

**REGULAR ROSEAU CITY COUNCIL MEETING  
MONDAY – MARCH 3RD, 2014 @ 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 Curt Ireland, Pat Novacek, Linda Vatnsdal, and Don Ross. Others present were Community Development Coordinator Todd Peterson, Chief of Police Ward Anderson, Liquor Store Manager Linda Roseborough, City Attorney Pat Moren, Assistant City Attorney Michelle Moren, City Clerk Janet Lundbohm, Lyle Grindy, Roseau County Commissioner Jack Swanson and WILD102 Radio, Sheryl Ostby, Lori Stephan, Bill & Sara O’Connell, Mitch & Carol Rhen, Susan Lisell, Dean Mattson and Brett Mattson.

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

Council member Don Ross motioned, Council member Linda Vatnsdal seconded and it was carried by unanimous vote to approve the February 3rd, 2014 minutes as presented.

Council member Linda Vatnsdal motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to approve the February 12th, 2014 minutes as presented.

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

- a. Accounts payable claims from February 1st, 2014 through February 28th, 2014 as presented, with a batch number of AP022814 and is filed in edit books in the City Clerk’s Office.
- b. Daily Batch checks written from February 1st, 2014 through February 28th, 2014 were audited, approved and are filed in edit books in the City Clerk’s Office.
- c. Receipt entries January 1st, 2014 through January 31st, 2014 were audited, approved and are filed in edit books in the City Clerk’s Office.
- d. Journal entries December 1<sup>st</sup>, 2013 through December 31st, 2013 were audited, approved and are filed in edit books in the City Clerk’s Office.
- e. A review of December, 2013 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
  - a. April 7th, 2014 Regular meeting at 5:00 p.m.
- g. Approve the use of alcohol in the Community Center
  - a. March 22<sup>nd</sup>, 2014 – Sanden wedding dance.
- i. Email from Kaylee Mestadgh in regards to an invitation to the 6<sup>th</sup> Annual Red River Basin Commission North Chapter Fish Dinner Thursday, March 20, 2014.
- j. 2014 Safety & Loss Control Workshops.
- k. Email from Ashely Scharfbilling, Lease Coordinator, Minnesota Department of Public Safety in regards to a request to extend the lease for the Library Meeting room for two years.
- l. Approve 2014 (March 15<sup>th</sup>, 2014 – November 30<sup>th</sup>, 2014) Liquor License contingent upon all paperwork is obtained by the Clerk’s office and background check has been done.
  - a. North Country Inn & Suites.

m.

R # 11-14

**RESOLUTION AUTHORIZING EXECUTION OF  
A TAX ABATEMENT AGREEMENT**

BE IT RESOLVED by the City Council (the "Council") of the City of Roseau, Minnesota (the "City"), as follows:

1. Recitals.

(a) Polaris Industries, Inc., a Minnesota corporation, (the "Developer") proposes to construct an approximately 42,000 square foot expansion to its existing manufacturing facility (the "Project") on property currently identified as Parcel Identification Number 540291700 (the "Tax Abatement Property"). The Developer has requested that the City provide financial assistance to the Developer for the Project. The City proposes to use the abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1816 (the "Abatement Law"), including the Project, from the property taxes to be levied by the City on the Tax Abatement Property.

(b) The proposed term of the abatement will be for up to 15 years in an amount not to exceed \$864,865, as described in the Tax Abatement Agreement, dated July 1, 2013 (the "Tax Abatement Agreement"), among the City, the Independent School District No. 682 (Roseau Community Schools) (the "School District"), and Roseau County (the "County"). The proposed abatement will apply to a portion of the City's share of real estate taxes which relate to the construction of the Project on the Tax Abatement Property by the Developer and not the real estate taxes on the Tax Abatement Property that relate to the value of the land or the existing buildings thereon, as determined by the City (the "Abatement"); subject to the consent of the County to the abatement of its share of property taxes on the Tax Abatement Property and to the consent of the School District to the abatement of its share of property taxes on the Tax Abatement Property.

(c) The Council held a public hearing on the question of the Abatement on July 1, 2013, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof.

(d) The City Council adopted a resolution approving the Abatement on July 1, 2013.

2. Approval of Tax Abatement Agreement.

(a) The City Council hereby approves a Tax Abatement Agreement with the Developer providing for payment of the Abatement and the City's assistance for the Project in substantially the form submitted, and the Mayor and Clerk are hereby authorized and directed to execute the Tax Abatement Agreement on behalf of the City.

