

REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – November 6th, 2017 @ 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: Jane Evans. Others present were Community Development Coordinator Todd Peterson, Police Chief Ward Anderson, Liquor Store Manager Linda Roseborough, City Attorney Michelle Moren, Clerk-Treasurer Beth Hellquist, Jack Swanson-Wild 102 Radio.

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

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve the October 2nd, 2017 Regular meeting minutes as written.

Council member Don Ross motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to approve the October 23rd continued to October 24th, 2017 Special 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 October 1st, 2017 through October 31st, 2017 Batch AP103117. CK#63323-63393 = \$267,516.85.
2. Presentation of daily checks October 1st, 2017 through October 31st, 2017
E#710-748 = \$378,081.51
CK#63239-63322 = \$375,543.74
10/15/2017 PR DD = \$33,987.64
10/31/2017 PR DD = \$39,862.63
3. Presentation of Receipt entries September 1st, 2017 through September 30th, 2017.
4. Presentation of Journal entries JE083117.
5. Audit Committee review of August 2017 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. December 4th, 2017 Regular City Council meets at 5:00 pm. / Truth and Taxation Public Hearing at 6:30 p.m.
7. Approve the use of alcohol in the Community Center-
 - a. MN Canola Council – December 6th, 2017
 - b. MN Wheat Growers – January 18th, 2018
 - c. Polaris Industries-Orv Engineering – November 29th, 2017
8. Investment–Roseau EDA Hi Fi as of 10/31/2017 is \$86,298.22.
9. Cash in bank-DNR Escrow as of 10/31/2017 is \$2,000.00.

10. Cash in bank-Regular checking as of 10/31/2017 is \$2,348,965.37.
11. Investment-Regular Hi Fi as of 10/31/2017 is \$1,550,108.65.
12. Investment Certificate of Deposit as of 10/31/2017 is \$795,414.21.
13. Investment Certificate of Deposit as of 10/31/2017 is \$788,493.43.
14. Investment Certificate of Deposit as of 10/31/2017 is \$786,025.91.
15. Investment Certificate of Deposit as of 10/31/2017 is \$781,728.03
16. Investment-Roseau EDA Money Market as of 10/31/2017 is \$290,784.60.
17. Cash in bank-Pine to Prairie Birding Trail as of 10/31/2017 is \$3,818.99.
18. Cash in bank-Roseau EDA as of 10/31/2017 is \$141.80.
19. LG220 Gambling Permit – Roseau Youth Hockey – Jan 21, 2018
20. HeatShare Program Agreement
21. “2017 Christmas Lighting Contest” (The same categories as 2016 with prizes awarded in Roseau Dough)
22. Approve 2018 (December 1, 2017 – November 30, 2018) Liquor Licenses contingent upon all paperwork is obtained by the Clerk’s Office.
 - American Legion Club + Sunday
 - Brickhouse Bar & Grill + Sunday
 - Gene’s Bar & Grill
 - North Country Inn & Suites
 - Oakcrest Golf Club + Sunday
 - Roseau Motel & Diner
 - Sparetime Bowl (Legends) + Sunday
 - The Pour House Bar & Grill + Sunday
 - VFW Club
23. Approve 2018 (January 1, 2018 – December 31, 2018) 3.2 Beer Licenses contingent upon all paperwork is obtained by the Clerk’s Office.
 - Holiday Stationstore – Off sale
 - Super One Foods (Miner’s) – Off sale
 - Shopko Hometown – Off sale
24. US Customs and Border Protection Town Hall meetings.
- 25.

RESOLUTION NO. 43-17
RESOLUTION ACCEPTING GRANT

WHEREAS, the Northwest Minnesota Foundation has presented to the City of Roseau, a Grant of \$400.00 and have designated that this donation be deposited in the City of Roseau Gazebo Concert Fund.

WHEREAS, the City Council is appreciative of the grant 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 grant is accepted and acknowledged with gratitude, and
2. That the grant will be allocated to the Gazebo Concert Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 6th day of November, 2017.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

26.

RESOLUTION NO. 44-17
RESOLUTION ACCEPTING GRANT

WHEREAS, the Hartz Foundation and LifeCare Medical Center have presented to the City of Roseau, a Grant of \$2,000.00 and have designated that this donation be deposited in the City of Roseau for the purchase of outdoor exercise equipment.

WHEREAS, the City Council is appreciative of the grant 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 grant is accepted and acknowledged with gratitude, and
2. That the grant will be allocated to the purchase of outdoor exercise equipment.

