

REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – MAY 2ND, 2011 @ 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 Gerry Schiltz, Curt Ireland, Pat Novacek, and Linda Vatnsdal. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Chief of Police Ward Anderson, Liquor Store Manager Brad Wiberg, City Attorney Pat Moren, City Clerk Janet Lundbohm, Assistant Fire Chief Mark Bernat, Lyle Grindy, Roseau County Commissioner Jack Swanson – WILD 102 Radio, Natalie Anderson, and Allison Harder.

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

Council member Gerry Schiltz motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to approve the April 4th, 2011 minutes as presented.

Pursuant to due call a Roseau City Council Notice of event took place on April 20th, 2011 at 1:00 p.m. at the City Center Council Chambers, 121 Center Street East, Suite 201, Roseau, Minnesota 56751.

Council member Pat Novacek motioned, Council member Linda Vatnsdal seconded and it was carried by unanimous vote to approve the following Consent Agenda items:

- a. Accounts payable claims from April 1st, 2011 through April 30th, 2011 as presented, with a batch number of AP04302011 and is filed in edit books in the City Clerk's Office.
- b. Daily Batch checks written from April 1st, 2011 through April 30th, 2011 were audited, approved and are filed in edit books in the City Clerk's Office.
- c. Receipt entries March 1st, 2011 through March 31st, are audited, approved and are filed in edit books in the City Clerk's Office.
- d. Journal entries February 1st, 2011 through February 28th, 2011 were audited, approved and are filed in edit books in the City Clerk's Office.
- e. Additional Accounts payable claim dated April 11, 2011 from D & J Radio Sales and Service, Inc. for \$1,710.00 for the Fire Department was approved and is filed in edit books in the City Clerk's office.
- e. A review of February, 2011 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
 - a. June 6th, 2011 Regular meeting at 5:00 p.m.
- g. Approve the use of alcohol in the Community Center:
 - a. None
- h. Email from League of Minnesota Cities – LMC Cities Bulletin: April 13th, 2011, April 20th, 2011 and April 27th, 2011.
- i. Email from CGMC in Brief: April 14th, 2011, and April 28th, 2011.
- j. Approve rough draft of April 25th, 2011 Planning Commission minutes.
- k.

R #20-11
RESOLUTION
SUBORDINATION AGREEMENT

WHEREAS, the City of Roseau possesses a valid and enforceable lien against the following described real property located in the County of Roseau, State of Minnesota, to wit:

Lots Three (3) and Four (4) of Block One (1), Row's Addition to the City of Roseau.
AND

Part of the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4) of Section Thirteen (13), in Township One Hundred Sixty-two (162) North, Range Forty (40)

West, described as follows to-wit:

Commencing at the Northwest Corner of Lot Three (3) of Block One (1) in row's Addition to the City of Roseau, according to the recorded Plat thereof; thence North, parallel with the West line of the NW1/4 SE1/4 of Section 13, Township 162 North, Range 40 West, a distance of 165 feet; thence East, parallel with the South line of said NW1/4 SE1/4, a distance of 150 feet; thence South, parallel with the West line of said NW1/4 SE1/4, a distance of 165 feet to the North line of Lot Four (4) of Block One (1) in said Row's Addition to the City of Roseau; thence West, on and along the North line of said Row's Addition to the City of Roseau, a distance of 150 feet, to the point of beginning.

Subject to easements, reservations and restrictions of record.

As evidenced by a Repayment dated January 15, 2008, and filed of record in the Office of the Roseau County Recorder on July 1, 2009, as Document Number 264775, and

WHEREAS, Jamie Byfuglien and Lisa Byfuglien, husband and wife and fee owners of the above-described real property have applied for a mortgage loan from Bank of America; and

WHEREAS, Bank of America has indicated that it is unwilling to accept a mortgage upon the above-described real property in security for said loan unless the City of Roseau shall subordinate its mortgage to the lien to be created by said Bank of America on said property;

NOW THEREFORE, in consideration of the premises and as an inducement to Bank of America to accept said mortgage, the City of Roseau hereby agrees to subordinate, and hereby does subordinate, its line against the above described real property to the mortgage lien of Bank of America against said property, said mortgage to have the same validity, force and effect as if executed, delivered, and recorded prior to the date of execution of said City of Roseau Mortgage.

IN TESTIMONY WHEREOF, the City of Roseau has caused these present-to be executed by ss/Jeff Pelowski, Mayor.

This 2nd day of May, 2011.

By: s/s Jeff Pelowski
Mayor of Roseau

STATE OF MINNESOTA) ss
COUNTY FO ROSEAU)

The foregoing instrument was acknowledged, before me this 2nd day of May, 2011, by Jeff Pelowski, Mayor of Roseau, a body corporate and politic of the State of Minnesota.

s/s Janet Lundbohm
Notary Public

Roseau County, Minnesota
My Commission expires: Jan. 31, 2014

DOCUMENT DRAFTED BY WYNNE CONSULTING, INC. P.O. BOX 33 WANNASKA, MN 56761
EXEMPT FROM REGISTRATION TAX UNDER MINNESOTA STATUE 287.04.

1.

R #21-11
RESOLUTION

SUBORDINATION AGREEMENT

WHEREAS, the City of Roseau possesses a valid and enforceable lien against the following described real property located in the County of Roseau, State of Minnesota, to wit:

Lot Three (3), in Block Three (3) of Meade’s Third Addition to the City of Roseau, According to the Recorded Plat thereof, Roseau County, Minnesota.

As evidenced by a Repayment Agreement dated June 13, 2006, and filed of record in the Office of the Office of the Roseau County Recoder on August 29, 2006, as Document Number 255095, and

WHEREAS, Stacy L. Otto, a single person and fee owner of the above-described real property, has applied for a mortgage loan from MERS, Inc. as a nominee for Quicken Loans, Inc; and

WHEREAS, MERS, Inc. as a nominee for Quicken Loans, Inc. has indicated that it is unwilling to accept a mortgage upon the above-described real property in security for said loan unless the City of Roseau shall subordinate its mortgage to the lien to be created by said MERS, Inc. as a nominee for Quicken Loans, Inc. on said property;

NOW THEREFORE, in consideration of the premises and as an inducement to MERS, Inc. as a nominee for Quicken Loans, Inc. to accept said mortgage, the City of Roseau hereby agrees to subordinate, and hereby does subordinate, its lien against the above described real property to the mortgage lien of MERS, Inc. as a nominee for Quicken Loans, Inc. against said property, said mortgage to have the same validity, force and effect as if executed, delivered, and recorded prior to the date of execution of said City of Roseau Mortgage.

IN TESTIMONY WHEREOF, the City of Roseau has caused these present-to be executed by s/s Jeff Pelowski, Mayor
This 2nd day of May, 2011.

By: ss/ Jeff Pelowski
Mayor of Roseau

STATE OF MINNESOTA) SS
COUNTY OF ROSEAU)

The foregoing instrument was acknowledged before me this 2nd day of May, 2011, by s/s Jeff Pelowski Mayor of Roseau, a body corporate and politic of the State of Minnesota.

s/s Janet Lundbohm
Notary Public

Roseau County, Minnesota
My Commission expires: Jan. 31, 2014

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EXEMPT FROM REGISTRATION TAX UNDER MINNESOTA STATUE 287.04.

- m. Investment – Roseau EDA Hi Fi as of 04/25/2011 is \$175,438.00.
- n. Cash in bank – DNR Escrow as of 04/25/2011 is \$3,039,000.00.
- o. Cash in bank – Regular checking as of 04/25/2011 is \$1,499,628.25.
- p. Investment – Regular Hi Fi as of 04/25/2011 is \$2,043,963.89.
- q. Investment of Certificate of Deposit as of 04/25/2011 is \$750,000.00.
- r. Investment of Certificate of Deposit as of 04/25/2011 is \$750,000.00.
- s. Cash in bank – Airport Fuel Sales Credit Card as of 04/25/2011 is \$4,992.25.
- t. Investment – Roseau EDA Money Market as of 04/25/2011 is \$231,947.05.

