

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
November 27, 2017**

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, November 27, 2017.

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, and City Attorney Mary Tietjen.

Others present: Lona Schreiber, Neil Lynch, Jesse Myhre, Alene Tchourumoff, Eric Wojchik, Jennifer DeJournett, Juan Rangel, Jenn O'Rourke, Lee Gustafson, Meghan Litsey, Matthew Feehan, Timothy LaCroix, Paul Ferguson, and Gary Current.

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 Johnson, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive EDA Minutes of November 13
- B. Receive Parks & Recreation Committee Minutes of November 7
- C. Approve Library Fee Waiver for Library Summer Programs
- D. Receive Heritage Preservation Minutes of November 14
- E. Accept Resignation of Firefighter James Hultgren
- F. Accept Resignation of Part-Time Police Officer Mark Marah
- G. Receive October Osseo Maple Grove Hockey Association Gambling Report
- H. Approve Fire Department Annual Payroll for November 2016 through October 2017
- I. Approve Library Fee Waiver for Library Program
- J. Approve Council Minutes of November 13
- K. Receive Planning Commission Minutes of November 20

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

6. MATTERS FROM THE FLOOR

Paul Ferguson, 617 6th Avenue NE, discussed his property taxes with the Council. He believed the City and the Council have been doing a great job in the community and he understood property values were on the rise. He commented on how his taxes would be impacted by the proposed school levy and requested the Council consider the cost of the levy and how homeowners with an alley assessment would be impacted. He provided further comment on the school referendum.

7. SPECIAL BUSINESS

A. PRESENTATION BY ALENE TCHOURUMOFF, LONA SCHREIBER, AND ERIC WOJCHIK – CHAIR, DISTRICT 2 COUNCIL MEMBER, AND SECTOR REPRESENTATIVE OF THE METROPOLITAN COUNCIL

Lona Schreiber, Metropolitan Council, introduced herself to the Council noting she has served on the Met Council for the past seven years. She provided the Council with an update on Met Council operations and other major initiatives. She reviewed a map of the 16 Met Council districts, noting Osseo was located in District 2. She commented on transit projects that would be completed in the surrounding area.

Alene Tchourumoff, Metropolitan Council, introduced herself to the Council and noted she was the newly appointed chair of the Met Council and has been serving in this capacity for the past four months. She discussed the work the Met Council was addressing and commented on how competitive the Met Council's water rates were when compared to other cities. She described how successful the region's parks were, noted the population trends expected by 2040, and discussed how this would impact the metro area's transit system. New commuter routes were reviewed along with the importance of Metro Mobility. Further discussion ensued regarding the Blue Line extension along with the importance of east-west connections in the metro area.

Stelmach indicated he used to live in Denver and encouraged the Met Council to learn from this community on how to keep rates low. He asked if the Met Council was working to reduce its rates. Ms. Tchourumoff explained there was a task force in place that was addressing SAC fees. She reported additional outreach meetings would be held regarding this topic.

Johnson inquired how much of the \$1.5 billion the Met Council has acquired for the Blue Line expansion. Ms. Tchourumoff reported the 51% local funding has been secured and noted the Met Council was working to secure federal dollars for the remainder of the project. She then provided the Council with an update on the Southwest LRT project.

Stelmach questioned how many years it would be until the Blue Line would be extended. Ms. Tchourumoff explained this project was moving forward on schedule and as planned. She reported Met Council was working to obtain right-of-way approval from the railroad in addition to securing funds from the federal government.

Eric Wojchik, Metropolitan Council, introduced himself to the Council and noted he was the sector representative for Osseo. He commented on the Comprehensive Planning Tools and Resources available at the Metropolitan Council. The ten-year regional planning cycle was reviewed. He provided further comment on the Comprehensive Planning Process and the proposed timeline that should be followed for the documents approval. He reviewed the population projections for Osseo along with the City's housing requirements. He commended the City on its community engagement efforts.

Johnson requested further information on the neighboring jurisdictional review process. Mr. Wojchik explained this review would offer neighboring communities a look into Osseo's future plans for the community. He then reviewed the agencies that would be reviewing the City's Comprehensive Plan.

Stelmach questioned what the effect would be to the Comprehensive Plan if a neighboring jurisdiction opposed the City's plan. Mr. Wojchik stated the Met Council would work with both entities to resolve the differences and did not anticipate this would hold up the Comprehensive Planning process.

Zelenak requested further information on the grant funding available from the Met Council. Mr. Wojchik described the competitive LCA grant opportunities available to the City of Osseo. It was his opinion Osseo had done effective place-making in its downtown area and would be a strong candidate for these grants.

Poppe thanked the Metropolitan Council representatives for attending this meeting and for their thorough report.

**B. PRESENTATION BY JENNIFER DEJOURNETT – DISTRICT 2
REPRESENTATIVE OF THREE RIVERS PARK DISTRICT**

Jennifer DeJournett, Three Rivers Park District, provided the Council with a presentation from the park district. She reviewed the mission of the park district and commented on the importance of trail connectivity. She updated the Council on the progress that has been made on the Crystal Lake Regional Trail, the Rush Creek Regional Trail, and the West Mississippi River Regional Trail. She explained Elm Creek Park Reserve is the park district's most popular asset and had over one million visitors each year. The events that occurred each year at the Eastman Nature Center were described. Lastly, she commented on how the park district has been working to provide services while building partnerships with its local communities.

Stelmach thanked Ms. DeJournett for her presentation. He encouraged Ms. DeJournett to speak further with the Osseo Park and Recreation Department.

Poppe thanked Ms. DeJournett for her report and for all she did on behalf of Osseo residents.

C. ACCEPT DONATION (Resolution)

Grams stated the City has received the following donations:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
Osseo American Legion	\$500	Minidazzle
Dick's Bar & Grill	\$100	Minidazzle
M.S. Anderson (<i>in memory of Russ Anderson</i>)	\$ 20	Beautification/Flower Fund
Harold E. & Gayle Johnson (<i>in memory of Dale Augustson, Rusty Hilstrom & Tim Molencamp</i>)	\$300	Beautification/Flower Fund

Staff recommends the Council accept the donations.

A motion was made by Stelmach, seconded by Zelenak, to adopt Resolution No. 2017-71 accepting donations from the Osseo American Legion, Dick's Bar & Grill, M.S. Anderson, and Harold E. & Gayle Johnson. The motion carried 5-0.

8. PUBLIC HEARINGS

A. 2018 TRUTH IN TAXATION HEARING

Grams stated the purpose of this hearing is to allow property owners to comment on the proposed City tax levy for 2018. The City Council is expected to approve the final 2018 Budget and Tax Levy on December 11, 2017. At that meeting, the Council cannot increase the budget, only decrease the budget.

Grams explained most residential properties in Osseo and in Hennepin County showed moderate increases again this year in property values. This is a continuation of what we saw in 2015 and 2016, and is a direct result of residential and commercial property sales which have occurred in 2017. Those property sales have shown a continued steady increase in the average sale price. Osseo has seen another increase in residential property values due to the rebounding housing market, similar to the past three or four years. The values for residential properties prior to 2013 decreased substantially from a high in 2008. At that time, commercial property values went up and the larger share of the County tax burden fell on commercial property owners. However, over the course of the last four years, the pendulum has swung in the opposite direction and residential property values have rebounded and commercial property values gone down, resulting in a more equal distribution of the overall tax burden.

Grams reported the preliminary 2018 Budget and Tax Levy was approved by the City Council on September 11, 2017. The proposed 2018 budget showed a full balanced budget between expenditures and revenues.

2017 Approved City Budget:	\$2,475,935
2018 Preliminary Approved City Budget:	\$2,625,623
Amount Increase from 2016 to 2017:	\$149,688
Percent Increase from 2016 to 2017:	6.05%

Grams stated the following is for the general fund tax levy portion only:

2017 Approved City Tax Levy:	\$1,421,845
2018 Preliminary Approved City Tax Levy:	\$1,596,496
Amount Increase from 2017 to 2018:	\$174,651
Percent Increase from 2017 to 2018:	12.28%

Grams reviewed a department by department breakdown showing the adopted 2017 budgets versus the proposed 2018 budgets. It was noted the City Council may not raise the 2018 tax levy from the already approved preliminary tax levy number as approved by the Council in September. With this proposed budget, the projected City local tax rate would rise slightly next year from 69.10% in 2017 to 69.13% in 2018 (an increase of 0.03%). This will mark the fifth consecutive year in which the City's local tax rate has either fallen or stayed relatively flat. One of the City's main goals is to maintain as low of a tax rate as possible. He described how residential property values were on the rise.

