

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
September 16, 2024

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, September 16, 2024, at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Anderson, Pearson, and Mulry. Also present was: Cassie Heide, Amelia Linehan, Steven Lyseng, Callen Weispfennig, City Attorney Stephen Larson, Keith Kinnen & Jerry Bolin (Karvako Engineering), Nicole Dolejs & Jarda Solc (AE2s Engineering), Chief Juve, Officer Olson, Jon Vig, David Olson, Sandra Olson, Stephanie Wilde, Jenn Korinta, and Deb Ballard.

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

Heide informed the council of two modifications to the agenda being added; Karvako, Amendment to Task Order No.009 for the Fosston Municipal Airport-Runway 16/34 Reconstruction project and Change Order No.1 for the Fosston Municipal Airport 6-Unit T-Hangar Construction project.

Motion was made by Dufault, seconded by Anderson to approve Consent Agenda items A., B., C as presented. Motion carried by unanimous vote.

- A) To approve the minutes of the regular meeting held August 12, 2024.
- B) To approve Accounts Payable Bill Listing #24-09 in the amount of \$118,821.63 and Supplemental AP Bill Listing #24-09A in the amount of \$981,023.58.
- C) To approve Accounts Payable Bill Listing – Omland Court, \$3,322.61.

COMMITTEES/BOARDS/COMMISSION:

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

- Heide informed the council of the Condition Assessment with ADA that took place a month ago. The assessment was performed to determine what would work take place in 2027. Initially it looks like most sidewalks will be 10 feet wide and street lights, where impeding the walk would be moved to the back of the sidewalk. Final plans continue to be worked on with more to come on that.
- Fall Into Fosston is coming up this weekend. A portion of Kaiser Ave will be blocked off for vendors. Steven will get temporary power hooked up for the event.
- Heide provided the notice for adopting the solar panel ordinance that will be included on the next agenda. The ordinance is a moratorium on solar projects to allow the city to take time to review the rates and implement a rate that will be applied for interconnections to the city's electrical system. The current ordinance we have is not enforceable with state law and a new ordinance dealing with the interconnection process needs to be adopted.
- EV charging had a busy month.

- Heide reported the Minnesota Pollution Control Agency (MPCA) now has more strict rules for the incinerator. The Legislature has given the MPCA the authority to develop rules to protect state environmental resources.
- Heide reported the Northern Municipal Power Agency (NMPA) is updating bylaws which will include the right to make comments and allowing more latitude on meeting times. Heide reminded the council that comments and concerns can be brought to her as she is a voting member on the NMPA board.
- Heide reported that new PFAS regulations to the city are being implemented by the MPCA. Heide has submitted a grant application to deal with the regulatory requirements that the city will have to do. AE2S is performing the necessary work.

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

- The street department has been sweeping streets, mowing, maintaining/mowing the airport field, and trimming/cutting boulevard trees. Staff have also been busy with picking up and hauling brush and yard waste from yards.
- Lyseng reported the stucco and landscaping are complete at the library.
- Lyseng reported he is working on the PFOS (Perfluorooctanesulfonic acid) pollution plan and minimization plan. Hoping to get a grant and will keep the council informed on the detailed plan. * (PFOS is a synthetic chemical used to make products resistant to stains, grease, soil, and water.) There currently is some PFOS in the city water they are trying to minimize.
- Lyseng stated a planned electrical outage will take place this spring. Met with the contractor to start the industrial project and is waiting to reroute the storm sewer replacement.
- A total of 6 gas line services have been installed to date for the year.

Civic Center: Roy Dufault reported on behalf of Karen Graham on matters pertaining to her department.

- Pickleball fence is installed and complete.
- Pool has been busy with the 5th grade swimming lessons and the swim team.
- Passed the annual inspection, no concerns, all was well.
- Karen and Joby have started winterizing equipment in preparation for winter.

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

- Olson reported the month of August had 153 calls for service, 1 search warrant, 13 citations 3 of which correlated to criminal, 4 arrests, and 2 DWI's.
- Olson has been working on the Toward Zero Death (TZD) grant, receiving good input from Bagley.
- With the end of summer bringing more lake traffic and school starting, the police department are continuing to enforce speed issues.

