

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
March 8, 2021

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, March 8, 2021 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, David Larson, Scott Bixby, Matt Belamy, Lee Cariveau, Stephen Larson, Sarah Manecke, Steven Lyseng, Amelia Linehan, Keith Kinnen, Barb Johnson, Heidi Danos, Jason Steinbrenner, Paul Peltier, Sue Christen, Casey Holland and Tracee Bruggeman via zoom.

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

Motion was made by Bosselman, 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 8, 2021 with modifications.
- B) To approve Accounts Payable Bill Listing #21-03 in the amount of \$69,827.15 and Supplemental AP Bill Listing #21-03A in the amount of \$44,919.17.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$5,009.76.

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

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputy Matt Belamy and Sergeant Scott Bixby were present to report on matters pertaining to Fosston Law Enforcement

- Bixby reported on the tremendous traffic stop by Deputy Nagel last month which has led into a large, ongoing investigation.

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

- Heide reports that our staff has met with Polk County Social Services and NW Mental Health to gather information and inquire as to the possibility of getting an office back in Fosston.
- Heide reported on the 2025 Transportation Alternative in which the City of Fosston submitted a grant application for the possibility of a sidewalk from 3rd St. NW to Larson Ave by Berge Stafford park. Heide noted that the City would not receive the full amount of \$165,000 but could move forward with the grant and receive \$134,000 in 2024 to be used towards this sidewalk project.

- Heide reports that the Northwest Minnesota Foundation Board of Directors has allocated \$5,770.28 in support of the City of Fosston. This grant is from the Arvid Clementson Veteran's Memorial Fund to be used for our Veteran's Memorial Park.

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

- Larson reported on the need for a few changes to the current garbage building. Larson was instructed to gather quotes for cosmetic work to the exterior of the current building as well as quotes for a new building for the garbage truck.
- Discussion had regarding the potential gas line expansion from the school bus garage, north along Brandt Ave, to the County Road and down 400th street.
- Staff is looking ahead to the spring discharge of the wastewater ponds. They will start sampling once the ice melts.
- Larson reports that most of the electrical terminating to the new feeder line is complete.
- Larson reported that the Elevator plans to tear out the old grain bins east of the County Road and put in new ones - the City will likely need to put in a new transformer.
- Due to the cold temperatures, there was a lot of load control throughout February.

Civic Center: No report

Community Development

- Dufault informed the council that the EDA board met at noon today. The interested buyer of mobile home park has offered to purchase for \$300,000. The EDA board recommended the council give Heide authority to offer \$350,000 with a development agreement to be determined. Mayor Offerdahl suggested the recommendation be tabled until further discussion is had. Dufault also reported that Prairie Pines Childcare Center is awaiting its 501(c)(3) status before moving forward.

Hospital Board: No report

Arts & Culture Commission:

- Barb Johnson, Heidi Danos and Jason Steinbrenner were present to discuss the possibility of housing a local arts center within the city. Building an active arts center downtown would result in a positive economic impact for the community and enhance the mental health of its residents. They envision ample space for artists to create as well as consistent programming and events for all ages; thus, drawing more people into the area. They presented on all the benefits for local and area artists as well as benefits for the community. Grant and funding options such as Mardag Foundation grants, Blandin Foundation grants, monthly/yearly memberships, maker space rentals and event rentals were also discussed. Council encouraged commission members to get a business plan together as well as a cost estimate.

City Attorney: No report

A public hearing on the proposed use of property tax abatement bonds for the 2021 street & utility improvements was opened at 7:00 p.m. There were no members of the public present for this portion of the meeting.

Heide reported on the use of property tax abatement to finance up to \$400,000 in cost associated with constructing public improvements on 1st street East between Brandt Ave North and Granum Avenue North. The City intends to issue \$400,000 in General Obligation Tax Abatement Bonds to finance these improvements. The total amount of tax abatements will not exceed \$400,000 collected over a period of ten (10) years, commencing with taxes payable 2022. With there being no further business to take up during this hearing, Mayor Offerdahl closed the public hearing.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION NO. 21-15

**RESOLUTION APPROVING
PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY
LOCATED IN THE CITY OF FOSSTON**

BE IT RESOLVED By the City Council (the “Council”) of the City of Fosston, Polk County, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City proposes to finance certain public infrastructure improvements, including the reconstruction of 1st Street East between Brandt Avenue North and Granum Avenue North (the “Project”). The City proposes to use abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Act”). The proposed term of the abatement will be for up to 15 years in an amount not to exceed \$360,000. The abatement will apply to the City’s share of the property taxes (the “Abatement”) derived from the property described by property identification numbers on the attached Exhibit A (the “Abatement Property”).

1.02. On March 8, 2021, this Council conducted a duly noticed public hearing on the Abatement at which the views of all interested persons were heard, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice.

1.03 The Abatement is authorized under the Act.

Section 2. Findings.

2.01. This Council finds and determines that the benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement because (a) the Abatement will help develop and provide critical infrastructure for the residents of the political subdivision, and (b) the Project will increase or preserve the tax base.

2.02. This Council finds and determines that the Abatement is in the public interest and confers public benefits for the reasons described in Section 2.01 hereof and because it will finance

public infrastructure.

2.03. The Abatement Property will not be located in a tax increment financing district during the term of the Abatement.

2.04. In accordance with Section 469.1813, Subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year, exceed the greater of 10% of the City's net tax capacity for the taxes payable year to which the Abatement applies or \$200,000.

Section 3. Actions Ratified; Abatement Approved.

3.01. This Council ratifies all actions of the City's staff and consultants in arranging for approval of this Resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is approved and adopted subject to the following terms and conditions:

- (a) The Abatement shall be up to 10 years commencing with real estate taxes payable in 2022 and continuing through 2031, inclusive.
- (b) The aggregate Abatement paid by the City shall not exceed \$400,000.
- (c) The Abatement shall at all times be subject to the Act.
- (d) In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.

3.03. The Mayor and the City Administrator are authorized and directed to execute and deliver any agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

The motion for the adoption of the foregoing resolution was duly seconded by member Bosselman 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 8th day of March, 2021.

James Offerdahl, Mayor

ATTEST:

EXHIBIT A

ABATEMENT PROPERTY

Parcel Identification Numbers:

87.00394.00		87.00359.00		87.00086.00
87.00392.00		87.00363.00		87.00353.00
87.00390.00		87.00088.01		87.00085.00
87.00385.00		87.00386.00		87.00338.00
87.00383.00		87.00387.00		87.00317.00
87.00379.00		87.00388.00		87.00351.00
87.00377.00		87.00389.00		87.00084.00
87.00377.01		87.00087.00		87.00314.00
87.00375.00		87.00380.00		87.00315.00
87.00376.00		87.00381.00		87.00321.00
87.00370.01		87.00364.00		87.00323.00
87.00369.00		87.00365.00		87.00328.00
87.00368.00		87.00355.00		87.00329.00
87.00366.00		87.00356.00		87.00330.00
87.00362.00		87.00357.00		87.00334.00
87.00361.00		87.00374.00		87.00335.00
87.00360.00		87.00373.00		87.00336.00
87.00654.01		87.00372.00		87.00337.00
87.00654.02		87.00371.00		87.00346.00
87.00654.00		87.00381.01		87.00347.00
87.00676.00		87.00319.00		87.00348.00
87.00674.00		87.00345.00		87.00083.00
87.00671.01		87.00350.00		87.00313.00
87.00667.00		87.00344.00		87.00349.00
87.00668.00		87.00318.00		87.00352.00
87.00665.00		87.00327.00		87.00322.00
87.00664.00		87.00326.00		
87.00661.00		87.00325.00		
87.00662.00		87.00324.00		
87.00659.00		87.00333.00		
87.00657.00		87.00332.00		
87.00656.00		87.00331.00		
87.00001.00		87.00342.00		
87.00003.00		87.00341.00		
87.00370.00		87.00340.00		

A public hearing on the proposed construction of a sidewalk at Skeie Drive was opened at 7:15p.m. There were no members of the public present for this portion of the meeting. Heide reported the benefited property would be assessed for the total cost of the improvement. The estimated cost of the improvement is \$80,000. With there being no further business to take up during this hearing, Mayor Offerdahl closed the public hearing.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION ORDERING THE
PREPARATION OF REPORT AND BIDS ON THE
2021 SKEIE DRIVE SIDEWALK PROJECT
RESOLUTION NO. 21-16**

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

Skeie Drive sidewalk installation

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 Keith Kinnen, Karvakko, P.A. 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 Bosselman 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 8th day of March, 2021.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Council considered approval of a task order from Karvakko, P.A. for Skeie Drive sidewalk engineering. Kinnen stated the engineering services are for the design and construction of a 6' sidewalk along Skeie Drive from the existing bike trail to 1st street NE. Design engineering is \$5,000 and construction engineering is \$5,000 for a total of \$10,000 in engineering fees.

Motion was made by Mulry, seconded by Anderson to approve the task order from Karvakko, P.A. for Skeie Drive sidewalk engineering services. Motion carried by unanimous vote.

A public hearing on proposed assessments relating to the 2021 street and utility improvements was opened at 7:30p.m. Lee Cariveau, WSN reported that the proposed project includes mill & overlay from 1st Street East between Brandt Ave North and Granum Ave North. The estimated total cost of the improvement is \$240,000 and a portion of the cost would be assessed to the benefited property accordingly. Casey Holland, Dairy Queen 400 1st Street East was present to learn about the project and inquired on the time frame. Cariveau stated it would take approximately two weeks to complete the mill & overlay once the County's contractor is available. Sue Christen, 615 1st St E was present to learn about the project and inquired as to what her preliminary assessment is. Heide explained her preliminary assessment and stated 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 up during this hearing, Mayor Offerdahl closed the public hearing.

Tracee Bruggeman of Brady Martz was present via zoom to report on the findings of the 2020 City audit. Bruggeman reported that the City received an unmodified opinion, as they did the prior year.

Council considered approval of the following liquor license applications:

- a. On Sale (\$500) – Ventures Bar & Grill
DaRoos Pizza
Palubicki's, Inc.
- b. Sunday On Sale (\$100) – Ventures Bar & Grill
DaRoos Pizza
Palubicki's, Inc.
- c. Off Sale (\$100) – Fosston Off Sale
Palubicki's, Inc.

Motion was made by Anderson, seconded by Mulry to approve the liquor licenses as presented. Motion carried by unanimous vote.

Council considered approval of an application for exempt permit from the Fosston Sportsmen for the Sportsmen's banquet at Ventures.

Motion was made by Mulry, seconded by Anderson to approve the application for exempt permit from the Fosston Sportsmen for the Sportsmen's banquet at Ventures. Motion carried by unanimous vote.

Member Dufault introduced the following resolution and moved its adoption:

RESOLUTION 21-17
CITY OF FOSSTON
Resolution of LGU 2021 Skate Park Grant Application

Required content of resolution authorizing filing of application and commitment to execute the grant agreement if funds are awarded:

WHEREAS, the Minnesota Amateur Sports Commission (MASC), via State Bonding funding, provides for general funds to assist political subdivisions of the State of Minnesota for the fulfillment of the purpose and goals of the Skate Park Grant Program, and

WHEREAS, the City of Fosston desires to complete its project named Mittun Park Skate Park at Mittun Park located at 2nd St SE

RESOLVED:

- 1) That the total cost of completing the project shall be \$150,000 and City of Fosston is requesting \$75,000 from the 2021 Skate Park Grant Program and will assume responsibility for a matching contribution of \$75,000.
- 2) City of Fosston agrees to own, assume 100 percent operational costs for the facility or equipment, and will operate the facility or equipment for its intended purpose for the functional life of the facility or equipment which is estimated to be 20 years.
- 3) City of Fosston agrees to enter into necessary and required agreements with the MASC for the specific purpose of completing the project.
- 4) That a request for reimbursement be made to the MASC for the amount awarded after the completion of the project.
- 5) That Cassie Heide, City Administrator of the City of Fosston is authorized and directed to execute said application and serve as the official liaison with the MASC.

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 8th day of March, 2021.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Council considered approval of a cooperative construction agreement between Polk County and the City of Fosston for 2021 street improvements. Eaton Ave North and First Street East bituminous overlay will be completed as part of the Polk County project with the City paying 100 percent of their project costs.

Motion was made by Anderson, seconded by Mulry to approve the cooperative construction agreement between Polk County and the City of Fosston for 2021 street improvements. Motion carried by unanimous vote.

Council considered approval of FEDA micro-loan to “Two A Arms” per recommendation of FEDA. Heide stated the recommendation was for \$20,000 gap financing with standard terms along with securing collateral.

Motion was made by Anderson, seconded by Bosselman to approve FEDA micro-loan to “Two A Arms” per recommendation of FEDA. Motion carried by unanimous vote.

Council considered awarding the 2021 utility improvement project to Hagen Construction & Trucking, Inc. in the amount of \$256,660.14. The project includes utility construction from 11th St. to 400th St. on Eaton Avenue North. The project amount is approximately \$30,000 less than engineers estimate.

Motion was made by Bosselman, seconded by Dufault to award the 2021 utility improvement project to Hagen Construction & Trucking, Inc. in the amount of \$256,660.14. Motion carried by unanimous vote.

Lee Cariveau, Widseth was present to discuss the 2021 street improvement project and the wastewater expansion. The utility portion of the 2021 improvement project was awarded to Hagen Construction & Trucking, Inc. and he noted that the street improvement portion, which includes Eaton Ave N from 4th to 8th street and First Street East, will be bid with the County project March 26th.

Mayor Offerdahl inquired of Cariveau as to the maximum amount of the Freeman property the City would need to purchase for construction of the wastewater ponds in the event the City is unable to purchase the entire parcel. Cariveau preliminarily reported the City would require at least two (2) acres on the northeast corner of the south lot not owned by the City, but, ideally would acquire the entire parcel for flexibility of design in order to get the best funding. Cariveau also stated they have been randomly checking the wells and groundwater near the ponds as that affects the design.

Keith Kinnen, Karvakko was present to discuss the Highway 2 Corridor study and Airport. Airport – Kinnen reported that bid opening for the wetland project will be tomorrow, March 9th at 10a.m. Kinnen has fielded numerous questions thus far and there are several plan holders so he's hopeful for a competitive bid. The project is scheduled for three (3) weeks of construction which can be completed anytime between Spring and the end of Summer. Highway 2 Corridor Study – public meetings are scheduled for Thursday, March 25th at 3p.m. and 6p.m. at the Civic Center and via zoom.

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

Cassandra Heide, City Administrator

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