(b) The approval hereby given to the Tax Abatement Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Tax Abatement Agreement. The execution of the Tax Abatement Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Tax Abatement Agreement in accordance with the terms hereof.

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

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

n.

### **RESOLUTION No: 12-14**

A RESOLUTION SUPPORTING LEGISLATION ALLOWING CITIES TO DESIGNATE THEIR CITY WEBSITE TO PUBLISH PUBLIC NOTICES

- **WHEREAS**, cities are currently required by law to publish public notices in a designated official newspaper for the city (Minn. Stat. § 331A); and
- **WHEREAS**, cities are committed to providing information to citizens and increasing access to information about city operations and business; and
- **WHEREAS**, citizens expect and demand information in an immediate format; and
- **WHEREAS**, cities have limited resources and must utilize tax dollars in the most efficient way possible; and
- **WHEREAS**, cities should have the authority to determine the best and most efficient method of communicating information to citizens based on citizen expectations; and
- **WHEREAS**, cities are continuously improving and investing in technology to reach more citizens in a timely manner; and
- **WHEREAS**, utilizing city websites to publish public notices would eliminate the time and costly burden of publishing in newspapers; and
- **WHEREAS**, city websites are increasingly the first place citizens look for information about their cities; and
- **WHEREAS**, the ability of city websites to provide citizens with up-to-date, detailed information exceeds that of print media

NOW THEREFORE BE IT RESOLVED, that the city council of the City of Roseau supports HF 1286 and SF 1152, legislation now before the 2014 legislature that would allow cities to publish certain public notices on their websites instead of, or in addition to, in an official newspaper.

**ADOPTED** by the City of Roseau on this, the 3<sup>rd</sup> of March, 2014.

- o. Letter from Seth DeMeritt, Rate increase Consultant for Minnesota Energy Resources in regards to the Notice of Public Hearings for Minnesota Energy Resources Rate Increases.
- p. Investment-Roseau EDA Hi Fi as of 02/25/2014 is \$183,801.33.
- q. Cash in bank-DNR Escrow as of 02/25/2014 is \$2,000.00.
- r. Cash in bank-Regular checking as of 02/25/2014 is \$2,323,414.59.
- s. Investment-Regular Hi Fi as of 02/25/14 is \$1,459,967.93.
- t. Investment of Certificate of Deposit as of 02/25/14 is \$766,849.71.

- u. Investment of Certificate of Deposit as of 02/25/14 is \$770,875.18.
- v. Investment of Certificate of Deposit as of 02/25/2014 is \$773,486.35.
- w. Investment of Certificate of Deposit as of 02/25/14 is \$780,275.41.
- x. Cash in bank - Airport Fuel Sales Credit Card as of 02/25/2014 \$2,028.03.
- y. Investment - Roseau EDA Money Market as of 02/25/14 is \$59,589.00.
- z. Cash in bank - Pine to Prairie Birding Trail as of 02/25/2014 is \$3,204.62.
- aa. Cash in bank - Scandinavian Festival as of 02/25/2014 is \$3,749.03.
- bb. Cash in bank – Welcome to Roseau as of 02/25/2014 is \$1,312.17.
- cc. Cash in bank - Roseau EDA as of 02/25/14 \$98.76.
- dd.

**2014 COMMITTEE APPOINTMENTS**

**ROSEAU VOLUNTEER DEPARTMENT:** Fire Chief Jeff Ballard, Asst. Chief Mark Bernat, Captain Troy Hammer, 1<sup>st</sup> LT Craig McMillin, 2<sup>nd</sup> LT Mark Jennings, President Luke Guderjohn, Vice Pres. Olliver Ullman, Supply Officer Scott Vacura, Training Officers Seth Novotny, Craig McMillin, Trustees Aaron Rose, Tanner Hovda, Secretary Ryan Severson.

- ee. Letter of resignation from Gwen Kerner.
- ff. Email from Holl Kostrzewski, MPH in regards to the Save the Date for the 5<sup>th</sup> Annual Northwest Minnesota Toward Zero Deaths Regional Workshop June 4<sup>th</sup>, 2014 in Bemidji, Minnesota.
- gg. 2014 February Liquor Store Monthly Sales.
- hh. 2014 February City Revenues & Expenditures.

After discussion Council member Curt Ireland made a motion to approve Bill & Sara O’Connell’s request to defer the \$8,000 utility hook-up fees on Lots 3 & 4, Block 6, Lot 11 Block 7, Lot 2 Block 9, Lot 8 Block 8, of the Oakcrest West Subdivision for the purpose of constructing new speculative homes until such time as the homes are completed and sold, seconded by Council member Don Ross and upon vote being taken, the following vote in favor thereof: Pelowski, Ireland, Ross

and the following voted against the same:	none
and the following abstained:	Vatnsdal, Novacek
and the following were absent:	none

Whereupon said motion was declared duly passed and adopted.

After discussion Council member Curt Ireland made a motion to approve Dean Mattson and Brett Mattson’s request to defer the \$8,000 utility hook-up fees on Lots 1, 2 & 3, Block 2, Lot 4, 5, 6, 7, 8 Block 7, of the Oakcrest West Subdivision for the purpose of constructing new speculative homes until such time the homes are completed and sold, seconded by Council member Don Ross and upon vote being taken, the following vote in favor thereof: Pelowski, Ireland, Ross

and the following voted against the same:	none
and the following abstained:	Vatnsdal, Novacek
and the following were absent:	none

Whereupon said motion was declared duly passed and adopted.

Sheryl Ostby and Lori Stephan appeared before the City Council to express concerns that new people moving into the City of Roseau are not aware of the City of Roseau Snow Removal Rules and suggested that a flyer explaining the rules that says “Important” be handed out with the light bill or in the “Welcome to Roseau” packet. No Council action was taken.

Roseau Promotions Director Lyle Grindy reported on the following:

- Lyle attended the Annual Explore Minnesota Tourism conference held in Duluth, Minnesota and noted that Explore Minnesota Tourism received an increase in their annual budget and this increase must be used in advertising to promote tourism in Minnesota because for every dollar spent to promote Minnesota tourism, eight dollars in state and local taxes are returned.

After review and discussion Council member Pat Novacek motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to approve the Courthouse Commons (#1-14) Roger Didrikson and Susan Lisell Conditional Use Permit request for the purpose of remodeling the Courthouse Commons building (old Roseau County Courthouse) for up to six individual apartments and that the apartments meet all codes and that each apartment would have its own separate bathroom, kitchen facility and there would be adequate on-site parking.

After discussion Council member Curt Ireland motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to approve the “Tamarack Place” preliminary concept plan for a proposed 40 unit apartment.

After review and discussion Council member Pat Novacek motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to set a Public Hearing for March 31, 2014 at 12:30 o’clock or as soon as possible thereafter on the proposed Amendment to the Appendix to Chapter 154 of the City Code of the City of Roseau, Minnesota (Zoning Code) said Appendix entitled “SCHEDULE OF REQUIRED OFF-STREET PARKING AND LOADING SPACES” to delete all previous requirements as being applicable to “commercial” real property located in the City of Roseau.

CDC Peterson reported at the Planning Commission meeting that he did not have anything new to add to the sign ordinance but he has now received a couple of sample Ordinances from the League of Minnesota Cities.

CDC Peterson reported that the Planning Commission has set the date of May 19<sup>th</sup>, 2014 for the Planning Commission “Annual Tour of the City of Roseau” and the Planning Commission meeting will be held that same day at 12:00 noon.

Roseau County Commissioner Jack Swanson reported on the following:

- The committee that Jack Swanson is on of Cities, Counties, Schools and Townships noted that Roseau is heavily referenced in the TIF Language of the bill that is being sponsored by Senator LeRoy Stumpf and Representative Dan Fabian.
- The Department of Revenue is reporting that property taxes will be reduced for the first time in ten years.

Community Development Coordinator Todd Peterson presented the City Council an Opinion of Cost from KLJ Engineering for The Terminal Area Plan Update, Hangar Design, and a Crack Seal/Slurry Seal Apron Design (on file at the Roseau City Office) for the Roseau Municipal Airport.

After review and discussion Council member Pat Novacek motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to approve and authorize signature of contracts with KLJ Engineering for the Terminal Area Plan Update, the Hangar Design slight modification of runway for the hangar and the Crack Seal/Slurry Seal Apron Project.

Community Development Coordinator Todd Peterson reported that the EDA met on February 26<sup>th</sup>, 2014 and discussed the following:

- The sale of the Retail Building to Joseph Bain.
- The EDA is considering the purchase of lots to assist with the construction of new single family housing. The EDA will work with Northwest Community Action and the Roseau School in the construction of a single family home.

**RESOLUTION NO. 13-14  
OF THE CITY OF ROSEAU REGARDING SALE OF REAL ESTATE TO  
JOSEPH BAIN**

At the regular meeting of the City Council of the City of Roseau, Minnesota, held on Monday, March 3, 2014 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, originally acquired the following described real estate in conjunction with a flood buy-out program following the devastating flood which inundated the City of Roseau, Minnesota, in the year 2002; and

**WHEREAS**, following the acquisition of said real estate the City constructed a new commercial building on said premises to serve, among other things, as an example of how a flood proofed building should be constructed; and

**WHEREAS**, following the construction of said commercial building the City of Roseau, by means of a Quit Claim Deed May 2, 2006, and recorded in the office of the Roseau County Recorder on May 10, 2006, as Document #253951, transferred said real estate to the City of Roseau Economic Development Authority (EDA); and

**WHEREAS**, said commercial building is currently leased to a commercial tenant North Country Media Inc., a Minnesota Corporation, which Lease Agreement was executed by the President of said Corporation Joseph Bain; and

**WHEREAS**, Joseph Bain has made an offer to purchase said real estate including land and commercial building, for the sum of One Hundred Fifty Thousand and no/100 (\$150,000.00) Dollars; and

**WHEREAS**, in order to effectuate the sale of said real estate pursuant to the terms offered by Joseph Bain, the city of Roseau EDA has transferred said real estate back to the City of Roseau for no consideration, by Quit Claim Deed dated March 3, 2014; and

**WHEREAS**, the City of Roseau determines that it is in the best interest of the City that said real estate, consisting of land and commercial building, be sold to Joseph Bain for the sum of One Hundred Fifty Thousand and no/100 (\$150,000.00) Dollars pursuant to the terms of a Contract for Deed, which shall be amortized over a period of twenty (20) years with interest at the rate of 4% per annum

**The Following is the Legal Description of the Subject Real Estate:**

The East Seventy-five (75) feet of Lot Two (2), of Block Nine (9), in the Original Townsite of Roseau, according to the Plat thereof on file and of record in the office of the County Recorder in and for Roseau County, Minnesota. Subject to easements, reservations and restrictions of record.

AND

The Westerly Sixty-five (65) feet of Lot Two (2) and the Westerly Sixty-five (65) feet of Lot One (1), in Block Nine (9) of the Original Townsite of Roseau, according to the plat thereof on file and of record in the Office of the County Recorder in and for Roseau County, Minnesota, **EXCEPTING** from the Westerly 65 feet of said Lot 1, a projection of the Citizens State Bank Building, Two and one-half (2 1/2) feet by One and one-half (1 1/2) feet at the Southeast corner of the said Westerly 65 feet of said Lot 1.

**NOW THEREFORE, BE IT RESOLVED** that the City of Roseau hereby accepts the transfer from the City of Roseau EDA of said real estate for purposes of subsequent transfer to Joseph Bain.

**BE IT FURTHER RESOLVED** that the City of Roseau, Minnesota accepts the offer of Joseph Bain to purchase the above described real estate for said sum of One Hundred Fifty Thousand and no/100 (\$150,000) Dollars on a Contract for Deed, as more fully described above, and that the Mayor and the City Clerk of the City of

Roseau are hereby authorized and directed to execute said Contract for Deed running from the City of Roseau, as Seller, to Joseph Bain, as Purchaser, conveying the above described real estate.

**BE IT FURTHER RESOLVED**, that the City of Roseau, as Grantor, shall execute a Warranty Deed running in favor of Joseph Bain, as Grantee, which said Warranty Deed shall be held by the City Clerk of the City of Roseau until such time that payment in full has been received from Joseph Bain pursuant to the terms of said Contract for Deed, and all other terms and conditions of said Contract for Deed have been fully performed and fulfilled by Contract for Deed Vendee Joseph Bain, at which time the City Clerk shall release said Warranty Deed to Joseph Bain for purposes of recording in the office of the Roseau Country Recorder.

