

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
FEBRUARY 9, 2009**

1. CALL TO ORDER

Mayor John Hall called the regular meeting of the Osseo City Council to order at 7:05 p.m. on Monday, February 9, 2009.

2. ROLL CALL

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

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

Others present: John Cochran, Susan Hanson, Jim Vanderhyden, Kristin Spangler, Tony Mortinson, Shane Mikkelson, Bob O'Brien, Alicia Miller, Martin Duffy, Connie Aho, S. Chamberlain, and Ron Barger.

3. PLEDGE OF ALLEGIANCE

Hall led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Hall asked for additions or deletions to the Agenda.

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

5. CONSENT AGENDA

- a. Receive EDA Minutes of January 5 and February 2
- b. Receive January Building Report
- c. Receive January Fire Report
- d. Receive January Police Report
- e. Adopt Resolution 2009-7 Approving the Submittal of an Application for Use of 2009 Hennepin County community Development Block Grant Consolidated Pool Funding and Authorizing the Signature of the Sub recipient Agreement with Hennepin County and any Third Party Agreements.
- f. Adopt Resolution 2009-8 Approving the Submittal of an Application to Hennepin County Housing and Redevelopment Authority for 2009 Transit Oriented Development Funding
- g. Approve Accounts Payable (Listing 020909AP, dated 2/5/09, 10:51 AM, for \$177,596.45)

Kleven requested item 5.g. 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 5-0.

Kleven questioned the Killmer Electric invoice for almost \$3,500 to repair street and Christmas lights. Withers noted parts for repairs cost about \$250 while the rest was labor costs. Kleven said an upgrade to the lights on Central would be welcome with the potential Central Avenue Project.

A motion was made by Parks, seconded by Schreiber, to approve the item 5.g. Approve Accounts Payable. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

Jim Vanderheyden, Realife resident, presented a new proposal on funding the Central Avenue Improvement Project. He suggested the project change from an assessed project to a levied assessment whereby all taxpayers in Osseo pay for the Central Avenue project. Vanderheyden's calculations claimed that all property taxes would increase by only 5.4 percent. He presented rationale for his proposal.

Hall said he disagreed with Vanderhyden's financial calculations, saying Vanderheyden was looking to spread the cost over all property taxes paid (including County and State taxes). He said Vanderheyden's idea of sharing the cost would result in about a 30 percent increase in the City tax portion of a property tax bill.

7. SPECIAL BUSINESS

Bob O'Brien, from the Minnesota Office of Public Safety Safe & Sober Challenge, presented police officer Shane Mikkelson with a Minnesota Safe & Sober Lifesaver Award for outstanding performance in Traffic Enforcement and Education which resulted in saving lives. The Safe & Sober Campaign is the umbrella that unites all of the Office of Traffic Safety's enforcement program efforts.

Shane Mikkelson said he was proud of his achievements in this campaign for alcohol-related enforcement. He noted the City's unmarked squad car was paid for entirely through forfeiture funds from past enforcement activities by the Osseo Police Department.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

- a. CONFIRM EDA'S GRANT TO ADVANCED HOME IMPROVEMENTS FOR ARCHITECTURAL DESIGN GUIDELINES PROGRAM

Withers stated this item had been tabled from the last Council meeting.

A motion was made by Kleven, seconded by Parks, to pay the grant request to Advanced Home Improvements for the Architectural Design Guidelines Program. The motion carried 5-0.

- b. CONSIDER VARIANCE REQUEST FOR LILLY'S CAFÉ AND WINE BAR (Resolution)

City Planner Jeffrey Dahl presented an update to the variance request that was tabled at the last Council meeting. Staff recommended approval of Lilly's variance request to expand a structure on a non-conforming lot with a condition that the rear exit on the east side of the building be "walled off" if it was not going to be used as an accessible door. Staff had added this condition for aesthetic, quality, and safety reasons.