- Juve reported an increase in calls with school starting, including youth criminal and child protection calls. School patrol is taking place throughout the day.
- Juve noted more than one person stated they see the officers out patrolling, being visible in the community has decreased calls.
- Juve informed the council of the body camera audit they are currently working on. Per state mandate it is required every 2 years. The next audit will be in June 2026.
- Seargeant Juve attended the TAC terminal agency training in Bemidji. Chief Juve will be attending the next training as well. This training is required for CJIS license checks to be completed.
- Juve informed the council the Fosston Police Department will be teaming up with the Bagley Police Department for an upcoming shooting training.
- Chief Juve and Seargeant Juve will be attending a data practices training.
- Juve reported the campground is currently full. Several sites have become long term living, officers have been actively working with Aluma and Intercounty to help get individuals out of tents and into alternative housing.

Community Development:

- Heide reported the EDA met at noon. The board made a recommendation to council to purchase and prepare to lease the eye clinic, which will be considered an incubator property. EDA would own the property with a purchase price of \$150,000. Discussion for the use of the property includes a potential clinic. If not used as a clinic, Heide stated the school is looking for a location for their ECFE program. The property could also serve as additional room for the Prairie Pines Childcare Center.
- Heide presented to the council the Purchase Agreement between Barbara J. Neujahr (property owner) and the Fosston Economic Development Authority for the property described as:
 - Lot 14, Block 3 and the East 60 feet of Lot 13, Block 3, West Fosston, according to the plat thereof on file and of record in the office of the Polk County Recorder.
 - Parcel No. 87.00182.00 and hereinafter referred to as the “Property”.

Motion was made by Anderson, seconded by Dufault to approve the Fosston Economic Development Authority to purchase the eye clinic in the amount of \$150,000. Motion carried by unanimous vote.

Hospital Board/Healthcare: Callen Weispfennig

- Weispfennig informed the council the First Care Medical Services Task Force Executive committee met after the disappointing arbitration ruling came down. The committee is exploring other opportunities to exit the contract with Essentia. Weispfennig stated though it is a bump in the road and very disappointing the task force would still like to see this through with the countless volunteer hours and time spent thus far.

Arts & Culture Commission:

- Heide reported the Studio Art Crawl will take place on October 5th in Fosston and surrounding towns.

City Attorney: Stephen Larson

- Larson expressed disappointment being an understatement regarding the arbitration order. Larson informed the council it is important for them to read though the order. A meeting will be held to discuss recommendations and ideas on what to do next. A transcript of the trial has been left for council to review in helping to make decisions going forward. Larson invited council to meet with him following the meeting with any questions they may have and to go over key pieces of evidence that were not discussed.
- Larson informed the council the memorandum ordinance on cannabis discussed in 2023 is needing to be updated. Decisions will need to be made on whether licenses can be prohibited. Heide explained in previous discussion, the consensus was to prohibit it.
- Offerdahl advised the memorandum regarding cannabis remain on the October agenda and the council will invite Chief Juve and Sergeant Juve to speak on the topic.

Airport Commission: Cassie Heide

- Heide reported the Airport Commission met with Karvakko to discuss the runway and t-hangar projects. More to be discussed by Jerry Bolin and Keith Kinnen (Karvakko).

Council held a public hearing at 7:00pm to discuss the use of Body Worn Cameras by the Fosston Police Department. Heide informed the council the notice was posted to allow the public to comment on the fact that the police will wear body worn cameras. Heide stated the appropriate notice has been given to come into compliance with the BCA. Offerdahl expressed the cameras being a key part in this line of business and needs to be done right. Juve reported that other departments did not follow the correct process and the BCA is allowing departments to get in compliance by holding the public hearing.

There were no members of the public present to make comments on the use of body worn cameras.

A motion was made by Offerdahl, seconded by Anderson to approve the Use of Body Worn Cameras by the Fosston Police Department.

With there being no further business to come before the council during this hearing, motion was made by Offerdahl, seconded by Anderson to close the public hearing.

Council held a public hearing at 7:15pm to determine whether a substandard or hazardous conditions exist on the property located at 218 Hilligoss BLVD SE, Fosston MN 56542, Parcel No. 87-00708.00 owned by David and Sandra Olson and to determine what action needs to be taken to remedy such conditions.

