

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
August 22, 2011**

1. CALL TO ORDER

Mayor Al Lindquist called the regular meeting of the Osseo City Council to order at 7:00 p.m. on Monday, August 22, 2011.

2. ROLL CALL

Members present: Council members Allan Hartkopf, Duane Poppe, Mark Schulz, Rick Weber, and Mayor Al Lindquist.

Staff present: City Administrator Jeffrey Dahl and City Attorney Loren Magsam.

Others present: Sandy Danks, Barb Plzak, Mark & Becky Doran, Matthew Keenan, Ron Barger, Alicia Miller, Tim Gaffron, Colleen Stanton, and Ken Ashfeld.

3. PLEDGE OF ALLEGIANCE

Lindquist led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Lindquist asked for additions or deletions to the Agenda.

A motion was made by Weber, seconded by Hartkopf, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive EDA Minutes of August 1
- B. Approve City Council Minutes of August 8
- C. Receive July Fire Report
- D. Receive American Legion July Gambling Report
- E. Receive Fire Relief Association July Gambling Report
- F. Receive Osseo Lions Club July Gambling Report
- G. Receive Osseo Maple Grove Hockey Association July Gambling Report
- H. Approve Retirement of Firefighter Earl Von Ende
- I. Adopt Resolution Correcting Special Assessment
- J. Approve Banner Request from Yellow Tree Theatre
- K. Approve Banner Request from Osseo Lions Roar Celebration
- L. Select Council Committee for Mediation with ISD 279
- M. Approve Bingo for Osseo Band Boosters at Lions Roar
- N. Ratify Accounts Payable of August 8, 2011

A motion was made by Poppe, seconded by Schulz, to approve the Consent Agenda. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

Sandy Danks, 325 3rd Street NE, explained this year the community would host its 35th Annual Lions Roar. She noted all proceeds from the event would be funneled back into the community. She indicated information and timelines for Lions Roar could be found on the Lions website. Ms. Danks encouraged all to attend the great event.

Lindquist requested Item 10.C. be discussed next.

10. C. CONSIDER AMENDMENT TO CONTRACT FOR WATER SERVICES WITH THE CITY OF MAPLE GROVE

City Administrator Jeffrey Dahl presented information to the Council regarding the water contract with the City of Maple Grove. He explained the Council first reviewed this issue at its April 11 meeting but took no action. Council consensus was to delay action until the Capital Improvement Plan (CIP), showing future water infrastructure improvement costs, was approved. The CIP was approved on June 13, highlighting several water infrastructure improvement projects.

Dahl explained the City of Osseo entered into an agreement with Maple Grove for water services in 2002. Osseo elected to buy water from Maple Grove rather than move forward with capital improvements that were needed to update its own system. The water rates have not changed since that time. Maple Grove has one of the lowest water usage rates in the metro area. However, as a result of implementation of a water conservation rate structure and the need to increase water rates to fund its water operations budget, Maple Grove is requesting an amendment to the existing contract with Osseo to provide for a 5% annual increase over the next 15 years.

Dahl noted that Osseo approved an increase in its water rates in March in order to maintain a healthy fund balance while compensating for future inflation and water infrastructure improvement projects. When the increases were approved, property owners were notified that part of the reason was that the cost of buying water from Maple Grove would likely increase.

Dahl reviewed the estimated expenses if the City of Osseo were to pursue providing its own water to the community. The total capital costs were estimated to be \$3,990,000. Spread out over a 20-year bond, the City would have to increase annual revenues by approximately \$300,000 in order to pay for the costs. Staff finds that it is more efficient for Osseo to purchase water from Maple Grove than to operate its own system or purchase it from any other entity. Dahl recommended approval of the Amendment to the Contract for Water Services between the City of Maple Grove and Osseo effective January 1, 2012.

Poppe questioned the current water rates being charged by the City of Maple Grove. Ken Ashfeld, Maple Grove City Engineer/Director of Public Works, reviewed the rates in detail with the Council noting the City of Osseo pays \$1.10 per thousand gallons. He stated that Maple Grove has instituted a tiered system within its own City.

A motion was made by Hartkopf, seconded by Schulz, to approve the Amendment to the Contract for Water Services between the City of Maple Grove and Osseo effective January 1, 2012.

Schulz indicated the Council considered a 7% increase in the water rate to assist the City with maintaining the City's own infrastructure. He stated the minor increase from Maple Grove was still a lower expense than if the City were to take on the water services itself.

