

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
December 9, 2019

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, December 9, 2019 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Hoialmen, Anderson, and Bosselman. Members absent: none. Also present was: Charles Lucken, Cassie Heide, David Larson, Mike Norland, Ethan Nagel, Ed Lavelle, Stephen Larson, Lee Cariveau, Karen Graham, Keith Kinnen, David and Irene Erickson, Vicki Olson, Rick Centers, Dennis Olson, and Marge Donnell

Motion was made by Anderson, seconded by Hoialmen to approve the agenda with no 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 November 18, 2019.
- B) To approve Accounts Payable Bill Listing #19-12 in the amount of \$78,630.05 and AP Bill Listing #19-12A in the amount of \$58,692.34.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$5,829.25.

A forum for members of the public present to speak was held.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Chief Deputy Mike Norland and Deputy Ethan Nagel were present to discuss matters pertaining to their department

- With winter storms beginning the department works to ensure vehicles are moved off city streets for city crews to remove snow.
- Working to keep traffic slow in tough driving conditions.

Report from Director of Public Works: Dave Larson reported on matters pertaining to his departments

- New antennas for the cable system were installed on the Crown Castle tower at the City cable system location East of the city.
- The natural gas inspection closeout report was received and is done for another year.
- MDV continues their shut down. They have laid some employees off and are keeping others to work on repacks.
- The wastewater expansion project continues to move forward with the engineers doing their work for the facility plan.

Report from Aquatics & Recreation Director: Karen Graham reported on matters pertaining to her departments

- Civic Center is busy with various groups using the facility.
- The hockey rink is being flooded and should be opened next week.

Community Development: Roy Dufault reported on matters pertaining to community development

- The EDA board met at noon. Mike Breckel was recognized for his eight years of service on the board. He is resigning at the end of December from the board. His presence and offerings on the board have been valuable and greatly appreciated.

Hospital Board: Roy Dufault reported on matters pertaining to the hospital board.

- Essentia is continuously working to recruit new healthcare professionals for the Fosston campus.
- Essentia is working on community and school engagement efforts. The life story project recently wrapped up with another successful collaboration between the long-term care center and the Fosston High School.

The Truth in Taxation public hearing was opened at 7:00p.m. There were no members of the public present for this portion of the meeting.

Heide reviewed the hearing reports with the council. The 2019 and 2020 budget comparison budget was reviewed with a decrease of 14.9% in expenditures and a decrease of 14% in revenues. The 2020 tax levy is an 8% increase over the 2019 levy at \$382,344.00. In 2020 \$.35 of every tax dollar that a city resident pays will go towards city government expenses. With there being no further business to take during this hearing Mayor Offerdahl closed the public hearing.

A public hearing on proposed assessments relating to the 2020 street and utility improvements was opened at 7:30p.m. Lee Cariveau, WSN reported that the proposed project includes replacing water main and performing some minor storm sewer work in the area of Eaton Avenue North from 4th to 8th St NE as well as a total road rebuild on Eaton Avenue from 6th to 8th St NE. David and Irene Erickson, 513 6th St NE were present to learn about the project and inquired about future assessments on their property since they own a corner lot. Lucken explained that the side of the yard that is longest receives the assessment. With there being no further business to take during this hearing Mayor Offerdahl closed the public hearing.

A public hearing on proposed final assessments relating to the 2019 street and utility improvements was opened at 7:45p.m. The final assessments are in relation to the work performed in 2019 on Granum Avenue North between 3rd St. NE and 4th St. NE and Newton Avenue North between 8th St. NW and 9th St. NW. Marge Donnell, 312 Granum Avenue North was present to discuss the proposed assessment. Donnell was unsure of the amount owed and

how it would be assessed. Heide explained her total assessment amount and that if it is not paid before the end of the year the assessment would be placed on her property tax bill at a rate of 5.5% over the next ten years. With there being no further business to take during this hearing Mayor Offerdahl closed the public hearing.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ADOPTING ASSESSMENT
FOR 2019 STREET AND UTILITY IMPROVEMENT PROJECT
RESOLUTION NO. 19-34**

WHEREAS, pursuant to proper notice duly given as required by law, the council met and heard and passed upon all objections to the proposed assessment for the improvement of the following streets by bituminous overlay and replacement of water and/or sewer:

Granum Avenue N. between 3rd St. NE and 4th St. NE

Newton Ave. N. between 8th St. NW and 9th St. NW

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefitted by the proposed improvement in the amount of assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of ten (10) years, the first of the installments to be payable on or before the first Monday in January, 2020, and shall bear interest at the rate of five and one half (5.5) percent per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2020. To each subsequent installment when due shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the county auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City Administrator, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of the assessment. He may at any time thereafter, pay to the City Administrator the entire amount of the assessment remaining unpaid, with interest accrued to December 31, of the year in which said payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor-Treasurer to be extended on the property tax lists of the County. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

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

And the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ORDERING THE
PREPARATION OF REPORT ON THE
2020 STREET AND UTILITY IMPROVEMENT PROJECT
RESOLUTION NO. 19-34A**

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

Eaton Avenue North between 4th St. NE and 8th St. NE

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

and the following voted against same:

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Bosselman introduced the following resolution and moved its adoption:

**RESOLUTION CERTIFYING FINAL
PAYABLE 2019 PROPERTY TAX LEVY
RESOLUTION NO. 19-35**

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 2019 taxes collectable in 2020 for the following purposes to-wit:

PURPOSE CHANGE	2019 FINAL	2020 FINAL	
General Fund	\$89,814	\$ 78,514	(\$ 11,300)
2009 St. Improvement Note	\$ 20,920	\$ -0-	(\$ 20,920)

2010A PIR & Refunding Bonds	\$ 24,059	\$ 22,954	(\$ 1,105)
2011 St. Improvement Note	\$ 13,820	\$ 13,090	(\$ 730)
2012 St. Improvement Note	\$ 17,614	\$ 17,614	\$ -0-
2014 Brandt Ave. Note	\$ 16,032	\$ 16,905	\$ 873
2014 Downtown St. & Utility Note	\$ 33,436	\$ 36,284	\$ 2,848
2015B St. Improvement Bonds	\$ 41,870	\$ 22,788	(\$ 19,082)
2016B St Improvement Bonds	\$ 23,841	\$ 25,280	\$ 1,439
2017A St. & Utility Note	\$ 29,496	\$ 29,586	\$ 90
2018A St & Utility Improvement Bonds	\$ 43,205	\$101,715	\$58,690
2019 St. & Utility Note	<u>\$ -0-</u>	<u>\$ 17,614</u>	<u>\$ 17,614</u>
Total Gross Levy	\$354,107	\$382,344	\$ 28,417
	=====	=====	=====

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: Bosselman, Anderson, Dufault, Hoialmen, and Offerdahl.

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest: _____

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 19-36**

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</u>	<u>Year of Tax</u>	<u>Amount</u>
<u>Levy</u>	<u>Collection</u>	
2019	2020	\$22,954

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION AMENDING TAX

LEVY FOR DEBT SERVICE

RESOLUTION NO. 19-37

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:

Year of Tax	Year of Tax	
<u>Levy</u>	<u>Collection</u>	<u>Amount</u>

2019

2020

\$101,715

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 19-38**

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</u>	<u>Year of Tax</u>	<u>Amount</u>
<u>Levy</u>	<u>Collection</u>	
2019	2020	\$22,788

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

**RESOLUTION SETTING TAX
LEVY FOR DEBT SERVICE
RESOLUTION NO. 19-39**

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</u>	<u>Year of Tax</u>	<u>Amount</u>
<u>Levy</u>	<u>Collection</u>	
2019	2020	\$25,280

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION SETTING TAX

LEVY FOR DEBT SERVICE

RESOLUTION NO. 19-40

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</u>	<u>Year of Tax</u>	<u>Amount</u>
<u>Levy</u>	<u>Collection</u>	
2019	2020	\$29,586

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ADOPTING FINAL
GENERAL FUND BUDGET
RESOLUTION NO. 19-41**

BE IT RESOLVED, that the Proposed 2020 Budget for the General Fund be set at \$1,535,702.

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

and the following members voted against the same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION APPROVING

PREMISES PERMIT APPLICATION
RESOLUTION #19-42

WHEREAS, the Knightriders Snowmobile Club is submitting a Premise Permit Application to the Minnesota Department of Gaming, Gambling Control Division, for a permit to conduct electronic gambling at Ventures Bar & Grill in Fosston.

BE IT RESOLVED, THAT THE City Council of the City of Fosston hereby approves the Premise Permit Application as presented.

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

And the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 9th day of December, 2019.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION RELATING TO LEASE WITH OPTION
TO PURCHASE AGREEMENT NO. 40002346
RESOLUTION NO. 19-43**

BE IT RESOLVED by the governing body of the CITY OF FOSSTON, MN (the Issuer), as follows:

Section 1. Recitals and Authorization. The Issuer, as lessee, has heretofore entered into a Lease with Option to Purchase Agreement No. 40002346 dated as of December 9, 2019 (the Lease), with CapFirst Equipment Finance, Inc., as lessor. It is hereby determined that it is necessary and desirable and in the best interests of the Issuer to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease by the Issuer are hereby approved, ratified and confirmed.

Section 2. Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986 (the Code), the Issuer hereby specifically

designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Issuer hereby represents that the Issuer will not designate more than \$10,000,000 of obligations issued by the Issuer in the calendar year during which the Lease is executed and delivered as such "qualified tax-exempt obligations."

Section 3. Issuance Limitation. In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Issuer hereby represents that the Issuer (including all "subordinate entities" of the Issuer within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Lease is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

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

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 9th day of December 2019.

CITY OF FOSSTON, MN

By: _____
James Offerdahl, Mayor

ATTEST:

By: _____
Charles Lucken, City Administrator

Council reviewed an ordinance amending zoning ordinance, section 701.10, section IV by changing the exceptions to temporary dwellings. City Attorney Stephen Larson explained that he drafted the ordinance change in a way for council to think about how it wants to limit the parking of recreational vehicles and tents in residential areas. The version council reviewed included a restriction of three nights and to only family members of the landowner who are related by blood, marriage, or adoption and limited the use of tents. Council came to a consensus to have attorney Larson amend the ordinance with the inclusion of tents but keeping the three-day limitation in place. Council will consider adoption at a later meeting.

Council considered accepting a proposal from Karvakko Engineering for design services for Mittun Park. Keith Kinnen, Karvakko, explained that he has been working with Graham on working towards a plan for Mittun Park to include playground equipment, pickleball courts, a half basketball courts, picnic shelter and possible bathrooms. The proposal includes a layout and long term plan for improvements at the park. The total proposal is for \$7,250.

Mayor Offerdahl would like to look at the 2020 budget further to determine how this plan will be paid for.

A motion to table the proposal was made by Anderson, seconded by Bosselman. Motion carried by unanimous vote.

Keith Kinnen, Karvakko updated council on the 2019 East End Multi Use path, airport and highway 2 corridor study.

The East End multi use path has some punch list items left to be taken care of that will likely not occur until the Spring. Until then, there are no further updates on this project.

The new signs for the airport have arrived. City staff will install on City property.

The highway 2 corridor improvement study continues. The community review panel met after the last council meeting in November. An alternate for the five-legged intersection was reviewed and the strong consensus of the panel supported the squaring up of Granum Ave North, First Street East and the County Road (Granum Avenue South). An alternate for a three lane conversion that will include center refuge islands near the high school, safe, wider parking and turn lanes was also strongly accepted by the review panel. Kinnen will continue to work on the traffic engineering for the project and have layouts for the community review panel to review again in January. Another public open house will be held in February.

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

Charles Lucken, City Administrator