Offerdahl informed the council of the fire that took place at this property approximately 3 years prior and a home inspection has been completed.

Heide reported that this property has been addressed by the council several times. The process prior to the hearing includes following the ordinance, working with the property owner to gain access, in this case an administrative search warrant was needed, and to work with an inspector to inspect the property.

Larson indicated the order of the hearing with the Bingham Home Inspection Services report having been provided to the council members. Juve will give his statement as to what he saw and the council will determine if the property needs to be fixed or taken down.

Juve informed the council of his findings on the property. The rafters are burnt through, the roof over the existing residence is sagging and considered a safety hazard. The structure/unit where the current resident resides is still in good shape. The other 2 units are significantly damaged with what appeared to be mold throughout those units. Juve stated the property is boarded up on the south side of the building, with access through a door on the north side.

Olson asked to see the pictures provided to council. Olson stated he has been an inspector for 26 years, has a lifetime of experience, and believes the inspection completed exceeded its measure. The "mold" was not tested to determine if it was truly mold or smoke, and there is only one hole in the roof used as a plumbing vent, not several holes as stated. Olson informed the council of a purchase agreement that was once in place that fell through due to increasing prices and contractors being unavailable. Olson feels the building can be rehabilitated by gutting the unit and placing the rafters and insulation. He provided additional pictures to the council showing the roof was repaired 2 years ago.

Olson noted he is aware the plumbing and electrical are needing to be replaced and has been monitoring the house with only the rafters on the east side needing to be replaced. The water line for the property is located in the basement and would need to be rerouted. Lyseng explained a plumber could reroute the water line if it came to that but that the city would only install the meter. Based on the inspection report repairs would cost approximately \$450,000. Olson does not feel the unit is going to collapse. Olson stated the cost for demolition and the dumpster would be approximately \$20,000.

Regarding the occupied unit, the inspector noted that unit did not sustain any noticeable damage; however, the unit is not safe to be connected to the 2-story unit due to the upper unit's roof being at danger of collapsing.

Anderson suggested the units be torn down, it's been a hazard for too long. Olson inquired on the rehab grant from the city and if that would need to be paid back. Heide informed Olson that if the property is sold he would have to pay a percentage of the loan back. Heide asked Stephen Larson if an order from the council stayed with the parcel or the homeowner. Larson indicated that the order would stay with the parcel. Heide reminded the council of a previous house fire that the city held the owner accountable for that was in turn demolished at the cost of the owner. An ordinance has been adopted dealing with the mitigation of a burned home. Offerdahl summarized an agreement needing to be completed which includes removing the damaged 2 units and replacing the water line for the current resident.

Larson advised the council to decide whether the property is substandard or hazardous, inform the property owner what needs to be done and to give a timeline.

A motion was made by Anderson, seconded by Dufault to order Parcel No. 87-00708.00 as substandard and hazardous with the 2 inhabitable units need to be demolished by December 31, 2024.

With there being no further business to come before the council, motion was made by Anderson, seconded by Dufault to close the public hearing.

Council considered approval of Build Fosston Rebate to Ellsworth Danielson. Lyseng reported that the Danielson's were moving into the home today and the construction is complete.

Motion was made by Anderson, seconded by Mulry to approve the Build Fosston Rebate to Ellsworth Danielson in the amount of \$5,000. Motion carried by unanimous vote.

Council considered approval of Conditional Use Permit Home Occupation to Jon Vig at 409 8th St. NE

Vig addressed the council stating he desires a permit to repair firearms out of his primary residence in Fosston. Vig will be open by appointment only with the option to purchase online where sales would go through a licensed firearm dealer, background checks will be completed. Heide informed the council Vig is allowed to have a 2'x2' sign. Heide also reminded the council, per ordinance, members should consider the safety and welfare, but may also consider Vig's 40 years of experience.

Motion was made by Anderson, seconded by Dufault to approve a Conditional Use Permit Home Occupation to Jon Vig at 409 8th St. NE. Motion carried by unanimous vote.

Council considered approval of Memorandum of Understanding between City of Fosston Police Department and Minnesota State Retirement System for Health Care Savings Plan.