Adopted by the City Council of the City of Roseau, Minnesota this 6th day of November, 2017.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

27.

RESOLUTION NO. 45-17
RESOLUTION ACCEPTING GRANT

WHEREAS, the Minnesota Super Bowl Legacy Fund of the Minnesota Community Foundation and Polaris Foundation has presented to the City of Roseau, a Grant of \$100,000.00 and have designated that this grant be deposited in the City of Roseau for the South Riverview Park Phase II.

WHEREAS, the City Council is appreciative of the grant 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 grant is accepted and acknowledged with gratitude, and
2. That the grant will be allocated to the South Riverview Park Phase II project.

Adopted by the City Council of the City of Roseau, Minnesota this 6th day of November, 2017.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

28. Roseau Liquor Store Monthly Sales Report October 2017
29. City Revenues and Expenditures for October 2017

Delegations / Complaints

Committee Reports

Planning Commission-

CDC Todd Peterson informed council the Planning Commission met on October 30th, 2017, and discussed the Clean-up report:

- Officer Manka informed the Planning Commission that the new nuisance ordinance has been updated in the electronic ticketing program so that the PD can now issue citations under the revised Junk and Abandoned vehicle ordinance.
- All of the vacant dilapidated homes in the West Side Trailer Court and 3 additional homes around the City as identified in the Planning Commission Tour have been removed. Two additional structures that were on the clean-up report have been voluntarily removed.

CDC Peterson informed council that it was the consensus of the Planning Commission not to meet November thru March unless there were action items to discuss.

Roseau County Commissioner –

Roseau County Commissioner Jack Swanson informed Council;

- In December Roseau County will have its tax forfeited land sale. The state will also have some properties for sale.
- Roseau County is working with Lifecare Medical Center to offer jail clinic services.

Operation Committee –

CDC Peterson informed council that the Operations Committee met on October 23rd, 2017 to discuss a personnel issue and a possible litigation issue. The litigation issue will be further discussed later in the council meeting in closed session.

Oak Crest Golf Course –

CDC Peterson presented to council Resolution #47-17 Revised Lease No. 008-0727898-300 (Resolution #40-17) to include sales tax.– TCF Equipment Finance Lease No.008-0727898-300 for the lease with the option to purchase a new mower for the Oak Crest Golf Course.

Council member Don Ross motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the revised (to include sales tax) contract with TCF Equipment finance Lease No. 008-0727898-300.

Airport Committee –

CDC Peterson informed council the Airport Committee did not meet but presented to council

- EA Study Order Amendment- CDC Peterson informed council the approval to do the environmental study (Task Order No. 7) has already been approved by council. What is needed is approval for the amendment to Task Order No. 7. Because the residence located at 31343 420th Avenue appears to be more than 45 years old a Historical Evaluation needs to be done for potential viewshed impacts from removing trees. The additional cost to perform this additional work is \$1,350. CDC Peterson informed council that 90% of this cost is covered by the FAA grant.

After discussion, Council member Pat Novacek motioned. Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the amendment to Task Order No. 7 and authorize CDC Peterson to sign the amendment to the task order.

- The Task order for KLJ professional services to design the Arrival/Departure Building and Utilities, Parking Lot and Access Road will be ready for consideration December 4th. KLJ is asking for approval to begin the survey work before the December meeting due to frost and weather conditions. CDC Peterson and City Attorney just received the 87 page Main Contract and have not had a chance to completely review it. After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve the initial contract to begin the survey work contingent on review and approval by City Attorney Michelle Moren and CDC Todd Peterson.

Once the main contract was approved, there was discussion of having CDC Peterson and City Attorney Michelle Moren monitor the task orders and contracts (which will come up as funding becomes available) then council would approve them under the consent agenda unless CDC Peterson and City Attorney Moren felt they needed to be discussed. CDC Peterson Peterson and City Attorney Moren stated that contracts involving the FAA and DNR would still have to be approved by council action.

No action was taken.

- CDC Peterson asked for council authorization to submit to the FAA pre application plans to use entitlements for the terminal building. After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it carried by unanimous vote to authorize CDC Peterson to submit to the FAA pre application plans to use entitlements for the terminal building.
- CDC Peterson informed council that he has met with Adam Munstenteiger of the DNR and contacted Polaris Industries and Valley Med Flight Inc. concerning the plans for the airport. All three entities would like to have input in the design of the airport terminal for the leasing of private use space.

- CDC Peterson informed council the City of Roseau was notified on October 23rd by MnDOT Aeronautics of available State FY 2018 funding for Fuel Facility Design, Crack Sealing, and Install Hangar Furnace projects totaling \$51,100 in state funds. A grant request will be made prior to the end of the fiscal year on July 1, 2018.

EDA –

CDC Peterson informed council the EDA met last week and had a lengthy discussion on the mid 90's loan to Polaris. This \$100,000 Minnesota Investment Fund money is meant to be lent as revolving loan funds. The original legislation restricted its use to just manufacturing and technology businesses. As the City of Roseau is mainly retail and service businesses the future use of these restricted funds is unlikely.

CDC Peterson informed council that a new law would allow the City to turn back 20% (basically a penalty) of the MIF Funds and then use the remaining 80% unrestricted. The unrestricted MIF Funds can be used with the RBEG loan funds the EDA maintains.

CDC Peterson has contacted Representative Dan Fabian to see if legislation can be changed to lift the restriction from the funds yet keep the full \$100,000. The EDA has until the end of June to make the penalty payment and keep the remainder so it is consensus to wait and see if the legislation is changed during the next legislative session.

Department Reports

Liquor Store-

Liquor Store Manager Linda Roseborough informed council that the Roseau Liquor Store had wonderful deer opener sales.

Police Department –

Police Chief Anderson stated there was no new business.

Fire Department

Fire Chief Craig McMillin was absent. CDC Peterson informed council the lease down payment on the new fire truck is still being worked out. Fire Chief Craig McMillin will be meeting with CDC Peterson to work on it.

Superintendent-

City Superintendent David Drown was absent.

.City Attorney –

City Attorney Michelle Moren presented to council a Vacation Petition that falls short of the minimum signatures needed for council to consider the petition. The other way it could be passed is if 4/5 of the council voted to act on it, which is not possible as Council member Jane Evans is absent

It was council consensus to table the Petition until the next meeting.

Community Development Coordinator-

CDC Todd Peterson recommended council approve renewal of the existing Medica Group Health insurance for the City employees as there are no better options out there. The 2018 budget reflects the 90 percent city share of the renewal Medica plan.

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve renewal of the existing Medica Group Health Insurance for the City employees.

CDC Peterson presented to council a letter from Lee Meier from the Housing and Redevelopment Authority (HRA) asking for a letter of support advocating for the renewal of the HRA tax levy authority from the City of Roseau as the HRA will be asking the legislature to support an extension of the current HRA Levy in the 2018 legislative session. HRA has been able to levy taxes since 2008 but they need to renew it every 5 years. "HRA levy funds have been a valuable to assist with housing rehab grants, community centers and commercial rehab projects and other community and economic development activities."

Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to approve CDC Peterson send a letter of support from the City of Roseau advocating to the HRA levy.

CDC Peterson informed council that the Polaris Foundation through the Minnesota Super Bowl Legacy Fund of the Minnesota Community Foundation granted to City of Roseau \$100,000 for the Skate Park (Phase II of the South Riverview Park Project). CDC Peterson provided to council a conceptual skate park Landmark design and rough estimate by Vince Onel of Spohn Ranch Skate Parks. The materials for the structures come from Barkman Concrete out of Steinbach Manitoba. CDC Peterson recommended that the City enter into a single contract with Spohn Ranch (the only U.S. suppliers of Barkman Materials) through the NJPA Cooperative Purchasing agency rather than soliciting bids piecemeal. The City of Roseau is an active member of the National Joint Powers Alliance and can meet competitive bidding requirements through NJPA. The rough estimate for the skate park is \$130,000. The remainder of the \$150,000 budgeted amounts would be used for a basketball court.

CDC Peterson asked for council approval to proceed with the agreement to get the design and cost of the skate park.

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it was carried by unanimous vote to authorize CDC Peterson to proceed getting the contract, design, and cost of the Skate Park from Spohn Ranch Skate Parks through the NJPA.

Mayor Council-

CDC Peterson presented to council the 2018 Preliminary Budget that was revised due to changes during the Budget meetings. Mayor Pelowski stated this will likely be approved at the December 4th council meeting after the Truth and Taxation Public Hearing. The 2018 budget reflects no increase in the levy. CDC Peterson informed council that City Superintendent Drown did purchase the road grader from the state, and is interested in one that the county will have for sale, so \$110,000 was left in the 2018 budget depending on when the county expects to sell that unit

CDC Peterson presented to council a MARCO proposal for the server and network upgrades costing \$ 51,493.85. It is \$1,000 over budget. Mayor Pelowski stated that MARCO is working

out well at the county. Council member Pat Novacek is concerned that the City may be paying excessive prices and MARCO is not going to touch the telephone side of it. CDC Peterson voiced his concern that something needs to be done quickly as the current server has went down several times and connections to it are slow.

After discussion, Mayor Jeff Pelowski moved to accept the \$51,493.85 MARCO proposal, noting that it is \$1,000 over budget. Council member Don Ross seconded and the motion passed by majority vote.

Mayor Pelowski, Council members Bassingthwaite and Ross in favor.

Council member Novacek was opposed.

Council member Evans was absent.

CDC Peterson stated that the Surveillance Camera Project will move forward with the existing quote, but the cable work will be done by the City to cut costs.

Council acknowledged information from Annette Hermensen about a suggested sculpture walk for the 125th Anniversary of Roseau.

No action taken.

CDC Peterson informed council that Park and Rec Director Adam Christ will be resigning by Thanksgiving. City Attorney Moren will check to see if the City can hire the next candidate, as the position was filled the beginning of July, or if the City will have to advertise the position. After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it carried by unanimous vote to authorize CDC Peterson to advertise for the position if City Attorney Moren finds that the City cannot go to the next candidate.

Closed Meeting.

#46-17

RESOLUTION CLOSING BOARD MEETING

WHEREAS, the Minnesota Open Meeting Law, Minn. Stat. § 13D.05, subd. 3(b) states that “meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege;” and

WHEREAS, the City has received notification from legal counsel for Flat-Crete a subcontractor who provided services for the Roseau Splash park, that Flat-Crete had not been paid by its Contractor, Watersplash, Inc.;

WHEREAS, said legal counsel has indicated this Flat-Crete may be seeking to place a lien against City property regarding the non-payment;

WHEREAS, the City has been advised that two other subcontractors have not been paid by Watersplash, Inc.;

WHEREAS, the Roseau City Council seeks to meet with its attorney, to discuss the allegations and potential litigation; and

WHEREAS, it would be detrimental to the interests of the Roseau City Council to hold a public discussion with its attorney regarding the strengths and weaknesses of its legal position(s), strategy, and potential settlement position where an opposing party or opposing attorney could listen to or be made aware of the Roseau City Council's positions; and

WHEREAS, there is an absolute need for the Roseau City Council to obtain confidential legal advice regarding the potential litigation in order to maintain the attorney-client privilege.

BE IT RESOLVED by the Roseau City Council as follows:

1. The Roseau City Council hereby closes this meeting based upon the attorney-client privilege pursuant to Minn. Stat. § 13D.05, subd. 3(b);
2. The specific subjects to be discussed, pursuant to Minn. Stat. § 13D.01, subd. 3, are the legal strategy in responding to possible litigation against the City of Roseau, and any settlement proposals which may be made by or responded to by the Roseau City Council.

Dated this 6th day of November, 2017.

Jeff Pelowski, Mayor

Elizabeth Hellquist, Clerk-Treasurer

Council member Amy Bassingthwaite motioned, Council member Don Ross seconded and it carried by unanimous vote to close the council meeting, pursuant to Minn. Stat. § 13D.05, subd. 3(b).

Council member Amy Bassingthwaite motioned, Council member Pat Novacek seconded and it was carried by unanimous vote to open the council meeting.

After discussion, Pat Novacek motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to pay the subcontractors (R&Q Trucking, Flat-Crete and Stoskopf Redi-Mix) of Water Splash for the work done on the City of Roseau's splash park.

After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded and is was carried by unanimous vote not to pay Water Splash the \$21,120.00 retainage as Water Splash defaulted by not paying its sub-contractors.

City Attorney Michelle Moren will be meeting with the League of Minnesota Cities on this matter.

Council member Amy Bassingthwaite asked who was responsible for shoveling the sidewalks at the City Center on weekends during events. CDC Peterson informed council that the city crew's first priority is the streets. The Event Contract states that the event holder is responsible for shoveling City Center sidewalks on weekends for their events and there are shovels available.

Unfinished Business-

There being no further business Councilmember Pat Novacek motioned to adjourn the City Council meeting, seconded by Councilmember Amy Bassingthwaite and carried by unanimous vote.

ATTEST:

City Clerk- Treasurer Elizabeth Hellquist.

Mayor Jeff Pelowski