

Osakis City Council – Regular Meeting
January 6, 2014
7:00 PM

Present: Randy Anderson, Jerry Olson, Bruce Pederson, Kyle Kostrzewski, Kip Emerson

Absent: None

Others Present: Angela Jacobson, Kurt Haakinson, Julie Blair, Craig Dropik, Chad Gulbranson, Jon Backes, Jim Snyder, Tom Klemenhagen, Adam Hjelm, Gary Barber, Carol Mihalchick, George Bender, Sam Larson

Meeting called to order by Mayor Kip Emerson at 7:00 p.m.

Pledge of Allegiance was spoken.

Motion by Anderson, seconded by Kostrzewski, to approve the agenda as presented. All Ayes

Motion by Pederson, seconded by Kostrzewski, to approve the general consent items, including the December city bills in the amount of \$182,051.11, and December 2, 2013 meeting minutes. All Ayes

Project #94: Gas Bids

At the December meeting, the council did not receive Gas Bids for 2014. Clerk Jacobson sent out a second letter to all the gas stations in town. Council received the forms and ad that was sent to each gas station.

One bid was received from Deluxe Oil for the 2014 Gas Bid. Bid was for \$.15 profit on both gas and diesel.

Motion by Olson, seconded by Anderson, to approve to accept the 2014 Gas Bid from Deluxe Oil as presented. All Ayes

Project #24: Liquor Store

Julie Blair was in attendance.

The council received the monthly reports for December 2013.

- Off Sale total: -\$6,460.90
- On Sale total: \$1,541.52
- Total loss for December: -\$4,919.38

The council received the 2013 Totals.

- Total Expenditures for 2013: \$727,027.94
- Total Revenues for 2013: \$771,718.17
- Total Profit for 2013: \$44,690.23

Blair informed the council that the training for the new Restaurant Manager program will be in two weeks.

Blair informed the council that she would like to attend the Municipal Boot Camp and would like to have a council member attend.

Motion by Pederson, seconded by Kostrzewski, to approve Julie Blair and one council member to attend the 2014 Municipal Boot Camp. All Ayes

Project #73: First Responders

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

Dropik informed the council that the First Responders had 12 calls in December. A total of 154 calls for the year.

Cathy Johnson is resigning from the First Responders.

The 2014 First Responder officers are as follows:

President/Vice President:	Craig Dropik
Secretary/Treasurer:	Jason Moundson
Training Officer:	Jason Schultz

Motion by Emerson, seconded by Anderson, to approve the 2014 First Responders officers as presented. All Ayes

Project #74: Fire Department

Jon Backes was in attendance. The department responded to 6 calls in December. The department is down 8 calls from the total of 2012.

The 2014 Fire Department officers are as follows:

Chief:	Jon Backes
1st Assistant Chief:	Chad Mathews
2nd Assistant Chief:	Mark Pomerleau
Training Officer:	Kyle Kostrzewski
Treasurer:	Dirk Hagedon
Secretary:	Craig Schultz

Backes informed the council that the department will be looking at new truck options.

Motion by Anderson, seconded by Olson, to approve the 2014 Fire Department officers as presented. All Ayes

Project #205: City Crew

Kurt Haakinson was in attendance. Council received the public works report.

Discussion was held on the purchase of Brian Helberg's buildings and lots. Helberg is asking \$80,000.00 and is looking for a commitment from the city on a purchase.

Council discussed this matter. Consensus is the majority of the council feels the city should not purchase the property at this time.

Project #76: Police

Chief Gulbranson was in attendance. Council received the police report for December.

Council also received Resolutions to allow Daryl Giese to enroll in the Police PERA and to allow the City of Osakis to be included in the Douglas County Hazard Mitigation Plan.

Resolution #2014-04 was presented by Emerson, seconded by Kostrzewski, to approve Daryl Gises to be enrolled in the Police PERA. When put to a vote, the Resolution passed unanimously.

Resolution #2014-01 was presented by Emerson, seconded by Anderson, to approve the City of Osakis to be included in the Douglas County Hazard Mitigation Plan. When put to a vote, the Resolution passed unanimously.

Project #360: Employee

Chief Gulbranson has been out of work since Thanksgiving due to an accident to his hand. Gulbranson is out of sick and vacation time as of the end of December. Gulbranson will need to ask for a leave of absence as our city contract states that if an employee cannot work due to an illness, they must ask for a leave of absence. It also states that if an employee does not have vacation/sick time to use, their insurance should be cancelled at the end of the month in which the vacation/sick time ends.

Gulbranson was in attendance. Gulbranson informed the council that he will be having surgery on his hand this Wednesday. He will need eight weeks for recovery and plans to be back the beginning of March.

Consensus of the council is to follow the contract and to have the February insurance payment be paid by the employee.

Gulbranson's next step for a raise is April 2014. The council agreed to leave Chief Gulbranson's next raise on his anniversary date of hire in April 2014.

Project #454: 2014 Projects

Tom Klemenhagen was in attendance to discuss proposed projects for 2014.

- **Water Plant Demo**

The water plant demo project has been reviewed. Council received Resolution 2014-03 to present to call for bids.

The demo cost will be between \$50,000.00 to \$75,000.00. The tower demo will be \$16,000.00 with the electric relocation at \$15,000.00.

Other costs that are not known at this time:

- Arvig will have to move their telecommunication lines.
- Plumbing costs for city hall. The line under the city hall building would need to be removed.
- Construction costs to install an exterior door and make changes to repair what will need to closed up.

Those items above can be completed before the building is demolished.

Total cost for project is estimated to be from \$120,000 to \$130,000.

- **Pike Street Feasibility**

The Feasibility Study for the Pike Street Project was approved this last summer. Klemenhagen discussed this project with the council. Council received Resolution 2014-02 to call for a public hearing.

Discussion of the cost of this project was held. Total cost for this project is \$86,148.73. Olson stated that the water and sewer lines extend farther then it shows. Olson will look at his trailer park plans for the water and sewer lines.

Discussion was held on the need for the easement for the water line. Klemenhagen will look to revise the feasibility.

The Pike Street project was tabled.

- **Bus Garage Project**

Klemenhagen discussed with the council a proposed project for the streets around the existing bus barns. Queen Street is a public road and the other streets are owned by the Osakis Public School.

Discussion was held as to who would pay for this project and Olson stated that the school will have to pay for their cost.

Resolution 2014-03 was presented by Emerson, seconded by Pederson, to approve to call for bids on the demo of the old water treatment plant. When put to a vote, the Resolution was passed by Emerson, Pederson, Kostrzewski, Anderson No vote: Olson

A Resolution was presented by Kostrzewski, seconded by Anderson, to approve to proceed with a feasibility study on the Bus Garage Street Project. When put to a vote, the Resolution was passed unanimously.

Motion by Kostrzewski, seconded by Emerson, to approve the feasibility cost #2140 for \$3,500.00 and #2141 for \$7,500.00 and pay to Landteam. All Ayes

Project #446: Boat Landing

At the December meeting, the council approved to allow Pete Jennings to proceed with the first phase of the Boat Landing Project.

Council received a letter from the DNR dated January 2, 2014. The letter informs the city, that a DNR Public Waters Work Permit is needed and due to the coverage of the mooring facility, it will trigger a mandatory EAW (Environmental Assessment Worksheet).

The council agrees that Jennings will need to look into the DNR requirements before final approval and signing off on an agreement.

This project is tabled until the February meeting.

Project #451: Land Purchase

The council has received the following amounts regarding the Whipp's property:

- Lee Backhaus appraisal: \$80,000.00
- Removal of building: \$2,500.00
- Tree removal: \$1,000.00

Snyder stated that if the council wants the realtor can come to the city council meeting if they are interested. Tax value of the property is \$93,000.00 for 2014.

Project #102: EDA – Jim Snyder

Council received the December 23, 2013 EDA minutes.

Jim Snyder was in attendance as a representative of the EDA. Snyder discussed the proposed public restroom and the Western Grebe Proclamation.

Snyder would like to have a large portable bathroom to be located on the trail head parking lot next to the electrical outlet.

Carol Mihalchick stated that she did not like the location and didn't like seeing the porta potty by the clock. Mihalchick thought that behind the Visitor Center would be a better location.

Motion by Emerson, seconded by Pederson, to approve a portable bathroom to be located in the downtown area with the location determined later with input. All Ayes

Snyder discussed the Western Grebe Proclamation. Lake Osakis is declared to be an official summer home in Minnesota for the Western Grebe. Discussion was held on the proclamation phrase.

Motion by Kostrzewski, seconded by Pederson, to approve Mayor Emerson to make the proclamation "Lake Osakis is declared to be an official summer home of the Western Grebe in Minnesota." All Ayes

Project #283: Snow Removal

George Bender was in attendance to discuss with the council the snow removal off his sidewalk and the plowing of snow onto his sidewalk.

Bender said that the snow that is on the street is plowed onto the sidewalk and he is required to keep the sidewalk cleaned. Bender feels the city should pay 80% of the cost because 80% of the snow on his sidewalk is from the street.

Bender feels that if he clears a path 12' in from the street that this would be good enough and he should not have to clear the sidewalk after the snow from the street is plowed up on the sidewalk. Bender feels it would not fill in the path.

Haakinson has been plowing snow the same way it has always been done.

Mihalchick said that the sidewalk on 2nd Avenue should not have to be cleaned. No one uses the sidewalk and it is a waste of money to clean it.

The discussion of snow removal is tabled until the February meeting. The Ordinance will remain as is and will be enforced.

Project #249: Planning & Zoning

Council received the December 19, 2013 Planning & Zoning meeting minutes.

At the last meeting, the council tabled a preliminary plat from Paul Hartmann. The plat did not have all the required information at that time.

At the December Planning & Zoning meeting, Paul Hartmann met with the Planning & Zoning members, Kurt Haakinson and Tom Klemenhausen to discuss the development. Hartmann is going to revise his plat and will be submitting to the Planning & Zoning again.

Motion by Anderson, seconded by Olson, to deny the Paul Hartmann preliminary plat as presented at the December 2, 2013 city council meeting. All Ayes

Project #104: Mayor Appointments

Council received the Mayor Appointments for 2014. No changes have been made.

Motion by Pederson, seconded by Kostrzewski, to approve the Mayor Appointments for 2014. All Ayes

Project #196: Fee Schedule

Council received the Fee Schedule for 2014. No changes have been made.

Discussion was held as to if the council want to make any changes to the water and sewer fees for 2014.

Motion by Kostrzewski, seconded by Olson, to approve the Fee Schedule for 2014 as presented. All Ayes

Project #79: Audit

Council received the contract with KDV. Total cost for the 2013 Audit will be \$15,550.00.

Cost from previous years has been as follows:

- 2012 \$15,150.00
- 2011 \$14,800.00
- 2010 \$14,370.00

Motion by Emerson, seconded by Anderson, to approve the KDV contract for the 2013 Audit for \$15,550.00. All Ayes

Project #423: Tax Exemption

Council received a letter from the MN Dept of Revenue. The state has passed the 2014 Budget and has made city and county purchases tax exempt.

Project #56: Insurance

Council received a letter that Clerk Jacobson had wrote to the League of MN Cities regarding the compliance visit.

Project #109: Liquor License

Below is list of businesses that have completed their reissue forms for their 2014 licenses and provided copies of insurance and payments to the city.

- On Sale Intoxicating Liquor – VFW, O'Town Tavern, Osakis Liquor Store
- Off Sale Intoxicating Liquor – Osakis Liquor Store
- Off Sale 3.2 Beer – Lakeview Lanes
- Club License – VFW
- Bottle Club – Osakis Country Club, Lakeview Lanes
- 2 AM License – Osakis Liquor Store, VFW

Motion by Emerson, seconded by Pederson, to approve all 2014 Licenses as presented above. All Ayes

Project #233: Sauk River Watershed District

At the December meeting, the council received notice that the SRWD would be assessing the city for the JD2 clean out. The total assessment for the City of Osakis is \$23,678.79.

The total that was spent on the clean out was \$40,801.00. The remaining balance of \$21,122.21 was assessed to the Lake Osakis shoreline owners.

At that meeting, the council voted to have the assessments assessed to each parcel equally as we did when the JD2 was created in 2002. Clerk Jacobson contacted the county auditor/treasurer to complete the assessment process, and they stated they would not assess each parcel equally because it is not fair. They stated they have had other townships get into lawsuits because the assessment was put on equally to each parcel and not by value. The county auditor/treasurer asked why the city doesn't just levy for the amount. This could have been done, but there was not enough notice from the SRWD.

Clerk Jacobson had contacted our city attorney about this issue. The city attorney referenced as to why the city is being assessed such a large amount for the clean out. Clerk Jacobson received a determination of value sheet from the SRWD. The sheet shows that the city residents are assessed more than the rest of the lake properties. The council has been asked if they want to assume the assessment or does the city ask for re-evaluation and an explanation. The city has the right to know when charges are going to be made and when the JD2 is scheduled to be cleaned out.

Adam Hjelm was in attendance. Hjelm stated that he works for SRWD and the benefit was done based on the evaluation at that time. The assessments can be re-evaluated. Hjelm also stated that the ponds are maintained every 3 to 4 years.

Council feels that the assessments must be held until the city can have the SRWD re-evaluated our benefit and the city is given proper notice for being assessed for this project. Clerk Jacobson will have the city attorney check into this matter.

Project #110: Gambling License

Council received a Resolution for the Ducks Unlimited One Day Gambling License.

Resolution #2014-05 was presented by Olson, seconded by Emerson, to approve a gambling license for Ducks Unlimited for March 28, 2014. When put to a vote, the Resolution passed unanimously.

Motion Anderson, seconded by Olson, to adjourn the meeting at 9:05 p.m. All Ayes

Mayor – Keith E. Emerson

City Clerk – Angela A. Jacobson