

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL  
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA  
MAY 9, 2016

The regular meeting of the council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, May 9, 2016 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Hoialmen, Dufault and Veum. Also present was Ed Lavelle, Lee Cariveau, Bob Lofstrand, Keith Kinnen, Karen Graham, Dave Larson, Deputies Bellamy and Bixby.

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

- A) To approve the minutes of the regular meeting held April 11, 2016 and the Board of Appeal & Equalization meeting held April 27, 2016 as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #16-05 in the amount of \$28,459.54 and AP Bill Listing #16-05A in the amount of \$585,107.15.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputies Bellamy and Bixby were present to discuss law enforcement matters:

- ✓ Coupons for an ice cream cone are being given to kids on bikes found wearing their safety helmet.
- ✓ They're busy with traffic and safety.
- ✓ The Drug Task Force is busy as well.

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

- ✓ Street sign replacements have been ordered. Sweeping has begun and street paint has been ordered.
- ✓ Flags and banners are going up.
- ✓ Work on the Palubicki lot has begun.
- ✓ Work with KBM continues on the Arc Flash assessment and map upgrading continues.
- ✓ Veum reports a cave in on Sixth Street across from Dufault's house. Larson will check on it tomorrow.
- ✓ Progress on the IPF is coming along and should be able to take wastewater by the June 1<sup>st</sup> deadline that has been given MDV. Mayor Offerdahl gave an update on today's meeting with MDV and reports a good discussion was had between them. Some items have been identified that could be improved upon at the IPF and includes a better cover as well. Also discussed was payment of the bill that we stipulated to MDV. Would we accept them paying half of it at this time? Half is about \$41,000. After the study is done they are agreeable to paying what they are responsible for. After further discussion, motion was made by Hoialmen seconded by Anderson to accept half payment of \$41,000 at this time. Motion carried by unanimous vote.
- ✓ Parking issues by the High School as well as the Library were discussed. Lee Cariveau worked up preliminary designs for both with diagonal parking instead of parallel. For Second Street the diagonal would be on the North side of the Street. On Foss the diagonal will be on the west side of the street. After discussion, consensus is to proceed with this diagonal plan.

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

- ✓ The new showers are being installed on Wednesday as well as the new water softener. The installs should be complete by Friday.
- ✓ Bagley third and fourth graders are in the pool now and will finish up the 23<sup>rd</sup> of May.
- ✓ Mowing and maintaining public spaces will again be done by Summer Rec. staff.
- ✓ Hockey boards are ordered and should be up by June 22<sup>nd</sup>.
- ✓ Cleaning of the park bathrooms was discussed. The DAC does the cleaning of the bathrooms as well as the campground shower/bathroom and airport bathroom. Deeper cleaning of these is needed along with the DAC cleaning. After lengthy discussion on this it was the consensus of the council that we should advertise for someone to do deep cleaning of these restrooms on Mondays and Fridays and keep DAC clients cleaning as well. An ad will be put in the paper to see if anyone may be interested in this. Rate of pay will be determined later.
- ✓ The FIT trail was discussed. There are areas of vegetation growing through the blacktop and this should be fixed. Cariveau noticed two spots with vegetation. He suggests Roundup for weeds and perhaps cutting a section of asphalt out. There is a two year warranty on this FIT trail and Cariveau will talk to Hagen about this. The boardwalk has some boards that need replacing. We should be looking at an alternative fix instead of replacing the boards every year. Cariveau suggested a bridge type boardwalk built like a dock.
- ✓ The Berge Park bathroom roof is bad. An estimate from Zachariason is about \$1400 for asphalt shingles and \$1150 for steel roof. \$1,100 for labor. Motion was made by Anderson seconded by Veum to approve the steel roof as bid by Zachariason. Motion carried by unanimous vote.

Airport:

- ✓ Engineers were interviewed. The Airport commission needs to meet and select an engineer.
- ✓ People at Aeronautics recommend advertising a city's airport and the amenities it has. Ours has fuel, bathroom facilities and coffee maker. We do not have a courtesy car but we do have the city bus.
- ✓ Naming of the airfield was discussed. There will be a meeting in the next week or so and the airport committee can recommend a name for the airfield. Council can finalize and we can plan an open house to showcase the event.

Bids for the 2016 Street and Utility Improvement Project were reviewed. Cariveau reports that Gordon Construction is the apparent low bidder. There was a math error in the Gordon bid – that discrepancy was \$891.00 but Gordon's are still the apparent low bidder. Along with Alternate #1 Gordon is still low. Cariveau recommends awarding Gordon s the contract including Alt 1 and securing the easement with BNSF in a timely manner. BNSF was contacted on a quote for either an easement or purchase. BNSF prefers a purchase as opposed to an easement. The cost would be approximately \$20,000 (by alley between Johnson and Inderlee). Estimated start date is around June 14<sup>th</sup> with completion scheduled for October 15, 2016.

Member Veum introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING BID AND AWARDING CONTRACT  
FOR 2016 STREET AND UTILITY IMPROVEMENT PROJECT  
#16-18

WHEREAS, pursuant to an advertisement for bids for the improvement of the following street:

Alley right-of-way between Johnson Avenue South and Inderlee Avenue South  
Second Street NW between Mark Avenue North and Stephens Blvd.  
Newton Avenue between First Street West (Hwy #2) and 2<sup>nd</sup> Street NW

WHEREAS, bids were received, opened and tabulated according to law, and six (6) bids were received complying with the advertisement as follows:

Gordon Construction, Inc. 2222 270 <sup>th</sup> Ave. Mahnomen, MN 56557	Base Bid - A	\$ 243,342.60
	Schedule B	\$ 76,744.60
	Schedule C	\$ 39,380.40
	Alt Bid #1 -	<u>\$ 33,935.60</u>
	TOTAL BID -	\$ 393,403.20
Spruce Valley 39469 130 <sup>th</sup> Ave. NE Middle River, MN 56737	Base Bid -A	\$ 253,977.00
	Schedule B	\$ 115,940.00
	Schedule C	\$ 48,472.90
	Alt Bid #1	<u>\$ 40,068.70</u>
	TOTAL BID	\$ 458,458.60
Reierson Construction 6160 Mill Street East Bemidji, MN 56601	Base Bid - A	\$ 267,083.19
	Schedule B	\$ 100,232.00
	Schedule C	\$ 54,621.88
	Alt Bid #1	<u>\$ 41,674.50</u>
	TOTAL BID	\$ 463,611.57
Taggert Contracting, Inc. 28485 120 <sup>th</sup> Ave. NW Newfolden, MN 56738	Base Bid - A	\$ 279,329.50
	Schedule B	\$ 94,613.00
	Schedule C	\$ 52,564.48
	Alt Bid #1 -	<u>\$ 41,045.00</u>
	TOTAL BID -	\$ 467,551.98
Gladen Construction, Inc. 40739 US 71 Laporte, MN 56461	Base Bid - A	\$ 294,307.10
	Schedule B	\$ 97,911.80
	Schedule C	\$ 54,040.20
	Alt Bid #1	<u>\$ 52,775.50</u>
	TOTAL BID	\$ 499,034.60
Sellin Brothers, Inc. 40739 US 71 Hawley, MN 56549	Base Bid - A	\$ 292,632.35
	Schedule B	\$ 119,281.65
	Schedule C	\$ 51,300.40
	Alt Bid #1	<u>\$ 50,221.00</u>
	TOTAL BID	\$ 513,435.40

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

1. The Mayor and City Administrator are hereby authorized to enter into an agreement with Gordon Construction, Inc., Mahnomens, Minnesota in the name of the City of Fosston for the 2016 Street Alley and Utility Improvements Project, Total Bid of \$393,403.20.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 9<sup>th</sup> day of May, 2016.

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James Offerdahl, Mayor

ATTEST:

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Charles Lucken, City Administrator

Keith Kinnen from Karvakko Engineering was present to report on the results of the bids for the 2016 Veteran's Memorial Park Updates. Three bids were received and all were higher than we wanted to spend. Overall Dennis Killian Construction was the apparent low bidder. His base bid was \$92,896.00. Seventy thousand dollars was the amount we wanted to spend on the project so discussion turned to what we could eliminate from the project. As Kinnen explained, the wall around the paver area is in the base bid. Kinnen spoke with Dennis Killian who is comfortable with his bid and indicated he may be willing to value engineer some items out. All statues will be uplit from the ground and Kinnen does not recommend eliminating lighting completely. Some areas we could potentially eliminate include the wall around the paver area; removing retaining wall, granite top caps. This could decrease the project by around \$20,000. After further discussion, the consensus is to not award the bid tonight. This item tabled.

Council reviewed plans and estimates for the Sports Complex hockey rink and warming house maintenance building project. The project is the warming house and hockey rink. It allows zamboni access from the warming house to the rink. The design added other amenities as a skate pond, outdoor warming area with gas fire pit, landscaping, exposed aggregate area for seating, pergola. If everything was done we would be about \$170,000 over budget. Dufault questioned the skate pond as he doesn't

feel it will be used and how do we maintain it once we build it. The area is not designed to hold water. Graham indicated that time is set aside on the hockey rink for free skating where no pucks or sticks are allowed. That has worked well. After further discussion it was the consensus of the council to eliminate the skating pond but keep the seating area. Kinnen will re-work the numbers and report back.

Member Dufault introduced the following resolution and moved its adoption:

## RESOLUTION NO. 16-19

### RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

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

#### 1. Recitals.

(a) The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

(b) The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

(c) The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

(d) The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

(a) Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be

made substantially in the form of the Exhibit A which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

(b) Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

(c) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

(d) The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 9<sup>th</sup> day of May, 2016.

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James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Agenda item #11 – Consider Resolution Approving Selection of Airport Engineer for the City of Fosston was tabled until June.

Member Dufault introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING SPONSORSHIP  
OF TRAILS OPERATED BY

KNIGHTRIDERS SNOWMOBILE CLUB  
RESOLUTION 16-20

BE IT RESOLVED, that the City of Fosston act as the legal sponsor for an application for funding to the State of Minnesota Department of Natural Resources for grooming of snowmobile trails managed by the Knightriders.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Fosston may enter into an agreement with the State of Minnesota for the above-referenced project and that it will comply with all applicable laws and regulations as stated in the agreement.

BE IT FURTHER RESOLVED that the City Administrator is authorized to sign such an agreement with the Department of Natural Resources.

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized to serve as the fiscal agent for the above-referenced project.

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

And the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 9th day of May, 2016.

\_\_\_\_\_  
James Offerdahl, Mayor

ATTEST:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION APPOINTING MEMBERS  
TO NORTHERN MUNICIPAL POWER AGENCY  
RESOLUTION 16-21**

*WHEREAS, the City of Fosston has joined eleven other cities in Northern Minnesota and North Dakota to form the Northern Municipal Power Agency;*

*NOW, THEREFORE, BE IT RESOLVED, that David Larson be appointed to represent the City of Fosston and Charles Lucken be appointed to represent the Fosston Municipal Utilities Commission in the Northern Municipal Power Agency for the period June 1, 2016 through May 31, 2017.*

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

And the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 9th day of May, 2016.

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James Offerdahl, Mayor

ATTEST:

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Charles Lucken, City Administrator

Motion was made by Dufault seconded b Anderson to approve the City Property/Casualty Coverage premium with LMCIT in the amount of \$72,689.00. Motion carried by unanimous vote.

Council considered a rate increase for the Sanitation Fund. Dave Larson gave an overview of the sanitation fund. Overall we're looking at about a 2.8% rate increase. The increases are minimal but keeps us on budget. Motion was made by Hoialmen seconded by Anderson to approve the rate increase. Motion carried by unanimous vote.

Motion was made by Dufault seconded by Hoialmen to approve a \$.50 increase in the hourly pay rate for election judges for 2016. Motion carried by unanimous vote. The increase makes the hourly rate \$10.50 for election judge and \$11.00 for head judge.

There being no further business to come before the council, motion was made by Hoialmen seconded by Veum to adjourn. Motion carried by unanimous vote.

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Charles Lucken, City Administrator

