

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
December 12, 2022

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, December 12, 2022, at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Bosselman, Dufault and Mulry. Members absent: None. Also present was: Cassie Heide, Steven Lyseng, Sarah Manecke, Dustin Manecke, Shane Linehan, Stephen Larson, Keith Kinnen, Lee Cariveau, Rich Clausen, Mary Olson, Andrew Hanson, Bonnie Stewart, Heidi Danos, Barb Johnson, Kristi Magnuson Nelson, Bob Nelson, Duke Dukart and Leah Palubicki. Jason Murray and Jarda Solc were present via zoom.

Recited the Pledge of Allegiance.

Motion was made by Anderson, seconded by Bosselman to approve the agenda. Motion carried by unanimous vote.

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

- A) To approve the minutes of the regular meeting held November 14, 2022, as presented.
- B) To approve Accounts Payable Bill Listing #22-12 in the amount of \$116,836.03 and Supplemental AP Bill Listing #22-12A in the amount of \$2,828.68.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$5,371.63.

COMMITTEES/BOARDS/COMMISSION:

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

- Heide noted that EDA board president, Mark Finstad, asked her to prepare a summary of improvements & investments within the City of Fosston from 2021-2025 to show the amount of growth our community has experienced over a 5-year period. The five-year city investment is \$11.14 million, and the five-year MN/Federal/Private investment is \$21.35 million.
- Chief Manecke sent a notice and order for abatement to a resident for several ordinance violations. Heide noted that the resident has taken care of all violations.
- Heide informed council that she spoke with the auditors, Brady Martz, who plan to be on-site the end of January or early February 2023. They will send an engagement letter. Heide noted that the fee increased by approximately \$2,000.
- Heide reported that she continues to pursue grant funding for the Industrial Park Expansion & Airport Infrastructure project to keep the city's \$1.4 million local share as low as possible.

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

- Lyseng & Heide met with Cariveau to discuss the 2023 street & utility improvement project - watermain replacement along Johnson Avenue North & South.
- Lyseng & Linehan met with Jim Palubicki to discuss the old grocery store redevelopment project.
- Lyseng reported that the industrial feeder project that runs from City Hall to Cenex is complete, but not hooked up yet.
- A new off-peak electric rate schedule will be implemented January 1, 2023. There will be cost savings to residents who use off-peak.
- Lyseng & Heide attended the NMPA meeting in Thief River Falls. Minnkota rates will remain the same; thus, the city should not see any changes to their electric rates.
- A new gas meter will be installed on Highway 92.
- Lyseng is working on year end totals for the annual report.
- Lyseng noted that the garbage truck was DOT inspected as is required each year for the County Waste Haulers License.
- The street department staff has been plowing & cleaning sidewalks. Lyseng noted that they are still searching for a new (used) brush truck.

Civic Center: Karen Graham was not present to report on matters pertaining to her department

- Heide noted that Mark has been flooding the rink and is hoping to have the ice ready before Christmas break.

Police Department: Dustin Manecke reported on matters pertaining to his department

- Manecke reported they had 133 calls for service since last meeting. There was one (1) arrest and 19 citations issued.
- Manecke noted that he's working on an annual police department report.
- Manecke will be attending the Chief's meeting on December 20th in Crookston.
- Manecke noted that his squad will finally be sent to DTM to finish being outfitted. It should be completed within a week.
- Through grants, each squad now has an AED, medical bag and Narcan.

Community Development:

- Heide informed the council that the EDA board did not meet today. The meeting will be held Monday, December 19th at noon.

Hospital Board:

- Dufault reported that the board met on November 28th. Essentia – Fosston has hired a Director of Nursing and an Assisted Living Manager. Administrator Weispfennig is still aiming for a re-start date for labor & delivery services as of February 1, 2023. The

Fosston hospital is currently able to do planned deliveries. Dufault noted that Essentia – Fosston is operating in the black despite many challenges.

Arts & Culture Commission:

- Bonnie Stewart reported that it's been 5 years since the Arts & Culture Commission was established and they are very appreciative of the City of Fosston. The Commission handed out a five-year (2017-2022) summary report to council. The Firefly Center project continues to move forward and has a couple of funding opportunities in the works. The Commission looks forward to more great art within our community in the next 5 years.

City Attorney: No report.

ISD 601 Superintendent: No report.

Council held a public hearing at 7 p.m. on the proposed establishment of Tax Increment Financing District No. 1-14 (Old Palubicki Grocery Store Redevelopment) within Municipal Development District No. 1. Jason Murray with David Drown Associates, Inc. was present via zoom to outline the TIF District. The developer, James and Nina Palubicki, are proposing to construct 14 units of multi-family housing in the old building. Murray indicated that this type of project qualifies for TIF assistance which will be used to reimburse the developer for costs associated with demolition activities, site cleanup, site improvements and related infrastructure improvements. Murray noted that the TIF District can have a 26-year life if necessary. Upon approval by council, a contract will be drafted between the City of Fosston and the Developer.

With there being no further business to take up during this hearing, motion was made by Anderson, seconded by Mulry to close the public hearing.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION 22-41
RESOLUTION AMENDING THE BOUNDARIES OF
TAX INCREMENT FINANCING DISTRICT NO. 1-11

WHEREAS:

A. On December 10, 2013, the City of Fosston, Minnesota (the "City") created Tax Increment Financing District No. 1-11. The TIF District was subsequently modified on April 28, 2014, and again on June 8, 2015.

B. The City now proposes to remove one parcel of land included in TIF District No. 1-11 and include it in Tax Increment Financing District No. 1-14, which is being created at this time; and

C. Minnesota Statutes Chapter 469.175 subdivision 4(a) permits removal of parcels to occur without notification or a public hearing if the current net tax capacity of the parcels to be removed equals or exceeds the original net tax capacity of the parcels, or the authority agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.

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

1. Removal of parcel(s) from TIF District No. 1-11. The City hereby removes the following parcel from TIF District No. 1-11:
87.00215.00
2. Agreement to limit tax capacity removed. The City agrees that the original net tax capacity of the TIF District will be reduced by no more than the current net tax capacity of the parcels removed.
3. Filing. The City Administrator is authorized and directed to file a copy of this resolution with the County Auditor.

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

And, the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

WITNESS my hand this 12th day of December, 2022.

Cassie Heide, City Administrator

Member Bosselman introduced the following resolution and moved its adoption:

RESOLUTION # 22-42

APPROVING THE AMENDMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-11,
THE CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-14 WITHIN
MUNICIPAL DEVELOPMENT DISTRICT NO. 1,
AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO

WHEREAS:

A It has been proposed that the City of Fosston, Minnesota (the "City"), amend Tax Increment Financing District No. 1-11, and create Tax Increment Financing District No. 1-14 within Municipal Development District No. 1 and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1794 (collectively, the "Act"); and

B. The City of Fosston has investigated the facts and has caused to be prepared the amendment to Tax Increment Financing District No. 1-11, and a tax increment financing plan for Tax Increment Financing District No. 1-14; and

C. The City has performed all actions required by law to be performed prior to the amendment of Tax Increment Financing District No. 1-11, and the creation of Tax Increment Financing District No. 1-14 within Municipal Development District No. 1 and the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Polk County and Fosston Independent School District 601, having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-14, and the holding of a public hearing upon published notice as required by law.

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

1. Tax Increment Financing District No. 1-11 and Tax Increment Financing District No. 1-14 within Municipal Development District No. 1. The City hereby approves the amendment of Tax Increment Financing District No. 1-11 and the establishment of Tax Increment Financing District No. 1-14 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 1-14, and the City Council makes the following findings;

(a) Tax Increment Financing District No. 1-14 is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10;

Criteria for this type of district is described in Section 12 of the Tax Increment Financing Plan, and further supported by a detailed inspection report.

(b) The proposed development, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 1-14 permitted by the Tax Increment Financing Plan.

Several of these parcels have remained vacant, blighted, and underutilized for many years in the City. The City has determined that TIF assistance is necessary to assist with the redevelopment

of the downtown corridor and to control certain costs such that development in the downtown can be maintained at affordable levels. The City has determined that without the use of tax increment financing the Project could not proceed. The developer also cites the costs to redevelop the site are significantly higher than bare land development on the outskirts of town.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis indicates that:

1. The increase in estimated market value of the proposed development is \$3,778,500; and
 2. The present value of expected tax increments collected over the maximum duration of the TIF District is \$1,084,432; and
 3. The expected increased estimated market value of the site without the use of tax increment is \$31,930; and
 4. Even if some development other than the proposed development were to occur, the Authority finds that no alternative would occur that would produce a market value increase greater than \$2,694,068 (the amount in number 1 less the amount in number 2) without tax increment assistance.
- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-14 conforms to the general plan for development or redevelopment of the City of Fosston as a whole.

The reasons and facts supporting this finding are that the current zoning of the property provides for multi-family housing as a permitted use.

The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Fosston as a whole, for the development or redevelopment of Tax Increment Financing District No. 1-14 by private enterprise.

The proposed redevelopment within the TIF District will result in the renovation of a substandard property, as well as an increase to the tax base of the City, County, and the State of Minnesota, and the promotion of economic development within the City.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.
4. Authorization of Interfund Loan. The City hereby authorizes internal funding in a principal amount equal to all Project costs listed in the TIF Budget. Funds will be provided from the General Fund, repaid over the term of the TIF District, and include interest at a fixed rate of

4.0%. (This interest rate is the greater of the rates specified under Minnesota Statutes 270C.40 and 549.09.)

5. Certification. The Auditor of Polk County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-14 as described in the Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment District No. 1-14 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

6. Filing. The City Administrator is further authorized and directed to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor.

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

and the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

WITNESS my hand this 12th day of December, 2022.

Cassie Heide, City Administrator

Councilmember Dufault introduced the following resolution and moved its adoption:

CITY OF FOSSTON, MINNESOTA

RESOLUTION NO. 22-43

RESOLUTION APPROVING A LOAN BY THE NORTHWEST MINNESOTA MULTI-COUNTY HOUSING AND REDEVELOPMENT AUTHORITY TO JAMES B. PALUBICKI FOR A HOUSING DEVELOPMENT WITHIN FOSSTON REDEVELOPMENT PROJECT NO. 1

WHEREAS, pursuant to Minnesota Statutes, Section 469.028, on June 28, 2022, following a duly noticed public hearing, the Polk County Board of Commissioners approved the creation by the Northwest Minnesota Multi-County Housing and Redevelopment Authority (the "HRA") of the Fosston Redevelopment Project No. 1, a redevelopment project as defined in Minnesota Statutes, Section 469.002, subdivision 14 (the "Redevelopment Project"), to prevent the emergence of blight and deterioration in the City of Fosston, Minnesota (the "City"), to acquire blighted areas and other

real property for the purpose of removing, preventing or reducing blight, blighting factors or the causes of blight and adopted a redevelopment plan therefor (the “Redevelopment Plan”); and

WHEREAS, on June 13, 2022, the City Council of the City (the “City Council”) approved the Redevelopment Plan, following a duly noticed public hearing and the consideration and finding by the City Planning Commission that the Redevelopment Plan conforms to the general plan for the development of the City as a whole; and

WHEREAS, as part of the Redevelopment Plan, the HRA proposed providing a loan to Specklebelly Properties, LLC, a Minnesota limited liability company (“Specklebelly”), in the amount of \$300,000.00 (the “Loan”) to help finance the acquisition, construction, renovation and equipping of an existing substandard building (a former Palubicki’s grocery store) for a workforce housing facility (the “Project”) located on certain property (the “Development Property”) within the Redevelopment Project; and

WHEREAS, Specklebelly is no longer undertaking the Project and the HRA has received a request from James B. Palubicki, the owner of the Development Property (the “Borrower”), for the Loan to help finance the Project; and

WHEREAS, the City Council has determined that in order to facilitate the Project it is in the City’s interest to make the declaration required in order to permit the HRA to provide the Loan to the Borrower.

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

1. The City Council hereby acknowledges and supports the HRA providing the Loan to the Borrower to facilitate the Project.
2. City staff and consultants are authorized to take all actions necessary to implement the Redevelopment Plan in cooperation with the HRA.

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

And the following voted against the same: None.

Approved by the City Council of the City of Fosston, Minnesota this 12th day of December, 2022.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

The truth in Taxation public hearing was opened at 7:30p.m. to review the proposed 2023 General Fund budget and proposed 2023 Property Tax levies. There were no members of the public present for this portion of the meeting.

Heide reviewed the hearing reports with the council. The 2022 and 2023 budget comparison was reviewed with an increase of 72% in expenditures and an increase of 71.20% in revenue. This is due to a large airport increase for runway reconstruction & lighting, which the city will receive airport entitlement/maintenance grants for. The 2023 tax levy is an 9.1% increase over the 2022 levy at \$486,465.00. While the tax levy increase is 9.1%, due to net tax capacity rates increasing, there is an overall decrease in taxes of 2%. Heide reminded that property tax amounts for 2023 will only show a decrease in city portion of taxes if there was not an increase to estimated market value (EMV)In 2023, \$.26 of every tax dollar that a city resident pay will go towards city government expenses. With there being no further business to take up during this hearing, motion was made by Bosselman, seconded by Anderson to close the public hearing.

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION ADOPTING FINAL
GENERAL FUND BUDGET
RESOLUTION NO. 22-44**

BE IT RESOLVED, that the Proposed 2023 Budget for the General Fund be set at \$7,839,925.

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

and the following members voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest: _____
Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION AMENDING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-45**

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

1. The tax levy for the \$1,148,000 General Obligation Certificate, Series 2018A 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>
2022	2023	\$76,120

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-46**

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

1. The tax levy for the \$450,000 General Obligation Improvement Bonds, Series 2015B 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>
2022	2023	\$33,058

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-47**

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

1. The tax levy for the \$450,000 General Obligation Improvement Bonds, Series 2016B 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>
2022	2023	\$23,098

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-48**

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

1. The tax levy for the \$458,000 General Obligation Improvement Bonds, Series 2017A 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>
2022	2023	\$29,891

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-49**

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

1. The tax levy for the \$853,000 General Obligation Improvement Bonds, Series 2020A 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>
2022	2023	\$34,075

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 22-50**

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

1. The tax levy for the \$631,000 General Obligation Improvement Bonds, Series 2021A 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>
2022	2023	\$27,733

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 Mulry and upon vote being taken thereon the following members voted in favor thereof: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION CERTIFYING FINAL
PAYABLE 2023 PROPERTY TAX LEVY
RESOLUTION NO. 22-51**

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 2022 taxes collectable in 2023 for the following purposes to-wit:

PURPOSE	2022 FINAL	2023 PRELIMINARY	CHANGE
General Fund	\$ 123,200	\$ 172,000	\$ 48,800

2012 St. Improvement Note	\$ 17,614	\$ 0	\$(17,614)
2014 Brandt Ave. Note	\$ 18,640	\$ 0	\$(18,640)
2014 Downtown St. & Utility Note	\$ 41,940	\$ 37,717	\$ (4,223)
2015B St. Improvement Bonds	\$ 33,258	\$ 33,058	\$ (200)
2016B St Improvement Bonds	\$ 23,750	\$ 23,098	\$ (652)
2017A St. & Utility Note	\$ 29,668	\$ 29,891	\$ 223
2018A St & Utility Improvement Bonds	\$ 85,243	\$ 76,120	\$(9,123)
2019 St. & Utility Note	\$ 22,362	\$ 22,362	\$ -0-
2020 St. & Utility Note	\$ 28,098	\$ 34,075	\$ 5,977
2021A St & Utility Impr Bonds	\$ 10,535	\$ 27,733	\$17,198
2021 St & Utility Note	\$ 11,718	\$ 23,435	\$11,717
2022 SRTS Note	\$ 0	\$ 6,976	\$ 6,976
Total Gross Levy	\$446,026	\$486,465	\$ 40,439
	=====	=====	=====

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

and the following voted against the same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest: _____
Cassie Heide, City Administrator

Council considered approval of a conditional use permit for Ryan Olson, Taxidermy. Olson filled out the proper paperwork and is requesting a conditional use permit to do taxidermy at his home located at 217 1st St. W. He removed his large sign and replaced it with a 2 x 2 sign, which does comply with our ordinance.

Motion was made by Anderson, seconded by Mulry to approve the conditional use permit for Ryan Olson, Taxidermy. Motion carried by unanimous vote.

Council considered approval of a donation to the Embassy Center Senior Meals 2023 Program in the amount of \$1,000.

Motion was made by Anderson, seconded by Bosselman to approve the donation to the Embassy Center Senior Meals 2023 Program in the amount of \$1,000. Motion carried by unanimous vote.

Council considered approving the updated employee health insurance renewal for 2023. Heide noted that she was contacted by our agent a few weeks ago and the city was presented with an opportunity to get back into the co-op. The new plan is with Medica instead of Blue Cross Blue Shield, but employees should not notice a difference in coverage. Instead of an increase in 2023, the city will see a decrease of approximately \$5,700 to its health insurance policy.

Motion was made by Dufault, seconded by Anderson to approve the updated employee health insurance renewal for 2023. Motion carried by unanimous vote.

Member Mulry introduced the following resolution and moved its adoption:

**CITY OF FOSTON RESOLUTION
BUSINESS DEVELOPMENT INFRASTRUCTURE APPLICATION
RESOLUTION NO. 22-52**

BE IT RESOLVED that the City of Fosston act as the legal sponsor for project(s) contained in the Business Development Infrastructure Application to be submitted on 12/13/2022 and that James Offerdahl, Mayor and Cassandra Heide, City Administrator are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Fosston.

BE IT FURTHER RESOLVED that the City of Fosston has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Fosston has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Fosston may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the non-BDPI source(s) of funds identified in the sources and uses outline in the application in the total amount of \$900,000 are committed and adequate to fully fund the project identified in the application.

BE IT FURTHER RESOLVED that the sources of the Applicant's matching funds shall be the _____ fund which has adequate funding to cover the commitment.

BE IT FURTHER RESOLVED that per MN statute 116J.431 Subd 7, the City of Fosston understands the grant may be cancelled if the project identified in the Application is not

proceeding within 18 months of the execution of a grant agreement, or if not complete after five years of any grant award.

BE IT FURTHER RESOLVED that the City of Fosston acknowledges that allowing an ineligible business to locate in the area directly served by the funded infrastructure may trigger a default of the grant and cause repayment by the City of Fosston.

The City of Fosston certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application.

NOW, THEREFORE BE IT RESOLVED that James Offerdahl, Mayor and Cassandra Heide, City Administrator or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

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: Anderson, Bosselman, Dufault, Mulry and Offerdahl.

and the following voted against the same: None.

I CERTIFY THAT the above resolution was adopted by the City of Fosston City Council of the City of Fosston on Monday, December 12th, 2022.

SIGNED:

James Offerdahl

Mayor, 12-12-2022

WITNESSD:

(Signature)

Title and date

SIGNED:

Cassandra Heide

City Administrator, 12-12-2022

WITNESSE
D:

(Signature)

Title and date

Member Bosselman introduced the following resolution and moved its adoption:

**LOCAL GOVERNMENT RESOLUTION
AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM
APPLICATION
RESOLUTION NO. 22-53**

BE IT RESOLVED that the City of Fosston act as the legal sponsor for project(s) contained in the Airport Infrastructure Renewal (AIR) Program Application to be submitted on December 12, 2022 and that James Offerdahl, Mayor and Cassandra Heide, City Administrator are hereby authorized to apply to the Minnesota Department of Employment and Economic Development for funding of this project on behalf of the City of Fosston.

BE IT FURTHER RESOLVED that the City of Fosston has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Fosston has not violated any Federal, State or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Fosston may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that, the City of Fosston, has committed \$1,150,000 towards the local match requirement.

BE IT FURTHER RESOLVED that the sources of the Applicant's matching funds shall be the through bond issuance which has adequate funding to cover the commitment.

BE IT FURTHER RESOLVED that the City of Fosston will the repay the grant if milestones are not realized by the completion date identified in the Application.

The City of Fosston certifies that it will comply with all applicable laws, regulations, and rules of the Application.

BE IT FURTHER RESOLVED that the sources and uses, private investors, equity, and other financing commitments represented in the attached document are accurate.

NOW, THEREFORE BE IT RESOLVED that James Offerdahl, Mayor and Cassandra Heide, City Administrator or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

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

and the following voted against the same: None.

I CERTIFY THAT the above resolution was adopted by the City of Fosston City Council of the City of Fosston on December 12, 2022.

SIGNED:

(Authorized Official)

WITNESSD:

(Signature)

James Offerdahl, Mayor December 12,
2022

(Title)

(Date)

Cassandra Heide, City Administrator December 12, 2022

Council considered approval of a liquor license transfer from Palubicki's to Valley Liquors Inc, DBA Hugo's Wine & Spirits #67 effective December 29, 2022.

Motion was made by Dufault, seconded by Anderson to approve the liquor license transfer from Palubicki's to Valley Liquors Inc, DBA Hugo's Wine & Spirits #67 effective December 29, 2022. Motion carried by unanimous vote.

Council considered awarding engineering firm for the Industrial Park Expansion/Airport Hangar/Airport Utilities EDA project per recommendation of the selection committee. The City received Request for Qualifications from three (3) engineering firms: Widseth, RS&H and AE2S. The selection committee interviewed all three firms on December 7th. A scoring rubric was filled out by each individual and then an overall average was calculated to determine who scored the highest. Our goal was to choose a firm that could best execute the project and work with staff. Based on the results, Heide recommended awarding AE2S the Industrial Park Expansion/Airport Hangar/Airport Utilities EDA project.

Motion was made by Anderson, seconded by Dufault to award engineering services to AE2S for the Industrial Park Expansion/Airport Hangar/Airport Utilities EDA project. Motion carried by unanimous vote.

Council considered approval of an amendment to Task Order No. 026 FIT Trail Expansion from Karvakko, PA, scope change only. Kinnen provided a summary of changes from the original Task Order. Instead of designing the entire trail as a single set of plans, the trail will be broken into 6 trail segments with individual set of plans. Each of these 6 proposed trail segments will be developed to approximately 50% plans. The first segment (Calvary segment) will be developed

to 90%. A trail master plan will be developed identifying individual trail segments, estimated costs, typical trail sections, and other appropriate supporting documentation to show proposed character of trail. Kinnen noted there is no change in fee for the modifications to services from the original Task Order.

Motion was made by Anderson, seconded by Bosselman to approve an amendment to Task Order No. 026 FIT Trail Expansion from Karvako, PA, scope change only. Motion carried by unanimous vote.

Council considered approval of pay estimate No. 2 to Lenex Sand & Gravel for the Veteran's Memorial Gazebo & Walks in the amount of \$28,059. Kinnen noted that we ran out of warm weather to complete this project, but Lenex got a great start. As a result of not completing the project this year, the Veteran's Park budget will be under budget in 2022.

Motion was made by Anderson, seconded by Mulry to approve pay estimate No. 2 to Lenex Sand & Gravel for the Veteran's Memorial Gazebo & Walks in the amount of \$28,059. Motion carried by unanimous vote.

Council considered approval of pay estimate No. 1 to Lenex Sand & Gravel for the Library Sidewalk Improvement in the amount of \$21,853. Kinnen noted this will be the only pay estimate as the project is complete including the change order to add a roof drain connection to the street.

Motion was made by Anderson, seconded by Bosselman to approve pay estimate No. 1 to Lenex Sand & Gravel for the Library Sidewalk Improvement in the amount of \$21,853. Motion carried by unanimous vote.

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION ORDERING THE
PREPARATION OF REPORT ON THE
2023 STREET AND UTILITY IMPROVEMENT PROJECT
RESOLUTION NO. 22-54**

WHEREAS, it is proposed to improve of the following streets and avenues, and watermains

Johnson Avenue South and Johnson Avenue North from 3rd St to 6th Street.

and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429,

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
FOSSTON, MINNESOTA:**

That the proposed improvement be referred to Lee Cariveau, P.E., Widseth Smith Nolting for study and that he is instructed to report to the council with all convenient speed advising the

council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible and as to whether it should best be made as proposed or in connection with some other improvement, and the estimated cost of the improvement as recommended.

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

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 12th day of December, 2022.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Cariveau, Widseth was present to discuss the Wastewater Expansion project & 2023 Street & Utility Improvement project. Cariveau noted that our updated wastewater permit was approved so the City of Fosston can get back in queue for wastewater pond funding. He recommends that the city mitigate the wetlands in the meantime.

2023 Street & Utility Improvement project – Cariveau noted that Polk County will participate in this project and agreed to mill & overlay the portions of Johnson Ave where watermain is replaced (approx. 16ft), with 6” asphalt. The County’s portion will cost approximately \$325,000 and will need to be completed by September 30, 2023. The city will directional bore all watermains. Cariveau noted that the plan is to have a public hearing in January, go to bid in March, and start the project on July 10th.

Cariveau briefly touched on the 2024 Berge Stafford Park project. He noted that the route changed a bit. A cement sidewalk will go along 3rd St NW and turn into a 10ft path of asphalt through the alley on Kaiser into Berge Park.

Cariveau also thanked council for the opportunity to interview & wished the city luck on the Industrial Park Expansion/Airport Hangar/Airport Utilities EDA project.

Keith Kinnen, Karvakko was present to discuss the Airport, FIT Trail Expansion, & Safe Routes to School project.

Airport Reconstruction – The 90% plans were sent to the FAA for review. Construction is scheduled for 2023. Kinnen has planned for the airport to be shut down from July 10th – September 1st, 2023 but can be adjusted as necessary.

Veteran’s Memorial Park – Kinnen noted that we ran out of warm weather to complete this project, but Lenexa Sand & Gravel got a great start.

FIT Trail Expansion – Kinnen updated council on the amendment to Task Order No. 026 earlier in the meeting.

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

Mayor Offerdahl thanked George Bosselman for his service on the council for the past 4 years.

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

Cassandra Heide, City Administrator