

**Osakis City Council
Regular Meeting
April 5, 2010
7:00 PM**

Present: Anderson, Pederson, Emerson, Olson

Absent: Gulbranson

Others Present: Angela Jacobson, Ron Kleinschmidt, Lyla Engfer, Greta Petrich, Traci Ryan, Mark Gilson, Mark Pomerleau, Pete Erickson, Brian Hiles

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

Pledge of Allegiance was spoken.

Motion by Pederson, seconded by Olson, to approve agenda as presented with the removal of Project #372: VFW. All Ayes Absent: Gulbranson

Motion by Pederson, seconded by Anderson, to approve general consent items, including March city bills in the amount of \$180,860.51, March 1, 2010 meeting minutes and March 24, 2010 public hearing. All Ayes Absent: Gulbranson

Project #24: Liquor Store

The deadline for application for the Liquor Store Manager position was March 31, 2010.

Council received copies of the applications for the position.

The Council will be reviewing the applications and set a date for the interviews.

Joe Ketelboeter will also review the applications and be present at the meeting.

Clerk Jacobson received an email from the Minnesota Beverage Association and they would also come and review the applications and be present for interviews. They will do this at no cost because the city is a member of the association.

Council would like to have the Minnesota Beverage Association present to review resumes and be present for the interviews.

The meeting has been set for Tuesday, April 13, 2010, at 9:00. Council will be reviewing the applications and resumes.

Council received a proposal to replace two furnaces in the Liquor Store building at a cost of \$6,200.00 for both.

Motion by Olson, seconded by Emerson, to approve to purchase two new furnaces for the Liquor Store. All Ayes Absent: Gulbranson

Project #73: First Responders

Pete Erickson was in attendance. Council received the March Run Report.

Erickson informed the Council that the First Responders will be losing three members. Two member will be off as of this time, and the other will be off at the end of the year.

The First Responders will be putting an ad in the paper for new members.

Project #74: Fire Department

Mark Pomerleau was in attendance.

Pomerleau informed the Council that the department received nine applications for new members.

The new firemen are Matt Kral and Kyle Kostrzewski.

The department had two grassfires and one minor house fire in the month of March.

Project #76: Police Department

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

Gilson informed the Council that Officer Calvin Uhl will be leaving for Afghanistan in July or August.

Also, a mock crash will be held in May for the school with the Police Department, Fire Department and First Responders. The mock crash will be held at the public school.

Discussion was held regarding semi parking in the Industrial Park. Gilson will monitor the parking to see there are no problems.

Gilson informed the Council that overtime not collected was included on the Police Report. Would like the Council to know overtime was not charged to the city.

Project #205: City Crew

Ron Kleinschmidt was in attendance. Council received the March Report.

Kleinschmidt informed the Council that insurance should cover all the expenses of the sewer backup last month.

A new dock for the public landing should be coming this fall. The city has had some complaints that there are no bumpers on the docks. The cost to the city to order new bumpers for the dock is \$300.00. Also, in 2011, the concrete ramps will be replaced.

Kleinschmidt asked about the city shop. The Council is ok with painting the building at this time.

The Community Center also needs to be painted and updated.

Project #197: Water

The City Council held a public hearing for the proposed water plant project on March 24, 2010. After the hearing, the Council tabled the decision on the water plant project to the April meeting.

A Resolution was presented by Anderson, seconded by Emerson, to approve the Revised Preliminary Engineering Report. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Project #370: Osakis Information Center & Heritage Board

At the March meeting, the Council discussed selling the Information Center Building. It was tabled until this meeting.

Lyla Engfer was in attendance to discuss the Information Center.

Engfer informed the Council that the Heritage Center has received donations to keep the building open. Krystal Nicholson from O.E.D.C would be in and open the building from 11:00 to 12:00, and someone would be hired to work for two hours a day with an additional one hour of volunteer time through the month of September. The hours will be from 11:00 a.m. to 3:00 p.m.

Engfer would like to know if the city could pay the hired individual because the Heritage Center cannot.

Clerk Jacobson will check into this, if a 501C-3 could pay the individual for the time they work.

Project #42: Clean Up Day

Clean Up Day has been set for Saturday, May 22, 2010, from 8:00 a.m. to 11:00 a.m.

The Council and the Osakis Lions will help out on this day.

Clerk Jacobson contacted the STS, and their group can come from 9:00 a.m. to 11:00 a.m.

Clerk Jacobson also has talked to Jeff Bertram and he suggested the city should change some of its pricing. Council received a sheet for the rates that the city has charged, and the suggested rates from Jeff Bertram.

Council changed the following:

- Cost for a small load is \$10.00
- Cost for a large load is \$20.00
- Some demolition items will be allowed
- \$3.00 for each auto tire

Clerk Jacobson received an ad from the Princeton Cleanup Day from Anderson.

Project #110/109: Gambling License/Liquor License

The Immaculate Conception Church and St. Agnes School are requesting a Gambling License and Liquor License for one day on July 11, 2010. Also, a Gambling License is requested for October 12, 2010.

A Resolution was presented by Anderson, seconded by Olson, to approve the Gambling and Liquor License for July 11, 2010, and a Gambling License for October 12, 2010. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Project #43: Board of Review

The Board of Review meeting is set for Tuesday, April 13, 2010. Todd County will be held at 9:00 a.m. and Douglas County will be held at 10:00 a.m.

Retraining for the board will be held this summer. Clerk Jacobson will notify the Council to get recertified when the notice comes out.

Project #46: Water Rates

Last year the Council offered a discount on sewer charges to those that water their lawns. The fee last year was \$21.00 from May thru September. This year the fee is \$24.00. Does the Council want to offer this discount again this year?

Motion by Emerson, seconded by Pederson, to approve the flat fee rate of \$24.00 for sewer for the months of May thru September. All Ayes Absent: Gulbranson

Project #80: Garbage Rates

Last month the Council approved to contract with West Central Sanitation for garbage services. The Council also approved to charge \$.50 for each bill we have to send out.

The new garbage rates will be effective for the May 1st billing:

35 gallon	\$13.70
64 gallon	\$15.30
96 gallon	\$16.50

Project #357: Tax Abatement

Traci Ryan was in attendance.

The last Council meeting, the Council held a Public Hearing for comments on the Tax Abatement for Lind Rite Precision.

The Council approved the Tax Abatement policy at that time, but being the tax saved is over \$24,999.00, Lind Rite is required to do a business subsidy and the city is required to report the job growth every year.

Ryan discussed this with Rod Femrite and feels if the total Tax Abatement is less than the \$24,999.00, the city will not have to create a business subsidy or report to the state.

Ryan explained that the amount should not exceed \$24,999.00, so no business subsidy is included because the amount is under \$25,000.00.

It is setup to refund up to \$6,000.00 for five years and create three new jobs.

A Resolution was presented by Pederson, seconded by Anderson, to approve to Amended 2010-05, authorizing a Tax Abatement on the property in Osakis for the purpose of assisting Lind Rite/RJ Rental LLC. When put to a vote the Resolution passed unanimously. Absent: Gulbranson

Motion by Pederson, seconded by Olson, to approve the Tax Abatement agreement with Lind Rite. All Ayes Absent: Gulbranson

Project #299: Bonds

A few weeks ago, Clerk Jacobson received an email stating that the bond interest rates are very low and the city has two bonds that could be refinanced and save the city money and extend the life of one bond.

The first bond is the Osakis Properties Bond of 2005. Because we paid off the 1st Addition to Osakis Properties Bond, all the TIF money is going into the Osakis Properties Bond. Clerk Jacobson figures in another four years the city can have this bond paid off, which is three years earlier. The city is now paying 3.5% interest and could get the interest rates dropped to .7% to .9%, which is a great savings to the city.

The second bond is the Hwy-Oak-Pike Bond of 2002. This bond, since the beginning, has not been funded like it should be and is falling behind every year. Clerk Jacobson calculated the city would need to raise the levy another \$35,000.00 just to keep up with the bond payments.

By refinancing, the city can extend the life of the bond from 2018 to add another four years. This would not cost the city anymore money because of the interest savings, but the city would be able to extend the term so we do not have to raise our levy or raise the User Fees to pay for the bond.

