

**REGULAR ROSEAU CITY COUNCIL MEETING**

**MONDAY – May 2, 2022**

**Regular meeting at 5:00 P.M.**

**In person meeting**

**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 Dan Fabian, Councilmembers: Pat Novacek, Amy Bassingthwaite, Brady Johnson, and Mary Hayes. Absent: None. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Fire Chief Leon Huot, Police Chief Ward Anderson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, Roseau County Commissioner Jack Swanson, Tracee Bruggeman – BradyMartz, Tracy Halstensgard - Roseau River Watershed, Erica Halstensgard and Jeff Langan– Houston Engineering, Alex Halstensgard – Oak Crest Golf Course and others from the Roseau River Watershed Board.

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

Council member Mary Hayes motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the April 4, 2022, regular meeting minutes with the correction of “37 units” to 72 units on page 3, “\$1,500,000” grant funding should be \$2,000,000 on page 4, and a typo on page 7 “Febtech” should be Fabtech.

Council member Pat Novacek motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to approve the April 26, 2022, Special meeting minutes as written.

Council member Amy Bassingthwaite motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims April 1, 2022, through April 30, 2022, Batch AP04302022.  
CK# 72092-72127 = \$69,186.35.
2. Presentation of daily checks April 1, 2022, through April 30, 2022  
CK# 71957-72091= \$242,724.62.  
E# 2857-2894 = \$407,433.59.  
PR 04/15/2022 = \$42,476.79  
PR 04/30/2022 = \$45,795.76  
Void Ck#69990
3. Presentation of Receipt entries March 1, 2022, through March 31, 2022.

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**Mayor**  
Dan Fabian

**Council**  
Pat Novacek  
Amy Bassingthwaite  
Brady Johnson  
Mary Hayes

**City Attorney**  
Michelle E. Moren

**Police Chief**  
Ward Anderson

**Manager Liquor Store**  
Niki Johnson

**City Clerk-Treasurer**  
Elizabeth Carlson

**Community  
Development Coordinator**  
Todd Peterson

**City Superintendent**  
David Drown

4. Presentation of Journal entries JE02282022.
5. Audit Committee review of February 2022 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
  - Upcoming scheduled meetings:
    - a. June 6, 2022, 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 04/26/2022 is \$103,474.10.
9. Cash in bank-Regular checking as of 04/26/2022 is \$1,907,458.48.
10. Investment-Regular Hi Fi as of 04/26/2022 is \$1,565,001.22.
11. Investment Certificate of Deposit as of 04/26/2022 is \$827,213.22
12. Investment Certificate of Deposit as of 04/26/2022 is \$821,247.66.
13. Investment Certificate of Deposit as of 04/26/2022 is \$822,966.60.
14. Investment Certificate of Deposit as of 04/26/2022 is \$814,197.68.
15. Investment-Roseau EDA Money Market as of 04/26/2022 is \$152,870.78.
16. Cash in bank-Roseau EDA as of 04/26/2022 is \$25.29.
17. LG240B Application to Conduct Excluded Bingo – Eagles – Fair July 19-22, 2022
18. LG220 Raffle – ALS Fundraiser January 4, 2023
19. RESOLUTION NO. 23-22

**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 for sponsorship in the Youth Ball Program.

Pearson Insurance \$150.00

**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 Youth Ball Program.

Adopted by the City Council of the City of Roseau, Minnesota this 2nd day of May, 2022.

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

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

20. Liquor Store Preliminary Monthly Sales Report for April 2022
21. April 2022 City Revenue & Expenditures

**5:15 Public Hearing – TIF and Tax abatement for the Aurora Meadows Apartment – The Public Hearing has been postponed**

### **Delegations/Petitions/Complaints**

Tracee Bruggeman from BradyMartz presented to council the City of Roseau audited financial statements for the year ended December 31, 2021. Ms. Bruggeman stated the audit went well and the City of Roseau has healthy fund balances and low debt levels. Ms. Bruggeman stated the financial statements present fairly, in all material respects, the financial position of the governmental activities of the City of Roseau as of December 31, 2021, and the changes in financial position are in accordance with the generally accepted accounting principles. Ms. Bruggeman noted a finding on internal accounting controls and procedures. A payment from the City of Roseau to the escrow account for the Eleven 01 apartment project was not appropriately applied. The check was written and cashed in November 2021, but not applied to the escrow account until February 2022. As a result, bond proceeds were drawn to cover expenses. BradyMartz recommends the EDA should receive and review monthly escrow account activity.

Ericka Halstensgard and Jeff Langan from Houston Engineering gave a power point presentation on proposed plans and phases of construction of the Oak Crest Coulee for drainage in the new Oak Crest Subdivision and along the Oak Crest Golf Course.

- Phase one. Storm water channel modification. This phase would be to clean and restore the section of coulee that runs along the golf course and behind some properties in the area. This section would be maintained by mowing annually. There is an MPCA clean water requirement to treat for sediment volume which can be controlled by the discharge rate. Phosphorus removal is also a possible option to start in phase one.
- Phase two is an extension of phase one. This phase would expand the cleaning depth and would have a sandy bottom for more desirable vegetation. This phase would have another holding area for storm water to help with sediment discharge.
- Phase 3 increases the operation of the coulee and would add weirs to phase one and two along with a gated structure in the last weir to control the rate of drainage. This phase would also add a culvert to the cart path. Phase 2 and 3 would also be maintained by drawing the coulee down and mowing annually. Also, every 5 years the sediment would need to be removed.
- Phase 4 would deal with phosphorus load reduction. This phase would have filters of iron sand mixture over a perforated drain tile pipe at three different locations along the coulee to improve the water quality of the discharge and reduce phosphorus. The sand would be continuous in the bottom of the ditches with a series of raised berms and raised areas to pool the water so it can soak in. The question was asked about who would be responsible for permitting and working with the MPCA for phosphorus credits.

CDC Peterson stated that Phase 1 has been started but not completed, it is up to the golf course but not into the golf course yet. The City of Roseau has obligations for Phase 1 and 2 and are required for MPCA. Phase 2 would only be required if the Phase 2 Oak Crest Estates development is initiated. Phases 3 and 4 are above what the City is required to do for MPCA.

The question was raised as to the funding of these phases. CDC Peterson stated that only Phase 1 is figured into the budget but that Phases 1 and 2 are figured into the assessed hookup fees of the

Oak Crest Estates Development. Phases 3 and 4 are not, and funding would have to be found for those phases.

It was discussed that if council were to agree to proceed with the planning and design process of all 4 phases it would make sense and be more cost effective to do them all at once, rather than individually, so areas would not have to be torn up multiple times, but finding the funding is an issue.

Superintendent Drown stated that he would like to see phases 1 and 2 and possibly part of 3 completed yet this year.

Tracy Halstengard of the Roseau River Watershed stated that the Roseau River Watershed may be able to help find funding such as the Clean Water Grant Fund. The Red River Management Board may also be able to help with funding for Phases 3 and 4. Roseau County Soil and Water may also be able partner to receive money for this kind of work. The Board of Water, Soil Resources also offers grant programs to local government partners.

Ms. Halstengard informed council that time is an issue as the designs need to be done to submit the applications for funding. Ms. Halstengard asked council if they wished to move forward with the process. It would not commit council to implement all 4 phases if funding did not come in.

It was council consensus to move forward for planning purposes of Phase 3 and 4.

### **Roseau County Commissioner**

Commissioner Jack Swanson informed council that the Roseau County Board approved TIF and Tax Abatement for two apartment buildings in the City of Warroad. The County would also approve TIF and Tax abatements for apartments proposed by the City of Roseau if needed. CDC Peterson stated that though the Aurora Meadows project is still a possibility the soaring project costs may postpone the construction.

Commissioner Swanson stated that residential property taxes as well as agricultural land taxes went up 20-30 percent because houses and land are selling 20-30 percent over assessed value.

Commissioner Swanson informed council that the City of Warroad was awarded Regional Park status and is planning major work down at the point.

### **Committee Reports**

#### **Planning Commission**

The Planning Commission met Monday April 27, 2022, at 12:00pm. CDC Peterson reviewed the minutes.

