

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
December 10, 2018**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:04 p.m. on Monday, December 10, 2018.

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 Mikkelson, Public Works Director Nick Waldbillig, and City Attorney Mary Tietjen.

Others present: Matt Peterson, Jenna Lawrence, Karen Lawrence, Zach Lawrence, Phil Lawrence, Skip Cook, Julie Kragness, Dnaielle Nolan-Eickholt, Emily Kirkwold, Bruce Kimmel, Gary Groen, Juliana Hultstrom, Mike Phenow, and a number of Osseo firefighters.

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 Schulz, seconded by Stelmach, to accept the Agenda as amended adding Item 7E and amending Item 5J. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive Planning Commission Minutes of November 19
- B. Approve Council Minutes of November 26
- C. Approve Council Work Session Minutes of November 26
- D. Approve 2019 Pay Increases for City Staff
- E. Receive November Building Report
- F. Approve 2019 Schedule of Meetings for City Council, EDA and Planning Commission
- G. Approve Waiver Request for Community Exchange for Change on February 9, 2019
- H. Approve Osseo Pawn LLC Annual Pawnbroker Renewal License for 2019
- I. Approve 2019 WSB & Associates Rate Schedule
- J. Approve Hire of Grace Poppe, Wyatt Tullberg, and Jack Norman as Rink Attendants
- K. Approve Police Training for Officers Smith and Mortinson and Chief Mikkelson
- L. Approve Police Training for Officer Mortinson

- M. Accept Resignations of Firefighters Mike Sable, Nathan Dahl, and Michael Lisbon
- N. Approve 2019 Pay for Part-Time Snow Removal Position
- O. Receive November Osseo Lions Club Gambling Report

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

- 6. MATTERS FROM THE FLOOR – None.
- 7. SPECIAL BUSINESS

A. THANK YOU TO OUTGOING COUNCILMEMBER ANNE ZELENAK

City Administrator Riley Grams thanked Councilmember Anne Zelenak for her dedicated service to the community. He explained she has been a remarkable Councilmember and pleasure to work with. He presented her with a plaque of appreciation on behalf of the City of Osseo for her four years on City Council.

B. APPROVE EMPLOYMENT AGREEMENT FOR MIKE PHENOW AS FIRE CHIEF

Grams stated recently the City Council approved the internal posting for the open position of Osseo Fire Chief. All qualified and interested candidates were encouraged to apply for the position. The City Administrator, along with the Council Human Resources Committee (Councilmembers Schulz and Stelmach), reviewed the application from one applicant, Osseo Fire Department Captain 12 Mike Phenow.

Grams reported he and the Council HR Committee members interviewed Mr. Phenow for the Chief position. He stated he impressed with Mr. Phenow and encouraged by the ideas proposed for the Department moving forward. City Administrator Grams, at the recommendation of the Council HR Committee, offered Mr. Phenow the position of Osseo Fire Chief beginning on January 1, 2019. Mr. Phenow has indicated that he will accept the position, pending Council approval.

Grams explained the Employment Agreement has been reviewed by the City Attorney, the City Administrator, the Council HR Committee as well as Mr. Phenow and found to be acceptable by all parties. The agreement is for a period of two years, and spells out the full terms of his employment with the City.

Grams stated he was excited to welcome Mike Phenow as the newest City Department Head and looked forward to working with him in the coming years.

Schulz commented on the interview that was held with Mr. Phenow and stated he has known Mike for a long time. He explained he fully supported Mr. Phenow being hired as the Fire Chief.

Stelmach stated he was pleased to see the leadership and knowledge that Mr. Phenow had to share with the Fire Department.

A motion was made by Schulz, seconded by Stelmach, to approve the Employment Agreement with Mike Phenow as Osseo Fire Chief, commencing January 1, 2019. The motion carried 5-0.

Mike Phenow thanked the Mayor and Council for their support. He stated he looked forward to working in this new role. A round of applause was offered by all in attendance.

Grams thanked former Fire Chief Pat McGrane for his dedicated service to the community. The Council offered their thanks and a round of applause for Fire Chief Pat McGrane.

C. THANK YOU TO 2018 VOLUNTEERS

Grams read a thank you to all Osseo residents and others who help make Osseo a better place to live, work, and play. In addition, he thanked those who give to the community or volunteer their time to make the lives of others better every day.

D. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Dick's Bar & Grill	\$ 100	Minidazzle
Realife Cooperative	\$ 250	Minidazzle

Staff recommends the Council accept the donations.

A motion was made by Schulz, seconded by Johnson, to adopt Resolution No. 2018-72 accepting donations from Dick's Bar & Grill and Realife Cooperative. The motion carried 5-0.

E. DISCUSSION FOR THE 2019 STREET RECONSTRUCTION PROJECT

Lee Gustafson, WSB & Associates, stated this matter was being considered tonight. At the November 26 Council meeting the City Council adopted a resolution ordering the improvements for the 2019 Street and Alley Reconstruction Project. As part of that approval, Council directed staff not to widen 7th Avenue SE between Broadway Street and 2nd Street SE, and to install a new sidewalk on the east side of this block, adjacent to St. Paul's Lutheran Church.

At that November 26 meeting opposition was offered from the church for installing the new sidewalk on the east side of the street. Since that meeting, the City has received further opposition for installing this new sidewalk.

Pastor Burns from St. Paul's Lutheran Church has proposed an alternate configuration for the street and sidewalk on the section of 7th Avenue SE adjacent to the church. Pastor Burns indicated that the church would be willing to grant the City an easement for the additional right of way that is need on 7th Avenue SE under the following conditions:

- 1) Constructing the new sidewalk on the west side of the street instead of the east side, and
- 2) Shifting the roadway six feet to the east to allow room on the west side of the street for the sidewalk installation—resulting in the same proposed road width.

The proposal by Pastor Burns has been reviewed and determined to be the best rehabilitation option for this street considering the project goals of the City and the concerns from the church. According to Mr. Gustafson, the additional cost to move the road to the east and construct the sidewalk on the west side should be less than \$10,000. If the Council approves the recommended motion this evening, there would be no change to the project schedule.

Stelmach asked if the street could be widened. Mr. Gustafson commented the street could be widened slightly.

Stelmach indicated he received requests from residents to widen this street. He thanked the members of the church for coming up with such an amicable solution to this situation. He stated he supported widening this street. Mr. Gustafson commented in order to widen the street an additional 7 or 8 feet would be needed. He explained it did not benefit the roadway to only widen it by 2 or 3 feet. He stated from a safety perspective, the current street width was adequate.

Schulz commented on the jog in the street and requested further information on where the curb would be located. Mr. Gustafson reviewed the location of the new curb line, along with the seven-foot boulevard.

Schulz understood the church was offering six feet of right-of-way. He asked if this was on top of the seven-foot boulevard. Mr. Gustafson explained both sides of the street would provide the same amount of right-of-way.

Schulz questioned if the sidewalk would be back of curb. Mr. Gustafson reported this was the case.

Schulz noted the additional expense to shift the sidewalk to the other side of the street was approximately \$10,000. Mr. Gustafson indicated this amount could be lower.

Schulz reported the Council received a number of letters and comments from the church. He stated he was disappointed in the letters he received from the church parishioners and quoted several comments that were made. He discussed the benefit the church would receive from the new roadway and sidewalk. He explained the City was not trying to force the church to sell their land, but rather was proposing to improve the City's infrastructure. He indicated he grew up in a church and did not believe the comments that were made were reflective of church goers. He understood there should be concern for the land but noted the City was being fair with the proposed financial burden. He stated his confidence in the church has been shaken. He explained putting the sidewalk on the west side may be the best option but encouraged the church to understand that the residents would take on an additional \$10,000 expense for this change. He discussed how sidewalks have been controversial in the past but noted they were necessary for pedestrian safety.

Further discussion ensued regarding the widening of the street and the sidewalk location.

Zelenak stated she did not like discussing the widening of streets without the Council having a larger discussion about overall street widths. Grams commented street widths have been addressed on a project by project basis. He reported narrow streets have been considered for widening and wider streets have been made narrower. He stated there were not many other streets that were this narrow.

Schulz indicated the Council could discuss setting a standard street width in 2019.

Johnson stated he did not believe it was necessary to provide parking on the east side of 7th. He commented the street would be plenty wide without parking. He explained he supported the street proposal as presented by staff without the street widening.

Zelenak questioned how much costs would go up if the street were made wider. Mr. Gustafson estimated the cost could increase by 20 percent for this roadway.

Zelenak stated she would support the changes as proposed by staff this evening.

A motion was made by Schulz, seconded by Johnson, to direct staff to move 7th Avenue SE, between Broadway Street and 2nd Street SE, six feet to the east and install a new sidewalk on the west side of this block, based on the plans presented this evening. The motion carried 5-0.

8. PUBLIC HEARINGS

A. REVIEW CONDITIONAL USE PERMIT FOR USED CAR SALES AT 616 CENTRAL AVENUE

City Planner Nancy Abts stated Osseo City Code currently requires annual review of Conditional Use Permits (CUPs) to ensure conditions are being met (§ 153.151 (E) (3)). There are currently 48 active CUPs that are reviewed under this requirement. This includes CUP 1997-32.

Abts explained when a property is found to be out of compliance with the conditions of its CUP, staff typically works with the property and/or business owner to resolve the violations. Many times, issues can be corrected after one initial visit and a follow-up visit to confirm that issues have been resolved. In recent years, the conditions in the CUP for Used Car Sales at 616 Central Avenue have been a topic of contention between staff and the owner of JML Motors. Staff provided further comment on the history of this CUP, noting the conditions that were not being met and recommended the City Council consider taking action regarding the permit.

Johnson asked if the Council had to open a public hearing to hear from the applicant. City Attorney Mary Tietjen reported if the consensus of the Council was to revoke the CUP, a public hearing should be opened to allow the property owner and any other interested parties to speak.

Johnson explained he visited with the business owner currently utilizing the CUP and would like to hear from him regarding the type of business he was running.

Zachary Lawrence, 616 Central Avenue, described his used car business operation with the Council and commented on how the number of vehicles varied from time to time. He stated he previously worked with his grandfather on a wholesale used car business. He indicated each week he could be selling 15 cars at auction while also buying 25 cars at a time. He noted that most of his cars sales are done through the wholesale process or are completed online. He provided further comment on how cars move to and from his property from wholesale purchase to an auction. He reported many of the cars he purchases are bought from Wisconsin and they come without license plates. He noted he has dealer plates available for these vehicles.

Johnson commented further on the visit he had with Mr. Lawrence and explained all vehicles on his lot were operational. He requested that those wanting to speak for or against the business be given the opportunity to speak. He asked if 22 vehicles was a reasonable number of if this should be increased to 30 vehicles.

Mr. Lawrence explained the way he runs his business, he supported having 22 vehicles on display for sale, but requested additional vehicles be allowed to be stored on the property for pre-sale. He stated he would be willing to work with the City on whatever number they choose.

Phil Lawrence, 1141 Lindy Drive in Fridley, explained he cares for the lot and reported he keeps cars to one side in order to not damage the new siding on the Osseo Vacuum property to the south.

Stelmach stated he had an opportunity to visit with Mr. Lawrence and asked if he had another potential business site. Mr. Lawrence reported this was the case, but using it would be an additional cost for him. He indicated he would rather work out a solution with the City so as not to incur the cost of having an additional lot for cars to be parked on. However, he noted his main concern was to maintain the integrity of the CUP.

Johnson commented he has walked through the property and noted he believed there was plenty of room in the back to store more vehicles without interfering with the appearance to the neighbors. He stated he supported Mr. Lawrence having up to 35 vehicles onsite, which would include employee vehicles.

Stelmach asked why Mr. Lawrence had more vehicles on his property when he knew the number was 22. Mr. Lawrence explained he had been at the site for six years before meeting Ms. Abts. He reported this was when he was made aware of the 22-car limit. He stated moving forward he would like to work this issue out with the Council so as not to adversely impact his business.

Schulz questioned if Mr. Lawrence had two different licenses for his business. Mr. Lawrence reported this was the case and explained he had wholesale and retail licenses.

Schulz inquired if Mr. Lawrence was aware the property had a CUP in place when he purchased the business. Mr. Lawrence stated he was made aware of the CUP in 2016 when Ms. Abts visited his business.

Schulz explained Mr. Lawrence was made aware his car limit was 22 in 2016. He commented he was willing to consider an amendment to the CUP versus revocation. He discussed the information the Council was provided by staff and stated he did not have any issue with Mr. Lawrence's dealership at this time. He suggested staff work with Mr. Lawrence to amend the CUP to more properly align with his business setting a maximum car number. He reported Mr. Lawrence would have to follow these amendments.

Stelmach stated he could support the CUP moving forward in this manner, with the understanding Mr. Lawrence would have to abide by the number and conditions set within an amended CUP.

City Attorney Tietjen stated based on the discussion of the Council she would be working with staff to set a number based on the number of vehicular assets on the property, versus the number of vehicles for sale. Abts questioned whether the number of cars for sale would be able to increase above 22. She explained any change to this may be an

expansion of a non-conforming use, because Used Car Dealerships were no longer an approved Conditional Use for this property.

Mr. Lawrence stated he would like clarification between the vehicles that were for sale versus the cars that would be sent to auction. He noted he could put a sign in the window for the vehicles that were for sale.

Johnson recommended the property owner apply for a CUP amendment to clarify conditions and to directed the property owner to work with staff on the appropriate language and have this matter brought back to the Council at a future date. The Council supported this recommendation.

Johnson commented on the wholesale vehicles and explained these vehicles are not for sale on Mr. Lawrence's lot. Grams understood this may be the case and explained staff would work with Mr. Lawrence to resolve the concerns that have been raised.

Johnson asked when this matter would be brought back to the Council. Abts explained staff would begin working on this matter once Mr. Lawrence submitted a CUP amendment request.

Skip Cook, 15506 Village Woods Drive in Eden Prairie, stated he owned the property and noted it became a used car lot in 1986. He indicated Mr. Lawrence has been trying run his business in a low-profile manner and encouraged the Council to work with Mr. Lawrence to resolve the concerns that have been raised. He suggested a number be set at no more than 35 cars, which would include the wholesale cars. He stated this would provide Mr. Lawrence a chance to continue operating his business.

Mr. Lawrence asked what number of vehicles the City would allow him to have on the lot.

Stelmach reported that until a CUP amendment may be approved, the City would allow Mr. Lawrence to have 22 vehicles displayed for sale on his lot.

Karen Lawrence, employee of JML Motors, questioned if this number included other vehicles parked on the lot, such as employee cars and the mini-donut truck.

Schulz commented the CUP does state 22 vehicles for sale and reported there was not a clarification between if these vehicles were wholesale or retail. He stated the only matter of confusion at this time was the fact that customer and employee vehicles would not be included in this number because they were not for sale.

The consensus of the Council was to recommend Mr. Lawrence apply for a CUP amendment.

B. CONTINUED 2019 TRUTH IN TAXATION HEARING

Grams stated the Council opened the Truth in Taxation public hearing on November 26, allowing for public comments on the 2019 proposed City budget. The Council then motioned to continue the Truth in Taxation public hearing to the December 10 Council meeting. City Hall has received no public comments or questions regarding the proposed 2019 budget since the November 26 meeting. The City Council should ask for comments on the proposed 2019 City budget. Once all comments are received, the Council can close the public hearing.

A motion was made by Stelmach, seconded by Schulz, to reconvene the Truth in Taxation Hearing at 8:48 p.m. The motion carried 5-0.

No public input was offered.

A motion was made by Stelmach, seconded by Johnson, to close the Truth in Taxation Hearing at 8:49 p.m. The motion carried 5-0.

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF DECEMBER 10, 2018

Grams discussed the actions of the EDA. He noted the EDA approved an amended accounts payable, approved an amendment to the 5 Central TIF Agreement, approved updates to the EDA Bylaws, received an update on the Osseo Urban Townhomes, approved the 2019 EDA Budget, and received the 2019 EDA schedule of meetings.

A motion was made by Stelmach, seconded by Johnson, to confirm the EDA actions of December 10, 2018. The motion carried 5-0.

B. DESIGNATE POLLING PLACE (Resolution)

Grams stated Minnesota Law states that by December 31 of each year the governing body of each city must designate by ordinance or resolution a polling place for each election precinct. Osseo has one voting precinct. Though there is no planned election in 2019, this “house-keeping” matter must be done annually.

A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2018-73 establishing a polling place for election precinct for any 2019 election. The motion carried 5-0.

C. ADOPT 2019 CITY BUDGET AND TAX LEVY (Resolution)

Grams stated staff, the Council Budget and Finance Committee, Councilmembers, and comments from Osseo taxpayers are incorporated in the 2019 budget and tax levy. The City Budget shows a fully balanced budget between expenditures and revenues. Staff provided an overview of the budget and tax levy and recommended approval.

Schulz indicated this meeting was difficult for him each year. He stated he was proud of the great financial steps the City has made over the years. He explained he was also proud of the fact the City would be adding another member to the public safety team. He commented on the City’s prompt response time the Police Department offered to its residents. He appreciated staff’s conservative approach to the budget and noted he would be supporting the 2019 budget and tax levy.

A motion was made by Schulz, seconded by Stelmach, to adopt Resolution No. 2018-74 approving the 2019 Budget and Property Tax Levy. The motion carried 5-0.

D. APPROVE INTERNAL POSTING OF FULL TIME POLICE OFFICER POSITION

Police Chief Shane Mikkelson stated the Police Department has asked for the addition of a full-time police officer in the 2019 budget. He would like to post an internal hire notice within the Police Department. This would consist of email, plus posted notes on the internal board and on the officer communication board. The candidates would be asked to submit a letter of interest to the Chief. The candidates would then have a scheduled interview process that would set the top candidate for hire by February 1, 2019. He described the traffic role the new officer would have within the department.

Schulz indicated he had spoken with the Chief about the new position. He commented on the importance of the department addressing traffic and crime in the community in order to keep residents safe. He stated this was the first full-time police officer addition since the 1990s. He discussed how difficult it was to be a police officer today and thanked the Police Department for providing a valuable service to the community.

A motion was made by Schulz, seconded by Stelmach, to approve internal posting for a new Full-Time Police Officer.

Zelenak asked if the Chief would have to come back to the Council to request the position be posted externally if a candidate could not be found internally. Police Chief Mikkelson stated this was the case, but noted he wanted to begin the hiring process internally.

The motion carried 5-0.

E. CLOSED SESSION – DISCUSS ANNUAL PERFORMANCE EVALUATION OF CITY ADMINISTRATOR

Poppe explained the Council Human Resources Committee has asked to conduct a closed session review of the City Administrator performance evaluation with the entire Council.

A motion was made by Stelmach, seconded by Schulz, to recess the City Council meeting to a Closed Session to perform a performance evaluation on the City Administrator at 9:15 p.m. The motion carried 5-0.

Poppe reconvened the City Council meeting at 9:35 p.m.

Poppe reported under Minnesota Statute regarding the Open Meeting Law, after a public body meets in a closed session to evaluate the performance of an employee, the body is required to summarize the conclusions regarding the evaluation at its next open meeting. A summary of the closed session proceedings will be given on January 14, 2019.

F. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT

Grams thanked the Council and his staff for another great year. He commented on the extensive work that was completed in 2018. He wished Councilmember Zelenak a fond farewell and welcomed Juliana Hultstrom to the City Council.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen stated she looked forward to working with the City Council again in 2019.

Abts thanked the Council for support of her AICP certification.

Johnson stated he attended a League of Minnesota Cities/Metro Cities seminar on Thursday, November 29. He discussed the sessions he attended in further detail with the Council.

Johnson reported DEED would be holding a webinar on Tuesday, December 18, and it could be screened at the Police Department at 10 a.m.

Stelmach thanked Councilmember Zelenak for her service to the community.

Stelmach thanked firefighters Mike Sable, Nathan Dahl, and Michael Lisbon for their service to Osseo.

Schulz thanked Councilmember Zelenak for her four years of service on the City Council. He stated she would be missed.

Schulz thanked City staff and all of the volunteers that assisted with Minidazzle. He reviewed the amount of food that was served and thanked the public for participating in this community event.

Schulz thanked City staff for their service to the community in 2018 and for being customer focused. He stated he also appreciated the great service that was provided by the Police and Fire Departments.

Schulz wished all residents and business owners a Happy Holiday.

Zelenak thanked the Council and staff for supporting her over the past four years.

Poppe welcomed Fire Chief Phenow to his new position and thanked Fire Chief McGrane for his great service to the community.

13. ANNOUNCEMENTS

Poppe encouraged Osseo residents to consider dropping off a new unwrapped toy throughout Osseo for the Toys for Tots drive.

Poppe reviewed the City's snow emergency plan and encouraged residents to visit discoverosseo.com for more information.

Poppe reported the City has a need for Commission members. Those interested in serving were encouraged to contact City Hall for further information.

Poppe stated City Hall would be closed on December 24 and 25 for the Christmas holiday.

Poppe indicated City Hall would be closed on December 31 and January 1 for the New Year's holiday.

Poppe reported there would be an American Red Cross Blood Drive on Wednesday, December 26, from 1 to 7 p.m. at the Community Center.

14. ADJOURNMENT

A motion was made by Zelenak, seconded by Schulz, to adjourn the City Council meeting at 9:50 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.