

**REGULAR ROSEAU CITY COUNCIL MEETING  
MONDAY – JULY 1ST, 2013 @ 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, Acting Mayor Pat Novacek, Council members Curt Ireland, Don Ross, absent Mayor Jeff Pelowski, and Council member Linda Vatnsdal. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Chief of Police Ward Anderson, Liquor Store Manager Brad Wiberg, City Attorney Pat Moren, Assistant City Attorney Michelle Moren, City Clerk Janet Lundbohm, Lyle Grindy, Wild 102 – Jack Swanson, Janelle Mulroy – Brady Martz, Carolyn Olson, Linda Carlson, Alan Feist, Roseau School Superintendent Larry Guggisberg.

Acting Mayor Pat Novacek called the meeting to order and the Pledge of Allegiance was said.

A Public Hearing was held regarding proposed property tax abatements for the Polaris Expansion Project.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to open the Public Hearing.

There were no written comments

There were no oral comments.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to close the Public Hearing.

Council Member Don Ross introduced the following resolution and moved its adoption:

**RESOLUTION #24-13**

**RESOLUTION APPROVING PROPERTY TAX ABATEMENTS**

BE IT RESOLVED by the City Council (the "Council") of the City of Roseau, Minnesota (the "City"), as follows:

1. Recitals.

(a) Polaris Industries, Inc., a Minnesota corporation, (the "Developer") proposes to construct an approximately 42,000 square foot facility (the "Project") on property currently identified as Parcel Identification Number 540291700 (the "Tax Abatement Property"). The Developer has requested that the City provide financial assistance to the Developer for the Project. The City proposes to use the abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1816 (the "Abatement Law"), including the Project, from the property taxes to be levied by the City on the Tax Abatement Property.

(b) The proposed term of the abatement will be for up to 15 years in an amount not to exceed \$360,817. The proposed abatement will apply to a portion of the City's share of real estate taxes which relate to the construction of the Project on the Tax Abatement Property by the Developer and not the real estate taxes on the Tax Abatement Property that relate to the value of the land or the existing buildings thereon, as determined by the City (the "Abatement"); subject to the consent of Roseau County (the "County") to the abatement of its share of property taxes on the Tax Abatement Property and to the consent of Independent School District No. 682 (Roseau Community Schools) (the "School District") to the abatement of its share of property taxes on the Tax Abatement Property.

(c) On the date hereof, the Council held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof.

(d) The Abatement is authorized under the Abatement Law.

2. Findings for the Abatement. The City Council hereby makes the following findings:

(a) The Council expects the benefits to the City of the Abatement to at least equal or exceed the costs to the City thereof.

(b) Granting the Abatement is in the public interest because it will increase the tax base in the City.

(c) The Tax Abatement Property is not located in a tax increment financing district.

(d) In any year, the total amount of property taxes abated by the City by this and other resolutions and agreements, if any, does not exceed the greater of ten percent (10%) of the net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater.

3. Terms of Abatement. The Abatement is hereby approved; provided, however, that this approval is contingent upon the approval by the County of an abatement program for the Project upon the same terms as set forth below for a portion of the County's share of the property tax amount from the construction of the Project on the Tax Abatement Property and the approval by the School District of an abatement program for the Project upon the same terms as set forth below for a portion of the School District's share of the property tax amount from the construction of the Project on the Tax Abatement Property. The terms of the Abatement are as follows:

(a) The Abatement shall be for up to 15 years beginning with real estate taxes payable in 2015 and continuing through 2029, inclusive.

(b) The City will abate and pay to the Developer the Abatement as provided in this resolution and a tax abatement agreement (the "Tax Abatement Agreement") to be prepared and approved by the Council at a later date.

(c) The Abatement shall be subject to all the terms and limitations of the Abatement Law and the Tax Abatement Agreement.

(d) The Abatement may be modified only as agreed to in writing by the City, the County, the School District and the Developer.

The motion for the adoption of the foregoing resolution was duly seconded by Council member Curt Ireland and, upon a vote being taken thereon after full discussion thereof, the following voted in favor thereof: Ross, Ireland

and the following voted against the same: none

and the following abstained: Novacek

and the following were absent: Pelowski, Vatnsdal

whereupon said resolution was declared duly passed and adopted.

Polaris Industries will be paying costs through the Minnesota Housing Developer agreement.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve the June 3rd, 2013 minutes as presented.

