

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
MAY 11, 2015

The regular meeting of the City Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, May 11, 2015 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Veum, Hoialmen and Anderson. Also present was Dave Larson, Ed Lavelle, John Nord, Sheriff Erdman, Deputy Matt Bellamy, Karen Graham, Lee Cariveau, Paige Tompkins.

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 Dufault to approve consent agenda items A and B. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held April 13, 2015 and the Board of Review minutes of the meeting held April 29, 2015 as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #15-05 in the amount of \$127,096.93 and AP Bill Listing #15-05A in the amount of \$875,720.81.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Sheriff Erdman and Deputy Bellamy were present to discuss law enforcement issues.

- Polk County is taking part in a State-wide program to reward kids wearing helmets with a DQ coupon. It gives law enforcement an opportunity to speak to the children and reward them for being good.
- The speed on Sixth Street is still a problem. The Sheriff will have deputies watch that area as well as the Catholic Church parking lot.
- Pickups with loud pipes are becoming a problem again as well. Deputies are reviewing statutes to see how they can handle this.

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

- Summer sweeping has begun.
- Larson has been meeting with Cariveau on various street projects.
- Chemical has been added to the lagoons.
- Larson will work with Cariveau on a plan to get the tower for the weather siren up behind city hall. It's a good time to do it with the alley project.

Civic Center/Parks & Recreation: Karen Graham reported on Civic Center/Parks & Recreation matters:

- Repairs to the circulating pump were done.
- The outside pillar of the stone wall is beginning to lean.
- The pool is busy. Bagley elementary kids are coming over now. Summer pool staff has been hired and there are six communities coming in this summer for lessons.
- The shingling was done at the complex. The picnic shelter behind the sheds could use new shingles as well. Consensus of the council is to see if Viken and Hemberger have time to do this building as well.

- Council reviewed a quote for a Toolcat 5600 Utility Vehicle. It will work well for maintenance on and along the FIT trail. The quote from Bobcat for this is \$35,748.00 and will be included in the package when we issue equipment notes. Motion was made by Veum seconded by Anderson to approve this purchase. Motion carried by unanimous vote.

Community/Economic Development:

- The FEDA board met today. A potential developer for the Taflin property met with the board again.

Bids were reviewed for the 2015 Street and Alley Improvement Project. Lee Cariveau reports that bids were opened May 7th. There were five bidders on this project and the apparent low bidder is Hagen Construction. The second lowest bidder was Gordon Construction. Cariveau reports some bid discrepancies but believes that Hagen should still be awarded the bid. The City Attorney is reviewing this and will make a recommendation.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING BID AND AWARDING CONTRACT
FOR 2015 FIRST STREET ALLEY AND MARY AVENUE IMPROVEMENTS PROJECT
#15-20

WHEREAS, pursuant to an advertisement for bids for the improvement of the following street:

Alley right-of-way between Granum Avenue South and Inderlee Avenue South
Mary Avenue North between 9th St. N.W. and 10th St. NW

WHEREAS, bids were received, opened and tabulated according to law, and two (2) bids were received complying with the advertisement as follows:

Gordon Construction, Inc. 2222 270 th Ave. Mahnomen, MN 56557	Base Bid - \$ 317,202.60 Alt Bid #1 - <u>\$ 76,833.41</u> TOTAL BID - \$ 394,036.01
Hagen Construction and Trucking 1055 250 th Ave. Fosston, MN 56542	Base Bid - \$ 294,562.00 Alt Bid #1 <u>\$ 79,784.00</u> TOTAL BID \$ 374,346.00
Lenes Sand and Gravel, Inc. 31201 410 th St. SE Fosston, MN 56542	Base Bid - \$ 347,649.50 Alt Bid #1 <u>\$ 109,082.00</u> TOTAL BID \$ 456,731.50
Spruce Valley 39469 130 th Ave. NE Middle River, MN 56737	Base Bid - \$ 371,979.20 Alt Bid #1 - <u>\$ 106,096.45</u> TOTAL BID - \$ 478,075.65

Taggert Contracting, Inc.
28485 120th Ave. NW
Newfolden, MN 56738

Base Bid -	\$ 389,617.50
Alt Bid #1	<u>\$ 127,450.00</u>
TOTAL BID	\$ 517,067.50

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

1. The Mayor and City Administrator are hereby authorized to enter into an agreement with Hagen Construction and Trucking, LLC, Fosston, Minnesota in the name of the City of Fosston for the 2015 First Street Alley and Mary Avenue Improvements Project, Total Bid of \$374,346.00.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

The resolution is contingent upon City Attorney approval.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION GIVING APPROVAL TO NORTHWEST MINNESOTA MULTI-
COUNTY HOUSING AND REDEVELOPMENT AUTHORITY TO ISSUE REFUNDING
BONDS WITH RESPECT TO MULTI-FAMILY RENTAL HOUSING FACILITIES IN
THE CITY OF FOSSTON

