

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
MAY 12, 2014

The regular meeting of the council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, May 12, 2014 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Veum, Hoialmen, Dufault and Carlson. Also present was Sheriff Erdman, Dean Vikan, Bill Malwitz, Pat Hanlon Greg Mireault, Marge Donnell, Scott Christen and Lee Cariveau.

Motion was made by Dufault seconded by Carlson to approve the agenda with the following modification. Motion carried by unanimous vote.

- A) Marge Donnell here regarding sanitary sewer issue at 312 N. Granum

Motion was made by Carlson seconded by Hoialmen to approve consent agenda items A and B. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held April 15, 2014, the special meeting held April 28th and the Board of Review held April 30th as per copies furnished each member.
- B) To approve Accounts Payable Bill Listing #14-05 in the amount of \$100,217.26 and AP Bill Listing #14-05A in the amount of \$136,123.01.

COMMITTEES/BOARDS & COMMISSION:

Law Enforcement: Sheriff Erdman was present to discuss law enforcement matters:

- There has been some vandalism in the city recently consisting of four to five graffiti incidents on structures. It included negative comments towards law enforcement and is being investigated.
- Deputy Folkert is progressing through his training and will be working on his own soon.
- 63 to 65 of the incidents for the past month were traffic stops.

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

- Brush pick-up and street sweeping continues.
- Gas Sales are good. We will be working with Polk County on moving the gas line along County Road #6 this spring.
- The odor in town this spring was discussed at length. Comments that council members are hearing is that millions of dollars were spent on the lagoons and the town stinks worse than ever. When the Industrial Pretreatment Facility (IPF) was constructed, it was designed to take care of industrial high strength waste. When the IPF is not overloaded, it works well. Some things happened in the past year that have contributed to the smell this spring:
 - A) One industry ran a longer season than normal
 - B) We had repairs that needed to be made and some water had to be moved out of the IPF
 - C) That water went directly to the lagoons when the industrial lift station was being repaired and bypassed the IPF.

Testing of the ponds has been ongoing. The water in Pond 2 was good; however, pond 1 was overloaded.

Another thing that the City is doing to correct this problem is to work with an Engineering firm – Ulteig Engineers on a new operations manual for the IPF and to also enter into new Significant

Industrial User (SIU) Agreements with major industries. The agreements will have strict guidelines that industry needs to follow to operate.

We need to inform the public better on what has contributed to the unpleasant odor in town this spring, what the city is doing to address the issue and to assure them that the smell is not acceptable to the City either. Mayor Offerdahl, Larson and Lucken will meet with news media to get the information out to the public on this matter.

Civic Center/Parks & Recreation: Pat Hanlon was present to discuss Civic Center/Parks & Recreation.

- The hot dog bash for Summer Recreation Registration is scheduled for tomorrow evening.
- A seal kit and check valve in the lift pump need replacement and Peterson Sheet Metal will be here to make that repair.
- Our circuit panel was the cause of the alarms going off at the school.
- WSI/Lifeguarding classes are ongoing.
- Renewal of the lease between the School/City for the Civic Center & fields is due. This will be worked on.

Community/Economic Development: Administrator Lucken reported on FEDA matters.

- FEDA will hold its monthly meeting tomorrow.
- The Johnson Avenue Redevelopment and acquisition of another blighted property will be discussed.

Hospital:

- The Open House for the clinic expansion in Bagley was held last Tuesday.

Star Committee:

- The Easter Egg hunt was a success with around 200 kids participating.
- The mini-carnival is being planned for the end of July.
- Memorial Day program and activities are coming together. The day kicks off with a continental breakfast at the Heritage Center grounds and a Red, White & Blue quilt show in the Moen School building.

Scott Christen and Bill Malwitz, representing the Fosston/Lengby Lions, were present to discuss the Berge/Stafford Park Pond. They had approached the council last November to see if they could partner with the city to make the pond more attractive. Right now it has low water levels, is weedy and looks terrible. We had talked about diverting storm water from Kaiser to the pond but that pipe was not installed. Other ideas were possibly dredging to get the pond deeper and rip/rapping the area. Lee Cariveau stated that moving the storm water from Kaiser to Third; rip/rapping the area and other minor improvements would cost around \$150,000. Other less expensive improvements were discussed.

- Look at raising the outlet.
- Do some soil boring so see if any dredging is necessary.
- Apply the chemical to the pond.
- Spread black dirt around the pond. The Lions club offered to assist with spreading black dirt around the pond. The City to arrange for black dirt and coordinate with the Lions.

Member Veum introduced the following resolution and moved its adoption:

RESOLUTION ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY
TO PURCHASE A \$579,178 GENERAL OBLIGATION SEWER REVENUE NOTE OF 2014,

PROVIDING FOR ITS ISSUANCE AND AUTHORIZING EXECUTION OF A BOND PURCHASE
AND PROJECT LOAN AGREEMENT
RESOLUTION #14-41

WHEREAS, the City Council of the City of Fosston, Minnesota (the "City"), has heretofore applied for a loan from the Minnesota Public Facilities Authority (the "PFA") to provide financing pursuant to Minnesota Statutes, Chapters 475 and Sections 444.075 and 115.46, for the project certified by the Minnesota Pollution Control Agency on June 30, 2011 and approved by the Bond Purchase and Project Loan Agreement dated October 4, 2011. The additional eligible project activities have been approved by the Minnesota Pollution Control Agency as part of the original project scope and include rehabilitation of industrial park lift station and pretreatment facility improvements (the "Project"); and

WHEREAS, the PFA is authorized pursuant to Minnesota Statutes, Chapter 446A, as amended, to issue its bonds (the "PFA Bonds") and to use the proceeds thereof, together with certain other funds, to provide loans and other assistance to municipalities to fund eligible costs of construction of publicly owned clean water systems in accordance with the Federal Safe Clean Water Act; and

WHEREAS, the City has applied for a loan from the PFA pursuant to such program and the PFA has committed to make a loan to the City in the principal amount of \$579,178, to be disbursed and repaid in accordance with the terms of a Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement dated March 24, 2014 (the "Project Loan Agreement"), a copy of which has been presented to the Council and is on file with the Administrator; and

WHEREAS, the \$579,178 General Obligation Sewer Revenue Note of 2014 (the "Note") of the City is tax-exempt, and in addition the City will need to assure the tax-exemption of the PFA Bonds; and

WHEREAS, in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(4), the City is authorized to issue obligations to a board, department or agency of the State of Minnesota by negotiation and without advertisement for bids and the PFA is, and has represented that it is, a board, department or agency of the State of Minnesota; and

WHEREAS, the City owns and operates a municipal sanitary sewer system (the "System"); and the net revenues of the System are pledged to a portion or all of the payment of the principal and interest of the City's outstanding: (1) Taxable General Obligation Disposal System Bonds, Series 2003B, dated August 1, 2003; (2) Taxable General Obligation Sewer Revenue Bonds, Series 2006A, dated July 1, 2006; (3) General Obligation Permanent Improvement Revolving Fund Bonds, Series 2007A, dated June 1, 2007; (4) General Obligation Sewer and Water Refunding Bonds, Series 2008A, dated March 1, 2008; (5) General Obligation Permanent Improvement Revolving Fund and Refunding Bonds, Series 2010A, dated August 1, 2010; and (6) General Obligation Sewer Revenue Note of 2011, dated December 28, 2011; all issued for the purpose of providing money to finance or refinance the cost of improvements to the System (together, the "Outstanding Bonds"); and

WHEREAS, a contract or contracts for the Project have been made by the City with the approval of the PFA and all other state and federal agencies of which approval is required;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fosston, Polk County, Minnesota as follows:

Acceptant of Offer; Payment. The offer of the PFA to purchase a \$579,178 General Obligation Sewer Revenue Note of 2014 of the City (the "Note"), at the rate of interest hereinafter set forth, and to pay therefore the sum of \$579,178 as provided is hereby accepted, and the sale of the Note is hereby awarded to the PFA. Payment for the Note shall be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Project Loan Agreement.

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: Veum, Dufault, Carlson, Hoialmen and Offerdahl

and the following voted against same: None

Whereupon said resolution was passed and adopted this 12th day of May, 2014.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Bids were received on May 8th for the 2014 Second Street South Improvement Project. Lee Cariveau of WSN was present to give an overview of the project. This project was bid with a base and an alternate. The base was from Johnson Avenue west to Mark. The Alternate is Johnson Avenue east to Granum. The apparent low bidder for the base and alternate is Gordon Construction at 1.1 million. \$400,000 for this project has been included in the bonding bill. If this project were awarded before the bonding bill passes, we would lose those dollars. Awarding the bid for this project was tabled.

The Downtown Project was bid and there were some bidding irregularities in the documents. Cariveau spoke with both contractors. Spruce Valley's bid included all documents and their price came in at \$951,000. Gordon Construction's bid came in at \$815,000 but was missing EPA Form 6100-3 and 6100-4. Those documents do not affect the cost of the project. The City attorney is reviewing at this time. We could throw out all bids and reduce the project scope or bid another date. Cariveau did not give a recommendation. Awarding the bid for this project was tabled.

Bid opening for the FIT trail will be this Thursday, May 15th at 3:00 p.m.

Work on the Columbia Road project will begin the end of June.

Motion was made by Hoiamen seconded by Carlson to accept the proposal from WSN for Development Response Action Plan (DRAP) preparation in the amount of \$4,544.00 for the Downtown lots .

Member Veum introduced the following resolution and moved its adoption:

RESOLUTION APPOINTING MEMBERS
TO NORTHERN MUNICIPAL POWER AGENCY

RESOLUTION 14-42

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, 2014 through May 31, 2015.

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

And the following voted against same: None

Whereupon said resolution was declared passed and adopted this 12th day of May, 2014.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Motion was made by Dufault seconded by Hoialmen to adopt the Sign Retroreflectivity Policy for the City of Fosston. Motion carried by unanimous vote.

Motion was made by Veum seconded by Carlson to enter into an agreement with Airborne Custom Spraying to provide aerial mosquito and Forest Tent Caterpillar control for the summer season. Motion carried by unanimous vote.

Motion was made by Dufault seconded by Hoialmen to approve the application to conduct bingo to the Bethany Lutheran Church of Gully during the Relay for Life in Fosston. Motion carried by unanimous vote.

Motion was made by Carlson seconded by Veum to approve matching fund for the \$9,900 State of MN Veteran's Memorial Park Grant award. Motion carried by unanimous vote.

Marge Donnell was present to discuss frozen sewer and back up issues at her property. As Larson explained, this was an unusual year with many freeze ups. This line happens to be one that the City has televised. This indicates that her sewer line goes right through our storm sewer line. With her pipe being broke in our pipe, the storm drain water drained back into her house. The property owner is

responsible for their line to the main. It was agreed that she will work on her line. As repairs are made to her line we will work with her as far as any sidewalk issues & repairs that may come up.

The number of City Employees that are also Firefighters was discussed. Right now there are two city employees that are also firefighters. We have another employee, Steven Lyseng, who has applied to be a firefighter. The number of employees on the fire department and leaving the job to attend to a fire was discussed. As Larson explained, he is thinking about getting off the department soon and they never leave an important job to go to a fire. They try to make it fair and the fire department is in need of young people. Consensus of the council is that it is okay to have three city employees on the fire department and it is not an issue at this time.

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

Charles Lucken, City Administrator