

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
December 12, 2016**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:00 p.m. on Monday, December 12, 2016.

2. ROLL CALL

Members present: Councilmembers Harold E. Johnson, Mark Schulz, Larry Stelmach, Anne Zelenak, and Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, City Planner Nancy Abts, Police Chief Shane Mikkelsen, Senior Coordinator Arleen Barrett, and City Attorney Mary Tietjen.

Others present: Becky O'Brien, Lee Gustafson-WSB, Emily Lueth-WSB, and Lydia Larson-WSB.

3. PLEDGE OF ALLEGIANCE

Poppe led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Poppe asked for additions or deletions to the Agenda.

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

5. CONSENT AGENDA

- A. Approve Council Minutes of November 28
- B. Receive November Building Report
- C. Approve 2017 TimeSaver Off Site Secretarial Service Agreement
- D. Approve 2017 Pawn License Renewal for Osseo Pawn at 409 County Road 81
- E. Approve Waiver of Community Center Fees for T.O.P.S.
- F. Approve 2017 Schedule of City Meetings
- G. Approve Exempt Permit for Raffle at Osseo American Legion for the Langenfeld Foundation
- H. Appoint Additional Steering Committee Members for Comprehensive Plan
- I. Approve Step Increase for Police Administrative Assistant Felicia Wallgren
- J. Approve Step Increase for City Planner Nancy Abts
- K. Approve Step Increase for Administrative Assistant Karen Broden
- L. Approve Step Increase for Public Services Maintenance Worker Josh Schillinger
- M. Approve Hire of Reserve Officer David Johnson
- N. Approve Hire of Adrienne Lamers as Part-Time Police Officer
- O. Approve Hire of Rink Attendants for Skating Rink
- P. Approve Liquor Licenses for Red's Savoy Pizza at 225 Central Avenue

Schulz requested Item 5E be removed from the Consent Agenda for further discussion.

A motion was made by Schulz, seconded by Zelenak, to approve the Consent Agenda as amended removing Item 5E. The motion carried 5-0.

City Administrator Riley Grams recommended Item 5E be discussed on the agenda under Item 10K.

6. MATTERS FROM THE FLOOR – None.

7. SPECIAL BUSINESS

A. THANKS TO 2016 OSSEO VOLUNTEERS

Grams thanked all of the volunteers that have worked so diligently on behalf of the community to make 2016 a great year in the City of Osseo. Those thanked included: Osseo civic organizations and faith communities, Police Department Reserve Officers, Secondary Transition Center students and staff, Trolley drivers, volunteer members of the Public Safety Advisory and Parks & Recreation Committees, volunteers at the Senior Center, Explore Osseo business representatives, Music/Movies in the Park volunteers, citizens picking up trash on streets and sidewalks, volunteers hanging lights for the holidays, Maple Grove and Hanover Fire Departments, and everyone else whose valuable contributions make our lives better every day.

B. RECEIVE PETITION TO CONSIDER MODIFICATION TO COMMUNITY CENTER POLICY

Grams stated staff received a petition with 51 signatures to reconsider the Community Center Policy, which was approved by the City Council on November 28. The petition asks the Council to consider modifying the time at which the Osseo Seniors may begin setting up for their weekly Tuesday and Thursday activities. Staff requested the Council receive the petition and consider any action as needed.

City Attorney Mary Tietjen explained there was no required process for the Council to follow on the petition but rather was informational in nature.

Johnson stated this matter came up in discussions prior to the Council approving the new Community Center policy.

Poppe questioned how the seniors were using the Community Center currently.

Arleen Barrett, Senior Coordinator, explained the Osseo seniors used the Community Center on Tuesdays and Thursdays from 11:00 a.m. to 4:30 p.m. She reported the seniors have 60 people coming to their events on Tuesdays and Thursdays. She indicated the seniors were very interested in playing cards and bingo on a weekly basis. She requested the Council allow the seniors to have the Community Center for a longer period of time on Tuesdays and Thursdays.

Becky O'Brien, volunteer with the Osseo seniors, indicated the number of seniors has doubled since she began helping at the Community Center. She then discussed the amount of time it took to set up tables each day.

Stelmach understood the Community Center was underutilized, which led the Council to draft a new policy. He hoped to see a morning schedule established separate from the

current afternoon activities in order for the City to generate additional revenue from the Community Center. He did not feel the space should be set aside for only a single group. He understood the great times being had by the seniors at the Community Center and was not trying to take away from this; rather, he was hoping to accommodate additional groups in the morning.