#15-21

WHEREAS, the Northwest Minnesota Multi-County Housing and Redevelopment Authority (the "NMCHRA") has been established pursuant to Minnesota Statutes, Section 469.004 as the multi-county housing and redevelopment authority for the counties of Polk, Kittson, Norman, Marshall, Red Lake, Pennington and Roseau, Minnesota, which area of operation includes the City of Fosston (the "City"); and

WHEREAS, pursuant to Minnesota Statutes, Chapter 462C and Sections 469.001 to 469.047 (together the "Act"), the NMCHRA is authorized to adopt a housing plan and carry out programs for the financing of multi-family housing including housing development projects; and

WHEREAS, the NMCHRA adopted a housing finance program (the "Program") for the financing of one or more housing development projects (the "Project"), located in the City, as more fully described in Exhibit A attached hereto, following public hearings thereon on March 10 and 11, 1994; and

WHEREAS, Section 469.005 of the Act provides that a multi-county housing and redevelopment authority shall not undertake a project within the boundaries of any city which has not empowered such multi-county authority to act as the housing and redevelopment authority for the city unless a resolution has been adopted by the governing body of the city, and by any housing and redevelopment authority, which has been established in the city, declaring there is a need for the multi-county authority to exercise its powers in the city; and

WHEREAS, by Resolution #93-26, adopted by the City Council of the City on December 13, 1993 (the "1994 Resolution"), the city authorized NMCHRA to exercise its powers within the City with respect to the Project; and

WHEREAS, by Resolution #94-1, adopted by the Economic Development Authority in and for the City of Fosston, Minnesota (the "City EDA") on January 26, 1994 (the "City EDA Resolution"), the City EDA authorized NMCHRA to exercise its powers within the City with respect to the Project; and

WHEREAS, the City has previously authorized the NMCHRA to issue its bonds (the "1994 Bonds") to finance the costs of the Project in the City; and

WHEREAS, the NMCHRA previously issued its refunding bonds (the "2005 Bonds") to redeem the 1994 Bonds and refinance the Project; and

WHEREAS, the NMCHRA has proposed to issue its Governmental Housing Revenue Refunding Bonds (Pooled Housing Program) Series 2015 (the "2015 Bonds") to redeem the 2005 Bonds and refinance the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fosston, Minnesota:

1. In order to serve the housing needs of the City, the City Council of the City hereby reaffirms its determination and declaration in the 1994 Resolution that there is a need for the NMCHRA to exercise its powers in the City and approves the issuance by the NMCHRA of its 2015 Bonds to redeem the 2005 Bonds and refinance the Project.
2. The City will cooperate with and assist the NMCHRA in the preparation of any necessary submissions, applications or approvals required or necessary to successfully undertake the redemption of the 2005 Bonds.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Veum introduced the following resolution and moved its adoption:

**RESOLUTION APPOINTING MEMBERS
TO NORTHERN MUNICIPAL POWER AGENCY
RESOLUTION 15-22**

WHEREAS, the City of Fosston has joined eleven other cities in Northern Minnesota and North Dakota to form the Northern Municipal Power Agency;

NOW, THEREFORE, BE IT RESOLVED, that David Larson be appointed to represent the City of Fosston and Charles Lucken be appointed to represent the Fosston Municipal Utilities Commission in the Northern Municipal Power Agency for the period June 1, 2015 through May 31, 2016.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Lee Cariveau was present to discuss city projects:

- FIT Trail: Last Friday Tom Wood from MN DOT came up to look at the FIT trail. Eleven spots were identified that need to be addressed. Cariveau has drafted a letter to Hagen addressing these issues. He will ask that corrections be made by July 4th which is the current project end date. Along with the eleven spots an entire fog seal will be done. Cariveau believes that Hagen's estimate of \$6,700 to fog seal is on the high side; his opinion is that \$4,500 would be on the high side. He'll report back on this.
- Sidewalks. Cariveau has not spent much time on sidewalks other than downtown. Concrete at the post office has pop out issues as well as other areas. Heaving by the Pet Clinic and other areas is an issue also. The recommendation of Cariveau is to have the contractor tear out all sidewalk and re-do it all in the downtown street project area. The council concurs with this.

Member Veum introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING SPONSORSHIP
OF TRAILS OPERATED BY
KNIGHTRIDERS SNOWMOBILE CLUB
RESOLUTION 15-23

BE IT RESOLVED, that the City of Fosston act as the legal sponsor for an application for funding to the State of Minnesota Department of Natural Resources for grooming of snowmobile trails managed by the Knightriders.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Fosston may enter into an agreement with the State of Minnesota for the above-referenced project and that it will comply with all applicable laws and regulations as stated in the agreement.

BE IT FURTHER RESOLVED that the City Administrator is authorized to sign such an agreement with the Department of Natural Resources.

BE IT FURTHER RESOLVED that the City Administrator is hereby authorized to serve as the fiscal agent for the above-referenced project.

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

And the following voted against the same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Motion was made by Anderson seconded by Dufault to approve the City Property/Casualty Coverage with LMCIT in the amount of \$72,056.00. Motion carried by unanimous vote.

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION SETTING A PUBLIC HEARING
ON VACATION OF LARSON AVENUE NORTH
RESOLUTION NO. 15-24**

**THE CITY COUNCIL OF THE CITY OF FOSSTON, MINNESOTA DOES HEREBY
RESOLVE AS FOLLOWS:**

WHEREAS, the City Council pursuant to Minnesota Statute 412.851 desires to consider the vacation of a portion of Lincoln Avenue in the original plat of the Townsite of West Fosston, which is commonly known as North Larson Avenue between First Street West (U.S. Highway #2) and Second Street NW legally described as:

---Lincoln Avenue, for the full width, from the northerly boundary of Block 6, Townsite of West Fosston, as extended, to the southerly boundary of Block 6, Townsite of West Fosston, as extended---

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

1. The Council will consider the vacation of such street and public hearing shall be held on such proposed vacation on the 1st day of June, 2015, before the City Council in the City Hall located at 220 East First Street, at 7:00 p.m.
2. The City Administrator is hereby directed to give published, posted and mailed notice of such hearing as required by law.

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: Dufault, Anderson, Veum, Hoialmen and Offerdahl

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION NO. 15-25

RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE

BE IT RESOLVED by the City Council (the "Council") of the City of Fosston, Minnesota (the "City"), as follows:

1. Recitals.

- (a) The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with

"reimbursement bond" proceeds, being proceeds of the City's bonds used to reimburse the City for any project expenditure paid by the City prior to the time of the issuance of those bonds.

(b) The Regulations generally require that the City make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

(c) The City heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

(d) The City's bond counsel has advised the City that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application, to payments of City project costs first made by the City out of the proceeds of bonds issued prior to the date of such payments.

2. Official Intent Declaration. The Regulations, in the situations in which they apply, require the City to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The Council hereby authorizes the City Administrator to make the City's Declarations or to delegate from time to time that responsibility to other appropriate City employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

(a) Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the City reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A which is attached to and made a part of this Resolution, or in any other format which may at the time comply with the Regulations.

(b) Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

(c) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City doesn't reasonably expect to issue reimbursement bonds to finance the subject project costs, and the City officials are hereby authorized to consult with bond counsel to the City concerning the requirements of the Regulations and their application in particular circumstances.

(d) The Council shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the City has made Declarations.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the City's use of the applicable bond proceeds to reimburse the original expenditures.

4. Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the City for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

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, Dufault, Veum and Offerdahl

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

James Offerdahl, Mayor

Attest:

Charles Lucken, City Administrator

Council considered Adoption of a Resolution Accepting the bid and awarding contract for the Blower Building Improvements. As Cariveau explained, RSK was the apparent low bidder. There were three bidders on this project and a discrepancy about paperwork submitted. We are seeking a legal opinion before accepting the bid.

Member Hoialmen introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING BID AND AWARDING CONTRACT
FOR BLOWER BUILDING IMPROVEMENTS
#15-26

WHEREAS, pursuant to an advertisement for bids for the improvement of the blower building at the wastewater treatment facility.

WHEREAS, bids were received, opened and tabulated according to law, and three (3) bids were received complying with the advertisement as follows:

KHC Construction, Inc.
703 Ontario Road N

TOTAL BID \$ 59,375.00

Marshall, MN 56258

Peterson Sheet Meal
3728 Bemidji Ave. N
Bemidji, MN 56601

TOTAL BID \$ 97,497.25

RSK Enterprises
Fosston, MN 56542

TOTAL BID \$ 47,450.00

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

1. The Mayor and City Administrator are hereby authorized to enter into an agreement with RSK Enterprises, Fosston, Minnesota in the name of the City of Fosston for the Blower Building Improvements Project, Total Bid of \$47,450.00.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

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: Hoialmen, Veum, Dufault, Anderson and Offerdahl

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 11th day of May, 2015.

This resolution is contingent upon City Attorney approval.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Motion was made by Hoialmen, seconded by Dufault to approve the Application for Conditional Use Permit from Abby Faldet as recommended by the Planning Commission. Motion carried by unanimous vote.

There being no further business to come before the Council, motion was made by Dufault seconded by Anderson to adjourn.

Charles Lucken, City Administrator

