

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
April 8, 2024

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, April 8, 2024, at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Dufault, Pearson, and Mulry. Members absent: None. Also present was: Cassie Heide, Sarah Manecke, Stephen Larson, Steven Lyseng, Amelia Linehan, Jim Juve, Mary Olson, Karen Graham, Joby Buckholz, Keith Kinnen (Karvakko), Nicole Dolejs (AE2S), Jarda Solc (AE2S), Tracee Bruggeman (Brady Martz), Kenny Olson, John Keller and Ben Keller.

Recited the Pledge of Allegiance.

Motion was made by Anderson, seconded by Mulry to approve the agenda as presented. Motion carried by unanimous vote.

Motion was made by Anderson, seconded by Dufault to approve Consent Agenda items A., B., C with a request from Dufault to remove a bill from consent agenda item B for further discussion. Motion carried by unanimous vote. Dufault inquired on an expense for \$690 from MN Online Counseling that he's never seen before. Heide indicated that these are co-pays for the employee on medical leave. Per state statute, the city must pay the counseling expenses.

- A) To approve the minutes of the regular meeting held March 11, 2024, as presented.
- B) To approve Accounts Payable Bill Listing #24-04 in the amount of \$110,141.10, and Supplemental AP Bill Listing #24-04A in the amount of \$104,714.46.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$3,153.38.

COMMITTEES/BOARDS/COMMISSION:

City Administration: Cassie Heide reported on matters pertaining to her department.

- Heide indicated that the 2023 audit & federal single audit were wrapped up. She was pleased with the report from Brady Martz.
- The Industrial Park project finally went out to bid on April 2nd and bid opening is scheduled for April 23rd at 2pm.
- FTA & MNDOT are here for two days doing a comprehensive transit review with Dyana.
- Heide noted that the local road improvement grant she submitted with Rosebud & Brandsvold to pave the rest of 400th street was turned down again.
- Heide reported the City of Fosston's "FIT Trail Expansion-Phase 2" project was selected to receive \$349,600 in federal TA funds for fiscal year 2028.
- Heide has been trying for the past several months to get our wastewater plans from Widseth. She noted that the city has already paid over \$200,000 in engineering fees, but they claim we still owe them \$60,000 and will not release the plans as a result.

- The dispute with Essentia Health has been keeping Heide busy.

Street/Utilities/Sanitation: Steven Lyseng reported on matters pertaining to his department.

- The street department has been picking up brush, trimming trees and sweeping streets.
- Lyseng indicated that 68% of the city water pipes are plastic and the remaining 32% is cast iron. Most of the cast iron piping is on the south side of town.
- One of the blowers at the lagoon failed and has already been sent off to be re-built.
- Lyseng noted that they have started to sample the ponds – results have not been good thus far, but it's early.
- Lyseng & Heide met with AE2S and MDV. MDV has hired AE2S to re-evaluate the operation of the IPF.
- Staff have started jetting sewer lines – they do approximately 1/3 of the city each year.
- Lyseng reported that the electricity & natural gas were quickly turned off at the house fire on 1st Street East.
- The utility staff continues to plan for the electrical work in the new Industrial Park this summer.
- MMUA will be doing natural gas pipeline safety training at the fire hall on April 17th.
- The new natural gas meters have finally arrived.

Civic Center: Karen Graham reported on matters pertaining to her department.

- Graham reported that Mark recently turned in his resignation letter as he's moving. She has offered Joby Buckholz the Assistant Aquatics & Recreation director position. Buckholz is a Fosston High School and UM-Crookston graduate. He has worked for Graham in the summer rec program since 2016 so he's very familiar with everything.
- Graham is working on the 2024 summer rec program packets.

Police Department: Jim Juve and Mary Olson reported on matters pertaining to the police department.

- Olson reported they had 116 calls for service, 23 reports were completed, and one warrant arrest made in March.
- Suspicious activity and motor vehicle property damage are a few calls they have seen an increase in.
- Juve touched on the house fire on 1st street east and noted that the fire Marshall was here to investigate. There doesn't appear to be anything suspicious. Juve commended the way the fire, police and city staff worked together.
- Juve noted that Northland Tech has been visiting area high school junior/senior classes to try spark some interest in law enforcement.
- Juve indicated that Officer Hanson is out for 6-8 weeks on a worker's compensation injury. He and Officer Olson are the only two working currently, but the Polk County Sheriff's Office has agreed to help. Juve & Heide will be interviewing a patrol officer applicant this week.

- Juve has been working with the Bagley PD chief on possibly doing their mandatory spring and fall training together.
- Dufault inquired if they've had time to do some ordinance enforcement as he's noticed a few yards that need to be addressed. Officer Olson has been continuing to look for ordinance violations and send letters accordingly.

Community Development:

- Heide informed the council that the EDA board met at noon. They discussed the Omland Court project, housing, and childcare. Heide indicated that the Childcare director is working remotely for a couple months as she cares for an ill family member. The enrollment continues to rise.

Hospital Board:

- Heide indicated that they had a meeting, but it was a little more interesting given the current dispute with Essentia. Hospital Administrator Weispfennig was temporarily re-assigned to the nursing home so Heide and Overmoe pushed for answers.
- The Essentia Fosston staff has continued to do a great job at the hospital/clinic. Heide noted that the staff has not been properly informed or updated on the dispute process by Essentia Executives. They fear retaliation from the executives during the hospital transition. In the last week, executives have somewhat acknowledged to the current Fosston staff that they won't retaliate.

Arts & Culture Commission: No report.

City Attorney:

- Larson indicated that he had to tweak the Industrial Park plat, so council will need to approve the updated plat next meeting.
- Larson provided the council with an update on the Essentia dispute. Arbitration is moving forward. The panel will need to decide whether labor & delivery is part of hospital & OB services, whether Essentia is allowed to discontinue OB, and if so, can the contract be terminated.
- The city has consulted Eide Bailly to help with the transition as they specialize in medical facility transition. Time is of the essence so despite arbitration not being completed, the city must move forward.
- Larson noted that there have been some heated e-mail exchanges in the last week and Essentia has essentially waived their defense. He's guessing they may have found some evidence that isn't helpful or may embarrass them if released.

ISD 601 Superintendent: No report.

Tracee Bruggeman of Brady Martz was present to report on the findings of the 2023 City audit. Bruggeman reported that the city received an unmodified opinion, as they did the prior year. The City of Fosston required a federal single audit as well due to the Airport Improvement Program

Federal Award. Federal award expenditures exceeded the \$750,000 threshold. There were a couple federal award findings. The City did not have agreements in place for two hangar rentals in 2023 and did not have sufficient supporting documentation for an aviation fuel sale transaction. Heide indicated that both were an oversight and have been rectified. The other finding was for two subcontractors who did not submit the required certified payrolls to the City or the City's Engineer for the project.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION APPOINTING MEMBERS
TO NORTHERN MUNICIPAL POWER AGENCY
RESOLUTION 24-15**

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 Cassie Heide be appointed to represent the City of Fosston and Steven Lyseng be appointed to represent the Fosston Municipal Utilities Commission in the Northern Municipal Power Agency for the period May 1, 2024 – April 30, 2025.

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: Anderson, Dufault, Mulry, Pearson and Offerdahl.

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 8th day of April, 2024.

Council considered approval of an off-sale liquor license to Corner Liquor LLC. Ben Keller is purchasing the Fosston Off Sale, so this license to Corner Liquor will replace the 2024 Fosston Off Sale liquor license.

Motion was made by Mulry, seconded by Anderson to approve the off-sale liquor license to Corner Liquor LLC. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION APPROVING SUBMISSION OF

**CARBON REDUCTION PROGRAM
GRANT – 2ND ST NW SIDEWALKS
RESOLUTION 24-16**

BE IT RESOLVED, that the County of Polk act as sponsoring agency for a Carbon Reduction Program project and acknowledges herewith that it is willing to be the project sponsor knowing full well that such sponsorship includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

BE IT FURTHER RESOLVED, that Cassandra Heide is hereby authorized to act as agent on behalf of this applicant.

WHEREAS, the Minnesota Department of Transportation (MNDOT) is soliciting grant applications for their Carbon Reduction Program; and

WHEREAS, the 2nd Street Northwest sidewalk connection project was identified as an applicable project under the funding terms; and

WHEREAS: the City of Fosston accepts a 20% local share responsibility in the approximate amount of \$55,000.

WHEREAS: MNDOT requires that states agree to operate and maintain facilities constructed with state transportation funds for the useful life of the improvement and not change the use of right of way acquired without prior approval from MNDOT; and

WHEREAS: The Minnesota Department of Transportation (Mn/DOT) has determined that for projects implemented with carbon reduction program funds, this requirement should be applied to the project sponsor; and

WHEREAS: The County of Polk is the project sponsor for the transportation enhancement project identified as Safe Routes to School project.

THEREFORE BE IT RESOLVED THAT, the City of Fosston hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned transportation enhancement project.

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

Whereupon said resolution was declared passed and adopted this 8th day of April, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA**

RESOLUTION NO. 24-17

A RESOLUTION FORMING “FIRST CARE TASK FORCE” AND APPOINTING MEMBERS

WHEREAS, the City Council annually appoints individuals to serve in an advisory capacity on various boards and commissions;

WHEREAS, Included is the designation of Acting Mayor and appointment of City Council members and staff to various committees;

WHEREAS, several members of the community in various capacities have offered their support and assistance to facilitate the operation of the Fosston Hospital by First Care Medical Services upon the potential termination of the affiliation agreement with Essentia Health Corporation

THEREFORE, BE IT RESOLVED: The City Council does hereby make the following appointments:

Robert Overmoe (President of First Care Medical Service, Inc)
Patricia Wangler (Former CEO of First Care Medical Services)
Dr Wes Ofstedal
Dr Charles Winjum
James Offerdahl, acting Mayor
Roy Dufault, Councilman
Cassie Heide, City Administrator (Council Appointee to First Care Medical Services Board)
Evan Fonder (President, First Care foundation)
Mark Finstad (Chairman Fosston EDA, First Care Foundation board member)
Michelle Landsverk (Director, Fosston EDA)

Dawn Skeie Crane (Skeie Family Trust)
Dean Anderson (Director, First Care Medical Services)
Jim Aagnes (Former Director of EMS, First Care Medical Services)
Mike Mulry, Councilman - alternate

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

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 8th day of April, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

In addition to the list of appointments to the “First Care Task Force”, Mayor Offerdahl believes that the Essentia Fosston local hospital administrator and finance business partner should be included in the committee, if possible.

Council considered moving the City’s primary checking account from First National Bank to Ultima Bank Minnesota, Fosston Branch. A couple months ago, the council considered moving the City’s primary checking account to Ultima Bank, but it failed due to a lack of a second. A few council members wanted more clarification prior to deciding. Heide has continued to have trouble with wire transfers at FNB. Also, she has not been approached by FNB since our last meeting asking what they can do to keep the City of Fosston as a customer. Heide indicated that she is excited for the opportunity to work with Ultima.

Motion was made by Dufault, seconded by Mulry to move the City’s primary checking account from First National Bank to Ultima Bank Minnesota, Fosston Branch in the form of a liquid asset account with the same signers being Mayor James Offerdahl and City Administrator Cassandra Heide. Motion carried by unanimous vote.

Keith Kinnen, Karvakko was present to discuss the Airport, FIT Trail Expansion, and TAP/Berge Park Sidewalk project.

Airport – Kinnen indicated that he recently met with the Airport Commission and got some valuable feedback on the ALP. The runway project is on hold – pavement markings and seeding are items that still need to be completed.

FIT Trail Expansion – As Heide reported earlier in the meeting, the City of Fosston’s “FIT Trail Expansion-Phase 2” project was selected to receive \$349,600 in federal TA funds for fiscal year 2028.

TAP/Berge Park Sidewalk project – Kinnen indicated that they are still waiting for grant authorization before the project can go to bid. His best guess is to have the plans ready in May or June with late summer construction.

Omland Court – Kinnen noted that the City has secured the contract with Gordon Construction. He’s planning for a pre-construction meeting on April 22nd.

Nicole Dolejs and Jarda Solc, AE2S, were present to discuss the 2024 Industrial Park/Airport Utilities and Hangar project. The Industrial Park project finally went out to bid on April 2nd and bid opening is scheduled for April 23rd at 2pm. There are currently seven (7) plan holders. As for the Airport Utilities and Hangar project, they received more comments from the EDA. It looks like a fall project due to longer lead times on material.

A forum for members of the public present to speak was held. No one from the public wished to speak during this forum.

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.

Cassandra Heide, City Administrator