

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL  
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA  
April 16, 2018

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, April 16, 2018 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Veum, Dufault, Hoialmen and Anderson. Also present was: Charles Lucken, Cassie Heide, Lee Cariveau, David Larson, Keith Kinnen, Scott Bixby, Chett Carlson, and Ed Lavelle.

Motion was made by Anderson, seconded by Hoialmen to approve the agenda with the following modifications:

- Consider approval of submittal of Wellhead Protection Plan Phase 2 to the Minnesota Department of Health
- Consider approval of counter offer from James Juve for lot in Aspen addition.

Motion carried by unanimous vote.

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

- A) To approve the minutes of the regular meeting held March 12, 2018 regular meeting minutes.
- B) To approve Accounts Payable Bill Listing #18-04 in the amount of \$97,118.06 and AP Bill Listing #18-04A in the amount of \$23,274.47.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Scott Bixby and Chett Carlson was present to discuss matters pertaining to his department

- Chett Carlson is fitting in the community nicely and doing a good job for the department.
- Officers watch for distracted driving and include this in directive patrols. The problem is worse than drunk driving.

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

- Due to poor weather, street sweeping and painting is behind schedule but will get done as soon as the weather cooperates.
- City crews have a long list of maintenance items to complete and will work to get them completed before the All School Reunion.
- MDV is down this week for some maintenance and cleanup work.
- At least one pond needs to be dumped and will be done as soon as weather allows.

- Electrical lines that are dead ends and not looped will be replaced this summer, as well as replacing transformers that are outdated.
- There were a total of nine water breaks this year, which is average. Some breaks are due to stress cracks and some are electrolysis.

### Civic Center/Park & Recreation

- A quote from Zachariason Construction for the roof replacement of the storage building at the Sports Complex was reviewed. Council would like to see at least one or two more quotes before moving forward.
- Dufault reported that residents from Prairie Pines recently used the pool with the newly installed chair lift and will continue to do so now that they can more easily enter and exit the pool.

### Hospital – Dufault reported on matters pertaining to the hospital

- The hospital continually surveys and measures its employees and services to strive for excellent ratings. Fosston Essentia is leading in many of the measures that Essentia scores facilities on.
- The hospital actively recruits health care professionals that will serve the needs of the community.

### Bus

- The bus has been in the shop since last Monday. The motor, that was defective, quit working. It is under warranty and a new motor has been ordered. It will be installed as soon as it arrives.
- We are on track to get a new bus in 2019. Cassie will work with Gary on any features that should be added to a new bus to serve the community better.

### Community/Economic Development-

- The West End Mobile Home Park owned by Park Core is currently for sale. The owners have a couple of interested buyers but are giving the FEDA the option to purchase the park.

Balance sheets, backed by tax returns were given and the property is currently cash flowing. Lucken presented financials with debt service and the property should still cash flow.

There are empty lots on the east side of Northwood Avenue that could potentially be developed into much needed multi-unit housing.

By the City owning the property, the city would gain the real estate and control over the cleanliness, infrastructure and success of the property.

Greater Minnesota Management has expressed interest in managing the property for the City in the event they own it. Greater Minnesota Management does a good job of

managing property and would take care of all of the management of the property including background checks.

The FEDA Board has made a recommendation to the council to offer Park Core \$500,000 with \$10,000 earnest money with the typical title contingencies and contingent upon the city being able to legally own the property.

A motion was made by Anderson, seconded by Hoialmen to approve the offer outlined by FEDA.

#### Airport

- Lucken reported that the airport commission needs a couple more members. Bruce Emmel of Clearbrook and Paul Votova are willing to serve and would be good members as they both have aviation experience. A motion was made by Veum, seconded by Anderson to approve the appointment of Bruce Emmel and Paul Votova to the airport commission.

#### Star Committee

- The annual Easter egg hunt was held at the elementary school on March 31<sup>st</sup> with over 200 children in attendance and good feedback from the community.

Council reviewed a letter requesting \$1,000 donation to the Fosston Senior Meals as given in years past. A motion was made by Dufault, seconded by Veum to approve a donation of \$1,000 to Fosston Senior meals. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ACCEPTING BID AND AWARDING CONTRACT  
FOR 2018 UTILITY AND STREET IMPROVEMENT PROJECT  
RESOLUTION NO. 18-11**

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

Eaton Avenue N. between 8<sup>th</sup> Street NE and 11<sup>th</sup> Street NE

WHEREAS, bids were received, opened and tabulated according to law, and two (2) bids were received complying with the advertisement as follows:

Sellin Brothers, Inc. 40739 US 71 Hawley, MN 56549	Base Bid	\$ 866,511.00
	Alt Bid #1	\$ <u>88,554.00</u>
	TOTAL BID	\$ 955,065.00
Davidson Construction 65 State St. Newfolden, MN 56738	Base Bid	\$ 740,968.30
	Alt Bid #1	\$ <u>77,728.44</u>
	TOTAL BID	\$ 818,696.74

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 Davidson Construction, 65 State St., Newfolden, Minnesota in the name of the City of Fosston for the 2018 Utility and Street Improvements Project, Total Bid of \$818,696.74.
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 Hoialmen and upon vote being taken thereon, the following members voted in favor thereof: Anderson, Hoialmen, Dufault, Veum, and Offerdahl.

And the following voted against same: none

Whereupon said resolution was declared passed and adopted this 16<sup>th</sup> day of April, 2018.

