

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
JULY 13, 2009**

1. CALL TO ORDER

Mayor John Hall called the regular meeting of the Osseo City Council to order at 7:10 p.m. on Monday, July 13, 2009.

2. ROLL CALL

Members present: Council members Steve Menth, Steve Parks, Ken Schreiber, and Mayor John Hall.

Member absent: Council member Brian Kleven.

Staff present: City Administrator Greg Withers, City Attorney Loren Magsam, and Deputy Clerk LeAnn Larson.

Others present: Marcus Thomas, Jason Miller, Tim Ryan, Erin Lynne, Patty Lyden, Sherry Blair, Marcia Thompson, BobbieJo Siebert, Ben Knutson, Martin Duffy, Sally & Ty Schmidt, Bob Kohls, Bruce Wiley, Alicia Miller, Al & Barb Lindquist, and Ron Barger.

3. PLEDGE OF ALLEGIANCE

Hall led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Hall added item 10.e. Call City Council Special Meeting for Tuesday, July 21, 2009, to the Agenda.

A motion was made by Menth, seconded by Parks, to accept the Agenda as amended. The motion carried 4-0.

5. CONSENT AGENDA

- a. Approve City Council Minutes of June 8 & June 22
- b. Receive EDA Minutes of July 6
- c. Approve Building Report for June
- d. Approve Fire Report for June
- e. Approve Police Report for June
- f. Acknowledge donation of \$2,000 from Osseo Lions Club to Memorial Park
- g. Approve Change of Status and Pay Increase for Wayne Faue
- h. Approve Appointment of Firefighters Thomas Gaspard & Thomas Phenow
- i. Approve Bid Prices for Surplus Vehicles
- j. Approve Accounts Payable (Listing 071309, dated 7/13/09 10:26 AM, for \$40,893.44 and Excel Listing of 7/10/09 for \$202,691.30)

Hall requested item 5.h. be removed from the Consent Agenda.

A motion was made by Menth, seconded by Parks, to approve the Consent Agenda as amended. The motion carried 4-0.

5.h. Hall asked Osseo firefighters Erin Lynne and Patty Lyden to briefly discuss this item. Lynne stated two candidates for firefighters have gone through the steps in the new hiring process to be a fire fighter. The two new firefighters recommended for appointment are Thomas Gaspard and Thomas Phenow.

A motion was made by Hall, seconded by Menth, to approve item 5.h. Approve Appointment of Firefighters Thomas Gaspard & Thomas Phenow. The motion carried 4-0.

6. MATTERS FROM THE FLOOR

Marcia Thompson, 16 2nd Avenue NE, said she appreciated the time Police Chief Tim Ryan recently spent listening to her neighborhood traffic concerns. She said Osseo has sorely lacked police protection in the past.

Sherry Blair, 24 2nd Avenue NE, also thanked Chief Ryan and Council members Menth and Parks for coming to the neighborhood meeting.

Al Lindquist noted the movie and concert in the park coming Tuesday, July 14. He reminded everyone the rain-out location is in the Community Center, across the street from the Park. Lindquist reminded everyone that Lorie Line is coming to Osseo on August 11 for an evening concert. Tickets are available for \$31 each by calling 763-291-4130. He thanked Chief Ryan for his presence in the park on Tuesday evenings during concerts and movies in the park.

Martin Duffy, 337 Central Avenue, said he was impressed with the fast work by Forest Lake Contracting on the Central Avenue Project. He noted that he has heard nothing but positive feedback on the new Police Chief and officers doing a walking beat downtown.

7. SPECIAL BUSINESS

a. INTRODUCTION OF OSSEO BUSINESS ASSOCIATION PRESIDENT BOBBIEJO SIEBERT AND BOARD OF DIRECTORS

Al Lindquist, past president of the Osseo Business Association (OBA) Board of Directors, introduced several new officers of the OBA Board for 2009-2010. New president is BobbieJo Siebert, vice president is Barb Wiley, and new director is Ben Knutson. City Administrator Greg Withers is also a director on the OBA Board. Other new officers were noted but not present.

b. PRESENTATION OF 2008 FINANCIAL STATEMENTS – Jason Miller, Smith Schafer & Associates

Jason Miller, Smith Schafer & Associates, presented the City of Osseo Financial Summary/Audit. He noted this audit opinion provides reasonable, but not absolute, assurance that financials are free of material misstatement. It is also an unqualified opinion, in that financial statements are fairly stated in all material respects.

Miller presented graphs of property tax revenues, intergovernmental revenues, and government fund revenues. Property tax revenues increased by 16.8 percent in 2008. In 2008, intergovernmental revenues represent 22.9 percent of governmental revenues.