Heide reported the personnel committee met regarding the MSRS plan. The memorandum requires a full department, which the police department have opt into contributing their own payroll funds into the HCSP. Juve explained this being beneficial to police departments where employees can retire at 55 and the HCSP can go toward health insurance if needed after retirement. Heide explained this is separate from the city's sick time policy, but that the policy relating to pay out at termination is included in the memorandum as that is a requirement to have this plan.

Motion was made by Mulry, seconded by Pearson to approve the Memorandum of Understanding between the City of Fosston Police Department and Minnesota State Retirement System for Health Care Savings Plan. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION OF CITY OF FOSSTON

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT
24-29**

Be it resolved that the City of Fosston Police Department enter into a grant agreement with the Minnesota Department of Public Safety, for traffic safety enforcement projects during the period from October 1, 2024 through September 30, 2025.

Chief of Police, or department designee is hereby authorized to execute such agreements and amendments

as are necessary to implement the project on behalf of City of Fosston Police Department and to be the fiscal agent and administer the grant.

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

And the following voted against the same: none.

Whereupon said resolution was declared passed and adopted by the City Council this 16th day of September, 2024.

APPROVED:

Mayor

ATTEST:

City Administrator

Council considered approval of Application for Exempt Permit from Fosston Area Sportsmen Club for Annual Sportsman Banquet.

Motion was made by Anderson, seconded by Dufault to approve the Application for Exempt Permit from Fosston Area Sportsmen Club for Annual Sportsman Banquet. Motion was carried by unanimous vote.

Council considered approval of FEDA loan to Nord's Pharmacy & Gifts in the amount of \$20,000 per recommendation of FEDA.

Heide stated this would be a microloan for 5 years at 5.5% interest for HVAC repairs. The EDA board recommended approval of the loan at their meeting today.

Motion was made by Mulry, seconded by Dufault to approve the FEDA loan to Nord's Pharmacy & Gifts in the amount of \$20,000 per recommendation of FEDA. Motion was carried by unanimous vote.

At a regular meeting of the City Council of the City of Fosston held on the 16th day of September 2024, Council

Member Offerdahl offered the following resolution which was seconded by Council

Member Anderson,

**RESOLUTION REGARDING THE MASTER SUBSCRIBER AGREEMENT FOR
MINNESOTA**

COURT DATA SERVICES FOR GOVERNMENTAL AGENCIES

RESOLUTION NO. 29-30

WHEREAS: The Office of State Court Administration (Court) offers court data services to Minnesota

Government subscribers of which the City of Fosston is one as authorized by the rules of public access and court order; and

WHEREAS: The Court data services are offered to government subscribers, as governmental units and are offered solely for governmental use as permitted; and

WHEREAS: The City of Fosston desires to use court data services and the Court desires to provide the same to assist the City of Fosston in the efficient performance of its Governmental duties as required or authorized by law or court rule in connection with any civil, criminal, administrative, or arbitral proceeding in any federal, state or local court, or agency or before any self-regulatory body; and

WHEREAS: Court data services may involve a one-way or two-way transmission of information between the parties, some of which may include court information that is not accessible to the public according to the rules of public access, and which may not be disclosed

by the City of Fosston without the prior approval of the appropriate court, or record custodian;
and

WHEREAS: The City of Fosston agrees herein to limit its access to the use of court records, and court documents through court data services to the government subscribers (legitimate governmental business need); and

WHEREAS: Minnesota Government Access (MGA) provides electronic access to appropriate court records and documents for a government agency through log-in accounts for the individual agency user; and

WHEREAS: The City of Fosston is a government agency, which desires electronic access to appropriate court records, and documents; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of Fosston, Minnesota as follows: The City of Fosston enter into a master subscriber agreement for Minnesota Court data services for governmental agencies, a copy of which is attached hereto and, the City Administrator and City Attorney or their respective successors execute any documents, including amendments thereto as prepared and approved by the State of Minnesota, Including a master subscriber agreement for Minnesota Court data services for governmental agencies and request form for new Minnesota Government Access (MGA)

BE IT Further Resolved by the City Administrator and City Attorney, sign and execute every document necessary to accomplish the purpose of this resolution and any amendments thereto as reviewed and approved by the City Administrator and City Attorney.

