

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – May 4th, 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 and Amy Bassingthwaite. Absent: none. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, 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, Tracee Bruggeman, Tim Bjerk and George Bjerk.

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

Council member Don Ross motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to approve the April 6th, 2015 Regular meeting minutes as written.

Council member Amy Bassingthwaite 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 April 1st, 2015 through April, 2015 batch AP043015.
2. Presentation of daily checks April 1, 2015 through April 30, 2015.
3. Presentation of Receipt entries March 1, 2015 through March 31, 2015.
4. Presentation of Journal entries JV022815.
5. Audit Committee review of February, 2015 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. June 1st, 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 04/29/2015 is \$38,207.80.
9. Cash in bank-DNR Escrow as of 04/29/2015 is \$2,000.00.
10. Cash in bank-Regular checking as of 04/29/2015 is \$2,005,729.09.
11. Investment-Regular Hi Fi as of 04/29/2015 is \$1,517,275.10.
12. Investment Certificate of Deposit as of 04/29/2015 is \$771,073.18.
13. Investment Certificate of Deposit as of 04/29/2015 is \$775,120.82.
14. Investment Certificate of Deposit as of 04/29/2015 is \$777,746.37.
15. Investment Certificate of Deposit as of 04/29/2015 is \$784,572.82.
16. Cash in bank-Airport Fuel Sales Credit Card as of 04/29/2015 is \$5,462.79.
17. Investment-Roseau EDA Money Market as of 04/29/2015 is \$201,069.84.
18. Cash in bank-Pine to Prairie Birding Trail as of 04/29/2015 is \$10,060.12.
19. Cash in bank-Roseau EDA as of 04/29/2015 is \$3,754.97
20. Approve Airport Hangar Lease:
Jared Foss Hangar #10
Jared Foss Hangar #11B (Other ½ with Gary Slater)
21. Great Northern Transmission Line
22. Airport Project Status Report

23. April 2015 Liquor Store Revenue & Expenditures
24. April 2015 City Revenue & Expenditures

Delegations-

Tracee Bruggeman from Brady Martz appeared before the City Council to give a presentation of the December 31, 2014 Audit. Tracee stated the audit went well and the City of Roseau has healthy fund balances and low debt levels.

Committee Reports

Roseau Promotions –

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

The Civic and Commerce will again sponsor the “Farmers Market”.

The Greater Minnesota Parks & Trails has a workshop which is required to obtain funds for the proposed Warroad/Roseau walk/bike trail. Mr. Grindy is a member of District 2 Coalition and will be attending the workshop.

The “Hat Trick Buffet” is on track to open the end of May, 2015.

Planning Commission-

The Planning Commission met on April 27th, 2015 at 12:00pm.

At 12:30 pm. The Planning Commission held a Public Hearing on Variance Application #2-15 for Burt Bassett. There were no comments presented at the public hearing.

Community Development Coordinator Todd Peterson provided information on the recommendation made at that meeting:

The Planning Commission recommended the Roseau City Council approve Variance Application #2-15 for Burt Bassett, for construction of a new garage to replace an existing garage. The new garage will have a corner side setback of 7’ in lieu of the 20’ required and side of 3’ in lieu of 10’ required and a lot coverage variance of 42.7% in lieu of 35%.

After discussion Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the Variance Application #2-15.

Reasons provided for granting the variance were:

- New setbacks will be better than the existing setback on the garage that exists today.
- This is a small lot
- The exact same variance had been approved previously.

CDC Peterson informed council the Planning Commission annual city tour will be Monday May 18th, 2015. The tour will begin at 10:30 am with the Planning Commission meeting scheduled for 12:00 as usual.

Roseau County Commissioner –

Roseau County Commissioner Jack Swanson encouraged people to be informed and voice their opinion on the proposed and alternate routes of the Great Northern Transmission line. The proposed route affects mostly public land. The alternate routes affect farm land. The Great Northern Transmission line has significant tax implications for the county, approximately 2 million per year or 1/3 of the county levy.

Operation Committee – No new business.

Oak Crest Golf Course –

Oakcrest Golf club submitted the 2015 Corporate Board and Officers.

Board of Directors: Mark Wilson – President, Scott Vatnsdal – Vice President, Kim Czeh Secretary, Richard Anderson, Michelle Hagen, Chris Hass, and Jason Tangen.

Course Managers: Shelly LaPlante and Laura Strand

Grounds Manager: Carson Hedlund

Business Manager: Sue Butler

City Representatives: Council member Don Ross and Council member Amy Bassingthwaite.

Council member Don Ross reported the course is ready, and the new cart shed is almost full.