- The Planning Commission reviewed Conditional Use Request #1-22 (Sue Lisell) for the creation of apartments in a C-2 zoning district in the Courthouse Commons building. A request was brought forward in 2014 and was approved by the Planning Commission and City Council at that time. However, because Ms. Lisell did not act on the Conditional Use Permit within the requisite 1 year time frame the Conditional Use permit is void. Ms. Lisell is seeking the same request. Planning Commission members asked questions

about how the building might be modified to accept the units. Ms. Lisell stated that they planned on converting some of the vacant spaces into living units, particularly the top floor. The building is currently 60% occupied with commercial tenants mainly on the first floor and those would be kept that way for as long as those tenants wished to stay. There are also some vacant offices in the basement that could be candidates for conversion. The Planning Commission recommends to the City Council to set a public hearing for Conditional Use Request #1-22 (Sue Lisell) to allow the creation of apartment units in the Courthouse Commons Building on May 23, 2022, at 12:10 pm.

Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was approved by unanimous vote to set a public hearing for Conditional Use Request #1-22 (Sue Lisell) to allow the creation of apartment units in the Courthouse Commons Building on May 23, 2022, at 12:10 pm.

- CDC Peterson presented a revised development plan for the Aurora Meadows Apartment project. The original location of Aurora Meadows was planned for a location south of Polaris on 6<sup>th</sup> Street SW. However, the developer was not able to secure all of the land needed for the project in that location and the project was relocated to NE Roseau on 11<sup>th</sup> Avenue NE on vacant land north of the Roseau Electric Cooperative. The new location is on a parcel containing roughly 15 acres. Of those 15 acres approximately 3.25 acres are proposed for a 72-unit apartment complex contained within two (2) 36-unit buildings. CDC Peterson reported that all R-5 development plans must be approved by the Planning Commission. Additionally, the project is seeking TIF and tax abatement assistance from the City which also requires Planning Commission approval. CDC Peterson presented information on the development including:

- Lot Coverage – Project Ground Floor Area Ratio .30 (Max Allowed .45)
- Lot Coverage – Project Total Floor Area Ratio .49 (Max Allowed .65)
- Maximum Units per Acre – 72 proposed (Max Allowed 97)
- Parking Spaces – 175 total, 79 Surface Stalls, 96 Garage Stalls (Min. Required 140)

The project also proposes a pond retention area and dog park/open space. It was noted that both the retention pond and open space are located in areas proposed for future development. If the future development proceeds as presented and the lots are subdivided into various new lots there will need to be an agreement or dedication for the permanent use of these items for the Aurora Meadows apartment project whether they are retained within the Aurora Meadows parcels or not. The Planning Commission approved the layout of Phase I of the Aurora Meadows Development Plan and apartment project. There is no additional approval needed from council this was just for informational purposes only

- City Attorney Michelle Moren had provided an initial draft of a Short-term rental and communal housing ordinance for the Planning Commission to review. It was recommended that the Planning Commission members review the ordinance and provide any comments back to the City Attorney for compilation and discussion at the May 23<sup>rd</sup> meeting. The proposed revision was provided to Council for review.
- The Planning Commission has set May 23, 2022, 10 am as the date and time of the annual Tour of the City.

- CDC Peterson informed the Planning Commission that two people have expressed interest in serving on the Planning Commission to replace Mary Hayes. One of the interested parties is no longer interested. CDC Peterson informed council that Dan Krings is interested in serving on the Planning Commission. After discussion, Council member Mary Hayes motioned, Mayor Dan Fabian seconded, and it was approved by unanimous vote to appoint Dan Krings to the Planning Commission.

### **Operations Committee**

No new business to report.

### **Oakcrest Golf Course**

Council member Brady Johnson informed council on the following:

- The new Oak Crest Golf Board met on Friday.
- Clean up has been done as well as taking down some hybrid poplar trees.
- All the golf cart spaces have been rented out.
- There are problems finding new staff
- The price of beer for sale has been raised but membership fees remained the same.
- Sign up for golf leagues is open.

### **Airport Committee**

The Airport Committee did not meet.

### **EDA**

CDC Peterson had provided to Council the EDA minutes from the April 27, 2022, meeting and presented the following:

- There was an application for an EDA loan from Xu Luo for the purchase of the Silver Dragon. The project meets all of the parameters of the loan program and Mr. Luo has sufficient equity and working capital for a successful transition. The EDA approved a \$25,000 loan to Xu Lou with a ten-year term, 3% interest rate with the first-year interest only. The EDA will take a second position on the building and equipment behind Citizens State Bank.
- The EDA still has not received a bill of sale from Frito-Lay on the storage buildings they want to turn over to the City/EDA. Frito-Lay had found someone to purchase the buildings, but that transaction fell through, so Frito-Lay will again turn the storage buildings over to the City/EDA.
- Roger Geroy made a counteroffer for the EDA/City lot adjacent to his building on East Acres. Mr. Geroy is in negotiations to acquire two lots north of the EDA's Eleven01 Apartment project and Mr. Geroy is proposing a land trade between the EDA/City. CDC Peterson contacted Skip Duchesneau to determine if the proposed lots would be large enough to accommodate a Phase II building north of

the Eleven01 and it would fit another unit. The value of the lots are of similar value.

It was consensus to delay the public sale of the lot in the East Acres until such time as it can be determined if a land swap was feasible.

## **Department Reports**

### **Liquor Store**

Liquor Store Manager Niki Johnson was absent attending training for the Liquor Store. Council discussed the interim Liquor Store manager position as Manager Johnson will be off for 12 weeks. Council will discuss this further at the June council meeting.

### **Fire Department**

Fire Chief Leon Huot informed council of the following:

- One of the younger firefighters has resigned due to time constraints and a couple of the seasoned firefighters are considering retiring.
- Emergency Management contacted Chief Huot to see if the fire department could deliver large amounts of potable water to flood-stricken areas should the need arise.

### **Police Department**

Police Chief Ward Anderson informed council that Jeffery Larsen purchased \$500.00 worth of toys from Coast True Value for the Police Department to hand out as the Police Department sees fit.

Council member Brady Johnson motioned, Council member Mary Hayes seconded, and it was carried by unanimous vote to approve the following resolution.

#### RESOLUTION NO. 24-22

#### RESOLUTION ACCEPTING DONATION

**WHEREAS**, Jeffrey Larsen has presented to the City of Roseau Police Department, a \$500 toy donation, and has designated that these toys be handed out at the discretion of the Roseau Police Department.

**WHEREAS**, the City Council is appreciative of the donation and commends Mr. Larsen for his civic efforts,

**NOW, THEREFORE BE IT RESOLVED**, BY THE City Council of the City of Roseau, Minnesota;

1. That the toy donations are accepted and acknowledged with gratitude, and
2. That the toy donations will be handed out at the discretion of the Roseau Police Department.

Adopted by the City Council of the City of Roseau, Minnesota this 2nd day of May 2022.

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

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

**Superintendent**

City Superintendent David Drown informed council on the following:

- A Memorandum of Understanding between the City of Roseau and Roseau County Regarding Oak Crest, 5<sup>th</sup> Ave NE and 9<sup>th</sup> Ave SW projects.  
The new Roseau County Engineer asked that the city enter into a memorandum of understanding for each joint project the city and county do together. In the past it has been an unwritten agreement. A more generic or blanket agreement is being worked on so that there is not an agreement for each joint project as there are several that the City of Roseau and Roseau County work together on.

Council member Pat Novacek motioned to approve A Memorandum of Understanding between the City of Roseau and Roseau County Regarding Oak Crest, 5<sup>th</sup> Ave NE and 9<sup>th</sup> Ave SW projects.

There was discussion on the naming of the streets in the new Oak Crest Subdivision. After discussion Council member Pat Novacek modified his motion to include the streets in the new Oak Crest Subdivision. Council member Brady Johnson seconded the motion, and it was carried by unanimous vote to approve the Memorandum of Understanding between the City of Roseau and Roseau County Regarding Oak Crest, 5<sup>th</sup> Ave NE and 9<sup>th</sup> Ave SW projects. The streets in the Oak Crest Subdivision.

