

**Osakis City Council
Regular Meeting
October 3, 2011
7:00 PM**

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

Others Present: Angela Jacobson, Ron Kleinschmidt, Julie Blair, Brian Hiles, Amy Chaffins, Larry Frisch, Lou Gramsey, Marlene Olson, Jan Moore, Lil Ortendahl, Shelly Stanke, Ema Jean Zwiig

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

Pledge of Allegiance was spoken.

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

Motion by Pederson, seconded by Anderson, to approve the general consent items, including September city bills in the amount of \$318,725.33 and September 7, 2011 meeting minutes. All Ayes Absent: Gulbranson

Project #24: Liquor Store

Julie Blair was in attendance.

Council received the following reports for September:

- Liquor Store Revenues
- Liquor Store Expenditures
- Liquor Store Sales
- Comparison of 2009, 2010 and 2011 sales

Liquor Store Revenue:	\$66,456.44
Liquor Store Expenditures:	<u>\$61,537.40</u>
Total Profit:	\$4,919.00

Discussion was held regarding changing the lights in the liquor store building to save money. Blair will check into this.

Project #73: First Responders

Craig Dropik was not in attendance. Council received the September run report.

Project #74: Fire Department

Mark Pomerleau was not in attendance.

The council was informed that the next fire relief meeting will be held on Thursday, October 6, 2011 at 7:00 p.m.

Project #76: Police

Chief Gilson was not in attendance. Council received the September police report.

Project #205: City Crew

Ron Kleinschmidt was in attendance. Council received the September public works report.

Kleinschmidt informed the council that a student will be in the last week of October for an internship.

Kleinschmidt also informed the council that the city crew will be flushing hydrants in October and the water may be discolored. Kleinschmidt is looking for a new snow blower. The one we have been using has had a lot of repairs.

Project #151: Street Repair and Planning

Council received maps indicating the projects needed in Osakis. A discussion was held on September 27, 2011 with Kleinschmidt, Clerk Jacobson, Anderson and Gulbranson on the following three projects:

Project #1: Downtown Project

The highlighted areas on the map are the areas that need to be replaced and new curb. This project is in need of water, sewer, storm and new street lights. This will also have the county participating, so we would have to work with the county to put it on their schedule. The county is looking at a two year lead time.

Main issues that are in need of replacement is due to the fact that this area has lead water connections, manholes that are caving in, and old water mains that are very hard to make connections to. This would also include adding blacktop and curb to Lowery Street, the street going to the area behind the Galeon.

One item to keep in mind with this project is, Mike Roach has approached the city about building his apartment complex in 2012. If the project goes forward, Roach will be asking for TIF and the city can do a cost share with him to help pay for the project costs.

Project #2: Main Street Project

The highlighted areas on this map show the areas that are in need of being replaced and those that curb would need to be added. The water has been replaced in this section in 1996, so it is just the sewer, road service, curb that would need to be replaced.

Project #3: Oak Street West and 2nd Avenue East

This project includes Oak Street West from 5th Avenue West to 8th Avenue West. The sewer is from 1969 to 1978. The issues are that at 7th Avenue West, the sewer is 4 feet deep and there are problems with it freezing in the winter. Sewer trenches can be seen on the south side of the street because service lines are collapsing.

The water lines are from 1954. The water and sewer from 5th Avenue West to 7th Avenue West would need to be replaced. From 7th Avenue West to 8th Avenue West the project would include, sewer, water, blacktop, and curb.

2nd Avenue East has water lines from 1960 and sewer lines from 1958. The city has been

having issues with the sewer backing up. A camera has been put into the pipe but cannot see very far. What has been seen is that the service connections actually protrude into the line. Tree roots have also been seen which are causing blockage. This line will also see increased flow when the new distillery is in operation. The line would have to be watched very closely if it is not replaced.

After discussing all three projects, the council must decide if they want to do a feasibility study for all three projects to see where the costs come in. Project #3 may come in reasonable, so we can assess the costs needed and then pay the rest out of our street repair fund. We currently have \$273,000.00 in this fund. This cost can be shared with the water and sewer funds also.

The council received a letter from Theresa Zajler-Williams regarding Oak Street West.

The water savings fund balance is \$169,976.69 and the sewer savings fund is \$524,686.49.

The downtown has concrete under the asphalt. There have been five leaks in the downtown water lines so far. The feasibility on all three projects is around \$10,000.00 to \$12,000.00.

Motion by Anderson, seconded by Emerson, to approve the feasibility studies for all three projects. All Ayes Absent: Gulbranson

Project #197: Water Plant

Brian Hiles was in attendance. Hiles and Kleinschmidt updated the council on the progress of the water treatment plant and water meter installation.

Council received the pay application #3 for Mueller Systems for \$28,520.69 for the water meters.

Council received the pay application #2 for Northern Plains Contracting for \$105,065.31 for the water treatment plant.

Hiles informed the council that the water plant construction is on schedule. The base and wall on the backwash tank has been completed.

Hiles informed the council regarding the water meter installation. Waiting for the 3" meter, 4" meter and 10" extension to complete the project.

Motion by Emerson, seconded by Anderson, to approve the pay application #3 for Mueller Systems for the meters for \$28,520.69 and pay application #2 for Northern Plains Contracting for the water plant for \$105,065.31. All Ayes Absent: Gulbranson

Project #146: Lodging Tax

A letter was sent to the Lake Osakis Resort Association (L.O.R.A.) inviting them to the city council meeting. The president, Larry Frisch and Lou Gramsey were in attendance.

Frisch and Gramsey asked how much money the city is looking for to help fund the visitor's center. They stated they were going to donate to the group this year. They were told that the visitor's center had enough funds for 2011 but L.O.R.A. planned to donate funds for the year 2012. The donations in the past go directly to the visitor's center and not to the city to help pay the expenses of keeping the building up and running.

The following items were discussed:

- Visitor's center hours in the summer and winter.
- Dues and brochure pays for the L.O.R.A. website that is up and running.
- Lodging Tax money – Banner ads for Lake Osakis links. In state ads and out of state ads. Explore Minnesota ½ page ad and flyers at rest stops.
- L.O.R.A. wants to use the dues for funding the visitor's center not lodging tax funds.
- L.O.R.A. would like to see the visitor's center staff answer phone calls and send out brochures.

Anderson will attend the Heritage Center meeting with the L.O.R.A. group when it is set up.

Project #312: Osakis Onward

Marlene Larson, Jan Moore, Lil Ortendahl and Shelly Stanek were in attendance representing the Osakis Onward group.

The Osakis Onward group informed the Council that they will be disbanding. A report was given to the Council of their past accomplishments and the future items that the Council has agreed to be responsible for, now that the group will be disbanded.

Council will have to decide what to do with the trail. The Osakis Onward group will not be taking care of it anymore. The DNR was put in charge of the trails then the responsibility is given to the counties to take care of it. The Osakis Onward group can receive up to \$1,100.00 per mile of trail from the county to pay for costs.

Clerk Jacobson will contact Al Leiffort from Douglas County regarding help with the maintenance of the trail and if the city can receive the \$1,100.00 up front and not have to submit bills to maintain the trail in the City of Osakis.

Osakis Onward suggests someone should be on the Central Lakes Trail Committee to keep Osakis in the loop.

Project #43: Board of Review

Council received a notice from Keith Albertson from the Douglas County Assessor's Office. They will be holding a training session for the Board of Review at Arrowwood, on Friday, November 18, 2011 in the afternoon. This training is being held during the MN Association of Townships Conference.

Council member Pederson would like Clerk Jacobson to check the time for the training on November 9, 2011 in Waite Park.

Project #349: HRA

Ema Jean Zwieg from Douglas County HRA was in attendance. Zwieg is requesting approval for Douglas County HRA to apply for a Rental Rehab Grant. Zwieg stated they have had multiple requests for available money for rental rehab in Osakis.

Zwieg is the special programs coordinator and grant writer. The grant program is a seven year deferred grant.

The following items would be the criteria for the grant:

- 70% maximum for grant.
- 30% paid by the owner.
- Must maintain for seven years as a rental unit.
- 50% must be low to medium income renters.
- If the property is sold, the owner will have to pay back the funds. The grant cannot be transferred.
- The maximum amount paid by HRA is \$7,000.00.
- \$3,000.00 is the rental owner's maximum amount.
- The grant is on a first come first serve basis.

Motion by Emerson, seconded by Anderson, to approve to have Douglas County HRA apply for a Rental Rehad Grant for Osakis. All Ayes Absent: Gulbranson

A co-op agreement will be required to be signed by the city at the next council meeting if Zwiig gets enough interest by the land lords in Osakis.

Project #69: Information to the Council

Clerk Jacobson is asking the Council about the January 2012 council meeting. January 1, 2012 falls on Sunday and city hall will be closed on January 2, 2012.

Council is ok with the council meeting to be held on Tuesday, January 3, 2012.

Project #104: Mayor Appointments

No changes have been made for the 2012 Mayor Appointments. Approval for this will be at the January 3, 2012 meeting.

Project #196: Fee Schedule

Council received the 2011 Fee Schedule and proposed 2012 Fee Schedule. No further changes were made to the 2012 Fee Schedule. Approval for this will be at the January 3, 2012 meeting.

Project #191: Skating Rink

Anderson contacted John Peterka to set up a meeting to discuss the skating rink.

Project #345: Tax Abatement

Clerk Jacobson has been in contact with Char Rosenow, the Douglas County Auditor/Treasurer regarding Paul Hartmann's apartment complex located on Lake Street.

This property has two parcel numbers on the property. Paul Hartmann has not paid the taxes or the special assessments on the second property, which is the smaller portion of the property since 2005.

In order to get the properties cleaned up and the properties combined into one parcel, the city council would have to abate the special assessments on the second parcel which are as follows:

- 2005 \$41.80
- 2006 \$40.72

- 2008 \$38.56
- 2009 \$37.46
- 2010 \$36.38
- 2011 \$35.30

Remaining balance is \$92.90

Total is \$323.12

If these special assessments are abated, Hartmann will receive a letter with a time to pay the recording fee. When the payment is received, the county will combine the two parcels into one.

Council would like to table this issue and have Clerk Jacobson check into combining the lots per our zoning ordinance because it is a non conforming lot before abating the special assessments on the property.

Project #249: Planning & Zoning

Council received the Planning & Zoning minutes from the September 15, 2011 meeting.

The Planning & Zoning Board held a public hearing for Andrew Herickhoff at 703 Hwy 127 for a Conditional Use for a 50' x 96' shed and an automobile repair shop.

Planning & Zoning received information from Paul Hartmann for a proposed fourplex project.

Planning & Zoning also received a draft from Jim Leigh of Idlewilde Resort to put his resort into a Planned Unit Development (PUD).

A Resolution was presented by Anderson, seconded by Olson, to approve the Conditional Use permit for Andrew Herickhoff as presented and to approve the September 15, 2011 meeting minutes. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Project #373: Policies

The city audit has stated that we need to adopt a Capital Asset Policy to follow when buying and selling equipment. The Council received a copy of the Capital Asset Policy that Clerk Jacobson has created from other cities policies. Gilson and Kleinschmidt have reviewed the policy and made changes. Clerk Jacobson had sent a draft copy to our city auditors and they feel it meets all the requirements.

A Resolution was presented by Pederson, seconded by Emerson, to approve Resolution 2011-20 for the Capital Asset Policy 07-2011 adoption. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Motion by Anderson, seconded by Olson, to adjourn the meeting at 8:55 p.m. All Ayes Absent: Gulbranson

Mayor – Keith Emerson

City Clerk – Angela Jacobson