

**Osakis City Council**  
**Regular Meeting**  
**March 2, 2009**  
**7:00 PM**

Present: Emerson, Gulbranson, Olson, Pederson, Anderson

Absent: None

Mayor Emerson called the meeting to order at 7:00 p.m.

Pledge of Allegiance was spoken.

Motion by Pederson, seconded by Anderson, to approve the agenda with the addition of OEDC, Cable TV, Police, Fire, and First Responder report, additional list of bills, and a letter that was received by Mayor Emerson. All Ayes.

Motion by Pederson, seconded by Olson, to approve consent items, including February City bills in the amount of \$142,214.24, meeting minutes from February 2, 2009, February 11, 2009, and February 25, 2009. All Ayes.

**Project #79: Auditors – Audit**

Council received a copy of the 2008 Audit Report.

Michael Bosl from KDV was in attendance. Bosl reviewed the Manager Letter with the Council and stated that the City is in good financial position.

Bosl thanked Clerk Jacobson and Deputy Clerk Swenstad for the good job they have done, and all the work that was done to prepare for the audit. The auditors have seen significant improvement in the Audit and the Journal Entries.

The notes in the audit have been reduced to almost half of last year's audit. KDV is very pleased and knows the State Auditor will be pleased with the process.

**Project #73: First Responders**

Craig Dropik and Pete Erickson were in attendance.

Council received the Run Report for the month of February.

Dropik and Erickson are asking the Council's approval to attend leadership training. The cost will be \$80.00 plus mileage.

Dropik and Erickson are also asking the Council if the First Responders can have fund raisers. The First Responders want to have a Chili Feed and a raffle to raise money to update their radios and to replace the rig in five years.

Dropik and Erickson will talk to the Fire Department, so they are not working against each other.

Grants are available for pagers. The grant pays half of the cost to a maximum of \$500.00. Olson will discuss money for the pagers with Dropik and Erickson.

Motion by Emerson, seconded by Olson, to approve Craig Dropik and Pete Erickson to attend leadership training at a maximum cost of \$125.00. All Ayes.

**Project #74: Fire Department**

Mark Pomerleau was in attendance.

Pomerleau informed the Council that the four new members have started their training. Half of the training will be in Osakis and the remainder of the training will be in Forada.

The Fire Department will be meeting with the Township members to discuss Fire Protection on Wednesday, March 11, 2009, at 7:00 p.m.

Pomerleau also informed the Council that the new fire truck will be arriving sometime in May.

**Project #76: Police**

Chief Gilson was in attendance.

Council received the February Police Report.

In June of 2007, Officer Calvin Uhl was called to an address on Lake Street East to do a welfare check.

The individual had a No Drink Order but was intoxicated. As Officer Uhl proceeded to arrest him, the individual got a hold of a gun and loaded it while being tazed several times.

Officer Uhl was able to get the message out on the radio that the individual had a loaded gun. The Douglas County Sheriff's Department responded. Officer Uhl maintained control while trying to get the gun away from the individual.

The Douglas County Sheriff's Department arrived approximately ten minutes later. The individual was tazed again several times before getting him under control and seizing the gun.

Chief Gilson and the County Attorney had written letters to the Chief Committee for his heroic act.

Officer Uhl will receive the Medal of Honor for his heroic act at an awards ceremony that will be held in Rochester in April.

The Osakis Police Department will also receive an award for his act of bravery to display in their office.

**Project #24: Liquor Store**

Manager Joe Ketelboeter was in attendance.

Ketelboeter asked the Council to approve him to order a new credit card machine for the Liquor Store. The new machine will accept Discover, American Express, and have a tip line.

Council is ok with ordering the new credit card machine.

Council received a letter from the Liquor Store employees regarding a comment made about them selling pull tabs behind the bar at the Special Council meeting on February 25, 2009. Mayor Emerson will try to contact the individual who had made the comment to discuss this issue.

#### **Project #84: Budget**

On February 11, 2009, the City Council met to balance the budget with the proposed cut of \$46,198.00 from Governor Pawlenty.

Council received the revised Revenue and Expenditure budgets for 2009.