Clerk Jacobson feels the 2002 Bond is necessary to change. It will save the city from having to raise the levy a large amount just to cover this bond.

Traci Ryan was in attendance to explain how the process would work. Both bonds would be issued together so the city will save on bond issuance costs.

The city will have to start levying for the Industrial Park in 2011 unless the city can receive more funds for the bond payments from O.E.D.C.

Ryan stated the following:

The 2002A Bond was reviewed last fall for refinancing, but the interest did not make it feasible at that time. Now that the interest rates have dropped, the city would be looking at saving \$60,000.00 with the issuing expense and payments to extend the term. Currently, the city is levying \$45,000.00 and using utility payments of \$40,000.00. If the city does not refinance, the City will have to levy another \$40,000.00 to cash flow each year. So, by extending the term, it will reduce the savings to \$23,661.00, which includes the financing costs. This still looks to be a good savings for the city.

The 2005A Bond would need to be paid off in three to four years with an additional \$85,000.00. If the bond is refinanced and the term shortened, the city will save \$15,170.00 in interest for the next four years.

The total savings for these two bonds together is almost \$40,000.00.

The city will have to go through and purchase a credit rating, which takes a minimum of fifteen days, so the possibility is there that these low rates could slip out from under us before the city has everything finalized.

Olson asked about the refinance fees. The total is \$19,800.00.

The bonds will be put together to share the cost, but will have two payment schedules. One for the Osakis Properties and one for the Hwy-Oak-Pike project.

A Resolution was presented by Pederson, seconded by Anderson, to approve the trigger Resolution and lock in the rate and purchase the credit rating and include the 2005A Bond if the city receives a savings of \$12,500.00 and if not, only proceed with the 2002A Bond refinancing. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Project #297: Summer Recreation

Pederson attended the School Summer Recreation Program Meeting.

Pederson informed the Council that the school will be working with the Galeon to inquire about using their pool for the summer swimming lessons.

Pederson presented a catalog for the summer rec program to the Council.

The fees are to stay the same as previous years.

2009 Swimming paid	\$1,872.00
2009 Summer Rec paid	\$2,020.00
2010 Budget – Swimming	\$1,900.00
2010 Budget – Summer Rec	\$2,500.00

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

Neil Meierhofer from Black's RV Resort is requesting to close Lake Street the last weekend in April. The requested dates are April 23, 2010 and April 24, 2010, as long as the weather permits.

Clerk Jacobson informed the Council that the request is just for the RV Association, not the Cabin Association.

Motion by Emerson, seconded by Pederson, to approve to close Lake Street on April 23, 2010 and April 24, 2010, as long as the RV Association and Cabin Association can get their docks taken care of in one weekend. All Ayes Absent: Gulbranson

Project #433: Direct Deposit

At the March meeting, the Council discussed the Direct Deposit Program for payroll. The cost is \$849.66.

Clerk Jacobson had talked with the bank and they have to go through another company to have the direct deposit processed, it will cost the city \$25.00 per time to process these checks. This would be done twice a month for about eight employees for the first payroll cycle and twelve employees for the second payroll cycle.

Clerk Jacobson doesn't feel paying the \$25.00 per time is feasible, unless the bank is willing to do the direct deposits in house for the small amount of employees.

The Council decided it would not be worth it at this time.

Project #84: Budget/LGA

Council received a notice that Clerk Jacobson received from the League of MN Cities regarding the proposed additional cuts for 2010.

The proposed Governor cut is \$75,594.00 and the proposed House Bill cut for 2010 is \$31,771.00.

The Council was informed that the Governor signed the bill, so the additional unallotment for 2010 is \$31,771.00 for the City of Osakis.

Council wants Clerk Jacobson to look at the budget for the next meeting.

Other Information:

Snow removal from the sidewalks was discussed by the Council, but died due to lack of interest. Gulbranson can bring up this issue at the next Council meeting when he is present.

Motion by Anderson, seconded by Pederson, to adjourn the meeting at 8:36 p.m. All Ayes Absent: Gulbranson

Mayor – Keith Emerson

City Clerk – Angela A. Jacobson