Grams reported the City Council will consider adoption of the 2018 General Fund Budget and Tax Levy at the December 11, 2017, Council meeting. The Tax Levy must be adopted and submitted to Hennepin County by the end of the year.

A motion was made by Schulz, seconded by Johnson, to open the Truth in Taxation hearing at 8:05 p.m. The motion carried 5-0.

No public input was offered.

A motion was made by Schulz, seconded by Stelmach, to continue the Truth in Taxation Public Hearing to the December 11, 2017, City Council Meeting. The motion carried 5-0.

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. CONDUCT STORMWATER POLLUTION PREVENTION ANNUAL MEETING – Lee Gustafson and Meghan Litsey, WSB & Associates

Lee Gustafson, City Engineer, stated each year the City was required to hold a public informational meeting on the City's Stormwater Pollution Prevention Plan. He noted Megan Litsy was present to provide the Council with presentation on this item.

Meghan Litsey, Environmental Compliance Specialist, provided the Council with a brief overview on recent Municipal Separate Storm Sewer System (MS4) activities and commented on the City's next steps. She commended the City on its public education and participation programs. She encouraged the Council and residents to visit the Minnesota Pollution Control Agency MS4 website for additional information.

Johnson thanked Ms. Litsey for her report and stated he was proud of the good work being completed by the watershed districts.

B. APPROVE CONDITIONAL USE PERMIT AMENDMENT FOR 401 COUNTY ROAD 81 (Resolution)

City Planner Nancy Abts stated Jesse Myhre has operated JM Automotive in Osseo since 2015. The business has grown and transitioned from 'primarily auto sales with some repairs' to solely a repair shop. The business specializes in Subaru vehicles. The property is located on County Road 81 Service Road West and owned by Dan Koehler. Staff reviewed the request in further detail with the Council and noted the Planning Commission recommended approval with conditions. She explained that after speaking with the applicant only three parking spaces would be needed for prolonged or extended parking.

Johnson asked if the vehicles being parked outdoors would have all four of their wheels. Jesse Myhre, 401 County Road 81, reported this would be the case.

Schulz questioned how many service bays the building had. Mr. Myhre explained he could work on seven vehicles at one time and noted he had two lifts.

Schulz inquired if the applicant had any concerns with the proposed conditions for approval. Mr. Myhre stated his only concern was with the parking time period and this issue was brought to staff and the Planning Commission.

Schulz questioned if the applicant would consider fencing the property. Mr. Myhre commented this had been discussed with the property owner and noted he had already spent a great deal of money on upgrading the site with new lighting and cameras. He anticipated a fence may be installed in the future but was not being proposed now.

Schulz stated he was happy to see that Mr. Myhre would be keeping his specialized business in Osseo. He recommended that condition 2 be removed as was considered for another recently approved CUP. He believed that the Police Department would be able to regulate this issue. He questioned if condition 3 was too restrictive.

Stelmach explained he supported the proposed parking requirement and was pleased that Mr. Myhre would remain in Osseo. He asked if Mr. Myhre has had any vandalism concerns. Mr. Myhre reported he had two vehicles that were broken into. Since that time, new lighting and cameras have been installed to provide greater security to the parking lot.

Johnson suggested condition 3 be amended to read: Any vehicle repair or maintenance shall take place primarily indoors, except for a temporary situation.

Schulz recommended the second sentence of condition 4 be removed to address the outdoor idling concern.

Zelenak stated she preferred a statement remain within the conditions addressing when idling would be allowed. She suggested this language read: Idling outdoors for diagnostic purposes is allowed, and be added to the end of condition 3.

A motion was made by Schulz, seconded by Johnson, to adopt Resolution No. 2017-72 approving a Conditional Use Permit Amendment to allow for the storage and repair of vehicles for the property at 401 County Road 81 with conditions:

- 1) Vehicle Storage. Vehicles awaiting repairs for longer than 12 hours shall be stored inside an enclosed space or screened from public view, except that vehicles in three spots on the west edge of the property along the drainage easement, as designated on the Site Plan, may be parked for up to 30 days while awaiting or undergoing repairs.
- 2) ~~Test Drives. Vehicles undergoing repair or maintenance at the property shall not be driven through residential districts.~~
- 3) Indoor Operations. Any vehicle repair or maintenance shall take place indoors. Idling of vehicles for diagnostic or repair purposes is allowed outdoors.
- 4) Parking. At least four clearly marked parking spaces, plus two additional parking spaces for each service stall, shall be provided at all times (Osseo City Code Chapter 153 Appendix B).
- 5) Applicable Provisions. This permit is subject to the requirements of the City's ordinances and the Applicant is required to comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and to obtain such other permits and permissions as may be required. Local and state regulations and ordinances shall include but are not limited to the following:
 - a) No auto wrecking, junk, and salvage shall be stored on properties in the C2-S District, per Osseo City Code;

- b) Vehicles on the property shall be licensed for operation, shall not be kept for scrapping, and shall meet other requirements of Osseo City Code § 93.20;
 - c) Any waste tires shall be stored inside an enclosed space or screened from public view (Osseo City Code § 153.054) and protected from the elements so as not to provide habitat to rodents or insects (Osseo City Code § 93.18);
 - d) Any trash enclosure shall be screened from public view (Osseo City Code § 153.057);
 - e) Modifications to the building shall be in accordance with Osseo City Code and the approved site and building plan on file with the City (Osseo City Code § 153.153);
 - f) Signage relating to the use shall adhere to Osseo City Code § 153.090 - § 153.098;
 - g) If the facility generates any hazardous waste as defined by Hennepin County or the State of Minnesota, the facility shall at all times meet all requirements imposed by Hennepin County or the State of Minnesota.
- 6) Open to Inspection. During any hours at which the business is open, the business shall be open to any State or County official and to any City official or police officer, when accompanied by Applicant, for inspection to determine compliance with the stated conditions of approval.
 - 7) Recording Requirement. The City of Osseo shall memorialize the conditional use permit by adopting a resolution that the applicant shall record in the office of the County Registrar of Titles within 60 days of its adoption by the City.
 - 8) No Waiver. Failure by the City to take action with respect to any violation of any condition, covenant, or term of this permit shall not be deemed to be a waiver of such condition, covenant, or term or any subsequent violation of the same or any other condition, covenant, or term.
 - 9) Prior Permits. The conditional use permit issued in 2015 (Resolution 2015-6) and any other conditional use permits issued for the property are hereby revoked and are replaced by this current conditional use permit. The City Council shall memorialize the revocation of the previous CUP by adopting a resolution that will be recorded in the office of the County Registrar or Titles, which shall serve as additional notice of such revocation.
 - 10) Revocation. The violation of any terms or conditions of this permit including, but not limited to, any applicable federal, state, or local laws, rules, regulations, and ordinances, may result in revocation of the permit. The Applicant shall be given written notice of any violation and reasonable time, as determined by the City, to cure the violation before a revocation of the permit may occur.
 - 11) Binding Effect. This permit and its conditions are binding on the Owner and Applicant, their successors and assigns, and shall run with the Property, and shall not in any way be affected by the subsequent sale, lease, or other change from current ownership, until the permit is terminated or revoked as provided herein. The obligations of the Applicant under this permit shall also be the obligations of the current and any subsequent owners of the Property.
 - 12) Acceptance of Conditions. Utilization of the Property for any of the uses allowed by this permit shall automatically be deemed acceptance of, and agreement to, the terms and conditions of the permit without qualification, reservation, or exception.

The motion carried 5-0.

- C. APPROVE CONDITIONAL USE PERMIT FOR 8725 JEFFERSON HIGHWAY (Resolution)

Abts stated American Auto Body had been in operation since 1979. The business relocated from North Minneapolis to Osseo in 1980. It moved just south of Osseo to 8208 Lakeland Avenue North in Brooklyn Park in 1994. The business is growing and intends to use the property at 8725 Jefferson Highway for overflow work and storage, particularly related to low-level short-term repairs. It will keep its primary location in Brooklyn Park for more intensive work.

Abts reported the subject property is located on Jefferson Highway and was recently purchased by American Auto Body. The property to the west, Spotless & Seamless Exteriors, Inc., is a “landlocked” parcel with no direct access to public roads. There is an easement across 8725 Jefferson Highway to provide a connection to the highway. Staff reviewed the request in further detail with the Council and noted the Planning Commission recommended approval with conditions.

Schulz stated in reviewing the Planning Commission minutes, the 30-day parking suggestion was made for this CUP as well, but was not included in staff’s recommendation. Abts reported this was correct, and noted the applicant supported the 12-hour parking requirement.