Airport Committee –

CDC Todd Peterson informed council the Airport committee had not met but had an issue for the City Council to consider. Hangar #8 is rented to Tom Spindler for an ultralight aircraft. The ultralight does not fall under the same insurance as a regular airplane. The owner of the ultralight asked if council would consider \$300,000 personal liability each occurrence under his homeowner's policy. Assistant City Attorney Michelle Moren recommended following the League of Minnesota Cities recommendation of 1 million dollars liability (each occurrence).

After discussion Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to require a policy of 1 million dollar liability for each occurrence, but that liability could be carried under Mr. Spindler's homeowners insurance listing the Roseau Municipal Airport as Additional Insured.

Beautification Committee – no new business

EDA –

CDC Todd Peterson informed council the EDA met on April 29th, 2015.

The EDA discussed current loans.

The Cobblestone Hotel investor are working on a feasibility study.

CDC Todd Peterson informed council the EDA is short a member due to Curt Ireland's leaving. Mr. Ireland represented the City council. CDC Todd Peterson recommended Council appoint another member of the City council to be on that board.

After discussion Mayor Jeff Pelowski motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to appoint Pat Novacek to the EDA.

Department Reports

Liquor Store-

Liquor Store Manager Linda Roseborough had nothing new to report.

Fire Department-

Fire Chief Jeff Ballard informed council of the meeting with the architect.

CDC Todd Peterson asked council for authorization to submit a Capital Grant application to the State for the Fire Hall expansion project. This request is for \$700,000 in state bond funding to design, construct,

furnish and equip a 4,200 SF addition to the existing Roseau Fire Department Building. Bonding through the state would add additional cost due to prevailing wages and design changes. Minnesota Management and Budget started taking applications May 1, 2015. Council member Pat Novacek informed council it is important to refer to the area the Roseau Fire Department covers as department service area rather than district.

After discussion Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to authorize CDC Todd Peterson to submit a Capital Grant Application to the State for the Fire Hall expansion project.

RESOLUTION #21-15

AUTHORIZING THE CITY OF ROSEAU TO FILE A CAPITAL INVESTMENT GRANT APPLICATION AND EXECUTION OF FINAL AGREEMENTS WITH THE STATE OF MINNESOTA FOR THE ROSEAU FIRE DEPARTMENT BUILDING ADDITION

WHEREAS, the State of Minnesota, via the Capital Investment Program, provides for capital funds to assist local government units within the State of Minnesota for the development of capital projects for public use, and

WHEREAS, the City of Roseau desires to expand its existing Fire Department Building by 4,200 SF for the purpose of housing necessary fire department equipment in order to adequately provide emergency response services to its 690 square mile territory.

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

- I. The estimate of the total cost of constructing the Roseau Fire Department addition shall be \$1,400,000. The City of Roseau is requesting \$700,000 from the State of Minnesota Capital Investment Grant Program and will assume responsibility for a matching funds requirement of \$700,000
- II. City of Roseau agrees to own and assume one hundred (100) percent of operational and maintenance costs for the Roseau Fire Department Building and addition. The City of Roseau will operate the Roseau Fire Department building for its intended purpose for the functional life of the facility, which is estimated to be 50+ years.
- III. The City of Roseau agrees to enter into necessary and required agreements with the State of Minnesota for the specific purpose of developing the Roseau Fire Department Addition and managing its long-term operation.
- IV. That the Community Development Coordinator is authorized and directed to execute the application for the State of Minnesota Capital Investment Grant.

Dated: May 4, 2015

Attest: _____
Elizabeth Hellquist, Clerk-Treasurer

Jeff Pelowski, Mayor

Fire Chief Jeff Ballard informed council the fire department has been busy with grass fires. There is not currently a burning ban on, but there are burning restrictions. The DNR website has information on the current conditions and burning permits are obtained on line.

Police Department –

Police Chief Ward Anderson had nothing new to report.

Superintendent- street projects

Superintendent David Drown informed council the bids were opened for the 2015 street project. R&Q Trucking has the low bid of \$215,010.75 for the earthwork and concrete. The paving portion of the project was bid by Roseau County and is approximately \$120,000.

The budget is \$400,000 which includes contingency and engineering fees.

The project has changed, with the addition of 8 inches of concrete in the alley between Good Year and Car Quest to account for the heavy truck traffic. Good Year and Car Quest will contribute to the cost. The amount to be determined.

After discussion Council member Don Ross motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to accept R & Q Trucking's low bid of \$215,010.75.

