouts on the City of Roseau 2017 Preliminary Budget and the 2017 City Property Tax Levy. CDC Peterson gave a summary of the 2017 Budget and furnished information on the 2017 property tax levy and the three factors that determine the tax rate. CDC Peterson again explained residential property taxes had increased due to property valuations increasing disproportionately, not the city levy.

Acting Mayor Pat Novacek asked for comment from the public. City residents Darlene Arneson and William Westman inquired as to why their property taxes increased by 800%. CDC Peterson looked at their tax statements and said that he would contact the County Auditor, as to the reason there was such an increase.

Council member Amy Bassinthaite 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 #42-16

FINAL 2016 PAYABLE 2017 TAX LEVY

WHEREAS, on September 12, 2016 the City Council of the City of Roseau, Minnesota, motioned and approved holding a Truth in Taxation Hearing at 6:00 pm, December 5th, 2016 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 2016 payable 2017 property tax levy in the amount of \$1,049,242 and with a breakdown as follows:

2016 PAYABLE 2017

FINAL TAX LEVY

1.	General Levy	\$ 1,001,478
	Library Expenses	\$ 47,764
	Total General	\$1,049,242
	2016 Payable 2017 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 Don Ross 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

After considerable discussion Amy Bassingthwaite moved to introduce the following resolution for consideration:

**#R 43 -16
RESOLUTION
2017 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 2016 payable 2017 Tax Levy,

NOW THEREFORE BE IT FURTHER RESOLVED that the 2017 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:

2017 FINAL BUDGET

	REVENUE	DISBURSEMENTS	+ OR () BALANCE
101 General	\$ 2,733,909	\$ 3,828,822	\$ (1,094,913)
228 Lodging Tax	\$ 52,600	\$ 78,941	\$ (26,341)
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)
451 South Riverview Park	\$ 250,000	\$ 450,000	\$ (200,000)
601 Water Enterprise	\$ 388,500	\$ 339,776	\$ 48,724
602 Sewer Enterprise	\$ 376,000	\$ 272,159	\$ 103,841
603 Garbage Enterprise	\$ 429,000	\$ 385,935	\$ 43,065
604 Electric Enterprise	\$ 4,196,741	\$ 3,895,542	\$ 301,199
609 Liquor Enterprise	<u>\$ 1,851,250</u>	<u>\$ 1,546,366</u>	<u>\$ 304,884</u>
TOTAL ALL FUNDS	\$ 10,354,284	\$ 11,559,939	\$ (1,205,655)

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

Voting Against: None
Absent: Jeff Pelowski
Abstaining: None

Adopted by the City Council this 5th day of December 2016.

Acting Mayor

City Clerk - Treasurer

Unfinished Business-

There being no further business Council member Amy Bassingthwaite motioned to adjourn the meeting, seconded by Council member Don Ross and carried by unanimous vote.

ATTEST:

City Clerk-Treasurer

Acting Mayor Pat Novacek