

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
November 28, 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, November 28, 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: Sarah Rippke, Ken Peloquin, Harold Johnson, Harland Anderson, Richard Kolb, James Kelly, Scott Johnson, Peter Monsrud, Alicia Miller, and Ron Barger.

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 Poppe, seconded by Schulz, to accept the Agenda as presented. The motion carried 5-0.**

5. CONSENT AGENDA

- A. Approve City Council Minutes of November 14
- B. Receive October Fire Report
- C. Receive American Legion October Gambling Report
- D. Receive Fire Relief Association October Gambling Report
- E. Receive Osseo Lions Club October Gambling Report
- F. Receive Osseo Maple Grove Hockey Association October Gambling Report

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

6. MATTERS FROM THE FLOOR

Harold Johnson, 12 6th Street NE #106, thanked the Council for their time spent benefiting the City. He expressed concern with the volume and type of traffic along 1st Avenue NE. Mr. Johnson felt the speed along this roadway was excessive. He next spoke to the Council regarding the Ordinance amending the City Code regarding sidewalks and alleys. He explained alleyways have always been the responsibility of the homeowners and felt this should continue. He did not feel it was fair for residents not living on an alleyway to pay for 20% of this plan. Mr. Johnson requested no additional

taxes be used for alley reconstruction and that 100% of the plan be funded by benefitting properties.

James Kelly, 624 3rd Avenue NE, explained he has served the City as an advisory member to the Northwest Human Services Council. He indicated Violet Zumwinkle was a member of the senior committee but would no longer be able to serve. Mr. Kelly encouraged a senior in Osseo to fill this position.

7. SPECIAL BUSINESS

A. ADOPT RESOLUTION ACCEPTING DONATION FROM THE OSSEO FIRE DEPARTMENT RELIEF ASSOCIATION

Dahl indicated the City received \$737.35 from the Osseo Fire Department Relief Association for public safety equipment. The City thanks the OFDRA for this donation. Staff recommends the Council accept the donation.

**A motion was made by Weber seconded by Poppe, to adopt Resolution 2011-65 accepting a donation from the Osseo Fire Department Relief Association in the amount of \$737.35. The motion carried 5-0.**

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE 2<sup>ND</sup> READING AND ADOPTION OF ORDINANCE AMENDMENT 2011-6 AMENDING CITY CODE FOR SIDEWALKS AND ALLEYS

Dahl stated staff recommended approval of the second reading and adoption of Ordinance 2011-6 amending the alley and sidewalks portion of the City Code. Creation of the Alley Improvement Plan was listed as one of the 16 primary activities in the 2011 Strategic Plan. He noted this amendment would become effective upon publication in the December 8, 2011, Osseo Maple Grove Press.

**A motion was made by Poppe, seconded by Weber, to approve the Second Reading and Adoption of Ordinance 2011-6 revising the Alley and Sidewalks (92.06) portion of the City Code.**

Hartkopf questioned how the City would cover the 20% of the construction expenses. Dahl explained \$20,000 would be set aside in the Capital Improvements Plan every other year. The general levy would cover these expenses.

Weber stated this was not an additional tax to the residents and the plan would address the numerous complaints received regarding the condition of the alleyways.

Hartkopf indicated he did not have an alleyway and did not want to be assessed for the 20% of the expense. He thanked staff for clarifying this for him.

Mr. Johnson said he disagreed with how the Council was proposing to fund the alleyway improvements. He recommended 100% of the expense be passed on to the residents who benefitted.

Weber commented the alleyways were in such poor condition and the Council felt the expense was a wise investment to improve the quality of life for its residents.

Dahl explained the 20% portion being paid by the City was recommended by the City Engineer and would assist in covering the wear and tear caused by refuse traffic.

**The motion carried 5-0.**

**B. APPROVE 2<sup>ND</sup> READING AND ADOPTION OF ORDINANCE  
AMENDMENT 2011-7 IMPLEMENTING GAS FRANCHISE FEES**

Dahl recommended approval of the second reading and adoption of Ordinance 2011-7, an ordinance implementing gas franchise fees. He noted this amendment would become effective upon publication in the December 8, 2011, Osseo Maple Grove Press. Implementation of the fees will commence in March of 2012.

**A motion was made by Poppe, seconded by Schulz, to approve the Second Reading and Adoption of Ordinance 2011-7 Implementing Gas Franchise Fees. The motion carried 5-0.**

**C. APPROVE 2<sup>ND</sup> READING AND ADOPTION OF ORDINANCE  
AMENDMENT 2011-8 IMPLEMENTING ELECTRIC FRANCHISE FEES**

Dahl recommended approval of the second reading and adoption of Ordinance 2011-8, an ordinance implementing electric gas franchise fees. He explained that the permit fees have been removed from the Resolution in lieu of the 2% franchise fees. He noted this amendment would become effective upon publication in the December 8, 2011, Osseo Maple Grove Press. Implementation of the fees will commence in March of 2012.

Weber questioned what the flat franchise fee reflected. Dahl indicated the flat fee represented 2% of gross revenue. Scott Johnson, Xcel Energy, stated this was correct and allowed the City to more easily budget as there would not be ebbs and flows in payments.

Schulz questioned what the 2% represented. Mr. Johnson stated the 2% represented an average of the gross revenue from both residential and commercial properties. He explained the average was calculated late last year and would be recalculated again this year.

**A motion was made by Poppe, seconded by Hartkopf, to approve the Second Reading and Adoption of Ordinance 2011-8 Implementing Electric Franchise Fees. The motion carried 5-0.**

10. NEW BUSINESS

**A. APPROVE PROPOSAL OF SERVICES FOR 2012 STREET  
RECONSTRUCTION FEASIBILITY REPORT**

Dahl stated Sarah Rippke, Bolton & Menk, was present this evening to review the 2012 Street Reconstruction project feasibility report.

Sarah Rippke discussed the feasibility report in detail with the Council explaining the scope of work that would be completed by Bolton & Menk. She reviewed the areas that

were included in the 2012 street reconstruction program. It was noted a portion of the work would be assessed to abutting residents.

Weber questioned why another feasibility study was necessary since it was just done in 2010. Ms. Rippke explained updates were needed as the scope of the project had changed slightly, along with the fact that project costs would have changed in the past two years. She indicated these expenses would also cover the cost of a survey, attendance at meetings, and a full assessment roll which was not completed in 2010.

**A motion was made by Poppe, seconded by Schulz, to approve the proposal for engineering services for the 2012 Street Improvement Feasibility Study for an amount not to exceed \$9,253. The motion carried 5-0.**

Weber indicated this expense was already budgeted by the Council in the Capital Improvements Plan.

#### B. CONSIDER GAMBLING TAX AND FEES

Dahl reviewed the history of lawful gambling in the City of Osseo. He stated back in 1991, the Council approved Ordinance Chapter 33 – Lawful Gambling which established a percentage of gambling proceeds to be established for a specific trade area. The ordinance was never published which effectively negates its “adoption”. When the City Code was codified in 1997, the chapter on lawful gambling was not included in the codification process which corroborates the fact that it had not been officially adopted.

Dahl indicated questions were raised in 2005 about this matter, and the Osseo Maple Grove Press researched the publication of the lawful gambling ordinance of 1991 but found nothing. He stated that while the issue has been brought to the Council on several occasions in the past, no official action has been taken. Dahl stated modification to the General Fee Schedule to include a gambling investigation fee, gambling tax, and/or percentage of donations will increase City revenues. Currently Osseo has no specific requirements established for lawful gambling outside of what is required by State law.

Dahl reviewed several options the Council has at this time. He indicated the Council could require a local permit, up to \$100, and direct staff to draft an Ordinance. Another option would be to consider donations of up to 10% of proceeds. These contributions could then be used for safety equipment for the City and would raise approximately \$21,000 for the City.

Dahl stated the Council could also establish a trade area and percentage required to be expended within the trade area. The area could include Osseo, Maple Grove, and Brooklyn Park. He then reviewed the pros and cons of this suggestion.

Dahl noted the Council could create a gambling investigation fee or consider a lawful gambling tax at a percentage not to exceed 3%. The revenues generated from a tax would have to be used for gambling regulation. The funds could not be used for any other purpose in the City. He indicated a 1% tax would generate \$14,000 which would greatly offset the costs of regulating lawful gambling.

Dahl explained the Council directed staff to gather information regarding potential gambling revenues. This directive is consistent with the City’s 2011 Strategic Plan, which indicates as one of its main goals the reduction of the tax burden on property

owners. This item was discussed at the September Council work session. He indicated all charitable gambling institutions in the City have been notified of this discussion.

Ken Peloquin explained he was the gambling manager for the Osseo Lions Club at Duffy's. He explained that the establishment of a trade area would hurt neighboring communities. He questioned the intent of this tax and stated donations from the Lions would not increase through further regulations as contributions were already being made to the City.

Hartkopf questioned what trade areas were served by Lions #279. Mr. Peloquin stated Rogers, Maple Grove, and Osseo were served by this Lions Club, along with other organizations located in the State.

Dick Kolb stated he was the gambling director at the Osseo American Legion. He clarified the amount of donations that were made to the City of Osseo in 2010. Mr. Kolb felt the 3% or 10% tax had limitations the Council was not considering. He was not aware of any time the American Legion has not made a donation to the City when requested. Mr. Kolb stated if a trade area was created, then donations made to military families outside of this area would be restricted. He suggested the Council take no action on this issue and allow the donations to be regulated by the American Legion.

Harland Anderson, commander of the American Legion in Osseo, stated the enforcement of additional fees would create a hardship for the American Legion. He reviewed all of the benefits completed in 2010-2011 on behalf of the Legion. He presented the Council with a handout listing over \$10,000 in benefits for both 2010 and 2011. Mr. Anderson noted the American Legion Hall was donated for the Fire Department Dances and the Community Prayer Breakfasts. He felt the Legion was already thinking of the community first and did not feel further regulation and taxes were necessary.

James Kelly, 624 3rd Avenue NE, remembered the late James Rice, a state legislator, who defended the State Constitution. He commented that gambling revenues were to be used in the community and could greatly benefit the City's children and elderly.

Schulz questioned which option allowed for the greatest flexibility in the use of the funds. Dahl commented the contributions method (10%) would allow the City to provide for the most revenue with the least amount of restrictions. The funds could be used for both public safety and equipment. He explained the City did not have to create a trade area if this created a hardship.

Schulz indicated he did not want to see the funds restricted and see the donations reversed from these organizations. He was in favor of the contributions method with a 10% donation.

Hartkopf spoke on the trade area language noting the cities of Brooklyn Park and Maple Grove were within the City's trade area. Dahl reiterated that this language did not have to be included in the City Ordinance.

Hartkopf read a local government report from Maple Grove's 10% contributions from July/August/September to the Council.

Schulz was in favor of tabling the item to allow the Council additional time to review the options thoroughly before action was taken.

Dahl asked for additional direction from the Council. Poppe questioned if there were additional options that offered greater flexibility.

**A motion was made by Schulz, seconded by Weber, to table action on this item for one month. The motion carried 5-0.**

C. CONSIDER REQUEST FOR PROPOSAL PROCESS FOR WASTE SERVICES

Dahl noted the current five year contract with Waste Management for refuse, recycling, and yard waste services expires April 30, 2012. Staff was currently working to update the 2007 request for proposal to include updated language on single sort recycling, collection bi-weekly for recycling, etc. He noted this process needed to commence soon to provide a new waste service company time to gear-up to serve the City.

Dahl requested the Council direct staff to complete the 2012 RFP for waste services, post/advertise on City website, advertise in the local paper and on LMC website, and solicit responses in a timely manner.

**A motion was made by Poppe, seconded by Hartkopf, to direct staff to complete the 2012 RFP for waste services.**

Schulz disagreed with this process and felt competition would reduce overall costs for residents. He indicated the number of companies could be limited and would not support the RFP process.

Weber explained the yard waste collection was a plus through this contract. He indicated separate garbage haulers may not include this benefit to the residents.

Schulz stated this could be negotiated by the residents with a provider and the City did not have to act on the citizens behalf in this area. He felt competition would greatly benefit the residents.

Lindquist questioned the pros of having only one garbage provider. Dahl recommended the Council table this item to allow staff further time to research the pros and cons of having only one garbage provider.

Lindquist was in favor of having a one day pickup in the City.

Schulz was in favor of looking into this further.

**The motion carried 3 ayes (Hartkopf, Lindquist & Poppe) – 2 nays (Schulz & Weber).**

D. RECAP BUDGET WORK SESSION

Dahl indicated the Council met at 5:00 p.m. this evening to discuss the 2012 budget along with the Strategic Plan. The Council decided to meet again on December 5 at 5:00 p.m. prior to the Truth in Taxation meeting. He anticipated there would be a number of people with questions at that meeting.

Dahl stated the Council would be approving the final budget and levy at the December 12 meeting.

E. APPROVE ACCOUNTS PAYABLE

Dahl reviewed the Accounts Payable with the Council.

**A motion was made by Schulz, seconded by Poppe, to approve the Accounts Payable as presented. The motion carried 5-0.**

11. ADMINISTRATOR-CLERK-TREASURER'S REPORT

Dahl reported the Osseo Fire Department's Annual Dance and Dinner would take place on December 16 at the American Legion. The event starts at 6:00 p.m.

He noted the Osseo Police Department was sponsoring the Toys for Tots drive. He reviewed the location of all drop off sites in the City.

Dahl thanked the family of Calvin Gray for donating the Christmas tree in Veterans Memorial Park.

12. COUNCIL AND ATTORNEY REPORTS

Weber encouraged all residents to attend the Minidazzle event this weekend.

Hartkopf stated the Lions and Fire Departments would be hosting Lunch with Santa at the Community Center on Saturday, December 3, from 11:00 a.m. to 2:00 p.m.

Lindquist noted Mary DeJarlais would be having a book signing at Dick's Bar for her new book written about Dorie LaValle. At the conclusion of this event, the group would be going to the cemetery to learn more of its history.

Lindquist thanked everyone who volunteered in the community as this greatly benefited the residents through all of the wonderful events held in the City of Osseo. He thanked the drivers who assisted with the City trolley.

13. ADJOURNMENT

**A motion was made by Schulz, seconded by Poppe, to adjourn the City Council meeting at 8:28 p.m. The motion carried 5-0.**

Respectfully submitted,

*TimeSaver Off Site Secretarial Service, Inc.*