

Osakis City Council – Regular Meeting
July 6, 2015
7:00 PM

Present: Randy Anderson, Kip Emerson, Jerry Olson, Jim Snyder, Kyle Kostrzewski

Absent: None

Others Present: Angela Jacobson, Kurt Haakinson, Julie Didier, Jon Backes, Brian Schablin, Chad Gulbranson, Sam Larson, Sheila Krohse, Roberta Olson, Nicole Fernholz, James Gmyrek, Dorothy Gmyrek, Linda Machovec, Theresa Quinn, Tim Quinn, Carol Saar, Robert Saar, Adrian Panther, Pam Panther

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

Pledge of Allegiance was spoken.

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

Motion by Kostrzewski, seconded by Anderson, to approve the general consent items, including the June city bills in the amount of \$492,516.44 including cash balance, savings, expenditure budget, revenue budget, meeting minutes from June 1st, 2015 and June 30th, 2015 and overtime report. All Ayes

Project #408: Vacating Streets and Alleys

The purpose of the hearing is to hear public comments on the vacation of a portion of 1st Avenue East with a 20 foot easement.

Randy Anderson steps down from council for this discussion.

Motion by Kostrzewski, seconded by Olson, to suspend the regular meeting and open the public hearing at 7:02 p.m. All Ayes Abstain: Anderson

Linda Machovec (106 King Street West) asked the council how can you vacate property for some and not for others?

Clerk Jacobson stated that there is no favoritism. This is the first request for vacating property that the city has had.

No other comments were made.

Motion by Kostrzewski, seconded by Olson, to close the public hearing and reopen the regular meeting at 7:09 p.m. All Ayes Abstain: Anderson

A resolution was presented by Kostrzewski, seconded by Snyder, to approve Resolution 2015-13 to vacate a portion of 1st Avenue East (First Street) as outlined by the legal description and survey. When put to a vote, the resolution passed unanimously. Abstain: Anderson

Project #24: Liquor Store

Julie Blair was in attendance. Council received the Liquor Store reports for June.

Off-Sale balances:

- Revenue \$53,320.73
- Expenditures -\$51,875.00
- Total Profit \$1,445.73

On-Sale balances:

- Revenue \$23,607.08
- Expenditures -\$19,360.04
- Total Profit \$4,247.04

Council will review the energy efficient report for the Liquor Store at the August council meeting.

Motion by Emerson, seconded by Snyder, to approve a \$1.00 per hour raise from \$10.00 to \$11.00 for those that have worked for one year. All Ayes

Project #73: First Responders

Brian Schablin was in attendance. Council received the June run report.

The council reviewed the Leave of Absent requests from Brandon Anderson and Jason Leonard.

Schablin informed the council that the First Responders have four vacant spots for day time calls. They are looking for more volunteers.

The profit from the 2015 street dance fundraiser was \$409.50.

Project #74: Fire Department

Jon Backes was in attendance. Council received the June report.

Backes informed the council of the following:

- Eric Zwilling is the newest member of the department.
- Fireworks went very well.
- Two different types of tools were tested. The department likes the battery operated type for a cost of \$23,743.00.

Motion by Snyder, seconded by Anderson, to approve the purchase for the tools for \$23,743.00. All Ayes

Project #76: Police

Chad Gulbranson was in attendance. Council received the June police report.

Gulbranson informed the council that there were no issues at the street dance and the parade went very well.

Project #205: City Crew

Kurt Haakinson was in attendance. Council received the June public works report and informed the council of the following:

- Beach has been cleaned and looks great. On July 3rd, there were 83 people at the beach according to the lifeguards.

- City crew finished painting the lines & curbs for the streets. Had a few complaints about the time it was done.

Project #261: Water Problems

Council reviewed a bill from Didier Excavating for repairs to the line to Paul Hartmann's property on 8th Avenue East.

Haakinson will talk to Tom Klemenhagen about the service line and if it was replaced in the 8th Avenue East Project.

Project #460: 2016 Downtown Project

The first public hearing was held for the Downtown Project on June 30th, 2015. Sixteen property owners were in attendance. The council heard comments and passed the resolution to proceed with the plans and specs for the project.

Emma Jean Zweig from Douglas County HRA and Clerk Jacobson hung door hangers in the residential area on June 17th. An ad was put in the paper informing what the flyers were for. Zweig only had twelve responses and is hoping for more. Zweig will be contacting the businesses that responded last year.