At its last meeting, the Council discussed this condition at length as there was concern about fire safety. The building plans that were originally submitted for the variance application showed that the door would be bolted shut with shelving and counter space in front of it. Action was tabled so staff could obtain a more comprehensive review from both the Fire Marshal and Fire Inspector.

Since the last meeting, a revised floor plan was submitted on February 5 showing the subject exit as completely accessible. Comments from Kevin Matiak (Metro West Inspection Services as Fire Marshal) and Hugh Heidt (Fire Inspector from Brooklyn Park) are as follows:

Matiak reported that as long as they have enough accessible exits to meet the occupancy load of the building, he wasn't concerned about a non-accessible door whether it was bolted shut, walled off, or if shelving was in front of it. While the building plans would be reviewed again prior to issuance of the building permit, he indicated that, generally speaking, he did not have a problem with the door as shown on the plan.

Heidt reported that the Fire Code indicates that whether the door is an emergency/accessible exit or not, it needs to be clearly marked as such. He preferred that either the door was completely accessible, meaning that there was no shelving in the way, the stairs remained, and it is completely marked OR completely non-accessible--- meaning that the stairs are removed, there is shelving across it (whether it is walled off or just bolted shut), and is clearly marked as not an exit. In relation to the applicant's revised plan that shows the door as completely accessible, he indicated he didn't have a problem with it as long as it was clearly marked w/signage.

Kleven asked if the Resolution approving this request for a variance was for the revised floor plan as presented February 5, showing the subject exit as completely accessible. Dahl said yes.

A motion was made by Parks, seconded by Schreiber, to adopt Resolution No. 2009-9 Granting the Request from Kristen Spangler of Lilly's Café and Wine Bar for a Variance to Allow for an Expansion of a Commercial Structure on a Non-conforming Lot at 33 2nd Street NW, per the revised floor plan. The motion carried 5-0.

10. NEW BUSINESS

a. CONFIRM EDA ITEMS FROM FEBRUARY 2 MEETING

i. ARCHITECTURAL DESIGN GUIDELINES STOREFRONT IMPROVEMENT GRANTS CRITERIA

Withers presented the revised Architectural Design Guidelines Financial Assistance Program which outlines the Program and application process, the restrictions, the reimbursement process, and an applicant checklist.

A motion was made by Schreiber, seconded by Menth, to approve the Architectural Design Guidelines Storefront Improvement Grants Program. The motion carried 5-0.

ii. ANNUAL REPORT ON WI-FI SYSTEM

Withers stated the Wireless Internet is operating as an enterprise fund. Quarterly reports come from Unplugged Cities along with a check. However, he stated it appears there could be questions in relation to the amount that is being paid to the City from Unplugged Cities and what invoices are routinely paid by the City for the wireless internet service. Without further documentation and auditing of Unplugged records relating to Osseo's wireless internet system, it is impossible to determine if all expenses and revenues are properly accounted for. Withers said he was unsure how to quantify some of the language in the original agreement between the EDA and Unplugged Cities. City staff is unsure how to proceed. He stated an auditor could help determine the City's stake in this endeavor.

iii. SALE OF EDA PROPERTY AT 32 2ND STREET NW

Withers stated the EDA had discussed the sale of property at 32 2nd Street NW to Ben Knutson. Knutson had presented a concept plan for a diner to be located on a portion of Block 22, the former site of the Odd Fellows building and the Eggan house. Withers stated Knutson wanted to purchase EDA-owned property on the corner of 1st Avenue and 2nd Street NW in order to construct a 1950's style diner and parking lot. The EDA had purchased these two lots in anticipation of an earlier redevelopment project that did not materialize.

Withers had also suggested implementation of a new municipal parking system. This proposed parking plan is as follows:

- No "new" private parking in the Central Business District (CBD)
- City will provide all parking "required"
- Costs would be charged to the benefiting property owners
- Inventory of all CBD property

Hall asked about parking issues, possible sale or lease of the land for the building site only, and stated more negotiations need to happen. He suggested leasing the land to Knutson rather than selling it.

