

Osakis City Council
Regular Meeting
March 1, 2010
7:00 PM

Present: Gulbranson, Olson, Emerson, Anderson, Pederson

Others Present: Angela Jacobson, Alison Triebenbach, Jim Tholen, Ron Kleinschmidt, Craig Dropik, Chris Randall, Greta Petrich, Mark Pomerleau, Jeff Bertram, Don Williams, Michael Bosl, Lil Ortendahl, Rod Femrite, Mark Gilson, Bryan Bjorgaard, Brian Hiles, Dave Zerr

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

Pledge of Allegiance was spoken.

The Fishing Pier and Easter Days were added to the agenda.

Motion by Pederson, seconded by Anderson, to approve general consent items, including February city bills in the amount of \$142,074.69, and February 1, 2010 meeting minutes. All Ayes

Project #79: Audit - KDV

Michael Bosl was in attendance. Reviewed the financial audit of the city for the 2009 audit.

Council received the 2009 audit reports. Bosl reviewed the management letter with the Council.

Audit Enterprise Fund and financial statement has a clean opinion.

Items that the audit recommended in the management letter:

- Liquor Store – Cash Balancing Procedure
- Capital Asset Policy
- Approval of Overtime
- Water Billed – 90% Accounted For
- Liquor Store – Revenue Procedure – No Cash Jar
- Public Purpose Expenditures
- Collateral for Deposits
- All City Payments – Signed by Mayor and Clerk

Liquor Store sales in the last 5 years has increased 18.9%. While Liquor Store costs have increased 29%, Liquor Store profits are gradually on a decrease.

The City did have extra money to carry over to 2010. The cash balance for 2009 year end was \$167,054.00. The General Fund has a 17 month operating profit.

The water and sewer costs are stable. Water and sewer receipts increased by 10.6%, while water and sewer operating costs increased by 8.6%. Cash balance increased in 2009.

Project #73: First Responders

Craig Dropik was in attendance. Council received the February Run Report.

Dropik informed the Council that the First Responders would like to attend training regarding how to cope with trauma situations. Dropik would like the City to pay for the mileage for this training.

Consensus of the Council is to allow the First Responders to attend.

Project #24: Liquor Store

Joe Ketelboeter was not in attendance. Mayor Emerson informed the Council that Ketelboeter plans to retire July 1st, 2010.

Council would like to have someone hired before he leaves.

Clerk Jacobson will draft an ad for a Liquor Store Manager to advertise for the position. Mayor Emerson will review.

Project #74: Fire Department

Mark Pomerleau was in attendance. The Department had only one call in February.

Pomerleau informed the Council that the Fire Department has ten applications for new members.

The FEMA Grant award is \$31,000.00. Pomerleau informed the Council that there is a 5% match. The grant will be used for new pagers.

Pomerleau asked the City to plow out the fire hydrants for the Fire Department. Kleinschmidt stated the City Crew can work on them.

Chris Randall was in attendance for the Osakis Fire Department Relief Association.

Randall stated that their by-laws changed and they need Council approval.

Addition to the by-laws:

Upon the payment of a lump sum survivor benefit to the survivor of a deceased active or deceased deferred member, a supplemental survivor benefit will be paid to the legally married surviving spouse or, if none, to the surviving minor child or minor children. The survivor supplemental benefit is calculated as twenty percent of the survivor benefit distribution, but not to exceed \$2,000.

Randall informed the Council that the funded ratio dropped 2%. Contribution will stay the same in 2011 as in 2010. Randall was hoping it would go down.

Motion by Anderson, seconded by Olson, to approve the Osakis Fire Department Relief by-law changes as noted above. All Ayes

Project #76: Police Department

Chief Gilson was in attendance. Council received the February Police Report.

Gilson informed the Council that he is planning to attend the Police Chief's Conference on April 12th, 2010 thru April 15, 2010. The cost for the conference is \$325.00.

Motion by Pederson, seconded by Emerson, to approve Chief Gilson to attend the Police Chief's Conference. All Ayes

Project #205: City Crew

Ron Kleinschmidt was in attendance. Council received the February report.

Kleinschmidt stated that last fall, the Council approved to insulate and install steel siding at the city shop. At that time, no bids were received.

Kleinschmidt informed the Council of the heating bills for the following years:

- 2008 - \$5,160.00
- 2009 - \$4,100.00

The cost to install 1 1/2" foam installation and steel siding would be \$20,000.00 to \$25,000.00.

Kleinschmidt stated that if the siding project is not done, then the building would need to be painted.

Council tabled this issue until April.