- u. Cash in bank – Pine to Prairie Birding Trail as of 04/25/2011 is \$4,412.13.
- v. Cash in bank – Scandinavian Festival as of 04/25/2011 is \$6,829.56.
- w. Cash in bank – Welcome to Roseau as of 04/25/2011 is \$1,212.17.
- x. Cash in bank – Roseau EDA as of 04/25/2011 is \$2,410.02.
- y.

**MEMORANDUM OF UNDERSTANDING BETWEEN
ROSEAU COUNTY EMERGENCY MANAGEMENT
AND
CITY OF ROSEAU
EMERGENCY ALL-HAZARD FACILITY**

THIS AGREEMENT IS MADE this 2ND day of May, 2011 by and between Roseau County Emergency Management, hereinafter “County” and, City of Roseau hereinafter “Owner”, to provide physical facilities to support personnel who are providing emergency public services to designated populations affected by a disaster or public health emergency.

A. DUTIES AND RESPONSIBILITIES

The Owner agrees to the following:

1. Provide facility located at: **121 Center St E., Roseau, Mn 56751**
2. Provide support to access appropriate and necessary telecommunications resources.
3. Provide access to facility/utility resources.
4. Be responsible for the cost of utilities to the extent of normal utility usage.
5. Provide access to facility resources equipment and supplies (as available) necessary to support emergency functions as determined by event.

The County agrees to the following:

1. Provide specialized equipment necessary to support facility operations.
2. Provide reasonable compensation for facility supplies used for purposes related to emergency operation.
3. Provide reasonable compensation for additional operating utility costs incurred by the Owner due to emergency operations during the time period of the event.

B. TERM.

This Agreement shall be effective on the 2nd day of May, 2011 and shall terminate on the 30th day of April, 2013. Thereafter the agreement shall renew for a term of one year annually on the anniversary of the effective date, unless either party provides written notice to the other of intent to withdraw from the agreement at least 60 days prior to the anniversary renewal date.

C. OTHER CONSIDERATIONS

The parties agree to the following:

1. No modifications or changes will be made to the facility/property without the express written approval of the Owner.
2. Prior to occupancy, representatives of both parties will inspect the facility/property and will note any discrepancies found in writing.
3. Prior to vacating the facility, representatives of both parties will inspect the facility/property to note any discrepancies in writing. Normal wear and tear is considered to be the responsibility of the Owner.

D. INSURANCE

The County agrees that in order to protect itself from claims arising out of the use of the premises under this Agreement, it will at all times during the term of this Agreement keep in force coverage providing:

1. General Liability, Public Officials Liability, Automobile Liability and Workers’ Compensation coverage’s
2. All such coverage’s shall provide limits not less than the tort liability limitations set forth in Minnesota Statutes 466.04 for all claims subject to those statutory limitations.

3. Certificates of Insurance evidencing the coverage's under this clause will be provided to Owner upon request and at other times during the term of this Agreement as requested by the Owner.

Indemnification:

(Only If Political Subdivision of the State of Minnesota): Both parties to this Agreement recognize each other as political subdivisions of the State of Minnesota.

County agrees to indemnify, defend, and hold harmless Owner, its officers, employees and agents for any and all claims arising out of the County's use of the location provided under this Agreement, including operations of the County. The County's obligation to indemnify Owner under this clause shall be limited in accordance with statutory tort liability limitations as set forth in Minnesota Statute 466.04 to limit the County's total liability for all claims arising from a single occurrence, including Owner's claim for indemnification, to the limits prescribed under section 466.04.

E. NOTICE AND CORRESPONDENCE

All notices and correspondence, which may be necessary or proper for either party, shall be addressed as follows:

TO EMERGENCY MANAGEMENT:

Roseau County Emergency Management
Attention: Gracia Nelson, Director
606 5th Ave SW
Roseau, Mn 56751

TO OWNER:

City of Roseau
Attention: Jeff Pelowski, Mayor
121 Center Street E
Roseau, Mn 56751

INTERPRETATION

This agreement shall be interpreted according to the laws of the State of Minnesota, regardless of its place of execution. Any actions, suits, or claims that may arise pursuant to this agreement shall be brought in a court of competent jurisdiction in the State of Minnesota.

This document represents the entire Agreement between the parties. Any amendments shall be in writing and agreed upon by both parties.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the date and year first above written.

FOR THE OWNER:

s/s Jeff Pelowski

Date: May 2nd, 2011

FOR THE COUNTY:

Director, Roseau County Emergency Management

Date: _____

z. Year to Date City Revenues & Expenditures (April 30, 2011).

After discussion Council member Pat Novacek made a motion to approve the "Border State Bank Lucky Border Stars Relay for Life team's (represented by Natalie Anderson and Allison Harder) 5k/walk run" that will be held June 25th, 2011 starting at 9:00 a.m. at the Roseau City Park and finish at the Roseau City Park and to work with Chief of Police Ward Anderson for the route they will use, seconded by Council member Curt Ireland, carried by unanimous vote.

Roseau Promotions Director Lyle Grindy reported on the following:

- The Convention and Visitors Bureau with the Roseau Golf Course will again purchase ads in the Winnipeg Free Press to promote the Roseau Golf Course.
- Lyle has replied to 329 requests asking for information about Roseau, Minnesota. These leads are sent to Lyle by email via the Explore Minnesota web site.
- The Spring side walk sale went well for those who participated.

- The Farmers market will be getting some support and help from Northland Community College giving suggestions, ideas and offering help to 4-H groups and other groups for possible fund raising project.
- The EDA is sending Lyle to Steinbach/Winnipeg to contact owners of Tim Horton's Restaurants with hopes they may locate in Roseau.

Mayor Jeff Pelowski noted that May 2nd, 2011 to May 6th, 2011 is the City of Roseau Clean up Week and the Planning Commission Annual Tour of the City of Roseau will be held May 23rd, 2011.

Roseau County Commissioner Jack Swanson reported on the following:

- The proposed House Transportation finance bill that is being proposed could mean significant cuts to Senior Medical Travel and the Far North Transit.
- Jack discussed that the County is in good shape in regards to federal narrowbanding requirements for communications.

Community Development Coordinator Todd Peterson reported that the Operations Committee met on April 28th, 2011, (minutes are on file at the Roseau city office).

- The Operations Committee recommended to approve the recommendation of George Gmach(Trusight) on lead pay for the two lead positions proposed by Superintendent Drown for the Utility Department.
- The Operations committee had a brief discussion on the 2011 Street Projects, no action was taken.
- The Operations committee had a brief discussion about the Watershed District's proposal for on-going maintenance of the West Intercept project and payment of operation costs, no action was taken.

After discussion Council member Curt Ireland made a motion to approve City Superintendent David Drown to appoint two lead positions. The two lead positions would receive a \$1.00/hr (\$86.66/pay period) lead pay increase over their current wage based on the current grade and step until such time as the appointment may be removed by the City Superintendent or City Council. In addition, the \$1.00/hr lead pay increase shall be identified as a separate line item on the pay stub from the employees regular pay, seconded by Council member Pat Novacek, carried by unanimous vote as recommended by the Operations committee.

Council member Linda Vatnsdal reported that the Roseau Oak Crest Golf Course is open.

Council member Gerry Schiltz reported that the Roseau Oak Crest Golf Course held their annual meeting April 30th, 2011.

Community Development Coordinator Todd Peterson reported that the EDA met on April 27th, 2011 and discussed the following:

- The EDA had a discussion with Dean Byfuglien representing Byfuglien Trucking in regards to potentially expanding their business. The EDA requested more information from Byfuglien Trucking on their project costs so that the EDA could better determine what incentives would be available.
- The EDA discussed the Christian hockey sale.
- The EDA approved a RLF loan to Nick Zagone, owner of Spare Time Bowl and the new Legends Sports Pub.
- The EDA discussed some RLF loans that have defaulted and have reached a settlement for one and are still working on the other one.

Assistant Fire Chief Mark Bernat requested approval from the City Council to advertise and put out on bids a 2005 Polaris Ranger with a minimum bid of \$8,500.00. Following discussion by the City Council, Council member Pat Novacek made a motion to approve that the Roseau Fire Department advertise and put out on bids a 2005 Polaris Ranger with a minimum bid of \$8,500.00, seconded by Council member Curt Ireland, carried by unanimous vote.

City Clerk Janet Lundbohm noted that all 2009, 2010, 2011 Rural Fire Contracts are paid.

After discussion Council member Curt Ireland made a motion to approve the purchase of a 2011 Tahoe for \$28,821.00 plus \$276.25 for dark blue color which amounts to \$29,097.25, which would be \$6,237.79 more than the current receipts identified for patrol car purchase, and to allow the fire department to use the 2004 Crown Victoria for training, seconded by Council member Pat Novacek, carried by unanimous vote as recommended by Chief of Police Ward Anderson.

Council consensus was to table until the June 6th, 2011 City Council meeting to consider the bid for the 2011 7th Ave SE, 2nd Ave NW and 4th St NW Improvements as the bids all came in over budget.

The Roseau City Council accepted a petition for street improvements from four residents located at the northern end of 6th Avenue NE. After discussion Council member Pat Novacek made a motion to authorize Freeberg & Grund to do a Feasibility Study and Preliminary Cost Estimate for improvements for the extension of the road, which runs half way from the property at 800 6th Ave NE and continues north to 9th Street, seconded by Council member Gerry Schiltz, carried by unanimous vote.

Council member Curt Ireland motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to accept the petition for annexation for Jon and Bonnie Hagen , authorize the Mayor and City Clerk to sign a conflict of interest waiver, and directing the city clerk to send out the required notices and to set a Public Hearing for the June 6th, 2011 City Council meeting at 5:15 p.m. The Jon and Bonnie Hagen petition for annexation states as follows:

PETITION FOR ANNEXATION

IN THE MATTER OF THE PETITION OF JON HAGEN AND BONNIE HAGEN, HUSBAND AND WIFE, FOR ANNEXATION TO THE CITY OF ROSEAU, MINNESOTA, PURSUANT TO MINNESOTA STATUTES, SECTION 414.033, ENTITLED "ANNEXATION BY ORDINANCE" SUBDIVISION 2 (3).

TO THE CITY COUNCIL OF THE CITY OF ROSEAU, MINNESOTA:

We, the undersigned, being the owners (sole owners) of the following described parcel of real estate located in Spruce Township (Twp. 162 North, Range 39 West), Roseau County, Minnesota, hereby petition the City Council to annex to the City of Roseau, Minnesota, **by ordinance**, the following unincorporated land or property which abuts (or will abut) the corporate limits of the City of Roseau, and which;

- (a) Is urban or suburban in character or about to become so;
- (b) Contains .44 acres ± (being less than 120 acres);
- (c) Is not presently served by public water, public wastewater facilities, and public water and public wastewater facilities are not otherwise available;
- (d) Abuts (or will abut) the corporate limits of the City of Roseau;
- (e) Contains no existing conditions under Minnesota Statute § 414.033 Subd. 2 (3) as amended in 2008, which would prohibit the annexation of the following described land by ordinance.

