

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
JANUARY 8, 2018

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, January 8, 2018 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Veum, Dufault and Anderson. Members absent: Hoialmen Also present was: Charles Lucken, Cassie Heide, Lee Cariveau, Zach Folkert, James Tadman Amelia Linehan, Karen Graham, Dave Larson, Steven Lyseng, Kevin Ricke, Tari Rayala, and Mike Karvakko.

Motion was made by Anderson, seconded by Dufault to approve the agenda with no modifications. Motion carried by unanimous vote.

Motion was made by Veum seconded by Anderson to approve Consent Agenda items A., B., C., D., E., F., G., and H. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held December 11, 2017 regular meeting minutes.
- B) To approve Accounts Payable Bill Listing #18-01 in the amount of \$290,464.27 and AP Bill Listing #18-01A in the amount of \$931,824.41.
- C) Resolution Designating Official Depositories for City Funds – Resolution #18-01
- D) Resolution Appointing 2018 Boards and Commission members – Resolution #18-02
- E) Resolution Approving Collateral Pledged by Depositories – Resolution #18-03
- F) Resolution Approving \$100,000 Surety Bond for the City Administrator – Resolution #18-04
- G) Resolution Designating the Thirteen Towns as the Official Newspaper – Resolution #18-05
- H) To approve Cigarette Licenses and Non-Intoxicating Malt Liquor Licenses for 2018.

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION DESIGNATING OFFICIAL DEPOSITORY
AND SUPPLEMENTAL DEPOSITORIES
RESOLUTION NO. 18-1**

WHEREAS, Minnesota Statutes Section 118 sets forth the procedures for the deposit of Public Funds and it is necessary for the Fosston City Council or the Treasurer or Chief Financial Officer

to annually designate a bank as the official depository for City funds and manage the collateral pledged to such funds; and

WHEREAS, the First National Bank, American Federal Bank and the Ultima Bank Minnesota are now the official depositories; and

WHEREAS, other financial institutions from time to time have offered to pay the City of Fosston interest rates on deposits which are greater than can be obtained by other investments.

NOW THEREFORE BE IT RESOLVED, that the City of Fosston City Council does hereby designate the First National Bank, American Federal Bank and the Ultima Bank Minnesota as the City's official depositories for 2018.

BE IT FURTHER RESOLVED, that the 4M Fund be designated as additional depositories for 2018 for investment purposes only; and

BE IT FURTHER RESOLVED, that checks of the City of Fosston drawn on any of the official depositories shall be signed by the following officers:

James Offerdahl, Mayor

Charles Lucken, City Administrator

BE IT FURTHER RESOLVED, that the City Administrator is authorized to use a facsimile signature stamp at such time as it becomes necessary for Mayor James Offerdahl, and

BE IT FURTHER RESOLVED, that the City Administrator shall have authority to wire transfer funds from one official depository to another for the purpose of investing City funds, and

BE IT FURTHER RESOLVED, that the Treasurer of the City of Fosston is hereby designated as the approval authority for the acceptance and release of all collateral to be held by the City in conjunction with City Funds on deposit with authorized institutions.

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: Veum, Anderson, Dufault, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA
RESOLUTION NO. 18-02**

A RESOLUTION APPOINTING 2018 BOARDS & COMMITTEES

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

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

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

See Exhibit A

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

and the following voted against the same: none.

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA
RESOLUTION NO. 18-03**

A RESOLUTION APPROVING COLLATERAL PLEDGED

WHEREAS, the City Council annually approves the collateral pledged by the official depositories of city funds;

THEREFORE, BE IT RESOLVED: The Council of the City of Fosston hereby approves the following collateral pledged:

First National Bank	\$ 1,150,000
American Federal Bank	\$ 250,000
Ultima Bank Minnesota	\$1,250,000

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: Veum, Anderson, Dufault, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA
RESOLUTION NO. 18-04**

A RESOLUTION APPROVING TREASURER'S SURETY BOND

WHEREAS, the City Council annually approves a surety bond in the amount of \$100,000 for the Treasurer (City Administrator) as required by Auditor of Polk County and the State of Minnesota;

THEREFORE, BE IT RESOLVED: The Council of the City of Fosston hereby approves a surety bond for the Treasurer in the amount of \$100,000.

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: Veum, Anderson, Dufault, and Offerdahl.

and the following voted against same:

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA
RESOLUTION NO. 18-05**

**A RESOLUTION DESIGNATING
THE THIRTEEN TOWNS
AS THE
OFFICIAL NEWSPAPER**

WHEREAS, the City Council annually designates a local publication as the City's official newspaper;

THEREFORE, BE IT RESOLVED: The City of Fosston designates **The Thirteen Towns** as the 2018 Official Newspaper.

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: Veum, Anderson, Dufault, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Zach Folkert and James Tadman were present to discuss matters pertaining to their department.

- December had 216 calls for service, including traffic, thefts, domestic, several car unlock assists and vulnerable adult calls.

Civic Center/Parks & Recreation: Karen Graham was present to discuss matters pertaining to her departments.

- Donations for the chair lift are coming in. First Care Foundation, Fosston/Lengby Lions, Fosston Area Sportsmen Club and Rotary Club of Fosston have all committed to funding this project.
- The pool tile has been demoed. Horizon will be here this week to install the chair lift.
- An estimate from Millers was provided for new partitions in the locker room bathrooms. Two options were provided; one for steel and one for plastic. The bathrooms in the lobby of the Civic Center are plastic. Council would like to see plastic in the locker room as well. A motion was made by Anderson, seconded by Dufault to approve option #2 of plastic partitions for the locker room bathrooms. Motion carried by unanimous vote.
- A new brush for the toolcat was ordered.
- There is a good sheet of ice on the rink and it is being used often.
- There is an issue with the draining of melting snow and ice from vehicles being stored in the new warming house. The melting snow and ice is not going towards the drain and is collecting near the walls. A meeting was held with Mark Hagen, Dennis Hemmingsen, John Rustad, Tari Rayala, Keith Kinnen, Lowell Veum, Chuck Lucken, and Karen Graham regarding the issue. Karvakko Engineers have observed a high point/ridge that runs approximately 5' off the south wall, the entire length of the south wall that is causing water not to drain. It was the consensus of the board that the concrete should be removed and replaced with proper slope to the drain.

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

- Crews have been doing snow removal, sanding intersection, removing snow piles from town, and cleaning the sidewalks on highway 2.
- Christmas decorations were taken down today.
- MDV was shut down for a couple of weeks over Christmas and is back up and running.
- IPF is running well with CBOD numbers looking very good.
- There were some pump issues at the water plant that were corrected with new air controllers.
- The transformer for the new Polk County Incinerator project is up and running.
- Minnkota did some rippling due to the extreme cold weather. All generators in the City of Fosston worked during this control.
- The poles at the airport that need to be removed will be once the new spiker comes in.

Airport: Chuck Lucken reported on matters pertaining to the Airport.

- There will be a meeting with hangar owners to discuss painting of the hangars and the desired colors.
- It will be up to hangar owners to choose who to hire to paint.

Mayor Offerdahl opened the Public hearing to consider input on 2018 Street & Utility Improvement Project. There were no members of the public present for the hearing. Cariveau provided plat layouts for new lots in the development of the Aspen property. Plans are to reconstruct water and sewer on Eaton Ave North from 8th St. NE to the end of the current street. Larson had recommendations for a few changes, including a through road from the west side of lots to Eaton Ave N., as well as the addition of green space. Designing for the first 6 lots on Eaton was the consensus of the council. Along with street at least 41 feet with 80 foot right of way. With no public comments or concerns, Mayor Offerdahl closed the public hearing.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ORDERING THE
2018 STREET AND UTILITY IMPROVEMENT PROJECT
AND PREPARATION OF PLANS
RESOLUTION NO. 18-06**

WHEREAS, pursuant to resolution of the council adopted December 12, 2016, fixed a date for a council hearing on the proposed improvement of the following streets and avenues:

Eaton Avenue N. between 8th Street NE and 10th Street NE

AND WHEREAS, ten days mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 9th day of January, 2017, at which all persons desiring to be heard were given an opportunity to be heard thereon,

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

1. Such improvement is necessary, cost-effective, and feasible, as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted January 9, 2017.
3. Lee Cariveau, P.E., Widseth Smith Nolting, is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvements.
4. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of the tax-exempt bond.

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

Offerdahl, Anderson, Dufault and Veum

and the following voted against same: None

Whereupon said resolution was declared passed and adopted this 9th day of January, 2017.

James Offerdahl, Mayor

Attest: _____
Charles Lucken, City Administrator

Council considered a counter offer from Fosston Public Schools for Mittun Park property. The offer is to sell Mittun Park for \$10,000 with the agreement that City of Fosston pays closing costs of both seller and buyer, the City of Fosston places a deed restriction on Mittun Park for recreational and/or green space and the School District assures all net funds from transaction will be reserved as seed money for future Elementary playground improvements.

Dufault expressed concern that this council cannot guarantee that if a deed restriction were placed on this property that a future council wouldn't retract the deed restriction. Dufault notes that it is in the interest of the current council to maintain the property as green space, but that is only well intended. Veum does not think that the City should purchase property from the school.

A motion was made by Anderson, seconded by Dufault to accept the counter offer from Fosston Public Schools for Mittun Park property. Veum abstained. All other members were in favor and motion carried.

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION SUPPORTING
THE MAINTENANCE OF LOCAL LICENSE BUREAUS
RESOLUTION 18-07**

WHEREAS, the State of Minnesota established a deputy registrar network to provide our citizens with motor vehicle titling and registration services, including driver license transactions; and,

WHEREAS, deputy registrars are required to operate as agents on behalf of the State of Minnesota without compensation from the State for the services they offer; and,

WHEREAS, in 1949, the State of Minnesota established in statute a user-based filing fee on motor vehicle and driver license transactions to be retained by the deputy registrar to defray all their costs to provide this localized service to our citizens for the State; and,

WHEREAS, the State of Minnesota now receives over \$1 billion annually in state fees and taxes collected through the deputy registrar network; and,

WHEREAS, the State of Minnesota has now shifted substantial clerical and auditing responsibilities onto the deputy registrar network due to the State's conversion to their new MNLARS (Minnesota Licensing and Registration System) program; and,

WHEREAS, the new MNLARS regimen is now documented to have multiple shortcomings which have severely strained normal deputy registrar operations with longer processing times that greatly limit their typical volume of daily business; and,

WHEREAS, other MNLARS shortcomings have frequently forced deputies to conduct "no-(filing) fee" services for customers which acerbates the deputy business model; and,

WHEREAS, deputy registrar offices are now forced to invest in additional staff, office equipment, and more space to meet customer demand due to the MNLARS conversion; and,

WHEREAS, the filing fee revenue no longer covers the operational costs to maintain deputy registrar offices such that many local government-based deputies are seeking local property tax subsidies and private operators are applying for lines of credit to stave off complete closure,

NOW, THEREFORE, BE IT RESOLVED that *The City of Fosston* calls upon the State Legislature and our Governor to enact legislation in 2018 to provide deputy registrars with proper compensation by reallocating from existing state fee structures or other appropriate filing fee adjustments to ensure their valued service and continued presence remains in our local community to serve our citizens and the State.

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: Veum, Anderson, Dufault, and Offerdahl.

And the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 8th day of January, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION ACCEPTING DONATIONS RECEIVED
BY THE CITY OF FOSSTON IN 2017
RESOLUTION 18-08**

WHEREAS, the City of Fosston received numerous donations in 2017; and,

WHEREAS, Minnesota Statutes Section 465.03 provides that donations to the City be accepted by resolution of the City Council; and

WHEREAS, the City Council expresses its gratitude for the donations given to the Fosston community; and

WHEREAS, the City Council agrees that said donations would be of benefit to the citizens of Fosston.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT the City Council of the City of Fosston, Minnesota hereby acknowledges and agrees to accept said donations as described in Exhibit A attached to this resolution.

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

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted by the City Council of the City of Fosston on this 8th day of January, 2018.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Council considered approval of 2017 Tax Increment Financing reimbursement in the amount of \$4,757 to Anytime Fitness. Lucken reported that this is the final payment for financing. A motion was made by Dufault, seconded by Anderson to approval 2017 Tax Increment Financing reimbursement in the amount of \$4,757 to Anytime Fitness. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING THE SALE
OR DISPOSAL OF REAL PROPERTY
RESOLUTION NO. 18-09**

WHEREAS, it is in the best interest of the City of Fosston, Minnesota (“City”) to sell or otherwise dispose or transfer real property located in the County of Polk, State of Minnesota, as follows:

Legal Description:

That part of the Southeast Quarter of Section 4, Township 147 North, Range 40 West of the Fifth Principal Meridian, Polk County, Minnesota described as follows:

Commencing at the southeast corner of Auditors Outlot U, AUDITOR’S PLAT OF OUTLOTS in Fosston, according to the Official Plat of Record in the Office of the County Recorder in and for the County of Polk and the State of Minnesota; thence North 54 degrees 37 minutes 17 seconds West, assumed bearing, along the south line of said Outlot U, a distance of 239.37 feet to the point of beginning; thence at a right angle South 35 degrees 22 minutes 43 seconds West 8.10 feet; thence at a right angle North 54 degrees 37 minutes 17 seconds West 79.00 feet; thence at a right angle North 35 degrees 22 minutes 43 seconds East 8.10 feet, more or less to the south line of said Outlot U; thence South 54 degrees 37 minutes 17 seconds East, along the south line of said Outlot U, a distance of 79.00 feet, more or less to the point of beginning.

Containing 0.01 acres, more or less and is subject to easements, restrictions, or reservations of record, if any.

(“Land”)

Buyer/Transferee:

Burggraf Properties LLP

(“Transferee”); and

WHEREAS, Minnesota Statutes, Sections 412.201 and 412.211 provide that real property of the City may be disposed of as its interests require.

NOW, THEREFORE, IT IS RESOLVED by the City Council as follows:

1. That the City sell, convey or otherwise dispose of or transfer the Land to the Transferee or any previous disposal or transfer of the Land to the Transferee is ratified and approved; and

2. That the Mayor and the City Administrator are authorized and directed to sign and deliver an instrument of conveyance of the land to the Transferee and any such instrument of conveyance which was previously signed and delivered is ratified and approved.

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

and the following voted against same:

Upon this vote, this resolution passed and is effective the 8th day of January, 2018.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Council considered action to commence lawsuit against Hagen Construction and Trucking for defective concrete on 2017 First St. Alley and Mary Ave. project. Lucken reported that the previous offer was rescinded due to us not releasing Lakes Concrete from all other project defection issues. Dufault expressed concern with commencing the lawsuit on the premise that contractors may not be willing to bid on future projects for fear of being sued by the City. Cariveau reported that sentiment has been expressed, but there are many contractors that have expressed the desire to work in Fosston. Anderson feels it is important to stand up for the City so that future contractors do not think they can get away with poor workmanship.

A motion was made by Veum, seconded by Anderson to commence lawsuit against Hagen Construction and Trucking for defective concrete on 2017 First St. Alley and Mary Ave. project. Motion carried by unanimous vote.

Council considered approval of Engineer Services Agreement with Widseth Smith Nolting for 2018. Cariveau reported that rates have increased slightly. A motion was made by Dufault, seconded by Anderson to approve the Engineer Services Agreement with Widseth Smith Nolting for 2018. Motion carried by unanimous vote.

Council considered approval of Task Order #7 with Karvakko Engineers for Project Formulation and Environmental Assessment at Anderson Field. A motion was made by Veum, seconded by Anderson to approve Task Order #7 with Karvakko Engineers for Project Formulation and Environmental Assessment at Anderson Field. Motion carried by unanimous vote.

Council considered approval of Task Order #9 with Karvakko Engineers for Triggering Event Narrative Report and Airport Layout Plan Update at Anderson Field. Mike Karvakko reported that our last approved master plan was in 2011 and some FAA guidelines have since changed and is the reason this Task Order is necessary. Lucken reported that the FAA covers 90% of project costs, while the state covers 5%. A motion was made by Anderson, seconded by Dufault to approve Task Order #9 with Karvakko Engineers for Triggering Event Narrative Report and Airport Layout Plan Update at Anderson Field. Motion carried by unanimous vote.

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

Charles Lucken, City Administrator