**BE IT FURTHER RESOVLED**, that the Mayor and City Clerk are authorized and directed to execute said Warranty Deed.

**BE IT FURTHER RESOLVED**, that the City Clerk of the City of Roseau make an extract of the minutes of the meeting, containing this Resolution for purposes of recording in the office of the Roseau County Recorder, or in the alternate record a certified copy of this Resolution for recording in the office of said County Recorder.

This Motion for Resolution was seconded by Councilperson Curt Ireland, and upon a vote being taken, the following voted in favor: Mayor Jeff Pelowski, Councilpersons Pat Novacek, Curt Ireland, Linda Vatnsdal and Don Ross.

The following voted against the same: NONE

The following abstained: NONE

The following were absent: NONE

Adopted by the Council this 3<sup>rd</sup> day of March, 2014.

EFFECTIVE DATE: March 3, 2014.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

Liquor Store Manager Linda Roseborough reported on the following:

- Linda presented the City Council a floor plan (Option #1) from Richard Rude Architectural for the proposed addition to the Liquor store.
- Linda attended the 2014 MMBA Boot Camp.
- The new computers came today.

CDC Peterson reported that Gwen Kerner has received proposals from Insight Technologies, Inc., Marco, and Savvy to serve as the City's IT Consultant. Gwen made a recommendation to hire Insight Technologies, Inc. based on previous work with the City of Roseau; however, she recommended that the contract be for one year, not the two years they are proposing in their bid. Insight Technologies, Inc. comes to Roseau almost every day to service other businesses in town.

After discussion, Council consensus was to not accept any of the bid proposals and wait until the April 7<sup>th</sup>, 2014 City Council meeting to discuss possible IT service options. The County has offered their IT personnel as a short-term option to the City. It was discussed that City officials meet with the county, school and REA to discuss the possibility of coordination for an IT Technician.

Community Development Coordinator Todd Peterson reported that the City is working with Sjobergs to convert the phone systems from Centurytel to Sjobergs.

After discussion that some City of Roseau residents are experiencing frozen water lines and that many people will be leaving their homes to attend the State Hockey Tournament, Council Consensus was to have Mayor Jeff Pelowski and Community Development Coordinator Todd Peterson put a statement on the radio and the City of Roseau website that if the public has concerns and are leaving their homes, they should encourage them to check the temperature of their water and if it is 36 degrees or below they should call the city shop at 463-2351 for suggestions on things to do while they are gone.

City Attorney Pat Moren reported that he has redrafted the Gary Slater Airport Leases that are for five years with the same figures per acre as previous years. After discussion Council consensus was to table the Gary Slater Airport Leases until the April 7<sup>th</sup>, 2014 City Council meeting to research what rental rate the city should be using for all city leased property.

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

RESOLUTION CALLING PUBLIC HEARING ON THE  
PROPOSED ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 5  
WITHIN DEVELOPMENT DISTRICT NO. 1 AND  
THE PROPOSED ADOPTION OF A TAX INCREMENT FINANCING  
PLAN RELATING THERETO

BE IT RESOLVED by the City Council (the "Council") of the City of Roseau, Minnesota (the "City"), as follows:

1. Public Hearing. This Council shall meet on May 5, 2014, at approximately 5:30 p.m., to hold a public hearing on the following matters: (a) the proposed establishment of Tax Increment Financing District No. 5 within Development District No. 1, and (b) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act").

2. Notice of Hearing; Filing of Tax Increment Financing Plan. The City Clerk is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Tax Increment Financing Plan on file in the Clerk's Office at City Hall and to make such copies available for inspection by the public.

3. Consultation with Other Taxing Jurisdictions. The City Clerk is hereby directed to mail a notice of the public hearing and a copy of the Tax Increment Financing Plan to Roseau County and Independent School District No. 682 (Roseau Community Schools) informing those taxing jurisdictions of the estimated fiscal and economic impact of the establishment of the proposed tax increment financing district.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Don Ross and upon vote being taken thereon, the following voted in favor: Pelowski, Novacek, Ross, Vatnsdal and Ireland

and the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

Community Development Coordinator Todd Peterson reported on the following:

- Multi-family housing efforts.
- The Housing TIF law modification.



- The Baumgartner property in the Oak Crest West Subdivision that will be within the new street project area that is not part of the current Bergland Enterprises hook-up fee agreement and whether this property should be assessed or negotiate with the property owner to include them in the Bergland agreement.
- East Diversion project status.

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

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