- Superintendent Drown stated that the Oak Crest subdivision is the only street project this summer.
- Superintendent Drown informed council that the recent rains and thaw had completely flooded the sewer system as well as 2 lift stations.
- Superintendents Drown informed council that the Memorial Arena shut down at the end of March and the North Rink will be shut down next Friday. The Youth Hockey Association is working on a plan to hold activities over the summer while keeping costs low. Superintendent Drown stated that these activities would have to have a great benefit to open the rink and Youth Hockey would have to cover the costs. The City caps its share at \$900.00.
- Superintendent Drown informed council that the contractors will do a full tuck along the full joint between shingles and rubber roofing to fix the arena roof.
- Park and Rec Director Keith Severson provided a written April/May update for council as he had to attend another meeting.



Council member Novacek inquired about the 2021 camping fees collected versus the previous years. CDC Peterson stated that camping fees collected for 2021 were over \$22,000 which is over double collected the previous year. This may be due to better oversight in making sure the fees are collected as well as contractors coming into the campground early and staying late in the season.

### **City Attorney**

City Attorney Michelle Moren informed council on the following:

- Wikstrom Telephone Co., Inc. Right of Way Easement to Roseau County Shed was presented to council. City Attorney Moren informed council that it is the EDA that needs to approve it so no action from the City Council is needed
- Council will need to approve a motion to delay until further notice the Public Hearing that had been scheduled for 5:15 – TIF and Tax abatement for the Aurora Meadows Apartment project. CDC Peterson informed council that the Aurora Meadows project did not get the grant, so the project is currently on hold.

Council member Brady Johnson motioned, Council member Amy Bassingthwaite seconded, and it was approved by unanimous vote to delay until further notice the Public Hearing that had been scheduled for 5:15 – TIF and Tax abatement for the Aurora Meadows Apartment project public.

### **Community Development Coordinator**

CDC Todd Peterson reported on the following.

- The Elevon 01 apartments were to be ready by July 1<sup>st</sup> but it was CDC Peterson's understanding that there was trouble getting the main electrical switch gear, so it may be August 1<sup>st</sup> before it is ready for tenants, Superintendent Drown stated that the main switch gear has been installed, but they may be missing some of the meters. CDC Peterson stated that 1/3 of the apartments are already leased (All of the 3-bedroom apartments are leased) and that the project is coming in on budget. Council member Hayes asked if there is adequate parking for the apartment complex. CDC Peterson stated there are garages and that there are currently materials stored on the open parking lot but there is adequate parking for the complex.
- The Highway 11 sidewalk and ditch maintenance project in front of Cenex, Holiday and Super One was also to include new lighting along the south frontage road. However, the costs of those lights are in dispute. The District MnDOT office said the state would pay for the additional lighting. The St. Paul MnDOT office has said it will not pay for the additional lighting. The City of Roseau currently has adequate street lighting on the frontage road, so the City does not have an interest in purchasing the extra lighting for the highway. The District MnDOT office is working to have the state pay for it.
- CDC Peterson stated that he was extremely disappointed with the consultants for the Comprehensive Plan meetings. It was CDC Peterson's understanding that the consultants would be aggregating the survey information they had already received to discuss at the

meetings and get in person feedback and set future goals and priorities. The consultants had something very different in mind. CDC Peterson has been in contact with Jeff Langan of Houston Engineering to see what the plan is for the remainder of the project.

Council member Novacek inquired as to the status of the \$8,000 water connection fees in the Oak Crest West Subdivision. Council member Novacek would like information on who owns the lots, what assessments have been paid, what assessments are still deferred and when the assessments are scheduled to be done. CDC Peterson will get that information and stated the Bill O'Connell still has lots that are deferred until Mr. O'Connell sells them. As soon as these lots are sold the assessments start. The time does not run out on the deferred assessments. The time for the assessments starts when they are put back on.

### **Mayor and Council**

There was a brief discussion on how the licensing for the communal housing ordinance would work and the changes to the proposed ordinance. The Planning Commission and the City Council will review the draft ordinance and provide any comments back to the City Attorney.

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

ATTEST:

\_\_\_\_\_  
Elizabeth Carlson, City Clerk-Treasurer

\_\_\_\_\_  
Mayor Dan Fabian