

Osakis City Council – Regular Meeting
August 6, 2018
7:00 PM

Present: Keith Emerson, Jerry Olson, Jim Snyder, Justin Dahlheimer, Randy Anderson
Absent: None

Others Present: Angela Jacobson, Julie Didier, Chad Gulbranson, Greg Gottwald, Travis Middendorf, Sheila Krohse, Ken Grossell, Jim Bridenstein, Dave Rost, Paul Hartmann, Barb Tilbury, Eric Jacobson, Laura Backes, Becky Hensley, Bev Snyder, Sharon Fredrickson, Dallas Triebenbach, Danny Dillabough, Jeanna Barnes, Rebecca Peterson – WCI, Micah Friez - Osakis Review

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

Pledge of Allegiance was spoken.

Motion by Anderson, seconded by Dahlheimer, to approve the agenda as presented with the addition of Osakis Lutheran. All Ayes

Motion by Snyder, seconded by Dahlheimer, to approve the general consent items, including the July city bills in the amount of \$383,636.46, July 2, 2018 meeting minutes. All Ayes

Project #24: Liquor Store

Julie Didier was in attendance. Council received the July Liquor Store reports.

Council also received the hourly sales for the month of July and a cycle count done for pop in July.

On-sales for July were \$514. This was partially due to capital outlay purchases of \$1,106. Off-sales for July were \$9,520.

Council received the ad that will be put in the paper for the public hearing regarding the Liquor Store public hearing that will be held on August 30th, 2018 at 7:00. The public hearing will be held at the Community Center.

Didier informed the council of the following:

- Bargo and meat raffles will start after Labor Day.
- Getting bids for moving the office and remodeling it for a kitchen.
- Cycle counts are being completed.

The council asked Gottwald about volleyball at the Liquor Store.

Gottwald stated that the volleyball was not going to be installed at the beach so it can be installed at the Liquor Store.

Didier has to work on being ready for volleyball. Food needs to be available before volleyball starts.

Olson wants Gottwald to mark out where the court should go so we can get costs for the sand, equipment and installation.

Project #73: First Responders

Jason Schultz was not in attendance. Council received the run report for the month of July.

Project #74: Fire Department

Travis Middendorf was in attendance.

Middendorf informed the council of the following:

- 4 calls for July.
- Should have the new air packs in the next couple weeks.

Project #13: Fire Relief

Council received the PERA Contribution for the 2019 year for the Osakis Fire Relief. The report shows the investments, the required obligation and what required contribution the city should pay into the fund. This report stated that no contribution is required.

Dahlheimer said there are now only 17 active firefighters and not all are included in the report.

Middendorf stated they are looking for 3 new members.

Dahlheimer stated the city has put in \$20,000 in the past and feels it is a good investment.

Project #76: Police

Chad Gulbranson was in attendance. Council received the July reports and August schedule.

Council received Resolution 2018-20 to allow part-time officer Brian Thorstad into the Police PERA.

Council received Resolution 2018-19 approving the Joint Power Agreement with the State of MN, City Attorney and Police Department.

Resolution 2018-20 was presented by Anderson, seconded by Snyder, to approve part-time officer Brian Thorstad into the Police PERA. When put to a vote, the resolution passed unanimously.

Resolution 2018-19 was presented by Dahlheimer, seconded by Anderson, to approve the Joint Power Agreement with the City of Osakis Police Department, City Attorney and State of MN. When put to a vote, the resolution passed unanimously.

Project #205: City Crew

Greg Gottwald was in attendance. Council received the public works report for the month of July.

Gottwald reviewed his public works report for the water department, wastewater department and street department.

Project #444: Waste Water Project

Council received invoices from Flaherty & Hood in the amount of \$830.60 and from Hall & Associates in the amount of \$3,698.23.

A conference call was held with Mayor Emerson, Gottwald, Jacobson, Robert Scott, John Hall and the MPCA on July 31st to discuss the future for our NPDES Permit. Consensus of the meeting was that we will finish testing Faille Lake and give the MPCA the numbers by the end of October.

The city looked into the reduction trading and an agreement with the land owners.

Gottwald explained information regarding the trading questions.

Gottwald discussed the quotes from the following:

- Quality Flow – the quote to repair or replace the sewer pump is \$10,570.
- Aqua Hawk – the costs to get BOD loading back in compliance is estimated at \$8,025.

Aqua Hawk tested for treatment and what is need for the ponds.

Motion by Anderson, seconded by Olson, to approve the invoice from Flaherty & Hood in the amount of \$830.60. All Ayes

Motion by Olson, seconded by Anderson, to approve the invoice from Hall & Associates in the amount of \$3,698.23. All Ayes

Motion by Anderson, seconded by Olson, to approve the quote from Quality Flow for a new lift station pump in the amount of \$10,570. All Ayes

Motion by Anderson, seconded by Dahlheimer, to approve the treatment program from Aqua Hawk in the amount of \$8,025. All Ayes

Anderson suggested the council give Gottwald a dollar amount for expenses without council approval. If the pump failed, it could cause problems.

Clerk Jacobson stated that she and Gottwald talked about the council's approval process if he can wait for approval to wait, but if it was needed to purchase it.

Project #242: West Central Initiative

Rebecca Peterson from West Central Initiative was at the July meeting and requested for a continued partnership with the City of Osakis.

At the July meeting, no motion was made to approve the requested contribution of \$500 per year for five years.

Motion by Snyder, seconded by Anderson, to approve a contribution of \$500 per year for five years beginning in 2019 to 2023. All Ayes

Project #460: Downtown Project

Sheila Krohse was in attendance.

Council received pay application #9 and final pay application in the amount of \$151,046.57.

Clerk Jacobson has not received the final cost breakdown between the county, city and PFA. Clerk Jacobson would like to review these numbers before final payment is made.

Council was asked if they would like to make a motion to approve final payment contingent on Jacobson's review of the final costs.

Council did not make a motion to approve the final payment. We will hold off on payments until the lights are working. Council wants to make sure there is not a lighting problem.

Jeanna Barnes was in attendance.

Council received her construction estimate to fix her basement.

Barnes said she was in attendance to hear council discussion.

Project #467: 2017 Project

Sheila Krohse was in attendance.

The following property owners were in attendance:

- Jim Bridenstein – 310 Main Street West – complaint regarding the seeding of the grass behind the retaining wall.
- Dallas Triebenbach – 415 Main Street West – complaint about the slope on his lot. Area cannot be mowed because of the slope.

The property at 312 Main Street West is owned by Billy and Sara Kluver. They also have issues with the grass seeding.

Council received pay application #7 for \$103,658.92 for Riley Brothers Construction. Retainage of \$114,205.56 is being held to finish.

On July 10th, 2018, Krohse, Gottwald, Jacobson and the DNR met to do the final walk through for the DNR boat landing. With a few minor changes all looked good. Krohse is compiling the final numbers for the boat landing to bill the DNR.

Krohse submitted the Shoreline restoration construction costs to the council. This amount was not included in the 2017 project costs. The engineering cost estimate is \$67,816.

Krohse will check for approved contractors to get quotes if required by Sauk River Watershed District.

Council received the Sauk River Watershed cost share agreement for the shoreline restoration.

The agreement outlines the cost sharing of labor and plant costs to restore the shoreline to a natural looking shoreline. The agreement funding will be a cost share with the Sauk River Watershed District in the amount of \$30,000. The agreement outlines that the city will be responsible to maintain the shoreline, which includes replacing plants as needed, mowing and trimming.

Clerk Jacobson received the following bills from Bolten & Menk:

- June 19th, 2018 bill in the amount of \$3,074.50
- July 19th, 2018 bill in the amount of \$5,828.50

According to the spreadsheet from the last payment in 2017, we had met the maximum engineering cost of \$570,000 including liquidated damages. The above bills would be above the maximum engineering cost allowed.

Motion by Anderson, seconded by Dahlheimer, to approve to try for liquidated damages for cost of engineering damages. All Ayes

Motion by Dahlheimer, seconded by Snyder, to approve pay application #7 for Riley Brothers in the amount of \$103,658.92. All Ayes

Clerk Jacobson will setup the final assessment hearing for September.

Project #249: Planning & Zoning

Council received the July 19th, 2018 Planning & Zoning meeting minutes.

Planning & Zoning approved a front setback variance for Kyle Kostrzewski at 104 Pike Street East to allow for a 7.5' front setback instead of the required 20' front setback to replace his front steps for his home.

Planning & Zoning is looking into amending the zoning ordinance to allow for an entrance to a home be allowed for a certain size without a variance.

Motion by Anderson, seconded by Emerson, to approve the July 19th, 2018 meeting minutes. All Ayes

Resolution 2018-21 was presented by Anderson, seconded by Snyder, to approve the front setback variance of 7.5' for 104 Pike Street East. When put to a vote, the resolution passed unanimously.

Project #167: Tax Increment

Council received the TIF summary letter prepared by David Drowns Associates.

Comments on the TIF letter are below to explain the recommendations given:

- TIF District #1-6
 - This TIF District was set up before Roach Development was going to develop the property the first time. The TIF District was set up to use the revenue to fund improvements in the downtown area to include the downtown reconstruction. Because Roach's project was delayed, his construction happened after the downtown was finished. These funds were not set up to help Roach but to help fund downtown improvements. Council will discuss how this will affect our funds at the budget meeting.
- TIF District #1-7 JWiener
 - The TIF District setup cost should be paid out of the Industrial Park fund instead of the TIF fund. This will be discussed with the EDA at budget time.
 - Because the TIF fund outperformed the obligation, we had extra funds. This TIF fund was set up to have these funds transfer to the Industrial Park fund annually to pay for the cost of the lot to JWiener. They do not receive a yearly payment. This adjustment can also be made out of the Industrial Park fund.
 - This TIF fund will be decertified in December 2018.
- TIF #1-8 and #1-9 are just beginning the TIF process.

Project #18: Bridge

On July 10th, 2018, Gottwald, Krohse, Jacobson, DNR, DOT, Howard Swenstad and Robby Schultz met to discuss the bridge that goes over 1st Avenue West to King Street. The bridge is used for the trail.

The discussion was about the DNR proposing to fix the damage to the bridge and put new decking on the top of the bridge. They are prepared to put the plans out for bid on August 7th, 2018.

The discussion was if the bridge could be raised or lowered but both solutions meant that the ADA compliance would not be met and would cause other trail issues. It was decided that this was not the best option.

The group then discussed the possibility of taking out the existing beams on the bridge which are oversized for the use of the trail and reduce the size so that it would allow more clearance.

Below are the comments from Kent Skaar's (DNR) email regarding the beams:

- *As discussed, the modifications consist of the existing steel support beams on the 35 foot long span over 1st Ave. with shallower beams.*
- *As proposed, we will need 4-W12x96 steel beams to accommodate the H15 loading on this 35' mainspan. The depth of these beams is 12.7" which would give us a maximum height clearance increase of 14" over the proposed plan (using the existing beams).*
- *The increased cost is estimated to be \$82,000 which translates to \$5,857 per inch and the final clearance would be 11'-5".*

Council reviewed comments from Skaar and discussed the following:

- Additional funding would be \$82,000.
- Much less protection from impact due to decrease in overall strength and rigidity (existing mainspan designed for railroad use)
- Much more expensive to repair after impact – Estimated to be more than \$100,000 (demo existing asphalt deck, replace damaged beams, reset timber deck panels and railing if not damaged, replace damaged timber components, repave deck and reinstall expansion joints)
- May create a false sense of security, possibly leading to more bridge impacts.

After receiving this information, Clerk Jacobson contacted Bill Ingebrigtsen regarding the possibility of funding for the project. Ingebrigtsen stated that there is a lot of funding for trails, expansions and replacements but not for the roadway itself. Ingebrigtsen was going to check into the possibility and could reimburse the city if he finds funding, but couldn't make any promises.

The council needs to decide if the 14' of additional clearance is worth the extra \$82,000. The city would have to pay for the project if we want to see it completed.

The firetruck clearance height would be 11' – not enough clearance to fit under.

Council discussed the extra 14" clearance and if it would be enough clearance so there are not as many issues with people hitting the bridge.

The consensus of the council feels it is not worth the extra costs at this time.

Project #84: Budget

Council received the budget spreadsheets for the 2019 Budget.

For the 2019 Budget:

General Fund Revenue	\$1,234,690
General Fund Expenditures	\$1,324,079
Balance	-\$89,389

Jacobson will setup meetings for the council to review the budget.

Project #22: Clerk

Clerk Jacobson requested approval to attend the Municipal Clerks Advanced Academy to be held on September 20-21, 2018 in Brainerd. The cost is \$115 after receiving a \$100 scholarship for the training. The academy topic will be on Capital Improvement.

Motion by Snyder, seconded by Olson, to approve Clerk Jacobson to attend the Municipal Clerks Advanced Academy on September 20-21, 2018. All Ayes

Project #291: Survey

The Community Survey was completed for July.

Council received the compiled data for the survey.

There were many answers to the questions on the survey and the council can receive the full survey if they would like.

Project #254: Office Programs

The council discussed purchasing a new payroll system. Clerk Jacobson received quotes on two different programs. Both programs have different options. The council wanted a program that was transparent with abilities for the supervisor electronic sign off and future possibilities with mobile log in. With these options, the only program that a quote was received was K-Pay. The other quote received was from Banyon.

Clerk Jacobson will be setting up a demo of the program next week if the council wants to move forward with the electronic time system. The price may vary on each option because the charges are based on the number of employees processed.

Option 1: Payroll processed by BerganKDV with additional of electronic timekeeping. 24 active employees used for timekeeping figures. Jacobson used 26 pay periods. The cost is approximately \$3,284 annually with a onetime setup charge of \$425 and training costs. This option means that payroll will be processed by BerganKDV and Jacobson would compile the file and approve it in addition to electronic timekeeping.

Option 2: Electronic timekeeping only. Payroll is processed in-house by the city. The cost is approximately \$1,232 annually with a onetime setup charge of \$300 and training costs. This means payroll will be processed at the city but we use electronic timekeeping and program options as needed.

Currently, employees are paid twice a month or 24 pay periods for the year. Payroll is always the same days of the month. With the above system, it is proposed that employees will be paid every two weeks or 26 pay periods for the year. So employees would be paid at different times during the month.

The council reviewed the options and want to have a demonstration of the program and get more information regarding with Option 2 with 24 pay periods.

Project #441: Park Osagi

Matthew Ramey will be starting his Eagle Scout project in Park Osagi on August 18th.

City Crew installed a tetherball game where a bird feeder was.

Project #263: Police Union

LELS notified the city that they desire to negotiate but have not requested a date.

Project #16: Pay Equity

Council received the Pay Equity Report. The city is in compliance with our pay equity requirement to have Men and Women with jobs of similar classes paid the same wages.

A Pay Equity Report is required to be completed every three years.

The report is based off of a point system for calculating the job classes with similar wages. These have not been updated for a few years and Clerk Jacobson requested they are updated before the next round of Pay Equity reporting.

Project #239: Grants

Council received a letter for the Housing Redevelopment Authority grant. They will be putting together another grant for Douglas County and wanted the council to be informed of the grant application.

Open Floor

Barb Tilbury thanked Clerk Jacobson for getting the trash cans placed downtown after having them disappear last year and this year.

Tilbury asked about the hanging flower baskets. They do not seem to fare well in town. Tilbury would like to see each business utilize the planters instead. This will be looked into for next year. Snyder stated there are more wind resistant flowers we could look into for downtown.

The streetlights are out in the downtown area. The question was asked if putting in the clock foundation caused the problem.

Gottwald notified Xcel Energy. A work order is filled out and Gottwald felt it was not an emergency. Xcel will look at the lights this week. Installation of the clock foundation was not the reason the lights went out.

Becky Hensley was in attendance. Hensley asked where the Housing Redevelopment \$75,000 came from.

Clerk Jacobson informed Hensley that the funds came from Osakis Properties TIF 1-5.

Hensley asked about rental property and where the new ordinance is at.

Dahlheimer stated that language is being looked at. A meeting was held with a couple of landlords, a council member and police. Information is being drafted with public input.

Hensley asked why the council is looking at food and volleyball before the public hearing was held.

Snyder stated that we are waiting, we have just been working on information.

David Rost and Ken Grossell were in attendance regarding 812 8th Avenue East. The house is in bad shape – no one is living there and they have seen rats. Rost and Grossell asked if it can be cleaned up.

Gulbranson stated the realtor was getting costs for tearing it down and is trying to convince the bank to tear it down.

Grossell stated that there were people at the house the other day looking to rent it. Grossell asked if something can be done to condemn the house to move it along.

Gulbranson stated that maybe the building inspector can but he wants to see if they will take care of it before doing that. The bank is located in South Carolina.

EDA

Jerry Olson asked if the EDA is looking at Hendricks Addition and costs to upgrade the road. Is it worth the expense?

Krohse will have to look into costs.

Olson was informed that the EDA is looking into the costs and the amount of lots to fit in the area to see if it is worthwhile.

Laura Backes was in attendance and asked that city hall be given some direction for those businesses downtown. They were told it was not allowed to have a brokerage office for car sales in the downtown but was told by two Planning & Zoning members it could be by a conditional use permit.

Clerk Jacobson stated that it was not allowed in the downtown zoning district and was not allowed as a conditional use either.

Dahlheimer stated that Sourcewell should be used more and have a proactive approach and solution.

Osakis Lutheran Church

Osakis Lutheran Church is requesting a light on the existing light pole for their parking lot. They will pay for the cost and electrical bill for it.

Motion by Olson, seconded by Anderson, to approve the use of the pole and they pay for the cost and meter lights. All Ayes

Meeting adjourned at 8:55 p.m.

Mayor – Keith E. Emerson

City Clerk/Treasurer – Angela A. Jacobson