Jon Backes was at the June EDA meeting asking about downtown parking. Backes received an estimate from Riley Brothers for his parking lot for \$20,000.00. This would create about 18 parking spaces. Backes also received an estimate of \$24,000.00 for the parking lot by Tip Top. Each property owner is willing to pay \$5,000.00 to \$7,000.00 towards the cost of the paving. EDA would like to have the council review if the parking areas are needed and how to pay for it.

Haakinson would like to see Lil Ortendahl's lot for city parking on Central Avenue and Main Street. The lot is valued at \$17,000.00. Haakinson will talk to Lil Ortendahl about the city purchasing the lot.

Haakinson will work with Kostrzewski, Backes, Ortendahl, and Clerk Jacobson to double check on the cost of the parking lots. Also, if the EDA will be contributing to the cost.

Clerk Jacobson suggested that if some of the cost is paid for by the city, an agreement should be set up. This should include a not to exceed amount, parking area to remain public for so many years and a maintenance agreement.

A resolution was presented by Snyder, seconded by Emerson, to approve Resolution 2015-20 to adopt and call for a meeting for PFA, phasing and a public meeting set for July 28th, 2015 at 7:00 p.m. When put to a vote, the resolution passed unanimously.

Project #444: Waste Water Project

Haakinson, Clerk Jacobson, Steve Nyhus, John Hall and Kris Swanson will meet with the MPCA on August 5th, 2015 at 1:00 p.m. to discuss the waste water issue.

Mayor Emerson and council members Kostrzewski and Snyder agreed to attend this meeting.

Project #167: Tax Increment Northstar Bottled Water

Northstar Bottled Water has met with the EDA and discussed purchasing a lot in the Industrial Park to move his business to Osakis.

Nichol Fernholz from the Alexandria EDA was present to discuss Tax Increment Financing (TIF) for this property.

Council received the following:

- Business Subsidy Application
- Proposal to EDA from Northstar Bottled Water
- Estimate for Tax Increment Financing

Council reviewed the information presented and discussed if they feel this is a viable business to be offered TIF.

Council received an engagement letter from David Drown to be our consultant on this proposed TIF project.

Motion by Anderson, seconded by Kostrzewski, to approve to use David Drown's for TIF transactions.

A resolution was presented by Emerson, seconded by Anderson, to approve to call for a public hearing for TIF #1-8 for Northstar Bottled Water to be held on Tuesday, September 8th, 2015. When put to a vote, the resolution passed unanimously.

Project # 388/461: On-Sale Liquor License/Panther Distillery

At the June meeting, the council approved to pass an ordinance to allow a micro distillery to sell a .375 milliliter bottle.

Now that the ordinance has been passed, Adrian Panther of Panther Distillery has submitted an application for a license to sell the .375 milliliter bottle.

The following have been completed:

- License forms.
- Criminal background check.
- Financial background check.
- Micro distillery license fee of \$250.00 paid
- Investigation fee of \$500.00 paid.

Council received a letter from Chief Gulbranson regarding the background and financial checks.

Emerson explained that approving this license would allow Panther Distillery to sell a small .375 milliliter bottle of liquor as a souvenir.

Motion by Olson, seconded by Anderson, to approve the micro distillery license for Panther Distillery/Adrian Panther at 300 Pike Street East. All Ayes

Project #158: Annexation

James and Dorothy Gymrek were in attendance to discuss with the council her possible annexation and sewer service. Gymreks live at 12502 170th Street.

Dorothy Gymrek came to the October 2014 council meeting to ask to be annexed into the city and hookup to city sewer because their sewer does not comply. At that time, the council wanted to see her petition the city for annexation and talk to her neighbors to see if they were also interested.

After researching this proposal, Dorothy Gymrek has found out that it may be quite expensive to put her line under the highway. The neighbors who she had talked to are all in compliance and she doesn't feel they will be willing to pay to get sewer service.

Other information Gymrek informed the council about:

- In 1997 they inquired about hooking up to city sewer when it was put in. They were told they could not get an extension to city sewer.
- Their sewer has failed inspection.
- Township has agreed to release their property for annexation into the city.
- All the neighbor's sewer systems are compliant.
- Looked into sewer under highway or new mound system.
- Received 3 estimates for installation.
- Mark Lee – the cost of boring under the highway would depend on the water level.

Sheila Krohse from Bolten & Menk said she would look into the cost and an estimate for her.

Project #249: Planning & Zoning

Council reviewed the Planning & Zoning meeting minutes from June 18th, 2015. Roy & Greta Koch at 605 7th Avenue West are asking for a change in the Osakis Property Covenants for their property. The covenant is allowed to be changed if permission is in writing of the majority of the persons owning the rights and title, or lien to the property.

The EDA Board reviewed this change and consulted with the city attorney and he stated the document must state what the property owner is signing, and if it is to be recorded, each signature must be notarized or there may be title issues if the property is sold in the future. Kochs have been contacted and they had their attorney draft a document to state the property owners agree to allow them to build a 36' x 28' shed/garage. Council reviewed the minutes and can approve the minutes with the stipulation that the document states what they are changing and a majority of the property owners have signed is submitted before a permit will be issued.

Other items for council approval:

- Staff Report for Text Amendments – The items that are underlined have been changed.
- Ordinance #103 adopting the text amendments.
- Staff Report for Rezoning 100 & 102 Main St W.
- Ordinance #104 amending the zoning map.

- Staff Report for a Conditional Use for 401 Nokomis Street West.
- Resolution 2015-15 approving the Conditional Use for 401 Nokomis Street West.
- Resolution 2015-16 approving the Zoning Ordinance changes #103.

Council received a summary of the ordinance changes to be published.

Anderson reviewed the minutes and changes.

Kostrzewski stated that Koch's are upset about this and hopes this will be taken care of in the future.

Motion by Kostrzewski, seconded by Olson, to approve the June 18th, 2015 meeting minutes as long as Koch's provide a document that states what covenant #8 is being changed to and a majority of the owners of the property have signed the document before a permit will be issued. All Ayes

Motion by Kostrzewski, seconded by Olson, to approve ordinance #103 Zoning Text Amendment and #104 Map Amendment as presented. All Ayes

A resolution was presented by Kostrzewski, seconded by Olson, to approve Resolution 2015-15 for a Conditional Use Permit for 401 Nokomis Street West. When put to a vote, the resolution passed unanimously.

A resolution was presented by Kostrzewski, seconded by Olson, to approve Resolution 2015-16, the Summary of Zoning Ordinance changes #103. When put to a vote, the resolution passed unanimously.

Project #463: Moonshine Madness 2015

Council received a Special Event Application for Moonshine Madness to be held on Saturday, September 12th, 2015.

- 5K Run will be held. The route was approved at the June council meeting.
- Barricades will be needed to block Main Street from 2nd Avenue West to Central Avenue and from Central Avenue to 1st Avenue East on September 12th, 2015 from 11 a.m. to 7:00 p.m.
 - The Chamber must provide insurance to the county to block a county road.
- A night parade will be held on the same streets as listed above.
- O'Town Tavern would like to serve liquor at the street dance from 12 p.m. to 12 a.m.
- To allow any establishment to serve liquor on the street, the city must declare the event a community festival.
 - O'Town Tavern will provide insurance to cover the area they will be serving.
 - O'Town Tavern will use wristbands to control the drinking age.
 - Crowd security will be handled by the Osakis Police Department and Douglas County Posse.
- Panther Distillery will hold their activities on their property at 300 Pike Street East.
 - Car Show
 - Distillery tours
 - Food Stands

Trolleys will transport people to and from Panther Distillery and Downtown.

A resolution was presented by Emerson, seconded by Olson, to approve Resolution 2015-18 to declare Moonshine Madness a community festival. When put to a vote, the resolution passed unanimously.

Motion by Emerson, seconded by Olson, to approve the Special Event Application for Moonshine Madness for Downtown and Panther Distillery providing they submit proof of insurance for blocking the county road and to approve to block the streets. All Ayes

Motion by Emerson, seconded by Olson, to approve O'Town Tavern to serve liquor on the street in a designated area providing they submit proof of insurance covering the area of alcohol that it will be served in and that they use wristbands to control the drinking age. All Ayes

Project #60: Ordinance Change

In 2014, the council approved to change the lodging ordinance to allow unpaid lodging tax to be added to taxes. The ordinance changes for the year were sent to the League of MN Cities to be added to our books and website, after they reviewed the ordinance, they found a lot of the state statues to be repeals

and replaced and recommended for us to redo the ordinance to follow state statute. The city attorney has reviewed the changes to the ordinance.

A resolution was presented by Kostrzewski, seconded by Emerson, to approve Resolution 2015-17, summary of chapter 124 Lodging Tax Ordinance for the ordinance amendment #102. When put to a vote, the resolution passed unanimously.

Motion by Kostrzewski, seconded by Olson, to approve Chapter #124 amendment number 102 to the Lodging Tax Ordinance. All Ayes

Project #343: Fireworks

Council received the signed copy of the Fireworks Lease with the Osakis Country Club for July 4th.

The city received donations from the EDA in the amount of \$2,500.00. The 2015 fireworks have been funded.

The fire department had purchased the fireworks for \$6,000.00.

Project #134: County Commissioner

Council received the commissioner's report from Bev Bales.

Project #124: I-94 Sign

Council received the lease for the I-94 sign with John and Carol Marthaler. This lease has expired and the city is looking at a new lease. Marthaler's had been contacted and have agreed to the same terms but the annual fee has changed from \$600.00 to \$1,000.00 with a three year lease. Marthaler's requested to have the agreement signed by the end of July or they will look for another renter.

When this agreement was put into place in 1994, the Chamber and Lake Osakis Resort Association agreed to pay for half of the cost plus \$100.00 for maintenance per year which was \$400.00 annually.

Snyder had talked to Linda Dinkle regarding the LORA contribution. They will do the same percentage as they have in the past which would be \$600.00 annually.

Clerk Jacobson will talk to Ryan Peterson from the Chamber to see if they will pay the same as they have in the past.

Project #172: Car Club

Central Lakes Cruzers are requesting to block Main Street from 1st Avenue West to Central Avenue and from Central Avenue to 1st Avenue East, leaving access to the bank drive-thru on July 11th, 2015.

Motion by Anderson, seconded by Kostrzewski, to approve to block the streets as requested above on July 11th, 2015. All Ayes

Project #22: Clerk

In 2010, Clerk Jacobson received her certified municipal clerk's degree. This year Clerk Jacobson received a \$100.0 scholarship to attend the MCFOA Advanced Academy for Clerks to be held on

September 10th and 11th in Bemidji. The cost of the training will be \$95.00 plus a room for two nights at \$99.00.

Motion by Olson, seconded by Snyder, to approve Clerk Jacobson to attend the MCFOA Advanced Academy on September 10th and 11th, 2015. All Ayes

Project #389: Trail

Council received a letter from the Community Corrections about the damage to the gazebo.

Motion by Snyder, seconded by Emerson, to approve to accept apology. All Ayes

Project #21: State Demographer

Council received a letter from the state demographer regarding our estimated population of Osakis which is 1,753.

Motion by Snyder, seconded by Kostrzewski, to approve to accept the population as presented without challenge. All Ayes

Project #143: Cable TV

Council received a letter from Charter Communication. There will be more information next month.

Project #368: Xcel Energy

Chad Muelhenhardt is requesting the council to look at the power lines behind his building on Main Street West. This is the power line from Central Avenue to 1st Avenue West. The lines are hanging low and the covering for the wires is breaking off in places.

Clerk Jacobson will contact Xcel about replacing the lines.

Xcel had a planned power outage to replace a transformer for the downtown area which the power had spiked and many businesses lost equipment because of the surge in power. Clerk Jacobson had contacted Xcel and the process for the businesses to claim replacement of equipment is the following:

- File an insurance claim with their insurance company.
- File a claim with Xcel Energy.

Clerk Jacobson has had contact with the businesses regarding the power outage claims.

Project #389: Trailhead

Rod Grove was in attendance to discuss his property at Central Avenue and Lake Street. Grove would like to remove the elevator.

Council had sent a letter to the DNR in support of the elevator property.

This is an opportunity for the city to update the look of the city with the downtown project and clean up this area.

Grove is getting three bids for the cost to demo the elevator and the appraised value of the property.

All will work together to get this project taken care of. Possibly funding could come from the EDA, city, or community to help pay for some of the demolition costs.

Motion by Emerson to adjourn the meeting at 8:12 p.m. All Ayes

Mayor – Keith E. Emerson

City Clerk/Treasurer – Angela A. Jacobson