

## **REGULAR ROSEAU CITY COUNCIL MEETING**

**MONDAY – JULY 12, 2021 at 5:00 PM**

**In-person meeting**

**121 Center Street E; 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: Amy Bassingthwaite, Brady Johnson, Jane Evans, Pat Novacek. Absent: None Others present were City Attorney Michelle Moren, CDC Todd Peterson, Liquor Store Manager Niki Johnson, Fire Chief Craig McMillan, and Police Chief Ward Anderson, County Commissioner Jack Swanson, and Parks & Recreation Director Keith Severson

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

Council member Brady Johnson motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve the June 7, 2021, regular meeting minutes.

Council member Jane Evans motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the June 17, 2021, joint meeting with the Roseau EDA minutes.

Council member Amy Bassingthwaite motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to approve the following Consent Agenda items as presented:

1. Presentation of Accounts Payable claims June 1, 2021 through June 30, 2021 Batch AP063021.  
CK# 70410-70446 = \$93,078.37
2. Presentation of daily checks June 1, 2021 through June 30, 2021  
CK# 70265-70409 = \$471,919.55  
E# 2435-2479 = \$395,262.81  
PR 06/15/21 = \$42,584.83  
PR 06/15/21 = \$11,994.51 LR Payout  
PR 06/30/21=\$55,574.02  
Void Cks #70400 & 70284
3. Presentation of Receipt entries May 1, 2021 through May 31, 2021.
4. Presentation of Journal entries JE043021.
5. Audit Committee review of April 2021 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –  
Upcoming scheduled meetings:
  - a. August 2, 2021 Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the Community Center-
  - a. Sept. 4, 2021 Levenhagen/Spencer Wedding Reception
  - b. Sept. 18, 2021 Martindale/Olson Wedding Reception
  - c. Sept. 24, 2021 Fast Wedding Reception.
  - d. Oct. 2, 2021 Harrison/Nelson Wedding reception
  - e. Oct. 11, 2021 MN Deer Hunters Association
  - f. Nov. 20, 2021 Lifecare Med Center-Partners for Health
8. Investment–Roseau EDA Hi Fi as of 06/30/2021 is \$241,050.38.
9. Cash in bank-Regular checking as of 06/30/2021 is \$2,181,282.44
10. Investment-Regular Hi Fi as of 06/30/2021 is \$1,564,179.08.
11. Investment Certificate of Deposit as of 06/30/2021 is \$823,713.91
12. Investment Certificate of Deposit as of 06/30/2021 is \$819,388.88.

13. Investment Certificate of Deposit as of 06/30/2021 is \$819,275.71.
14. Investment Certificate of Deposit as of 06/30/2021 is \$812,763.65.
15. Investment-Roseau EDA Money Market as of 06/30/2021 is \$221,309.69.
16. Cash in bank-Roseau EDA as of 05/27/2021 is \$231.52.
17. Erick Hallie Hangar #5 lease.
18. League of Minnesota Cities membership Dues increase of 4%.
19. League of Minnesota Cities liability Coverage-Waiver Form
- 20.

RESOLUTION NO. 33-21  
RESOLUTION ACCEPTING DONATION

**WHEREAS**, the following have presented to the City of Roseau, donations, and have designated that these donations be deposited in the City of Roseau Riverview Park Gazebo Concert Fund.

LifeCare Med Center \$500.00;  
Northern Resources \$100.00;  
Chris & Jeanie Hamness \$500.00;  
General Public \$233.00

**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 donations are accepted and acknowledged with gratitude, and
2. That the donations will be allocated to the Riverview Park Gazebo Concerts.

Adopted by the City Council of the City of Roseau, Minnesota this 12th day of July, 2021.

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

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

21. Liquor Store Financials
22. June City Revenue & Expenditures
23. Airport Report

**Delegations/Petitions/Complaints** - None

**Committee Reports**

**Planning Commission** - Did not meet

**Roseau County Commissioner** - The Courthouse complex is under construction including a new parking garage for social services and a secured evidence storage and training area. The Highway Garage is also under construction in the Roseau Industrial Park. Completion is anticipated for next summer or fall.

It was noted that the Federal ARPA money is more difficult for township and small cities to obtain than last year's CARES Act money and most are not equipped to take care of providing paperwork needed to request funds. The townships can turn over the funds to the County or use it themselves, but the County is encouraging all townships and towns to access the funds so that they can be used in the county.

**Operations Committee** – The Operations Committee met on June 17<sup>th</sup> to discuss the Roseau Youth Hockey agreement and a proposal by Roseau Youth Hockey to maintain ice in the North Rink year-round.

The existing agreement and rate schedule was not designed to cover year-round operations, and if this is contemplated, a new rate schedule needs to be developed by the City to account for additional expenses related to electrical summer demand costs and more frequent compressor overhauls. It was the recommendation of the committee to have Superintendent Drown work with the RYH Board and the Arena Board to develop a new rate schedule for year-round operations of the Roseau North Rink should RYH decide to make that decision.

**Oakcrest Golf Course** – Nothing new to update

**Airport Committee** – Did not meet. Meeting on Thursday July 15<sup>th</sup> to review Engineering proposals for engineering services at the Roseau Airport for next five years.

**EDA** - The EDA met in joint session with the Roseau City Council on June 17<sup>th</sup> to review and approve the bids on the Eleven01 Apartment project. After opening bids the project was found to be \$399,000 over the original budget estimate, requiring a total equity injection of \$1,065,619. Of this amount \$110,000 has been provided by local employers and \$270,000 will be provided by the Roseau EDA. The remaining \$685,187 would be required of the City, if no other funding sources can be found. The City is still pursuing other equity partners in the project to reduce the amount needed from the City. However, in the absence of any other sources being found the City Council authorized the City to fill the gap so that the project can proceed.

The Roseau EDA then approved moving forward with the Eleven01 project and authorized entering into contracts with Miller Construction and all subcontractors on the Eleven01 project and authorized the Administrator to sign all necessary paperwork to proceed with construction.

CDC Peterson reported that since the meeting Skip Duchesneau has contacted Minnesota Housing to request additional assistance. Minnesota Housing has some funds that were turned back from a project that was not moving forward and the Workforce Housing Program Manager has recommended that the Eleven01 project be awarded more funds to assist with the cost overage. The amount being proposed is approximately \$141,000. Internal approvals of this request could take up to 2 weeks. In addition, representatives from the NW Minnesota Multi-County HRA are recommending that its board make a secondary loan the Eleven01 project for up to ½ of the city contribution to the project. Their board will take formal action on that request at its July 21<sup>st</sup> meeting. If both requests come through the city's obligation would be reduced from \$685,187 to \$272,004.

In order to proceed with closing on the Eleven01 project the Roseau City Council need to provide authorization for the transfer of all tax increment revenues and tax abatements collected by the City from the Eleven01 project to the Roseau EDA that are pledged for the bonds to finance the project.

Member Pat Novacek introduced the following resolution and moved its adoption:

#### RESOLUTION NO. 34-21

RESOLUTION AUTHORIZING THE TRANSFER OF TAX INCREMENT REVENUES COLLECTED BY THE CITY AND GENERATED FROM TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 6, AND TAX ABATEMENTS COLLECTED BY THE CITY AND GENERATED BY PARCEL IDENTIFICATION NO. 54.0303006, AND ALLOCATING THE SMALL ISSUER REBATE EXCEPTION, TO THE ECONOMIC DEVELOPMENT AUTHORITY IN AND FOR THE CITY

A. WHEREAS, the City of Roseau, Minnesota (the "City") has heretofore (1) established Tax Increment Financing (Economic Development) District No. 6 (the "TIF District") within Municipal Development District No. 1 (the "Development District"), and (2) approved and adopted the Tax Increment Financing Plan therefor, all pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"); and

B. WHEREAS, the City has heretofore approved tax abatements generated from property currently identified as Parcel Identification Number 54.0303006 (the "Tax Abatement Property"), pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law"); and

C. WHEREAS, the tax increments collected by the City and generated from the TIF District (the "Tax Increments"), and the tax abatements collected by the City and generated from the Tax Abatement Property (the "Tax Abatements"), shall be used to assist in the payment of certain eligible costs of the acquisition, construction, and equipping of a workforce housing facility, to be known as Eleven01 Apartments (the "Project"), to be undertaken, owned, and operated by the Economic Development Authority in and for the City (the "Authority"); and

D. WHEREAS, the Authority intends to issue a \$4,200,000 Housing Facility Revenue Bond, Series 2021A (the "Bond"), to finance, in part, the Project; and

E. WHEREAS, unless an exception is available, tax-exempt bonds are subject to the federal arbitrage requirement of rebating earnings in excess of the bond yield on certain investments; ordinarily, bonds are subject to rebate if issued by a governmental unit that lacks general taxing powers, such as Authority; and, if the Authority issues bonds on behalf of a governmental unit with general taxing powers, such as the City, it will be treated as having general taxing powers if the bonds do not exceed the lesser of \$5,000,000 or such amount of the \$5,000,000 small issuer limitation as a governmental unit with general taxing powers may allocate to the Authority; and the City is a governmental unit with general taxing powers:

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseau, Minnesota, as follows:

1. Transfer of Tax Increments and Tax Abatements. The City hereby determines and declares that the Tax Increments and the Tax Abatements shall be transferred to the Authority as they are collected by the City, to assist with the payment of the costs of the Project.

2. Small Issuer Finding. The City hereby finds, determines and declares that: (1) the Authority is issuing its Bond on behalf of the City within the meaning of Section 148(f)(4)(C)(iv) of the federal Internal Revenue Code of 1986, as amended (the "Code"); (2) the Authority is therefore treated as a subordinate entity of the City for purposes of such Section; and (3) the aggregate face amount of the Bond does not exceed the lesser of \$5,000,000 or the amount which, when added to the aggregate amount of other issues issued by the City in 2021, is allocated to the Authority in paragraph 3 of this resolution.

3. Allocation. The City hereby allocates to the Authority a \$4,200,000 portion of the City's \$5,000,000 limitation under Section 148(f)(4)(C)(i)(IV) of the Code on the aggregate face amount of tax-exempt bonds (other than private activity bonds) issued by the City during the calendar year 2021. Such allocation is made solely with respect to the Bond, is irrevocable and is made before the issuance of the Bond. Said \$4,200,000 allocated to the Authority bears a reasonable relationship to the benefits received by the City from the Bond issued by the Authority, because the Bond finances the Project to be located within the City, to the benefit and welfare of its residents. The Authority shall accept this allocation by issuing its Bond and making a statement in its Nonarbitrage Certificate relating to the Bond.

4. Aggregation. The City and Authority will be aggregated and treated as one issuer for purposes of said \$5,000,000 limitation, and together will not issue in 2021 more than \$5,000,000 aggregate face amount of all tax-exempt bonds (other than private activity bonds).

The motion for adoption of the foregoing resolution was duly seconded by member Jane Evans and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof:

Fabian, Evans, Bassingthwaite, Novacek and Johnson

and the following voted against same: None

Adopted this 12th day of July, 2021.

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Mayor

Attest: \_\_\_\_\_  
Community Development Coordinator

The EDA approved two offers for purchase of lots in the Industrial Park. Each is seeking parcels at a purchase price of \$4,000/acre. The lots will be offered with a contingency that if the parcels are not developed, the EDA has the first right to repurchase the lots at the same price as they were sold.

Council member Jane Evans motioned, seconded by Council member Amy Bassingthwaite and approved by unanimous vote to accept the transfer of Lot 3, Block 1 of the Roseau Industrial Park from the Roseau EDA to the City, contingent on EDA approval, for sale by the City to Ryan Muirhead.

### **Department Reports**

**Liquor Store** – Niki Johnson reported that June was a good month. Staffing is going well for now as the cashier positions are filled. Manager Johnson has a candidate for a part-time assistant manager that she is considering hiring.

**Fire Department** – Chief McMillan reported that it is very dry. The RFD is meeting with Forestry regularly on contingency plans for evacuations of the forest in case of fire. Chief McMillan strongly recommended that no one should be burning any trash at this time.

**Police Department** – Chief Anderson provided information on the possible need for redaction software for the department's body cameras. The City has received a request for body camera footage related to a court case. The cost of the redaction software is \$7,200 for the particular cameras used by the RPD. The Chief's Association has used other software that is cheaper at around \$250, but that software was designed for other types of body cameras. There is a possibility that issue requiring the body camera footage may be resolved prior to the need for the redaction software, due to the timelines for the court case. Also, the Court could rule that the footage can be released without redaction. Chief Anderson is recommending that the RPD attempt to use the lesser cost software that is \$250. If that doesn't work, Chief Anderson doesn't have the funds in the PD budget to cover the more expensive software. There is a possibility that the Roseau County Sheriff's Department could potentially share in this cost, if the software licensing allows it. Council member Amy Bassingthwaite motioned, seconded by Council member Pat Novacek and approved by unanimous vote to approve the RDP purchase of redaction software, if needed, in the amount of roughly \$7,500.

Chief Anderson reported that the 2017 squad car was not running right. Lake Country Chevrolet tore it apart and estimated that it will cost \$6,500 to repair. Chief Anderson noted that he does not have enough in the repairs and maintenance budget to cover this expense. This was just a head's up for the Council as the repairs are not completed. No action was taken.

Chief Anderson noted that the Roseau PD has been asked to help with some of the protests in NW Minnesota, but scheduling hasn't worked out to send anyone to date.

**Superintendent** – Not present. It was noted that the Oak Crest Estates construction is nearing completion. Final completion has been delayed due to the contractor taking longer at the school project than expected.

#### **Parks and Rec Director** – Monthly Summary Report

- Memorial – Compressors working well. Compressor #3 will be repaired soon. Contractor has been scheduled to complete the repairs on the roof leak before winter.
- Campground – Campground has been very busy this year with it being full most of the summer. Revenue is up. Just shy of \$20,000 year to date. Campground is full for the fair. The Campspot software is working well for reservations at the campground with most campers being able to register without additional assistance.
- South Riverview Park Dock – Construction started today. Should take about one to two weeks to complete.
- Mount Roseau – Has been cleaned and repaired.
- Summer Camp – Has been extremely successful. Miranda Peterson has done a fabulous job with the camp this summer. Brightwheel software is being used for participant tracking and payment and has been working very well. The camp is running on a break-even model and is on pace for the year.
- Cityball – Going well with over 100 participants.
- Soccer – 25 already registered. Hoping for 50 by the time it starts.
- Tennis – There was a meet-up that had 30 participants. Looking at another event in August.
- Gazebo - Good turnouts for concerts (150-200 per event). People seem to enjoy this year's entertainment according to surveys.
- Movie in the Park – Held the first movie on Friday (35 participants for first showing). System worked well.

Park & Recreation Director Severson requested new nets for the soccer program and permission to exceed 2021 expenditures to purchase these new nets. There were no nets left over from previous soccer programming and with the anticipated participation additional nets will be required. In general the youth activities have brought in more revenue in 2021 than budgeted so the net revenue for the youth activities should be unaffected with the increased expense for the soccer programming. Council member Jane Evans motioned, seconded by Council member Brady Johnson and approved by unanimous vote to authorize the expenditure of up to \$2,000 for new soccer nets, if there is a need for those nets based upon registration.

Park & Recreation Director Severson made a second funding request for a new Polaris Ranger for the Parks Department. Park & Recreation Director Severson is seeking permission to exceed 2021 expenditures for a parks vehicle which was programmed by the previous Parks & Recreation Director at \$12,000 for a used van. Director Severson believes a Ranger would be a more useful tool for the needs of the Parks Department. Director Severson is requesting up to \$28,000 for a new Ranger. There were some questions about whether the Polaris Ranger Northstar addition was needed as it is very expensive model and can something else be acquired that is more affordable. There was a lengthy discussion about what

would be the most appropriate vehicle and how can the city best make use of all its vehicles. Mayor Fabian discussed having a conversation with the department heads on what vehicles are available and what is needed for the future, in order to make an informed decision on any new vehicle requests. No action was taken.

Parks & Recreation Director Severson requested Council help in the coordination of the recognition for Mayor Jeff Pelowski at the City Event on August 5<sup>th</sup>. Councilmember Pat Novacek was asked if he would coordinate with former Mayor Pelowski to have him at the event.

**City Attorney** – The State Emergency Declaration for the COVID-19 pandemic was rescinded by Governor Walz on July 1st. Attorney Moren stated that the City should also rescind its emergency declaration. After which Council member Amy Bassingthwaite motioned, seconded by Council member Brady Johnson and approved by unanimous vote to rescind the city’s emergency declaration as of August 2, 2021.

**Community Development Coordinator** - Northland Community College is requesting the renewal of its lease agreement for the space in the Roseau City Center. CDC Peterson has been in conversation with Northland staff about the lack of use of the facility recently and the city’s desire to see the space made available for other uses if Northland does not have a need for the space. Northland is continuing to work with Polaris on customized training in the space, but has agreed to open the space up to the city for scheduling other meetings, training and uses compatible for the rooms in coordination with Northland. The proposed lease provides this new language, but it otherwise the same lease agreement as in past years. This is a 5-year renewal. Council member Novacek motioned, seconded by Council member Jane Evans and passed by unanimous vote to renew the Northland lease for an additional 5 years.

CDC Peterson has received more information on the \$300,000 in federal ARPA funding the City will be receiving. The water tower project was bid prior to the notification that the City would be receiving the ARPA funds and was not bid with Davis-Bacon wage rates, therefore it would not be an eligible expenditure for these federal dollars. City staff are researching other upcoming water or sewer projects for use of these funds. Such projects include the rehabilitation of the water treatment facility, work on the sewage ponds or extensions of water and sewer for new housing.

CDC Peterson reported that William Lockner, the owner of the home at 303 Center Street E, has accepted the City’s buyout offer of \$20,000.

CDC Peterson reported that a team consisting of Houston Engineering and WSB Engineering has been awarded the engineering contract for the design of the TH 89 reconstruction. Initial consultations with the City and other stakeholders are likely to begin in August of September of this year. Project designs are to be completed for a December 2024 bid letting. The project is programmed for the State Transportation Improvement Plan (STIP) for 2027, if no other funds are obtained prior to 2027.

CDC Peterson reported that a MnDOT accessibility team was in Roseau in June to do the preliminary design for the TH 11 reconstruction project that is programmed for 2025 construction. MnDOT will be doing a mill and overlay on TH11 from the diversion bridge to TH 89. In addition, MnDOT will be reconstructing all of the sidewalks along the corridor to meet ADA guidelines, they currently do not meet those standards. New sidewalks will be constructed on both the north and south sides of the highway where none currently exist. Additionally, the sidewalks will be widened, and the highway narrowed west of the bridge to remove light fixtures from the sidewalk right of ways. The project will also include considerable storm sewer work on the west side of the Roseau River bridge.

CDC Peterson has started the budget process for 2022. CDC Peterson will be seeking budget information from the Department Heads and Committees in July and August for the preliminary budget and tax levy to be presented for approval by the City Council in September.

**Mayor and Council** – Council member Jane Evans noted that the ALS walk/run will be on Saturday, July 17<sup>th</sup>. Councilmember Evans also inquired with FD Chief McMillan if there was anything the Fire Department could use that could be part of a tailgate fundraiser. Chief McMillan will work with Council member Evans on some ideas.

Mayor Fabian would like to see an employee appreciation BBQ at the Park sometime this fall. Mayor Fabian stated that he will take the lead on this project.

**Unfinished Business - None**

There being no further business Council member Brady Johnson motioned to adjourn the meeting, seconded by Council member Jane Evans and approved by unanimous vote.

ATTEST:

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Todd Peterson, Community Development Coord.

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Mayor Dan Fabian