

**REGULAR ROSEAU CITY COUNCIL MEETING
MONDAY – September 11, 2023, 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, Police Chief Marc Hodge, Liquor Store Manager Niki Johnson, Fire Chief Leon Huot, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, Roseau County Commissioner Jack Swanson, Jim Trojanowski – Northwest Regional Library, and city resident Jeff Ballard.

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

Mayor Fabian played “Taps” and asked for a moment of silence to reflect on the lives lost on 9/11. Mayor Fabian thanked the City of Roseau’s first responders for their service.

Councilmember Brady Johnson motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to approve the August 7, 2023, regular meeting minutes as written.

Councilmember Mary Hayes motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims August 1, 2023, through August 31, 2023, Batch AP08312023
CK# 74720-74753 = \$82,137.11
2. Presentation of daily checks August 1, 2023, through August 31, 2023
CK# 74573-74719=\$385,835.95
E# 3518-3566=\$411,468.06
PR 8/15/23=\$53,155.86
PR 8/31/23=\$58,011.32
Comp & Night Diff Pay Out \$2023.49
Vac & Sick Pay Out \$16,027.64
Void Checks 72931 & 73925
3. Presentation of Receipt entries July 1, 2023, through July 31, 2023.
4. Presentation of Journal entries JE063023.
5. Audit Committee review of June 2023 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. October 2, 2023, Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the City Center - none
8. Investment–Roseau EDA Hi Fi as of 09/01/2023 is \$156,517.81.
9. Cash in bank-Regular checking as of 09/01/2023 is \$2,869,424.28.
10. Investment-Regular Hi Fi as of 09/01/2023 is \$1,570,820.57.
11. Investment Certificate of Deposit as of 09/01/2023 is \$841,125.28
12. Investment Certificate of Deposit as of 09/01/2023 is \$838,836.86.
13. Investment Certificate of Deposit as of 09/01/2023 is \$841,411.67.

14. Investment Certificate of Deposit as of 09/01/2023 is \$820,920.89.
15. Investment-Roseau EDA Money Market as of 09/01/2023 is \$207,273.15.
16. Cash in bank-Roseau EDA as of 09/01/2023 is \$25.29.
17. LG220 – Raffle – Roseau Rams Hockey Association 11/01/2023.
18. Roseau County – Notice of Expiration of Redemption
19. Approve Hangar #1 Lease to Adam Erdman contingent upon all paperwork is received at the Clerk's Office.
20. Roseau Liquor Store Monthly Sales August 2023
21. August 2023 City Revenues & Expenditures
22. Roseau River Watershed District – Information on the Roseau River Rock Arch Rapids.
23. Receipt of \$139,001.85 from FEMA to reimburse flood damages to kayak launch area.

Delegations/Petitions/Complaints

Northwest Regional Library Director Jim Trojanowski presented to council the NWRL Cities and Counties Budget. NWRL is asking for a 3% (\$1,746) increase for 2024. Mr. Trojanowski reviewed the various revenue sources that support the library and the variety of programs the library offers.

The budget for the Northwest Regional Library will be discussed when the Roseau City Council meets to discuss the final budget.

City resident Jeff Ballard informed council that when he bought his house on 2nd Avenue SW all the sump pumps along 2nd Ave SW discharged into the street. The discharge was starting to affect the streets, so the City dug a sump drain collection pipe in through the yards to tie into the storm sewer system as to not dig up the street. Mr. Ballard stated that he contacted Superintendent Drown as Mr. Ballard can no longer discharge his sump pump into the storm sewer and has determined that it is the sump drain collection pipe that is plugged as the pipe from his house to the sump drain collection pipe is clear.

Councilmember Bassingthwaite stated that as the City ran the sump drain collection pipe through the yards as to not dig up the street, the City should find the solution.

Councilmember Novacek informed council that he would get notice to Superintendent Drown to send a crew out there.

Committee Reports

Planning Commission

CDC Todd Peterson informed council that the Planning Commission met August 28, 2023, at 12:00 pm. CDC Peterson reported on the following.

- Review of the August 28, 2023, meeting minutes.

- Cleanup report. It was discussed that the majority of home owners on the list take care of the issues right away, but it is difficult to get others to comply.

- The Kolberg home located on 9th Ave. SE that has went into tax forfeit was inspected by the city's building official who determined that is not salvageable as the roof has been leaking for some time and has destroyed the ceiling and floor. City Council and County Commissioner Swanson discussed the city partnering with the county to demo the house, the cost of the demolition, and if the lot was buildable. CDC Peterson stated that the lot is small but buildable. Fire Chief Huot indicated that the fire department may be interested in using the house as a live burn for training. Fire Chief Huot will contact the live burn instructor. The house will have to be structurally safe enough, and inspected for asbestos, before permits can be acquired. Chief Huot will let council know what he finds out.
- CDC Peterson informed council that Building Official Paulson has not been able to get into the Ziska house yet.
- CDC Peterson presented a sample ordinance, for reference, that requires all commercial buildings and multi-family apartments have Key Lock (Knox) boxes which would provide immediate emergency services access. Fire Chief Huot, Police Chief Hodge and council discussed the importance of immediate entry in emergency situations. City Attorney Moren stated that a number of cities already have similar ordinances and would have a sample ordinance specific to Roseau at the next council meeting.
- CDC Peterson presented a sample ordinance regulating rental housing that was proposed for the City of Fosston and a previously considered rental ordinance proposed for the City of Roseau in 2016 that was not passed due to resistance from some landlords. CDC Peterson stated that City Building Official Kade Paulson informed him that everything this ordinance would address can be done through the building official already. CDC Peterson stated that though this may be the case, it would be more of a reactive approach versus a proactive approach, and it would put the burden on the tenants to complain which they may be hesitant to do. The ordinance would be a proactive approach. The ordinance would require inspections to ensure the rental housing in the City of Roseau is decent, safe, and sanitary as well as maintained. Council discussed enforcement, fees, inspections, logistics. This proposed ordinance is on the next Planning Commission agenda for additional discussion.

Roseau County Commissioner

Roseau County Commissioner Jack Swanson informed council on the following:

- The County Board meets tomorrow and again in two weeks to set the preliminary levy and budget. Commissioner Swanson stated that the state requirement to have the preliminaries in by the end of September forces the preliminaries to be set higher than they should be as there are still three months left in the year and the levy can only be decreased not increased.
- There are going to be three appointments to the Roseau River Watershed Board. There are several applicants with two from the City of Roseau.

- Valuations have increased on both residential and commercial properties; however residential increases have been more significant and therefore there will be a shift in tax burden from commercial to residential properties, so even without levy increases property taxes will be going up on residential properties in the County.

Operations Committee

Councilmember Pat Novacek informed council that the Operations Committee met and reported on the following:

- The Operations Committee reviewed the Gmach study for the updated Police Chief job description and recommended that the Police Chief position be moved from a Grade 12 to 13 position.

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to move the Police Chief position to a Grade 13.

- Councilmember Pat Novacek presented the resignation of City Superintendent David Drown.

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to accept the resignation of Superintendent Drown and to thank Superintendent Drown for his many years of service.

- Council discussed the posting, and job description for the City Superintendent position. The interviews and approval for the City Superintendent position will be done by the full council. This position will be open until filled. The first review of candidates will occur October 9, 2023.

Councilmember Brady Johnson motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to have CDC Peterson post the job description and requirements for the City Superintendent position.

Oakcrest Golf Course

The Oakcrest Golf course board had no new business.

Airport Committee

The Airport Committee did not meet. CDC Peterson presented to council the following items:

- The FAA – Runway Design Grant to design the reconstruction of runway 16/34 and design the reconstruction parallel Taxiway A and four associated connector taxiways.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote approve the grant agreement and to give authority to CDC Peterson, Mayor Fabian, and City Attorney Moren to execute and sign the grant agreement.

- Authorization for TKDA for the design of the reconstruction off Runway 16-34 and the parallel taxiway.

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to approve the professional services agreement with TKDA for the reconstruction design of Runway 16-34 and Parallel Taxiway and authorize CDC Peterson to sign.

EDA

The EDA met August 30, 2023, at 12:00 pm. CDC Peterson presented to council the meeting minutes and noted that there were no actionable items discussed.

Council discussed the rescinded purchase agreement on the Evergreen site that was to be a new hotel project. Interest rates and higher construction costs may have stopped the project. Citizens State Bank is looking for other potential developers for the site.

Department Reports

Liquor Store

Liquor Store Manager Niki Johnson informed council on the following:

- New pavers will be installed to help with landscaping by the liquor store.
- Sales were good Labor Day weekend.
- The fund raiser for the Roseau Fire Department went well and Manager Johnson will have the total raised for the October council meeting.
- Manager Johnson is still getting quotes for flooring, bids for installing a new cooler, and pricing new shelving.
- Manager Johnson provided to council a slideshow packet for a website for the Roseau Liquor Store.

There was general discussion on the sale of marijuana products. Manager Johnson stated that the products will have to be behind the counter so there will be limited space. City Attorney Moren stated that she hopes to know more the beginning of October as there are still many unanswered questions at the state.

It was council consensus to proceed with caution and instructed Manager Johnson to wait for the green light from council, to order and sell any THC containing products.

Fire Department

Fire Chief Leon Huot informed council on the following:

- The Roseau Fire Department had an ISO review done in August. An ISO review rates the fire preparedness of a community when they determine insurance rates for homeowners in the area. Chief Huot will bring the results to council when he receives them.
- This year's Fire Department BBQ fundraiser will have both the sit down and drive through options.

There was general discussion about the use of the tornado siren over the weekend as the weather for the area did not seem to warrant it. There was concern that this kind of use will create confusion then complacency. There was also discussion of the City of Roseau's storm shelter

listing, which CDC Peterson stated that the Roseau School is listed as the storm shelter on the City's website under Civil Defense.

Police Department

Police Chief Marc Hodge informed council on the following:

- Sgt Jeff Klein has retired after 30 years of service.
Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to recognize Sgt. Klein and thank him for his many years of service. City Attorney Moren stated that she worked with Sgt Klein on cases and Sgt Klein was very good at his job.
- Chief Hodge informed council that Officer Dan Berggren has taken the sergeant position and would like set Sgt Berggren's pay rate at grade 10F.

Councilmember Pat Novacek motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to approve Sgt Berggren's pay rate at grade 10F.

- Chief Hodge informed council that current part-time Officer Cody Vonasek has accepted the open full time position.

After discussion, Councilmember Pat Novacek motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to approve Officer Vonasek's pay rate at a grade 8C as Officer Vonasek has been employed with the Roseau Police Department almost two years as a part time officer.

CDC Peterson clarified that both officers will be getting another step increase January 1.

- Chief Hodge informed council that there are two open part time positions with zero applicants, and little hope of filling them as part time positions are not desired and there are several open full time positions in surrounding communities. Chief Hodge will bring this issue to the Operations Committee.
- Chief Hodge is also concerned that officers are maxing out vacation and holiday hours as the department is running short handed.
- The Police Department is due for a new squad, and it needs to be ordered now to get here by July of 2024. \$48,000 is in the 2024 budget for a new Chevy Tahoe. The new squad will not need to be paid for until it is received.

Councilmember Brady Johnson motioned, Councilmember Pat Novacek seconded, and it was carried by unanimous vote to authorize ordering the new squad now.

- On October 17 a licensed therapist will have half hour sessions with each officer as part of the Wellness Program.
- Jason Monsrud provided Chief Hodge a 2024 proposed Dog Pound Fee Schedule which will be considered by council as part of the City Fee Schedule.

- Ruby’s Pantry (distributes groceries for donations) set up in Roseau. Chief Hodge assisted them in finding a location that would have minimal traffic disruption.
- Oct 6th the Roseau School is planning a Homecoming Parade starting at the Memorial Arena, going down Main, crossing Highway 11, and ending on 4th Avenue. The Homecoming committee has asked Police and Fire to lead the parade. A parade permit is required as they are crossing Highway 11.
- Promotions Director Sinnamon Krings had asked Chief Hodge if 2nd Street could be closed in front of the Police Department for the Fall Fest. Chief Hodge is strongly opposed as this would only leave the alley, which is often blocked, for police response. Council suggested moving the car show to a portion of the south parking lot. Chief Hodge will suggest the location change to Promotions Director Krings.
- The Roseau Police officers are all wearing rifle plates in their vest.

Superintendent

City Superintendent David Drown was absent.

Councilmember Mary Hayes discussed the following Park Board plans:

- Creating pickle ball courts and use of the arena in the summer.
- The proposed dog park will be on hold until next year.
- A grant application through Lifecare is being submitted to fund a Ninja course.

City Attorney

City Attorney Moren informed council that Resolution 43-23, paragraph d. on page 4 was split into two paragraphs accidentally. Taft Law fixed the error and updated the resolution. City Attorney stated it would be best to leave the original as is with the motion to amend to include the correction only.

Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to leave the original Resolution 43-23 as is, with the motion to amend to include the correction only.

Community Development Coordinator

CDC Peterson presented to council the following items:

- Memorandum – Centralized mailboxes in new subdivisions.
CDC Peterson informed council that the U.S. Postal Service is requiring the use of centralized cluster boxes for the delivery of mail within the City of Roseau in all new developments. The stance of the U.S. Postal Service now is that the developer is responsible for providing those boxes or no mail service will be provided, and they will not deliver to individual boxes. The city has not been involved in the mail delivery service but now the new Oak Crest Estates subdivision was developed by the city so should probably have boxes provided for mail service. CDC Peterson inquired if the city would want to assist existing developments as well. The city could order and install the

boxes and the recoup the costs by charging users for access to the boxes. CDC Peterson has contacted congressional people, but they back up the Post Office.

Council asked CDC Peterson to continue to work with the Post Office in planning the locations of the proposed cluster boxes, the cost associated with them, as well as the process of charging users for access to the boxes.

- Roseau County Trailblazers – Railroad Right of Way in the City of Roseau. City resident Carolyn Sabourin informed CDC Peterson that the Sabourin's are having problems with rocks from the railroad right of way flying into their yard from the ATV usage. Ms. Sabourin stated that they would be happy to remove the rocks given permission. CDC Peterson contacted Roseau County to see who actually owns that section of the right of way and it was determined that the Roseau County Trailblazers are the owners of that land. The Trailblazers have indicated that they would be willing to turn over ownership to the City of Roseau the portion in question. City Attorney Moren will review and confirm ownership.
- Tree Grant Application
CDC Peterson presented to council a MnDOT ReLeaf Community Forestry Grant Application for two hundred trees. This would be a two year project with one hundred trees planted in 2024 and another hundred in 2025. The grant amount requested is \$51,900. The trees will be planted in the new subdivisions, and replace diseased trees in the parks, boulevards, golf course, etc. The grant will cover rental of a hole auger for tree planting, fuel for city equipment to plant the trees, nursery staff to assist in the planting and educate city staff on proper planting, care, and maintenance of the new tree stock. Additionally, the City of Roseau would hire a part time temporary employee to water and maintain the new tree stock through the summer months of 2024 and 2025. Mulch and tree guards will also be used to protect the trees.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was approved by unanimous vote to approve the grant application for the ReLeaf Community Forestry Grant.

- CDC Peterson provided to council a purchase agreement with Jim Dinsch for the City/School house on 909 Main Avenue South. The total project cost is unknown at this time, as the buyer is selecting the finishes in the house which will determine the final sales price. The minimum sales price is \$240,700 but could go up to \$300,000 depending on the finishes chosen. The purchase agreement requires a \$25,000 down payment.

Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the purchase agreement with James Dinsch for the City/School house on 909 Main Avenue South.

- CDC Peterson reviewed the status of the following projects.
 - Pedestrian bridge
 - Finalizing environmental work to sign all grant agreements.

- Proceeding with scheduling of final engineering & design for bidding in spring of 2024.
- Trunk 89 & Storm Water Project
 - EDA storm water grant has been reviewed and selected for further consideration. The City of Roseau has submitted additional information related to the grant application.
 - Some public notices and environmental clearances needed for final approval of the EDA grant (\$2.4 million)
 - TH 89 ADA walkthrough held in August with MnDOT. The project is getting near the end of the preliminary design. Once the stormwater project is finalized the TH 89 project can proceed to final design work.
- ATV Park
 - Working with PowerSports Club and MnDNR to put together a Grant-in-Aid trail application for the Roseau ATV Park and trails within the East Side Division.
- The Wellness Center
 - The Wellness Center Stakeholder committee made a presentation to the State Senate Capital Investment Committee in August related to the City of Roseau's request for \$5.75 million.
 - The stakeholder committee is working with Duluth YMCA CFO to develop a pro forma for the proposed facility.
 - CDC Peterson is sitting in on the State Local Sales Tax Task Force meetings to see what recommendations come out of that body for the Minnesota Legislature to act on regarding the local sales tax moratorium.
- TEN01 Apartment Project
 - Skip Duchesneau is developing a pro forma for the proposed new apartment project.
 - The next Minnesota Housing grant application round in November with awards being announced in April/May. If the City of Roseau was successful would anticipate moving towards initiating construction in late fall 2024 with completion in late fall 2025.
- Memorial Arena Register of Historic Places Nomination
 - The historian has completed much of the historical research on the arena and Minnesota Hockey. He is currently working on the final draft of the nomination for submittal to the State Historic Preservation Office for their initial review.

Mayor Council

CDC Peterson opened discussion on the 2024 budget process, highlighting that the City of Roseau must adopt a preliminary budget and tax levy by September 30th, 2023, 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.

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 11%, LGA is approximately 7%. CDC Peterson recommended increasing the 2024 levy 3% as the City is losing pace and will fall behind keeping the levy at zero and the City would not want to have to raise the levy significantly in one year. CDC Peterson stated that the rates for water, sewer, garbage and electric still need to be reviewed to insure they are making enough profit to make transfers and improvements.

After discussion about how to proceed with developing the final 2024 budget and 2024 tax levy, Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to set the overall 2024 preliminary levy with a 3% increase.

2024 Proposed Levy.

General Revenue	\$1,098,704
Library Revenue	\$ 58,746
Total 2024 Levy	\$1,157,450

CDC Peterson presented to council the 2024 Preliminary Budget.

After discussion, Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to accept the 2024 Preliminary Budget with a 3% tax levy increase.

2024 PRELIMINARY BUDGET

	REVENUE	DISBURSEMENTS	+ OR () BALANCE
101 General	\$ 2,709,858	\$3,471,842	\$(761,984)
228 Lodging Tax	\$ 65,000	\$66,150	\$(1,150)
227 Gazebo Concert Fund	\$	\$	\$
229 Commercial Rehab (SCDP)	\$	\$	\$
231 DOC Lease	\$30,800	\$9,400	\$21,400
233 TIF**	\$140,800	\$131,200	\$ 9,600
237 Summer Camp	\$	\$	\$
101 FIRE TRUCK LEASE	\$49,419	\$58,000	\$(8,581)
101 OAK CREST COULEE PROJ.	\$	\$80,000	\$(80,000)
101 POLICE SQUAD CAR	\$70,000	\$70,000	\$
101 AIRPORT RUNWAY DESIGN	\$251,500	\$266,000	\$(14,500)
101 AIRPORT SNOW REMOVAL	\$315,000	\$350,000	\$(35,000)
101 AIRPORT AWOS REPLACE	\$75,000	\$100,000	\$(25,000)
457 PED BRIDGE	\$1,878,000	\$1,878,000	\$
4XX WEST SIDE STORM	\$4,304,000	\$4,800,000	\$(496,000)
609 LS FLOORING/SHELVING	\$	\$69,000	\$(69,000)
601 Water Enterprise	\$462,700	\$431,472	\$31,228
602 Sewer Enterprise	\$391,500	\$320,178	\$71,322

603 Garbage Enterprise	\$500,000	\$458,109	\$41,891
604 Electric Enterprise	\$4,189,000	\$3,694,879	\$494,121
609 Liquor Enterprise	\$2,290,300	\$1,985,340	\$304,960
TOTAL ALL FUNDS	\$17,722,877	\$18,239,570	\$(516,693)

Set 2023 Truth in Taxation Public Hearing date.

Councilmember Amy Bassingthwaite motioned, Councilmember Pat Novacek seconded, and it was carried by unanimous vote to set the date of December 4, 2023, at 6:00 pm for the Truth in Taxation Public Hearing during the regular City Council meeting.

Mayor Fabian informed council that the new sulfate rules will not affect the City of Roseau as there is not wild rice to impact downstream.

Mayor Fabian thanked the City staff for the work they are doing.

Mayor and Council expressed their sympathies to Councilmember Amy Bassingthwaite on the passing of her mother.

Unfinished Business-

There being no further business Councilmember Amy Bassingthwaite motioned to adjourn the City Council regular meeting, Seconded by Councilmember Brady Johnson and it was carried by unanimous vote.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian