

**Osakis City Council**  
**Regular Meeting**  
**April 6, 2009**  
**7:00 PM**

Present: Gulbranson, Olson, Emerson, Anderson  
Absent: Pederson

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

Pledge of Allegiance was spoken.

Motion by Olson, seconded by Anderson, to approve the agenda with the addition of Phil Reed. All Ayes. Absent: Pederson

Motion by Anderson, seconded by Olson, to approve consent items, including March City bills in the amount of \$204,943.25. All Ayes. Absent: Pederson

**Project #73: First Responders**

Pete Erickson was in attendance.

Council received the Run Report for the month of March.

Erickson reported to the Council that he and Craig Dropik attended the Leadership Conference.

Erickson also reported to the Council that the First Responders will have a burger feed at the street dance this summer and in November and December have another fund raiser.

**Project #74: Fire Department**

Mark Pomerleau was in attendance.

Pomerleau informed the Council that the Township Fire Protection meeting was held on March 11, 2009. There were no issues regarding the meeting.

The new fire truck will be delivered next Monday.

A couple of firefighters went to Fargo to help with the sandbagging.

Pomerleau met last week with law enforcement to work together and get issues worked out.

The new firemen are done with their training at the end of April.

**Project #76: Police Department**

Mark Gilson was not in attendance.

Council received the March Police report.

Council received a Resolution to pass to allow part-time police officer Patrick Fay to participate in the Police and Fire PERA.

A Resolution was presented by Anderson, seconded by Gulbranson, to approve part-time officer Patrick Fay to participate in the Police and Fire PERA. When put to a vote, the Resolution passed unanimously. Absent: Pederson

### **Project #205: City Crew**

Ron Kleinschmidt was in attendance.

Council received the March Public Works report.

Kleinschmidt will be working on inspecting sump pumps during the month of May. A Notice will be on the waterbills and an article in the paper.

There will be some education on sump pumps and how it effects the ponds.

### **Project #24: Liquor Store**

Dan O'Brien from Gas Mart was in attendance. O'Brien discussed the Liquor Store at the Gas Mart location.

Council received a spreadsheet from O'Brien.

O'Brien made points to the Council that not many people know where the Liquor Store is and the City could generate a significant amount of money at the Gas Mart location.

O'Brien stated "Council has nothing to lose and everything to gain."

Council will think about these issues and discuss at the May meeting.

### **Project #370: Osakis Information Center**

Jim Leigh was in attendance. Leigh is asking the Council if they would allow the Lake Osakis Resort Association (LORA) to move back into the Information Center. This would allow the center to be open an additional 12 hours a week with having Shari Klukken staff the center when she is there. This will help the Chamber by sharing some of the expenses.

The Chamber and LORA are both in agreement with this arrangement.

Shari Klukken would work when Jan Moore is not at the Information Center.

Combining websites will be discussed.

Motion by Olson, seconded by Gulbranson, to approve Lake Osakis Resort Association (LORA) to move into the Information Center for ten to twelve hours a week. All Ayes. Absent: Pederson

### **Project #197: Water Plant**

Brian Hiles and Ken Weber from Landteam were in attendance.

Council received a letter sent to the MN PFA putting the City on the Intended Use List for 2009. The MN PFA is offering an initial grant of 20% of the project cost. This money is first come first serve. This will equal about \$400,000 in grant money. If the City does not start the project by August 1st, 2009, then the City is placed on the 2010 list if there is any funding money left. The MN PFA also looks at what is affordable for our residents. That is based on the median household income of \$29,833 times 1.4% which equals \$37.30 per month per household. We are currently charging \$27.00 per month per household. This would mean about a \$10.00 increase in water rates. If the City does not see any stimulus money, Clerk Jacobson estimates about a \$14.00 per month increase in water rates.

The total estimated project cost is \$2,167,393.00.

Hiles and Weber discussed with the Council the funding and timelines of the project and if it is feasible to proceed.

The existing water plant was built in 1939, with some upgrades in 1957.

Hiles and Weber informed the Council that there is 25 million in stimulus money to be used towards watertreatment.

Financing for the project would be a combination of PFA and RD money. After the 1st Avenue East and 8th Avenue East projects, the City has reached the affordability level that we would receive some grant money. The City could receive a maximum of \$900,000 in grant money with 20% stimulus money and additional funds for affordability. Preliminary Engineering Report is \$19,000. This is the report to see where our fees and grant will be.

Motion by Anderson, seconded by Gulbranson, to approve preparing the Preliminary Engineer Report and pay for the report out of the water fund. All Ayes. Absent: Pederson

#### **Project #46: Water Rates**

At the January meeting the Council discussed charging a minimum bill for each resident.

Council received a spreadsheet from the minimum billed services from other cities.

The spreadsheet shows that the City has 98 seasonal accounts that are shut off 6 months of the year. If the City charges each resident a minimum bill of \$10.00 for water and \$10.00 for sewer for those 6 months, it would generate \$8,880 additional revenue per year.

There are also 44 closed accounts in the City due to foreclosure, vacant houses, selling of property, and commercial property. If these were to be charged a minimum bill of \$10.00 for water and \$10.00 for sewer, the City would generate an additional \$10,560.00 per year.

The City's current minimum rate for active accounts is \$17.00 for water and \$13.04 for sewer.

Council received a spreadsheet showing the DNR conservation rate structure. The DNR is requiring all cities to implement by 2013. This is just an example of what increased revenue the City can see with implementing conservation rate structure. Total money generated by implementing the conservation rate structure would be \$7,538.00. This is something that could be implemented anytime and the water rate structure is just an example of what to charge for gallons.

Last year the Council approved to implement a sewer conservation amount for those residents that use a lot of water for gardening and lawns. Last year the City reduced these bills by \$1,811.00. Of these bills only 10 accounts saved \$80.00 to \$200.00, and half saved \$20.00 to \$40.00. The remaining half, lost money.

The unmetered sewer rate for 2009 is \$21.00. It was determined that some residents signed up last year even though they do not water or garden just to get the reduced rate.

Motion by Gulbranson, seconded by Anderson, to approve the unmetered service rate of \$21.00 for the months of May to September. All Ayes, Absent: Pederson

**Project #42: Clean Up Day**

The City Wide Clean Up Day has been set for May 16th, 2009, from 8:00 a.m. to noon at the Liquor Store parking lot. This will also be the date for the yard waste pickup.

Mayor Emerson will ask the Lions to help again this year.

Clerk Jacobson has contacted the Todd County STS to see if they can help. They will be here at 9:00 a.m.

In October there will be another yard waste pickup.

**Project #43: Board of Review**

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

Council received a letter from Bruce Whittemore. Whittemore is the Douglas County Assessor.

**Project #50: Transfer**

Approval is needed to transfer \$42,719.04 in the Industrial Park/East Side Pond fund (310) to the bond fund for the Industrial Park Project (503).

Motion by Emerson, seconded by Gulbranson, to approve to transfer \$42,719.04 from the 310 fund to the 503 fund. All Ayes. Absent: Pederson

**Project #80: Garbage Rates**

Council received a letter from Jeff Bertram of West Central Sanitation regarding the garbage contract that will expire in 2010.

Council will discuss the garbage contract in November or December.

**Project #84: Budget**

Council received the 2009 Budget for Revenues and Expenditures for the liquor Store and the Water and Sewer Funds.

Liquor Store - Revenue	\$665,425.00
Expenditure	\$610,695.00

	Balance	\$63,730.00
Water -	Revenue	\$593,750.00
	Expenditure	\$386,361.00
	Balance	\$207,389.00

The total cash increase we should see for the Liquor Store is \$63,730.00.

In the water fund we should see \$207,389.00 for income. Of this money, 25% of all sewer is put into the sewer reserve fund. Storm water money is put into the storm water fund and the user fees are put into the Hwy 2002 bond. This totals \$130,000. The total cash increase should be \$77,389.00.

Starting in 2009, we will be putting 25% of the water sales into the water savings.

Motion by Olson, seconded by Anderson, to approve the 2009 Budget for the Liquor Store and Water & Sewer funds. All Ayes. Absent: Pederson

**Project #143: Cable TV**

Council received a notice that Clerk Jacobson had received from Charter Communications. The notice stated that Charter Communications has filed for bankruptcy. Clerk Jacobson also received a notice from the First National Bank of Osakis regarding a stop payment on the franchise payment of \$10,781.92 from Charter Communications.

Clerk Jacobson will contact the City attorney to have them collect the \$10,781.92.

**Project #249: Planning & Zoning Commission**

Council received the Planning & Zoning meeting minutes from March 19, 2009.

The Planning & Zoning Commission would like to have the Council approve the following:

1. Demolition Permit with a \$100.00 fee.
2. They also recommend to the Council to impose a penalty for those that do not receive a building permit prior to starting their project. The penalty they are recommending is to double the building permit fee.

Motion by Anderson, seconded by Emerson, to approve the Demolition Permit with a fee of \$100.00, and impose a penalty of charging double the permit fee for those that do not get a Building Permit prior to starting their project. All Ayes. Absent: Pederson

**Project #286: Donation**

Council received a letter from Lil Ortendahl asking the City to make a donation to the Easter Day celebration. In 2008, the City donated \$100.00.

Motion by Olson, seconded by Anderson, to approve to give \$100.00 to the Easter Day celebration. All Ayes. Absent: Pederson

**Project #297: Summer Rec**

Council received a notice for a Joint Powers agreement held on March 16, 2009, with the Osakis Public School.

Council member Pederson was in attendance at that meeting, and will update the Council at the May meeting.

**Project #310: Black's Resort Blocking Lake Street**

Black's Resort is asking the Council to approve for them to block Lake Street on April 24, 2009 and April 25, 2009 to put in their docks, providing the weather will cooperate.

Motion by Anderson, seconded by Olson, to approve to block Lake Street on April 24, 2009 and April 25, 2009. All Ayes. Absent: Pederson

**Project #424: Tax Audit**

At the March meeting, Clerk Jacobson updated the Council on a tax audit that was performed by the MN Department of Revenue.

After reviewing each invoice paid, we were able to reduce the amount owed for the tax that should have been paid for out of state companies from \$7,418.00 to \$2,697.67.

The Council wanted Clerk Jacobson to talk to the supervisor of Troy Lucht regarding the charge of use tax on all water unaccounted for. Clerk Jacobson had talked to the supervisor and they took all water used to regenerate the softeners off the total tax used. The total owed is \$3,695.06 instead of \$6,765.16.

The MN Department of Revenue would not take it completely off. They stated all cities pay the same. Council received a copy of the state statute that states they can charge use tax on all products used and the cities have to prove that it is not used. Clerk Jacobson has emailed Mary Ellen Otremba and Bill Englebretson stating her frustration with paying this fee and there being nothing stated in a state law that allows them to charge the City. They are checking into this issue.

At this point, the MN Department of Revenue will not make anymore adjustments and if the Council does not like this decision, they will finalize the audit and we can go through the appeal process.

Council thanked Clerk Jacobson for all the work to reduce the cost of the tax.

**Phil Reed**

Phil Reed is asking the City to put up NO TRUCK PARKING signs for his business and the Liquor Store at their entrances. Kleinschmidt will take care of this.

**Cindy Wolterstorff**

Clerk Jacobson received a letter from Cindy Wolterstorff requesting that there would be no construction work on Osage Street on June 6th. They will be having a graduation party. Kleinschmidt will make sure that there is no construction that day.

Motion by Anderson, seconded by Olson, to adjourn at 9:40 p.m. All Ayes.

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Mayor – Keith Emerson

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City Clerk – Angela A. Jacobson