

Osakis City Council – Regular Meeting
Community Center
September 14, 2020
7:00 PM

Present: Randy Anderson, Laura Backes, Keith Emerson, Jerry Olson, Justin Dahlheimer
Absent: None

Others Present: Angela Jacobson, Reenie Goodwin, Chad Gulbranson, Craig Dropik, Mark Grinstead, Sheila Krohse, Spencer Wolbeck, Dawn Wolbeck, Jeremy Thorson, Dan Wessel, Jarmine Johnson, Kristen Servin, Shad Steinbauer, Janet Steinbauer, Anbresia Steinbauer, Jerry Wiggins, John Timmerman

The September 14th, 2020 meeting was called to order by Mayor Keith Emerson at 7:00 p.m.

Roll Call – All present as indicated above.

Pledge of Allegiance was spoken.

Motion by Anderson, seconded by Dahlheimer, to approve the agenda as presented with the addition of Darrin Quistorff Request, Idlewilde Agreement, Audit Letter for Packet and Liquor Store redo fund todate. Motion Carries

Motion by Backes, seconded by Anderson, to approve the general consent items, including the August city bills in the amount of \$237,040.31, meeting minutes from August 6th, 2020, August 10th, 2020 and August 25th, 2020. Motion Carries

Project #24: Liquor Store

Reenie Goodwin was in attendance.

Council received the following reports:

- Statement of Revenue & Expense
- 2 Year Liquor Store Expenditures & Revenues
- Exp/Rev Off Sale
- Exp/Rev On Sale
- Liquor Store Sales
- Inventory
- Cycle Counts
- Exp/Rev On Sale Group sales from 8/1/2020 to 9/1/2020
- Sales for the month total \$22,317.37.

Goodwin asked the council to approve to carry over 200 hours of vacation. Goodwin's anniversary is in September and she plans to use a lot of the vacation hours over the next month.

Goodwin informed the council of the following:

- August was a good month.

- Pull-tabs are doing well. Jerry Gay is good to work with. The boxes were only off \$10 in the month of August. Gay takes over and shorts for all boxes.
- No Bargo yet. With the required 50% capacity in the bar area, we can't keep people from coming in to play Bargo.
- Happy Hour is doing well also.

Sales for the year are -\$230. Goodwin is doing a good job and was told to keep up the good work.

Backes stated that Goodwin's vacation carry over is ok – lots of things out of the ordinary this year.

Backes brought up the shortage on the taxes.

Goodwin discovered an issue for on-sale but will still look into off-sale.

Motion by Dahlheimer, seconded by Anderson, to approve to carry over 200 hours of vacation time to next year for Reenie Goodwin. Motion Carries

Project #73: First Responders

Mark Grinstead was in attendance.

Council received the July reports:

- 24 calls for the month, 2 no-shows (both on Saturdays).
- Typically average 16 calls per month.
- 2.3 average member response per call.
- 6 calls had a solo responder.
- 175 calls year to date.
- 61% of the calls were between 6 a.m. to 6 p.m.
- 50% were in town.
- 21% were in Osakis Twp.
- Top Response Member for the month was Brenda Majerus. Jason Mounsdon and Shannon Graff tied for 2nd.

Grinstead informed the council of the following:

- Interviewed Hattie Thornson at the August meeting and voted unanimously to add her to the OEMR team.
- At the meeting, the members also tackled our storage shelves and disposed of expired items. New supplies were ordered to restock.
- Kyle Swenstad and Hattie Thornson will be starting EMR training in Parkers Prairie next week.
- Cheyenne Christopherson resigned from the OEMR.
- Received the training mannequin and will be implementing it into our monthly training as allowed by Covid restrictions.
- Fire Chief Craig Dropik is ordering 10 new EMR ditch bags to replace some of our old ones. West Central EMS has a half price promotion when bought in lots of 10.

Motion by Anderson, seconded by Backes, to approve Hattie Thornson to be added to the First Responder roster. Motion Carries

Project #74: Fire Department

Craig Dropik was in attendance.

Council received the August Fire Department report. The department had 4 calls for the month.

Dropik informed the council of the following:

- 8,500 gallons of water was used in August.
- 8,000 gallons was used for the fire simulator at Dale Niehaus's farm.
- 56 calls year to date.
- Jim Anitzberger retired at the end of August. We are looking to see if we want to add a member.
- The DNR grant will need to be signed by Jacobson and Emerson for the pump.
- Received \$1,000 from REA for the pump. Total cost is \$1,200.

Project #76: Police

Chad Gulbranson was in attendance.

Council received the August Police Report.

Gulbranson informed the council of the following:

- The school resource officer started in September. The funds for the time spent the beginning of 2020 were received in August.
- Officer Grinstead said the Taste of Osakis had a good turnout.

The council received color samples and details from Winning Edge:

- Metallic color is like it is now – #1.
- Black charcoal outline – #2.
- Black/Black outline – #3.

Backes said she had talked to Robin from Winning Edge and Robin said the metallic color was what was discussed. No other color was ever talked about.

Motion by Olson, seconded by Anderson to approve to change the decal to Black/Black outline (option #3) to be put on the explorer. Motion Carries

Mark Harren has not called Dahlheimer back regarding the Rental Ordinance.

Gulbranson informed the council that the dwelling at 112 Queen Street West is not inhabitable. Report done by the Building Inspector and Gulbranson would like to start the condemnation process.

Motion by Anderson, seconded by Dahlheimer, to approve to allow Gulbranson to start the condemnation process for 112 Queen Street West. Motion Carries.

Backes questions a call out time for Calvin Uhl. The report shows 45 seconds and doesn't seem correct. Gulbranson will check into it.

Council wants Gulbranson to label call out on the front page and show how long the officer was on scene.

Gulbranson said he will include that. No need to make a motion.

Project #205: Public Works/City Crew

Greg Gottwald was in attendance.

Council received the August Public Works Report.

Gottwald is requesting to carry over 72 hours of vacation. His anniversary was in August and plans to use his vacation in September.

Gottwald informed the council that Darrin Quistorff is requesting some vacation hours to be paid out.

Gottwald explained that Quistorff's anniversary was September 6th and he did not use as much vacation this year. Quistorff is requesting to have 72.25 hours (50% of the total) vacation paid out which totals \$2,252.76.

Motion by Dahlheimer, seconded by Olson, to approve 72 vacation hours to carry over for Greg Gottwald and to approve to pay out 72.25 vacation hours to Darrin Quistorff in the amount of \$2,252.76.
Motion Carries

Project #97: Water

Council received an email for the PER for the Water Plant project. This is the plan that will be sent to Rural Development to receive funding for the project. We would like to put in the application by the end of September.

The Mayor and City Clerk would be authorized to sign the application on behalf of the city but we are not obligated to do anything until we do the Water Plant project.

The water tower is part of the Rural Development application. If the application is submitted this month, it is possible that funding will not be until 2022.

Project #249: Planning & Zoning

Council received a copy of an amended agreement for Idlewilde Association to amend the agreement signed by the city in 2012. This amendment will add the deadlines for the improvements to the property and will replace paragraph 18G with language that removes the sunset date if the deadlines are met.

Council received the 2012 agreement and the landscaping plan from 2012 for impervious surface and parking areas. Must follow the laws and ordinances of a city.

At the last meeting, the council was informed of the resignation from Tyler Dahlheimer from the Planning & Zoning Board. The council received an email from Peter Koel stating his interest in the position.

Council received Resolution 2020-17 in reference to the variance request from Paul Hartmann for the property at 507 2nd Avenue East.

Council also received the August 20th, 2020 Planning & Zoning meeting minutes.

Resolution 2020-17 was presented by Emerson, seconded by Anderson, to approve the denial of the variance request application for 507 2nd Avenue East due to the structure not meeting standards of the zoning district and no practical difficulties met. When put to a vote the Motion Carries.

Motion by Backes, seconded by Anderson, to approve the amended Development Agreement as outlined above with the changes to section D removing Jim Leigh and adding a designated city representative for approval. Motion Carries

Motion by Backes, seconded by Anderson, to approve new member Peter Koel to the Planning & Zoning Board. Motion Carries

Motion by Anderson, seconded by Backes, to approve the August 20th, 2020 Planning & Zoning meeting minutes. Motion Carries

Project #213: Lifeguard/Beach

Spencer Wolbeck was in attendance. Wolbeck is proposing to do an Eagle Scout project at the City Beach.

Wolbeck is proposing to do the following:

- Clean up the beach – including raking, removing rocks and vegetation, and haul in new sand as needed.
- Clean up the bath house – Fix and repair what is needed and paint the bath house.
- Raise funds for the improvements and find volunteers to do the project.

Wolbeck stated that he looked at Facebook posts regarding the beach and the responses were not good.

Wolbeck would like to do the project October 3rd and 4th and would do some cleanup in April to get ready for the 2021 summer season.

The cost of sand from Shultz's Sand & Gravel is \$150 for 10 yards. Wolbeck asked the council if the city has any funds in the budget to donate towards the sand.

Backes said that when Wolbeck gets to the painting, True Value would donate the paint.

Motion by Olson, seconded by Backes, to approve Spencer Wolbeck's Eagle Scout project including cleaning up the city beach. Motion Carries

Motion by Anderson, seconded by Dahlheimer, to approve to let Gottwald decide what needs to be done at the city beach and see if there are funds for the sand and who he works with to use them. Motion Carries

Project #84: Budget

The council had a budget meeting on August 6th, 2020. Some adjustments needed to be made to balance the budget.

Council receive the budget sheet for the Revenue funds. The spreadsheet reflects no increase in the tax levy for 2002.

The League of MN cities cautioned that LGA may change if the state feels those funds are needed for a state deficit. The council is aware that if no increase is made in the tax levy at the preliminary tax levy

certified to the county, the city cannot make increases when the final certification is done in December. It can be decreased though. For this reason, Jacobson suggested a modest increase of 1% which would be a \$7,597 increase in the total tax levy. This can always be changed to 0% in December.

The budget sheet for expenditures shows an overall budget increase of \$39,472. Budget sheet also shows a \$672 to balance the General Fund without an increase, but use of all LGA.

Resolution 2020-18 was presented by Anderson, seconded by Dahlheimer, to approve Tax Levy 2020 with a 1% increase. When put to a vote, Resolution 2020-18 passes unanimously.

Council received information for comparable cities to Osakis:

- Includes 11 cities similar in size that includes a police department in their community.
- Most cities do not have electric or gas in the comparison.

Jason Murray helped with the analysis and below is some of the information he gathered:

- Hard to find cities of similar size that have a police department because others he compared would have contracted coverage.
- Osakis is in the third lowest in tax rate.
- Osakis is the third lowest in LGA funds from the state.
- Osakis has the seconded lowest tax levy of all the cities.
- Osakis has the third lowest tax capacity to work with.

Murray noted that Osakis is doing very well with the tax levy and tax rate as compared to others.

Jacobson is working on receiving budgets from these communities and should have by the next council meeting.

Project #42: Clean Up Day

Council received the flyer for the Clean Up Day that will be held on September 19th.

Backes, Emerson, Jeff Bertram and Jacobson met and discussed the rates. Bertram felt our rates were low and do not cover the cost to dump. Bertram said that other communities charge per yard of garbage and no construction debris is taken.

Our contract states that West Central Sanitation will provide the service for Clean Up Day and pay \$1,000 towards the dumping fees with the city paying the rest of the cost. Last year, the amount was about \$2,700. West Central Sanitation and the city split the cost at about \$1,300 each

At the meeting, it was decided to charge \$15 per yard of garbage. A pickup load would be \$30. Some items will have additional fees.

Bertram will be at the Clean Up Day to help with the cost of the items.

Bertram also agreed to share in the cost of sending out the flyer to all residents instead of putting an ad in the paper. A mailing would get to all the residents and would cost less.

In the past, the Osakis Lions would help at the event and have been informed that we will be having the event if they want to volunteer on their own.

The Fire Department has also been asked if some members can help this time and Dropik was going to inform the members at their meeting.

Sentence to Serve will be helping.

Dan Wessel was in attendance and said a handful of Lion members will be there also.

Project #299: Bonds

The EDA have discussed paying off the Industrial Park Bond (503 fund). This bond was established in 2007 as a GO Bond to be used for improvement to the Industrial Park.

As of September 15th, 2020, the bond payoff is \$105,177.63.

Jacobson is requesting council approval to pay off this bond early.

The balance in the following funds will make the payment:

- 503 Fund - \$89,845.04
- 530 Fund - \$15,332.59 (Balance from the Industrial Park fund and the remaining assessment and taxes will be put back in the 530 fund for the amount that was borrowed to pay the bond)
- Paying off the bond early, the city will save \$7,286 in interest.

Motion by Anderson, seconded by Dahlheimer, to approve to pay off the 2007A GO Bond in the amount of \$105,177.63 for the Industrial Park Bond. Motion Carries

Project #79: Audit

Council received a proposal for the 2020 Audit from CarlsonSV. They did the 2019 Audit and Jacobson was very happy with the process for completing the audit.