Council member Don Ross motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to approve the following Consent Agenda items:

- a. Accounts payable claims from June 1st, 2013 through June 31st, 2013 presented, with a batch number of AP0063013 and is filed in edit books in the City Clerk's Office.
- b. Daily Batch checks written from June 1st, 2013 through June 30th, 2013 were audited, approved and are filed in edit books in the City Clerk's Office.
- c. Receipt entries May 1st, 2013 through May 31st, 2013 were audited, approved and are filed in edit books in the City Clerk's Office.
- d. Journal entries April 1<sup>st</sup>, 2013 through April 30th, 2013 were audited, approved and are filed in edit books in the City Clerk's Office.
- e. A review of April, 2013 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
  - a. August 5<sup>th</sup>, 2013 Regular meeting at 5:00 p.m.
- g. Approve the use of alcohol in the Community Center - none
- h.

#### SUBORDINATION AGREEMENT

WHEREAS, the City of Roseau possesses a valid and enforceable lien against the following described real property located in the County of Roseau, State of Minnesota, to wit:

Lots Sixteen (16), Seventeen (17), and Eighteen (18) of Block sixteen (16), in the original Townsite of Roseau; and Lot (2) of Block (7) in Howe's Addition to the City of Roseau; and Lot Six (6) in Sanders and Jacklin's Second Addition to the City of Roseau, according to the recorded plat thereof, Roseau County, Minnesota.

as evidenced by a Repayment Agreement dated January 10, 2011, and filed of record in the office of the Roseau County Recorder on January 23, 2012, as Document Number 272752, and

WHEREAS, Brian Monsrud, a single person and Sarah Fortman, a single person and fee owners of the above-described real property, has applied for a mortgage loan from Border State Bank; and

WHEREAS, Border State Bank has indicated that it is unwilling to accept a mortgage upon the above-described real property in security for said loan unless the City of Roseau shall subordinate its mortgage to the lien to be created by said Border State Bank on said property;

NOW THEREOFRE, in consideration of the premises and as an inducement to Border State Bank to accept said mortgage, the City of Roseau hereby agrees to subordinate, and hereby does subordinate, its lien against the above described real property to the mortgage lien of Border State Bank against said property, said mortgage to have the same validity, force and effect as if executed, delivered, and recorded prior to the date of execution of said City of Roseau Mortgage.

IN TESTIMONY WHEREOF, the City of Roseau has caused these present-to be executed by \_\_\_\_\_, Mayor this \_\_\_ day of \_\_\_, 2013.

STATE OF MINNESOTA) ss  
COUNTY OF ROSEAU )

By: \_\_\_\_\_  
Mayor of Roseau

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013 by Mayor of Roseau, a body corporate and politic of the State of Minnesota.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_ County, Minnesota  
My Commission expires:

DOCUMENT DRAFTED BY WYNNE CONSULTING, INC. P.O. BOX 33 WANNASKA, MN 56761 EXEMPT FROM REGISTRATION TAX UNDER MINNESOTA STATUTE 287.04 reason Code 9

- i. Letter from Debra A. Mangen, MMC – President, MCFOA, in regards to the March 2014 MCFOA Conference and MCFOA Membership application form.
- j. MMUA’s 2012 Year in Review.
- j. Levy limits for Taxes levied in 2013 payable in 2014.
- k. Ambassador Talking Points – June 2013.
- l. Email from Jeanette Behr – LMCIT Memo: State same sex marriage law effect on cities.
- m. NW Regional Development Commission – Notice of Public Hearing on NWRDC CY’2014 Budget.
- o. \$75.00 Donation from Arlene Boroos, DuWayne Peterson, Le Ann Griepentrong to the Park Board.
- o. Investment-Roseau EDA Hi Fi as of 06/25/2013 is \$252,435.86.
- p. Cash in bank-DNR Escrow as of 06/25/2013 is \$832,000.00.
- q. Cash in bank-Regular checking as of 06/25/2013 is \$2,500,261.21.
- r. Investment-Regular Hi Fi as of 06/25/2013 is \$1,434,829.30.
- s. Investment of Certificate of Deposit as of 04/30/2013 is \$764,729.42.
- t. Investment of Certificate of Deposit as of 06/25/2013 is \$765,888.81.
- u. Investment of Certificate of Deposit as of 06/25/2013 is \$770,960.14.
- v. Investment of Certificate of Deposit as of 06/25/2013 is \$775,426.31.
- w. Cash in bank - Airport Fuel Sales Credit Card as of 06/25/2013 is \$1,893.09.
- x. Investment - Roseau EDA Money Market as of 06/25/2013 is \$216,406.27.
- y. Cash in bank - Pine to Prairie Birding Trail as of 06/25/2013 is \$8,883.31.
- z. Cash in bank - Scandinavian Festival as of 06/25/2013 is \$5,306.06..
- aa. Cash in bank – Welcome to Roseau as of 06/25/2013 is \$1,287.17.
- bb. Cash in bank - Roseau EDA as of 06/25/2013 is \$578.66.
- cc. City of Roseau participates in the 457 deferred – US Conference of Mayors - Great West Financial will be replacing Nationwide and authorize Char and Todd to sign.
- dd. June 2013 City Revenues and Expenditures
- ee. Liquor Store Monthly Sales Recap June 2013.
- ff. Liquor Store Quarterly Sales Recap 2<sup>nd</sup> Quarter 2013.
- gg. Liquor Store Sales 2013.

Janelle Mulroy from Brady-Martz gave a presentation of the 2012 Roseau City Audit and year end fund balances. Janelle stated that the audit went well.

Alan Feist and Linda Carlson appeared before the City Council to express concerns in regards to dogs running at large and dogs barking in West side Trailer Court where Alan Feist lives and East Side Trailer Court where Linda Carlson lives and also in the City of Roseau.

Larry Guggisberg appeared before the City Council to express appreciation and compliment the City maintenance crew in regards to the construction of the new grandstand at Gilbertson ball field that many different groups came together to construct on time and on budget.

Hearing following notice to determine whether the liquor license of the Brickhouse Bar & Grille, Inc. be suspended/revoked.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to open the Hearing. (the Hearing was recorded)

Assistant City Attorney Michelle Moren reported that after sending certified correspondence (return receipt requested) to the principal executive office of the Brickhouse Bar & Grille, Inc. , no one has accepted service of the certified mail. Correspondence was also sent via regular U.S. Mail to both the address of the Chief Executive Officer, Stacie Lee Clark in Wannaska, Minnesota, and the address of the Principal Executive office of the Brickhouse Bar & Grille, Inc., in Roseau, Minnesota.

Assistant City Attorney Michelle Moren reported that the Department of Revenue has not responded to 2 letters (1 of which was accepted via certified mail) or to 3 voice mail messages.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to continue the Hearing to the August 5<sup>th</sup>, 2013 Regular City Council meeting as the City Council determined there was insufficient information to make a decision to suspend/revoke the Brickhouse Bar & Grille liquor license.

Council member Don Ross introduced the following Resolution and moved for its adoption  
#25-13

**RESOLUTION CLOSING BOARD MEETING**

WHEREAS, the Minnesota Open Meeting Law, Minn. Stat. § 13D.05, subd. 2(b) states that:

“A public body shall close one or more meetings for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.”

WHEREAS, allegations of employee misconduct have arisen against an individual subject to the control of the City of Roseau; and

WHEREAS, the City Council shall conduct a preliminary consideration of these allegations on July 1, 2013, commencing at 5:50 PM, in the Council Chambers located at 121 Center Street East, Suite 202, Roseau, MN; and

BE IT RESOLVED by the Roseau City Council as follows:

1. The Roseau City Council hereby closes this meeting pursuant to Minn. Stat. § 13D.05, subd. 2(b) for preliminary consideration of allegations or charges against an individual subject to its authority;
2. The specific subjects to be discussed, pursuant to Minn. Stat. § 13D.01, subd. 3, are the allegations of employee misconduct.
3. The employee who is the subject of this meeting shall have the option to attend this closed meeting. Said employee also has the right to open this meeting to the public.

Dated this 1st day of July, 2013.

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Mayor (or acting Mayor)

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Clerk

The motion for the adoption of the foregoing resolution was duly seconded by Council member Curt Ireland and upon vote being taken thereon, the following voted in favor thereof: Novacek, Ross and Ireland

and the following voted against the same:           None

and the following abstained:                           None

and the following were absent:                       Pelowski, Vatnsdal

whereupon, said motion was declared duly passed and adopted.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to reopen the City Council meeting and that the City of Roseau hire a special investigator, Christie Hastings, to investigate allegations of employee misconduct.

Roseau Promotions Director Lyle Grindy reported on the following:

- The Roseau merchants held their annual “Sidewalk Sale” and overall sales were good.
- The Scandinavian Festival was held June 14<sup>th</sup> and June 15<sup>th</sup> and overall was successful.
- The Civic and Commerce sponsored the Carson and Barnes Circus from Oklahoma.
  - a. They had a total of 120 people in their troop.
  - b. To the best of Lyle’s count the C & C sold 890 tickets and did not include the free tickets given away.
  - c. Some parents said it was better than the Shrine Circus and overall it exceeded expectations.
  - d. Thank you to the City of Roseau/Fire Department and Roseau School and Roseau School Superintendent.
- Roseau Cruise-in Car show was held Saturday June 8<sup>th</sup> at the Pioneer Farm.
  - a. They broke a record of over a hundred entries (115).
  - b. They gave out 28 trophies and over \$2,000 in cash prizes.
  - c. Next year will be their 10<sup>th</sup> anniversary with plans already under way.
- Lyle received a letter from the United Blood Services, asking Lyle to share some information about them.
  - a. They serve patients in 93 hospitals in and around our area.
  - b. 500 blood donors are needed a day.
  - c. The next Blood Drive in Roseau will be held at the Roseau City Center July 30<sup>th</sup>, & 31<sup>st</sup>.
  - d. They wanted to thank the community of Roseau for all of their support.

After review and discussion Council member Curt Ireland motioned, Council member Don Ross seconded, and carried by unanimous vote to set a Public Hearing for Ross Lewis Sign Company (#6-13) for the Dollar General Store (Overland Properties) for a Variance request for a total square footage of 249.8 square feet maximum for business signs in lieu of the 120 square feet maximum allowed for business signs, a 129.8 square feet Variance, as recommended by the Planning Commission.

Police Officer Marc Hodge reported at the Planning Commission meeting that he will review the Planning Commission “Tour of the City of Roseau” report and send out letters to property owners that have unlicensed vehicles or inoperable vehicles and also property owners that are on the list that need paint, clean up and or repairs.

The Planning Commission reviewed the Kyle Geroy apartment proposal (TIF & R-5) and it was determined that the Planning Commission would need more information from Kyle Geroy and the Planning Commission made a motion to continue the Planning Commission meeting until July 1<sup>st</sup>, 2013 at 12:00 noon.

The Planning Commission met July 1<sup>st</sup>, 2013 and after considerable discussion the Planning Commission determined that the information presented to the Planning Commission at the July 1<sup>st</sup>, 2013 Planning Commission meeting was insufficient to make a final recommendation to the Roseau City Council and the Planning Commission authorizes Community Development Coordinator Todd Peterson to seek the additional information needed including but not limited to aesthetics concerns. The Planning Commission consensus was to hold a special meeting to continue the discussion if needed.

Roseau County Commissioner Jack Swanson reported on the following:

- Jack attended a meeting through the Association of Minnesota Counties in regards to cyber security.

Community Development Coordinator Todd Peterson reported that the airport zoning committee met and discussed the zoning ordinance for the turf runway at the airport and will meet again in July to review the draft zoning ordinance.

After discussion Council member Curt Ireland motioned, Council member Don Ross seconded and carried by unanimous vote to award crackseal bid to Fahmer Asphalt Sealers in the amount of \$63,750.00 (there were three bidders) and authorize CDC Peterson to sign the construction contract and grant agreement.

After discussion Council member Curt Ireland motioned, Council member Don Ross seconded and carried by unanimous vote to approve to pay Reuben Norquist \$1,200 for .16 acre of his property and pay the cost to remove the property out of crp for the Roseau Airport Clear Zone Land Acquisition and for City Attorney Pat Moren to work up a deed and review the abstract as recommended by Community Development Coordinator Todd Peterson.

Community Development Coordinator Todd Peterson reported that the EDA met June 26<sup>th</sup>, 2013 and discussed the following:

- Reviewed housing proposals.
- Multi-family housing.

After discussion Council member Don Ross motioned, Council member Curt Ireland seconded and it was carried by unanimous vote to accept the Widseth Smith Nolting preliminary feasibility study proposal for addition to the Roseau Fire Station (on file at the Roseau City Office) and authorize Fire Chief Jeff Ballard to sign the contract as recommended by the Fire Department building committee.

City Superintendent David Drown reported that the garbage truck has required a considerable amount of maintenance this year.

After discussion Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote that subordination agreements do not have to come before the city council for approval as it slows up the process and to authorize the Mayor to sign subordination agreements on behalf of the Roseau City Council as recommended by Community Development Coordinator Todd Peterson.

CDC Peterson reported that the City of Roseau received a small cities development grant in the amount of \$517,000 for residential rehab and Irene Wynne from Wynne Consulting, Inc. will be administering the grant.

CDC Peterson reported that he had met with Mike Reheihus from Thune insurance and reviewed the changes that will effect the City of Roseau due to the Health Care Law.

Community Development Coordinator Todd Peterson reminded the City Council that this is a negotiation year.

CDC Peterson updated the City Council on the Roseau River Phase III Project.

Council member Curt Ireland motioned, Council member Don Ross seconded and it was carried by unanimous vote to approve the Thor Didrickson (#7-13) Short Form Conditional Use application to construct a crawl space. Stephanie Klamm, DNR Area Hydrologist has been notified.

Council consensus was to table the proposed Liquor Store Addition.

CDC Peterson updated the City Council on the East Diversion Project.

Council member Don Ross motioned, Council member Curt Ireland seconded, and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Acting Mayor



