

**REGULAR ROSEAU CITY COUNCIL MEETING  
MONDAY – JULY 2ND, 2012 @ 5:00 P.M.  
ROSEAU CITY CENTER COUNCIL CHAMBERS  
121 Center Street East Suite 201  
Roseau, MN 56751**

The Regular monthly meeting of the Roseau City Council was held on the above date, time and place. Members present were Mayor Jeff Pelowski, Council members Gerry Schiltz, Curt Ireland, Pat Novacek, and Linda Vatnsdal. Others present were City Superintendent David Drown, Chief of Police Ward Anderson, Liquor Store Manager Brad Wiberg, City Attorney Pat Moren, Assistant City Attorney Michelle Moren, City Clerk Janet Lundbohm, Roseau County Commissioner Jack Swanson- WILD 102 Radio, Lyle Grindy, Tracee Bruggeman – Brady- Martz, and Diane Sandland.

Mayor Jeff Pelowski called the meeting to order and the Pledge of Allegiance was said.

Council member Linda Vatnsdal motioned, Council member Gerry Schiltz seconded and it was carried by unanimous vote to approve the June 4<sup>th</sup>, 2012 minutes as presented.

Council member Gerry Schiltz motioned, Council member Linda Vatnsdal seconded and it was carried by unanimous vote to approve the following Consent Agenda items:

- a. Accounts payable claims from June 1st, 2012 through June 30<sup>th</sup>, 2012 as presented, with a batch number of AP063012 and is filed in edit books in the City Clerk's Office.
- b. Daily Batch checks written from June 1st, 2012 through June 30th, 2012 were audited, approved and are filed in edit books in the City Clerk's Office.
- c. Receipt entries May 1st, 2012 through May 31st, 2012 were audited, approved and are filed in edit books in the City Clerk's Office.
- d. Journal entries April 1<sup>st</sup>, 2012 through April 30th, 2012 were audited, approved and are filed in edit books in the City Clerk's Office.
- e. A review of April, 2012 General Ledger checks written compared with check images on the bank statements found no irregularities.
- f. Upcoming meetings –
  - a. August 6th, 2012 Regular meeting at 5:00 p.m.
- g. Approve the use of alcohol in the Community Center - None
- h. 2011 Partnership Distribution – Roseau Court Townhomes.
- i. League of Minnesota Cities 2013 Dues Distribution.
- j. Letter from Yvonne Erickson, Energy Assistance Director, Northwest Community Action, in regards to the remaining Energy Assistance Grants, Refunds, and updating household information.
- k. Email to Todd Peterson from Deb Haugen, LifeCare Medical Center in regards to 'LifeCare Big 50' and request to close off Delmore Drive for the event.
- l. 2012 CGMC Summer conference Agenda Registration.
- m.

**SUBORDINATION AGREEMENT**

WHEREAS, the City of Roseau possesses a valid and enforceable lien against the following described real property located in the County of Roseau, State of Minnesota, to wit:

Lot Three (3), in Block Three (3) of Meade's Third Addition to the City of Roseau, According to the Recorded Plat thereof, Roseau County, Minnesota.

as evidenced by a Repayment Agreement dated June 13, 2006, and filed of record in the Office of the Roseau County Recorder on August 29, 2006, as Document Number 255095, and

WHEREAS, Stacy L. Otto, a single person and fee owner of the above-described real property, has applied for a mortgage loan from Embrace Home Loans; and

WHEREAS, Embrace Home Loans, has indicated that it is unwilling to accept a mortgage upon the above-described real property in security for said loan unless the City of Roseau shall subordinate its mortgage to the lien to be created by said Embrace Home Loans, on said property;

NOW THEREFORE, in consideration of the premises and as an inducement to Embrace Home Loans, to accept said mortgage, the City of Roseau hereby agrees to subordinate, and hereby does subordinate, its lien against the above described real property to the mortgage lien of Embrace Home Loans against said property, said mortgage to have the same validity, force and effect as if executed, delivered, and recorded prior to the date of execution of said City of Roseau Mortgage.

IN TESTIMONY WHEREOF, the City of Roseau has caused these present-to be executed by Jeff Pelowski, Mayor

This 2nd day July, 2012.