City Attorney-

Assistant City Attorney Michelle Moren and CDC Todd Peterson informed council Summerfield apartments are looking to refinance by obtaining NWMMVHRA 2015 Pooled Housing Revenue Refunding Bond. "This proposed refinancing would not require any financial support from any of the cities involved in this pooled refinancing." As the city has an option to purchase, the city needs to adopt a resolution and amendment to the Option to Purchase to make the option subordinate to any mortgage given securing the revenue refunding bonds.

Mayor Jeff Pelowski motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve an amendment to Option to Purchase and Resolution #19-15.

Resolution #19-15 entitled: RESOLUTION GIVING APPROVAL TO NORTHWEST MINNESOTA MULTICOUNTY HOUSING AND REDEVELOPMENT AUTHORITY TO ISSUE REFUNDING BONDS WITH RESPECT TO MULTI-FAMILY RENTAL HOUSING FACILITIES IN THE CIT OF ROSEAU AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OPTION TO PURCHASE.

The following voted in favor: Pat Novacek, Amy Bassingthwaite and Don Ross.

The following voted against the same: none

Whereupon said resolution was declared duly passed and adopted.

Community Development Coordinator-

CDC Todd Peterson asked council approval to sign lease agreement #12101 with the state for the DEED office.

After discussion, Council member Pat Novacek motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve lease agreement #12101 as presented.

CDC Todd Peterson presented council Resolution #20-15 calling for a public hearing to amend Tamarac Place TIF plan and to set the hearing for July 6th, 2015.

Councilmember Amy Bassingthwaite introduced the following resolution and moved its adoption:

Resolution #20-15

RESOLUTION CALLING PUBLIC HEARING ON THE
PROPOSED MODIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 5
WITHIN DEVELOPMENT DISTRICT NO. 1 AND

THE PROPOSED ADOPTION OF A MODIFICATION TO THE 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:

Public Hearing. This Council shall meet on July 6, 2015, at approximately 5:15 p.m., to hold a public hearing on the following matters: (a) the proposed modification of Tax Increment Financing District No. 5 within Development District No. 1, and (b) the proposed adoption of a Modification to the 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").

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 Modification to the 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.

Consultation with Other Taxing Jurisdictions. The City Clerk is hereby directed to mail a notice of the public hearing and a copy of the Modification to 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 proposed modification of the 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:

Amy Bassingthwaite, Patrick Novacek, Don Ross

and the following voted against the same: none

Whereupon said resolution was declared duly passed and adopted.

CDC Todd Peterson informed council of the good progress on the diversion project. The surface water is being pumped dry to complete the final grading. Concrete is being poured for the restriction structure and bridge. The concrete will cure for 30 days before material is put up to it. The DNR will determine when there is enough vegetative cover to remove the plug at the diversion inlet. The project will basically be finished by the end of the month with cleanup through June and July. The ribbon cutting is tentatively set for August 18th, 2015. There was discussion about the trails and bridge crossing and what would be allowed to use these trails.

The City Council will eventually need to establish what types of traffic will be allowed on the Bridge. The trail is meant to be a recreational/walking trail. There should be signage not allowing motorized vehicles.

CDC Todd Peterson informed council of the different workforce housing bills that are before the House and Senate. Representative Dan Fabian has asked what the City of Roseau needs and what they could give up. The Workforce Housing pilot project may be increased from 10% to 25% with changes proposed in the legislature. CDC Todd Peterson asked that the Parkland Place project be allowed to retroactively go to the 25%. This would replace loan funds with grant funds.

Mayor Council

There are four applicants for the city council chair vacated by Curt Ireland. The applicants are: Scott Jacobson, Adam Erdman, Jane Evans and George Bjerck. The application by George Bjerck was not received until May 1, 2015. The deadline was April 24, 2015. The deadline was published in the Roseau Times Region as well as on the City of Roseau’s website. Mr. Bjerck stated it was not published the second time in the paper.

After discussion Council member Pat Novacek motioned, Council member Don Ross seconded, and it was carried by unanimous vote to hold a Special Council meeting May 18th, 2015 at 5:00 pm. For the purpose of interviewing, selecting and may be appointing a council member.

After discussion Council member Pat Novacek motioned to include all four applicants without conditions. Council member Don Ross seconded to open discussion. After discussion a vote was taken.

All in favor: Pat Novacek

Opposed: Jeff Pelowski, Amy Bassingthwaite, Don Ross

Motion failed

After discussion Council member Don Ross motioned, Council member Amy Bassingthwaite seconded to include all four applicants if the second notice was not printed in the paper and to only allow the first three if it was printed twice.

All in Favor: Jeff Pelowski, Amy Bassingthwaite, Don Ross

Opposed: Pat Novacek

Motioned carried.

Unfinished Business- No unfinished business

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

ATTEST:

Clerk-Treasurer

Mayor