He also presented graphs on general governmental expenditures, public safety expenditures, public works expenditures, and culture and recreation expenditures. General governmental expenditures represent 34 percent of all expenditures, while public safety represents about 51 percent of the total governmental expenditures.

The General Fund Reserve balance is at 46 percent of General Fund Expenditures for 2008. The State Auditor recommends a 35 to 50 percent unreserved fund balance.

Miller briefly outlined the general obligation bonds, tax increment bonds, revenue bonds, and five-year debt service requirements. Capital projects funds were noted. The Enterprise funds include water, sewer, storm water, and garbage funds. The deficits from past years in the Enterprise funds have decreased due to changes in rates for the utilities.

Miller noted due to the limited staff size and resources, management has determined that it is not cost effective to employ a full financial reporting staff. As a result, the City currently does not have employees possessing the necessary training and knowledge to apply generally accepted accounting principles in preparing its financial statements. The City relies upon its independent accountants (Smith Schafer & Associates) to assist with adjustments to the preparation of the City's financial statements.

He said analysis of the trail balance and discussions with management has brought to attention numerous outstanding checks more than three years old. The checks are not large. To be in compliance with the State's escheatment laws, these funds should be turned over to the State of Minnesota.

There are still funds with little or no activity in them. Analysis should be made to determine if these dormant or low activity funds should be closed and transferred to the General Fund or another fund.

One person, the City's Finance Officer, does the majority of handling all transactions from inception to completion. This lack of segregation of duties should be addressed. Reconciliations of key balance sheet accounts should be made monthly to reduce the likelihood of any material discrepancies going unnoticed until year end.

Miller further noted the City's investments are scattered over several brokerage firms. To better monitor performance, reduce overall investment expenses, provide for a more efficient monthly reconciliation and recording of transactions, management should consider consolidating the investments with one or two brokerage firms.

There were no questions on the 2008 City Audit.

8. PUBLIC HEARINGS – None.
9. OLD BUSINESS – None.
10. NEW BUSINESS
 - a. APPROVE STORMWATER MANAGEMENT PLAN (Resolution) – Marcus Thomas, Bolton & Menk

City Engineer Marcus Thomas stated the purpose of the Storm Water Management Plan (SWMP) is to provide guidance to the City of Osseo relative to growth and redevelopment and to ensure that adverse impacts to natural water resources and flood controls are minimized.

The plan outlines several goals including:

- Reducing stormwater water quantity
- Improving stormwater quality
- Minimizing erosion and sedimentation
- Protecting wetlands
- Promoting groundwater recharge and management
- Public participation, information, and education

The SWMP also recognizes various local and regional stormwater issues relative to Osseo, issues that Osseo can influence in the future. Some of these issues include managing increases in impervious surfaces, reducing flooding potential at problem area with the City, identifying multi-site ponding locations to facilitate redevelopment, minimizing chloride runoff into Shingle Creek, and runoff into Shingle Creek, and educating the public in ways they can individually protect their water resources.

The SWMP is intended to be a reference document for the City as it evaluates future redevelopment opportunities, as well as a resource for use in critiquing and refining its own internal operations and maintenance practices – all with the goal of protecting surrounding natural water resources and providing for adequate stormwater management for the City's residents.

Thomas stated the City of Osseo is within the Shingle Creek and West Mississippi watershed. Therefore, the City must follow the requirements of both Management Plans for the two districts.

Hall asked if improvements being done on 1st Avenue NW between 3rd and 4th Streets would involve both districts. Thomas said yes, since the water that typically ponds in that location with heavy rains will flow both south to the Shingle Creek Watershed and north to the West Mississippi Watershed.

Thomas said one example of reducing stormwater water quantity will be the impervious surface of the brick paver sidewalks to be installed along Central Avenue as part of the Central Avenue street project.

Schreiber asked if there were grants available to possibly offset some of the costs of these measures to reduce stormwater quantity. Thomas said the watershed districts are supportive of all efforts to reduce stormwater quantities but wasn't aware of any grants.

Schreiber asked if the possibility of improper discharge by two businesses near Central Avenue might have added to the "spike" of sanitary sewer discharge identified by the Metropolitan Council several years ago, and if there would be any reimbursement of the annual fines associated with that extreme discharge. Thomas said any measures the City does to make stormwater improvements would offset the cost of the annual fine that the City must pay to the Met Council.

Hall asked who bears the expense of correcting potential improper discharge systems.

Thomas said the private property owners would be responsible for associated expenses.

Withers stated known properties will be rectifying such situations as best as possible.

A motion was made by Parks, seconded by Schreiber, to adopt Resolution No. 2009-43 Approving the City's Stormwater Management Plan. The motion carried 4-0.

- b. RECEIVE REPORT ON THE FIRST 60 DAYS FROM POLICE CHIEF TIM RYAN

Police Chief Tim Ryan thanked everyone in Osseo who have given him a warm welcome as the new Police Chief. He gave a report on his first 60 days in Osseo. Items briefly noted included the Central Avenue walk beat, Movies in the Park, meeting with area Chiefs/Sheriff, personnel files, computer payroll, inventory of department equipment, D-Fib grant and the Osseo American Legion, fingerprint scanners in squad cars, Safe & Sober Campaign, Osseo Band Festival, Minnesota Night to Unite, mutual aid agreement, surplus forfeited cars, assistance to Champlin, neighborhood meeting, rules & regulations, and portable radios.

Ryan noted a letter from Champlin Police Chief David Schwarze expressing gratitude for the assistance recently from officers Todd Kintzi and Tony Mortinson. He noted copies of this letter would be put in the personnel files for Kintzi and Mortinson.

A motion was made by Schreiber, seconded by Parks, to put a copy of the letter in each personnel file for Police Officers Todd Kintzi and Tony Mortinson. The motion carried 4-0.

- c. APPROVE POLICE MUTUAL AID PACT (Resolution)

Ryan noted a current Hennepin County Chief's of Police Association Mutual Aid Pact should be adopted, effective July 1.

A motion was made by Menth, seconded by Schreiber, to adopt Resolution No. 2009-44 Adopting the Joint and Cooperative Agreement for Use of Law Enforcement Personnel and Equipment of July 1, 2009. The motion carried 4-0.

- d. CONFIRM EDA ACTIONS OF JULY 6 & JULY 13

Withers stated the EDA held a special meeting earlier this evening to approve alley and utilities easement for land the EDA owns, Lots 3 and 5, Block 6, Osseo, and the City owns Lot 4, Block 6. These three properties abut the west boundaries of 521, 523, and 533 Central Avenue. It is proposed that an easement for alley and utility purposes be granted over a portion of the three lots. This alley has been contemplated for some time in conjunction with the Osseo Commons project and potential future redevelopment of the Osseo Express site. Gas utility work is currently being done by CenterPoint Energy in relation to the Central Avenue Project. CenterPoint would like to run its gas line down what would be an alley behind the subject properties. Withers said the proposed easement would be 15 feet from the easterly property lines of the subject lots.

A motion was made by Parks, seconded by Schreiber, to approve the EDA action to grant alley and utility easements on the two EDA lots: Lots 3 and 5, Block 6, Osseo. The motion carried 4-0.

Withers stated a Notice of Default was mailed on June 15, 2009, to the Developer of 533 Central LLC. The EDA provides this written Notice of Event of Default to the Developer when the event of default occurs. The Notice states that the Event of Default must be cured within thirty (30) days of the Notice, or the EDA will cancel and rescind the Development Agreement. The EDA granted an extension of time to cure the default for the Development Agreement between the EDA and 533 Central LLC to December 31, 2009.

A motion was made by Schreiber, seconded by Parks, to confirm the EDA action to extend the time allowed to cure the default for the Development Agreement between the EDA and 533 Central LLC to December 31, 2009. The motion carried 4-0.

Wither noted a Wi-Fi update report was given at the July 6 EDA meeting. Hall suggested the wireless representative have a table for information at the Farmers Market each Tuesday. Schreiber said he looks forward to the audit of the wireless initiative.

- e. SET SPECIAL COUNCIL MEETING FOR TUESDAY, JULY 21, TO CONSIDER DISCIPLINARY ACTION AGAINST A CITY EMPLOYEE

Magsam noted this special Council meeting would be held in Executive Session to consider disciplinary action against a City employee.

A motion was made by Menth, seconded by Parks, to set a special Council meeting to meet in Executive Session on Tuesday, July 21, 2009, 8:00 p.m., to consider disciplinary action against a City employee. The motion carried 4-0.

11. ADMINISTRATOR-CLERK-TREASURER'S REPORT

Withers stated a Blackberry phone would be necessary for communication for former Fire Chief Gary Current who is currently on the Hennepin County Fire Investigation team.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Magsam had no report.

Menth had no report.

Schreiber reminded everyone to stay clear of construction equipment along Central Avenue and the side streets; the Farmers Market is starting on tomorrow, July 14, and will be held each Tuesday until the end of September.

Parks noted Minnesota Night to Unite will be held on Tuesday, August 4, and he encouraged residents to register their block parties. He encouraged everyone to support local businesses.

Hall reminded everyone about the Farmers Market. He encouraged everyone to attend and support the Concerts and Movies in the Park, along with the upcoming Lorie Line concert coming August 11.

13. ADJOURNMENT

A motion was made by Menth, seconded by Parks, to adjourn the City Council meeting at 8:40 p.m. The motion carried 4-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk