

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
August 10, 2020

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, August 10, 2020 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Dufault, Bosselman, and Hoialmen. Members absent: none. Also present was: Cassie Heide, David Larson, Steven Lyseng, Scott Bixby, Ethan Nagel, Lee Cariveau, Keith Kinnen, Mark Hagen, Ed Lavelle, Sarah Manecke, Stephen Larson, Tanner Holten, in person. Also present via zoom was: Karen Graham and Mike Mulry.

Motion was made by Hoialmen, seconded by Dufault to approve the agenda with modifications.

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

- A) To approve the minutes of the regular meeting held July 13, 2020
- B) To approve Accounts Payable Bill Listing #20-08 in the amount of \$138,828.25 and AP Bill Listing #20-08A in the amount of \$170,783.95
- C) To approve Accounts Payable Bill Listing – Omland Court, \$11,806.65

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputy Ethan Nagel and Sergeant Scott Bixby were present to report on matters pertaining to Fosston Law Enforcement

- July was a busier month with increased traffic calls & speeding citations issued
- Deputies took a report of a garage door being kicked in at a local business. Case is ongoing
- Reminder to residents to lock their vehicles and remove items of value

City Administration: Cassie Heide reported on matters pertaining to City Administration

- Received report from the building inspector, Brad Bail, regarding the inspection of 204 Inderlee Ave N. Per his findings, the building is not in any immediate risk of structural failure or health concerns. It needs maintenance to prevent further damage, and the risk of causing the building to become a hazardous structure. He recommended we send the owner a letter requesting a time line and plan to keep the building in a safe and maintained state.

Motion was made by Anderson, seconded by Dufault to approve a hearing for next month's council meeting for the Illies property. Motion carried by unanimous vote.

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

- Information on natural gas installations will be sent to customers
- The electric substation feeder project is set to begin the third week of August.
- Large user contracts are in the works
- Sanitation truck is scheduled to arrive early 2021

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

- Summer Rec and swimming programs finished up last week
- The gym floor was completed, and the wall carpet will be finished next week
- High school swim season will begin next week

Community Development

- Dufault informed the council the EDA board met at noon today and largely discussed the mobile home park and future plans for the park. They recommended an increase in lot rent from \$260 to \$295 with an increase in late fees from \$45 to \$50 in order to help with cash flow. Also, they proposed a re-finance of the loan from the Utilities Commission to 20 years at 2%.

Motion was made by Anderson, seconded by Hoialmen to approve a monthly lot rent increase from \$260 to \$295 with a \$50 late fee. Motion carried by unanimous vote.

Hospital Board: No report

Arts & Culture Commission: No report

City Attorney:

- Stephen Larson reported they got a search warrant for the Illies property at 204 Inderlee Ave N.
- Larson introduced Tanner Holten to council. Holten has been working on the mobile home legal work and other criminal cases within the City of Fosston.

Council considered approval of a zoning amendment application from Tyler & Melissa McGlynn per recommendation of the planning commission. The planning commission met prior to council and recommended approval of the zoning amendment from residential to commercial classification for the expansion of their assisted living units.

Motion was made by Hoialmen, seconded by Bosselman to approve the application from Tyler & Melissa McGlynn zoning amendment to amend the zoning for parcel no. 87.00181.00 to Commercial-Industrial for use of an assisted living facility per recommendation of the planning commission. Motion carried by unanimous vote.

Council considered approval of a variance application from D3D per recommendation of the planning commission. The planning commission met prior to council and recommended approval of the variance that is a request for constructing a building addition that would be six (6) feet from the boulevard, whereas zoning ordinance calls for a thirty (30) foot front yard setback.

Motion was made by Dufault, seconded by Hoialmen to approve the variance application from D3D per recommendation of the planning commission. Motion carried by unanimous vote.

Council considered approval of an employment agreement with Public Works Director David Larson for the period of September 1, 2020 to August 31, 2021. Larson's first year of phased retirement under the Public Employees Retirement Association (PERA) Phased Retirement Plan expired on August 31, 2020.

Motion was made by Bosselman, seconded by Anderson to approve the employment agreement with Public Works Director David Larson for the period of September 1, 2020 to August 31, 2021. Motion carried by unanimous vote.

Council considered approval of a development agreement with D3D, Todd Sandwick on the expansion of the dental facility. Mr. Sandwick requested Tax Increment Financing (TIF) to assist with the development of the project. The city will reimburse the developer 90% of the tax increments generated by the project, up to \$65,000, over a nine (9) year life. In addition, the city will request reimbursement of \$27,000 for related electrical and natural gas utility upgrades to support the expansion. Sandwicks property is part of the economic development TIF district that was set up earlier this year.

Motion was made by Anderson, seconded by Dufault to approve the development agreement with D3D, Todd Sandwick on the expansion of the dental facility. Motion carried by unanimous vote.

Council considered approving two farmland leases with Mike Theis for 2021. The lease is for 9.2 and 41 acres in the City of Fosston and Theis has farmed these acres in past years. Heide informed the council that the 41 acre lease included a \$10/ acre increase to be equitable with other farmland the city leases to other parties.

Motion was made by Anderson, seconded by Bosselman to approve two farmland leases with Mike Theis. Motion carried by unanimous vote.

Council considered approving the coronavirus relief fund (CRF) expense report to the State of Minnesota Management and Budget office for March through July 2020 CRF expenses. Heide informed the council that monthly reports are due to the Minnesota Management and Budget Department where a special department was formed to deal with the CARES funding the state received. Expenses included in the report are eligible under Coronavirus Relief Fund, as they were a necessary expenditure to respond to the COVID-19 public health emergency, were not accounted for in the current budget, and were incurred during the covered period of March 1st, 2020 through July 31st, 2020 for this report as presented.

Motion was made by Dufault, seconded by Anderson to approve the coronavirus relief fund (CRF) expense report submittal to the State of Minnesota Management and Budget office for March through July 2020 CRF expenses. Motion carried by unanimous vote.

Council considered approval of pay application number 3 from Hagen Construction, Inc for 2020 street and utility improvements in the amount of \$128,897.90. Cariveau has approved the pay application.

Motion was made by Anderson, seconded by Bosselman to approve application number 3 from Hagen Construction, Inc for 2020 street and utility improvements in the amount of \$128,897.90. Motion carried by unanimous vote.

Council considered approval of change order number 2 from Hagen Construction, Inc for 2020 street and utility improvements in the amount of \$106,159.85. Cariveau reported that the change order is due to additional work on 6th St as part of the 2020 Street & Utility Improvement project. The work includes water connection services and is necessary as the new plastic line will go into cast iron. Council discussed this potential change order at length at the last meeting.

Motion was made by Anderson, seconded by Dufault to approve change order number 2 from Hagen Construction, Inc for 2020 street and utility improvements in the amount of \$106,159.85. Motion carried by unanimous vote.

Lee Cariveau, Widseth was present to discuss the 2020 street and utility improvement project and the wastewater expansion. Cariveau reported that the piping will be completed Friday with the hopes of hooking up all of the services the following week. While they wait for concrete, miscellaneous items throughout the city will be taken care of.

Cariveau reported they are continuing to monitor the ground water as part of the wastewater expansion project.

Cariveau reported that the city may not be eligible for USDA funds with the expansion affecting wetlands. Heide informed the council that she reached out the Mr. Tyler Ray at the Baxter, MN USDA office to further discuss this issue and determine if there is an exception that the city could qualify for and research further options to qualify for the USDA funding.

Keith Kinnen, Karvakko was present to discuss the highway 2 corridor study and airport. Kinnen reported that the highway 2 project is still on hold, so there is nothing new to discuss. Mayor Offerdahl has asked Kinnen to talk to MnDOT in regard to re-painting traffic light poles as well as moving the city limit sign to the golf course.

Kinnen has nothing new to report regarding the airport.

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.

Cassie Heide, City Administrator