Kleven said leasing the property may be a better alternative for the City than selling. He noted that if the City sold the land to Knutson, who subsequently could decide to move the diner building off this lot, Knutson could stand to gain a great deal when he may have paid only \$1 for the subject parcels.

Withers stated Knutson's offer to purchase the land was a great deal more assistance potentially than any other assistance given to a developer in the City. He also said a right of first refusal relating to the land might be negotiated.

Withers said the motion made by the EDA was to enter into negotiations with Ben Knutson for the sale of EDA land for use as a restaurant development on Block 22.

Hall said he would support further negotiations with Knutson but not just the sale of the land, as the EDA had directed. Kleven said he agreed to consider other options, also.

Schreiber asked why the Council would reject the EDA's idea to negotiate with Knutson for the land. He said he didn't think the matter needed to go back to the EDA before more negotiations.

City Attorney Loren Magsam noted the EDA's motion was to negotiate the sale of two lots, not negotiate all the options that might be available to the City such as leasing.

Parks said it makes more sense to look at the possibility of leasing the land to Knutson, rather than only negotiating to sell it outright.

Menth said he wanted to keep this project going.

A motion was made by Kleven, seconded by Parks, to send this matter back to the EDA for more consideration relating to the possibility of a lease agreement being negotiated. The motion carried 4-1 (Menth-nay).

b. APPOINT RESIDENT AND POLICE OFFICER TO POLICE CHIEF INTERVIEW COMMITTEE

Withers stated several ideas have been suggested for the second round of interviews for a new Police Chief. One idea from the Police Union representative was to have a member of the Police Department be on the Police Interview Committee. A Council idea was to select a resident or business owner to be on the Interview Committee. Withers said the former Interview Committee had opted not to have a Police Chief from one of the surrounding departments as the surrounding departments are much larger than Osseo's department and their chiefs are not a working chief like Osseo has. He had spoken with the St. Francis Police Chief about the possibility of assisting in the selection process since St. Francis is a department similar in size and the chief is a working chief. The St. Francis chief is willing to be on the Interview Committee.

Shane Mikkelson, Osseo police officer, stated the intent was not to have a member of the Osseo department on the Committee but someone from another agency, such as Maple Grove Police Chief Mona Dohman, who is familiar with Osseo.

Hall noted two resident/business owner applicants had been received for the Police Interview Committee: Gary Current and Martin Duffy.

Menth said he thought Duffy would be a good candidate for the Committee.

Parks suggested both applicants be on the Committee. Council consensus was in support of having both Gary Current and Martin Duffy appointed.

Withers noted applications for the Police Chief position are due on Friday, February 13, 2009.

A motion was made by Parks, seconded by Menth, to appoint business owners Gary Current and Martin Duffy to the Police Interview Committee. The motion carried 5-0.

A motion was made by Menth, seconded by Parks, to add the St. Francis Police Chief to the Interview Committee. The motion carried 5-0.

c. REVIEW CITY FEES AND CHARGES (Resolution)

Deputy Clerk LeAnn Larson stated the Council reviews fees and charges annually. A few modest increases to fees had been suggested by staff. Larson asked the Council if they wanted further research done into any fees.

Hall asked about issues such as turning off and on the meters at foreclosed properties. Withers said more research should be done into this matter, and fees can be changed at any time throughout the year if situations warrant such changes.

City Attorney Magsam stated fees can be changed any time by resolution.

Kleven said he was fine with the proposed changes.

Menth asked about rental housing inspection fees. Dahl stated fees would likely change when the rental program becomes active.

A motion was made by Menth, seconded by Schreiber, to adopt Resolution No. 2009-10 Amending the Fee Schedule for 2009, with fees as presented. The motion carried 5-0.

d. APPROVE PAYROLL POLICY RELATING TO TIME FOR PAYMENTS

Withers stated the Mayor and Council members, Fire Chief, and Assistant Fire Chief are paid a monthly salary. The other Fire Department officers are paid an annual salary. All other employees are paid every other week. Gary Current resigned as Fire Chief the end of December 2008. In January Current expected to get his last pay check, as he was under the impression that he was paid monthly in arrears.

Gary Current checked with the former chief, who left before Finance Office Gary Braaten started, and was told he had always been paid in arrears. Braaten says the pay stub states the time period covered by the check, and it has always been in advance.

Our records do not go back as far as when Current started being paid or as far back as when Braaten started issuing pay checks. So, both say they are right and neither can prove it.

Withers said he wants to keep everyone happy, the former fire chief (and current firefighter) and assistant fire chief Chuck Gisvold who is both former and current; therefore, he suggests the issuance of one more monthly pay check to each Current and Gisvold.

Withers further stated the Mayor and Council members, the Fire Chief and Assistant Fire Chief are paid monthly in advance. When you leave at the end of your term, you will not receive another pay check. Your pay is issued on the first pay period of each month for that current month.

Withers asked for Council approval of this policy for monthly pay checks.

A motion was made by Menth, seconded by Kleven, to approve this policy for monthly pay checks as issued on the first pay period of each month for that current month. The motion carried 5-0.

- e. CONSIDER OBTAINING PROPERTY APPRAISAL FOR 25 4TH STREET NW

Withers stated David Tafoya owns PCS Engineering, Inc., and the property located at 25 4th Street NW. He has been contacting neighboring property owners, City Council members, City staff, police officers, and others saying he is going to move his business to a smaller building in the industrial area on Jefferson Highway and wants to sell his building. The City would be interested in the building because of the Master Redevelopment Plan.

That plan shows the building removed and replaced with a public safety – police and fire – building and parking area. It also shows the existing fire department area expanded and occupied by the Post Office.

Withers asked if the Council was interested in looking at this property or in negotiating with Tafoya. If so, the first step should probably be to get an appraisal of the property. An expert's opinion as to the value of the property is a good starting point in negotiating the price for the property. The cost of a commercial property appraisal is approximately \$3,500.

Menth said the EDA should discuss this matter.

Council consensus was in agreement with the general idea of possibly using the Tafoya property as a potential site for the Police Department, in replacement of the old "home" where the Police Department currently operates.

Schreiber said he was against an appraisal of the property.

Menth agreed with Schreiber about an appraisal.

Schreiber and Menth said this matter should be discussed by the EDA.

11. ADMINISTRATOR-CLERK-TREASURER'S REPORT

Withers noted receipt of a letter from Hennepin County Housing and Redevelopment Authority (HCHRA) outlining its intent to administer several suburban Hennepin County programs in the year 2009. Communities may exercise their option to not have the HCHRA administer one or more of the activities within their community by notifying the HCHRA. No comments were offered by the Council.

Schreiber noted a recent League of Minnesota Cities legislative update about the federal stimulus funds for infrastructure investments. He said he hopes the City's Central Avenue project would be identified as eligible for stimulus funds.

12. COUNCIL AND ATTORNEY REPORTS

Magsam stated the City did not redeem on the foreclosure of property at 513 1st Avenue NW. The City had a second mortgage on this property.

Menth said he rode with Police Officer Shane Mikkelson recently and said Shane does a good job. He thanked Duffy's for a donation of \$3,000 to the Fire Equipment Fund.

Kleven thanked Jim Vanderheyden for his comments on the Central Avenue Project during Matters from the Floor.

Withers noted the next Open House to discuss Central Avenue Improvement Project and the Side Street Lighting project would be on February 18, 5-7 p.m., in the Community Center.

Parks had no report.

Schreiber also thanked Vanderheyden for his comments.

Hall said he would be going to the state capitol next week to garner support for the Central Avenue Project. He reminded everyone about the Firemen's Valentine Dance coming Friday, February 13, at the American Legion. Hall also reminded everyone about the upcoming Open House on the Central Avenue Project.

13. ADJOURNMENT

A motion was made by Menth, seconded by Kleven, to adjourn the City Council meeting at 8:42 p.m. The motion carried 5-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk