

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL  
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA

February 9, 2026

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, February 9, 2026 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, and Pearson. Members absent: Dufault and Mulry. Also present were: City Administrator Cassie Heide, Public Works Director Steven Lyseng, Aquatics & Recreation Director Karen Graham, Accounting Specialist Nikki Juve, Fosston PD Chief Juve, Sergeant Olson, Patrolman Schipper, Communications Coordinator Kirby Vossler, Stephen Larson (Fosston City Attorney), Michael Karvakko, Keith Kinnen and Grace Johnson (Karvakko Engineering), Jason Benson and Nicole Dolejs (AE2S), Jason Murray (David Drown Associates) and Michael Curtis (Essentia).

Recited the Pledge of Allegiance.

Modifications to and the Approval of the Agenda was presented by Mayor Offerdahl. Motion was made by Pearson, Anderson seconded to approve the agenda and modifications. Motion carried by unanimous vote.

Motion was made by Anderson, seconded by Pearson to approve Consent Agenda items A., B. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held January 12, 2026.
- B) To approve Accounts Payable Bill Listing #26-02 in the amount of \$158,334.60 and supplemental AP Bill Listing #26-02A in the amount of \$892,656.75.

COMMITTEES/BOARDS/COMMISSION:

City Administration: Cassie Heide reported

- Heide reported it's been a busy start to the year. Auditors were on-site last week; the audit went well. It was the best audit so far and went very smoothly. The audit report may be ready as early as next month.
- In correspondence is an application for a safety grant that was awarded to the City of Fosston. It is for a manhole cover lift and hydrant wrench; Steven has both on order. This will enhance the safety of our workers and reduce worker's comp claims.
- The rural fire board meeting packet is also found in correspondence.
- Heide reported working with Jason Murray on the 2026 bond issuance, which appears to be a 15 year term.
- Heide and Lyseng met with Minnesota Rural Water and the Karvakko engineering team to look at grant options for the Southside project. Things are still on course with MN PFA funding as well.
- Heide and Keith Kinnen of Karvakko will be interviewing with MnDOT panel for the next trail phase, Mary Avenue to Granum Avenue. The west side phase is being focused on because it will be more cost effective.

- The developer for the TIF district has confirmed they are still on schedule to start the two four-plexes this spring.
- Heide and Nicole Dolejs of AE2S have been working on the EDA project closeout. There are a few remaining things to get in order. Currently, EDA is holding approximately \$575,000 for that project. Everything has been expensed; the final closeout paperwork needs to be submitted.
- The community healthcare meeting went well despite the extremely cold weather that night. Many participated in person, with an additional 200+ joining online. The overall theme was very positive. The meeting was to discuss primary healthcare in Fosston with the two primary care clinics both invited. Essentia chose not to attend, but instead submitted a letter to be read at the meeting. The reason for doing a public meeting like this when it's never been done previously is due to the immense changes that have occurred in the last few years in primary healthcare, specifically during the end of 2025. Heide stated she could speak for all city leaders in saying all our healthcare providers and businesses are appreciated, including the staff at Essentia Health. These respected professionals are the reason the city is working so hard to ensure the workforce at our local community hospital continues strong. Unfortunately, there has been a significant decrease in the workforce over the course of the last decade. The city continues to do everything possible to ensure that accessible healthcare remains in our community not just for the sake of patient care but for the overall health of our entire community.
- Sergeant Jim Juve will be officially retiring at the end of February; an open house will be held Friday, February 27 from 3-5pm with cake and coffee being served. He brought leadership to our police department at a pivotal time, serving as interim police chief for a period and primarily in the sergeant position.

