

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

Present: Chad Gulbranson, Keith Emerson, Bruce Pederson, Randy Anderson, Jerry Olson
Absent: None

Others Present: Angela Jacobson, Ron Kleinschmidt, Brian Hiles, Don Pollard, Myron Barber, Lil Ortendahl, Ellen Bangtson and Margaret Ellingson

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

Pledge of Allegiance was spoken.

Motion by Anderson, seconded by Olson, to approve the agenda as presented with the addition of Ordinance Change. All Ayes

Motion by Pederson, seconded by Gulbranson, to approve the general consent items, including August city bills in the amount of \$535,640.08 and August 1, 2011 and August 23, 2011 meeting minutes. All Ayes

Project #24: Liquor Store

Julie Blair was not in attendance.

Council received the following:

- Revenue for Liquor Store for August
- Expenditure for Liquor Store for August
- Liquor Store sales for August
- Comparison of 2009, 2010 and 2011 sales

Revenue for August were:	\$71,344.08
Expenditures for August were:	\$60,144.26
Total Profit for August:	\$11,199.82

Project #73: First Responders

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

Project #74: Fire Department

Mark Pomerleau was not in attendance.

Project #76: Police

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

Project #416: Seal Coat

At the August council meeting, the Council approved the seal coat project with Caldwell Asphalt Company. The original bid was \$55,810.00 and we included the rest of the streets on the south side of Hwy 27. This increased the project by \$26,282.50. The total cost of the project was \$82,092.50.

Brian Hiles informed the Council that Caldwell Asphalt Company has finished the seal coating and the final application for payment was presented. With the engineering fees the project is about \$85,000.00.

Motion by Anderson, seconded by Olson, to approve to pay the application for payment to Caldwell Asphalt Company for \$82,092.50. All Ayes

Project #197: Water

Hiles updated the Council on the progress of the water treatment plant and water meter installation.

Council received change order #1 for the water plant. This change order is needed to change the location of the water line for the purpose of being able to isolate the water tower for maintenance. The cost of change order #1 is \$6,894.00. Total project cost is \$2,146,594.00.

Council also received the pay applications for Mueller Systems for the water meter installation in the amount of \$52,291.90 and for Northern Plains Contracting for the water treatment plant in the amount of \$122,185.02.

Hiles informed the Council of the following:

- The new well has been completed
- There are 23 residents that need to have the water meters installed.
- There are 14 businesses and residents that need to have larger meters installed.
- A letter of Final Notice was sent September 7, 2011. If those meters are not installed by September 14, 2011, their water will be shut off on September 15, 2011.
- Meters will be on hand for those that cannot be installed. The owner will be required to install a new meter when the water is turned on.
- Larger meters should be in by September 21, 2011. If not, the city will start the liquidated damages.

Motion by Emerson, seconded by Olson, to approve change order #1 for the amount of \$6,894.00 for the water treatment plant with Northern Plains Contracting. All Ayes

Motion by Anderson, seconded by Gulbranson, to approve the pay applications for Mueller Systems for \$52,291.90 and Northern Plains Contracting for \$122,185.02. All Ayes

Project #205: City Crew

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

Project #151: Street Repair and Planning

At the August meeting, the Council was asked to drive around and look at Main Street East, Central Avenue (downtown) and the end of Oak Street West.

Myron Barber and Don Pollard were in attendance. The Oak Street West sewer and water lines are bad. The sewer has been freezing in the winter.

This would need a feasibility study done to see what the cost would be for the project.

With the sewer plant limit reduction, the city may have to look at prioritizing projects to finish these projects that are in need to be done.

Anderson, Gulbranson, Kleinschmidt, and Jacobson will discuss the projects. Clerk Jacobson will set up a meeting with them.

Project #419: MN Pollution Control

Kleinschmidt, Anderson and Olson met with the MPCA on August 23, 2011 to discuss the lowering of the limits of the wastewater ponds.

Those present at the MN Pollution Control meeting were: Paul Scheirer – Holly's supervisor for permitting, Greg Van Eachout – TMDL Coordinator, Steve Weiss – Phosphorus Specialist, Marco Graziani – TMDL and Permit Coordinator, and Holly Christenson – Enforcement Officer.

Kleinschmidt informed the Council that discussion was held at the meeting regarding the limit and how the city is 6% of the problem with Clifford Lake and the city changing the limit will not have a significant impact on the water quality. They cannot do anything about the other 94%.

Council feels it is not cost effective to make 6% of the problem spend millions of dollars and not have an impact.

Clerk Jacobson contacted the City of Albany because they went through the same decrease that we are going through just a few years ago. They were given their renewal at .3 PPM. They had hired attorney Steve Nyhus to dispute the lower limit. They ended up getting the limit adjusted from 1 PPM to .6 PPM.

Kleinschmidt suggested the Council contact the attorney that Albany used to get his input.

Motion by Olson, seconded by Pederson, to approve setting up an appointment with Steve Nyhus for consultation on the PPM limit reduction. All Ayes

Project #397: Senior Club

Mike Kral was not in attendance.

In the past, the VFW has donated to the Senior Club to help fund their monthly program.

The Senior Club had received a letter from their accountant that stated they can no longer accept donations because they are not a 501C3 organization.

Clerk Jacobson talked to Orson Braun and he thought it would not be a problem if the city donated to the Senior Club. We cannot specify what the money will be used for. The Senior Club will have to decide what to use the money for. The city can donate money as they feel is needed.

The consensus of the Council is to donate money to the Senior Club if the VFW needs us to do so.

Project #202: Semi Trailer Parking

At the August Council meeting, the Council decided to leave the decision as no semi parking in the Industrial Park. Chub Hensley was going to contact other drivers to see if they can have a meeting to discuss the parking issue.

Gulbranson had contacted Central Allied and they were ok with working out an agreement for the drivers to park on the Central Allied property. Gulbranson has the phone number of who to contact at Central Allied.

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

Discussion was held regarding the enforcement of our ordinance for the lower level living.

Officer Chad Gulbranson talked to the property owners of the addresses in questions. Council received a report with the information Gulbranson received.

Clerk Jacobson had sent that information to the city attorney along with the city ordinance. Council received the attorney's letter of response.

The Council would like Clerk Jacobson to send a letter to all property owners that were contacted. The letter should explain the Council's decision that the property cannot be expanded for residential use and if the residential use goes away it cannot start up again.

The Council agrees with the attorney, that living can continue as long as the residential is not expanded. If the residential is removed, it cannot be put back and if the residential is discontinued for one year, it is no longer allowed.

Project #84 & 358: Budget & Setting of Proposed Tax Levy

Council received the 2011 revised expenditure and revenue worksheets.

Revenue:	\$969,722.89
Expenditures:	\$959,172.63
Difference:	\$10,650.26

Council also received the 2012 revised expenditure and revenue worksheets.

Revenue:	\$990,672.00
Expenditures:	\$990,624.00
Difference:	\$48.00

Consensus of the Council was to increase the general fund tax levy by 4% which is equal to \$15,629.00 for the 2012 levy year.

The tax levy sheet included the following:

General Fund:	\$406,345.00
Bond 2002:	\$45,000.00
Bond 2008:	\$56,500.00

Total Tax Levy for 2012 is \$507,845.00.

Motion by Emerson, seconded by Pederson, to approve the revised 2011 Budget and the 2012 Budget and to certify the tax levy of \$507,845.00 to the county for an increase of 3.1%. All Ayes

Project #192: Truth in Taxation

The Council set up a Truth in Taxation public hearing.

The initial meeting will be held at the regular meeting on December 5, 2011 at 7:00 p.m. and a continuation meeting on December 14, 2011 at 6:00 p.m.

Project #104: Mayor Appointments

Council received the Mayor Appointments for 2012.

If the Council wants to make changes talk to Mayor Emerson. This will be on the agenda for the October meeting.

Project #196: Fee Schedule

Council received the 2011 and proposed 2012 fee schedules.

Council also received the utility rate changes, as discussed the water rates would go up another \$2.00 in 2012.

Council will review and make comments at the October meeting.

Project #143: Cable TV

Council received a letter from Charter Communications

Project #146: Lodging Tax

Council received a letter from the attorney regarding the Lodging Tax fee.

We charge 5% for collection of the lodging tax. That is the maximum we are allowed to charge by state statute. We would have to negotiate an agreement with LORA to cover more costs.

Clerk Jacobson will send a letter to LORA, requesting to meet with the Council in October to explain what advertising is used, what the lodging tax money is spent on, and ask for money for the Visitor Center staffing costs.

Project #191: Skating Rink

Last year the Council discussed the skating rink with Osakis Public Schools with Superintendent Gregg Allen. John Peterka is the interim superintendent at this time.

Anderson will contact Peterka to discuss the skating rink.

Project #310: Black's Resort Blocking Lake Street

Black's Resort is requesting approval for the blocking of Lake Street East on the afternoon of September 30, 2011 and morning of October 1, 2011 for the removal of the docks.

Motion by Emerson, seconded by Olson, to approve blocking Lake Street East on the afternoon of September 30, 2011 and the morning of October 1, 2011. All Ayes

Project #393: 2 AM Closing

Council received the renewal application for the 2 AM License for the Osakis VFW Post #7902.

Motion by Emerson, seconded by Anderson, to approve the 2 AM License for the Osakis VFW Post #7902. All Ayes

Project #60: Ordinance Change

Gulbranson brought up the changing of the ordinances:

- 90.22 for warrants
- 90.40 and 92.22 for grass and weeds. The ordinance should read the same and not require Council approval.

The Council received a letter from attorney Mike Dolan and the city can make changes if that is what the Council wishes.

Motion by Emerson, seconded by Anderson, to make changes to the ordinance as recommended by Gulbranson. All Ayes

Motion by Anderson, seconded by Olson, to adjourn the meeting at 8:15 p.m. All Ayes

Mayor – Keith Emerson

City Clerk – Angela Jacobson