Project #432: Osakis Hoopfest

Alison Triebenbach from Osakis Strength and Fitness was in attendance. Tribenbach would like the Council's permission to block off Central Avenue from Nokomis Street to Main Street on June 26, 2010, from 8:00 a.m. to 5:30 p.m. Also on June 27, 2010 from 8:00 a.m. to 12:30 p.m.

This would be to host an Osakis Hoopfest Basketball Tournament during the Osakis Festival.

Council stated that insurance will have to be in place to protect the city.

Motion by Pederson, seconded by Anderson, to approve to block Central Avenue on June 26, 2010, from 8:00 a.m. to 5:30 p.m. and on June 27, 2010, from 8:00 a.m. to 12:30 p.m. for the Osakis Hoopfest contest. All Ayes

Project #357: Lind Rite Expension JOBZ Amendment

Motion by Anderson, seconded by Olson, to approve to suspend the regular meeting and open the public hearing at 8:12 p.m. All Ayes

The reason for the hearing is to get the public's input on the tax abatement for Lind-Rite. The tax abatement would run until 2015, with a maximum payback of \$30,000.00.

The Council will have to decide who is going to pay the \$1,500.00 fee for David Drowns to do the Tax Abatement. Clerk Jacobson suggests that Lind-Rite pay the fee because of the \$30,000.00 benefit that they will receive.

Motion by Anderson, seconded by Gulbranson, to approve to close the public hearing and reopen the regular meeting at 8:18 p.m. All Ayes

Motion by Olson, seconded by Pederson, to approve to split the \$1,500.00 fee for the cost of the Tax Abatement between the City and Lind-Rite. All Ayes

A Resolution was presented by Pederson, seconded by Anderson, to approve to allow Tax Abatement for Lind-Rite until the year 2015 for a maximum benefit of \$30,000.00. When put to a vote, the vote passed unanimously.

Project #197: Water

Brian Hiles was in attendance to discuss the water plant. Hiles will be discussing the grant and loan that would be received from Rural Development, and the amount that the City needs to fund the loan.

The Water Treatment Plant Budget:

- A. Rural Development Funding Package
 - 1. Estimated Project Cost \$2,000,000
 - 2. Rural Development Grant \$ 870,000 (45% of project)
 - 3. Low Interest Loan \$1,130,000
- B. Low Interest Loan Payment Information
 - 1. Low Balance \$1,130,000
 - 2. Loan Term 39 years
 - 3. Current RD Interest Rate 3.25% (lowest it has been in 15 years)
 - 4. Loan Payment per Year \$50,850
 - 5. Loan Payment will come from User Fees
 - 6. A user rate fee increase of \$2.00 in 2011, and \$2.00 in 2012, will cover the cost of the improvement. These are consistent with the City's current rate increase plan.
- C. Water Softening
 - 1. Based on conversations with water softening experts, it was determined that the average cost for individual water softening is about \$1.00 per day of \$30.00 per month.
 - 2. The City provides this service to their customers and the average monthly bill for water service (4,000 gallons used) is \$28.00 in 2010.
 - 3. If the City removed the softening portion of the project, then the residents would have to soften their water individually. The total cost for the softened water per resident per month would be around \$55.00
 - 4. 1 out of 14 cities in Minnesota are still softening their water.

Reasons for construction of a new facility:

- Poor condition of existing water plant
- High grant rate at 45%
- Low interest rate at 3.25%
- Only \$2.00 increase per month in 2011 and \$2.00 increase per month in 2012 to pay for project

If the Council would like to move forward with this project, Council will need to call for a public hearing.

Motion by Anderson, seconded by Pederson, to approve to call for a public hearing on March 22, 2010, at 7:00 p.m. at the Community Center. All Ayes

Council will let Clerk Jacobson know if this date does not work.

Project #43: Board of Review

The Board of Review meeting is set for April 13, 2010.

Todd County at 9:00 a.m.

Douglas County at 10:00 a.m.

A quorum of the Council must be present to hold the meeting.

Pederson and Anderson are certified and one of them needs to be present.

Mayor Emerson stated that he would be here for the meeting.

Project #56: Insurance

At the February meeting, the Council was updated on the fees to have a safety group for the City only or a regional group.

Clerk Jacobson is still waiting for a response from the City of Alexandria to see if they would be interested in pooling with us to have a safety group and how this would work.

Clerk Jacobson indicated to the League that the City has discussed this and updated them on our progress.

Clerk Jacobson will let the Council know when she hears from the City of Alexandria.

Project #80: Garbage

Council member Olson opened the Garbage Proposals at 1:00 p.m. on February 26, 2010.

The Garbage Proposals are as follows:

West Central Sanitation:	30 to 35 gallon	$\$13.20 \times 150 = \$1,980.00$
	60 to 65 gallon	$\$14.80 \times 399 = \$5,905.20$
	90 to 96 gallon	$\$16.00 \times 47 = \$ 752.00$
		Total = \$8,637.20
Long Prairie Sanitation:	30 to 35 gallon	$\$13.20 \times 150 = \$1,777.50$
	60 to 65 gallon	$\$14.80 \times 399 = \$6,344.10$
	90 to 96 gallon	$\$16.00 \times 47 = \$ 937.65$
		Total = \$9,059.25
Waste Management:	30 to 35 gallon	$\$13.20 \times 150 = \$2,043.00$
	60 to 65 gallon	$\$14.80 \times 399 = \$6,264.30$
	90 to 96 gallon	$\$16.00 \times 47 = \$ 835.66$
		Total = \$9,142.96

Clerk Jacobson reviewed the bids before the meeting and reported any discrepancies to the bid proposal.

Motion by Pederson, seconded by Olson, to approve to change the amount charged from \$.25 to \$.50.
All Ayes

Motion by Anderson, seconded by Olson, to approve West Central Sanitation contract for three years at the above rates totaling \$8,637.20. All Ayes

Project #84: Budget

As you may have read in the paper or seen on the emails sent, Governor Tim Pawlenty's budget cut for the City of Osakis would be an additional \$75,000.00 with his plan.

You may recall when the City was balancing our 2010 budget we had a \$20,000.00 surplus and decided not to balance it at that time. It was decided to have a buffer for more cuts.

Also, the City did have some money as stated last month, that was carried over from 2009. The Council could also use this money to use against the cut.

Does the Council want to have a meeting to discuss the additional cut? Clerk Jacobson feels we can leave it as is and see what the actual outcome is.

No action taken.

Project #370: Osakis Information Center & Heritage Board

The Council met at the Visitor's Center on February 10, 2010 at 4:30 p.m. with the City Clerks and Chief Gilson to see the building and see how it would fit for City Hall.

The general consent from the Council was to keep the City Hall and Police Department in the existing building.

The Council would like to put the building up for sale since no one has come forward with financial help.

Council member Pederson would like to table this until April.

Clerk Jacobson received the bill for the alarm system from the Osakis Chamber of Commerce. Council stated that the City will not be paying for this and Clerk Jacobson is to cancel the alarm system.

Council member Pederson suggested a certified appraisal to see what the building is worth.

Project #393: 2 AM Closing

Deb Schmidt is requesting to renew her 2 AM Closing for the Lake Osakis Pub & Grill.

Chief Gilson stated he did not see why we need a 2 AM Closing. The Police out later and more overtime and Gilson is not for the 2 AM Closing.

Motion by Emerson, seconded by Anderson, to approve the 2 AM Closing for the Lake Osakis Pub & Grill. All Ayes

Project #433: Direct Deposit

Clerk Jacobson has had employees inquire about direct deposit. Clerk Jacobson did a pole of the city employees to see who would be interested in having direct deposit. Twelve people were interested in direct deposit and six people were not.

Council received an estimate for the Direct Deposit program from Banyon. The cost for the program is \$849.66. If approved, this amount would be taken out of the Clerks Capital Outlay money for 2010.

The Direct Deposit program would save money on printing checks. The checks would be deposited the date of issue and help the employees save money because they can set up to have the money from their check go into their savings and checking accounts.

Clerk Jacobson would like the Council to approve the Direct Deposit Program for the Payroll Checks.

Council tabled this issue until the April meeting.

Fishing Pier:

It was stated that the Department of Natural Resources will not participate in two piers on one lake. Battle Point has a fishing pier on the program already.

The VFW would like the \$5,000.00 back that they originally gave to the project to put to other projects in the community.

Motion by Anderson, seconded by Gulbranson, to approve to return the \$5,000.00 to the VFW for the fishing pier. All Ayes

Skating Rink:

Council received a letter from Sharon Eldred regarding a skating rink.

Project #286: Donations

Lil Ortendahl was in attendance informing the Council on Easter Day.

Motion by Olson, seconded by Emerson, to approve to donate \$100.00 to the Easter Day Celebration. All Ayes

Motion by Anderson, seconded by Olson, to adjourn the meeting at 9:31 p.m. All Ayes

Mayor – Keith Emerson

City Clerk – Angela A. Jacobson