FURTHER, the undersigned request the City of Roseau to hold a public hearing pursuant to Minnesota Statute § 414.033 Subd. 2b with respect to the requested annexation and that thirty (30) days written notice be given by certified U.S. Mail to the town or towns affected by the proposed ordinance (Spruce Township, Roseau County, Minnesota) and to all landowners within and/or contiguous to the area to be annexed;

FURTHER, that the annexation Ordinance, if passed by the City of Roseau, in conjunction with Minnesota Statute § 414.033 Subd. 7 be filed with the Director of the Office of Administrative Hearings – Municipal Boundary Adjustments (hereinafter “Director”), and on Spruce Township, the Roseau County Auditor, and the Secretary of State of the State of Minnesota; and upon approval by the Director, a copy of the annexation ordinance be delivered immediately by the City Council of the City of Roseau, Minnesota, to the Roseau County Auditor;

FURTHER, that the City Superintendent of the City of Roseau has advised that the electric service provider currently serving the following described land, to-wit, the Roseau Electric Cooperative, Inc., will continue to provide electrical services to said land and therefore there will be no need for an estimate of the cost impact of any change in electrical utility service.

LAND WHICH IS THE SUBJECT OF THIS PETITION:

Lots Thirteen (13), Fourteen (14) and Fifteen (15), of Block Two (2) in Jensen’s Subdivision of Lot Three (3), in Section Nineteen (19), Township One Hundred Sixty-two (162) North, Range Thirty-nine (39) West of the Fifth P.M., according to the Plat thereof on file and of record in the office of the County Recorder of Roseau County, Minnesota, subject to easements, reservations and restrictions of record.

(The above is the legal description of the real estate to be annexed to the City of Roseau.)

RESPECTFULLY SUBMITTED BY THE OWNERS OF THE ABOVE DESCRIBED REAL ESTATE WHO ARE SIGNATORIES TO THIS PETITION.

Dated this 26 day of April, 2011.

s/s Jon Hagen
Jon Hagen
s/s Bonnie Hagen
Bonnie Hagen

Community Development Coordinator Todd Peterson reported that the plans for Reach 1 and Reach 2b & 2c for the East Diversion have been completed by SEH Engineering for final review by the Corps of Engineers and the City of Roseau this month. The timeline for bidding is for late summer or early fall. The

City and the Corps are still working with various utilities who have lines crossing the diversion project to have their lines relocated, including MinnKota's power line and Minnesota Energy's main gas line.

Council member Curt Ireland introduced the following resolution and moved for its adoption:

**R #22-11
RESOLUTION APPOINTING DIRECTOR AND ADVISOR AS CITY OF ROSEAU
REPRESENTATIVES ON
THE NORTHERN MUNICIPAL POWER AGENCY BOARD**

BE IT RESOLVED, that Todd Peterson is hereby appointed Director and David Drown is appointed Advisor as City of Roseau representatives on the Northern Municipal Power Agency Board for May 1, 2011 to April 30, 2012.

Dated this 2nd day of May 2011.

s/s Janet Lundbohm
Janet Lundbohm, City Clerk

s/s Jeff Pelowski
Jeff Pelowski, Mayor

The motion was duly seconded by Council member Linda Vatsdal and upon vote being taken, the following voted in favor thereof: Pelowski, Ireland, Vatsdal, Schiltz, and Novacek.

and the following voted against the same: None

and the following abstained: None

and the following were absent: None

whereupon said motion was declared duly passed and adopted.

Mayor Jeff Pelowski would like to thank Leland Lunos for his many years of service for serving on the Northern Municipal Power Agency Board as a City of Roseau Representative.

After discussion Council member Pat Novacek made a motion to approve the State of Minnesota Lease No. PS0305 for July 1, 2011 and continuing through June 30, 2014, Council member Curt Ireland seconded, and it was carried by unanimous vote.

Council member Pat Novacek motioned, Council member Gerry Schiltz seconded, and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

City Clerk

Mayor