Street/Utilities/Sanitation: Steven Lyseng reported

- Lyseng reported there were no infrastructure issues during the extreme cold stretch in January. The warmer weather since last meeting has decreased the need for plowing and given opportunity to focus on removing snow around hydrants and utility infrastructure cabinets along streets.
- The maintenance on the dump truck was more than originally anticipated; not one but both turbos needed to be fixed.
- There is a leak in the library roof again above the auditorium. Lyseng is getting quotes for both pitched and flat roof options. It currently is a flat roof. Plastic was put down to protect the new carpet. The auditorium chairs were delivered today and will be stored off-site until the roof leak is fixed.
- The shop breakroom is soon completed, with the wiring, plumbing and sheetrock almost finished.
- There were issues discovered with all three of the wastewater pumps. MN Pump Works confirmed all three pumps and 2 VFD's needed to be replaced. There was a spare pump on hand that was utilized in keeping things running as the pumps were being replaced. It is highly abnormal that all pumps would show the same issues simultaneously. It appears the problems are a result of the lightning strike during last summers' storm and should be covered through insurance.
- Annual reports for water and wastewater are complete. Electric and gas reports are also completed, apart from one of each due in July.
- Lyseng will be attending the Minnesota Rural Water Annual Conference March 3-5.
- A new pump was installed in the lift station by the hockey rink.

- Minnkota is raising their rates effective April 1. Lyseng is working on projections for adjustments needed due to that rate change.
- Quotes are being collected for 3-phase transformers. There are only single-phase transformers on hand currently.
- Zack Radtke attended meter school in Marshall last week.
- There is one request so far this year for natural gas installation.

Civic Center: Karen Graham reported

- Graham reported that all is going well. The curling club bonspiel is scheduled at the skating rink for Sunday. The following Tuesday the club will set things back up for a curling workshop to be offered to the Fosston 6<sup>th</sup> graders, teaching them how to curl.
- Things are going well at the Civic Center, with many groups continuing to use the space. Volleyball, Elementary Basketball, pickle ball or birthday parties are some current events being held.

The Southside Water and Wastewater Infrastructure Rehabilitation informational meeting was opened at 7:15pm by Mayor Offerdahl to discuss improvements to all water and wastewater utilities located south of the railroad tracks in Fosston. Keith Kinnen (Karvacko Engineering) stated they have been working on the project, and part of the process is holding a public hearing. The project is looking to replace 7,400 linear feet of wastewater main, over 5,000 linear feet of water main, 820 linear feet of storm water piping, 27 wastewater manholes, 8 hydrants, 38 gate valves, and in total replacing 70 services for water and wastewater to parcels. The facilities plan was recently completed identifying the need for the project and areas to be addressed. Both the water collection and water distribution systems are 75+ years old. There have been multiple water main breaks, specifically on 3<sup>rd</sup> Street, Inderlee Avenue and 2<sup>nd</sup> Street. Significant water loss has been identified, as well as a couple areas of storm water flooding & infiltration. There were multiple options discussed on ways to replace the infrastructure, with the recommendation given to replace and reroute a couple areas for wastewater collection (rerouting to maintain all within city regulate). Recommendation for water distribution was to replace all infrastructure within place and upgrade to 6” pipe, and storm water mains to be replaced in their current placement. Mike Karvacko stated it would be a \$7 million project, hoping to be completed in 2028. To meet that 2028 timeline there are multiple steps needing to be taken. Grants need to be applied for, permits obtained and facility plans submitted to get onto the 2028 IUP project list. With there being no comments, questions or further business to take up during this hearing, a motion was made by Pearson, seconded by Anderson to close the public hearing. Motion carried by unanimous vote.

Council considered adopting Resolution Approving the Facility Plan Prepared by Karvacko PA for the Southside Utility & Street Improvements. Keith Kinnen of Karvacko stated a city resolution is required for the application process of the project that was just discussed during the public meeting.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE FACILITY PLAN DATED FEBRUARY 2026, PREPARED  
BY KARVAKKO ENGINEERING, INC FOR CITY OF FOSSTON SOUTHSIDE UTILITY &  
STREET IMPROVEMENTS  
RESOLUTION 26-09**

WHEREAS, the City of Fosston has legal authority under MN Statute 429 to contract and assess the cost of utility and street improvements within the City of Fosston;

NOW THEREFORE BE IT RESOLVED that the City hereby accepts the Facility Plan and authorizes its submittal to the MPCA for review and approval,

BE IT FURTHER RESOLVED that the City accepts and designates the Facility Upgrade Alternative, as outlined in the Facility Plan, dated February 2026, for the improvement to the City's existing infrastructure in 12 blocks in Southside Fosston.