The following was approved:

- Adopt Ordinance for the Revenue Bond at .5%
- Invest money into a Certificate of Deposit for better interest rates
- 2009 Budget for the Water and Liquor Store Funds

Council received a copy of the fee schedule for 2009 for the Council to review and see where the City can increase Revenues.

Motion by Pederson, seconded by Gulbranson, to approve the revised 2009 Revenue Budget of \$1,056,976.09 and 2009 Expenditure Budget of \$1,056,482.47 from February 11, 2009. All Ayes

#### **Project #43: Board of Review**

The Board of Review will be held on Tuesday, April 7, 2009. Todd County will be held at 9:00 a.m. and Douglas County at 10:00 a.m.

The Council must have a quorum present, with at least one board member having attended training.

Council received the letters from Todd and Douglas Counties.

#### **Project #421: Stimulus Package**

Clerk Jacobson and Ron Kleinschmidt attended a meeting with Jeff Scholten at Rural Development to discuss the opportunity to use the stimulus money to fund our water plant project. With their funding, a formula is used to determine what part of the money is from a loan and what part is from a grant. With their formula, about two million would come from a loan and anything above would be from a grant.

Clerk Jacobson talked with Brian Noma from MN Department of Health. They use the same formula, but their department has been giving more money and currently they do not have enough projects on the PPL to use up all the money. The information Clerk Jacobson has received indicates that they would grant 50% of the project. While a lot of the program information is being determined, this may change.

In 2007, the City placed the water plant and sewer upgrade on this list. In order to use the money that will be allocated from the stimulus, the City will need to get on an intended use list that is due by May 1, 2009. In order for this to be done, the City will have to have an engineering feasibility study and plans done.

Kleinschmidt will be attending the Rural Water conference this week, in which they will be having a class on the funding of the stimulus money.

The Council may have to set up a few special meetings to get this project underway if the City wants to receive stimulus money.

### **Project #424: Tax Audit**

In December 2008, the MN Department of Revenue did a tax audit on the City for 2007.

After the audit, the MN Department of Revenue showed that the City owed a total of \$14,184.00. This is for 2005 to 2008.

Of this amount, \$7,418.00 was for bills paid to vendors that are out of state. Because these businesses are located out of state, they do not charge sales tax. It is up to the City to pay the sales tax ourselves. Clerk Jacobson has been going through the bills and has found that on at least half of them, the City has paid the sales tax; it just does not show on the invoices. Clerk Jacobson is still waiting for the bills from the Fire Department to close the audit.

The additional \$6,765.16 is tax the City owes for use tax. This is for the water that we pumped minus the water billed and the difference is what the City has to pay use tax on.

Because we do not have water meters on any City buildings or the water tower, we cannot show that we only used a certain amount of gallons and that the rest could be water leaks. Clerk Jacobson has checked into this and argued to get this reduced. The MN Department of Revenue is willing to make adjustments to the amount, but we will still see tax that we will have to pay for the use of this water.

Clerk Jacobson will keep the Council posted as we finish up the audit and inform them of the total amount that is owed.

Council would like Clerk Jacobson to call and talk to the supervisor of Troy Luckt. If Clerk Jacobson does not get anywhere with this person, she can call legislators Mary Ellen Otremba or Bill Engebretson's office.

### **Project #376: Capital Improvement**

In May 2008, Traci Ryan updated the Council on the Capital Improvement Planning that was done in February 2006. Council received graphs indicating the tax levy and water bills after including these projects.

Council may want to discuss the plan and put a committee together to start planning for projects in the future so the City can start planning financially.

Council will review in August.

### **Project #55: OEDC**

The OEDC board met Monday morning to approve the recommendation of the City Council to allow OEDC to operate at the Liquor Store rent free for the months of February, March, April, and that the pull tab booth will be opened for regular hours.

A Resolution was presented by Olson, seconded by Emerson, to allow OEDC to operate pull tabs at the Liquor store rent free for February, March, April, and have the pull tab booth open from noon to closing of the Liquor Store, six days a week. When put to a vote, the Resolution passed unanimously.

**Project #143: Cable TV**

Council received a letter from Charter Communications regarding changes to their services. The letter indicated that the rates would be decreasing.

Motion by Anderson, seconded by Olson, to adjourn at 8:25 p.m. All Ayes.

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Mayor – Keith Emerson

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City Clerk – Angela A. Jacobson