By: s/s Jeff Pelowski  
Mayor of Roseau

STATE OF MINNESOTA)ss  
COUNTY OF ROSEAU)

The foregoing instrument was acknowledged before me this 2nd day of July, 2012, by Jeff Pelowski, Mayor of Roseau, a body corporate and politic of the State of Minnesota.

s/s: Janet E Lundbohm  
Notary Public

Roseau County, Minnesota  
My Commission expires: Jan. 31, 2014

DOCUMENT DRAFTED BY WYNNE CONSULTING, INC. P.O. BOX 33 WANNASKA, MN 56761  
EXEMPT FROM REGISTRATION TAX UNDER MINNESOTA STATUE 287.09.

- n. June 2012 Year to Date City Revenues & Expenditures.
- o. Liquor Store Monthly Sales Recap June 2012.
- p. Liquor Store Quarterly Sales Recap 2<sup>nd</sup> Quarter 2012.
- q. Liquor Store Sales 2012.
- r. Investment-Roseau EDA Hi Fi as of 6/30/2012 is \$239,013.59.
- s. Cash in bank-DNR Escrow as of 6/30/2012 is \$832,000.00.
- t. Cash in bank-Regular checking as of 6/30/2012 is \$3,137,764.12.
- u. Investment-Regular Hi Fi as of 6/30/2012 is \$1,382,959.69.
- v. Investment of Certificate of Deposit as of 6/30/2012 is \$759,404.29.
- w. Investment of Certificate of Deposit as of 6/30/2012 is \$759,781.68.
- x. Investment of Certificate of Deposit as of 6/30/2012 is \$765,012.25.
- y. Investment of Certificate of Deposit as of 6/30/2012 is \$768,103.63.
- z. Cash in bank - Airport Fuel Sales Credit Card as of 6/30/2012 is \$184.78.
- aa. Investment - Roseau EDA Money Market as of 6/30/2012 is \$227,006.53.
- bb. Cash in bank - Pine to Prairie Birding Trail as of 6/30/2012 is \$4,275.40.
- cc. Cash in bank - Scandinavian Festival as of 6/30/2012 is \$4,388.63.
- dd. Cash in bank - Welcome to Roseau as of 6/30/2012 is \$1,287.17.
- ee. Cash in bank - Roseau EDA as of 6/30/2012 is \$783.38.
- ff. 2012 Coalition of Greater Minnestoa Cities Legislative Report.
- gg. Email form Rachel Walker in regards to the LMC Survey-Elections costs with Photo ID.
- hh. Letter from Roseau County Assessor in regards to Board of Appeal & Equalization Training.

After discussion by the City Council, Council member Pat Novacek made a motion to change the Public Hearing for proposed changes to existing tree ordinance to comply with Community Forest Grant Requirements to be held at 5:15 pm August 6<sup>th</sup>, 2012, seconded by Council member Curt Ireland and carried by unanimous vote.

City Auditor Tracee Bruggeman from Brady-Martz gave a presentation of the Roseau City Audit and year end fund balances. Tracee stated that the audit went well and thanked the city staff, the city is in good shape with good fund balances and low debt.

Diane Sandland asked the city council if there was any progress on a decision of what to do with the facilities that the Sandland's own at the Roseau Municipal Airport. The committee representatives said that they were going to have a conference call with a Polaris representative to discuss any concerns Polaris would have regarding the hiring of a new airport manager.

Roseau Promotions Director Lyle Grindy reported on the following:

- Plans are underway for the annual Krazy Day to be held August 2<sup>nd</sup>, 2012 in Roseau. The C & C is inviting organizations to participate, it could be a chance for them to raise funds for their group or organization. One event that will be taking place is a Dog Show sponsored by the C & C. More events and contests will be announced at a later date.
- According to Pam Hetteen the Scandinavian Festival was a great success despite the rain.
- Larry Hosaluk reported that the Roseau Cruise-In Car Show was a success.

Council member Linda Vatnsdal asked Roseau Promotion Director Lyle Grindy about the C & C liability coverage as it relates to the City Center and then about the liability coverage as it relates to vendors having booths at the Scandinavian Festival. After much discussion Council consensus was to have the City Center Committee meet.

Roseau County Commissioner Jack Swanson reported on the following:

- Jack is on the Roseau County Affordable Housing Fund committee and Community Development Coordinator Todd Peterson is the chairman of the committee. The RCAHF is working on a study of affordable rental housing in Roseau County.

City Superintendent David Drown reported that the CAIA is proposing to build a breezeway to connect the memorial arena to the CAIA arena. After much discussion Council consensus was to request the CAIA to apply for a building permit and if there are any questions at that time regarding setback or variance requirements either David, Todd or Kevin would let the Assistant City Attorney Michelle Moren know and the city attorney's office would proceed accordingly.

Council member Linda Vatnsdal reported that the City Crew has put up banners in West acres and Main Street and the Thursday night Gazebo concerts started on June 28<sup>th</sup>, 2012.

Mayor Jeff Pelowski reported that the EDA met on June 27<sup>th</sup>, 2012 and discussed the following:

- The housing market study.
- A loan application for a business.
- The possible sale of the downtown retail building.

Liquor Store Manager Brad Wiberg presented the City council a Sales July 2011 – June 2012 report and Brad reported that sales continue to increase, consequently there is a need for storage capacity. After discussion Council member Curt Ireland made a motion to approve RRA, Inc. to complete a Master Plan for the Roseau Liquor Store addition at a cost to the city at \$2,500.00 plus reimbursables (such as mileage, travel time, copies etc.) as needed, seconded by Council Gerry Schiltz and it was carried by unanimous vote.

Council member Pat Novacek reported that the Roseau Fire Department has applied for a regional grant and a local fire grant.

After discussion Council member Pat Novacek made a motion to approve to advertise for a grade 5 public works operator to replace an employee that quit, seconded by Council member Curt Ireland and carried by unanimous vote as recommended by City Superintendent David Drown.

Assistant City Attorney Michelle Moren reported that she has done more research in regards to doing a background check on all City of Roseau youth volunteers. Council consensus was for the committee of Assistant City Attorney Michelle Moren, Mayor Jeff Pelowski, Council member Curt Ireland, City Superintendent David Drown, and Chad Johnson meet at Assistant City Attorney Michelle Morens's office at 11:00 am, Wednesday, July 3<sup>rd</sup>, 2012 to discuss the City of Roseau doing back ground checks on all youth volunteers coaching the City of Roseau sponsored youth ball teams.

The Roseau City Council reviewed the Roseau County Housing study handout prepared by Community Development Coordinator Todd Peterson (on file at the Roseau City Office).

After discussion Council member Gerry Schiltz introduced the following resolution and moved for its adoption;

**RESOLUTION R #18-12**

**Whereas,** the Roseau County is currently experiencing a shortage in affordable housing units; and

**Whereas,** the Roseau County Affordable Housing Fund (RCAHF) has initiated a process to hire a housing consultant to investigate the current housing market needs in Roseau County as the first step in addressing the County's housing needs; and

**Whereas,** the City of Roseau has agreed to undertake the organizational and financial sponsorship of this housing study on behalf of the RCAHF;

**Now therefore be it resolved,** that the City of Roseau authorizes its Community Development Coordinator to submit an application to the Northwest Minnesota Foundation to seek grant funding to pay a portion of this vital housing project.

**Be it further resolved,** that the Mayor and Community Development Coordinator are authorized to execute all paperwork necessary to make this application and accept funds.

Signed:

Witnessed:

s/s: Jeff Pelowski      July 2, 2012  
Mayor, City of Roseau      Date

s/s: Janet Lundbohm      July 2, 2012  
City Clerk      Date

The motion for the adoption of the foregoing resolution was duly seconded by Council member Linda Vatnsdal and upon vote being taken thereon, the following voted in favor thereof: Pelowski, Schiltz, Vatnsdal, Ireland and Novacek.

And the following voted against the same: None

Whereupon said resolution was declared duly passed and adopted.

After discussion Council member Curt Ireland made a motion to approve Maxfield Research to complete the housing study due to the lower cost and ability to complete the study immediately and in an overall shorter timeframe, seconded by Council member Gerry Schiltz and carried by unanimous vote as recommended by the RCAHF.

After discussion Council member Pat Novacek made a motion to approve the Worker's Compensation renewal rate increase by League of Minnesota Insurance Trust, seconded by Council member Curt Ireland and carried by unanimous vote.

Mayor Jeff Pelowski reviewed the Roseau East Diversion Project Update handout (on file at the Roseau City Office) prepared by Community Development Coordinator Todd Peterson.

Council member Linda Vatnsdal motioned, Council member Gerry Schiltz seconded, and it was carried by unanimous vote that there was no further business, therefore the meeting be adjourned.

ATTEST:

\_\_\_\_\_  
City Clerk

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Mayor

