

**Osakis City Council
Regular Meeting
May 3, 2010
7:00 PM**

Present: Anderson, Pederson, Emerson, Olson, Gulbranson
Absent: None

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 agenda as presented. All Ayes

Motion by Pederson, seconded by Anderson, to approve general consent items, including April city bills in the amount of \$137,845.26, and April 5, 2010, April 13, 2010, April 21, 2010, and April 28, 2010 meeting minutes. All Ayes

Project #24: Liquor Store

The Osakis City Council met on April 21, 2010, and April 28, 2010 to interview for the position of the Liquor Store Manager. The Council made an offer to Julie Blair for the position. Blair has accepted the offer and is planning to start on May 14, 2010. The offer is pending on a background check.

Two new furnaces have been installed in the Liquor Store building.

Project #73: First Responders

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

Erickson informed the Council that John Waserbowwer is a new member of the First Responders.

On May 14, 2010, there will be a mock car accident.

The First Responders are checking into grants.

Project #74: Fire Department

Chief Mark Pomerleau was not in attendance.

The FEMA Grant was approved for the Fire Department.

Project #76: Police Department

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

Council received a Resolution to allow part-time officer Peter Bauer to be enrolled in the Police PERA.

The Police Department will also be involved in the mock crash on May 14, 2010.

An article will be in the paper regarding the police in Osakis.

Public service on a lighted billboard in Alexandria of the Osakis Police and other public service departments.

A Resolution was presented by Emerson, seconded by Pederson, to approve to allow part-time police officer Peter Bauer to be enrolled in the Police PERA retirement program. When put to a vote, the Resolution passed unanimously.

Project #434: Semi Trucks on Street

Gary Larson is requesting to have no semi-truck travel on 2nd Avenue East. The trucks are using 2nd Avenue East to get to the Industrial Park.

These are semi-trucks that are carrying steel and should be using Hwy 127 to 3rd Avenue East to get to the Industrial Park.

Chief Gilson will stop and talk to Rod Femrite and Mike Foster about the trucks that are hauling to their businesses.

Project #205: City Crew

Ron Kleinschmidt was in attendance. Council received the April Public Works Report.

Council member Anderson asked Kleinschmidt about spraying for dandelions on the Mike Roach property on Lake Street.

Kleinschmidt informed the Council that Lavens Lakeview Drive has been graded and Kurt Haakinson is working on getting the crown back on the road. It will take a few times for this to be completed, so the road will not be in good condition until this is done.

Project #197: Water

Brian Hiles from Landteam was in attendance.

The Council received the Engineering Agreement via email, due to it being 46 pages long.

Hiles explained the following:

\$170,000 contingencies put into the project which adds to the cost of the project so the city can look at costs to figure both a stick built building and a cement building.

July: Design work will be done. City will tour other water treatment facilities in other communities. Anderson will represent the Council on the tours.

Fall: The city will submit to Rural Development and the Department of Health.

Dec: Bids will go out.

Spring 2011: Construction will begin.

Water meters can be done over the winter months.

In the fall of 2011, the plant should be up and running.

Motion by Pederson, seconded by Anderson, to approve the Engineering Agreement between Landteam and the City of Osakis as a joint contract. All Ayes

Project #299: Bonds

Last week, Clerk Jacobson, had a phone interview with Standard and Poor's. Clerk Jacobson received word that the city is rated at an A+ for bonds. This is the best rating that a city can receive.

Traci Ryan was in attendance. On Wednesday, April 28, 2010, the city sold our bonds. Ryan informed the Council on the new rates for the bonds.

3.1% is the overall interest on the bond. A total savings of \$28,822.00 is from the 2002 Bond for \$15,739.00 and the 2005 Bond for \$13,083.00.

A Resolution was presented by Pederson, seconded by Gulbranson, to approve to accept the proposal of \$1,395,000.00 GO Bond 2010A providing for their issuance, pledging, special assessment for the security thereof and levying a tax for the payment thereof. When put to a vote, for: Olson, Gulbranson, Emerson, Pederson Abstain: Anderson

Project #42: Clean Up Day

Clean Up Day will be held on May 22, 2010 from 8:00 a.m. to 11:00 a.m.

Sentence to serve will be available to help at 9:00 a.m.

The Osakis Lions will also be helping.

Project #50: Transfer

Council received transfers to approve for the 2010 budget. The transfers will be from savings to checking according to the 2010 budget for capital outlay for the \$107,000 amount.

Transfers from other funds:

From the Liquor Store Fund to the General Fund \$74,425.00

From the West Evergreen Cemetery to the General Fund \$5,500.00

From the Marthaler TIF 320 Fund to the General Fund for Administration Fees \$500.00

From the Sandy Shores TIF 450 Fund to the General Fund for Administration Fees \$2,000.00

From the Industrial Park 530 Fund to the 503 Bond Fund \$10,000.00

From the 100 Fund to the 800 Fund \$1,000.00

Total transfers from other funds - \$93,425.00

Motion by Olson, seconded by Gulbranson, to approve the 2010 Budget Transfers as presented above. All Ayes

Project #84: Budget (un-allotment)

Council received a revised Revenue Budget for 2010. As the Council discussed at the last Council meeting, the city has been cut an additional \$31,771.00. This amount will be taken out of our Market Value Credit, which the city receives in October and December instead of the cities LGA.

At the last Council meeting, Clerk Jacobson indicated that the city had not balanced the 2010 budget because of the possibility of additional cuts. There was an additional \$19,891.22 figured into the budget.

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|--------------------------|----------------|
| Current Revenue is | \$1,026,921.00 |
| Un-allotment (MVC) | -31,771.00 |
| Revenue Balance | \$995,150.00 |
| Expenditures | \$1,007,029.78 |
| Amount needed to Balance | \$11,879.78 |

Clerk Jacobson added an additional \$12,000.00 to the Revenues due to the carryover from the 2009 year of \$124,115.00 to balance the budget.

When talking to the League of MN Cities, this may not be the last of the cuts we receive for 2010. There may be cuts late in the year, so the Council is asked to keep thinking of ways to balance the budget for 2010 and 2011.

Motion by Emerson, seconded by Anderson, to approve \$12,000.00 from Revenue carryover to balance the 2010 Budget. All Ayes

Project #122: Cemetery

In 2008, the Council approved to take over the Cemetery Trust CD's and adopted the funds under the city.

The Council will need to approve what they want the funds to be used for. Clerk Jacobson suggests that the Council approve the funds to be used for the maintenance and upkeep of the cemeteries owned by the city.

A Resolution was presented by Olson, seconded by Anderson, to approve to use the cemetery trust funds to be used for the maintenance and upkeep of the city owned cemeteries. When put to a vote, the Resolutions passed unanimously.

Project #249: Planning & Zoning

Council received the Planning & Zoning meeting minutes from April 15, 2010.

The Osakis Channel Co-op is requesting final approval of the Final Plat.

Motion by Emerson, seconded by Gulbranson, to approve the Final Plat of the Osakis Channel Co-op. All Ayes

Project #343: Fireworks

The city currently has a balance of \$5,900.00 for the fireworks. The city has enough funds for the fireworks for 2010.

Olson stated that next year the VFW will again have a promotion to raise money for the fireworks fund.

Project #372: VFW – sewer

The Osakis VFW is in need of replacing their septic system and is requesting to be hooked up to the city sewer.

Kleinschmidt informed the Council that a preliminary cost of the project is \$350,000.00. A feasibility study will need to be done at a cost of \$3,000.00. This study will see how the costs for the project will come in at.

Motion by Anderson, seconded by Pederson, to approve the feasibility study for \$3,000.00. All Ayes
Absent: Gulbranson

Project #280: USDA (Rural Development)

Mayor Emerson, Clerk Jacobson, Brian Hiles (Engineer), and Tom Klecker (City Attorney) met with Jeff Scholten from Rural Development to review the letter of conditions for the city on Friday, April 30, 2010.

The following items need to be approved by the Council:

1. Resolution accepting the loan from Rural Development for \$1,275,000 with a max grant of \$975,000. The loan is for 39 years at 3.25%.
2. Sign a letter of intent to meet conditions. This means the city has read the letter of conditions and that the city agrees to follow all the items listed.
3. Letter to proceed with design. This is the official letter that Clerk Jacobson will send to Rural Development stating that the city is authorizing Landteam to proceed with the design stage.

An email from Jeff Scholten was received. Our loan and grant is funded with 2010 RD money. No stimulus package money, so that means no Davis-Bacon rates and no Buy American is needed.

A Resolution was presented by Anderson, seconded by Pederson, to approve accepting the loan from Rural Development for \$1,275,000.00 for 39 years at 3.25% and a grant for \$975,000.00. When put to a vote, the Resolution passed unanimously. Absent: Gulbranson

Motion by Anderson, seconded by Pederson, to approve to sign the letter of intent to meet conditions, and the letter to Rural Development to have Landteam proceed with design. All Ayes Absent: Gulbranson

Motion by Anderson, seconded by Olson, to adjourn the meeting at 8:26 p.m. All Ayes

Mayor – Keith Emerson

City Clerk – Angela A. Jacobson