

**Osakis City Council – Regular Meeting**  
**Osakis City Hall – 14 Nokomis Street East**  
**December 8, 2025**  
**7:00 PM**

Present: Randy Anderson, Laura Backes, Judy Dvorsak, Stephanie Finnegan, Tim Thornbloom  
Others Present: Angela Jacobson, Larry Dillehay, Craig Dropik, Tom Van Voorhis, Jason Murray

Meeting was called to order by Mayor Dvorsak at 7:00 p.m.

Motion by Finnegan, seconded by Anderson, to approve the agenda as presented. All Ayes

Motion by Finnegan, seconded by Anderson, to approve the general consent items, including the November city bills in the amount of \$367,239.25 and meeting minutes from November 10, 2025. All Ayes

**PROJECT #192/84/358: TRUTH IN TAXATION/BUDGTE/TAX LEVY**

Motion by Finnegan, seconded by Backes, to open the public hearing at 7:01 p.m. All Ayes

Council received the 2025 and 2026 budget highlights. Final Budget Revenue for the General Fund is \$1,834,701. Final Budget Expense for the General Fund is \$1,829,812. Difference of \$4,889.

Clerk Jacobson reviewed the Budget highlights.

The Budget includes:

- Levy increase of 5% (\$44,009)
- General Fund levy – \$867,831
- 2012 Bond – \$28,000
- Reserve Fund – \$28,359
- Total is \$924,190

Council reviewed the changes from the preliminary budget to the final budget. With the changes, the levy could be reduced to 4.5% (\$39,608).

The council reviewed reducing the reserve fund to bring down the levy to 4%.

There were no public comments.

Motion by Backes, seconded by Anderson, to close the public hearing at 7:06 p.m. All Ayes

Resolution 2025-30 was presented by Anderson, seconded by Backes, to approve the final tax levy increase of 4.5% or \$39,608 for a total levy of \$919,789. When put to a vote, the resolution passed unanimously.

Motion by Backes, seconded by Finnegan, to approve the 2026 Budget as presented. All Ayes

Motion by Finnegan, seconded by Thornbloom, to approve the water and sewer rates for 2026 as presented. All Ayes

**PROJECT #60-1: ORDINANCE / RENTAL**

Council discussed the rental ordinance and tabled discussions. Council will discuss at the February meeting including Steve Jones draft ordinance to review.

Motion by Finnegan, seconded by Thornbloom, to table discussion of the rental ordinance until the February meeting. All Ayes

**PROJECT #60: ORDINANCE / METERS**

The Public Works Department has been working to replace water meter batteries for properties that have been receiving estimated bills. Currently, we have 24 properties that have received three notices but have not complied. Council received a copy of the ordinance that allows the city to disconnect water service for non-compliance.

The Public Works does not want to shut off water during the winter months and would like the council to consider additional language to charge residents who will not comply to have their meter battery replaced. A fee of \$25 to \$50 is suggested for a non-compliance fee.

Council reviewed sample language for non-compliance fee:

1. A non-compliance fee may be charged to any property owner or water customer who fails to repair, replace, or allow access for inspection of a water meter as required under this section.
2. The amount of the non-compliance fee shall be established by the City Council and listed in the City’s annually adopted fee schedule.
3. The non-compliance fee may be added to the customer’s regular water bill and shall be collected in the same manner as other water service charges.
4. The imposition of a non-compliance fee does not limit the City’s authority to disconnect water service as provided in § 402.02(C)(2) until the meter issue is corrected and all charges are paid.

Council wants to move forward with draft language. At this time, council would like to try to contact via phone call after the three letters have been sent.

Motion by Finnegan, seconded by Anderson, to approve moving forward and prepare language to amend our Meter Ordinance to allow a non-compliance fee. All Ayes

**PROJECT #167: TAX INCREMENT**

Motion by Anderson, seconded by Thornbloom, to suspend the regular meeting and open the public hearing. All Ayes

Jason Murray (David Drowns) reviewed the modification plan of TIF District 1-5. The modification will allow us to capture the next two years of increments before the district is decertified in December 2027.

