

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSTON, POLK COUNTY MINNESOTA
APRIL 15, 2013

The regular meeting of the council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, April 15, 2013 at 7:00 p.m.

Mayor Offerdahl called the meeting to order with the following members present: Ehlke, Carlson, Veum and Lambert. Also present was Lee Cariveau, Tracee Bruggeman of Brady Martz, Sheriff Erdman, Dave Larson, Larry Roed, Wayne Omundson, Pat Hanlon, Greg Mireault and Dick Roue two members of the Mentor Fire Department.

The Mayor called for a moment of silence to remember those affected by the bombings during the Boston Marathon.

Motion was made by Lambert seconded by Veum to approve the agenda with the following modifications. Motion carried by unanimous vote:

- A) To consider approval of the Application to Conduct Excluded Bingo at Relay for Life on June 21, 2013 from Bethany Lutheran Church.
- B) To consider approval of the annual donation of \$1,000 to the Fosston Senior Meals program.
- C) Tracee Bruggeman of Brady Martz Associates here to review the 2012 Audit.

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

- A) To approve the minutes of the regular meeting held March 11, 2013 as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #13-04 in the amount of \$76,742.39 and AP Bill Listing #13-04A in the amount of \$21,698.03.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Sheriff Erdman was present to discuss law enforcement matters. With the warmer weather there has been more activity. The test of the Code Red system has been done. We will work to get the City on this system also.

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

- Spring work will begin when weather permits.
- There is a sinkhole by Midway that will be fixed as soon as weather allows.
- We've had 16 water breaks.
- A power outage on the 9th was due to an underground fault on a primary between the High School and Third Street. This line is scheduled for replacement in the spring.

Civic Center/Parks & Recreation: Pat Hanlon reported on matters pertaining to his departments:

- Some pool repairs were made by Aqua Logic and Lee Plumbing will be called to repair the overflow valve.
- Scheduling for the summer swim program has begun.
- Four applications have been received for summer recreation positions.

- The tractor lawnmower is in terrible shape and needs to be replaced before the summer mowing season. Hanlon is estimating a replacement cost of about \$2,500 to \$8,000.
- Ceiling tiles in the Civic Center need to be replaced and Corey Osmonson will do this.
- The carpet above the gym is falling apart and should be replaced sometime.

Hospital:

- A Growth Planning session is scheduled for next Tuesday. Advertising for a new CEO has begun.

Community/Economic Development:

- The City has been approached by Northern Woolen Mills, a startup business that wishes to build a new facility and begin operations in the City's industrial park. This business will process wool/fibers into roving or yarn. The owner is proposing to build an 8,000 square foot facility at an estimated cost of \$375,000. An additional \$215,000 is needed for equipment. It appears that this business will meet eligibility requirements for \$216,000 funding from the Minnesota Investment Fund (MIF). This is a financing tool created by the State of Minnesota to stimulate economic development. Local units of government apply for MIF dollars in the form of a grant. Then the local unit of government loans dollars to an eligible business. As the loan is paid back those dollars go into a revolving loan fund.

Star Committee:

- 54 Street Pole banners have been ordered.
- The first Easter egg hunt was held on March 30th with about 200 kids participating.

Tracee Bruggeman of Brady, Martz Associates was present to discuss the 2012 audit. She reviewed the fund balances for the governmental funds as well as the proprietary funds and the revenues and expenditures for these. Two federal programs were audited and the city complied in all respects. The city has not met its fund balance policy. Recommended is 35-50% and the City is at 16%. We will have to see how to increase this.

Larry Roed was present to comment on the golf course. He read an article regarding discussions on the sale of the golf course and the possibility that the City might be interested in purchasing it. He has concerns with this and believes governments are not very good at running things. Eventually this will cost taxpayers money. Mireault stated that his concern is that it won't remain a golf course if it's sold to someone other than the city. It's a good investment for the city. The Mayor informed him that this is only a discussion at this point. Our intent is not to bond or levy to purchase this property. The city won't be in a position to pay what is being asked so it is hoped that an association can be formed to fill that gap. The land would be considered an investment. The property will have to be appraised. We have an assessed value from the assessor's office. Roed asked that the city be cautious.

The council discussed an Ordinance Authorizing and Regulating the Conduct of Lawful Gambling Within the City of Fosston. Two members of the Mentor Fire Department were present to discuss pull tab operations in the City of Fosston. The gross deposits and expenses related to this were explained. The concern is if there are enough donations coming back to organizations in Fosston and if we should establish an ordinance with a provision to set a trade area that gives a certain percentage to the trade area. The department prefers that we not do this but instead refer requests for donations to them. No further action was taken at this time.

Council discussed an Ordinance Authorizing the Keeping of Chickens within the City of Fosston. There is a growing interest in raising chickens for fresh eggs and meat. There are some concerns and “nuisance” should be further defined. It was decided to invite public comment at the next council meeting and see what the interest is. No action taken at this time.

Motion was made by Carlson seconded by Veum to approve the request from Feldt Plumbing to extend the completion date to June 1st to finish the 2012 Street Improvement Project. Motion carried by unanimous vote.

Motion was made by Lambert seconded by Ehlke to approve the Application for Exempt Permit from Fosston Ducks Unlimited for a fundraiser on May 3, 2013 at Venture’s Bar & Grill. Motion carried by unanimous vote.

Motion was made by Veum seconded by Lambert to approve the Application for Exempt Permit from the Fosston-Lengby Lions Club for a Raffle on July 6, 2013 at the All School Reunion. Motion carried by unanimous vote.

Motion was made by Carlson seconded by Lambert to approve the “Build Fosston” Housing Incentive Program as recommended by the FEDA board. Motion carried by unanimous vote.

Member Ehlke introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING
PROPERTY TAX ABATEMENTS
REOLUTION 13-10**

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, 2014.
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 Veum and upon vote being taken thereon the following members voted in favor thereof: Ehlke, Veum, Lambert, Carlson and Offerdahl

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 15th day of April, 2013.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

RESOLUTION IMPLEMENTING THE FEDERAL TRANSIT ADMINISTRATION
REGULATIONS ON DRUG USE AND ALOCHOL MISUSE
RESOLUTION #13-11

WHEREAS, the City of Fosston Transit system has an obligation to insure that its employees perform their jobs safely, and in a professional manner.

WHEREAS, the City of Fosston Transit system recognizes that alcoholism and other drug dependencies has a significant potential for causing safety hazards for transit system employees.

NOW THEREFORE, the purpose of this document is set forth the Fosston Transit System Policy regarding urine drug testing and breath alcohol testing for safety-sensitive positions in accordance with the terms of 49 CFR Part 655. I further certify that the employee training conducted under this part meets the requirements of 49 CFR Part 655.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 15th day of April, 2013

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Ehlke introduced the following resolution and moved its adoption:

**RESOLUTION OF THE CITY OF FOSTON
AUTHORIZING THE LETTER OF INTEREST TO PARTICIPATE IN
THE POLK COUNTY ALL HAZARD MITIGATION PLAN UPDATE
RESOLUTION NO. 13-12**

WHEREAS, the City of Fosston has participated in a hazard mitigation planning process as established under the Disaster Mitigation Act of 2000; and

WHEREAS, the Act establishes a framework for the development of a County Hazard Mitigation Plan; and

WHEREAS, the Polk County Plan includes a risk assessment including past hazards, hazards that threaten the County, an estimate of structures at risk, a general description of land uses and development trends; and

WHEREAS, the Polk County Plan includes a mitigation strategy including goals and objectives and an action plan identifying specific mitigation projects and costs; and

WHEREAS, the Polk County Plan includes a maintenance or implementation process including plan updates, integration of the plan into other planning documents and how Polk County will maintain public participation and coordination; and

WHEREAS, the Plan has been shared with the Minnesota Division of Homeland Security and Emergency Management and the Federal Emergency Management Agency for review and comment; and

WHEREAS, the Polk County All-Hazard Mitigation Plan makes the County eligible to receive FEMA hazard mitigation grants; and

WHEREAS, this is a multi-jurisdictional Plan and cities that participated in the planning process may have chosen to adopt the County Plan.

WHEREAS, the City of Fosston adopted the Polk County All Hazard Mitigation Plan on December 7, 2007.

WHEREAS, the Polk County Office of Emergency Management will be updating the Hazard Mitigation Plan in 2013 and request that the City sign a Letter of Interest to continue participation in the Hazard Mitigation Plan.

NOW THEREFORE BE IT RESOLVED, that the City of Fosston supports the Polk County hazard mitigation planning update effort and authorizes signing of the Letter of Interest.

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

And the following voted against same: None

Whereupon said resolution was duly passed and adopted this 15th day of April, 2013.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

The council considered the Resolution Supporting Legislation Authorizing the Establishment of Municipal Street Improvement Districts. This legislation would allow cities to charge each parcel a certain dollar amount that would build funds for street projects. Every property would pay a fee – even exempt properties. This resolution only supports the legislation. Questions raised on this topic included how this would be monitored and how is this better than what we’re already doing? After further discussion, council member Veum introduced the **RESOLUTION SUPPORTING LEGISLATION AUTHORIZING ESTABLISHMENT OF MUNICIPAL STREET IMPROVEMENT DISTRICTS**. The Mayor called for a second to the motion three times. Motion died for lack of a second.

Member Ehlke introduced the following resolution and moved its adoption:

**RESOLUTION SUPPORTING SALES TAX EXEMPTION
ON CITY PURCHASES**

Resolution No. 13-13

WHEREAS, cities, townships, counties and school districts are partners with the state in providing services to residents and businesses across the state of Minnesota; and

WHEREAS, prior to 1992, cities, counties, townships and school districts were exempt from paying the sales tax on purchases; and

WHEREAS, the state legislature extended the sales tax to city, township and county purchases during the 1992 legislative session to address an estimated \$569 million deficit; and

WHEREAS, the extension of the state sales tax to cities, townships and counties was estimated in 1992 to raise approximately \$67 million per year in state revenues; and

WHEREAS, the application of the state sales tax on city purchases puts pressure on local property taxes and local user fees; and

WHEREAS, since the state sales tax was extended to city purchases, funding for Local Government Aid has also been repeatedly cut to balance state budget deficits; and

WHEREAS, the homestead and agriculture aid program was repealed in 2001; and

WHEREAS, the 2008 constitutional amendment increased the state sales tax rate from 6.5 percent to 6.875 percent, increasing the cost of the state sales tax for cities and counties is now estimated to have increased to \$129.2 million per year for state fiscal year 2015; and

WHEREAS, the cost to cities and counties is estimated to grow by approximately 2.6 percent per year; and

WHEREAS, future state sales tax rate increases or expansions of the state sales tax base to additional goods and services would increase the cost of the sales tax on cities and their taxpayers and ratepayers

NOW, THEREFORE, BE IT RESOLVED that the city council of the City of Fosston supports HF 295, HF 469, SF 329, SF 104 and SF 435, legislation now before the 2013 legislature would re-exempt the purchases of cities and counties from the state sales tax.

The foregoing resolution was duly seconded by member Lambert and upon vote being taken thereon the following members voted in favor thereof: Ehlke, Lambert, Carlson, Veum and Offerdahl

and the following voted against same: None

Whereupon said resolution was declared passed and adopted this 15th day of April, 2013.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Council reviewed the quote from Federal Signal Corp for a new warning siren. There has been some concern regarding audibility issues with our current emergency warning siren which is about 40 years old. This is just for informational purposes at this time and no action was taken.

Motion was made by Lambert seconded by Ehlke to approve the Application to Conduct Excluded Bingo at Relay for Life on June 21, 2013 from Bethany Lutheran Church. Motion carried by unanimous vote.

Motion was made by Carlson seconded by Veum to approve a donation of \$1,000 to the Fosston Senior Meals program for 2013. Motion carried by unanimous vote.

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

James Offerdahl, Mayor