The motion carried 5-0.

7. SPECIAL BUSINESS

A. ADOPT RESOLUTION ACCEPTING DONATION FOR HEART SAFE COMMUNITIES INITIATIVE

Dahl indicated Osseo Fire Department Relief Association has proposed contributing \$3,000 to the City of Osseo in order to be used for the Heart Safe Communities Initiative. Staff recommends the Council accept the donation.

A motion was made by Poppe, seconded by Schulz, to adopt Resolution No. 2011-47 accepting a donation from the Osseo Fire Department Relief Association in the amount of \$3,000 for the Heart Safe Communities Initiative. The motion carried 5-0.

B. ADOPT RESOLUTION ACCEPTING DONATIONS FOR BEAUTIFICATION/FLOWER FUND

Dahl indicated Carol Miller and Lynn & Mike Hagen have made contributions to the City's beautification/flower fund. Staff recommends the Council accept the donations.

A motion was made by Poppe, seconded by Hartkopf, to adopt Resolution No. 2011-48 accepting donations from Carol Miller and Lynn & Mike Hagen for the Beautification/ Flower Fund. The motion carried 5-0.

C. ADOPT RESOLUTION ACCEPTING DONATION FOR FLAG POLE FUND

Dahl indicated Community Living, Inc., and the Osseo American Legion have made donations to the City for the Flag Pole project proposed at County Road 81 and Central Avenue. Staff recommends the Council accept the donations.

A motion was made by Hartkopf, seconded by Poppe, to adopt Resolution No. 2011-49 accepting donations from Community Living, Inc., and the Osseo American Legion for the Flag Pole Fund. The motion carried 5-0.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE BIDS FOR COUNCIL CHAMBER AUDIO/VISUAL IMPROVEMENTS

Dahl recommended the Council proceed with negotiating a contract for replacement and upgrades of the Council Chambers audio/visual system with Alpha Video. He noted a representative was present this evening to discuss the bid results in further detail.

Tim Gaffron, Manager of Northwest Community Television, reviewed the bid results noting Alpha Video was the only vendor to submit a proposal. He explained that Alpha

Video's bid was highly competitive and he has worked with this company in the past. Mr. Gaffron reviewed the bid options. He recommended the base bid be approved by the Council with the audio system option.

Mr. Gaffron stated a projection system was recommended for the west wall along with presentation display monitors at the dais. The total cost estimate for all audio/visual upgrades was \$76,705.63.

Weber explained the funds used for these upgrades would be coming from franchise fees in the Cable Fund and could only be used for audio/visual equipment.

Lindquist questioned the balance of the Cable Fund at this time. Dahl indicated the fund had \$120,000 in it at this time.

Schulz was in favor of putting a projection screen on the east wall of the Council Chambers while making these upgrades. He noted the Cable Fund had enough funds to cover the additional \$5,000 expense.

Hartkopf asked if the lighting would be improved with the upgrades. Mr. Gaffron stated this was not included within the RFP. He stated the lighting could be assessed after the new cameras were installed.

Lindquist questioned if the Council was in favor of spending an additional \$5,000 for the projection screen on the east wall. Mr. Gaffron stated this would be an improvement to this side of the Council Chambers.

Poppe inquired why the City only received one bid for the upgrades. Mr. Gaffron discussed his understanding of the situation stating several companies did attend the pre-bid meeting. He noted the bid received was from an experienced company.

Lindquist asked about the proposed timeline for the improvements. Mr. Gaffron discussed the timeline noting work would begin October 11 and should be completed by the Council's first meeting in November.

Magsam noted this contract was not subject to the competitive bidding law since the amount of the contract was less than \$100,000. This was a negotiated contract with Alpha Video based upon its proposal.

A motion was made by Hartkopf, seconded by Schulz, to accept the Audio/Visual upgrade bid from Alpha Video as presented plus a \$5,000 additional allowance for the presentation panel on the east side of the Council Chambers. The motion carried 5-0.

B. CONSIDER DECLARATION OF SURPLUS PROPERTY AND SALE OF OUTLOT 1, MASTLEY'S ADDITION

Dahl stated this item was tabled at the July 25 meeting to allow staff time to meet with the affected property owners and develop an action plan. Since that date, staff met with five of the six property owners involved in the sale of the three outlots. The objective of the meetings was to provide the property owners with information about the surveying error and get their thoughts on how the situation can be remedied. It was noted Bolton & Menk would be providing surveying services at no expense to the property owners.

Dahl indicated Anthony & Dawn Spinler at 501 5th Avenue NE was interested in purchasing Outlot 1, Mastley's Addition, which is the only outlot that is still owned by the City. The Spinlers own the property abutting the outlot to the north. Staff recommends that the Council declare Outlot 1, Mastley's Addition, as surplus and authorize staff to draft a Purchase Agreement for the outlot.

Lindquist questioned if the outlot could be split in half with four feet going to each property owner. Dahl stated this would create additional complexities to the issue. He stated the property owner to the south needs at least seven feet to maintain proper zoning setbacks. He recommended the outlot be sold to the property owner to the south.

Schulz asked if a variance could be granted for the property owner to the south. Dahl stated the property owner to the south was in favor of purchasing the entire outlot given the location of the existing fence. City Attorney Magsam clarified that the property owner to the south erected their fence approximately five years ago, based on the property lines given to them in error.

Weber questioned if the land was surveyed when the fence was erected. Dahl believed the property owner to the north had their land surveyed with their fence request, which created the present situation.

Schulz was in favor of splitting the outlot in half and giving four feet to each property owner while granting a variance to the south property owner. He felt this was the fairest solution. He added that the variance fees should be waived for Ms. Sobraske.

A motion was made by Schulz, seconded by Hartkopf, to declare Outlot 1, Mastley's Addition as Surplus and direct Staff to draft a Purchase Agreement with Christine Sobraske and Anthony & Dawn Spinler to grant four feet of the Outlot to each property owner.

Dahl stated the property owners may not be agreeable to this solution.

Weber stated without the property owners present this evening, he felt the Council should not proceed on the item.

Schulz withdrew his motion.

Hartkopf withdrew his second.

Schulz then suggested the item be tabled to allow staff additional time to speak with the property owners further regarding the outlot issue.

A motion was made by Schulz, seconded by Hartkopf, to table action on this item to the September 26 Council meeting. The motion carried 5-0.

10. NEW BUSINESS

A. CONSIDER PUD PRELIMINARY PLAT REQUEST BY PREMIER WINES AND SPIRITS – 316 COUNTY ROAD 81 (Resolution)

Dahl stated the Council was being asked to review a PUD Preliminary Plat for Premier Wines and Spirits to expand an existing liquor store at 316 County Road 81 and 257 4th Avenue SE. The expansion would add an additional 1,557 square feet to the building

and provide for additional parking. He stated a land swap would be involved in this PUD, as well.

Dahl reviewed the proposed building elevations with the Council along with the placement of additional parking stalls. Setbacks were consistent with existing encroachments and did not meet City Code. He felt the encroachment was unavoidable given the shape and size of the parcel. A more detailed landscaping plan would be submitted to staff in the near future.

Dahl explained County staff reviewed the plans and had no objections. He indicated that the Planning Commission considered this request at its August 15 meeting and recommended approval unanimously of the request subject to twelve conditions. Staff recommends approval of the PUD Preliminary Plat request subject to the twelve conditions.

Schulz requested a five minute recess.

Lindquist recessed the meeting at 8:21 p.m.

Lindquist reconvened the meeting at 8:26 p.m.

Weber thanked the Planning Commission for their discussion and recommendation to the City Council.

Lindquist indicated the improvements would be a visible improvement and nice addition to the City.

A motion was made by Hartkopf, seconded by Schulz, to adopt Resolution No. 2011-50, approving the PUD Preliminary Plat request by Premier Wines and Spirits at 316 County Road 81, subject to the following conditions for approval:

- 1) Preliminary plat approval from the City shall be contingent on plat approval from Hennepin County, right-of-way permit approval from Hennepin County, and land swap approval from CenterPoint Energy;**
- 2) A more detailed landscaping plan shall be submitted and approved by Staff that complies with Section 153.057 of the City Code;**
- 3) Any outstanding environmental issues shall be undertaken and addressed in accordance to County, State, and Federal regulations prior to issuance of building permit;**
- 4) All areas of the site, where practical, shall be sodded and maintained;**
- 5) All HVAC and other ground mechanical equipment shall be hidden from view with materials that match materials and color used on the building;**
- 6) A lighting plan shall be submitted and approved. All light poles shall be a maximum of 25 feet in height and shall be shoebox style and downward directed. Other than wash or architectural lighting, attached security lighting shall be shoebox style, downward directed**

with flush lens. In addition, any entry lighting under canopies shall be recessed and use a flush lens;

- 7) The developer shall obtain all necessary building and sign permits and pay all fees (including SAC) and deposits related to the proposed development;**
- 8) The applicant shall install a fire lock box with approval of Fire Chief;**
- 9) The final design of the trash enclosure shall be reviewed and approved by City Staff;**
- 10) The developer shall satisfy all comments and concerns from the City Engineer's August 10, 2011, memo;**
- 11) The applicant shall add a bollard on the southwest corner of the CenterPoint property adjacent to the delivery drive aisle; and**
- 12) If modification of the site plan results in significant alteration, the developer shall apply for an amended PUD Preliminary Plat through public hearing.**

The motion carried 5-0.

- B. CONSIDER LOT COMBO REQUEST BY ALL AMERICAN HOLDINGS, LLC – 124 COUNTY ROAD 81 AND 117 SECOND AVENUE SE (Resolution)**

Dahl explained John Rorach of All American Holdings, Inc., has submitted a Lot Combination request to combine 124 County Road 81 with 117 2nd Avenue SE. Both of the properties associated in this request are zoned C-2, Highway Commercial District and are guided as “Stacked Residential” in the Land Use Plan. The parcels are adjacent to each other and are both owned by the applicant.

Dahl indicated the Planning Commission considered this request at its August 15 meeting and unanimously recommended approval of the lot combination as presented. Staff recommends Council approve the lot combination with one condition.

A motion was made by Weber, seconded by Poppe, to adopt Resolution No. 2011-51 approving the lot combination request of 124 County Road 81 and 117 2nd Avenue SE from All American Holdings, LLC, subject to the following condition:

- 1) The lot combination shall be submitted to Hennepin County by the applicant and all recording costs shall be paid by the applicant.**

The motion carried 5-0.

- C. CONSIDER AMENDMENT TO CONTRACT FOR WATER SERVICES WITH THE CITY OF MAPLE GROVE**

(This item was discussed earlier in the meeting.)

- D. RECAP 2011 BUDGET WORK SESSION**

Dahl reviewed the discussion of the Council at the 2011 Budget Work Session meeting held earlier this evening. The City will receive \$634,438 in LGA for 2011 and 2012 with no Market Value Homestead Credit. This means the City will receive \$223,780 less in revenues than originally anticipated. Another work session meeting was scheduled to discuss the budget further.

E. ACCOUNTS PAYABLE

Dahl reviewed the Accounts Payable with the Council.

A motion was made by Weber, seconded by Schulz, to approve the Accounts Payable (Listing 082211AP, dated 08/18/11 11:46 AM, for \$77,998.47) as presented. The motion carried 5-0.

11. ADMINISTRATOR-CLERK-TREASURER'S REPORT

Dahl noted the Council would be holding a work session on August 29 at 7:00 p.m. to discuss the 2012 budget.

Dahl stated Lions Roar would be held September 9 and 10.

Dahl indicated the Osseo Football Showcase would be held at the High School on August 25. The team would be taking the field at 7:00 p.m. for an all-squad drill showcase.

Dahl noted a Ribbon Cutting Ceremony for Devil's Triangle was scheduled for Thursday, August 25, 11:00 a.m., at Fleet Farm.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Magsam reported there was a court hearing on Friday, August 26, at 9:30 a.m. with the School District. He would be attending the hearing with City Administrator Dahl.

Poppe thanked all who participated in the church golf event this past weekend. He stated several businesses donated items to the silent auction, which was much appreciated. He encouraged all to participate in the 5K race as part of the Lions Roar Event this year.

Hartkopf stated on August 15 a number of people attended a Heart Safe event at the Community Center. He thanked staff for hosting the event.

Lindquist noted the last Concert in the Park featuring The Golden Strings would be held on August 23. The Movie in the Park would be The Last Song. He encouraged all to attend.

Lindquist stated he attended the TH 610 ribbon cutting ceremony recently, along with several other local and state dignitaries.

Lindquist indicated Rasmussen College would be holding a job fair on August 25 from 3:00-5:00 p.m.

Lindquist explained the Race for Hunger event taking place at Raceway Park would be on September 9. He encouraged the residents to purchase a ticket which would contribute to the local food bank.

13. ADJOURNMENT

A motion was made by Poppe, seconded by Hartkopf, to adjourn the City Council meeting at 8:40 p.m. The motion carried 5-0.

Respectfully submitted,

TimeSaver Off Site Secretarial Service, Inc.