Upon the call of ayes and nays the vote stood as follows:

Council Members voting in the affirmative: Offerdahl, Anderson, Mulry, Pearson and Dufault

Council Members in the negative:

None.

Upon this vote, the Mayor declares this resolution passed, effective upon the Mayor's signature this 16th day of September, 2024, at 7:00 PM

Attest:

Cassie Heide, City Administrator

James Offerdahl, Mayor

Heide informed the council the resolution is needed as the city is not needing to bond for the project yet, and by waiting we delay our debt service. However, costs are being incurred and we need to make sure we can use bond proceeds to pay for the local share. Heide further explained that she intends to issue the 5th St Improvement Project bonds at the same time, which will save about \$30,000 in bond issuance costs.

**RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE
RESOLUTION NO. 24-31**

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 final Treasury Regulations Section 1.103-18 (the "Regulations") dealing with reimbursement bond proceeds, which would include those proceeds of the City's bonds to be 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 prior declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of subsequent borrowings, that such declaration generally be made on or before the date the expenditure is actually paid, that the bonding occur and the reimbursement allocation be made from the proceeds of such bonds within one year of the payment of the expenditure (or not later than one year after the project is placed in service, if that is a longer period), and that the expenditure be a capital expenditure.
- (c) The City desires to comply with the Regulations and to establish certain procedures relating thereto.
- (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 made an official declaration of its reasonable intention (hereinafter referred to as the "Official Intent Declaration" or the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequent bonds or other borrowings. The Council hereby authorizes the City Clerk to make the City's Official Intent 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 on or before the date the City pays the applicable project cost and shall state that the City reasonably intends and expects to reimburse itself for the expenditure with proceeds of a borrowing. Each Declaration may be made substantially in the form of the "Declaration of Official Intent" which is attached to and made a part of this Resolution.
- (b) Each Declaration shall specifically contain the following statement: "This Declaration is a declaration of official intent under Treasury Regulations Section 1.103-18.11
- (c) Each Declaration shall and is hereby declared to be made and filed in the publicly available official books, records, or proceedings of the City, which shall be reasonably available for public inspection at City Hall during normal business hours of the City on every business day during the period beginning on the earlier of 10 days after the making of the Declaration or the date of issuance of the reimbursement bonds and ending on the day after the issuance of such bonds.
- (d) Each Declaration shall, at a minimum, contain a general functional description of the property, project, or program for which the expenditure to be reimbursed is paid or, in the alternative, shall identify the particular fund or account of the City from which the expenditure to be reimbursed is paid, including a description of the general functional purpose of that fund or account.
- (e) Each Declaration shall also contain a statement of the maximum principal amount of debt expected to be issued for the subject project.
- (f) Care shall be taken so that the City, or its authorized representatives under this Resolution, not make Declarations in cases where the City does not reasonably expect that it will ultimately issue reimbursement bonds to provide long-term financing for 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 in general and their application in particular circumstances. It is the Council's intention that Declarations not be made (i) when available funds of the City have been or are reasonably expected to be dedicated or otherwise reserved to fund on a long-term basis the particular expenditures involved or (ii) when it is not reasonably expected that reimbursement bonding will occur.
- (g) 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 Official Intent Declarations, including recommendations on the timing of the issuance of such bonds so that the "reimbursement allocation" described in the Regulations and in paragraph 3 below can be made within the 1 year time limits prescribed in the Regulations.
- (h) This Resolution shall supplement and amend all prior determinations and policies adopted by the City in regard to complying with the Regulations, as initially proposed, and in the event

of any inconsistency between the terms provided in this Resolution and said prior determinations or policies, the provisions of this Resolution shall govern.

3. Reimbursement Allocations. The designated City officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of reimbursement bond proceeds to reimburse the source of temporary financing used by the City to make payment of the prior expenditure. Each allocation shall be evidenced by an entry on the official books or records of the City maintained for such reimbursement bonds; shall specifically identify the actual prior expenditure being reimbursed or, in the case of the reimbursement of a particular fund or account, the fund or account from which the expenditure was paid; and shall be effective to relieve the bond proceeds involved from any restriction under the bond resolution or other relevant legal documents for those bonds and under any applicable state statute applicable to unspent proceeds of such bond issue.