Murray explained the TIF plan governs how to use the plan and to get through the useful life for modification until 2027 and to utilize funds for housing projects.

Motion by Finnegan, seconded by Thornbloom, to close the public hearing. All Ayes

Resolution 2025-32 was presented by Finnegan, seconded by Anderson, to approve the modification of TIF 1-5. When put to a vote, the resolution passed unanimously.

**PROJECT #299/489: BOND / MAIN LIFT STATION**

Jason Murray discussed the bond for the Main Lift Station project in the amount of \$759,000. Interest rate is 4.45%.

MN Rural Water issue debt to approve issuance of debt for the sewer/water pledge grant.

Resolution 2025-31 was presented by Anderson, seconded by Thornbloom, to approve the issuance of the bond for \$759,000 for the Sewer Revenue Series 2025A. When put to a vote, the resolution passed unanimously.

**PROJECT #46: WATER AND SEWER EDU CHARGE**

Information from the city attorney's office stated the city can charge a base or minimum water/sewer fee to any property that is connected or capable of connecting to the system. Minnesota Statue 444.075 expressly allows minimum charges to be applied to all premises that have access to water or sewer lines, even if they are not currently connected.

The city's current fee schedule already includes base charges, but an ordinance update would be needed to clearly authorize applying those fees to vacant or unconnected-but-capable properties.

Council received information included in the Truth in Taxation agenda item for water and sewer rates.

Council requested more information and number of vacant properties/vacant houses. Tabled until February.

**PROJECT #408: VACATING STREET OR ALLEY**

The city received a petition from Tom Van Voorhis requesting to vacate 10 ft of road right-of-way located on the east side of 7<sup>th</sup> Avenue East.

Motion by Thornbloom, seconded by Anderson, to suspend the regular meeting and open a public hearing. All Ayes

Council reviewed the following:

- Whether vacating the portion of 7<sup>th</sup> Avenue East impacts public access to Lake Osakis.
- Whether there are existing utilities or easements in this area that should be preserved.
- Whether the vacation would restrict future city use or park access in this area.
- Whether it causes an issue with access to property.

No public comments.

Motion by Thornbloom, seconded by Anderson, to close the public hearing. All Ayes

Resolution 2025-34 was presented by Thornbloom, seconded by Backes, to approve the vacation of the east 10 ft of 7<sup>th</sup> Avenue East for Tom Van Voorhis. When put to a vote, the resolution passed unanimously.

**PROJECT #197: WATER**

Motion by Thornbloom, seconded by Finnegan, to approve Eagle Construction's pay application #22 for the final water plant payment in the amount of \$18,685.66. All Ayes

The city has received all the RD funding for the water plant project.

**PROJECT #49: MAIN STREET – LATERAL LINE PROJECT**

Council received the agreement from WSB for completed the final construction plans for the Main Street Lateral Line Project. Also provided was a recommended project timeline including preparing for the public hearing on proposed assessments.

Motion by Anderson, seconded by Finnegan, to approve to move forward with WSB contract to feasibility, schedule a public hearing on February 9, 2026 and reevaluate final planning. All Ayes

Motion by Finnegan, seconded by Backes, to approve WSB’s invoice for \$1,276. All Ayes

**PROJECT #444/419: WASTE WATER PROJECT / I & I / MPCA**

Council discussed the service agreement and project scope for the Waste Water project from Nero Engineering:

- Task 1 – development
- Task 2 – preliminary design and complete the application to PFA for funding.

Motion by Finnegan, seconded by Thornbloom, to approve Task 1 and Task 2 for the Waste Water project. All Ayes

**PROJECT #24: LIQUOR STORE**

Council received the November Liquor Store reports.

Information from Troy Benning:

- Move the meat raffle on Sundays to Saturday after the football is over.
- New Off-Sale POS system will be up and running on December 16<sup>th</sup> – a full inventory will be done for the new system.
- Credit card fees in 2025 - \$26,000
- Inventory will be going up in November.
- Transfers from off to on sale will be set up as a customer in the new system.
- Pull tab policy in place for employees to sign – council will review.

**PROJECT #102: EDA**

The EDA Board received the resignation of Tonya Danielson. Recommended LaDonna Karl to take her place on the board.

Motion by Finnegan, seconded by Backes, to approve the November 24, 2025 EDA minutes and to appoint LaDonna Karl to the EDA Board. All Ayes

**PROJECT #312: BEAUTIFICATION TEAM**

Beautification Decade Party will be held February 21, 2026 – tickets are \$60.

**PROJECT #441: PARK COMMITTEE**

Council reviewed final plans of Phase 1 improvements.

Motion by Finnegan, seconded by Backes, to approve the November 25, 2025 Park Committee meeting minutes. All Ayes

Motion by Finnegan, seconded by Backes, to approve WSB's invoice for Park Osagi engineering in the amount of \$10,193.50. All Ayes

Motion by Backs, seconded by Anderson, to approve Park Osagi Improvements Phase 1 and go for bidding. All Ayes

**PROJECT #196: FEE SCHEDULE**

Resolution 2025-33 was presented by Anderson, seconded by Thornbloom, to approve adopting the 2026 Fee Schedule, charges and expenses for the City of Osakis effective January 1, 2026. When put to a vote, the resolution passed unanimously.

**PROJECT #50: TRANSFERS**

Clerk Jacobson discussed end of the year transfers with the council:

- 640 PFA to 601 sewer fund – \$51,816.52
- 630 PFA to 600 water fund – \$112,622.39
- 330 TIF fund to 516 Downtown project bond – \$19,948.69
- 518 Main Lift project to 601 sewer fund – \$265,252.30

Auditor's combine these funds on the audit report because debt is associated with those funds.

Motion by Finnegan, seconded by Thornbloom, to approve the year end transfer for 2025 as presented. All Ayes

**PROJECT #94: GAS BID**

Bid requests for fuel were opened by the council:

- Northdale Oil – gas \$2.79 – discount \$.20
- Northdale Oil – diesel \$3.59 – discount \$.20
- Northdale Oil has 24-hour access – bulk fuel not available.
- Deluxe Oil – bulk diesel - \$3.179 - \$.07 discount if paid in 30 days.

Motion by Thornbloom, seconded by Anderson, to approve the low bid from Northdale Oil for gas and diesel for the year 2026 with a savings of \$.20 per gallon on gas and diesel. All Ayes

Motion by Thornbloom, seconded by Anderson, to approve Deluxe Oil for bulk diesel with \$.07 discount if paid within 30 days. All Ayes

**PROJECT #382: UNION – CITY**

Council received information from the AFSCME professional union requesting an MOU for the PFML (Paid Family Medical Leave).

The city will split the PFML cost 50/50 and allow employees to use accrued sick and other time to be paid 100% of their wage. The city policy also required the employee to notify the city when they will be utilizing leave.

Motion by Finnegan, seconded by Backes, to approve an MOU with AFSCME for PFML. All Ayes

**PROJECT #472: MN HOUSING 2025 MINNESOTA CITY PARTICIPATION PROGRAM (MCP) APPLICATION**

Council reviewed the MCP application and agreement. The City of Osakis has participated in the program since 2023, successfully meeting the 50% usage requirement each year.

Motion by Anderson, seconded by Backes, to approve the City of Osakis to participate in the MCP program for 2026 and authorize Clerk Jacobson to submit the application. All Ayes

**PROJECT #79: AUDITORS**

Motion by Thornbloom, seconded by Finnegan, to approve CarlsonSV’s contract for the 2025 audit in the amount of \$23,900. All Ayes

**PROJECT #3: ELECTED OFFICIALS TRAINING**

Council was informed of the Elected Officials training available through the League of MN Cities.

**PROJECT #205: PUBLIC WORKS BUILDING**

Discussed the Public Works building plan. Mayor Dvorsak and Thornbloom will review the Public Works building with Darrin Quistorff.

**OTHER ITEMS:**

Next Council meeting will be January 12, 2026.

Motion by Finnegan, seconded by Backes to adjourn the meeting at 8:28 p.m. All Ayes

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Mayor – Judy Dvorsak

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City Clerk/Treasurer – Angela A. Jacobson