Johnson explained the Planning Commission wanted to see the City remain consistent and for that reason approved the same outdoor parking requirements. However, he understood that the final decision would rest with the City Council.

Schulz asked if the applicant would have any reason to have vehicles idling outside the building. Matthew Feehan, 8725 Jefferson Highway, stated the diagnostic process for his business was different from the previous request. He explained he would only need to idle vehicles outdoors after being washed for inspection purposes.

Schulz welcomed Mr. Feehan back to the City of Osseo and recommended condition 2 be eliminated.

Johnson requested further information on Mr. Feehan’s painting equipment. Mr. Feehan described how he would be repairing and painting vehicles within this building. He explained this center would be unique as it would have a track system to move vehicles through the stages of repair, which enhances production.

Schulz stated he supported the conditions for approval being amended to reflect the conditions approved for Item 10B.

A motion was made by Schulz, seconded by Johnson, to adopt Resolution No. 2017-73 granting a Conditional Use Permit to allow for the storage and repair of vehicles at 8725 Jefferson Highway with conditions:

- 1.) Vehicle Storage. Vehicles awaiting repairs for longer than 12 hours shall be stored inside an enclosed space or screened from public view, *except that vehicles in the spots on the west edge of the property, as designated on the Site Plan, may be parked for up to 30 days while awaiting or undergoing repairs.*
- 2) ~~Test Drives. Vehicles undergoing repair or maintenance at the property shall not be driven through residential districts.~~
- 3) Indoor Operations. Any vehicle repair or maintenance shall take place indoors. Idling of vehicles for diagnostic or repair purposes is allowed outdoors.

- 4) **Parking.** At least four clearly marked parking spaces, plus two additional parking spaces for each service stall, shall be provided at all times (Osseo City Code Chapter 153 Appendix B).
- 5) **Applicable Provisions.** This permit is subject to the requirements of the City's ordinances and the Applicant is required to comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, and to obtain such other permits and permissions as may be required. Local and state regulations and ordinances shall include but are not limited to the following:
 - a) No auto wrecking, junk, and salvage shall be stored without a Conditional Use Permit approving this use (Osseo City Code § 153.059);
 - b) Any waste tires shall be stored inside an enclosed space or screened from public view (Osseo City Code § 153.054) and protected from the elements so as not to provide habitat to rodents or insects (Osseo City Code § 93.18);
 - c) Any trash enclosure shall be screened from public view (Osseo City Code § 153.057);
 - d) Modifications to the building shall be in accordance with Osseo City Code and the approved site and building plan on file with the City (Osseo City Code § 153.153);
 - e) Signage relating to the use shall adhere to Osseo City Code § 153.090 - § 153.098;
 - f) If the facility generates any hazardous waste as defined by Hennepin County or the State of Minnesota, the facility shall at all times meet all requirements imposed by Hennepin County or the State of Minnesota;
- 6) **Open to Inspection.** During any hours at which the business is open, the business shall be open to any State or County official and to any City official or police officer, when accompanied by Applicant, for inspection to determine compliance with the stated conditions of approval.
- 7) **Recording Requirement.** The City of Osseo shall memorialize the conditional use permit by adopting a resolution that the applicant shall record in the office of the County Registrar of Titles within 60 days of its adoption by the City.
- 8) **No Waiver.** Failure by the City to take action with respect to any violation of any condition, covenant, or term of this permit shall not be deemed to be a waiver of such condition, covenant, or term or any subsequent violation of the same or any other condition, covenant, or term.
- 9) **Revocation.** The violation of any terms or conditions of this permit including, but not limited to, any applicable federal, state, or local laws, rules, regulations, and ordinances, may result in revocation of the permit. The Applicant shall be given written notice of any violation and reasonable time, as determined by the City, to cure the violation before a revocation of the permit may occur.
- 10) **Binding Effect.** This permit and its conditions are binding on the Owner and Applicant, their successors and assigns, and shall run with the Property, and shall not in any way be affected by the subsequent sale, lease, or other change from current ownership, until the permit is terminated or revoked as provided herein. The obligations of the Applicant under this permit shall also be the obligations of the current and any subsequent owners of the Property.
- 11) **Acceptance of Conditions.** Utilization of the Property for any of the uses allowed by this permit shall automatically be deemed acceptance of, and agreement to, the terms and conditions of the permit without qualification, reservation, or exception.

The motion carried 5-0.

D. APPROVE 2018 CAPITAL IMPROVEMENT PLAN

Grams stated each year the Council approves the updated set of Capital Improvement Plan documents for the following year. This plan helps guide Council and staff on funding and purchasing important and necessary equipment which allows staff to do their jobs effectively. Staff reviewed the plans with department heads to ensure that all future capital purchases were included in the plan. Finance staff reviewed the funding sources. Staff reviewed the 2018 CIP in further detail with the Council and recommended approval.

Schulz expressed concern with the park plans noting this fund was lacking. He stated the Council would have to discuss how to properly address a future acquisition for Boerboom Park.

Poppe stated he was pleased the City had this detailed working document in place as it would greatly assist the Council with financial planning going forward.

A motion was made by Stelmach, seconded by Schulz, to approve the 2018 Osseo Capital Improvement Plan updates. The motion carried 5-0.

**E. APPROVE UTILITY RATES AND UTILITY RATE STUDY FOR 2018
(Resolution)**

Grams stated the Osseo utility rates need to be set for 2018 as the current rate approval expires at the end of 2017. After reviewing the utility fund projections, there is sufficient balances in all three funds if the Council opts to freeze the rates for 2018 (meaning the rates would remain the same as they currently are in 2017). Freezing the rates for one year is recommended by staff.

Gary Groen, Finance Consultant, reported at the Council work session on October 23 the Council discussed the option of not increasing utility rates and the possibility of conducting a utility rate study in 2018. The utility rate study would involve reviewing current utility rates to determine if they are sufficient for the long-term health of the funds, and whether or not the City should raise or lower the rates accordingly. Additionally, the rate study would potentially provide a new tiered rate structure which would be more fair and balanced for Osseo users. Because conducting a utility rate study requires time and staff involvement, it's recommended that the Council freeze the rates for 2018, allowing time for staff to conduct the study. The study would be completed in 2018, with recommendations brought to the Council for approval later in 2018 with an effective date of 2019. Staff reviewed the utility rates in further detail and recommended approval of the 2018 rates, along with directing staff to conduct a utility rate study in 2018.

Schulz described how the Council had been working to improve the health of the City's enterprise funds. He stated he was looking forward to seeing the results of the utility rate study.

A motion was made by Schulz, seconded by Stelmach, to adopt Resolution No. 2017-74 setting water rates for 2018. The motion carried 5-0.

A motion was made by Schulz, seconded by Johnson, to adopt Resolution No. 2017-75 setting sanitary sewer rates for 2018. The motion carried 5-0.

A motion was made by Schulz, seconded by Stelmach, to adopt Resolution No. 2017-76 setting storm water utility fees for 2018. The motion carried 5-0.

A motion was made by Johnson, seconded by Stelmach, to direct staff to conduct a utility rate study in 2018.

Schulz asked how the rate study would be paid for. Grams explained it would be paid for equally from the City's utility enterprise funds.

The motion carried 5-0.

F. APPROVE LEASE WITH HENNEPIN COUNTY LIBRARY FOR 2017-2022

Grams explained the Hennepin County Library branch has been located in the City Hall building for a number of years. The Library provides the Osseo community with a location to learn, read, explore, and grow for all persons. The current lease is set to expire on November 30, 2017, and the Council was asked whether or not the City should renegotiate a new lease with the Library system. The Council had asked the Library to consider paying for utilities charges in lieu of paying any rent to lease the space. After negotiations, the Library agreed to pay utilities to the City of Osseo during the years of this proposed lease.

Grams reported utilities include water, gas, electric, sewer, trash, recycling services, janitorial services, and bathroom/kitchen supplies. Staff collected the total costs for all of these services, using a percentage of space that the Library leases from the City, and determined the average annual cost to be approximately \$1,000. The City will invoice utilities costs to the County at the end of each year for payment.

Grams stated since the lease ends November 30, 2017, the County and City agreed to extend the draft lease by one month to get the lease on a normal annual cycle. The lease will be effective for five years and one month, with the lease expiring on December 31, 2022. All other areas of the lease remain unchanged. Staff recommended the Council approve the lease with Hennepin County Library for 2017-2022.