Adopted this 16th day of September 2024, by the Fosston City Council.

Declaration of Official Intent

The undersigned, being the duly appointed and acting City Clerk of the City of Fosston, Minnesota (the "City"), pursuant to and for purposes of compliance with Treasury Regulations Section 1.103-18 (the "Regulations") under the Internal Revenue Code of 1986, as amended, hereby states and certifies as follows:

1. The undersigned has been and is on the date hereof duly authorized by the governing body of the City, the City Council, to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the City. This Declaration is a declaration of official intent under Treasury Regulations Section 1.103-18.
- 2A. The property, project, or program to which this Declaration relates is generally and functionally described as follows:

2024 -2025 Airport and Industrial Park Improvement Project

- 2B. The specific fund or account of the City from which the expenditure to be reimbursed will be paid, and the general functional purpose of that fund or account, are as follows:

General Fund - \$1,000,000

3. The maximum principal amount of the debt expected to be issued by the City for the purpose of reimbursing the expenditures to which this Declaration relates (the "Expenditures") is on the date hereof reasonably estimated to be **\$1,000,000**. Each of the Expenditures is (or would be with a proper election) a capital expenditure under federal tax law principles, as described in the Regulations.

4. The City intends and reasonably expects to reimburse itself for the payment of the Expenditures out of the proceeds of a borrowing (the "Bonds") to be made by the City after the date of payment of the Expenditures.
5. As of the date hereof, there are no sources of City funds which have been or are reasonably expected to be allocated or available on a long-term basis, reserved, or otherwise set aside to provide permanent financing for the Expenditures, other than pursuant to the subsequent issuance of the Bonds. On the basis on the foregoing, the statements and certifications contained in this Declaration are believed to be reasonable and accurate, and this Declaration is believed to be consistent with the City's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.
6. This Declaration is and shall remain a part of the publicly available official books, records, or proceedings of the City and shall be continuously available for inspection by the general public at City Hall during regular City hours for a period ending not earlier than the day after the issuance of the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this Declaration and placed it on file in the official City records this 16th day of September 2024

City Administrator
City of Fosston, Minnesota

Council considered approval of Employee Health Insurance for 2025 per Recommendation of the Personnel Committee.

Heide informed the council this is the same plan with AT Group through the Northwest Service Coop with Medica as the provider. An overall increase of \$19,000 is configured due to employee ages. Heide reminded the council of the \$45,000 reserve account specific to health insurance if needed in the future. Heide has incorporated these costs into the budget.

Motion was made by Dufault, seconded by Mulry to approve the Employee Health Insurance for 2025 per Recommendation of the Personnel Committee.

Heide informed the council of a 2% increase to the levy. Due to tax capacity the increase is - 1.1%. If a homeowner does not see a valuation increase on their property, they will actually see a decrease on their city portion of taxes this year. Once the preliminary budget is set it can not be increased. Heide has projected out the budget to 2032. Heide noted the 2023 street and utility bonds will not have a debt service payment due for the next couple years due to interest proceeds which will cover those payments. Heide stated there will be additional legal fees due to further litigation costs, and there will be an increase to council and mayor wages per ordinance 23-01. The budget is covered by intergovernmental revenues like grants and local government aid, fees

for services, civic center and land leases, levy and transfers from enterprise funds. Overall the levy covers about one quarter of the total budget.

Member Anderson introduced the following resolution and moved its adoption:

**RESOLUTION SETTING PROPOSED
2025 TAX LEVY
RESOLUTION 24-32**

RESOLVED, that the following sums are hereby proposed to be levied upon the taxable property in the City of Fosston, County of Polk, State of Minnesota, for the 2024 taxes collectable in 2025 for the following purposes to-wit:

PURPOSE	2024 FINAL	2025 PRELIMINARY	CHANGE
General Fund	\$ 190,000	\$202,000	\$ 12,000
2014 Downtown St. & Utility Note	\$ 37,717	\$37,717	\$ -0-
2015B St. Improvement Bonds	\$ 54,290	\$51,875	\$ (2,415)
2016B St Improvement Bonds	\$ 22,319	\$24,646	\$ 2,327
2017A St. & Utility Note	\$ 30,157	\$29,850	\$ (307)
2018A St & Utility Improvement Bonds	\$ 77,040	\$77,040	\$ -0-
2019 St. & Utility Note	\$ 22,362	\$22,362	\$ -0-
2020 St. & Utility Note	\$ 28,661	\$34,350	\$ 5,689
2021A St & Utility Impr Bonds	\$ 27,296	\$26,828	\$(468)
2021 St & Utility Note	\$ 23,435	\$23,435	\$-0-
2023A Utility & St Improvement Bonds	\$ 6,062	\$	\$(6,062)
Total Gross Levy	\$519,339 =====	\$530,103 =====	\$ 10,764 =====

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

and the following voted against the same:

Whereupon said resolution was declared passed and adopted this 16th day of September, 2024.

James Offerdahl, Mayor

Attest: _____

Cassie Heide, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

**RESOLUTION ADOPTING PROPOSED BUDGET
RESOLUTION NO. 24-33**

BE IT RESOLVED, that the Proposed 2025 Budget for the General Fund be set at \$4,519,758.

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

and the following members voted against the same:

Whereupon said resolution was declared passed and adopted this 16th day of September, 2024.

James Offerdahl, Mayor

Attest: _____
Cassie Heide, City Administrator

Member Mulry introduced the following resolution and moved its adoption:

**RESOLUTION SETTING DATE FOR
PUBLIC BUDGET HEARING
RESOLUTION NO. 24-34**

WHEREAS, the City of Fosston is required by the State of Minnesota, Department of Revenue to hold a Public Budget Hearing between November 25, 2024 and December 30, 2024.

BE IT THEREFORE RESOLVED, that the Public Budget Hearing for the City of Fosston be held on Monday, December 9, 2024 at 7:30 p.m.

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:

and the following voted against the same:

Whereupon said resolution was declared passed and adopted this 16th day of September 2024.

James Offerdahl, Mayor

Attest:

Cassie Heide, City Administrator

Heide reminded the council of the previous meeting held September 19, 2023 at New Journey Church with Essentia. Resolution 23-36 was resolved to authorize the City Administrator to review any other breaches of the contract and for the City Administrator and the City Attorney to pursue any further legal action against Essentia. The new resolution would affirm the prior approved resolution and give the City Administrator and City Attorney further authorization to also appeal the arbitration order if necessary. Mayor Offerdahl informed the council that he and Heide and Larson will be meeting with legal counsel tomorrow to discuss what other options are available to the city in pursuing exiting the contract with Essentia.

Member Mulry introduced the following resolution and moved its adoption:

**RESOLUTION AFFIRMING RESOLUTION 23-36 TO EVALUATE WHETHER
ESSENTIA HAS FULFILLED ITS OTHER OBLIGATIONS UNDER THE
AFFILIATION AGREEMENT**

RESOLUTION 24-35

WHEREAS, the City of Fosston (the “City”) has elected to dispute Essentia’s discontinuation of hospital primary OB services under that certain Affiliation Agreement with ECHC, d/b/a Essentia Health (“Essentia”) and First Care Medical Services, a Minnesota nonprofit corporation (the “Affiliation Agreement”).

WHEREAS, it is the City’s position that Essentia has discontinued hospital primary OB services without providing the required notice under the Affiliation Agreement and has, therefore, violated the terms of the Affiliation Agreement.

WHEREAS, the City of Fosston and Essentia have engaged in negotiations as required by Section 13(a) of the Affiliation Agreement.

WHEREAS, the final negotiation meeting was held on September 19, 2023 at 5:00 p.m. and involved the entire Fosston City Council.

WHEREAS, at the final negotiation meeting Essentia notified the Fosston City Council that hospital primary OB services have been discontinued as of June 1, 2022 and will not be reinstated by Essentia.

WHEREAS, the Affiliation Agreement requires any dispute not resolved by negotiation to be subject to mediation.

WHEREAS, following the final negotiation meeting, a public hearing was held by the Fosston City Council to receive input from the public on the discontinuation of hospital primary OB services and whether to pursue mediation and, if necessary, arbitration.

WHEREAS, there was overwhelming support for the Fosston City Council to take whatever action necessary to reinstate hospital primary OB services.

WHEREAS, members of the public also questioned whether Essentia had been fulfilling all of its obligations under the Affiliation Agreement.

