

Osakis City Council – Regular Meeting
Osakis City Hall – 14 Nokomis Street East
May 11, 2026
5:30 PM

Present: Judy Dvorsak, Laura Backes, Stephanie Finnegan, Randy Anderson, Tim Thornbloom
Others Present: Angela Jacobson, Jason Schultz, Dean Berkeland, 3 on YouTube

Meeting was called to order by Mayor Dvorsak at 6:00 p.m.

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

Motion by Backes, seconded by Dvorsak, to approve the general consent items, including the April city bills in the amount of \$398,010.501 and meeting minutes from April 9, 2026 and April 13, 2026. All Ayes

PROJECT #79: AUDIT – CARLSON SV

Dean Berkeland was in attendance to present the 2025 Audit:

- Unmodified Opinion – best a city can get.
- Cash basis fund balance recommendation – 50% operating funds.
- Enterprise funds of water/sewer/liquor – they operate like a business.
- Lack of Segregation – 95% of audits have this finding. Good internal controls in place.
- Financial statement – prepared by independent audit. City is responsible for this audit.
- City requested no bound copies – send PDF to council in the future.

PROJECT #205: PUBLIC WORKS

An updated equipment list was provided by Darrin Quistorff. Widseth had prepared a draft design with Quistorff's information. Council discussed setting up a workshop meeting to discuss the building and process.

PROJECT #46: WATER AND SEWER / EDU CHARGE

Council received a draft amendment to the ordinance to establish a base charge for availability. This would apply to any commercial or residential property that is vacant, requiring payment of the base availability charge.

The ordinance would apply to all properties that have a building, house, or business on the property that is vacant. A base fee would be paid unless they use the property throughout the year, then they would pay a minimum of 6 months at the regular rate.

Dvorsak read ordinance change #146.

Jacobson will send out letters to those effected by the ordinance.

Motion by Finnegan, seconded by Backes, to read the second reading on June 8th, 2026 for ordinance change #146. All Ayes

PROJECT #24: LIQUOR STORE

Council received Liquor Store reports:

- Gambling rent from March was \$5,268.56 with half being transferred to the EDA.

- Off-sale inventory report – \$145,792.58.
- The new on-sale system was installed on May 5th – on-sale was closed for the day.

The quote from Joe Riley Construction was reviewed by Greg Graves. Also received quotes from Mark Lee and for the cement sections.

Have had a good response from Joe Riley Construction – project was laid out and they have a plan for concrete.

Want to have the Liquor Store open as much as possible – less impact on the Liquor Store. Being closed too many days can decrease summer sales.

Motion by Finnigan, seconded by Thornbloom to approve Joe Riley Construction quote as presented for the Liquor Store parking lot project. All Ayes

PROJECT #73: FIRST RESPONDERS

The First Responders received a resignation from Austin Beier. Also, an indication from Hattie Thorson that she will be resigning who is the FR secretary.

Shannon Graff, FR President, will appoint a secretary for the rest of 2026.

Motion by Backes, seconded by Anderson, to accept the resignations from Austin Beier and Hattie Thorson as of May 11, 2026. All Ayes

PROJECT #76: POLICE

At the April meeting, Council member Backes brought up the police vehicle lettering and wanted to discuss what is expected on the squad. At that time, only three members were present and the discussion was tabled until the May meeting.

Motion by Backes, seconded by Thornbloom, to approve to have lettering completed on the new truck the same as the rest of the police vehicles. All Ayes Opposed: Finnegan, Dvorsak

PROJECT #441: PARK BOARD

The original plan was to bid and begin the park project this year. After the cultural resource assessment was completed, the City was informed that an on-site Phase I archaeological review is required.

The DNR reviewed the process and timeline with Clerk Jacobson:

- State archaeological license approval to dig on public land – submitted May 1, 2026; estimated to be 30 to 45 days for approval.
- On-site archaeological review – estimated to be 14 to 21 days to complete.
- State Historical Preservation Office and State archaeological review of results – estimated to be 45 days for a response.
- MPS (Tribal Council) review – up to 60 days to review, comment or request additional information.

Based on the timeline, the best-case scenario with receiving the final grant agreement with the DNR would be the end of September 2026.

This delay in the project is unfortunate and may increase costs due to rising process.

Motion by Thornbloom, seconded by Finnegan, to approve the April 28, 2026 Park Committee meeting minutes. All Ayes

PROJECT #468: SPECIAL EVENT

Council reviewed Special Event applications from the Osakis Chamber for Osakis Days and from Osakis Beautification for a Beach Party.

Motion by Thornbloom, seconded by Finnegan, to approve a Special Event license for Osakis Beach Party on May 28th, 2026 and Osakis Days on June 20th and 21st, 2026 will all information completed. All Ayes

PROJECT #312: BEAUTIFICATION TEAM

Amber Kral was not in attendance.

At the April meeting, the Park Board approved moving forward with a Sourcewell grant for \$30,000 to cover the concrete cost for the overlook area and tables and benches for the park. On May 5th, 2026, the city was informed that we did not receive funding for the grant.

Kral coordinated a student clean-up day on May 11th, 2026.

Council discussed a workshop for these committees – information for short/long range for the beach and parks.

PROJECT #49: MAIN STREET PROJECT

Following the public hearing, the council decided to move forward with bidding the Main Street project. The project was advertised for bids on April 22, 2026, with bids due on May 14th, 2026.

During the public hearing, there were questions regarding the amount of some assessments. Assessment costs are applied across the total project to determine individual amounts. Property owners do have the option to contest their assessment; however, it is the responsibility of the property owner to go through the formal appeal process.

The assessment policy is intended to distribute responsibility to property owners based on the benefit received.

Many residents expressed interest in addressing their sewer issues and improving the roadway, but the assessment amounts remain a concern which is typical.

Motion by Finnegan, seconded by Backes, to approve WSB bill for \$28,804 for the Main Street project and \$241 for VCP Sanitary Sewer Replacement project. All Ayes

PROJECT #7: COMMUNITY CENTER

The Community Center floor will be stripped and waxed by Service Master on June 1st and 2nd. The cost of the process will be covered by the Osakis Senior Club donations.

PROJECT #42: CLEAN UP DAY

Clean Up Day is scheduled for May 16th, 2026 at the Osakis Liquor Store parking lot. Hours will be from 9 a.m. to 11 a.m.

PROJECT #60: ORDINANCE / ADMINISTRATIVE CITATION

Steve Jones from Sourcewell had a ride-along with Chad Gulbranson and Lynnette Swenstad on May 8th, 2026. The spreadsheet from last year was updated and Jones sent letters to properties that had items to take care of.

Council reviewed the list of letters sent and when the city expects a response.

PROJECT #321: VISITOR'S CENTER

Last year, the Visitor's Center operated on a part-time basis. Funding was available to cover staffing costs. Donations received in 2025 were as follows:

- Heritage Center – \$400
- VFW – \$500
- Osakis Lake Association – \$500
- Chamber of Commerce – \$500
- EDA (Lodging Tax Funds) – \$1,988

Donations received so far for 2026:

- Chamber of Commerce – \$500
- VFW – \$500
- The EDA will contribute to help fund the staffing after all donations from other groups are received.

Motion by Finnegan, seconded by Backes, to approve a \$1.00 raise for Jackie Schultz to \$14.50. All Ayes

Motion by Backes, seconded by Finnegan, to approve to staff the Visitor's Center based on donations received for staffing and help for the Heritage Center group for staffing. All Ayes

PROJECT #468: SPECIAL EVENTS

Mayor Dvorsak discussed the request to sign a letter for the Mayor Association regarding the MN Paid Family Leave and the burden it puts on cities.

Motion by Anderson, seconded by Backes, to approve to sign the letter to the governor regarding PFML. All Ayes

PROJECT #213: LIFEGUARDS

Connor Gulbranson and Aaron Collins will be returning as lifeguards for 2026. Flyers were hung at the school, on the city website, and on Facebook. Looking for one more lifeguard for the summer.

PROJECT #110: GAMBLING

Resolution 2026-15 was presented by Anderson, seconded by Thornbloom, to approve the Knights of Columbus raffle on September 27, 2026 at the Immaculate Conception Church. When put to a vote the resolution passed unanimously.

PROJECT #408: VACATION STREET OR ALLEY

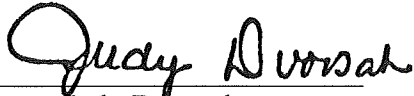
Park Osagi project is underway. A step in the process is to vacate the street that runs along Lake Osakis through the park. The MN DNR requires the City to vacate the street and attach that property to the Park Osagi parcel. Per the agreement, the property must permanently be managed and maintained for public outdoor recreation use.

Because the street is adjacent to the lake, the DNR has the option to review and comment which requires a 60-day notice to the DNR.

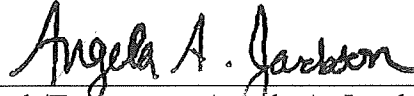
Resolution 2026-16 was presented by Finnegan, seconded by Backes, to accept the request for a vacation of a portion of Elm Avenue and schedule a public hearing on August 10, 2026 to consider the vacation. When put to a vote, the resolution passed unanimously.

OTHER ITEMS: Next Council meeting – June 8th, 2026.

Motion by Finnegan, seconded by Thornbloom, to adjourn the meeting at 8:03 p.m. All Ayes



Mayor – Judy Dvorsak



City Clerk/Treasurer – Angela A. Jacobson