BE IT FURTHER RESOLVED that the City authorizes staff to file applications for State and Federal assistance to coincide with the City's intent to design, construct, operate and maintain the proposed facilities upon approval and assistance from the US Environmental Protection Agency, the Minnesota Pollution Control Agency, and the USDA Rural Development.

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

and the following voted against same: None.

Adopted this 9<sup>th</sup> day of February, 2026.

CITY OF FOSSTON

By \_\_\_\_\_

James Offerdahl, Mayor

ATTEST:

By \_\_\_\_\_

Cassie Heide, City Administrator

Police Department: Reports from Chief of Police Phil Juve and Sergeant Mary Olson

- Olson reported that in January there were 83 CFS's, 16 ICR's resulting in 1 citation. There were zero arrests. Primary reasons for CFS's were motor vehicle accidents, child protection, vehicle unlocks and property damage.
- Juve reported they continue to tag vehicles at times of snow removal, but there have been significantly fewer due to residents moving vehicles sooner.
- Liquor license renewals for local businesses are being processed for the March deadline.
- There have been four permits to purchase so far this year.
- POST mandated training is being completed, with much being done online. A taser/chemical/pepper spray training will be held jointly with PCSO in the near future.
- The department is short one officer. Ads remain on the POST board and FaceBook, however competition is tough. There are currently 127 ad posts on the POST board, with some departments advertising for multiple positions.
- Sergeant Juve's retirement open house is coming up; we are excited for him but will miss him.

- A body camera audit will be completed in May. This is required by the state every two years.

Community Development: Cassie Heide

- Heide reported Prairie Pines Childcare Center has requested a loan modification. Heide is the board president at the Center. Currently they have a \$175,000 note to the city and are requesting additional funds of \$15,000. They are also requesting the note's term be extended from 15 to 20-year term at the current 2% rate. The EDA unanimously recommended to council approval of the request. Heide reported the Center continues to be successful as it is in its 4<sup>th</sup> year and has between 30-40 children currently enrolled. Motion was made by Pearson, seconded by Anderson to approve the loan modification. Motion carried by unanimous vote.
- Heide reported there also was a Rehab Fosston Grant request that was tabled.

Communications: Kirby Vossler reported

- Vossler reported she continues to work on the Berge Stafford Park project, focusing on fundraising campaigns. The Giving Hearts fundraiser will be held February 12 and a website fundraiser selling T-shirts is currently being created. Heide stated she and Vossler will collaborate on preparing a DNR 50/50 grant application, with total project cost for the playground and splashpad being approximately \$750,000. The fundraising efforts enhance and strengthen the grant request.
- Vossler worked on livestreaming the Healthcare meeting due to the extreme cold forecast for that night. She has it loaded on YouTube and has added subtitles.
- Communication for the retirement party for Sergeant Juve at the end of the month also has been worked on.

Hospital Board/Health Care: Cassie Heide reported

- Heide had nothing new to report. There was no meeting of the First Care Medical Services Board that she was aware of and could not recall when the last meeting was held. Offerdahl stated at the previous council meeting a request had been made to Michael Curtis of Essentia to provide financials to the board members. Offerdahl then asked Curtis if he could provide an update on that. Curtis replied meeting dates will be announced this week. Offerdahl questioned the purpose of the meeting to be set, to which Curtis replied it will be the annual board meeting. Offerdahl questioned why they would have their annual meeting and expect board members to approve financials when details have not yet been provided. Curtis replied that a packet is given out before the meeting. Offerdahl asked Heide what financials she received last year prior to the annual meeting. Heide couldn't recall specifics, other than the IRS 990 form. Offerdahl stated that to expect a board to approve financials based on a single number listed on an IRS form is not appropriate, and council should ask our representative to vote no unless details are provided in advance for each line item on that form. Offerdahl asked Curtis to please help with this specific request and see to it those financial details are provided in advance. Heide then reported a judge has not been assigned in Polk County to hear the city's case to compel Essentia into arbitration. The court administration advised Heide it may be best to request an expedited process and it is also best if done as a joint request. The city's legal team will ask Essentia if they will participate in a joint request to the court for an expedited process, and hope Essentia will choose to agree.

Arts & Culture Commission: Vossler reported

- Vossler reported she was unable to make the meeting; however, commission met with a couple new board members present. There is a grant awarded for the mural in the alley. This is a project to be completed this summer, and the artist is ready and excited to start.

City Attorney: Stephen Larson reported

- Larson had nothing new to report.

Airport Commission: Cassie Heide reported

- Heide reported there have been many changes in the pilots involved on the airport commission, and it has been challenging to get that group together to meet. City Council has been very informed and involved in the operations at the airport, as well as engineers and grant specialists currently collaborating with the city. Appointments were just approved for the commission for 2026, with one seat open on the airport commission and a few others that are no longer involved with our airport. Meetings have become redundant with very little participation. Heide reported that there is no statutory requirement to have an airport commission; it is common for a city council to be the authority. Offerdahl stated it made sense to do so with the lack of involvement and it not being statutory. Council agreed. Heide and city attorney Larson will investigate to see if there is an established ordinance for airport commission, and if so, start the work on any necessary amendment to be presented to council at a later date.

The wastewater system improvements public hearing was opened at 7:45p.m. by Mayor Offerdahl to discuss the city's plan for wastewater system improvements. Jason Benson of AE2S Engineering stated this is a facility plan amendment, so it was best to hold another public meeting. Upon review of the original plan, it was found that it does not address all current challenges and would not address future nitrogen limit changes. Currently, specific items needing to be addressed are ventilation and safety codes in the existing building as well as a labor intense manual bar rack needing to be upgraded to an automatic screen to ease operations and reduce labor. Multiple options were discussed, with recommendations given to complete the upgrades in two phases. The first phase addresses current issues by incorporating screening improvements in the process building, pretreatment aeration cell modifications, and a chemical feed building addition optimizing chemical treatment efficiency. Total cost would be \$4.4 million, much lower than the original plan of \$10 million. The second phase would address future nitrogen limits by adding a SAGR process for nitrogen removal. Limits are not set as of yet, but a basic plan needs to be established to be prepared and would be revisited once limits are determined. Heide asked Benson to clarify the possible time frame for phase 2. Benson stated once limits are set a compliance schedule to complete the upgrade would be granted, likely being a 10-15 year process to become compliant with new limits. Also, looking at the increased operational costs and the decreased chemical expenses due to increased efficiency it appears the project will be eligible for grant funding. If approved, the amended facility plan will be submitted in March. The project is already on the PPL list, but a request would be submitted to get onto the intended use plan in June. At that point consideration could be made to move forward in bidding. Heide added she and Lyseng have attended multiple meetings regarding this and work done with the original proposal didn't fully address issues where this amended plan does. Lyseng agreed, the plan is a good plan to move forward with. With there being no comments, questions or further business to take up during this hearing, a motion was made by Anderson, seconded by Pearson to close the public hearing. Motion carried by unanimous vote.

Council Considered adopting Resolution Approving the Facility Plan Amendment dated February 2026, Prepared by Jason Benson, PE of AE2s for City of Fosston Wastewater Treatment Facility.

Member Pearson introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING THE FACILITY PLAN AMENDMENT DATED FEBRUARY 2026,  
PREPARED BY JASON BENSON, PE OF AE2S FOR CITY OF FOSSTON WASTEWATER  
TREATMENT FACILITY.  
RESOLUTION 26-10**

WHEREAS, the City of Fosston has legal authority under MN Statute 429 to contract and assess the cost of wastewater treatment facilities, and

WHEREAS, the City of Fosston has legal authority under MN Statute 444 to provide for the necessary financial, institutional and managerial resources to operate and maintain wastewater treatment facilities, and

NOW THEREFORE BE IT RESOLVED that the City hereby accepts the Facility Plan Amendment and authorizes its submittal to the MPCA for review and approval,

BE IT FURTHER RESOLVED that the City accepts and designates the Project Recommendation, as outlined in Chapter 6 of the Facility Plan Amendment, dated February 2026, for the improvement to the City's existing wastewater treatment facility.

BE IT FURTHER RESOLVED that the City authorizes staff to file applications for State and Federal assistance to coincide with the City's intent to design, construct, operate and maintain the proposed facilities upon approval and assistance from the US Environmental Protection Agency, the Minnesota Pollution Control Agency, and the USDA Rural Development.

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: Offerdahl, Pearson and Anderson.

and the following voted against same: None.

Adopted this 9<sup>th</sup> day of February, 2026.

CITY OF FOSSTON

By \_\_\_\_\_

James Offerdahl, Mayor

ATTEST:

By \_\_\_\_\_

Cassie Heide, City Administrator

Council considered adopting Resolution Approving Plans and Specifications for the 2026 9<sup>th</sup> Street Northeast Street & Utility Improvement Project. Nicole Dolejs from AE2S reported plans were completed at the end of January with bid opening planned for February 19. If approved, the resolution keeps the project moving forward.

Member Pearson introduced the following resolution and moved its adoption:

**RESOLUTION APPROVING PLANS  
AND SPECIFICATIONS FOR THE 2026 9<sup>TH</sup> STREET NORTHWEST STREET & UTILITY  
IMPROVEMENT PROJECT  
ADVERTISEMENT FOR BIDS**

**RESOLUTION NO. 26-11**

WHEREAS, the City of Fosston plans to make street and utility improvements to 9<sup>th</sup> Street Northwest between Omland and Mark Avenue and has selected AE2S as its project engineer and authorized them to develop plans and specs and has presented such plans and specifications to the council for approval:

9<sup>TH</sup> STREET NORTHWEST BETWEEN OMLAND AND MARK AVENUE NORTHWEST

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 on the trade website [www.Questcdn.com](http://www.Questcdn.com) 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 where 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 a future meeting 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 Anderson and upon vote being taken thereon the following voted in favor thereof: Offerdahl, Pearson and Anderson.

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 9<sup>th</sup> day of February, 2026.

---

James Offerdahl, Mayor

Attest:

---

Cassie Heide, City Administrator

Council considered adopting Resolution authorizing Orderly Annexation of certain Land from Brandsvold Township to the City of Fosston. Heide reported this would be to annex the recently purchased Ostenaar Land plus the cemetery located nearby. Including the cemetery land cleans things up, since there are no property taxes assessed at a cemetery. Brandsvold Township meets February 11, once Heide receives the signed document stating their approval it will be given to City Attorney Larson to record with the Board of Annexation.

**IN THE MATTER OF THE ORDERLY ANNEXATION BETWEEN  
THE CITY OF FOSSTON AND BRANDSVOLD TOWNSHIP  
PURSUANT TO MINNESOTA STATUTES, SECTION 414.0325**

WHEREAS, on January 27, 2026, a Notice of Intent to include property in an orderly annexation area was published pursuant to the requirements of Minnesota Statutes, Section 414.0325, Subd. 1b.

WHEREAS, the City of Fosston and Brandsvold Township jointly agree to designate and request the immediate annexation of the following described land located within Brandsvold Township to the City of Fosston, County of Polk, State of Minnesota:

Parcel No. 06.00214.00:

Owner: City of Fosston

Legal Description:

The Northwest Quarter of the Southwest Quarter (NW1/4SW1/4) of Section Thirty-four (34), Township One Hundred Forty-eight (148) North of Range Forty (40) West.

(consisting of approximately 40.00 acres)

Parcel No. 06.00218.00:

Owner: City of Fosston

Legal Description:

The South Half of the Southwest Quarter (S1/2SW1/4) of Section Thirty-four (34), Township One Hundred Forty-eight (148) North of Range Forty (40) West, LESS THE FOLLOWING DESCRIBED EXCEPTED TRACTS:

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at a point on the South boundary line of said SW1/4 which is 6 feet 20 rods East of the corner stake at the

Southwest corner of said section, then East along said South boundary line a distance of 35 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 43 rods to a point; then West parallel to the South boundary line of said SW1/4 a distance of 35 rods to a point, then South parallel to the West boundary line of said SW1/4 to the point of beginning.

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at a point on the South boundary line of said SW1/4 which is 55 rods 6 feet East of the corner stake at the Southwest corner of said Section, then East along said boundary line a distance of 60 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 24 rods to a point, then West parallel to the South boundary line of said SW1/4 a distance of 45 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 19 rods to a point, then West parallel to the South boundary line of said SW1/4 a distance of 15 rods to a point, then South parallel to the West boundary line of said SW1/4 to the point of beginning.

EXCEPTED TRACT: Commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at the corner stake at the southwest corner of the SW1/4 of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence East along the South boundary line of said SW1/4 a distance of 20 rods and 6 feet; thence North along a line parallel to the West boundary line of said SW1/4 a distance of 24 rods; thence West along a line parallel to the South boundary line of said SW1/4 a distance of 20 rods and 6 feet, more or less, to the West boundary line of said SW1/4; thence South along the West boundary line of said SW1/4 a distance of 24 rods, more or less, to the point of beginning, LESS a tract of land commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 56.78 acres)

Parcel No. 06.00219.00:

Owner: Poplar River Norwegian Evangelical Lutheran Congregation

Legal Description:

Commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal

Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 2.00 acres)

Parcel No. 06.00218.03:

Owner: Hope Lutheran Church

Legal Description:

That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at the corner stake at the southwest corner of the SW1/4 of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence East along the South boundary line of said SW1/4 a distance of 20 rods and 6 feet; thence North along a line parallel to the West boundary line of said SW1/4 a distance of 24 rods; thence West along a line parallel to the South boundary line of said SW1/4 a distance of 20 rods and 6 feet, more or less, to the West boundary line of said SW1/4; thence South along the West boundary line of said SW1/4 a distance of 24 rods, more or less, to the point of beginning, LESS a tract of land commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 1.02 acres)

WHEREAS, the City of Fosston and Brandsvold Township are in agreement as to the orderly annexation of the unincorporated land described.

WHEREAS, Minnesota Statutes, Section 414.0325 provides a procedure whereby the City of Fosston and Brandsvold Township may agree on a process of orderly annexation of a designated area.

WHEREAS, the City of Fosston and Brandsvold Township have agreed to all the terms and conditions for the annexation of the above-described lands, and the signatories hereto agree that no alteration of the designated area is appropriate and no consideration by the Chief Administrative Law Judge is necessary. The Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

NOW, THEREFORE, BE IT RESOLVED, jointly by the City Council of the City of Fosston and the Township Board of Brandsvold Township as follows:

Section 1. Property. That the following described land is subject to orderly annexation pursuant to Minnesota Statutes, Section 414.0325, and that the parties hereto designate the area for orderly annexation and agree that the land be immediately annexed:

Parcel No. 06.00214.00:

Owner: City of Fosston

Legal Description:

The Northwest Quarter of the Southwest Quarter (NW1/4SW1/4) of Section Thirty-four (34), Township One Hundred Forty-eight (148) North of Range Forty (40) West.

(consisting of approximately 40.00 acres)

Parcel No. 06.00218.00:

Owner: City of Fosston

Legal Description:

The South Half of the Southwest Quarter (S1/2SW1/4) of Section Thirty-four (34), Township One Hundred Forty-eight (148) North of Range Forty (40) West, LESS THE FOLLOWING DESCRIBED EXCEPTED TRACTS:

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at a point on the South boundary line of said SW1/4 which is 6 feet 20 rods East of the corner stake at the Southwest corner of said section, then East along said South boundary line a distance of 35 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 43 rods to a point; then West parallel to the South boundary line of said SW1/4 a distance of 35 rods to a point, then South parallel to the West boundary line of said SW1/4 to the point of beginning.

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at a point on the South boundary line of said SW1/4 which is 55 rods 6 feet East of the corner stake at the Southwest corner of said Section, then East along said boundary line a distance of 60 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 24 rods to a point, then West parallel to the South boundary line of said SW1/4 a distance of 45 rods to a point, then North parallel to the West boundary line of said SW1/4 a distance of 19 rods to a point, then West parallel to the South boundary line of said SW1/4 a distance of 15 rods to a point, then South parallel to the West boundary line of said SW1/4 to the point of beginning.

EXCEPTED TRACT: Commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

EXCEPTED TRACT: That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at the corner stake at the southwest corner of the SW1/4 of Section 34, Township 148 North of Range 40 West of the

Fifth Principal Meridian; thence East along the South boundary line of said SW1/4 a distance of 20 rods and 6 feet; thence North along a line parallel to the West boundary line of said SW1/4 a distance of 24 rods; thence West along a line parallel to the South boundary line of said SW1/4 a distance of 20 rods and 6 feet, more or less, to the West boundary line of said SW1/4; thence South along the West boundary line of said SW1/4 a distance of 24 rods, more or less, to the point of beginning, LESS a tract of land commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 56.78 acres)

Parcel No. 06.00219.00:

Owner: Poplar River Norwegian Evangelical Lutheran Congregation

Legal Description:

Commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 2.00 acres)

Parcel No. 06.00218.03:

Owner: Hope Lutheran Church

Legal Description:

That part of the South Half of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian, described as follows: Commencing at the corner stake at the southwest corner of the SW1/4 of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence East along the South boundary line of said SW1/4 a distance of 20 rods and 6 feet; thence North along a line parallel to the West boundary line of said SW1/4 a distance of 24 rods; thence West along a line parallel to the South boundary line of said SW1/4 a distance of 20 rods and 6 feet, more or less, to the West boundary line of said SW1/4; thence South along the West boundary line of said SW1/4 a distance of 24 rods, more or less, to the point of beginning, LESS a tract of land commencing 6 feet due east of the corner stake at the southwest corner of the Southwest Quarter of Section 34, Township 148 North of Range 40 West of the Fifth Principal Meridian; thence running 16 rods due north; thence 20 rods due east; thence 16 rods due south; and thence 20 rods due west to the starting point.

(consisting of approximately 1.02 acres)

Section 2. Acreage/Population/Usage. That the orderly annexation area consists of approximately 109.8 acres, no one lives in the annexation area, and the land use type is cemetery and agricultural.

Section 3. Jurisdiction. That Brandsvold Township and the City of Fosston, by submission of this joint resolution to the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, confers jurisdiction upon the Chief Administrative Law Judge so as to accomplish said orderly annexation in accordance with the terms of this resolution.

Section 4. No Municipal Reimbursement/No Tax Exempt Property. Brandsvold Township and the City of Fosston agree that there shall be no reimbursement. There is no tax exempt property in the area to be annexed.

Section 5. Assessments and Debt. That pursuant to Minnesota Statutes § 414.036 with respect to any special assessment assigned by the Township to the annexed property and any portion of debt incurred by the Township prior to the annexation and attributable to the property to be annexed, but for which no special assessments are outstanding, for the area legally described there are no special assessments or debt.

Section 6. Review and Comment. The City of Fosston and Brandsvold Township agree that upon receipt of this resolution, passed and adopted by each party, the Chief Administrative Law Judge may review and comment, but shall within thirty (30) days, order the annexation in accordance with the terms of the resolution.

Section 7. Filing and Costs. The City of Fosston is responsible for filing this resolution with the Municipal Boundary Adjustment Unit of the Office of Administrative Hearings, paying all filing costs and publication costs associated with the orderly annexation, and for providing additional information or corrections as may be needed to complete the requested annexation.

Adopted by affirmative vote of all the members of the Brandsvold Township Board of Supervisors this 11<sup>th</sup> day of February 2026.

BRANDSVOLD TOWNSHIP

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

Chairperson

Township Clerk

Board of Supervisors

Adopted by affirmative vote of the City Council of Fosston this 9<sup>th</sup> day of February 2026.

CITY OF FOSSTON

ATTEST:

By: \_\_\_\_\_

By: \_\_\_\_\_

Mayor

City Administrator

Approved this 9<sup>th</sup> day of February 2026.

Council considered adopting Resolution approving the Creation of Tax Increment Financing District No. 1-15. Jason Murray (David Drown Associates) reported it's a two parcel TIF district specific to the two four-plexes to be built this spring.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION # 26-13**  
**APPROVING THE CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-15**  
**WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1,**  
**AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO**

WHEREAS:

- A. It has been proposed that the City of Fosston, Minnesota (the "City") create Tax Increment Financing District No. 1-15 within Municipal Development District No. 1 and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, sections 469.174 to 469.1794 inclusive, as amended (the "Act"); and
- B. The City of Fosston has investigated the facts and has caused to be prepared the tax increment financing plan for Tax Increment Financing District No. 1-15; and
- C. The City has performed all actions required by law to be performed prior to the creation of Tax Increment Financing District No. 1-15 within Municipal Development District No. 1 and the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Polk County and Fosston Independent School District 601, having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-15, and the holding of a public hearing upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Fosston as follows:

1. Tax Increment Financing District No. 1-15 within Municipal Development District No. 1. The City hereby approves the establishment of Tax Increment Financing District No. 1-15 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.
2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 1-15, and the City Council makes the following findings;
  - (a) Tax Increment Financing District No. 1-15 is a housing district as defined in Minnesota Statutes, Section 469.174, Subd. 11;  
  
Criteria for this type of district is described in Section 12 of the Tax Increment Financing Plan and further supported by a detailed inspection report.
  - (b) The proposed development, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the

use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 1-15 permitted by the Tax Increment Financing Plan.

The City has determined that TIF assistance is necessary to control certain development costs such that the resulting development can remain at affordable levels as these parcels have been vacant for some time. Without assistance, the City believes that the acquisition and construction cost will exceed affordable levels, and the project will not be feasible.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis indicates that:

1. *The increase in estimated market value of the proposed development is \$5,337,400; and*
2. *The present value of expected tax increments collected over the maximum duration of the TIF District is \$1,367,241; and*
3. *The expected increased estimated market value of the site without the use of tax increment is \$37,854; and*
4. *Even if some development other than the proposed development were to occur, the Authority finds that no alternative would occur that would produce a market value increase greater than \$3,970,159 (the amount in number 1 less the amount in number 2) without tax increment assistance.*

- © The Tax Increment Financing Plan for Tax Increment Financing District No. 1-15 conforms to the general plan for development or redevelopment of the City of Fosston as a whole.

The reasons and facts supporting this finding are that the current zoning of the property provides for housing development as a permitted use, and rezoning will not be required.

- (d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Fosston as a whole, for the development or redevelopment of Tax Increment Financing District No. 1-15 by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfil the need to develop an area of the City which is already built up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.
4. Authorization of Interfund Loan. The City hereby authorizes internal funding in a principal amount equal to all Project costs listed in the TIF Budget. Funds will be provided from the General Fund, repaid over the term of the TIF District, and include interest at a fixed rate of

4.0%. (This interest rate is the greater of the rates specified under Minnesota Statutes 270C.40 and 549.09.)

- 5. Certification. The Auditor of Polk County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-15 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment District No. 1-15 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
- 6. Filing. The City Administrator is further authorized and directed to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor.

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

and the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA                    )  
COUNTY OF POLK                        ) SS  
CITY OF FOSSTON                        )

I, the undersigned, being the duly qualified and acting City Administrator of the City of Fosston, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the establishment of Tax Increment Financing District No. 1-15 within Municipal Development District No. 1 in the City.

WITNESS my hand this 9th day of February, 2026.

\_\_\_\_\_  
Cassie Heide, City Administrator

Keith Kinnen of Karvacko reported the Berge Park Project has been closed out. The 2<sup>nd</sup> Street project was submitted for state aid plan review mid-January. Once approved a bid packet can be assembled. Calvary Trail isn't quite finished but will be sent soon to state aid for plan review. Both projects should be to bid within a month. The facility plan for the Southside project should be submitted next week. The 2026 projects include 2 trail projects, with the first starting at the north side of the high school on 2<sup>nd</sup>

Street to Thompson Field. The second is the FIT Trail Calvary segment that will start at the cemetery north of the sports complex and run straight north to 6<sup>th</sup> Street.

Nicole Dolejs from AE2S had nothing new to report.

There was a forum for the members of the public to speak, but no one was present who wished to speak.

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

---

Cassie Heide, City Administrator