

Osakis City Council – Regular Meeting
Osakis City Hall – 14 Nokomis Street East
August 10, 2026
6:00 PM

Present: Judy Dvorsak, Laura Backes, Stephanie Finnegan, Randy Anderson, Tim Thornbloom
Others Present: Angela Jacobson, Mike Lloyd, John Swenstad, Laura Bollig, Nicole Bollig, Autum Martin, Eli Martin, Jason Schultz, Craig Dropik, Jon Ries, Carlene Dean, Travis Redetzke

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

Motion by Backes, seconded by Finnegan, to approve the agenda as presented with the addition of election documents. All Ayes

Motion by Finnegan, seconded by Thornbloom, to approve the general consent items, including the June city bills in the amount of \$707,353.32 and meeting minutes from July 13, 2026 meetings. All Ayes

PROJECT #84: BUDGET 2027

Council received the proposed budget for 2027.

A special meeting will be scheduled for the supervisors to review the budget. A council workshop is scheduled for August 24th, 2026 at 6:00 p.m.

PROJECT #24: LIQUOR STORE

Council received Liquor Store reports for July including the gambling rent from June in the amount of \$5,148.97

Mayor Dvorsak and Clerk Jacobson met with Troy Benning to review the inventory system. Mayor Dvorsak will meet with Benning again in August to help get the system updated.

Motion by Anderson, seconded by Thornbloom, to approve hiring Keagan Schielle and James Shomion as part-time bartenders at the Liquor Store. All Ayes

PROJECT #74: FIRE

The A/C unit went out in the firehall. Two quotes were received and moved forward with Mission Mechanical to purchase and install a new A/C unit.

Craig Dropik informed the council that Mark Pomerleau is retiring as of August 31st, 2026. An add will be put in the paper to take one to two applicantes. Classes for new firefighters begin in November.

Dropik received a letter for PERA retirement funding – Fire Department will review and discuss.

Dropik added two more tablets and I-pads for 911 to use for fire.

Motion by Finnegan, seconded by Backes, to approve the bid from Mission Mechanical for a new A/C unit at the firehall. All Ayes

PROJECT #76: POLICE

Chief Gulbranson is requesting approval to submit for the Sourcewell grant of \$50,000 for replacement of the 2018 Fore Explorer.

Resolution 2026-26 was presented by Thornbloom, seconded by Anderson, to approve to submit for the Sourcewell impact grant of \$50,000. When put to a vote, the resolution passed unanimously.

PROJECT #205: PUBLIC WORKS

Darrin Quistorff would also like to submit for a Sourcewell impact grant in the amount of \$50,000 to purchase a new public works pickup. The truck they would be replacing is the 2024 pickup truck.

The public works building site plan is still being worked on. Thornbloom shared a video of the rain that enters the existing building during a rain occurrence.

Resolution 2026-23 was presented by Finnegan, seconded by Thornbloom, to approve the Sourcewell impact grant application for a new public works pickup truck and an invoice from Nero Engineering in the amount of \$880. When put to a vote, the resolution passed unanimously.

PROJECT #312: BEAUTIFICATION TEAM

No updates.

PROJECT #501: PARK & RECREATION MEETING

The RFP for project manager as risk deadline is August 17th, 2026 at 4:30 p.m. Council received the RFP information.

Motion by Finnegan, seconded by Anderson, to approve the Park and Recreation meeting minutes from July 28th, 2026. All Ayes

Motion by Anderson, seconded by Finnegan, to approve Louisa Glenentzke as the new Park & Recreation board member. All Ayes

PROJECT #102: EDA

Council received the EDA minutes. The remaining term of Justin Dahlheimer needs to be filled.

Motion by Backes, seconded by Finnegan, to approve the EDA minutes from July 27, 2026. All Ayes

Motion by Backes, seconded by Finnegan, to approve appointment of Louisa Glenentzke as EDA board member to fill the school position. All Ayes

PROJECT #7: COMMUNITY CENTER

Council reviewed a quote for a new scrubber for the Community Center. Scrubber T291 is a larger unit and is self-propelled. Cost of the unit is \$6,880.92.

Motion by Anderson, seconded by Thornbloom, to approve to purchase self-propelled Scrubber T291 in the amount of \$6,880.92. All Ayes

Motion by Finnegan, seconded by Anderson, to approve to sell the old scrubber/buffer is not used. All Ayes

PROJECT #468: SPECIAL EVENT

Council received Special Event and One Day Liquor License applications from O'Town Tavern, Osakis Pub and the Bowling Barn.

Travis Middendorf and Jason Schultz discussed moving the rodeo back to Panthers lots as originally discussed.

Motion by Finnegan, seconded by Backes, to approve the Special Event and One Day Liquor License for O'Town Tavern, Osakis Pub and the Bowling Barn contingent that all necessary paperwork is turned in. All Ayes

Motion by Anderson, seconded by Finnegan, to approve a Special Event license for Immaculate Conception Church on August 16th, 2026. All Ayes

PROJECT #408: STREET VACATION – PARK OSAGI

At the May meeting, the council adopted Resolution 2026-16 calling for a public hearing on the proposed vacation of Elm Avenue. The required notice was sent to the Minnesota Department of Natural Resources (DNR) on May 26th, 2026, initiating the 60-day comment period. To date, the city has not received any comments from the DNR.

Council received an aerial image identifying the area proposed to be vacated. It was noted that this action does not vacate the existing roadway that runs through Park Osagi – rather, it vacates the original platted street right-of-way that was dedicated when the development was established.

Motion by Backes, seconded by Finnegan, to suspend the regular meeting and open the public hearing at 6:32 p.m. All Ayes

Clerk Jacobson explained the vacated plotted street was established years ago.

No public comments.

Motion by Anderson, seconded by Thornbloom, to close the public hearing at 6:34 p.m. and open the regular meeting. All Ayes

Resolution 2026-25 was presented by Finnegan, seconded by Anderson, to approve vacating Elm Avenue as described in the legal description. When put to a vote, the resolution passed unanimously.

PROJECT #: 2ND AVENUE EAST AND PIKE STREET EAST PROJECT

At the July council meeting, the council reviewed proposals from WSB and Bollig Engineering for the 2nd Avenue East and Pike Street Improvement project. The council approved moving forward with Bollig Engineering and authorized Tast #3 for engineering services at a fee of 17% of the project cost. Council also approved Task #4 for funding assistance.

After the meeting, Clerk Jacobson reviewed Tast #4 and had several questions regarding the proposed fees. The agreement includes a \$5,000 annual fee to apply for funding along with a 5% fee on the total amount of funding secured and approved by the council for funding administration.

Clerk Jacobson contacted Laura Ostlie for clarification. Based on discussion, the 5% fee would apply not only to grant funding but also to low-interest loan programs and traditional bond financing.

Because of the clarification, Clerk Jacobson wanted to bring Tast #4 back to the council for further discussion before moving forward.

Ostlie discussed the proposed agreement:

- Annual fee of \$5,000 and administration fees is for extra reporting and additional application.
- Fixed fee of 5% - secured as part of projects to pay Bollig.

Funding secured by the city like bonds secured for projects and the ones Clerk Jacobson reviews, would not apply to the 5% fee. All Ayes

Project 2027:

- Facility plan for funding.
- PCA for funding submitted in 2024 did not include to have material for funding besides treatment portions for wastewater plant project.
- Can move forward for 2027 and bond for project – otherwise going as traditional bond.

Project 2028:

- Hold off until the next funding cycle.
- Put in facility plan for 2nd Avenue East and Pike Street East.
- Facility plan – 5 years and will get on a low interest loan list.
- Small Cities Admin grant – one year process to apply.

Ostlie will need to check on compliance and ask if the schedules can be changed with MPCA – work with Eric Meester (Nero Engineering).

PROJECT #49: MAIN STREET PROJECT – SANITARY SEWER REPLACEMENT

WSB project proposal to complete the Main Street Construction is the amount of \$271,088.

The city requested pricing from Riley Brothers to complete the sewer lateral replacements for properties that require them. The indicated they would complete the lateral line replacement for \$1,246 per hour.

WSB has identified the properties that will need sewer lateral replacements. During the inspection process, several did not pass inspection. Some of the laterals currently have dual service connections. In order to disconnect the shared connections and provide each property with its own individual sewer service, a new sewer lateral will need to be inspected and connected to the appropriate service connection point.

Motion by Anderson, seconded by Thornbloom, to approve to set the lateral deadline completion by October 30, 2026. All Ayes

Motion by Backes, seconded by Finnegan, to pay WSB invoices in the amounts of \$2,431.60 and \$11,017. All Ayes

PROJECT #60: ORDINANCE – ADMINISTRATIVE CITATION

Steve Jones completed a code compliance notice because of the complaints received for the property at 310 1st Avenue West and Planning & Zoning concerns. Toby Wiebye received a notice of 10 days to correct his violations. The 10 days was up on July 11th, 2026. Steve Jones and Chief Gulbranson will wait until his building permit expires at the end of August and then proceed with the violation process.

O'Town Tavern requested demo funds to tear down their building along the trail on Central Avenue. The EDA did not approve funding for the project and there are no designated funds to help with commercial demo.

PROJECT #489: MAIN LIFT STATION

Motion by Finnegan, seconded by Thornbloom, to approve payment #5 in the amount of \$71,250 to Killmer Electric. All Ayes

PROJECT #343: FIREWORKS / LEASE

Council discussed scheduling a meeting with the Country Club regarding the 2027 Fireworks.

For many years, the city has entered into a lease agreement with the Osakis Country Club for the use of it's property on July 4th to set up and display fireworks.

At the July meeting, Dropik updated the council on the fireworks and stated that it went well and a lot of positive comments were received.

Dropik mentioned the Fire Department cleans up the debris left by the fireworks after the fireworks display. At the Two Mile Campground we did not have to clean up that night.

Douglas County Sheriff Troy Wolbersen also received good feedback about the event.

Discussion was tabled – did not see the need to talk to the Country Club as the fees would not change.

PROJECT #60: ORDINANCE – I & I

Council received a memorandum from Flaherty & Hood regarding the city's Inflow and Infiltration (I & I) ordinance and provided recommendations for updating the ordinance to better coordinate private sewer lateral replacements during street reconstruction projects, including the Main Street East Project.

The Main Street East Project has identified several private sewer laterals that did not pass inspections and will need to be repaired or replaced. While the city has the authority to assess the cost of replacing deficient sewer laterals to the benefiting property, the current ordinance does not allow the city to perform the work on private property without the owners consent or completing the nuisance abatement process.

To address this issue, the city attorney recommends amendments to Chapters 55 and 90 of the city code that would:

- Require property owners with deficient sewer laterals within a street construction project to repair or replace the entire lateral.
- Allow property owners the option to either hire their own licensed contractor or authorize the city's contractor to complete the work with the cost assessed to the property.
- Establish a "self-help" process that would allow the city to complete the work if a property owner fails to comply after receiving notice for an opportunity to correct the issue, and a hearing before the City Council.
- Clarify that the deficient sewer laterals contributing to I & I are considered a public nuisance, allowing the city to utilize its nuisance abatement procedures.
- Update the city's nuisance ordinance to specifically include sewer laterals and provide clear authority for cost recovery.

The city attorney also recommends the following steps:

- Adopt the proposed ordinance amendments.
- Compile the final list of properties with deficient sewer laterals.
- Send notices to affected property owners explaining the deficiencies, available options, and required timelines.
- Prepare a consent agreement for property owners who choose to have the city's contractor complete the work.
- Continue exploring grant and loan opportunities that may assist property owners with the cost of the sewer lateral replacement.

Ordinance Change #149 was read and approved at the July 13th, 2026 meeting. This ordinance went into effect in the following publication in July.

PROJECT #444: WASTE WATER PROJECT

Council discussed applying for a point Sourcewell grant with MPCA/PFA.

Resolution 2026-27 and 2026-28 was presented by Anderson, seconded by Finnegan, to approve to submit a Point Source Implementation grant for PFA funding. When put to a vote, the resolution passed unanimously.

PROJECT #373: POLICIES

At the July council meeting, discussion was held regarding the use of city police vehicles in local parades and who is authorized to drive them.

The council requested review of the city's personnel policy regarding use of city vehicles. Clerk Jacobson reviewed the policy and did not find any language that specifically limits the operation of vehicles, including police vehicles to certain employees or positions.

This topic was also discussed by the council in 2022. At that time, the discussion reflected that no one other than a police officer or city employee should operate a police vehicle. However, with the adoption of the updated policy in 2025, any previous discussions or informal direction that are not included in the current policy have been superseded.

Clerk Jacobson and Mayor Dvorsak will review language for the personnel policy and amend at the September meeting. Language discussed will be to allow full-time and part-time employees with training to drive city vehicles.

PROJECT #299: BONDS

Council reviewed Resolution 2026-22 for the application or competitive bonds for the project.

Council received a letter from Jason Murray (David Drowns) regarding the project, costs and payments:

- Bond is for \$1,985,000.
- Anticipated payment is for 15 years.
- Annual sewer payment - \$34,000
- Annual water payment - \$24,000
- Annual levy payment - \$59,000
- Annual assessment received - \$72,400

Murray also provided information for a 20-year payback option.

Resolution 2026-22 was presented by Backes, seconded by Finnegan, to approve to negotiate sale of \$1,985,000 in general obligation bonds for 2026A for a 15-year bond. When put to a vote, the resolution passed unanimously.

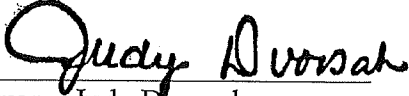
PROJECT #229: ELECTIONS

Candidate filings closed on July 28th, 2026. The following individuals have filed and will appear on the ballot for the November 3rd, 2026 election:

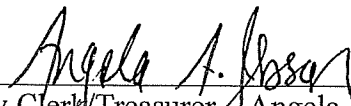
- Mayor – Stephanie Finnegan and Jason Fenger
- Council Member – Jonathan Ries, Mike Lloyd and Alan J. Larson

OTHER ITEMS: Next Council meeting – September 14, 2026.

Motion by Thornbloom, seconded by Finnegan, to adjourn the meeting at 8:00 p.m. All Ayes



Mayor – Judy Dvorsak



City Clerk/Treasurer Angela A. Jacobson