

TO: OSAKIS COUNCIL

PROJECT NUMBER: 84/358

PROJECT NAME: Budget/ Tax Levy

INFORMATION FOR THE COUNCIL:

ATTACHMENT: Expenditure & Revenue budget worksheet 2027, Resolution 26-32 tax levy, city tax extension rates

The council met on August 24th to review and balance the 2026 and 2027 budget. Each department head had an opportunity to discuss budget changes with the council.

The council balanced the budget with a 4% preliminary increase, 2026 budget savings, savings funds, and budget changes.

General fund 2027

Expenditures: \$1,882,064

Revenue: \$1,895,940

Difference: \$13,876

Jacobson will continue to work on the full budget as we received more accurate numbers. Final levy will be reviewed at the December meeting.

MY CONCERN/QUESTION/SUGGESTION IS:

Council should review the 2027 budget and will need to make a motion to approve the preliminary budget for 2027 to be certified to the county by September 30th. The levy amount can go down in December at the final budget meeting, but it can not go up.

The Douglas County Tax Extension rate sheet reflects the tax rate of the city compared to other cities in Douglas County.

I SUGGEST THE FOLLOWING SOLUTION:

A motion by 2nd by to approve the 2027 preliminary budget
as presented. All Ayes

A resolution 26-32 presented by 2nd by to approve the
preliminary levy amount with an increase of 4% or \$36,792. Passes unanimously.

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 192

PROJECT NAME: Truth in Taxation

INFORMATION FOR THE COUNCIL:

Truth in Taxation hearing date needs to be set for December. Our regular meeting in December is December 14th.

The council requested I look at what is scheduled for events at the Osakis school. The school concert list has not been scheduled. Typically, the concerts are the first two Mondays in December. I would suggest we hold the hearing at 5:30 pm and have our meeting after the hearing so those with other obligations can attend, or move it to Wednesday, December 16th.

MY CONCERN/QUESTION/SUGGESTION IS:

I SUGGEST THE FOLLOWING SOLUTION:

Motion by 2nd by to approve to set the truth in taxation date on December _____
at 5:30pm. All Ayes

ACTION

9-14-26

TO: OSAKIS COUNCIL

PROJECT NUMBER: 24

PROJECT NAME: Liquor Store

INFORMATION FOR THE COUNCIL:

ATTACHMENT: Liquor Store Reports

Reports from City Hall:

- Statement of Revenue and Expense
- Liquor Store 2-year Expenditures and Revenue
- Liquor Store Exp./Rev. Off Sale
- Liquor Store Exp./Rev. On Sale
- Liquor Store Sales monthly
- Gambling Rent July (Not included in revenue sheet) – \$6,395.46

Reports from Liquor Store System and manager:

- Liquor Store Inventory – Judy has been working with Troy to review the inventory system. Judy met with Troy in August to help get the system updated so the sales and inventory are accurate. Judy can update the council
- Hiring PT employee: Desirae Hendricks pending background check

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny
All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 74/13

PROJECT NAME: Fire Department/Fire Relief

INFORMATION FOR THE COUNCIL:

ATTACHMENT: August Report, PERA Fire Retirement Report

Craig, Kyle, and Ryan will be in attendance to discuss the PERA fire relief funding and PERA report. They will be requesting an increase in the per-year funding amount.

Open House for the fire department is on Wednesday, October 7th 3:30pm to 6:30pm.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes
ACTION

9-14 -2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 205

PROJECT NAME: Public Works

PREPARED BY: Clerk Jacobson/ Superintendent Quistorff

INFORMATION FOR THE COUNCIL:

ATTACHMENT: Public works report

MY CONCERN/QUESTION/SUGGESTION IS:

Shop building: The public works building site plan is still being worked on; we discussed working with a Project Manager to review the building process. At the last meeting, the council discussed a video of the rain inside the current shop.

How does the council want to move forward:

- Next steps for the RFP process for project manager
- Design concepts already in place and review what has been completed.
- Update pricing for current design.
- Review possible locations.
- Set up a committee to review all of the above.
- Table discussion for more information.
- Look into what the next steps are for the building. Using draft design that is already in place for the council to start with.

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 312

PROJECT NAME: Beautification Team

INFORMATION FOR THE COUNCIL:

ATTACHMENT: Beautification sheet

No update from the Beautification Team

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny
All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 501

PROJECT NAME: Park & Recreation Meeting

PREPARED BY: Clerk Jacobson

INFORMATION FOR THE COUNCIL:

ATTACHMENT: 8-24-26 meeting, DNR grant agreement

MY CONCERN/QUESTION/SUGGESTION IS:

Project Manager at Risk RFP

The deadline for the Project Manager at Risk RFP was August 17, 2026. The City received seven competitive proposals, with three firms receiving the highest scores.

Al Larson, Judy Dvasack, and Angela Jacobson reviewed and scored the applications. Additional background and reference checks are currently being completed for the top applicants.

The Park and Recreation Board will review the application and reference information at its September 22 meeting and provide a recommendation to the City Council. The Council will then consider the recommendation and determine how to proceed with the Project Manager at Risk at its October meeting.

Park Osagi Project Update

Sue from ArchCenter has completed the on-site archaeological review of Park Osagi. No findings were identified that require additional reporting to the State Archaeology Review Office. She is completing the final report, which will then be submitted to the state for review.

The DNR has provided the City with a draft grant agreement for final review and signature. Once the agreement is executed, the City can move forward with the grant process for the Park Osagi project. The agreement is attached for Council review.

The primary items to review are Exhibits A through E, which outline the requirements and expectations the city will need to follow as part of the grant agreement.

This is positive progress for the Park Osagi project and allows the city to continue moving forward with the grant and project planning.

We are looking for members for the Park and Recreation board. We have put it on facebook for interested parties from the public. If the council is aware of anyone interested in serving on the board, have them contact cityhall.

RECOMMENDED ACTION:

A motion by 2nd by to approve Park and Recreation meeting minutes 8-24-26.

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 510

PROJECT NAME: 2nd Ave E and Pike Street E project
PREPARED BY: Clerk Jacobson and Laura Ostlie Bollig
INFORMATION FOR THE COUNCIL:
ATTACHMENT: Bollig Billing

No update was available for this meeting. Attached is billing from Bollig.

Project Background

August: Council approved moving forward with Bollig Engineering for engineering services at 17% of the project cost. Task #4 for \$5,000 annual funding application fee and 5% funding administration fee. applies only to future grants or other outside funding secured on the City's behalf and not to bond proceeds or funding already available to the City.

The City of Osakis is continuing efforts to address inflow and infiltration (I&I) as part of its settlement agreement with the MPCA and adopted I&I Reduction Plan. The City has completed extensive system televising and identified remaining segments of vitrified clay pipe (VCP) requiring evaluation and potential replacement. As identified in the Facility Plan and subsequent amendment, approximately 4,600 linear feet of VCP sewer remains within the system, including portions of Pike Street, 2nd Avenue East, Central Avenue, and Main Street. WSB has completed a review of the available televising data and coordinated with City staff to evaluate current system conditions, identify I&I risks, and develop a recommended approach for addressing the remaining VCP infrastructure. The Main Street Reconstruction Project is replacing existing VCP infrastructure on Main Street. The remaining segments to consider are shown below:

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve invoice from Bollig #10087 Grant application \$5,000 and for task #10080 for task #3 for the 2nd and Pike street project.

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 49

PROJECT NAME: Main Street Project – Sanitary Sewer Replacement

PREPARED BY: Clerk Jacobson

INFORMATION FOR THE COUNCIL: .

ATTACHMENT:

Letters were sent to 27 properties that need to have the lateral line replaced.

- 7 that will have Joe Riley Construction replace the lateral line.
- 6 that will have Tradesmen Construction replace their line
- 6 state they will be getting their own contractor to replace the line.
- 7 that have not given any response to the requested lateral line replacement.

We have been working to contact those that have not made a decision. The deadline set by the council for installation of lateral lines was October 30th, 2026.

At the special meeting on August 24, WSB stated that they would provide updates to the project webpage and send notifications to residents who have signed up to receive construction updates. WSB has been asked to improve communication throughout the project to help keep residents and others affected by the construction informed. Weekly updates can be viewed at: Osakismainstreet.com. Construction meetings are held every Thursday at 9 am, both Judy and Stephanie have been attending.

Garbage collection is being coordinated by placing garbage cans at the end of the street in areas where construction is taking place. Public Works employees are assisting with this process to help ensure garbage collection continues during construction.

Temporary mailboxes have also been installed to allow residents to continue receiving their mail while construction is underway.

Background:

August: sent out lateral line letters for replacement of lateral lines for Main Street residents. Cost would be \$1,246 per hour with time and material for Riley Brothers and \$480 per hour and \$700 for 40' of piping from Tradesman. Council moved to set a deadline for all to have the lateral line completed by October 30, 2026.

The Main Street Project was initiated to address compliance requirements under the MPCA permit related to the City's inflow and infiltration (I&I) issues. The City identified areas with the greatest need based on I&I concerns and street conditions. The Main Street East area was determined to be in need of replacement.

Johnson Jet-Line televised the sewer lines in this area and found that a majority of the properties were experiencing inflow issues and that many lateral lines were in poor condition. Based on this information, WSB was contracted to complete the feasibility study and final design for the project.

Kevin Kruger and Eric DeSmith met with the Council on February 24, 2026, to review the project area and proposed layout. Proposed assessment ranges were discussed at that time but were not finalized for Council review.

In order to proceed with assessing the project, the city must follow the statutory assessment process. Step one is outlined below:

Council set a date for the required public hearing on April 9th, 2026, and held the public hearing. Council approved moving forward with bidding.

Bids were approved at a special meeting after bids were opened on May 18th.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 60

PROJECT NAME: Ordinance – Administrative Citation

PREPARED BY: Chad Gulbranson – Flaherty and Hood

INFORMATION FOR THE COUNCIL:

ATTACHMENT: Email Flaherty and Hood, draft nuisance letter

The attached memo explains the next step in the process for the property at 310 1st Ave West. Recommends sending a follow up letter giving an additional 14 days to correct the violations. If not corrected the council can give him a notice of a public hearing.

Would the council like to move forward with the letter.

Background: August meeting, Steve Jones completed a code compliance notice because of the complaints received for the property at 310 1st Ave West and planning and zoning concerns. Toby Wiebye received a notice of 10 days to correct his violations. The 10 days will be up Saturday, July 11th. Toby has not completed his work on the property. Steve Jones and Chad Gulbranson will wait until his permit expires at the end of August and then proceed with the violation process.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny
All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 489

PROJECT NAME: Main Lift Station

PREPARED BY: Clerk Jacobson

INFORMATION FOR THE COUNCIL:

ATTACHMENT:

MY CONCERN/QUESTION/SUGGESTION IS:

Killmer Electric has been working to complete the Main Lift station project and also the backup generator for the water plant.

Pay application #6 was not received before packets.

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 458

PROJECT NAME: Facebook

PREPARED BY:

INFORMATION FOR THE COUNCIL:

ATTACHMENT:

Councilmember Backes would like to discuss social media.

MY CONCERN/QUESTION/SUGGESTION IS:

I SUGGEST THE FOLLOWING SOLUTION:

A motion by 2nd by to approve/deny

Motion Carries

ACTION

9-14-26

TO: OSAKIS COUNCIL

PROJECT NUMBER: 373

PROJECT NAME: Policies

PREPARED BY:

INFORMATION FOR THE COUNCIL:

ATTACHMENT:

Judy and Angela are still working on the language for the policy change for use of city vehicles.

Background: Council discussed the use of city police vehicles in local parades and who is authorized to drive them.

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

Judy and Angela were to work on draft language for the policy change.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

Resolution presented by
All Ayes

2nd by

to approve/deny

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 299

PROJECT NAME: Bonds

PREPARED BY: Jason Murray - David Drowns Associates, Angela Jacobson

INFORMATION FOR THE COUNCIL:

ATTACHMENT:

The 2026A bond is being processed. Jason Murry and Angela Jacobson participated in the S&P Global Ratings call. The approximately one-hour call consisted of a series of questions designed to provide an overall picture of the City's financial position, economic conditions, and growth within the community. Topics discussed included the economy of Osakis, city finances, future planning, upcoming projects, anticipated debt over the next three to five years, and policies currently in place to manage finances. S&P Global also requested the city's current bond debt information and the past two years of audits.

What is a bond rating?

A bond rating is similar to a credit score for the city. It reflects the city's financial strength and ability to manage its finances and debt. A stronger bond rating can attract more investors to the city's bonds and result in more favorable interest rates, which can reduce the city's borrowing costs.

Jacobson is expected to receive the final bond rating report by the end of this week. The bonds are scheduled to go to market on Monday, September 14.

Background: August council passed the Resolution 2026-22 for application or competitive bonds for the project.

Letter from David Drowns – Jason Murray regarding the project, costs, payments.

Bond is for \$1,985,000

Anticipated payment is for 15 years,

Yearly Sewer payment \$ 34,000

Yearly Water payment \$ 24,000

Yearly levy payment \$59,000

Yearly assessments received \$ 72,400

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

No Action needed, just for information

A motion by

2nd by

to approve/deny

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 196

PROJECT NAME: Fee Schedule

INFORMATION FOR THE COUNCIL:

ATTACHMENT: 2027 fee schedule

The council should review fees for 2027. Department heads have received their current fee schedules to review and provide feedback on any recommended changes for 2027. Fees would be adopted in December for 2027.

Updates reflect proposed changes from the police, public works, and cityhall.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/ deny

All Ayes

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 310

PROJECT NAME: Blacks Resort Blocking Lake Street

INFORMATION FOR THE COUNCIL:

Neil Mierhoffer would like to request to block Lake Street on October 3rd to remove docks for Blacks Resort.

MY CONCERN/QUESTION/SUGGESTION IS:

I SUGGEST THE FOLLOWING SOLUTION:

A motion by _____ 2nd by _____ to approve Blacks Resort to block Lake Street on October 3rd.

**Motion Carries
ACTION**

9-14-26

TO: OSAKIS COUNCIL

PROJECT NUMBER: 433

PROJECT NAME: Sauk River Watershed

PREPARED BY: Clerk Jacobson

INFORMATION FOR THE COUNCIL:

ATTACHMENT: email – notice SRWD Jon Roeschlein

The council has been invited to attend the Sauk River Watershed District (SRWD) meeting on September 15th.

See the attached email and notice.

I would recommend at least one councilmember attends.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes

ACTION

9-14-2026

TO: OSAKIS COUNCIL

PROJECT NUMBER: 124

PROJECT NAME: Bank Sign

PREPARED BY: Clerk Jacobson

INFORMATION FOR THE COUNCIL:

ATTACHMENT: lease and maintenance agreement

First National Bank has a sign located in front of the Osakis Community Center. The sign was originally installed in 2002 under a 25-year lease agreement. The current lease will expire in June 2027.

The sign has experienced some maintenance issues over the past few years, and First National Bank has discussed the possibility of updating or replacing the sign.

The council should begin considering what terms and conditions, if any, it would like to establish for a new lease. This may include the size, design, location, maintenance responsibilities, landscaping, and overall appearance of the area surrounding the sign.

The landscaping and garden area around the sign have required additional maintenance in recent years. The council may also want to consider whether changes to the area or the maintenance agreement would be appropriate as part of a new lease.

Please review this item so the council can discuss potential lease terms and improvements at a future meeting.

A letter will be sent to First National Bank to begin discussions regarding a new lease and maintenance agreement.

MY CONCERN/QUESTION/SUGGESTION IS:

RECOMMENDED ACTION:

A motion by 2nd by to approve/deny

All Ayes
ACTION

9-14-2026