

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
APRIL 13, 2015

The regular meeting of the council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, April 13, 2015 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Veum and Anderson. Member absent: Hoialmen. Also present was Tracee Bruggeman of Brady, Martz & Associates, Karen Graham, Kenny Rose, Dave Larson, Ed Lavelle, Lee Cariveau, Deputies Bixby and Folkert, Paul Peltier, Pete Nelson and Kevin Blaser.

Motion was made by Dufault seconded by Veum to approve the agenda with no modifications. Motion carried by unanimous vote.

Motion was made by Veum seconded by Anderson to approve consent agenda items A and B. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held March 9, 2015 as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #15-04 in the amount of \$68,849.50 and AP Bill Listing #15-04 \$38,519.06.

COMMITTEE REPORTS:

Law Enforcement: Deputies Bixby and Folkert were present to discuss law enforcement activities for the past month.

- There was another bomb threat at the school and that is being investigated.
- School patrol as well as traffic control is being done.

Streets/Sanitation/Utilities: Dave Larson reported on matters pertaining to his departments:

- Street sweeping has begun as well as alley blading
- Cleaning and pressure washing of curbs will begin as weather permits.
- There's a lot of electrical work planned for the summer as well as some gas installs.
- Sampling of the ponds has begun and as soon as the samples come back in limits dumping will begin.

Civic Center/Parks & Recreation: Karen Graham reported on matters pertaining to her departments:

- The ceiling tile looks good after installation.
- Maintenance at the sports complex is being done.
- Graham is meeting with Viken and Hemberger to discuss shingling the shelter as the current ones are falling off.

Community/Economic Development:

- FEDA met today and heard from someone interested in a potential new business and considering building.
- There is interest in the Taflin property for development.

Library:

- Paul Peltier was present to discuss possible collaboration between the City and the Library. As he explained, he and his wife are new to the LAC board. There was discussion on how information on activities and events are going out to the public. The LAC board discussed the possibility of collaborating with the city on an LED sign on the City Hall lawn to market events and activities. Indigo Signs and Ross Sign has been invited to come to Fosston and give estimates. Peltier will report back.

The Mayor opened the Public Hearing to consider input on the 2015 Street & Alley Improvement Project at 7:00 p.m. City Engineer Lee Cariveau gave a brief overview of the project. There were no members of the public present. The public hearing was closed at 7:05 p.m.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ORDERING THE
2015 STREET AND ALLEY IMPROVEMENT PROJECT
AND PREPARATION OF PLANS
RESOLUTION NO. 15-16**

WHEREAS, pursuant to resolution of the council adopted March 9, 2015, fixed a date for a council hearing on the proposed improvement of the following streets and avenues:

Alley right-of-way between Granum Avenue South and Inderlee Avenue South
Mary Avenue North between 9th St. N.W. and 10th St. NW

AND WHEREAS, ten days mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 13th day of April, 2015, at which all persons desiring to be heard were given an opportunity to be heard thereon,

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FOSSTON, MINNESOTA:

1. Such improvement is necessary, cost-effective, and feasible, as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted April 13, 2015.
3. Lee Cariveau, P.E., Widseth Smith Nolting, is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvements.
4. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of the tax-exempt bond.

The motion for the adoption of the foregoing resolution was duly seconded by member Veum and upon vote being taken thereon the following voted in favor thereof: Anderson, Veum, Dufault and Offerdahl

and the following voted against same: None

Whereupon said resolution was declared passed and adopted this 13th day of April, 2015.

Jim Offerdahl, Mayor

Attest: _____
Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING PLANS
AND SPECIFICATIONS FOR THE 2015 STREET AND
ALLEY IMPROVEMENT PROJECT AND ORDERING
ADVERTISEMENT FOR BIDS
RESOLUTION NO. 15-17**

WHEREAS, pursuant to resolution passed by the council adopted April 13, 2015, the city engineer, Widseth Smith Nolting, has prepared plans and specifications for the improvement of the following streets and avenues and has presented such plans and specifications to the council for approval:

Alley right-of-way between Granum Avenue South and Inderlee Avenue South
Mary Avenue North between 9th St. N.W. and 10th St. NW

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF FOSSTON,
MINNESOTA:**

1. Such plans and specifications, a copy of which is attached and made a part hereof, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper and in the Construction Bulletin an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for three weeks, shall specify the work to be done, shall state that bids will be received by the City Administrator until 3 p.m. on May 7, 2015 at which time they will be publicly opened in the council chambers of the city hall by the city administrator and engineer, will then be tabulated, and will be considered by the council at 7:00 p.m. on May 11, 2015 in the council chambers of the city hall. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the council on the issue of responsibility. No bids will be considered unless sealed and filed with the City Administrator and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City of Fosston for 5% of the amount of the bid.

The motion for the adoption of the foregoing resolution was duly seconded by member Dufault and upon vote being taken thereon the following voted in favor thereof: Anderson, Dufault, Veum and Offerdahl

and the following voted against same: None

Whereupon said resolution was declared passed and adopted this 13th day of April, 2015.

Jim Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Tracee Bruggeman of Brady Martz & Associates was present to discuss the 2014 Audited Financial Statements. Bruggeman reviewed the revenues and expenditures for the general fund as well as as the proprietary funds. Cash and investments were \$702,000 more than the prior year. The general fund ended at \$411,301. Governmental, Special Revenue and Debt Service funds were reviewed for year beginning and ending. The City complied in all respects of Federal Programs. An unrestricted fund balance 35% to 50% of operating revenue is recommended. The City is at 9% and should be looking at increasing this.

Lee Cariveau of Widseth Smith Nolting was present to discuss city projects:

- FIT Trail: Cariveau met with Bemidji Bituminous and Mark Hagen, contractors on the project. They propose fixing four low areas. Some other areas will be completely removed and re-done. They have also suggested putting a fog seal on top of it so the trail all looks the same. Cost for the fog seal would be \$6,700.00. Veum stated that the trail east of the cemetery is terrible. We have a MN/DOT Engineer coming to look at the trail and give us his opinion.
- Air Conditioning for the Wastewater Blower Building: The Utilities Commission will be reviewing this when it meets tomorrow morning. The air condition is necessary to protect the equipment. It will keep the temperature at a steady level.
- Sidewalk Capital Improvement Plan review: Cariveau presented a draft report on sidewalks. His recommendation is to take care of the downtown sidewalks first as the downtown street project gets completed this year. Other areas can wait about a year.

Motion was made by Veum seconded by Anderson to approve the Work Order from Ulteig Engineers for the Airport Crack Seal project. Estimated cost on this is \$62,000 with federal dollars at 90%, state at 5% and city at 5%. Motion carried by unanimous vote.

Sealed bids were received for demolition of the Taflin Building. Three bids were received. The Mayor opened bids and read aloud as follows:

Lenes Sand & Gravel	\$46,500.00
Hagen Construction	\$43,500.00
Blaser Excavating	\$43,710.00

It appears that Hagen is the low bidder for the demolition. After lengthy discussion it was the consensus of the council that it set a completion date for this project, set a daily penalty for non-completion. Cariveau noted that on projects between \$25,000 and \$100,000 the liquidated damages per- day is \$400. Because road restrictions are still on and the asbestos abatement has not yet been completed the start date is unknown. Motion was made by Anderson seconded by Veum to accept the low bid with the following stipulations: Completion date will be 15 days from the start date. The start date will be determined by abatement completion and road restrictions going off – whichever is latest will be the start date. Liquidated damages of \$400 per day for every day over the 15 that this project is not completed. Motion carried by unanimous vote.

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING
PROPERTY TAX ABATEMENTS
RESOLUTION NO 15-18**

WHEREAS, Minnesota Statutes 469.1812 through 469.1815 authorize property tax abatements for economic development purposes,

THEREFORE BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota, that the City of Fosston desires to provide for a tax abatement program as authorized by M.S. 469.1812 through 469.1815, said program will be a housing incentive tax abatement program with the following parameters required for City participation:

1. The three primary taxing authorities, City, Polk County and Independent School District #601, are all participating in the incentive program.
2. The program would apply to new residential construction only. New residential construction shall include modular homes, manufactured homes and stick-built homes.
3. The program would apply to single-family dwellings ready for occupancy within two years of acquisition of the undeveloped real property.
4. The abatement of real property taxes would be for two years, in the first two years where payment of taxes are based upon the value of the new dwelling.
5. Term of the program shall be December 31, 2016.
6. The City of Fosston shall be responsible to notify Polk County of which properties are in the program at the time the real property is acquired and arrange for the appropriate hearing(s) as required by law.

The motion for the foregoing resolution was duly seconded by member Dufault and upon vote being taken thereon the following members voted in favor thereof: Veum, Dufault, Anderson and Offerdahl

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 13th day of April, 2015.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Councilmember Anderson introduced the following resolution and moved its adoption;

RESOLUTION NO. 15-19
CALLING PUBLIC HEARING ON MODIFICATION NO. 2 OF

TAX INCREMENT FINANCING DISTRICT NO. 1-11 WITHIN MUNICIPAL DEVELOPMENT DISTRICT
NO. 1, AND THE ADOPTION OF A MODIFIED
TAX INCREMENT FINANCING PLAN RELATING THERETO

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

1. Public Hearing. This Council shall meet on Monday, June 8, 2015, at approximately 7:00 p.m. to hold a public hearing on the following matters; (a) the proposed modification No. 2 of Tax Increment Financing District No. 1-11 within Municipal Development District No. 1, and (b) the adoption of the modified Tax Increment Financing Plan relating thereto, pursuant to and in accordance with Minnesota Statutes, Section 469.174 to 469.1794, inclusive, as amended (the "Act").

2. Notice of Hearing. Filing of Plan. The City Administrator 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 Tax Increment Financing Plan as proposed to be modified, on file in City Administrator's Office at City Hall and to make such copies available for inspection by the public.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Dufault and upon vote being taken thereon, the following voted in favor:

Offerdahl, Anderson, Dufault and Veum

and the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted this 13th day of April, 2015

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

There being no further business to come before the council, motion was made by Anderson seconded by Dufault to adjourn.

Charles Lucken, City Administrator