

**OSSEO CITY COUNCIL
SPECIAL MEETING MINUTES
MAY 4, 2009**

1. CALL TO ORDER

Mayor John Hall called the special meeting of the Osseo City Council to order at 6:30 p.m. on Monday, May 4, 2009.

2. ROLL CALL

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

Member absent: Council member Steve Parks.

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

Others present: Marcus Thomas & Sarah Rippke-Bolton & Menk, Timothy Ryan, Sally Schmidt, Jane Szczepanik, Charles Bebus, Todd Kintzi, Chuck Gisvold, Mark Lynde, John Cochran, Bruce Wiley, Martin & Lori Duffy, and Ron Barger.

3. PLEDGE OF ALLEGIANCE

Hall led the Pledge of Allegiance.

4. APPROVAL OF AGENDA

Hall asked for additions or deletions to the Agenda.

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

5. SPECIAL BUSINESS

A. APPOINT TIMOTHY P. RYAN AS POLICE CHIEF AND GIVE OATH OF OFFICE

A motion was made by Menth, seconded by Schreiber, to appoint Timothy P. Ryan as Osseo Police Chief. The motion carried 4-0.

Hall administered the Oath of Office to Timothy Patrick Ryan as new Police Chief for the City of Osseo. Hall welcomed Ryan.

Timothy Ryan introduced himself and said he was looking forward to the opportunity to serve Osseo in the capacity of Police Chief. Ryan thanked officer-in-charge Mike Smith for serving the City. He said he appreciated the support of the City Council and felt welcome already in the community. Ryan said he looked forward to starting work in a few weeks.

B. CONSIDER SALE OF GENERAL OBLIGATION BONDS TO FINANCE THE CENTRAL AVENUE IMPROVEMENT PROJECT

Withers stated the purpose of this special meeting had been to consider the sale of general obligation bonds to finance the Central Avenue Project. He said the bond sale had been cancelled last Friday due to a discrepancy in the amount that needed to be bonded for. Hall said there was good news recently in that Standard & Poor's has upgraded the City's general obligation bond rating two points, from A- to A+. He stated if the bond sale were to be rescheduled to Thursday, May 14, a larger pool of banks might be involved in achieving the best possible interest rate for the bonds.

Withers noted the construction costs are slightly higher than what was projected.

Kleven asked if the motion were to fail on a 2-2 vote, can the motion be brought back again at a future time.

Hall said a member of the prevailing "side" could ask that the motion be reconsidered.

Kleven stressed the importance of getting the largest possible pool of bidders to optimize the interest rate. He said he favored setting the bond sale set for May 14.

Menth asked about the increased bond amount needed for the project.

City Engineer Marcus Thomas said the original plans included a ten-inch watermain hookup to a six-inch. That is not a desirable situation, and additional costs are involved in getting the new ten-inch watermain near Co Rd 81 hooked to an existing ten-inch watermain across Co Rd 81, running parallel to the railroad. Thomas said the final design did not include this revised connection and the resulting costs. Also, Public Services Director Randy Korfiatis asked that additional catch basins be included in the final designs to avoid any ponding of water in the gutters. Thomas said this ultimately increases the construction costs, also.

Kleven asked if there would be less flow if the plans were left connecting the new ten-inch watermain to a six-inch. Thomas said yes, the flow would be less. Kleven stated it was important to do the project correctly.

Menth said he thought the ten-inch to ten-inch connection had already been included in the plans. Thomas said it was not included in final plans but should have been.

Thomas stated a contingency amount of \$150,000 was also added to the project costs to cover any "unknowns" with the project. All changes to final design plans and the addition of a contingency thereby increase the bond sale amount from \$5.2 million to \$5.5 million.

Kleven asked how this delays the overall project. Thomas said the project would be delayed approximately two weeks.

A motion was made by Kleven, seconded by Hall, to set a bond sale date for Thursday, May 14, 2009. The motion did not pass on 1-3 vote (Kleven-aye; Menth, Schreiber & Hall-nay).

C. DISCUSS CENTRAL AVENUE PROJECT

Schreiber expressed concern with the increasing costs to the Central project each time the Council meets. He said there are too many bells and whistles with this project, and he doesn't like using pavers for the project.

Hall and Kleven spoke in favor of the project and noted the means being used to offset the costs to the property owners and taxpayers. They said the improvements are a benefit to the entire City.

Thomas said the \$150,000 contingency amount would be used only if absolutely needed.

Withers noted future increases in water and sewer rates will be required to help fund the costs of the Central Avenue project. These increases have been noted previously in relation to the City's long range plan. Storm water rates were not set as high as recommended initially, so they will increase also.

Bruce Wiley, Wiley Enterprises, said he wants the Central Avenue project to happen since potential businesses wanting to rent from him have stated the current condition of Central Avenue is tired and worn out. He said he didn't want this project done "on the cheap" but done right. The watermains were not replaced with the last street project in 1988 and firefighting needs for water have not been met since then. The ten-inch watermains are necessary. He said he didn't want to rent to pawn shops and other types of businesses just to rent his commercial space. Wiley stated his company pays nine percent of the total tax dollars in Osseo. He would like this project done right.

Hall stated he wanted several items on the next Council agenda for May 11: reconsider bond sale, signs behind Evans-Nordby Funeral Home, and seasonal help for Public Services.

6. ADJOURNMENT

A motion was made by Menth, seconded by Kleven, to adjourn at 7:32 p.m. The motion carried 4-0.

Respectfully submitted,

LeAnn Larson
Deputy Clerk