WHEREAS, a resolution was passed authorizing the City Attorney and the City Administrator to investigate whether and to what extent Essentia has failed to fulfill other obligations under the Affiliation Agreement and to report back such findings at the next regularly scheduled council meeting.

NOW, THEREFORE, the City of Fosston acting in accordance with applicable law and the Affiliation Agreement do hereby adopt the following resolutions:

RESOLVED that City of Fosston shall continue to investigate whether and to what extent Essentia has failed to fulfill other obligations under the Affiliation Agreement, to pursue appealing the arbitration ruling as necessary and to report back such findings at the next regularly scheduled council meeting.

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 Pearson and upon vote being taken thereon the following members voted in favor thereof:

and the following voted against same:

Whereupon said resolution was declared passed and adopted this 16th day of September, 2024.

James Offerdahl, Mayor

ATTEST:

Cassie Heide, City Administrator

Council considered approval of Task Order No. 14-Carbon Reduction Grant 2nd St. NE Sidewalks to Karvakko in the amount of \$37,500.

Keith Kinnen (Karvakko) worked with Heide to put together a carbon reduction grant. Construction includes establishing a sidewalk from 2nd Street to Thompson field, approximately 6 blocks of sidewalk. The project will begin next summer, 2025. A project memorandum will be due by December 1, 2024 with bids taking place this winter. Heide stated the funds for this project include the local share task order amount and engineering fees which are 20% of the amount, totaling approximately \$120,000. Heide stated an inter-fund loan can be considered next year for the local share.

Motion was made by Pearson, seconded by Anderson to approve Task Order No. 14-Carbon Reduction Grant 2nd St. NE Sidewalks to Karvakko in the amount of \$37,500.

Council considered approval of Amendment to Task Order No. 009 Fosston Municipal Airport FSE Runway 16/34 Reconstruction Construction Administration Services to Karvakko Engineering Inc. in the amount of \$92,000.

Jerry Bolin (Karvakko) informed the council the previous coordinating manager has since retired and have been working with the safety manager making sure data is correct, complete and uploaded before they can close out the grant. The safety critical needs to be completed on the reconstructed runway which is funded at 95% and a local share of \$4600. The project is 90% federal, 5% state, and 5% local. Approval to the amendment is necessary for the retainage.

Motion was made by Anderson, seconded by Dufault to approve the Amendment to Task Order No. 009 Fosston Municipal Airport FSE Runway 16/34 Reconstruction Construction Administration Services to Karvakko Engineering Inc. in the amount of \$92,000.

Council considered approval of Change Order No. 1, Fosston Municipal Airport 6-Unit T-Hangar Construction to Meade & Hunt in the amount of \$7,036.75.

Heide informed the council of a drain that was later located on the north side of the northern hangar. Project engineers negotiated with Gustafson & Gouge on the price.

Motion was made by Offerdahl, seconded by Mulry to approve Change Order No. 1, Fosston Municipal Airport 6-Unit T-Hangar Construction to Meade & Hunt in the amount of \$7,036.75.

Keith Kinnen, & Jerry Bolin (Karvakko) were present to discuss the Airport, FIT Trail Expansion, and TAP/Berge Park Sidewalk project.

Bolin and Kinnen met with the Airport Commission last week and are moving forward with the master plan. The runway project is closing out, the control panel and lights are working as they should. Kinnen informed the council there will be a bid opening on October 18th which will be held online for the Berge Park Trail project. State aid has pushed the county to use the online bidding system. The timeline for the project is May 5, 2025, through August 31st with 30 consecutive working days. The benefit to bidding now, is there are extra funds available that can be used if bids come in high.

Jarda Solc & Nicole Dolejs (AE2s Engineering)-2024 Industrial Park/Airport Utilities and Hangar project.

Dolejs reported the contractors have broke ground and will continue to work until they are unable to due to weather. The first pay application will be included in the October council meeting. Dolejs stated they have been very busy with paperwork needed for the EDA. Heide has submitted the first payment request of approximately \$630,000. Once all the necessary paperwork is in to the EDA they will submit payment.

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, a motion was made by Anderson seconded by Pearson to adjourn. Motion carried by unanimous vote.

Cassandra Heide, City Administrator