

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
March 11, 2024

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, March 11, 2024, at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Anderson, Dufault, Pearson, and Mulry. Members absent: None. Also present was: Cassie Heide, Sarah Manecke, Stephen Larson, Steven Lyseng, Jim Juve, Mary Olson, Keith Kinnen (Karvakkko), Nicole Dolejs (AE2S), and Kenny Olson.

Recited the Pledge of Allegiance.

Abby Pearson recited the Official Oath as she was sworn into the office of Council of the City of Fosston by Mayor Offerdahl. Pearson is filling Brandon LePier's vacant seat.

Motion was made by Anderson, seconded by Mulry to approve the agenda as presented. 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 February 20, 2024, and special meeting minutes from March 5, 2024, as presented.
- B) To approve Accounts Payable Bill Listing #24-03 in the amount of \$113,761.40, and Supplemental AP Bill Listing #24-03A in the amount of \$75,738.62.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$3,142.27.

COMMITTEES/BOARDS/COMMISSION:

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

- Heide provided the council with an electric vehicle charging report from February. She indicated that it has been slow the last couple of months.
- The dispute with Essentia Health has been keeping Heide busy. She indicated that they recently completed the discovery phase.
- Heide indicated that police/fire state aid is done for the year.
- Projects for 2024 include the Omland Court updates, Berge Stafford sidewalk, and the industrial park expansion. The Calvary Church segment of the FIT trail expansion project will take place next year.
- Heide reported that they had a good turnout for elections on March 5th. She thanked Amelia for helping every election year.
- Heide indicated that Dyana has been busy with annual transit reports.

- Manecke is the city's newest Minnesota Certified Municipal Clerk. Linehan will be starting year one of three in May. Heide indicated that this is very good training.
- Normally our audit report is presented in March, but Brady Martz is waiting for information from PERA.
- Heide noted that she testified in front of the Minnesota House Health & Human Services Committee regarding transparency in hospital unit closures.

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

- The street department has been continuing to do maintenance around the shop, including re-building dumpsters. They have also been taking inventory of street signs and replacing or installing them as necessary.
- Lyseng indicated that the wastewater ponds are in good shape and will be discharged into the river once the ice melts.
- Lyseng attended the rural water conference and will be attending bio solids training at the end of March.
- Utility staff are planning for the upcoming projects this summer.
- They continue to do electrical and natural gas mapping on their iPads.
- Brady Swanson completed his apprenticeship lineman program. Lyseng believes this is the only time the city has ever had three linemen on staff.

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

- Heide reported that the Civic Center was very cold for a short period this winter. Three boilers should be sufficient to keep the building warm; however, the insulation is very poor. Heide indicated that Graham has gotten two quotes for new insulation. She has funds available in her maintenance budget to use towards updates.

Police Department: Jim Juve and Mary Olson reported on matters pertaining to the police department.

- Olson reported they had 119 calls for service, 23 reports were completed, 12 citations issued, and 2 arrests made in February.
- There continues to be several theft and juvenile complaint calls. Most of the thefts were solved, and citations were issued.
- Juve indicated that their search to fill the open sergeant position continues. To relieve some of the on-call hours of the patrol staff, Juve reached out to the Polk County Sheriff's Office to cover some of the weekend hours.
- Juve noted that BCA wants the Police Chief to attend TAC training to learn more about doing background checks (permits to purchase, liquor licenses, etc.). He will be attending a two-day training in Bemidji.
- Being the police department receives a lot of mental health calls, they have been working closely with Alluma. Alluma purchased iPads for each squad car, so if an officer goes on

a mental health call, they may be able to allow the individual to speak directly with Alluma while on scene via the iPad.

Community Development:

- Heide informed the council that the EDA board met at noon. The board was updated on the Essentia dispute. They discussed the Omland Court project, housing, and childcare. Heide indicated that the final grant payment was released to Palubicki Apartments since they are complete with the project.

Hospital Board: No report.

Arts & Culture Commission:

- Heide received an e-mail update from Bonnie Stewart. The Commission is seeking a grant for another local artist mural.

City Attorney:

- Larson provided the council with a brief update on the legal side of the Essentia dispute. They are currently in the discovery phase in which both parties must produce certain documents. Essentia has not produced all their documents yet. Larson noted that the city also requested Essentia's audited financial statements.
- Also, as part of the process, both parties must find and retain an expert.

ISD 601 Superintendent: No report.

Nicole Dolejs, AE2S, indicated that the only change from the preliminary plat was Garden Valley signatures. Garden Valley also signed the Encroachment Agreement.

Member Dufault introduced the following resolution and moved its adoption:

**CITY OF FOSSTON
COUNTY OF POLK
STATE OF MINNESOTA
RESOLUTION NO. 24-13
A RESOLUTION APPROVING THE FINAL PLAT OF
THE FOSSTON INDUSTRIAL PARK FOURTH ADDITION**

WHEREAS, the City is proposing to plat land into a 14-lot subdivision; and

WHEREAS, the subject property is currently zoned Agricultural and Industrial; and

WHEREAS, the subject property advances Economic Development Goal #1 in the Fosston 2040 Comprehensive Plan to *Expand the industrial base in the community*; and

WHEREAS, all lots in the proposed plat conform to the minimum requirements of the Industrial District; and

WHEREAS, the Planning Commission held a public hearing to consider the matter at a meeting on March 11, 2024, and members of the public were provided the opportunity to comment and present information to the Planning Commission; and

WHEREAS, the Planning Commission has considered all the comments and the City Engineer's report; and

WHEREAS, the Planning Commission of the City of Fosston made the following Findings of Fact in relation to the recommendation of approval:

1. The proposed plat is consistent with the intent of the Fosston Comprehensive Plan.
2. The proposed plat will be consistent with the present and future zoning and land uses in the area.
3. The proposed plat will meet the requirements of the Fosston Zoning Ordinance.
4. The proposed plat will not create undue burdens on public systems, including streets and utilities.
5. The proposed plat will not create substantial impacts, visual or otherwise, on neighboring land uses.

WHEREAS, the Fosston City Council reviewed the recommendation of the Planning Commission; and

WHEREAS, the Fosston City Council reviewed the preliminary plat on February 20, 2024 and the final plat on March 11, 2024; and

WHEREAS, the City Council of the City of Fosston makes the following Findings of Fact in relation to the approval:

1. The Final Plat provides an appropriate means of furthering the intent of the Comprehensive Plan for the site by putting the proposed improvements and parcels to industrial use.
2. The proposed improvements on the site under the Final Plat are consistent with the needs of the development in this location as a industrial area.
3. The improvements will have expected impacts on public services, including water, sewer, stormwater and traffic which have been planned to serve the property for the development proposed.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Fosston, Minnesota that the final plat of the Fosston Industrial Park Fourth Addition is hereby approved.

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: Anderson, Dufault, Mulry, Pearson and Offerdahl.

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 11th day of March, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

Council considered approval of 2024 liquor license applications:

- a. On Sale (\$1,000) – Ventures Bar & Grill
Daroo’s Pizza
Valley Liquors, Inc./Hugo’s Wine & Spirits #67
- b. Sunday On Sale (\$200) – Ventures Bar & Grill
Daroo’s Pizza
Valley Liquors, Inc./Hugo’s Wine & Spirits #67
- c. Off Sale (\$200) – Fosston Off Sale
Valley Liquors, Inc./Hugo’s Wine & Spirits #67

Motion was made by Anderson, seconded by Mulry to approve the 2024 liquor license applications. Motion carried by unanimous vote.

Council considered approval of a lease for the Incubator space used by Ignite Youth Center for 2024. The lease agreement between the City of Fosston and Ignite Station Youth Center, Inc. is effective from April 1, 2024, through March 31, 2025. The Ignite Youth Center welcomes all youth in for activities and snacks.

Motion was made by Anderson, seconded by Pearson to approve the lease for the Incubator space used by Ignite Youth Center for 2024. Motion carried by unanimous vote.

Council considered approval of a gambling permit from the Fosston Area Sportsmen Club for the trap team fundraiser.

Motion was made by Anderson, seconded by Mulry to approve the gambling permit from the Fosston Area Sportsmen Club for the trap team fundraiser. Motion carried by unanimous vote.

Council considered awarding Omland Court Updates to Gordon Construction of Mahnommen, Inc. in the amount of \$232,531.45. Bid opening was held on February 27, 2024, with five bids submitted for consideration. Gordon Construction of Mahnommen, Inc was the apparent low bidder. Karvakko reviewed the bids and discussed the project with the low bidder, through which they state their confidence in their bid. Kinnen recommends that the base bid, alternate #1 and

alternate #2 be awarded to Gordon Construction of Mahanomen, Inc. The low bid was approximately \$50,000 less than the engineer's estimate. With these extra funds, the city intends to update the lot markers and possibly update some of the water services. Heide indicated that grant funds expire in April 2025, so the project must be completed this summer. Kinnen said work will be completed over a 5-week period between May 1st and August 31st.

Motion was made by Anderson, seconded by Dufault to award Omland Court Updates to Gordon Construction of Mahanomen, Inc. in the amount of \$232,531.45. Motion carried by unanimous vote.

To prevent Essentia from further delaying the process by filing a district court action (minimum 1 year process), Attorney Larson suggests that the city withdraw its claim for damages from the arbitration in exchange for Essentia agreeing to allow us to pursue damages for a 12-month period following the final decision in arbitration. The primary goal of the city is to terminate the Affiliation Agreement during arbitration. Mulry expressed concern with what he describes as quitting a previous job before starting a new one. Heide indicated that the task force has been doing concurrent planning. There are two healthcare providers who have shown interest in partnering with First Care Medical Services should they regain local control. Both healthcare providers already operate under these types of agreements with other independent facilities and are aware that First Care would not give up local governance. Attorney Larson told Mulry that Administrator Heide can provide further details on potential agreements with other healthcare providers to council members at any time. They can't be discussed publicly at this time due to the City of Fosston's Affiliation Agreement with Essentia.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION APPROVING STIPULATION REGARDING DAMAGES

RESOLUTION 24-14

The City of Fosston does hereby adopt the following resolution:

RESOLVED that City of Fosston approves of the Stipulation Regarding Damages, a copy of which is attached hereto as Exhibit A.

RESOLVED FURTHER, that the Fosston City Administrator is hereby authorized to do and perform any and all such acts, including execution of any and all documents necessary or advisable, to carry out the purposes and intent of the foregoing resolutions.

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

and the following voted against same: None.

Whereupon said resolution was declared passed and adopted this 11th day of March, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

Keith Kinnen, Karvakko was present to discuss the Airport, FIT Trail Expansion, and TAP/Berge Park Sidewalk project.

Airport – Kinnen indicated that he’s still working on the AWOS project and is hoping to have it ready to bid in April. The runway project is on hold – pavement markings and seeding are items that still need to be completed. ALP- Kinnen has a meeting on March 27th with MNDOT and the FAA to discuss the first round of comments.

FIT Trail Expansion – Kinnen said the City of Fosston is the apparent recipient of an approximately \$350,000 grant for the Calvary Church to Eaton Ave N segment of the FIT Trail. This segment includes a retaining wall and a section of concrete due to wetlands; thus, the reason for the higher costs. Heide indicated the local share will be approximately \$150,000 - \$160,000.

TAP/Berge Park Sidewalk project – Kinnen indicated that it took a while to wrap up environmental, so he doesn’t have plans to present this month. He’s hoping to have a page turn with city staff next week. Best case scenario is to bid this project in April with construction in June.

2023 Street Improvement project – Kinnen is finalizing change orders. Heide indicated that the city needs to put some pressure on Polk County to finish the Johnson Ave N/3rd St NE intersection as originally planned. Kingo Church is expecting to have the project done.

Nicole Dolejs, AE2S, was present to discuss the 2024 Industrial Park/Airport Utilities and Hangar project. Dolejs indicated that they are still waiting for EDA approval of plans before we can advertise for bids. The city will advertise for 3 weeks.

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

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

Cassandra Heide, City Administrator