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James Offerdahl, Mayor

ATTEST:

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Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION RELATING TO THE BYLAWS OF  
FIRST CARE MEDICAL SERVICES  
FOSSTON, MINNESOTA  
RESOLUTION NO.18-12

WHEREAS, the City of Fosston is a party to that certain Affiliation Agreement by and among Critical Access Group, f/k/a ECHC and the City of Fosston, Minnesota (the "Affiliation Agreement").

WHEREAS, Section 7 of the Affiliation Agreement provides that the Fosston City Council shall approve any amendments to section 4.2 and 4.3 of the First Care Medical Services Bylaws.

WHEREAS, it has been proposed that the Bylaws be amended to remove the requirement for staggering terms of the Board of Directors.

BE IT RESOLVED THAT:

Pursuant to its rights under the Affiliation Agreement, the council does hereby approve the amendment to Sections 4.2 of the First Care Medical Services Bylaws.

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

The following voted against the same: none

Whereupon said resolution was declared passed and adopted this 16 day of April, 2018.

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James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Council considered approval of premium for LMCIT Property/Casualty insurance coverage for 2017-2018 in the amount of \$73,498.00. A motion was made by Anderson, seconded by Hoialmen to approve premium for LMCIT Property/Casualty insurance coverage for 2017-2018 in the amount of \$73,498.00. Motion carried by unanimous vote.

Council considered the approval of farm lease between the City of Fosston and Mike Theis for 2018. A motion was made by Anderson, seconded by Hoialmen to approve the farm lease between the City of Fosston and Mike Theis for 2018. Motion carried by unanimous vote.

Council considered the approval of farm lease between the City of Fosston and Mark Brinkman for 2018. A motion was made by Anderson, seconded by Veum to approve the farm lease between the City of Fosston and Mark Brinkman for 2018. Motion carried by unanimous vote.

Council considered the approval of an employment agreement with City Administrator for the period July 1, 2018 to June 30, 2018 to June 30, 2019. City Attorney Stephen Larson reviewed the agreement and approved it. Member Dufault clarified with attorney Larson that in the review of the agreement, he was representing the City and not City Administrator to which he affirmed.

A motion was made by Anderson, seconded by Hoailmen to approve the employment agreement with City Administrator for the period July 1, 2018 to June 30, 2018. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION APPOINTING MEMBERS  
TO NORTHERN MUNICIPAL POWER AGENCY**

**RESOLUTION 18-13**

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, 2018 through May 31, 2019.

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

Offerdahl, Anderson, Dufault, Hoialmen and Veum

and the following voted against same: None

Whereupon said resolution was declared passed and adopted this 16<sup>th</sup> day of April, 2018.

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James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Council considered approving revision to Section 9.05.03, Sick Pay Allowance at Termination and Section 9.06.4, Accrual/Carryover of the Personnel Policy per recommendation of the Personnel Committee. Lucken explained that this allows an employee participating in PERA's phased retirement option to choose when to draw the available sick and vacation leave payable at retirement.

A motion was made by Dufault, seconded by Anderson to approve revision to Section 9.05.03, Sick Pay Allowance at Termination and Section 9.06.4, Accrual/Carryover of the Personnel Policy per recommendation of the Personnel Committee. Motion carried by unanimous vote.

**EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE CITY OF  
FOSSTON, MINNESOTA**

HELD: April 16, 2018

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Fosston, Polk County, Minnesota, was duly held at the City Hall on Monday, the 16<sup>th</sup> day of April, 2018, at 7:00 o'clock p.m. for the purpose, in part, of calling a public hearing on the modification of the Development Program for Municipal Development District No. 1 and the establishment of Tax Increment Financing Plan for Tax Increment Financing District No. 1-12 located therein.

The following Councilmembers were present: Anderson, Dufault, Hoialmen, Veum, and Offerdahl.

and the following were absent: none

Councilmember Hoialmen introduced the following resolution and moved its adoption;

RESOLUTION NO. 18-14  
CALLING FOR A PUBLIC HEARING ON  
THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 1,  
THE APPROVAL OF THE MODIFIED DEVELOPMENT PROGRAM RELATED  
THERE TO,  
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-12, AND  
THE ADOPTION OF 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. The City Council shall meet on Monday, June 11, 2018, at approximately 7:00 p.m. to hold a public hearing on the following matter: (a) the proposed modification of Municipal Development District No. 1, (b) the proposed approval of the modified Development Program related thereto, (c) the proposed establishment of Tax Increment Financing District No. 1-12, and (d) the proposed adoption of the Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1794, inclusive, as amended (the "Act").

2. Notice of Hearing. Filing of Program and Plan. The 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 Development Program and Tax Increment Financing Plan, as proposed to be modified and adopted, on file in the 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: Hoialmen, Dufault, Anderson, Veum, and Offerdahl.

and the following voted against the same: none.

Whereupon said resolution was declared duly passed and adopted this 16<sup>th</sup> day of April, 2018.

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James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Council considered approving submitting the City of Fosston Wellhead protection plan, phase 2 to the Minnesota Department of Health per the recommendation of hired consultant Teri Osterman.

A motion was made by Veum, seconded by Anderson to approve submitting the City of Fosston Wellhead protection plan, phase 2 to the Minnesota Department of Health. Motion carried by unanimous vote.

Council considered accepting a counter offer from James Juve for sale of a lot in the new Aspen addition. Juve counter offered with a sale price of \$25,000. The \$5,000 rebate for construction completion would still apply. It was the consensus of the council to accept the offer to get momentum going in the new addition.

A motion was made by Hoialmen, seconded by Veum to accept counter offer from James Juve for sale of a lot in the new Aspen addition in the amount of \$25,000. Motion carried by unanimous vote.

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

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Charles Lucken, City Administrator