Schulz thanked staff for the commitment to follow the Council's direction regarding the library lease. He was pleased to see the City would be renewing a lease for five years.

A motion was made by Schulz, seconded by Zelenak, to approve the lease with Hennepin County Library for 2017-2022. The motion carried 5-0.

G. APPROVE QUOTES FOR PAINTING INTERIOR OF CITY HALL AND POLICE DEPARTMENT

Grams explained each year the Capital Improvement Plan includes a \$10,000 amount for various improvements to City Hall, other City buildings, or for replacement of City office equipment. In the past, we have replaced carpet in the general public areas, replaced carpet in the Community Center, or rearranged office equipment and office spaces. This year, staff would like to freshen the interior of City Hall and Police Department common public areas with a new coat of paint. The walls in City Hall were last upgraded in 2002 when the Community Center was added, and in the Police Department when that addition was constructed.

Grams stated the plan is to paint all non-wallpapered walls in the common areas (the block walls inside City Hall), the bathrooms, do some minor repairs to water damaged areas, and also some wallpaper repairs. Staff originally considered removing the wallpaper and repainting; however, the quote to do that work was very expensive and outside of the amount listed in the CIP. The Police Department offices, entry way, hallway, and stairwell areas will also be painted. The color will be selected among staff members to best fit the overall color scheme inside City Hall and the Police Department. The quotes for this work are as follows:

City Hall Interior

Heavenly Homes Painting \$5,880

Bruce Beck Painting \$9,868

Soucie Painting \$13,385

Police Department Interior

Heavenly Homes Painting \$3,425

Bruce Beck Painting \$5,400

Grams recommended the Council approve the quotes from Heavenly Homes Painting for a total of \$9,305 to paint the interior of City Hall and the Police Department as outlined.

Stelmach asked if each of the businesses were licensed and bonded. Grams reported this was the case.

Schulz questioned how old the police department was. Grams stated the police department was quite new, but the walls were showing signs of age. He anticipated this was due to a poor-quality paint and suggested a chair rail be installed.

Schulz expressed concern with the fact that staff was requesting \$3,000 to repaint the police department given the fact the building was only two years old. He asked that staff invest some time into how to remedy the situation within the Police Department to ensure the walls are better protected.

A motion was made by Stelmach, seconded by Johnson, to approve the quotes from Heavenly Homes Painting for a total of \$9,305 to paint the interior of City Hall and the Police Department as outlined. The motion carried 4-1 (Schulz opposed).

H. APPROVE AGREEMENT WITH RWL INSPECTION SERVICE LLC FOR 2018 CITY RENTAL INSPECTION SERVICES

Grams explained the City has partnered with the City of Brooklyn Park since 2009 to provide rental inspection services for both single family homes as well as apartment units. He has been contacted by Brooklyn Park about possibly ending those services with Osseo at the end of 2017 due to Brooklyn Park staff turnover and a higher volume of inspections required in Brooklyn Park.

Grams stated the current Brooklyn Park staff member in charge of providing inspection services to Osseo, Roger Lenz, is planning to retire from the City of Brooklyn Park effective November 30, 2017. Mr. Lenz has indicated to Grams that he would like to continue providing services to the City of Osseo under his own company, RWL Inspection Service, LLC, for 2018.

Grams reported the Council discussed this matter at the recent Council work session on October 30. The Council agreed that Osseo should review and overhaul its rental inspection program, providing a more fair and equitable system to annual inspections for the rental property owners and those who rent the properties. Staff believes that reviewing and updating our own program would take some time. Because the time necessary to study the issue, develop a plan, and gain Council approval could be quite lengthy, staff recommends hiring Mr. Lenz for a one-year period (2018) which would allow staff the time necessary to review the program. Mr. Lenz already knows all of the Osseo rental properties, and Osseo wouldn't see any change in service moving away from an agreement with Brooklyn Park to Mr. Lenz's company.

Grams explained the agreement mimics what is in place with Brooklyn Park. The only change is that currently Osseo retains 35% of the fees collected from the program, with Brooklyn Park receiving the remaining 65%. Under the proposed agreement with Mr. Lenz, Osseo would retain 40% of the fees collected, with Mr. Lenz receiving the remaining 60%. If the Council opts to go in this direction, staff recommends that the City Council direct staff to send a letter to the City of Brooklyn Park stating that the two Cities will end rental inspection services on December 31, 2017. Staff also recommends directing staff to begin reviewing the Osseo's rental inspection program for updates in 2018.

Schulz requested staff complete separate and specific accounting for these services. He wanted a single fund used for inspections to allow the Council to review the financial impacts surrounding this change. The Council was in agreement with this suggestion.

Johnson asked when the City conducted rental housing inspections. Grams explained these properties were inspected on a yearly basis.

A motion was made by Zelenak, seconded by Stelmach, to approve the agreement with RWL Inspection Service, LLC, to provide rental inspection services for 2018, direct staff to send a letter to the City of Brooklyn Park ending services on December 31, 2017, and direct staff to review Osseo's rental inspection program in 2018. The motion carried 4-1 (Schulz opposed).

(Councilmember Schulz left the Council table at 9:29 p.m.)

I. DESIGNATE POLLING PLACE FOR 2018 ELECTIONS (Resolution)

Grams explained legislation passed last year changed the deadline for a resolution naming polling places for 2018 elections to December 31, 2017. It was noted this was a "house-keeping" matter.

A motion was made by Zelenak, seconded by Johnson, to adopt Resolution No. 2017-77 establishing the polling place for election precinct for 2018 elections. The motion carried 4-0.

J. APPROVE CONTRACT WITH PUBLIC EMPLOYMENT INSURANCE PROGRAM (PEIP) FOR EMPLOYEE MEDICAL AND DENTAL INSURANCE FOR 2018-2020

Grams explained medical premiums under the City's current health plan have risen an average of 25%. In some cases, employees out of pocket costs for premium contribution will double. Staff has explored alternative programs and recommends the PEIP

Advantage Health Plan to provide employee healthcare at an affordable cost to not only the employee, but also to the City.

Grams reported the PEIP Advantage Health Plan was implemented in 2002 by the State of Minnesota. In 2007, it was opened up to all public employers. Membership has seen a steady climb in participants since its implementation date. The plan operates on a managed care system with a primary physician overseeing the care of its patients. Employees will choose an individual carrier (Health Partners, Blue Cross Blue Shield, or Preferred One). There are four networks to choose from based on cost level and service. Level 1 will have the highest coverage while level 4 will have the lowest coverage. Each Level has a corresponding cost associated with it, which will go against the employee's out of pocket maximum each year. It was noted dental coverage is provided by Delta Dental. Staff recommended the Council approve entering into a contract with Public Employees Insurance Program for 2018-2020 and cancel coverage with Health Partners Open Access Medical and Dental plan.

Johnson asked how many employees were covered by the City. Grams explained approximately five employees were on the family plan and five were on the individual plan.

Zelenak supported the Human Resources Committee reviewing the health insurance policies. She discussed how much she pays for her insurance policy and believed the City's benefit package should be reviewed.

Stelmach supported the Human Resources Committee reviewing this information in further detail as well.

Johnson questioned if there would be a rate increase in the second year of the contract. Grams indicated he was uncertain if the company would have the ability to raise the rates.

A motion was made by Johnson, seconded by Stelmach, to approve entering into a contract with Public Employees Insurance Program for 2018-2020 and cancel coverage with HealthPartners Open Access Medical and Dental plan. The motion carried 4-0.

K. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

A motion was made by Johnson, seconded by Zelenak, to approve the Accounts Payable as presented. The motion carried 4-0.

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

(Councilmember Schulz returned to the Council table at 9:41 p.m.)

Zelenak stated she was looking forward to attending Minidazzle on Friday, December 1. She encouraged residents to arrive early for cookies, cocoa, and hot dogs.

Johnson stated all of the lights along Central Avenue looked nice. He thanked residents of Realife Co-op for their assistance.

Schulz stated he was looking forward to the festivities this weekend and encouraged the Council to contact Felicia at the Police Department (coordinator for the event). He thanked the Osseo Fire Relief Association for its continued generosity to the Minidazzle Fund.

Poppe reported Minidazzle would be held on Friday, December 1, from 6-8 p.m. He stated donations would be collected for Toys for Tots and The Nest Backpack Program.

Poppe invited all to attend Lunch with Santa on Saturday, December 2, beginning at 11 a.m.

13. ADJOURNMENT

A motion was made by Schulz, seconded by Johnson, to adjourn the City Council meeting at 9:47 p.m. The motion carried 4-1 (Stelmach opposed).

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.