The cost last year was \$16,700 and the proposal for the 2020 Audit is \$17,300.

Motion by Anderson, seconded by Dahlheimer, to approve the 2021 Contract for the 2020 Audit with CarlsonSV in the amount of \$17,300. Motion Carries

Project #408: Vacate Street

Council received a copy of a letter that was sent to the MN DNR to respond to the proposed vacation of the 4th Avenue East section to the lake. The public hearing will be held on November 9th, 2020.

Open Floor

Backes asked Sheila Krohse about the corner of Central Avenue and Main Street. Water sits there and has not been fixed.

Krohse – Concrete contractor needs to get out here and fix it. Krohse has talked to Brent from C & L every month. C & L did not fulfill their obligation to get the sidewalks cleaned up and fixed per contract and is holding it up.

Project #444: Waste Water Project

Council received the following bills:

- July bill from Flaherty & Hood in the amount of \$6,046.25.
- August bill from Flaherty & Hood in the amount of \$9,662.50.
- Hall & Associates July bill in the amount of \$4,938.75.
- Hall & Associated August bill in the amount of \$420.00.

Motion by Backes, seconded by Anderson, to approve the bills from Flaherty & Hood and from Hall & Associates as presented above. Motion Carries

A conference call was made with the council and our attorneys Daniel Marx and Robert Scott to discuss our case with the MPCA.

Council received a letter from the MPCA dated September 1st, 2020. The letter is granting us the contested case hearing we requested.

The Mayor read the following to close the meeting for discussion with the attorneys:

- The agenda item for this special meeting is to discuss legal strategy regarding threatened litigation in the matter of City of Osakis NPDES Permit No. MN0020028.
- This properly noticed special meeting of the City Council of the City of Osakis will be closed pursuant to Minnesota Statutes, section 13D.05, subdivision 3 (b) under the attorney/client privilege exception to the Minnesota Open Meeting Law.
- The city's need for confidentiality outweighs the purpose served by the open-meeting law in this case based on the following:
 - Absolute confidentiality is necessary so that the City Council and legal counsel can have a candid and open discussion to determine the available legal options to handle threatened litigation, including strategy and any possible areas of resolution.
 - The purpose of the closed meeting is not to make a decision behind closed-doors, but instead is to determine the legal options for handling the referenced threatened litigation.
 - The only business to be discussed in this meeting is the threatened litigation.
 - An open session would be detrimental because it may take place in the presence of individuals involved in the threatened litigation.
 - A closed session would benefit the public because the ultimate outcome of the threatened litigation may impact the finances and regulatory authority of the City.

Mayor Emerson entertained a motion to close this portion of the meeting.

Motion by Anderson, seconded by Dahlheimer, to close the regular meeting at 8:40 p.m. Motion Carries

The City Council will now go into a closed session. The time is 8:40 p.m.

Only the officials and consultants of the City who reasonably require access to this data may be in attendance at any portion of the meeting for this agenda item.

This portion of the meeting should not be taped or otherwise electronically recorded since it has been closed under the attorney-client privilege.

The minutes of this portion of the meeting should reflect only that a meeting was held with its date, time and location; who was present at the meeting; and the purpose of the meeting'

The City Clerk took roll call:

Present: Randy Anderson, Laura Backes, Justin Dahlheimer, Jerry Olson, Keith Emerson.

In addition to the City Council, the following persons are present for the closed meeting:
Angela Jacobson, City Clerk, Greg Gottwald, Public Works Director, Robert Scott,
Attorney with Flaherty & Hood

Mayor Emerson stated:

Members of the Council, I will now have our city clerk and our appointed legal counsel begin our discussion on this agenda item.

Mayor Emerson stated when discussion concluded:

Members of the Council, following the completion of our business, we will now adjourn into open session and I will entertain a motion:

Motion by Anderson, seconded by Dahlheimer, to approve to open the session. Motion Carries

Motion by Backes, seconded by Dahlheimer, to approve the Draft Complaint against the Minnesota Pollution Control Agency and authorize and direct Flaherty & Hood, P.A. to file the lawsuit against the MPCA in district court in the matter of City of Osakis NPDES Permit No. MN0020028 and take all actions as are necessary and appropriate to prosecute such legal action. Motion Carries

Meeting adjourned at 9:25 p.m.

Mayor – Keith E. Emerson

City Clerk/Treasurer – Angela A. Jacobson