Mrs. Barrett stated the seniors have been using the Community Center for the past 32 years. Stelmach understood this to be the case and stated the Council was working to attract new groups to the Community Center, which led to the new Community Center policy.

Zelenak explained the 11:30 a.m. start time for the seniors would open up a four-hour window on Tuesday and Thursday mornings if another group was interested in renting the Community Center.

Grams suggested that if the Community Center were rented on a Tuesday or Thursday morning he would communicate this to the seniors in order for their schedule to be adjusted. Otherwise, the seniors could use the Community Center as they have been.

Poppe supported this suggestion.

Schulz appreciated the fact the seniors were willing to compromise on this issue. He explained that the Community Center had to be available for the entire community. He stated he was disappointed with the fact that staff had not spoken to the seniors directly regarding this matter.

Grams indicated it has been difficult to get groups out of the Community Center space in a timely manner. He reported staff has been making an effort to communicate this concern to groups renting the space.

Schulz encouraged staff to be very clear on the timing concerns out of respect to others using the space.

8. PUBLIC HEARINGS – None.
9. OLD BUSINESS – None.
10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF DECEMBER 12

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable and approved the 2017 EDA budget.

A motion was made by Stelmach, seconded by Johnson, to confirm the EDA Actions of December 12, 2016. The motion carried 5-0.

B. APPROVE 2017 STREET FEASIBILITY STUDY – WSB & Associates
(Resolution)

Lee Gustafson, City Engineer with WSB & Associates, stated the 2017 street reconstruction project consists of reconstruction portions of 2nd Street SE, 3rd Street SE, 4th Avenue SE, 5th Avenue SE and 6th Avenue SE including repairing or minimal

reconstruction of the storm and sanitary sewer, and replacement of the curb and gutter as needed. The existing roadway width will be maintained to the greatest extent possible, and minimal impacts will be made outside of the curb with the exception for impacts related to utility work, curb replacement, and sidewalk installation.

Mr. Gustafson commented as part of the City's initiative to increase walkability around the City, sidewalk installation is being proposed for this project. In determining the benefit of adding sidewalk with this project, each street was evaluated for potential impacts, connectivity to existing walk, and overall benefit to adjacent properties. Based on this evaluation, new sidewalk is proposed on several streets as noted within the feasibility report.

Mr. Gustafson explained the median on the south end of 6th Avenue SE that prevents northbound traffic from using this roadway is proposed to be removed. This recommendation is based on the need to reduce cut-thru traffic in adjacent commercial parking lot and to improve access for City maintenance equipment including plows and street sweepers.

Mr. Gustafson indicated storm and sanitary sewer televising, and geotechnical evaluation was performed as a part of preparing the feasibility report to help staff calculate pavement design and recommended utility repairs.

Emily Lueth, WSB, commented the project will also require full right of way acquisition on 5th Avenue SE between Broadway Street East and 2nd Street SE. Similar to a past alley reconstruction project with this same situation, it is proposed that WSB will prepare the legal descriptions and easement exhibits, the City Attorney will prepare the actual easements, and City staff will prepare all correspondence, and perform all negotiations and purchasing.

Ms. Lueth reported a neighborhood open house for the proposed improvements was conducted on November 10 for affected property owners. Preliminary information was presented regarding the proposed improvements, funding, schedule, and impacts associated with the project. Comment cards were made available to attendees at the meeting; however, no responses were received prior to completing the feasibility report. She reviewed the sidewalk plans in detail with the Council.

Mr. Gustafson estimated the total project costs were \$999,000, which included all proposed streets, utility, sidewalk, and storm sewer improvements as well as all engineering, legal, financing, and administrative costs. It was noted the cost estimates included a ten percent contingency. However, no right of way acquisition costs were included in the estimate due to the understanding that City staff would be acquiring all necessary right of way.

Mr. Gustafson explained financing for the 2017 Street Reconstruction Project will be based on the City's special assessment policy which calls for 50% of the proposed improvements to be specially assessed including all administrative costs. The remaining 50% and 100% of the storm and utility costs will be financed by the City through street and enterprise funds. The proposed assessment roll is included in the feasibility report, along with an assessment map highlighting the benefiting properties and the assessment calculations for the property owners.

Mr. Gustafson discussed the next steps for the project noting an Improvement Hearing would be held on January 9 where the Council will take comments from the public and

order the preparation of plans and specifications. Staff recommended the Council receive the Feasibility Report and Call for the Improvement Hearing.

Johnson saw no reason for sidewalks along 6th Avenue SE.

Stelmach believed there was enough pedestrian traffic walking to Perkins and the Meat Market to warrant a sidewalk in this area. He indicated this was a walkable community and for this reason a sidewalk should be put along 6th.

Schulz discussed back of curb sidewalks and believed these were a maintenance nightmare for property owners. He suggested these be eliminated from the plans unless Public Works could change the way it plows streets with back of curb sidewalks. Mr. Gustafson reported most of the sidewalks he has installed in the last 12 years were back to curb. He explained that in cases where a wide boulevard was not available, this was the best alternative. He indicated he discussed this issue with Public Works Director Rick Hass about how to properly maintain these sidewalks.

Zelenak understood the only area of the City receiving back to curb sidewalks was in the commercial areas of the project.

Schulz questioned why back to curb wasn't being considered for all areas of the City.

Zelenak explained that all residential areas would remain consistent with a boulevard and sidewalk.

Schulz proposed the Council consider narrowing a street in order to save trees. He reported this action was taken by the Council on 4th Street NE. He understood the cost for the street would probably be a wash. Mr. Gustafson stated the plans before the Council were the most economical option to assist the Council in meeting their goals.

Schulz discussed the history of the City's street reconstruction projects and understood this was WSB's first time working with Osseo on a street project.

Stelmach commented on the sidewalk width going from four feet to five feet and asked if this was an ADA requirement. Mr. Gustafson indicated the ramps were an ADA requirement and the sidewalk width was a recommendation. Grams stated it has been the City's goal to go to five-foot wide sidewalks.

Johnson believed 5th Avenue SE should remain as is in order to allow for cars to be parked on both sides and for traffic to be allowed to pass.

Schulz stated another way to address this concern would be to place no parking signs on one side of the street.

Johnson anticipated this would bring about more concerns from the residents along 5th Avenue SE given the number of visitors visiting patients and the local businesses in this area.

Mr. Gustafson apologized for misunderstanding the City's overall goals. He believed it would be helpful for the Council to create a street width and sidewalk standard. He explained this would create a vision for the City and would prepare residents for future street reconstruction projects. He noted that most of the curbing within the proposed project area could remain, which would be impacted if street widths were to be adjusted.

Stelmach suggested the Council address street width and sidewalk standards in conjunction with the Comprehensive Plan.

Schulz appreciated Mr. Gustafson's perspective and reminded him that this was his company's first project with the City of Osseo. He understood there would be a learning curve.

Stelmach asked if the bench within the pictures was proposed for a commercial area. Ms. Lueth reported this was a Lions bench that would be located on a concrete pad on the Wiley property.

Johnson questioned if the sidewalks were in or out of the plan. Mr. Gustafson stated the cost estimate and project plans include the sidewalks.

Schulz appreciated the graphics provided by WSB. He asked that the street names be placed on the maps next time. He questioned what request was before the Council this evening. Mr. Gustafson stated he would like approval of the Feasibility Study and for the Council to provide him with a good estimate to be taken in the assessment hearing.

Schulz discussed the sidewalks that were installed in the last street improvement project and how the pitch of the road was altered. He wanted to see the Council discuss the maximum pitch of the roadways to ensure this does not occur again. Mr. Gustafson indicated this issue could be addressed closer to construction.

Schulz wanted to be assured that WSB was paying close attention and being proactive to the City's street improvement project. He asked if the Council should consider back to curb sidewalks for the entire project area. Mr. Gustafson stated this would be an option for the Council; however, this has not been fully discussed with the Public Works staff. Public Works Director Hass was fine with this recommendation, but wanted to see the Council draft a policy regarding snow removal for curb to back sidewalks.

Zelenak reported most of the sidewalks within the project area were back to curb except for those along 3rd Street SE.

Stelmach requested further information on the sanitary sewer and water conditions. Mr. Gustafson reported both the sanitary sewer and water lines were televised and all pipes look to be in good condition. He stated notes have been made about the location of roots and these notes would be passed along to the Public Works Department.

Schulz asked if the pipes underground had at least a good 25-year life expectancy. Mr. Gustafson reported this was the case.

Johnson asked if all property owners would be paying for the sidewalks as proposed within the street reconstruction area. Mr. Gustafson explained this was the case for all new sidewalks.

A motion was made by Johnson, seconded by Stelmach, to adopt Resolution No. 2016-74 Receiving the 2017 Street Feasibility Study and Calling for an Improvement Hearing for the 2017 Street Reconstruction Project. The motion carried 5-0.

- C. APPROVE 2017 ALLEY FEASIBILITY STUDY – WSB & Associates
(Resolution)

Lee Gustafson, City Engineer with WSB & Associates, stated the 2017 Alley Project consists of reconstructing the alley between 5th and 6th Avenues NE from 4th Street NE to 93rd Avenue North including repairing or minimal reconstruction of the storm sewer. It is proposed to maintain the existing alley width and that all work will be within the existing alley right of way. A new 14-foot wide, 6-inch thick concrete pavement will replace the old bituminous pavement. Storm sewer televising and geotechnical evaluation was performed to help calculate pavement design and recommended storm sewer repairs.

Mr. Gustafson reported the total project cost is estimated at \$186,600 and includes all proposed surface and storm sewer improvements as well as all engineering, legal, financing, and administrative costs. Financing the 2017 Alley Reconstruction Project will be based on the City's Special Assessment policy which calls for 80% of the proposed improvement to be specially assessed. The remaining 20% and 100% of the storm sewer costs will be financed by the City. Assessments for this project were calculated by dividing 80% of the total cost of the project equally among the adjoining residents. There is a total of 27 properties benefiting from the improvements equating to a cost of \$5,340 per parcel.

Mr. Gustafson explained the next step for this project will be to hold an Improvement Hearing on January 9 where the Council will take public comment and consider authorizing the preparation of plans and specifications. Staff reviewed the project timeline and recommended the Council receive the Feasibility Report and call for the Improvement Hearing.

Johnson requested further information on the geotechnical information. Mr. Gustafson described how his staff would complete the standard geotechnical work. He explained that proper geotechnical work would ensure water properly drained down the alleyway.

Stelmach asked why staff was recommending the alley be 14 feet versus 12 feet. Mr. Gustafson indicated the City had 16 feet of right of which means the City could construct a 14-foot alleyway.

A motion was made by Zelenak, seconded by Schulz, to adopt Resolution No. 2016-75 Receiving the Feasibility Report and Calling for the Improvement Hearing on the 2017 Alley Reconstruction Project. The motion carried 5-0.

D. APPROVE 2017 SIDEWALK REPAIR SPECS – WSB & Associates (Resolution)

Lee Gustafson, City Engineer with WSB & Associates, stated the 2017 sidewalk project involves replacing defective sidewalk panels throughout the City, as identified by the Public Services Director. The improvements will include removal of defective sidewalk panels, site preparation, and replacing the panels in essentially the same dimensions as the existing panels. In most cases, curb and gutter removal is not necessary. During removals, the contractor will typically remove a six-inch wide area of grass and soil along both sides of the defective sidewalk. This is necessary in order to install the construction forms for the new sidewalk. Once installation of the new panels is complete, the removed topsoil will be replaced and seeded. The property owner will be responsible for watering and maintaining the new grass seed.

Mr. Gustafson explained funding for the project will be primarily in two forms. The first form of funding will be from a Hennepin County Community Development Block Grant (CDBG) in the amount of approximately \$67,000. The intent is for the grant to pay for

approximately 50% of the project costs. The second primary form of funding will be through payments by individual property owners. Since defective sidewalks are a violation of the City's nuisance ordinance, property owners will be billed for approximately 50% of the sidewalk work similar to other nuisance situations. Property owners will be expected to pay for the work by a certain date. Payments not received by the specified date will have the costs assessed against the benefitting property similar to non-payment of utility bills.

Mr. Gustafson estimated the project would cost \$120,639 with \$60,319.50 funded with CDBG funds and \$60,319.50 funded from property owner payments. Staff requested the Council receive the Feasibility Report and order preparation of plans and specifications for the 2017 sidewalk replacement project.

Zelenak recommended the Villa property be removed from the list. She asked if staff had looked over the list to ensure sidewalk panels were not being replaced that would be torn out during street projects in the next year or two. Mr. Gustafson understood this question and concern. He stated he would be going over the sidewalk list with staff in order to remove properties that were slated for reconstruction in the next few years.

Schulz requested staff provide the Council with an updated five-year street reconstruction plan. Grans discussed the City's street reconstruction plans for the coming years and noted the plans were not set in stone but rather were reconsidered on a yearly basis.

Schulz expressed frustration that the Villa's property remained on the sidewalk list and stated this was a "miss" on staff's part. Grans reported the Villa property was on a corner and the eight panels in need of replacement were on a roadway that was not included in the 2017 street project.

Johnson requested staff take a look at the NE and NW labels on the sidewalks as some were incorrect. He recommended the sidewalk to nowhere (No. 86) in the middle of 5th Avenue NE be removed from the list.

A motion was made by Zelenak, seconded by Stelmach, to adopt Resolution No. 2016-76 Receiving the Feasibility Report and Ordering Preparation of Plans and Specifications for the 2017 Sidewalk Replacement Project. The motion carried 4-1 (Schulz opposed).

E. APPROVE OSSEO POLICE BIKE PATROL

Police Chief Shane Mikkelsen stated the City has received a grant from Hennepin County through the Department of Health for which the money can be used to start a Police Department Bike Patrol. The Police Department would like to purchase two bikes along with all the additional items like bike racks, officer uniforms, and hitches for the squad cars. He explained this program would assist Osseo officers in being more approachable by being on a bike in the community. Bike officers will be used during community events and can assist with silent approaches to calls for service. The grant will also pay for training for all officers. Staff recommended the Council approve the new Osseo Police Bike Patrol.

Stelmach asked if there would be any costs to the City to start the program. Police Chief Mikkelsen explained there would be no cost to the City. He indicated the City would have maintenance and upkeep expenses in the future.

Schulz questioned how the entire active living grant was being used by the City. Abts reported the City was using this grant to assist with the Comprehensive Plan along with work on a Community Leadership Team. She stated the value of the overall grant was \$50,000.

Schulz inquired the purpose of having hitches on a squad car. Police Chief Mikkelson stated the hitches were necessary as this would allow the Police Department to place a bike rack on a squad car.

Schulz appreciated the ingenuity of the Police Chief. However, he believed the grant funds should be used elsewhere in the City. Even though the grant funds were available, he believed that other programs should be considered. Police Chief Mikkelson stated the Police Department had \$12,500 to spend on community action.

Schulz encouraged the Police Department to find other ways to reach out to the community and that the funds be used in another way.

Zelenak stated she supported the request given the fact the funds were granted to the Police Department. She believed the bike patrol would make the City's officers more approachable.

Johnson understood the City of Minneapolis was using bike patrols with great success.

Stelmach asked how else the Police Department would be using the grant funds. Police Chief Mikkelson stated he would be doing more crosswalk enforcement this summer and would also be sponsoring a bike rodeo.

Stelmach questioned if this grant would be available on a yearly basis. Abts indicated SHIP (Statewide Health Improvement Program) funding was provided by the State. She understood this grant was available one time only.

A motion was made by Zelenak, seconded by Johnson, to approve the new Osseo Police Bike Patrol. The motion carried 4-1 (Schulz opposed).

F. APPROVE CAMERA SYSTEM FOR POLICE SQUAD VEHICLE

Police Chief Mikkelson stated the City is purchasing a new squad car in 2017. The City would also need to purchase a new squad car camera. This would allow the Police Department to get rid of the only DVD burning camera left in the fleet in squad #661. The camera in squad #661 has been having troubles working currently and is several years old. It was noted the new camera will fit into the current system. The new camera system will cost \$4,646.25 and would be taken from the Police Department's seizure fund.

Schulz asked if it was typical for the City to use seizure funds to cover the expense of the new camera. Grams stated while this was not typical, but it was acceptable. Police Chief Mikkelson believed the new camera would assist with public safety and explained the seizure funds could be used for this purchase.

Schulz questioned why the new squad car was not outfitted with this camera originally. Police Chief Mikkelson stated he was trying to save the residents of Osseo from having to pay for this camera. For this reason, he recommended the purchase be made out of seizure funds.

A motion was made by Schulz, seconded by Stelmach, to approve the purchase of the new L3 squad car camera for \$4,646.25. The motion carried 5-0.

G. APPROVE PROPOSAL FOR CITY HALL OFFICE RECONFIGURATION

Grams explained staff has proposed switching two staff members (Finance Officer and Consultant into the existing second office, and moving the City Planner to the existing open office space near the front counter). At the request of the Council, staff reviewed the potential office switch and determined there would be many advantages. One of the biggest advantages is the opportunity to put all finance related information behind a closed door (which will soon be lockable since the Council recently approved a re-keying of City Hall). This will increase our in-department security of any potential non-public information.

Grams reported the first proposal calls for updates to the existing office space (desk components and equipment only) to allow for a second employee workspace (for the Finance Consultant and/or any secondary help). Additionally, the proposal includes some additional items for the City Planner's new workspace. The second proposal is for the install and set up of the new workspace equipment. Staff reviewed the proposals in further detail and recommended approval of the reconfiguration.

Johnson asked if the spaces being transferred were approximately the same size. Grams anticipated the office space was slightly larger, which would create a real working space for Finance Consultant Gary Groen.

Stelmach questioned if the labor costs could be eliminated if the work was completed by Public Works. Grams did not feel the need to burden the Public Works Department with this task.

Schulz believed this agenda item was poorly presented to the Council. However, he recommended the Public Works department take delivery of the office equipment, but suggested the installation of the desk be completed by professionals.

A motion was made by Johnson, seconded by Zelenak, to approve the proposal for the office reconfiguration. The motion carried 4-1 (Schulz opposed).

H. APPROVE AMENDED AGREEMENT WITH ELEMENT FOR CITY IT SERVICES

Grams explained the City entered into an agreement with LogicNet on January 1, 2016, to provide the City with Internet Technologies (IT) services. Since that time, LogicNet merged with a second company to form Element Technologies, LLC. Recently, Element requested a change to the monthly retainer amount from the City, citing increased work load. The original request was to move to \$2,100 per month. Staff was able to negotiate that amount to \$1,900 per month for 2017 (beginning January 1). Staff, working in conjunction with the City Attorney, was also able to better clarify some aspects of the agreement including duties of the Service Provider (Element) and the Client (City of Osseo) and some additional legal information.

Schulz thanked Grams for his work on this agreement. He expressed frustration with the way LogicNet handled their invoices and asked if Element Technology would be addressing this concern. Grams stated this issue was called out within the agreement to ensure Element Technology better articulated what work was being conducted for the City.

Schulz stated he could not find this information anywhere within the contract.

City Attorney Tietjen advised the Council to approve the agreement contingent upon the invoices being further clarified or suggested the Council table action to the first Council meeting in January.

A motion was made by Schulz, seconded by Stelmach, to table action on the agreement with Element Technologies, LLC to the January 9, 2017, City Council meeting to allow for further clarification on how invoices would be managed. The motion carried 5-0.

I. ADOPT 2017 OSSEO CITY BUDGET AND TAX LEVY (Resolution)

Grams stated staff recommendations, Council Budget and Finance Committee recommendations, City Councilmember recommendations, and comments from Osseo taxpayers have contributed to the 2017 City Budget and Tax Levy. The 2017 City Budget shows a fully balanced budget between expenditures and revenues.

Staff reviewed a department-by-department summary breakdown of the 2017 budget, showing 2014 actual, 2015 actual, budgeted 2016, 2016 year-to-date balance, and the proposed 2017 amounts.

Grams explained the 2016 approved expenditures budget was \$2,319,890. The proposed 2017 expenditures budget is \$2,475,935. This represents an increase in expenditures spending of \$156,045, or 6.73% over 2016. The expenditures increase can be attributed to several areas. The Public Safety budget (which is up 11.53%) and the planned Capital Improvement Plan (CIP) transfer for 2017 (which includes a 5% increase in the transfer in 2017 over 2016) represents \$125,231 of the overall budget increase.

Grams reported staff has continued tracking actual spending in various line items of the expenditures budget and more accurately budgeted those items in 2017. The budget also includes a two percent cost of living wage increase for all full-time, non-union employees as recommended by the Council at the recent budget work session meeting on December 5.

Grams indicated the proposed 2017 revenue budget shows some minor increases and decreases in anticipated revenue streams. Local Government Aid (LGA) remains about the same for 2017 (\$618,080). Additionally, staff budgeted for a \$10,000 increase in the transfer from the EDA general fund to the City general fund to support more staff time spent in that area. Staff also included a \$4,500 transfer from the City's Cable Fund to cover the cost of general IT related spending.

Grams reported in order to fully balance the 2017 budget, the City must levy taxes from all Osseo properties to cover the expected gap in the budget. With expenditures and revenues balanced and proposed at \$2,475,935 for 2017, the anticipated City Tax Levy amount is \$1,421,845 for the General Fund and \$285,562 for debt service (totaling \$1,707,407). By passing this proposed 2017 budget, the City will again lower the City tax rate from 70.645% in 2016 to 68.986% in 2017.

Grams commented the City Council discussed the 2017 budget at the August 29 work session. The City Council approved the preliminary 2017 budget at its September 26 meeting. The Council also discussed the proposed 2017 budget at its December 5 work session. The Council held the Truth in Taxation public hearing on November 28, and allowed taxpayers an opportunity to comment on the proposed 2017 budget. The Council

Budget and Finance Committee also met several times with staff. Staff provided further comment on the 2017 budget and tax levy and recommend approval.

A motion was made by Johnson, seconded by Zelenak, to adopt Resolution No. 2016-77 Approving the 2017 City Budget and General Tax Levy.

Schulz stated he had a great deal of angst in approving the budget as presented. He understood the seniors in the community were receiving a 0% increase in their social security benefits for 2017. He stated all military personnel would be receiving between 1-1.5% increases, while City government would be receiving 2%. He understood that City staff was working hard but indicated he would not be offering his support for the proposed budget and tax levy.

The motion carried 3-2 (Schulz and Stelmach opposed).

J. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

K. APPROVE WAIVER OF COMMUNITY CENTER FEES FOR TOPS

Schulz requested further information on TOPS and questioned why the Council should consider a waiver for this organization. Abts explained TOPS was a tax-exempt entity that receives \$1 per member per meeting as dues. The group was estimated to have 20 to 25 members in attendance at their meetings.

Schulz questioned how many of the TOPS members were Osseo residents. Abts indicated TOPS was open to all Osseo residents, but noted only three TOPS members were from Osseo.

Schulz recommended the Council be very cautious in approving waivers under the new policy. He appreciated the new policy and did not want to see a precedent being set.

Stelmach asked where the TOPS group has been meeting. Abts explained the group has been meeting at the Osseo Community Center.

Stelmach anticipated that if the group were to find another location, it would cost them more than \$25 for the meeting space. For this reason, he supported the TOPS group being charged \$25 to use the Community Center.

Zelenak saw non-profits that should be receiving a waiver as being those that contribute back to the City of Osseo, such as the Lions Club. She did not believe that every non-profit should be granted a waiver and could support the denial of this request.

A motion was made by Schulz, seconded by Zelenak, to deny the Waiver for the Community Center Fees for TOPS.

Grams requested clarification from the Council on why the request was being denied.

Poppe stated that while TOPS was a non-profit entity, the waiver was directed to entities that contribute to the Osseo community and this group does not meet that criteria.

The motion carried 4-1 (Johnson opposed).

11. ADMINISTRATOR REPORT – None.
12. COUNCIL AND ATTORNEY REPORTS

Abts reported the Community Visioning Session would be held on Thursday, January 26, 2017, from 6-8 p.m. at the Community Center. All were invited to attend this public event.

Stelmach was pleased by the turnout at the recent Minidazzle event. He stated his children enjoyed Breakfast with Santa. He encouraged the public to participate in the Toys for Tots drive.

Johnson thanked Stelmach for asking him to attend the Shingle Creek Watershed District meeting. He was pleased to see so many volunteers interested in serving on the Comprehensive Plan Committee.

Schulz stated he had a great time attending and serving at the Minidazzle. He wished everyone Happy Holidays and Merry Christmas.

Poppe explained the Economic Development Authority, the Heritage Commission, Public Safety Advisory Commission, Parks and Recreation Commission, and the Planning Commission were all seeking volunteers at this time. Those interested in serving were encouraged to contact City Hall for further information.

Poppe encouraged the public to make an end of the year donation to The Nest Backpack Program. He explained that all proceeds from this program impacted youth within this community.

Poppe reported City Hall would be closed on Friday, December 23; Monday, December 26; Friday, December 30; and Monday, January 2, for the holidays.

Poppe noted the Chamber State of the Cities Luncheon will be held on Thursday, January 12, at 11:15 a.m. to 1:00 p.m.

13. ADJOURNMENT

A motion was made by Schulz, seconded by Zelenak, to adjourn the City Council meeting at 9:42 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.