

**Osakis City Council
Special Meeting
August 19, 2014
3:00 PM**

Present: Emerson, Olson, Anderson, Kostrzewski, Pederson

Absent: None

Others Present: Angela Jacobson, Jon Backes, Lynnette Swenstad, Kurt Haakinson

Mayor Emerson called the meeting to order at 3:00pm

Project #84 Budget

Council received the following:

Revenue Budget for all funds for 2015

Expenditure Budget for all funds for 2015

Cash Balance Sheet

Savings Allocation for all funds

General fund savings

The general fund Revenue for 2015 is \$1,022,695

The general fund Expenditure for 2015 is \$1,121,658.50

Difference -\$ 98,963.50

This deficient has budgeted in the following items.

New full time person with benefits increase of \$43,000

Street capital outlay increase of \$60,000 to cover a 15 year road plan instead of 20 year

Police capital outlay increase of \$5,000 to cover the cost of a new 3rd squad car/lease. Union negotiations will take place this fall the budget shows a 3% increase and insurance increase of \$10 per month each person.

Chad spoke on his project increase for a new squad and new laptops he needs to purchase.

Kurt presented the council with a quote to repair some streets in town with Bargain, this amount is over the \$2,500 to received council approve but within the street repair and maintenance budget for 2014. Kurt asked if he needed to receive permission in the future if it is within his budget and over the \$2,500 for street maintenance. Council agreed to allow him to take care of the items with in his budget without council approval.

Street capital outlay budget above shows starting a 15 year street repair plan next year and would be willing to increase a little over 5 years to get to the 15 year plan. Would like to increase it 12,000 for 2015 instead of \$60,000. Because of Sandy Shores TIF and Marthaler TIF being decertified we can increase the tax levy 10,500 with no increase in taxes to the property owners.

\$5,000 levy increase or 1%

\$2,500 can be cut with adding a third guy we don't have to pay anyone to mow the trail.

\$23,000 transfer from the Liquor Store fund.

This will balance the general fund budget.

The following items were discussed by the council:

- JD2 clean out. At the end of 2013 the council received a letter from the Sauk River Watershed district that stated we had an assessment of \$23,679 to pay for clean out. The city declared not enough notice to put the assessment on taxes. So the council must decide to either put it on each property tax as a special assessment or to increase our levy for one year to pay for it. The last JD2 assessment will be paid up by the end of the year and calculating what we have left to pay a fund balance after that of \$10,000. So this could be used to decrease the levy amount or assessment amount.

Motion by Kostrzewski seconded by Pederson to put the SRWD special assessment on the taxes for 2015 for the amount of \$23,679, the assessment will be divided by property value as per the sheet the city received from the SRWD. All Ayes

- 2014 Project- Total cost for the project is \$206,998. City share is \$58,589. Amount assessable is \$148,409. How does the council want to pay for this, bond for this project or use reserve money from other funds to pay for the project and as funds are paid back replenish those reserve monies?

Angela to check with David Drowns on the cost of issue the debt for the project for the September council meeting.

- TIF district Osakis Townhomes and Sandy Shore will be decertified in 2014 so we can increase our levy by \$10,500 with no change in taxes.
- Council approval to cover cost for Wastewater plant cost from the 601 fund to 640.

Motion by Emerson seconded by Kostrzewski to approve to transfer funds needed to cover the cost of the waste water plant project from fund 601 (sewer) to 640 (Waste water project) as needed each year, all ayes.

- Annexation of the Osakis Creamery project will not show on taxes until 2016 and 50% will go to Osakis Twp.
- Review Water fund Revenue \$363,830 Expense \$372,489
- Review Sewer fund Revenue \$253,150 Expense \$142,980

Angela and Kurt will look into revising our billing system to charge by EDU per property instead of by connection and present information to the council.

- Review Liquor Fund total on/off Revenue \$762,500 Expense \$703,995

Project Fire Relief #74 - Jon Backes will be in attendance. Council received meeting minutes from the July 2008 meeting that explains an increase in the contribution to the pension fund from \$800 a member to \$1,000 a member to get the pension fund to 100%. After 2008 the markets went down and the city has been putting in extra funds because our required contribution went up, so this would be the first year that we would have an amount under the \$20,000 to contribute.

The cities required contribution for 2015 is \$2,496 making a difference between the liability and asset at \$8,321. For a total amount of \$10,817 in cash projected to 100%. Council consensus was to leave it the same as it has been.

Project #316 – Hartmann’s Property –

Council received a copy of the hookup fees that were paid through today for the WAC and SAC fees. Paul was at the council meeting asking for a break on the fees for his PUD development of 10 units. He currently has not paid the fees for the cost of our consultant and Landteam of \$2,459.13, and he received a discounted assessment on his property when the street was redone.

Angela checked the WAC and SAC fees at other cities in our area and all were very close to our fees. Some did indicate they did a break on the fees to spear growth and help those that already have an assessment from construction.

After discussion the council decided to have Angela draft up a letter to be sent to Paul that includes, the fees to be paid of \$2,459.13, one hookup fee cost, must have individual services to each property for water and sewer and also must have a shut off for each unit, taxes paid, all fees paid before hookup and must go through P & Z for approval. Council will approve the letter at the September meeting.

Motion by Anderson seconded by Olson to adjourn at 5:00pm. All ayes

City Clerk/Treasurer – Angela A. Jacobson

Mayor – Keith E. Emerson