

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
June 11, 2018

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, June 11, 2018 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Hoialmen and Anderson. Members absent: Lowell Veum. Also present was: Charles Lucken, Cassie Heide, Lee Cariveau, David Larson, Keith Kinnen, Ed Lavelle, Karen Graham, Amelia Linehan, James Tadman, Chet Carlson, Leah Palubicki, and Jesse Manecke.

Motion was made by Hoialmen, seconded by Anderson 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. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held May 14, 2018 regular meeting minutes and the May 14, 2018 Public Hearing Minutes.
- B) To approve Accounts Payable Bill Listing #18-06 in the amount of \$97,781.11 and AP Bill Listing #18-06A in the amount of \$89,605.23.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputies James Tadman and Chet Carlson were present to discuss matters pertaining to their department.

- Extra patrol time on Highway 2 with tourist traffic, as well as entrance and exit roads to the city.
- Animals running at large have been an issue. Trying to inform the public on the City's ordinances. The City is looking into a mobile kennel that could be kept at the City shed when we do not have out of town care takers. Also looking into a kennel that can be put in a city vehicle to transport dogs in.
- The active shooter training that was held at the school last month was a good learning experience and training for all involved.

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

- Aspen property is being cleaned up. The barn was burned as part of a fire department training last week. Thank you to Mike Ware, DNR officer, Bagley and McIntosh fire departments, and Fire, Inc who all assisted with the burn.
- MNOPS will be here in July for annual safety checks.

- Pond 3 was within limits and about 40 million gallons of water was dumped. We continue to be full and the need for a fourth pond is evident. The City is working with Widseth, Smith, and Nolting to move this project forward.
- New electrical and gas services are being put in the Aspen addition.

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

- 175 kids are registered for summer rec activities.
- Tournaments started last week
- Crews have been mowing, trimming and landscaping where needed.
- Peterson Sheet Metal will install the pool heater around the 4th of July.
- The rock wall pillar is in tough shape and needs to be taken care of to make it safe. Dave will look into what it would take to restore that part of the wall, but will make it safe in the meantime.

Bus:

- Heide will be submitting the operating grant application in a few weeks for funding assistance for the 2019 year. A new bus grant application will be submitted as well.

Community/Economic Development:

- There is a business on highway 2 that has an excessive amount of used tires on its property that poses a fire danger. The business owner has been warned. The City can do an emergency abatement to get rid of the tires. Chuck will speak with business owner once more to give an opportunity to remove on own. If not, the City will remove the tires and send the business a bill for the removal costs.

Airport

- All but one hangar has been painted. One hangar will be removed and the remaining hangar will be painted next week.

Star Committee: Cassie Heide reported on matters pertaining to this committee

- Crazy Days has had city wide rummage sales integrated with this event. This has caused some businesses to miss out on customers. Some business owners have requested moving the sales back one week. The committee will meet tomorrow to discuss moving the event to a different date.
- Yard of the week began this week with Carol Abele on 316 Granum Ave North as the first week's winner.

EXTRACT OF MINUTES OF A MEETING OF THE

**CITY COUNCIL OF THE CITY
OF FOSSTON, MINNESOTA**

HELD: June 11, 2018

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Fosston, Polk County, Minnesota, was duly called and held on the 11th day of June, 2018, at 7:00 p.m.

The following members of the Council were present: Anderson, Hoialmen, Dufault, and Offerdahl and the following were absent: Veum

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION #18-19
APPROVING THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 1,
THE ADOPTION OF THE MODIFIED DEVELOPMENT PLAN RELATING THERETO,
THE CREATION OF TAX INCREMENT FINANCING DISTRICT NO. 1-12 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"), modify Municipal Development District No. 1 and the Development Program relating thereto, and create Tax Increment Financing District No. 1-12 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 modified development program for Development District No. 1, and a tax increment financing plan for Tax Increment Financing District No. 1-12; and
- C. The City has performed all actions required by law to be performed prior to the modification of Development District No. 1, adoption of the Development Program relating thereto, creation of Tax Increment Financing District No. 1-12 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. 1-12, 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. Development District No. 1 and Tax Increment Financing District No. 1-12 within Municipal Development District No. 1. The City hereby approves the modification of Development District No. 1 and the adoption of the Development Program relating thereto and the establishment of Tax Increment Financing District No. 1-12 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. 1-12, and the City Council makes the following findings;
 - (a) Tax Increment Financing District No. 1-12 is a housing district as defined in Minnesota Statutes, Section 469.174, Subd. 11;

Criteria for this type of district is described in Section 12 of the Tax Increment Financing Plan. The City will assure all development is in compliance with income limits.

- (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. 1-12 permitted by the Tax Increment Financing Plan.

Private developers have been unwilling to develop residential subdivisions in Fosston. The Authority finds that controlling public improvement costs is critical to maintain lot prices at affordable levels and to attract new families to the City. Without assistance, the Authority believes that required lot prices will exceed affordable levels and the project will not be feasible.

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 \$9,750,000; and
2. The present value of expected tax increments collected over the maximum duration of the TIF District is \$1,307,258; and

3. The expected increased estimated market value of the site without the use of tax increment is \$21,892; 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 \$8,442,742 (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. 1-12 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 housing as a permitted use, and rezoning will not be required.

- (d) 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. 1-12 by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

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. 1-12 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. 1-12 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 Hoialmen and upon vote being taken thereon, the following voted in favor thereof: Anderson, Hoialmen, Dufault, and Offerdahl.

and the following voted against the same: none.

Whereupon said resolution was declared duly passed and adopted.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

STATE OF MINNESOTA)
COUNTY OF POLK) SS
CITY OF FOSSTON)

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING SUBMISSION
OF PUBLIC TRANSIT ASSISTANCE
APPLICATION TO MN/DOT
RESOLUTION 18-20

RESOLVED, that the City of Fosston enter into an Agreement with the State of Minnesota, Department of Transportation, to provide transportation service in the City of Fosston.

FURTHER RESOLVED, that the City of Fosston agrees to provide fifteen (15) percent of the total operating costs from local funds and twenty (20) percent of the total capital costs.

FURTHER RESOLVED, that authorization to execute the aforementioned Agreement and any amendments thereto is hereby given to the Mayor and the City Administrator.

FURTHER RESOLVED, that the Mayor and the City Administrator are hereby authorized to execute requests for reimbursement from the Minnesota Department of Transportation.

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

And the following voted against same: None

Whereupon said resolution was passed and adopted this 11th day of June, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

RESOLUTION NO. 18-21

**A RESOLUTION APPOINTING ELECTION JUDGES FOR THE
AUGUST 14, 2018 PRIMARY ELECTION AND THE
NOVEMBER 6, 2018 GENERAL ELECTION**

WHEREAS, a State Primary Election will be held on August 14, 2018; and

WHEREAS, a General Election will be held on November 6, 2018; and

WHEREAS, Minnesota Statute 204B.21, subd. 2, requires election judges for precincts in a municipality be appointed by the governing body of the municipality; and

WHEREAS, the City of Fosston has one precinct; and

WHEREAS, the following City of Fosston residents have applied to serve as election judges and meet the qualifications established by the State of Minnesota.

NOW THEREFORE BE IT RESOLVED, that the City of Fosston Council, in accordance with State Law, hereby appoints the following persons to serve as election judges for the Primary Election on August 14, 2018 and the General Election on November 6, 2018.

Rosalie Larson Janet H. Olson Dorothy Brown Darlene Berg Linda Hand

BE IT FURTHER RESOLVED, that the City of Fosston Council approves payment of an hourly wage of \$10.50 per hour during election judge training and time served on election day and approves payment of an hourly wage of \$11.00 per hour for a Chief Judge during time served on election day.

BE IT FURTHER RESOLVED, that in case an appointed judge is unable to serve the City Administrator is authorized to find a substitute judge of the same political party for the judge who cannot serve.

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: Dufault, Anderson, Hoialmen, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared adopted and passed by the Council of the City of Fosston this 11th day of June, 2018.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Jesse Manecke was present to discuss development of campground on the vacant lot adjacent to Ventures Bar & Grill. Manecke informed the council that he sees a need in the city for additional Recreational Vehicle camping spots that are close to food and beverages. He has seen construction crews that have moved to other cities while they work in the area because Fosston does not have the accommodations they would like. He would like to develop a campground on his property that would have electrical and water and sewer hookups with a small bath house. Manecke informed council that he would keep the property looking nice and kept up. Lucken informed Stephen Larson, City attorney of Manecke's idea. Larson acknowledges that there would be some obstacles to make this happen. Spot zoning is something that might be necessary and may not be a favorable option for the City. Dufault thinks that the proximity to the helicopter pad at the hospital could be an issue and the hospital needs to be aware of the plans and have input. It was the consensus of the council to at least have our attorney do some more research into creative ways to possibly accommodate this request.

Jesse Manecke represented the Fosston All School Reunion committee in a request to council for financial assistance for porta-potties for events at the reunion. Porta-potties are needed at both

Ventures Bar & Grill where dances and class gatherings are happening as well as at the Heritage Center grounds where children's inflatable attractions are being held. The quote from Port Able John Rental & Service, Inc was for \$1,350.90. A motion was made by Anderson, seconded by Dufault to approve the payment for necessary porta-potties during the Fosston All School Reunion. Motion carried by unanimous vote.

Council considered a request from Jesse Manecke of Ventures Bar & Grill for an amendment of their 2018 On Sale liquor license that would allow for a beer garden and off premise events for the All School Reunion. There is no additional paperwork needed from the City or the State, only the approval from this council. A motion was made by Anderson, seconded by Dufault to approve an amendment of Ventures Bar & Grill 2018 On Sale Liquor License to allow beer garden and off premise events for the All School Reunion. Motion carried by unanimous vote.

Council considered a request from Leah Palubicki of Palubicki's Family Market for an amendment of their 2018 liquor license that would allow for a beer garden during the All School Reunion. Palubicki informed the council that she will have an outdoor beer garden from 1-6pm on Friday, July 6th and have a business reunion for past employees. A motion was made by Hoialmen, seconded by Anderson to approve an amendment of Palubicki's Family Markets On Sale Liquor License to allow a beer garden during the All School Reunion.

Lee Cariveau, Widseth, Smith, and Nolting was present to discuss progress of the 2018 Street and Utility Improvement project. The Core of Engineers was scheduled to approve the wetlands permit today and that permit should be approved as of midnight tonight. Crews will begin work on the west end of the project and work east and then north to south. Sewer mains will be live and water will be temporary for residents.

Offerdahl wants to make sure that all residents on the dead end street are notified of construction plans. Cariveau and Heide will work to make sure all residents are informed.

Keith Kinnen, Karvako Engineers was present to discuss progress on the Warming House project. Kinnen reported that the warming house floor has been removed and replaced. Kinnen was pleased with the lines of the new concrete and the cleanliness in which Hemmingsen performed the work. Kinnen was able to contact Hagen regarding outstanding punch list items. Hagen blamed Hemmingsen for disturbance to turf on the project. Several areas of the turf are not within the specifications. Zachariasons filled in trim with putty where trim did not meet up. Council did not feel this was an acceptable solution. Hagen informed Kinnen that the drywall company will be back in a couple of weeks to address the drywall issues. Graham informed council that she would like to have some of the turf between buildings removed for class 5 to be put in, as it is used by vehicles and is disturbed often. Kinnen and Graham will work on a plan for this change. Council informed Keith to not approve final payment until all areas are within specification.

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

Charles Lucken, City Administrator