

REGULAR ROSEAU CITY COUNCIL MEETING

MONDAY – September 13, 2021

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 Jane Evans. Absent: none. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Police Chief Ward Anderson, Parks and Rec Director Keith Severson, Liquor Store Manager Niki Johnson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, County Commissioner Jack Swanson,

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

Council member Jane Evans motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to approve the August 2, 2021, special meeting and regular meeting minutes as written.

Council member Jane Evans motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims August 1, 2021 through August 31, 2021
Batch AP083121.
CK# 70765-70808 = \$62,039.55
2. Presentation of daily checks August 1, 2021 through August 31, 2021
CK# 70618-70764 = \$1,520,088.42
E# 2521-2564 = \$399,345.37
PR 08/15/21 = \$47,599.31
PR 08/31/21 = \$52,830.78
PR 08/31/21 = \$715.59
Void checks 67171, 67295, 69273, 70469, 70745, 70756
3. Presentation of Receipt entries July 1, 2021 through July 31, 2021.
4. Presentation of Journal entries JE063021.
5. Audit Committee review of July 2021 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. October 4, 2021, 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 09/07/2021 is \$235,104.50.
9. Cash in bank-Regular checking as of 09/07/2021 is \$3,272,130.40.
10. Investment-Regular Hi Fi as of 09/07/2021 is \$1,564,365.07.
11. Investment Certificate of Deposit as of 09/07/2021 is \$825,756.27
12. Investment Certificate of Deposit as of 09/07/2021 is \$819,388.88.
13. Investment Certificate of Deposit as of 09/07/2021 is \$821,103.93.
14. Investment Certificate of Deposit as of 09/07/2021 is \$812,763.65.
15. Investment-Roseau EDA Money Market as of 09/07/2021 is \$146,835.85.

16. Cash in bank-Roseau EDA as of 09/07/2021 is \$72.94.
17. Liquor Store Monthly Sales Report August 2021
18. Salvation Army – Heat Share Agreement
19. 2021 CDBG-CV Grant – Awarded Projects
20. Otter Tail Power Company – Coyote Station
21. MN Dept of Public Safety letter and Agreement– Reopen exam stations
22. Northern Exposure – Driving Electric
23. RESOLUTION NO. 46-21

RESOLUTION ACCEPTING GRANT

WHEREAS, the Northwest Minnesota Arts Council, has presented to the City of Roseau, a grant of \$2625.00 and has designated that this grant be deposited in the City of Roseau Gazebo Concert Series 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 City of Roseau Gazebo Concert Series Fund.

Adopted by the City Council of the City of Roseau, Minnesota this 13th day of September 2021.

By: _____
Mayor

Attest: _____
Clerk/Treasurer

24. August 2021 City Revenues & Expenditures

Delegations/Petitions/Complaints

Committee Reports

Planning Commission –

CDC Peterson informed council that the Planning Commission met Monday, August 30, 2021, at 12pm.

- CDC Peterson informed council that Conditional Use permit request #6-21 from Cheryl Solem for a Home Occupation to perform Massage and Reflexology Services in a spare room in their home in the East Side Mobile Home Court would not be moving forward as there is no provision in the R-4 zoning to accommodate Home Occupation so a public hearing not necessary.
- Conditional Use permit request #7-21 from Lew & Danielle Wibbles for an apartment conversion of a building located at 301 3rd Street NW (Hwy 11). The Planning Commission recommends the City Council set a public hearing for September 29th at

12:10 pm for Conditional Use #7-21 seeking to convert building located at 301 3rd Street NW into an apartment building with apartments on the first floor in a C-1 zone. CDC Peterson informed council that there are several issues with the current plans for that building but a public hearing may be set to discuss it further.

After discussion, Council member Amy Bassingthwaite motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to set a public hearing for September 29th at 12:10 pm for Conditional Use #7-21 seeking to convert building located at 301 3rd Street NW into an apartment building with apartments on the first floor in a C-1 zone.

- The Planning Commission discussed the cleanup report and how to better organize the process. Officer Manka reported to the Planning Commission that he has mailed letters and some of the properties have cleaned up. CDC Peterson informed council that next year right after the cleanup tour, CDC Peterson will send out letters those with violations. CDC Peterson will then turn the list over to the Police Department.

Roseau County Commissioner

County Commissioner Jack Swanson informed council on the following items:

- The County's Road and Bridge Construction Program has identified an estimated funding shortfall of \$61,280.00. The Roseau County Board of Commissioners authorized imposing a .5% County Local Option Sales tax for Transportation, as provided for in Minnesota Statute 297A.993 for a series road projects which the County has been falling behind on. The County estimates collections will be approximately \$600,000 per year, and approximately 1/3 of it will be from people who do not live in the county. The State collects the tax and sends quarterly checks to the County. This money may also be used to repay bonds. As \$600,000 does not cover much for road repair, and there are hundreds of miles of road that need repair, the County will likely take out bonds for the repairs and pay the bonds back over time.
- Roseau County Board will meet at the end of the month to set its preliminary levy and budget.
- The two County buildings near the courthouse are under construction and the footings are in for the County Shop.

Operations Committee

The Operation Committee did not meet.

Oakcrest Golf Course

No new business to report.

Airport Committee

CDC Peterson informed council that the Airport Committee did not meet but presented to council an Application for Federal Assistance SF-424 for \$22,000 for costs related to operations,

personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. The Roseau airport had a lightning strike that took out the runway lighting. The lighting is new and still under warranty. CDC Peterson recommended purchasing back up lighting equipment to have on hand.

After discussion, Council member Amy Bassingthwaite motioned, Council member Pat Novacek seconded, and it was carried by unanimous vote to authorize CDC Peterson to submit an Application for Federal Assistance SF-424 for \$22,000.

EDA

CDC Peterson informed council the EDA met on twice to finish the HRA loan in the Eleven01 Apartment Project. The project was temporarily shut down by the state water inspector as the water permit was not in place, but the project is progressing again. CDC Peterson stated that there has been a lot of loan activity and the EDA is running out of funds. The EDA will be delaying businesses loans until more money comes in from the repayment of current loans and/or possible USDA funds that may arrive in February.

Department Reports

Liquor Store

Liquor Store Manager Niki Johnson informed council, sales at the Liquor Store were a little slower in August. Manager Johnson is setting up extra wine racks to push more product from the back room out onto the floor.

Fire Department

Fire Chief Craig McMillin informed council the Fire Departments BBQ & Ball will be held on September 18 starting at 5pm. Chief McMillin stated that they are planning meals for 10 to 15% over last year.

Chief McMillin informed council that due to the busy fire season the Fire Department has not had time to switch over radios and the department is also short truck radios, portables and headsets which made for a lot of relay conversions which caused delays. Chief McMillin stated that it will cost approximately \$35,000 to get all the radios needed and asked for council approval to go over the radio budget. The Fire Relief Association will also pitch in on the radios. CDC Peterson informed Chief McMillin that there is approximately \$17,000 in small tools and minor equipment that may be used on the radios. Police Chief Anderson stated that there may be 6 or 7 portable radios available from the Police Department as the Police Department gets new ones every 5 years. Fire Chief McMillin, Police Chief Anderson and City Superintendent will look at what is available for portable radios. Chief McMillin will see what is needed above the \$17,000 in the small tools and minor equipment budget and will address the radio issue again at the October 4th council meeting if needed.

Chief McMillin thanked Mayor Fabian for his speech and participation at the 911 Ceremony.

Police Department

Police Chief Ward Anderson had no new business.

Superintendent

City Superintendent David Drown absent but had informed Mayor Fabian that hydro seeding was taking place on the Oak Crest lots and the water tower project is ahead of schedule.

Parks and Rec Director

Parks and Rec Director Keith Severson was attending an arena scheduling meeting. CDC Peterson informed council that the arena ice will be put in the first part of October and that a new employee will need to be hired.

City Attorney

City Attorney Michelle Moren informed council that she had met with the Lockners last Friday and they indicated that they want to move forward with the sale of 303 Center Street East for \$20,000. The City had set the closing for 2022. Lockners stated that there is no one in the house and would like to close on it as soon as possible and have all utilities shut off and taken out of their name. City Attorney stated that they are waiting for Lockners to provide a Title commitment.

After discussion, Council member Pat Novacek motioned, Council member Amy Bassingthwaite seconded, and it was approved by unanimous vote to move up the closing date once City Attorney Moren has received all necessary paperwork.

City Attorney Moren informed council that she had examined the abstract for the Richard Larsen property, and there were no title issues. City Attorney Moren stated that Larsens, as Sellers, are required to provide a Trustees Deed and Affidavit and Certificate of Trust. Larsens have been told that they need to provide those documents to the City. This should be ready to close by the end of the year if Larsens provide those documents. CDC Peterson informed council that the money for the Richard Larsen property is in the budget.

Community Development Coordinator

CDC Todd Peterson provided to council a notice of violation on property 54.0031300. The owners had received a conditional use permit to convert the building into apartments but had not received a building permit. The Building Official issued a Notice of Violation to CVFulton LLC for work without a permit, unsafe building, and no Certificates of Occupancy. There are issues meeting the fire code, electrical code and plumbing code. The corrective action is: Need to obtain permits for construction, plumbing, electrical and HVAC modifications; Provide plans for the required construction with details to show how the work will be done; Apartments cannot be occupied until a Certificate of Occupancy has been issues for the properties.

Mayor Council

CDC Peterson opened discussion on the 2022 budget process, highlighting that the City must adopt a preliminary budget and tax levy by September 30th, 2021 despite the fact that the information today is still very preliminary and there will be considerable discussion about the budget over the next four months. However, the preliminary levy that is set in September cannot be raised and can only be lowered.

CDC Peterson presented to council charts showing previous years levies, revenues, and expenditures. Though the total amounts changed from year to year the percentages of the total for the Cost of Goods Sold, Employees and Benefits, Capital, etc. remained about the same. CDC Peterson informed council that the excess funds from the five enterprise funds (Water, Sewer, Garbage, Electric and Liquor Store) are transferred into the general fund. The City of Roseau is fortunate to have these enterprise funds as approximately 70 to 75% of the City's revenue comes from our services. Property tax is approximately 10%. LGA is 8 to 10%. CDC Peterson recommended increasing the 2022 levy 2% as the City is losing pace and will fall behind keeping the levy increase at zero and the City would not want to have to raise the levy 15% in one year. CDC Peterson stated that the rates for the water, sewer, garbage and electric still need to be reviewed to insure they are making enough profit to be able to make transfers and improvements.

After discussion about how to proceed with developing the final 2022 budget and 2022 tax levy, Council member Jane Evans motioned, Council member Amy Bassingthwaite seconded and it was carried by unanimous vote to set the overall 2022 preliminary levy with a 2% increase.

2022 Proposed levy

General Revenue	\$1,015,908.00
Library Revenue	\$ 54,319.00
Total 2022 Levy	\$1,070,227.00

City of Roseau 2022 Preliminary Budget

CDC Peterson presented to council the 2022 Preliminary Budget.

After discussion, Council member Pat Novacek motioned, Council member Brady Johnson seconded, and it was carried by unanimous vote to accept the 2022 Preliminary Budget as presented with the 2% increase.

2022 PRELIMINARY BUDGET

	REVENUE	DISBURSEMENTS	+ OR () BALANCE
101 General	\$ 2,443,119	\$ 3,531,091	\$ (1,087,972)
228 Lodging Tax	\$ 57,000	\$ 80,550	\$ (23,550)
227 Gazebo Concert Fund	\$ 3,620	\$3,620	\$ 0
229 Commercial Rehab (SCDP)	\$ 1,000	\$ 0	\$ 1,000
231 DOC Lease	\$ 30,800	\$ 10,850	\$ 19,950
233 TIF	\$ 109,850	\$ 100,300	\$ 9,550
454 Oak Crest Estates Development	\$ 25,000	\$ 227,875	\$ (202,875)
456 Pedestrian Bridge	\$ 0	\$ 40,000	\$ (40,000)
457 Hwy 11 Sidewalk/Ditch	\$442,973	\$537,517	\$ (94,544)
601 Water Enterprise	\$ 393,000	\$ 368,699	\$ 24,301
602 Sewer Enterprise	\$ 372,000	\$ 261,673	\$ 110,327
603 Garbage Enterprise	\$ 456,000	\$ 426,078	\$ 29,922
604 Electric Enterprise	\$ 4,090,000	\$ 3,679,921	\$ 410,079

609 Liquor Enterprise	\$ 1,855,300	\$ 1,578,098	\$ 277,202
TOTAL ALL FUNDS	\$ 10,279,662	\$ 10,846,272	\$ (566,610)

Set 2021 Truth & Taxation Public Hearing date.

It was noted that Council must set a Truth and Taxation Public Hearing date.

Council member Amy Bassingthwaite motioned, Council member Jane Evans seconded, and it was carried by unanimous vote to set the Date of December 6th, 2021, for the Truth and Taxation Public Hearing at 6:00 pm during the regular City Council meeting.

Mayor Council

Mayor Dan Fabian informed council that the groundbreaking ceremony for the Eleven01 Apartment project went well.

Mayor Fabian reminded everyone of the Employee Picnic on September 15th at the City Park Shelter. City Attorney Moren stated that a Notice of Event should be posted to satisfy the “Open Meeting Law” requirement, as a quorum of the City Council will be present, though no Council action will be taken

CDC Peterson informed council that there is a survey to get feedback on the idea of an Event Center. Parks and Rec Director Keith Severson should have the survey results in October.

There being no further business Councilmember Amy Bassingthwaite motioned to adjourn the meeting, seconded by Councilmember Brady Johnson and approved by unanimous vote.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian