

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL  
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA  
DECEMBER 8, 2014

The regular meeting of the City Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, December 8, 2014 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Veum, Dufault and Hoialmen. Member absent: Carlson. Also present was Brad Norland, Dean Vikan, Bonnie Stewart, Ed Lavelle, Lee Cariveau, Charlie Anderson, Matt Upgren, Leah Winjum and Sue Thompson.

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

- A) To consider approval of Assignment of Lenex Development Agreement.
- B) To consider request for financial assistance from the East Polk Heritage Center

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

- A) To approve the minutes of the regular meeting held November 10, 2014 as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #14-12 in the amount of \$74,539.90 and AP Bill Listing #14-12A in the amount of \$3,218.50.

COMMITTEES/BOARDS/COMMISSION

Civic Center/Parks & Recreation:

- Cameras have been installed in the Civic Center.
- New tile should be budgeted for in the next year or two.

Bus:

- Funding for 2015 was approved by the Department of Transportation
- Many small transit operations are merging with other systems throughout the state. Fosston's Project Manager has had discussions with Fosston should it decide to move in that direction. Consensus of the Council is that we are satisfied with the operations as they are and are not ready to make any changes at this time.

Community/Economic Development:

- The FEDA board met at noon today. Attending that meeting was Amanda and Jamie Grover, owners of DaRoos Pizza in Bagley. They hope to expand in Fosston and have decided that it is more feasible to construct a building themselves as opposed to leasing from Lenex as originally planned. To do this, the development agreement in place with Lenex needs to be assigned to Grovers. After further discussion, motion was made by Hoialmen seconded by Veum to approve the Assignment of the Development Agreement from Lenex' to Grovers. Motion carried by unanimous vote.

The Truth in Taxation public hearing to review the proposed 2015 General Fund budget and proposed 2015 Property Tax Levies was held. No members of the public were present for this hearing.

Administrator Lucken gave an overview of the 2015 budget and noted that the levy has remained the same for the fifth consecutive year.

Member Hoialmen introduced the following resolution and moved its adoption:

**RESOLUTION ADOPTING FINAL  
GENERAL FUND BUDGET  
RESOLUTION NO. 14-59**

BE IT RESOLVED, that the Final 2015 Budget for the General Fund be set at \$1,117,496.

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: Hoialmen, Veum, Dufault and Offerdahl

and the following members voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION CERTIFYING FINAL  
PAYABLE 2015 PROPERTY TAX LEVY  
RESOLUTION 14-60**

RESOLVED, that the following sums are hereby proposed to be levied upon the taxable property in the City of Fosston, County of Polk, State of Minnesota, for the 2014 taxes collectable in 2015 for the following purposes to-wit:

<b>PURPOSE</b>	<b>2015 <u>NET LEVY</u></b>
General Fund	\$ 59,203
2001B Library Bonds	\$ 30,825
2006B St. Improvement Bonds	\$ 28,240
2007A St. Improvement Bonds	\$ 22,215
2008A St. Improvement Bonds	\$ 21,870
2009 St. Improvement Note	\$ 21,150
2010A PIR & Refunding Bonds	\$ 88,645
2011 St. Improvement Note	\$ 12,870
2012 St. Improvement Note	\$ 17,614
Total Gross Levy	<u>\$302,632</u>

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

And the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX  
LEVY FOR DEBT SERVICE  
RESOLUTION NO. 14-61**

BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota as follows:

1. The tax levy for the \$560,000 Public Project Revenue Bonds, Series 2002A shall be set for the years and amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014	2015	\$30,825

2. The City Administrator is hereby authorized and directed to furnish a copy of this resolution to the County Auditor of Polk County forthwith.

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

and the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX  
LEVY FOR DEBT SERVICE  
RESOLUTION NO. 14-62**

BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota as follows:

1. The tax levy for the \$265,000 General Obligation Street Improvement Bonds, Series 2006B shall be set for the years and amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014	2015	\$28,240

2. The City Administrator is hereby authorized and directed to furnish a copy of this resolution to the County Auditor of Polk County forthwith.

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

and the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX  
LEVY FOR DEBT SERVICE  
RESOLUTION NO. 14-63**

BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota as follows:

1. The tax levy for the \$310,000 General Obligation Street Improvement Bonds, Series 2007A shall be set for the years and amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014	2015	\$22,215

2. The City Administrator is hereby authorized and directed to furnish a copy of this resolution to the County Auditor of Polk County forthwith.

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

and the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

\_\_\_\_\_  
Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX  
LEVY FOR DEBT SERVICE  
RESOLUTION NO. 14-64**

BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota as follows:

1. The tax levy for the \$350,000 General Obligation Permanent Improvement Revolving Fund Bonds, Series 2008B shall be set for the years and amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014	2015	\$21,870

2. The City Administrator is hereby authorized and directed to furnish a copy of this resolution to the County Auditor of Polk County forthwith.

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

and the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

\_\_\_\_\_  
James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX  
LEVY FOR DEBT SERVICE  
RESOLUTION NO. 14-65**

BE IT RESOLVED, by the Council of the City of Fosston, Polk County, Minnesota as follows:

1. The tax levy for the \$1,190,000 General Obligation PIR Fund & Refunding Bonds, Series 2010A shall be set for the years and amounts as follows:

<u>Year of Tax Levy</u>	<u>Year of Tax Collection</u>	<u>Amount</u>
2014	2015	\$88,645

2. The City Administrator is hereby authorized and directed to furnish a copy of this resolution to the County Auditor of Polk County forthwith.

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

and the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 8<sup>th</sup> day of December, 2014.

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James Offerdahl, Mayor

Attest:

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Charles Lucken, City Administrator

Dean Vikan, Brad Norland, Leah Winjum and Sue Thompson were present on behalf of the Polk County Wellness Coalition to discuss the Social Host Ordinance. As they explained, this Coalition is working to improve the health of Polk County and encourage communities to adopt a Social Host Ordinance such as was done in Crookston. If adopted, it gives Polk County guidance on how to handle incidences of underage drinking in a residential setting. The presence of a Social Host Ordinance serves as a deterrent for underage drinking. Should Fosston adopt an ordinance, the coalition would get the information out to the public.

Lee Cariveau was present to give an update on the 2014 projects:

- Second Street South project needs two signs this fall and is done until spring when the second lift wear course goes on. There will be some minor items to complete this project.
- Second Street North project: New sidewalk has cracked in front of the Pet Clinic but that was not unexpected. Second lift wear coarse will go on in the spring.

- FIT Trail – Cariveau had a phone conversation with Mark Hagen who has spoken with his subcontractor on this project.
- The Brandt Avenue Project is done. Knife River had a few questions and \$324.00 is in question.

Motion was made by Dufault seconded by Hoialmen to approve the Farm Lease between the City and Mike Affeldt for \$80/acre. This is a one year lease. Motion carried by unanimous vote.

Member Veum introduced the following resolution and moved its adoption:

CITY OF FOSTON

**RESOLUTION NO. 14-66**

**A RESOLUTION ESTABLISHING AN INTER-FUND LOAN FOR THE  
2014 BRANDT AVE. IMPROVEMENT PROJECT**

WHEREAS, on April 15, 2014 the City Council ordered the “2014 Brandt Ave. Street Improvement Project” project through the adoption of a Resolution; and,

WHEREAS, the City is in need of financing this project in the amount of approximately \$160,000.00 for the 2014 Brandt Ave. Street Improvement Project; and,

**WHEREAS, the City Council adopted Resolution 12-33 authorizing reimbursement of expenses related to the 2012 Street Improvement Project noted by making a declaration of official intent under U.S. Treasury Regulations Section 1.150-2.**

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

1. Inter-Fund Loan Established. An inter-fund loan (the “Loan”) is hereby established in the amount of \$160,000.00 with funds to be allocated in the 2014 Brandt Ave. Street Improvement Fund as of the Effective Date.
2. Effective Date. The loan shall be effective as of December 8, 2014 (the “Effective Date”).
3. Sources of Loan Funds. The source of funds for the Loan (the “Source Fund”) shall be from Fund #604, referred to as the Electric Fund, in the amount of approximately \$160,000.00.
4. Interest Rate and Accrual. The *2014 Brandt Ave. Street Improvement Fund* shall accrue interest expense to be repaid with principal at a simple interest rate of 2.50%. The interest shall accrue from the Effective Date until the Repayment date of the Loan, or in the case of partial Prepayments the interest shall accrue on that portion so prepaid until such Prepayment date. Interest payments shall be allocated to the Source Funds in accordance with the respective share of the total principal amount of the Loan of each individual Source Fund.
5. Loan Repayment. The Loan shall be repaid on December 8 2024 (the “Repayment”). Notwithstanding, the City shall retain the authority to prepay all or a portion of the Loan at any time during the Loan period (a “Prepayment”). Such Repayment or Prepayment shall be conducted by resolution of the City Council. Principal and interest Repayment or Prepayments shall be allocated to the Source Funds on a proportionate manner

6. Authority to Take-Out Loan. The City shall retain full authority to take-out the Loan through other permitted means of financing; including, but not limited to, the issuance of General Obligation Revenue debt.

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

And the following voted against same: None

Whereupon said resolution was PASSED AND ADOPTED by the City Council of the City of Fosston, Minnesota, this 8th Day of December, 2014.

SIGNED:

WITNESSED:

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James Offerdahl, Mayor

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Charles Lucken, City Administrator

Motion was made by Veum seconded by Hoialmen to approve the Amendment to the Contract for Engineering Services from Widseth, Smith Nolting for the Second Street South Improvements and the Downtown Utility and Street Improvements. Motion carried by unanimous vote.

Bonnie Stewart was present to meet with the City Council on behalf of the Heritage Center. She reports that in 2013 the City gave support for the cement slab in the picnic shelter. That project was completed this past summer. They have a lot of maintenance issues that need to be addressed in 2015: The House needs to be painted; there are powder post beetles in the cabin and the Moen School needs attention as well. Stewart is requesting financial support in the amount of \$3,000 for 2014. Polk County supports this center at \$4,000/year. The Heritage Center is an important part of our community and we are fortunate to have the volunteers to help care for it. After further discussion, motion was made by Veum seconded by Dufault to approve a donation for 2014 to the East Polk Heritage Center in the amount of \$3,000. Motion carried by unanimous vote.

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

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Charles Lucken, City Administrator