

Osakis City Council
Regular Meeting
March 7, 2011
7:00 PM

Present: Randy Anderson, Bruce Pederson, Chad Gulbranson, Jerry Olson
Absent: Kip Emerson

Others Present: Angela Jacobson, Ron Kleinschmidt, Craig Dropik, Julie Blair, Amy Chaffins, Michael Bosl, Brian Hiles, Dave Amdahl, Jane Amdahl, Phil Reed, Becky Bjerken, Gloria Stevenson, Alan Larson, Steve Mihalchick

Acting Mayor Pederson called the meeting to order at 7:00 p.m. Pederson welcomed everyone.

Pledge of Allegiance was spoken.

Motion by Gulbranson, seconded by Olson, to approve the agenda as presented. All Ayes Absent: Emerson

Motion by Anderson, seconded by Gulbranson, to approve the general consent items, including February city bills in the amount of \$143,851.52 and February 7, 2011 meeting minutes. All Ayes Absent: Emerson

Project #79: Audit

Michael Bosl from KDV was present to go over the 2010 audit. Bosl wanted to thank the Council for taking the time to review the audit.

The city receives 2 audits:

1 is for cash basis

1 is for accrual basis. The need for an accrual basis is for the PFA Loan.

Next year the water/sewer/sanitation will be shown separate on the audit statement because it is a requirement of the Rural Development Loan. Water and sewer funds cash balance at the end of 2010 was \$602,457.00.

The Liquor Store lost \$10,311.00 for 2010. This is due to the payout for severance for the retirement. 2010 is the first year the Liquor Store fund has lost money but the Council should keep an eye on the fund and make sure it is making the city money.

Note the Cemetery Trust Fund balance is "0" for the 850 fund due to the money being transferred to the 800 fund because the city has taken over the Cemetery Trust Fund to use for cemetery expense.

The General Fund cash balance is \$1,423,543 but most of these funds are designated funds for improvements and equipment.

Looking at the audit for the enterprise fund, the 600 water revenue covers the depreciation of the fund which is good. This means we have reserve funds for upgrades and enough funds for new projects.

GASB54 will be in effect for the 2011 audit.

This is requiring cities to have a minimum level of reserve and if funds fall below then what steps need to be taken to increase funds. And if funds are over the high level set what is done to change to be in the range adopted. This must be adopted before the end of 2011.

LGA will continue to be cut in the future. The city should look at budgeting without LGA help.

Project #24: Liquor Store

Julie Blair was in attendance.

Council received the Liquor Store revenue and expenditure reports for February. Blair would like the Council to receive these reports monthly.

February Revenue:	\$41,123.78
February Expenditure:	<u>\$40,805.81</u>
Total Profit:	\$317.97

Blair thanked the Council for letting her attend the Boot Camp. Blair received a lot of good information.

Two bids were received for the Off-Sale counter top.

Stan Schultz	\$3,850.00
Howard Handrafted	\$3,250.00

Included a drawing, completion date, 50% down payment with the rest paid when the project is complete.

Council would like Blair to get one more bid.

Project #73: First Responders

Craig Dropik was in attendance. Council received the February run report.

Dropik informed the Council that two members will be completing their first responder training and will be able to help out.

Dropik also informed the Council that Douglas County received a grant for megahertz radios and the First Responders will receive some of the funds.

Project #74: Fire Department

Mark Pomerleau was not in attendance.

At the last Council meeting, Pomerleau presented a request to replace the air conditioner unit in the fire hall. Matt Kral of Osakis True Service had a used A/C unit that needed a part that the fire hall could use. Council had asked Pomerleau to get prices on a new unit and the cost to repair the old unit. Pomerleau will have this information for the next meeting.

Project #76: Police

Chief Mark Gilson was not in attendance. Council received the February Police report.

Project #205: City Crew

Ron Klineschmidt was in attendance. Council received the February Public Works report.

Project #45: FEMA – Flood Plain

The new Flood Plain Map by FEMA was created in 2008 and 2009. The map became effective on February 4, 2011. At previous Council meetings, the flood map and ordinance was discussed and the Council chose not to participate.

Since that time, there have been questions that have been presented regarding the Flood Plain.

Those that have had issues regarding the flood plain are Dave Amdahl at 1986 Lake Street East and Linda Machovec at 106 King Street.

Amdahl's mortgage company is requiring him to purchase flood insurance on his house. Machovec wants to purchase flood insurance on her house but cannot at this time because the city does not participate in the program.

Clerk Jacobson had contacted FEMA, Todd County, Douglas County and the DNR about the questions and concerns that have been raised.

Information that was received:

- If the city does not participate in NFIP (National Flood Insurance Program) no one in the city can purchase flood insurance at a preferred rate and must buy high risk insurance.
- If someone is in the flood area, any federal insured bank will require homeowners to purchase flood insurance. If they do not have a mortgage now, they will be required to get flood insurance when they sell the property if the new owners will have a mortgage.
- If someone feels they are not in a flood plain they must prove they are not in a flood plain by having an elevation survey done. They must also submit a form called LOMA and submit to FEMA. FEMA will then review, approve and make changes to the flood plain map.
- In order to participate in the NFIP, the city must adopt the flood plain map and a model flood ordinance that the city must enforce.
- All cities in Douglas and Todd counties participate in the NFIP other than Staples, Carlos and Osakis.

The DNR will help the city go through the process to adopt the model ordinance.

Council received some additional information from the DNR website.

Gloria Stevenson from Todd County GIS presented the Council with information regarding the flood plain.

Stevenson stated that there will not be disaster assistance to help communities that do not participate in the NFIP. If someone feels they are not in the flood plain they can get an elevation survey and do a letter of map amendment to get removed from the flood plain area.

The flood elevation for Lake Osakis is 1326.7 feet. When FEMA did the flood mapping, they used USGS topographical maps that were drawn in the 1960's that had 10 foot elevation contours and were not very accurate. Douglas County was flown with radar data that shows 2 foot contours. Todd County

is scheduled to be flown in the spring of 2012. Their hope is that the map can then be sent to FEMA and they can use the map for the flood plain mapping.

Stevenson gave the Council an ordinance with the items that are needed for a border city in two counties. Stevenson will help the city with the process if they choose to participate.

Dave Amdahl stated that he has lived at 1986 Lake Street East for ten years. Amdahl's mortgage company now says he is in a flood area and needs flood insurance. To prove he is not in the flood plain, he needs to get an elevation survey. The cost of the survey is \$800.00. He will then need to send the survey and a letter of map amendment to FEMA in order to be changed.

Amdahl informed the Council that his mortgage company Wells Fargo is telling him to get flood insurance or they will get it for him at a cost of more than \$2,000.00 per year. The high cost is because the city does not participate in the flood plain insurance program.

Motion by Anderson, seconded by Gulbranson, to approve to move forward with the Flood Plain Ordinance and to become a participating community in the Flood Plain Insurance Program. All Ayes Opposed: Olson Absent: Emerson

Project #197: Water

Brian Hiles was in attendance to present to the Council the bid summary sheet for the well and meter replacement.

The bid opening for the well was held on Thursday, March 3, 2011 at 2:00 p.m. The bid estimate was \$52,910.00.

The following were the bids that were received:

Mark J. Traut Wells	\$38,725.00
Ervin Well Company	\$42,210.00
Steffl Drilling	\$36,975.00
Thein Well	\$42,260.00
LTP Enterprises	\$32,890.00
Major Drilling & Environmental	\$39,945.00
Steven M. Traut Wells	\$35,337.00

The bid opening for the meter replacement was held on Thursday, March 3, 2011 at 3:00 p.m. The bid estimate was \$246,070.00.

The following were the bids that were received:

A & E Plumbing & Heating	\$419,519.00
Fargo Water Equipment	\$231,940.00
Mueller Systems	\$124,387.73
DSG (Dakota Supply Group)	\$435,011.76
Northern Water Works	\$312,985.99

Hiles will review the bids and submit to MN Rural Development for final approval of the bid.

Alan Larson was in attendance. Larson wants to make sure that people are protected from getting a high water bill.

Larson was informed that the city has an ordinance in place to dispute water bills. The water meters have a 20 year guarantee with a 20 year battery life.

Hiles must submit the bids to MN Rural Development and the Council will receive their approval in April and then the Council can award bids.

Project #6: Theater Building/Lot

At the February meeting, the Council discussed having the Quilts Along the Trail group go through the county to get the property to use.

Clerk Jacobson spoke with Douglas County Auditor/Treasurer Char Rosenow and a fee is charged to whatever governmental entity that uses the land for a public purpose. The property belongs to the state for back taxes.

Carol Mihalchick said the Quilts Along the Trail group and the Chamber will pay the \$600.00 transfer fee.

Council should have a maintenance agreement with Quilts Along the Trail to maintain the park for three to five year increments and revisit when the lease expires.

Steve Mihalchick was in attendance. Cari Smith from AJ's Restaurant is ok with the project in the lot next to them. Dahlquist Chiropractic is also ok with the project and painting the side of the building.

Clerk Jacobson will check on insurance coverage.

A Resolution was presented by Olson, seconded by Anderson, to approve to pursue the use of the empty theater lot by the Quilts Along the Trail between AJ's Restaurant and Dahlquist Chiropractic and sign a five year maintenance agreement and have Quilts Along the trail and the Chamber pay the transfer fee of \$600.00. When put to a vote, the Resolution passed unanimously Absent: Emerson

Project #7: Community Center

The Council received a report from a structural engineer regarding the Community Center.

Kleinschmidt will meet with Joe and discuss what needs to be done with the building.

Project #18: Bridge Inspection & Maintenance

At the February Council meeting, the Council was updated from the meeting that Kleinschmidt and Clerk Jacobson had with Loren Fallbaum, Todd County Engineer, regarding the replacement of the bridge on Lake Street and applying for a grant to fund the project.

After the Council meeting, Clerk Jacobson informed Fallbaum of the language changes and that the city is requesting an estimate before the city signs the agreement.

After they have reviewed the site and the bridge, they want to wait until spring to see if there is any boat traffic. If there is boat traffic, then a different bridge may have to be constructed other than what has been planned.

Fallbaum will meet with Kleinschmidt, Jacobson and Mayor Emerson this spring.

Project #43: Board of Review & Equalization

The Board of Review & Equalization is set for April 12, 2011.

Todd County will be held at 9:00 a.m.
Douglas County will be held at 10:00 a.m.

There must be a quorum to hold the Board of Review & Equalization. If not, the city loses the ability to hold the hearing.

Anderson is the only one trained and must be present.

Project #84: Budget

Council received the final budget worksheets for:

2010 Revenue:	\$1,068,560.41
2010 Expenditures:	\$880,293.83
Capital Outlay to Savings:	\$98,637.52
Total cash increase at year end for 2010:	\$89,629.06

Project #43: Cable TV

Council received the price change for Charter TV.

Project #191: Skating Rink

There have been no updates for the Council.

Project #249: Planning & Zoning

Council received the Planning & Zoning minutes from the February 17, 2011 meeting.

At the meeting, George Bender was present asking for approval to build a 26' x 22' garage on the property at 405 1st Avenue East.

Only three members of the five member board were present at the meeting.

A motion was made to allow Bender to build the garage. The vote was two to one.

The Council must approve the meeting minutes or have the Planning & Zoning Board review the application with the full board present.

Motion by Anderson, seconded by Olson, to approve the Planning & Zoning minutes from February 17, 2011. All Ayes Absent: Emerson

Project #297: Summer Rec

Council received a memo from the Osakis Public School regarding the Summer Recreation Program for 2011.

The meeting will be held March 21, 2011, at 7:00 p.m.

Pederson will attend the meeting and update the Council in April.

Council received an updated financial report for the Summer Recreation Program.

Project #373: Policy

At the February Council meeting, the Council received a letter from the State Auditor stating they would like to see the city adopt an Over Time Policy.

Council wanted Clerk Jacobson to check on if the policy should also appoint someone to approve the supervisors overtime that was not outlined in the policy.

Kate form KDV stated they would like to see the Council designate someone to approve the supervisors overtime for items that are not outlined in the policy.

This could include:

- One Councilmember for all department heads.
- Each department head could be responsible to get approval from their Council representative.
- Council could appoint one staff member to approve overtime for department heads and a Council member to oversee the approval.
- Give the department head the discretion to make the decision if overtime is required.

Council received a letter that was sent to the state auditor.

Council also received a draft of the overtime policy. Each department head has reviewed the policy and added any items that they feel they use overtime for, changes from the last policy are highlighted.

A Resolution was presented by Gulbranson, seconded by Olson, to approve the Overtime Policy and put the Mayor in charge of department heads for overtime approval. When put to a vote, the Resolution passed unanimously Absent: Emerson

Project #408: Vacating Street or Alley (3rd Avenue East – Industrail Park)

At the February Council meeting, the Council wanted to check if there were any utilities in the 22' section that would be vacated.

Hiles checked on the property and provided a map that shows a gas line in the 22' section that the city is vacating.

The Council has the option to vacate the property and have a 10' utility easement drawn up to cover the line. This would give the property owner a bigger area for building a business after the setbacks are met.

OR

The Council can choose not vacate the property and leave the 88' easement. The EDA Board reviewed the map and recommended leaving the 88' easement.

The consensus of the Council is to not vacate the property and leave as is.

Project #439: Lower Level Living in a C-1 (Central Business District)

At the February Council meeting, the Council discussed the Lower Level Living in the downtown area.

The Council wanted Clerk Jacobson to check with John Anderson from Municipal Development Group and get his input on how to deal with those that have been living there for years and those that have recently moved in.

In the City of Osakis Zoning Ordinance – Chapter 15: Deals with nonconforming use. It states that if the use is in effect before the ordinance was adopted then it is grandfathered in. But if the use stops for a period of one year it can no longer continue.

If the Council wants to pursue giving a notice to those property owners that are grandfathered in and put a time frame on, stating when the property is sold it can no longer exist, the city would have to get the city attorney involved to see if it can actually be done.

If someone has moved in after the ordinance was adopted or expanded the area they occupy, they would be in violation and must follow the new ordinance.

To find out if someone is violating the ordinance the city has two options:

1. Have a city representative go to each property to make sure the property is in compliance.
2. If the property is suspected to be in violation of the ordinance, a letter could be sent as outlined in Chapter 14: Enforcement and Penalties. The property owner has 30 days to respond and prove to the city that they are not in violation.

The Council wishes to discuss this issue when all Council members are present.

Motion by Anderson, seconded by Olson, to adjourn the meeting at 9:45 p.m. All Ayes Absent:
Emerson

Mayor – Keith Emerson

City Clerk – Angela Jacobson