

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – June 1st, 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, Mayor Jeff Pelowski, Council members Pat Novacek, Don Ross, Amy Bassingthwaite and Jane Evans. Absent: none. Others present were Community Development Coordinator Todd Peterson, City Attorney Pat Moren, Assistant City Attorney Michelle Moren, Police Chief Ward Anderson, Liquor Store Manager Linda Roseborough, Fire Chief Jeff Ballard, Clerk-Treasurer Beth Hellquist, Roseau County Commissioner Jack Swanson - WILD102 Radio, Promotions Director Lyle Grindy.

City Attorney Pat Moren gave the Oath of Office to Council member Jane Evans who was newly appointed to replace Curt Ireland's vacated seat.

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

Council member Amy Bassingthwaite motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to approve the May 4th, 2015 Regular meeting minutes as amended. (Page 6, Mayor Jeff Pelowski also voted in favor of the "Proposed Adoption of a Modification to the Tax Increment Financing Plan").

Council member Don Ross motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the May 18th, 2015 Special meeting minutes & May 21st, 2015 Special meeting continuation minutes as written.

Council member Pat Novacek 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 May 1st, 2015 through May 31st, 2015 batch AP053115.
2. Presentation of daily checks May 1, 2015 through May 31, 2015.
3. Presentation of Receipt entries April 1, 2015 through April 30, 2015.
4. Presentation of Journal entries JV033115.
5. Audit Committee review of March, 2015 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. July 6th, 2015 Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the Community Center-none
8. Investment–Roseau EDA Hi Fi as of 05/27/2015 is \$39,655.81.
9. Cash in bank-DNR Escrow as of 05/27/2015 is \$2,000.00.
10. Cash in bank-Regular checking as of 05/27/2015 is \$1,956,716.38.
11. Investment-Regular Hi Fi as of 05/27/2015 is \$1,517,644.42.
12. Investment Certificate of Deposit as of 05/27/2015 is \$773,176.20.
13. Investment Certificate of Deposit as of 05/27/2015 is \$775,120.82.
14. Investment Certificate of Deposit as of 05/27/2015 is \$779,867.59.
15. Investment Certificate of Deposit as of 05/27/2015 is \$784,572.82.
16. Cash in bank-Airport Fuel Sales Credit Card as of 05/27/2015 is \$11,889.38.

17. Investment-Roseau EDA Money Market as of 05/27/2015 is \$209,672.55.
18. Cash in bank-Pine to Prairie Birding Trail as of 05/27/2015 is \$10,040.12.
19. Cash in bank-Roseau EDA as of 05/27/2015 is \$3,699.47
20. LG240B Application to Conduct Excluded Bingo-American Legion Auxiliary Unit 24
21. Tax Increment Financing District No. 5 – Schedule of Events
22. Resolution #22-15. Authorize RCB Collections

RESOLUTION NO. 22-15

**AUTHORIZING RCB COLLECTIONS TO ACT AS CITY COLLECTION AGENCY FOR
COLLECTION OF DELINQUENT UTILITY ACCOUNTS**

At the regular meeting of the City Council of the City of Roseau, Minnesota, held on Monday, June 1, 2015, 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, pursuant to Roseau County Ordinance § 50.26 (A) the City of Roseau is authorized to collect payment for municipality utilities in a civil action; and

WHEREAS, RCB Collections, an independent contractor, is willing to provide collection services for the City of Roseau, which services include commencement of a civil enforcement action if necessary; and

WHEREAS, this matter was fully discussed by the City Council of the City of Roseau;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA, that RCB Collections is appointed as the City of Roseau collection agency and the City Council further authorizes execution of RCB Collection's service agreement. It is further resolved that Elizabeth Hellquist, City Clerk-Treasurer is authorized to execute collection assignment notices to RCB Collections when applicable.

This Motion for Resolution was seconded by Councilperson Don Ross, and upon a vote being taken, the following voted in favor: Jeff Pelowski, Pat Novacek, Don Ross, Amy Bassingthwaite and Jane Evans.

The following voted against the same: None.

The following abstained: None.

The following were absent: None.

Adopted by the Council this 1st day of June, 2015.

EFFECTIVE DATE: June 1st, 2015.

Mayor

ATTEST:

City Clerk-Treasurer

23. Resolution #23-15. Resolution for Utility Write Offs to collections

RESOLUTION NO. 23-15
AUTHORIZING USE OF COLLECTION AGENCY FOR COLLECTION OF CERTAIN PAST
DUE UTILITIES

At the regular meeting of the City Council of the City of Roseau, Minnesota, held on Monday, June 1, 2015, 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, pursuant to Roseau County Ordinance § 50.26 (A) and (B) the City of Roseau is authorized to collect payment for municipality utilities in a civil action or through certification to the County Auditor; and

WHEREAS, this matter was fully discussed by the City Council of the City of Roseau;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA, that the City of Roseau is authorized to utilize the services of a collection agency to assist in collection of delinquent municipal utility payments.

This Motion for Resolution was seconded by Councilperson Don Ross, and upon a vote being taken, the following voted in favor: Jeff Pelowski, Don Ross, Pat Novacek, Amy Bassingthwaite, and Jane Evans.

The following voted against the same: None.

The following abstained: None.

The following were absent: None.

Adopted by the Council this 1st day of June, 2015.

EFFECTIVE DATE: June 1st, 2015.

Mayor

ATTEST:

City Clerk-Treasurer

24. Resolution #24-15. Resolution Accepting Donation for the music at Riverview Park Gazebo.

RESOLUTION NO. 24-15
RESOLUTION ACCEPTING DONATION

WHEREAS, the area businesses listed below, have presented to the City of Roseau donations and have designated that these donations be deposited in the City of Roseau General Fund to be used for the Riverview Park Gazebo.

Citizens State Bank - \$250.00
Border State Bank - \$200.00
Stoskopf Redi-Mix of Roseau, Inc. - \$500.00
Roseau County Ford, Inc. - \$25.00
LifeCare Medical Center - \$300.00

WHEREAS, the City Council is appreciative of the donations and commends the above businesses for their civic efforts,

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Roseau, Minnesota;

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

Adopted by the City Council of the City of Roseau, Minnesota this 1st day of June, 2015.

By: _____
Mayor

Attest: _____
Clerk-Treasurer

25. NMPA 2014 Annual Report
26. May 2015 Liquor Store Revenue & Expenditures
27. May 2015 City Revenue & Expenditures
28. Technical Advisory Committee Trunk Highway 11 Corridor Study

Delegations-

Committee Reports

Roseau Promotions –

Lyle Grindy of the Civic and Commerce informed Council on the following items:

A number of businesses in Roseau are having some issues and concerns, business has been slow this spring and it is hard to find help.

The Civic and Commerce is trying to help by promoting four events in June:

1. The start of the Farmers Market.
2. The annual “Junk Sale” held at the fairgrounds.
3. The first annual “Roseau Art Festival” will be held at the City Center. This is the new home for “Arts in the Park”.

4. The 3rd quarter coupon page will be distributed to motels, service stations and restaurants. This is free to the C&C members.

The City Center is receiving a lot of bookings. Some bookings are out into December 2016.

Planning Commission-

CDC Todd Peterson informed council the Planning Commission did not have a quorum to hold the scheduled meeting on May 18, 2015. The members present did the annual city tour. They reported though the town looked pretty good, there are a few issues. Unlicensed and junk cars are still a problem and the trailer parks look a little rough.

CDC Peterson informed council the next Planning Commission will be moved up to June 22, 2015 as some members would not be able to make the originally scheduled meeting.

Roseau County Commissioner –

Roseau County Commissioner Jack Swanson – informed council, Wednesday June 10th, 2015 Jeff Pelowski and Jack Swanson will be in St. Paul as part of a County TASK force to discuss the formula for distribution of County Aid.

The Center Street Bridge will be closed for a couple of weeks while work is being done. The dates are yet to be determined.

Jack commended Todd on the work he has done for workforce housing. It is anticipated that the language will remain in the legislation for the special session.

Operation Committee – No new business.

Oak Crest Golf Course –

Council member Don Ross informed council the golf course is in full operation. They are seeing some tourists and new people also using the course.

Airport Committee –

CDC Todd Peterson informed council the airport committee had not met, but council had to revisit the issue of Tom Spindler's ultra-light insurance. Mr. Spindler cannot get aircraft insurance as his ultralight does not fit the criteria. Mr. Spindler had requested approval to carry \$300,000 liability on his homeowners insurance.

City Attorney Michelle Moren informed council the League of Minnesota Cities recommends one million dollar liability per occurrence, but the current City of Roseau Airport Hangar lease agreement only requires the state minimum, which is a liability of \$300,000 per occurrence.

After discussion Council member Pat Novacek motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve Tom Spindler's request to carry \$300,000 liability per occurrence for his ultralight on his homeowners insurance.

