

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

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

Others Present: Angela Jacobson, Julie Didier, Chad Gulbranson, Greg Gottwald, Travis Middendorf, Jason Schultz, Sharon Fredrickson, Barb Tilbury, Sheila Krohse Nathan (Pope/Douglas Solid Waste Management), Steve (Pope/Douglas Solid Waste Management), Danny Dillabough, Michael Bosl, Dana Hetland, Calvin Uhl, Travis Middendorf, Lil Ortendahl, Jeff Bertram, Beth - 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. All Ayes

Motion by Dahlheimer, seconded by Olson, to approve the general consent items, including the April city bills in the amount of \$199,878.31, April 2, 2018 meeting minutes and April 10, 2018 special meeting minutes. All Ayes

Project #79: Audit

Michael Bosl (berganKDV) was in attendance to explain the 2017 Audit.

Council received the audit report for 2017.

With the inventory recount, there was an additional fee of \$5,000 for the Liquor Store.

A single audit was completed for PFA funding of \$1,324.012:

- No discrepancies were found on the grant.
- Reviewed PFA Expenditures.

Bosl reviewed the Enterprise Funds:

- Need to be accrual basis.
- Two financial statements – One cash and one accrual.
- The water/sewer funds decreased because funds were borrowed to make payments while we waited for the PFA Funds in 2018.

Communications Letter:

- Controls in place if they can be put in for oversights, it helps with small staff to put controls in place.
- Noted in past – document review of time cards for the past years.
- BerganKDV charges \$215 per hour for services. Can do a deep dive review for the past 24 months.

Motion by Dahlheimer, seconded by Olson, to get a quote from BerganKDV for a review of the past 24 months payroll review. All Ayes Apposed: Emerson
Snyder asked if he has seen an issue that he is bringing this up.

Bosl stated that no discrepancies have been found. He stated that it is a proactive review to help prevent fraud.

Inventory operations:

- 65 items had a negative quantity at the first inventory count.
- On March 19th, another inventory count was done.
- Found a value of \$90.15 for an item in the inventory. There were zeros costs in the inventory and negative costs in the system. List price of \$6.00 each but is supposed to be 6 for \$12.00.

Bosl is recommending to do spot checks and update the system as needed. Bosl also recommends MMBA to come out and look into their help to make the Liquor Store profitable.

Cash balance policy was changed from \$10 to \$5 and has not been enforced. Need to have additional over sight in the future to make sure the policy is followed.

Bosl – noted in the audit adjustments were made for retainage payable – they are not done on a daily basis and can be missed with big projects. Also noted a policy they recommend to put in place for next year.

Communication letter includes:

- Fund balances for the council to review. City funds are in good financial standings. The additional cost of \$5,000 for the audit was for additional time spent on the Liquor Store inventory the first and second time
- 28 hours was spent before the first count was done. After the second count, had 50 hours in the amount of time was reasonable for all the time put into it.

Bosl concluded with:

- Need to continue to work on monitoring the Liquor Store and recommended a deeper dive payroll review into comments in the audit.

Project #24: Liquor Store

Julie Didier was in attendance. Council received the April Liquor Store reports. The total for the month was -\$3,515.60. This included an additional charge of \$5,000 for audit expenses for an additional recount.

Didier worked on the following:

- Inventory was off – getting rid of zero ones as counting.
- Going through each item in the system and correcting and deleting items as we go.
- Familiar with the notes in the audit and each month will go through.

Didier informed the council that Jaycee resigned. Didier can't find help and spends a lot of time at the Liquor Store. It is hard to bartend and manage and feels there is not enough time to do it all. She was very frustrated with the situation and asked for help. The council discussed help options and wants her to spend time managing.

Discussed having a special meeting to talk about help.

Motion by Olson, seconded by Snyder, to raise the pay to \$12.50 per hour for part-time help and is up to the discretion of Didier to pay the \$12.50 for part-time help. All Ayes

Project #73: First Responders

Jason Schultz was in attendance. Council received the run report for April.

Schultz informed the council of the following:

- The First Responders had 15 calls for the month.
- In May, will talk to the school education on CPR and 911 calls for 1st Grade to 6th Grade.

Project #74: Fire Department

Travis Middendorf was in attendance.

Middendorf informed the council that the bid from Emergency Response Solutions for MSA Air Packs came in at \$113,598.83. The department would like to go with these units because they have the TIC unit included with the air packs. The department feels the face masks are a better fit for use in an emergency situation.

The bid from Alex Air was \$103,800. The bid from ERS was \$113,598.83 and met specs put in place for the bid.

The air packs and face masks will be leased for a five year period but if a grant is received, the amount will be paid in full.

Motion by Snyder, seconded by Olson, to approve the bid from Emergency Response Solution for MSA Air Packs and Face Masks in the amount of \$113,598.83. All Ayes

Project #76: Police

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

Council received a resolution to hire part-time officer Timothy Korinta into PERA.

Gulbranson stated there were 243 calls for service for April.

The council asked why the increase.

Gulbranson stated that DARE is a call for service as is anything with the public is a call for service.

Gulbranson informed the council of the following:

- Officer Uhl's Bike Rodeo is coming up on May 27th.
- Police volunteered for the clean-up day to pick up at residents home.
- Have had open shifts over the weekend. The new part-time officers will help cover these shifts.
- Feels a police officer is paid more, it keeps good employees
- New squad will be coming soon.

Resolution 2018-10 was present by Dahlheimer, seconded by Anderson to approve Part-time Police Officer Timothy Kortinta to be enrolled in PERA. When put to a vote, the resolution passed unanimously.

Project #205: City Crew

Greg Gottwald was in attendance. Council received the April public works report.

Gottwald informed the council of the following:

- Sampling schedule for testing water has been done.
- Plowed twice after the late snow.
- Sweeping the city streets has been done.
- Hydrant flushing has been done. A notice was published in the paper to inform the residents.
- The bathrooms at the Community Center have been tiled, painted and new partitions have been installed.
- Will be putting the docks in soon at the beach and public access.

Anderson asked about the storm drain behind Gas Mart.

Gottwald will remove the volleyball net at the Lions Park when he has time. Council is ok to install the volleyball court at the beach.

Project #154: Summer Help

Gottwald would like to hire summer help again this year for mowing lawns.

Last year, Derek Lang was hired for the job and he did a good job for the city. His wage last year was \$11 per hour. \$8,000 was budgeted.

Gottwald would like to rehire Lang for the 2018 summer season and may look at shortening the length of time he will be working if needed if we can pay him more.

Motion by Olson, seconded by Anderson, to approve to hire Derek Lang at \$14.00 per hour for the 2018 summer season. All Ayes

Project #460: Downtown Project

Sheila Krohse was in attendance.

Krohse discussed with the council the lighting issue, retainage of funds remaining and final pay application.

A partial payment request with a 1% retainage was sent to C & L Excavating. Have not received anything back. The retainage is because the lighting by H & R Block is still not working and they need to get it fixed.

Project #467: 2017 Project

Sheila Krohse was in attendance.

Krohse discussed with the council the following:

- Startup date for the project.
- Completion date for the project.
- Warrantee work to be completed.
- DNR boat landing.
- Rip rapping project at the boat landing.
- Final assessment hearing to be scheduled in July or August.

Krohse met with Chris Riley with the warrantee work. The cement crosswalk by the grocery store needs to be completed and fixing the cement for Robbie Schultz needs to be done. Hoping to start in 2 weeks.

Project #388: Business/Liquor License

Adrian Panther from Panther Distillery is requesting approval of an “On sale micro distiller Cocktail Room License”. Panther has completed the application, provided the city with insurance and a drawing of his establishment where alcohol will be served.

No background check was completed for this license because it was completed in 2015 for the Micro Distillery and off sale license. The council has the option to require another check if they desire.

Panther Distillery is required to follow the same state laws for serving hours of liquor and can’t be open on Sundays or after 1 p.m. unless he purchases those additional licenses and would be required to have liability insurance for his property.

No expansion of the building will be done at this time.

Motion by Anderson, seconded by Olson, to approve the “On sale micro distillery Cocktail Room License” for Panther Distillery. All Ayes

Project #249: Planning & Zoning

The Planning & Zoning Board met with Darrin Welle from NJPA regarding the City of Osakis Planning & Zoning Consultant. NJPA is located in the Staples area and are closer than Municipal Development Group. They charge \$50 per hour for their time but do not charge for mileage. Planning & Zoning recommends the council to approve a one year contract with NJPA beginning May 7th, 2018.

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

Dana Hetland was in attendance. Hetland is requesting approval to install a private well and sewer on his property at 1600 Hwy 27 E. Planning & Zoning discussed this matter at their April 19th, 2018 meeting and recommended approval of his request.

Clerk Jacobson will write a letter to allow Hetland to install a private sewer on his property when needed.

Motion by Anderson, seconded by Olson, to approve the NJPA Services Agreement as of May 7th, 2018 for 1 year. All Ayes

Motion by Anderson, seconded by Emerson, to approve the Planning & Zoning meeting minutes from April 19th, 2018. All Ayes

Project #80: Garbage/Organix

Nathan from Pope/Douglas Solid Waste was in attendance to discuss with the council if we want to participate in the Organix Recycling Program and displayed a container for events for recycling that can be used for promotions for recycling more.

Nathan explained that they received a grant for the program to cover the cost for a couple of years. After that, the city needs to decide how to continue with the program. Clerk Jacobson is concerned that if we start with the program, and the funds are not available in the future, is the city going to be expected to pay the cost of the bags or will the resident pay the cost.

With Organix, when a resident calls to get bags, they get a list of what goes in. We estimate about 10% of the residents that would be interested in Organix recycling. County laws have been changed to recycle more. A grant has been received and they are going to try to make it happen to get more recycling going.

Part of the pilot plan is to have Osakis and Glenwood join. To keep the program going after the grant, we will look to utilize a small fee to all residents so they can join in to promote recycling.

Jeff Bertram stated that he wants West Central Sanitation and the city to continue to have a good relationship. They will continue to pick up bags but will not be responsible for cleaning up split bags. WCS will communicate as the process is going through. If the city sees a savings of a ton, WCS will write a check to the city for the ton. A ton is now at \$77.

Expectations from the residents after the 2 year project is for the council to be aware we will need to buy in or have the residents buy the bags.

In the end, the material is composted and can be used or sold.

Motion by Anderson, seconded by Snyder, to approve the 2 year pilot Organix program with Pope/Douglas Solid Waste. All Ayes

Project #291: Survey

At the April council meeting, Brad Hoffarth was in attendance to explain the Community Survey. They are willing to facilitate for the city. The deadline was April 12th, 2018, but the city did not received the information until after we sent out the Spring/Summer newsletter.

The link for the survey will be put on the May water bills with a deadline of June 22nd, 2018. Notices will also be on our city Facebook pages and website. Hoffarth and students will gather the information and present to the council at the July meeting.

Project #42: Clean Up Day

The City Wide Clean Up Day will be held on Saturday, May 12th from 9 a.m. to 11 a.m. Sentence to Serve and the Osakis Lions Club are lined up to help.

Project #110: Gambling

The Immaculate Conception Church would like to have a raffle on November 4th, 2018.

Resolution was presented by Anderson, seconded by Snyder, to approve a Gambling License for Immaculate Conception Church on November 4th, 2018. When put to a vote, the resolution passed unanimously.

Project #462: Fishing Tournament

Council received a letter from North Country Bassin. They would like to hold a fishing tournament on Lake Osakis on August 4th, 2018 from 6 a.m. to 3:30 p.m. They would also like to use the shelter by the public access for the event.

Motion by Snyder, seconded by Dahlheimer, to approve the North Country Bassin fishing tournament on Lake Osakis and to use the shelter by the public access for this event. All Ayes

Project #213: Lifeguard/Beach

Information to the council – all three lifeguards from last year are returning for the season. All have reapplied for their positions.

Project #447: Tobacco License

Brother's Market Inc. has submitted an application for a Tobacco License. Brother's Market Inc. had purchased Gas Mart of Osakis as of May 1st, 2018.

Motion by Anderson, seconded by Dahlheimer, to approve Brother's Market Inc. Tobacco License from May 1st, 2018 to January 14th, 2019. All Ayes

Project #457: 5K Race

The Galeon would like to host two 5K races. One would be held on June 11th, 2018 and the seconded on June 16th, 2018 starting at 8:30 a.m.

Motion by Emerson, seconded by Olson, to approve for the Galeon to hold 5K races on June 11th, 2018 and June 16th, 2018. All Ayes

Project #69: Information to the Council

Council received a brochure for the LMC Conference and the scheduled educational sessions to be held. This would be a good opportunity to learn about the resources for our city. The cost is \$150 for first time attendees.

Motion by Snyder, seconded by Anderson, to approve to pay the \$150.00 fee for anyone that wants to attend the LMC Conference. All Ayes

Open Floor

Lil Ortendahl was in attendance to inform the council of a lighting concern by the public access.

Beginning Memorial Day, garbage containers should be placed downtown.

Just Like Grandmas was discussed. The First National Bank of Osakis is looking to get someone to buy the business.

Check on the regulations for advertising flags in town.

Meeting adjourned at 9:10 p.m.

Mayor – Keith E. Emerson

City Clerk/Treasurer – Angela A. Jacobson