CDC Todd Peterson informed council RS&H reviewed KLJ's fee estimate for the Roseau Municipal Airport Runway Master Plan, Airport Layout Plan, Exhibit "A", Wildlife Hazard Plan and FAA AGIS Survey Project. This independent review is required per FAA Advisory Circle 150/5100-14E, for federal grant disbursement. The independent review cost the city \$4,000. The independent fee analysis resulted in a determination of a proposed fee of \$405,520 by RS&H. KLJ's total was \$371,052. RS&H deemed KLJ's fee reasonable. The City of Roseau's portion for this fee is approximately \$20,000. These Plans are

required to be up to date to receive FAA special appropriation funding and entitlement funding every year. The airport may seek special appropriations in coming years as a result of some of the expected outcomes of these studies, particularly the wildlife study.

A future requirement may be fencing in the airport to minimize the wildlife hazard. The estimated cost of this could be more than one million dollars.

CDC Todd Peterson asked for authorization to sign the contract with KLJ.

After discussion Council member Pat Novacek motioned, Council member Jane Evans seconded and it was carried by unanimous vote to approve the contract with KLJ and authorize its signing.

Beautification Committee –

Council member Amy Bassingthwaite informed council the flowers have been put out in the city. A and T Greenhouse put the baskets together. The City workers put them up and keep them watered.

EDA –

CDC Todd Peterson informed council the EDA met on May 27th, 2015.

Items discussed were:

Two revolving loan funds – The EDA received them so late they are still in review.

The Cobblestone Hotel has completed a Market Study for potential investors to review.

The EDA toured Parkland Place Apartments. Currently it has a 50 percent projected occupancy.

The apartments look very nice and move in will be soon.

Department Reports

Liquor Store-

Liquor Store Manager Linda Roseborough informed council the Liquor Store has been very busy, sales are good, and a leaking cooler has been repaired.

Fire Department-

Fire Chief Jeff Ballard informed council the fire department is applying for \$1,500 of reimbursement for training at fire school and will also apply for reimbursement of training done previously.

Fire Chief Ballard is also starting to investigate the replacement of the oldest fire engine to keep the fleet on a regular rotation. The Fire Department will need a new truck within a couple years of the new building. The fire department has been doing fund raising and may be able to purchase the chassis with those funds.

CDC Todd Peterson informed council he is working on the Capital Grant request. He will submit it electronically by June 12th, 2015.

Fire Chief Jeff Ballard informed council the fire crew had completed the Grain Bin Rescue Training, hosted by the Badger Fire Department. The donation by CHS paid for the training and equipment.

Fire Chief Ballard also informed council the fire department had received over \$10,000 from the DNR for fighting grass fires so far this year.

Police Department –

Police Chief Ward Anderson informed council part time police officer Allen Mekash is resigning as of June 12th, 2015.

Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to accept the resignation of Officer Allen Mekash.

Police Chief Ward Anderson informed council of grants available for special enforcement “Towards Zero Deaths” for seatbelt use, distracted driving, etc. Police Chief Anderson asked if council would be interested in having the Roseau Police Department participate. Participation would mean extra paperwork for office personal and overtime for the officers.

After discussion, it was council consensus not to participate. Roseau does not have a large tourist influx at the times these special enforcements must be done. Enforcement of these laws are already part of the Roseau Police Officers everyday routine

Superintendent- Streets

Superintendent David Drown was absent.

CDC Todd Peterson informed council the arena road street project is under construction. Though it may not be paved, R&Q Trucking plans to have it passable before the County Fair.

Parks

CDC Todd Peterson presented to council the Preliminary Master Plan for the South River View Park. The Park Board and Keith Kinnan from Karvakko Engineering held a public input meeting and some of the suggestions were added to the preliminary draft, though nothing is set in stone. Karvakko Engineering will have a final plan completed in the next couple of weeks. CDC Peterson has put the Karvakko Engineering Presentation of South River View Park on the City of Roseau website.

The Park Board is looking for direction from the City Council. Would council like the South River View Park constructed in stages or all at once? The major issue is funding. The Park board is looking into financial donations, labor donations, loans and grants.

John Wynne said there are USDA revolving fund loans that can be accessed by the local REA's, with zero percent interest.

Council discussed the possibility of Legacy Grant dollars. By tying all of the trail systems together, the diversion project, campground and parkway acres, the total acreage is over 1000 acres, putting it into the Regional Park category. Regional Parks qualify for Legacy Grant dollars.

Council discussed completing the project all at once. Phasing it in over time leads to increase in price and disruption in and around the project.

Council also discussed future maintenance of the project. Materials used for the project especially the bathrooms and warming room need to be durable and low maintenance.

It was Council consensus to approve the Park Boards search for donations and grant monies.

City Attorney-

Assistant City Attorney Michelle Moren presented the Petition for Annexation Smedsmo/Gerulli. Assistant City Attorney Moren recommended a continuation and setting the time and date for the public hearing to the August 3rd, 2015 meeting as another land owner is running out of water and may want to be included in the petition.

Council member Pat Novacek motioned, Council member Don Ross seconded and it was carried by unanimous vote to set the Public Hearing for the Petition for Annexation to August 3rd, 2015 at 5:30 pm.

Community Development Coordinator-

CDC Todd Peterson informed council he and City Superintendent David Drown had attended the NMPA Annual meeting. NMPA and Minnkota are nervous about the three aging power plants and the risk of them going down. On December 4th, 2014 the Coyote Power Plant went down for 18 days and is currently running at half capacity. This is the second time the Coyote Plant has had an unplanned outage in the past two years. Young One, Young Two and the Coyote Plants are all older, built around the same time, are in the same area and are all fueled by coal.

Options discussed at the NMPA annual meeting to diversify the risks were: To purchase commercial insurance or self-insure, but this would not solve the aging assets; Dissolving Minnkota and moving their assets into another company to diversify their generation portfolio.

The option Minnkota staff would like to investigate further is becoming a Class A member of the Basin Electric Cooperative. The Basin Cooperative is made up of 12 co-ops. If Minnkota were to join, they would be the second largest member. Basin Electric Cooperative only deals with generation, it does not have transmission lines. Basin Electric also does not have load control, which is very important to Minnkota. Load control could be a significant hurdle for such a venture.

Daryl Tveitbakk from NMPA will also need to look at options for the municipalities if Minnkota were to pursue the Basin option.

CDC Todd Peterson informed council the school is done with their portion of the NWCA house project. NWCA is hiring a private contractor to finish drywall, millwork, etc. They should be done by the end of the month and will clean-up and make it presentable. The sale price is anticipated to be around, \$200,000. NWCA is inquiring to see if the City of Roseau and the Roseau School would be interested in constructing another house when this one sells. The school does not anticipate a big enough class next year to take on a project of this size, but maybe the following year. The EDA was interested.

It was Council consensus to wait to consider another joint house project until the current house sells and the school class is ready.

CDC Peterson informed council Tamarack Place will close on its property to construct a 41-unit complex and hope to have it ready April of next year.

CDC Peterson informed council Parkland Place is not quite ready, though the date set to occupy was to be June 1st, 2015. Half of the apartments are spoken for at this time.

CDC Peterson informed council that a DEED workforce housing grant had been vetoed by the governor, but expects it will be revived in the Special Session. Should the proposed Pilot Project legislation pass in the Special Session, the Grant Funding would increase to 25% of a project from 10%. The City would then be able to replace the loan money with state grant money for Parkland Place. TIF and tax credit could also be in the legislation.

CDC Peterson informed Council the work on the Diversion Project has slowed due to the rain. The construction crew is continuing to pump the water out so they can bring the project to grade and get vegetative cover. The Corps has also requested a change to the trail due to bad soil near the CSAH24 Bridge. They will excavate and stabilize the slope. They will try to keep the trail under the bridge as originally designed and then keep it on high ground.

CDC Peterson informed council the DEED office has moved in with the City office and it is going well.

CDC Peterson presented council with the estimate for a new phone system. This VOIP phone system would upgrade the existing out-of-date system and connect the Liquor Store and the City Shop with the City Office. Chris Stauffer, the IT for the City, is working with Sjoberg's and Wikstrom's on this project.

CDC Peterson asked council for approval to move forward with the system. This will go over the \$10,000 budgeted amount.

Council member Pat Novacek motioned, Council member Amy Bassigthwaite seconded and it was carried by unanimous vote to approve the phone system upgrade.

CDC Peterson informed council the city offices are considering changing software from D.R.Frey to Banyon Data Systems. Banyon is a Minnesota based company so several features that are custom and cost extra with D.R. Frey are standard in the Banyon software. The initial transition will be approximately \$24,000. The annual support for Banyon is about 1/3 the price of D.R.Frey. There are over 300 Minnesota cities that use Banyon including Thief River Falls, Warroad and Baudette.

Mayor Council

Council discussed the committee positions vacated by former Council member Curt Ireland. Council member Jane Evans agreed to fill the positions vacated. These committees are the Airport Committee, Roseau Convention and Visitors Bureau, Welcome to Roseau, and Council member liaison to the Liquor Store.

Council member Pat Novacek motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve Council member Jane Evans filling the committee positions vacated by former Council member Curt Ireland.

Unfinished Business- No unfinished business

Council member Jane Evans 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

Mayor