

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
May 14, 2018**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:10 p.m. on Monday, May 14, 2018.

2. ROLL CALL

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

Members absent: Councilmember Anne Zelenak.

Staff present: City Administrator Riley Grams, City Planner Nancy Abts, City Accountant Teri Portinen, Fire Chief Pat McGrane, and City Attorney Andrew Biggerstaff.

Others present: Gary Groen, Rebecca Kurtz, Lee Gustafson, Juliana Hultstrom, Luke Churchill, John Hegstrand, and Joe Moraczewski.

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 presented. The motion carried 4-0.**

5. CONSENT AGENDA

- A. Approve Council Work Session Minutes of April 23
- B. Approve Council Minutes of April 23
- C. Receive March Osseo Maple Grove Hockey Association Gambling Report
- D. Receive March Northwest Area Jaycees Gambling Report
- E. Approve Exempt Permit for Raffle at Osseo American Legion for Fur, Fin & Feather
- F. Receive April Building Report
- G. Receive April Fire Relief Association Gambling Report
- H. Receive April American Legion Club Gambling Report
- I. Approve LMC Conference Training for Councilmember Mark Schulz
- J. Receive Planning Commission Minutes of April 16
- K. Approve Gateway Sign Waiver Request for Osseo Youth Football

**A motion was made by Schulz, seconded by Johnson, to approve the Consent Agenda. The motion carried 4-0.**

6. MATTERS FROM THE FLOOR – None.

7. SPECIAL BUSINESS

A. INTRODUCE FIREFIGHTERS LUKE CHURCHILL, JOHN HEGSTRAND, AND JOE MORACZEWSKI – Fire Chief Pat McGrane

Fire Chief Pat McGrane introduced new firefighters Luke Churchill, John Hegstrand, and Joe Moraczewski to the City Council. The Council welcomed the new firefighters and a round of applause was offered by all in attendance.

B. RECEIVE FISCAL YEAR 2017 AUDIT PRESENTATION – Matt Mayer, Bergan KDV

Matt Mayer, Bergan KDV, reviewed the City's 2017 audit in detail. He was pleased to report the City received an unmodified or clean opinion, which was the highest opinion the City could receive. He commended the City and its finance department for their efforts. He discussed the General Fund Budget balance noting revenues and expenditures, stating the City's Fund Balance increased \$218,000 in 2017. The City's tax capacity, tax rate, and levy adjustments were reviewed with the Council. Lastly, he reviewed the balances within the City's utility funds.

Johnson thanked Mr. Mayer for his thorough report. He requested further information on the changes that were made to how public pensions were reported. Mr. Mayer reviewed the changes that were made to public pensions and how they were now viewed as a liability for cities given the fact they were underfunded by the State.

Stelmach thanked Mr. Mayer for providing the Council with a thorough presentation on the audit.

Grams thanked Mr. Mayer for his audit services and City staff for their great work throughout the year and through the audit process.

C. APPROVE SALE OF 2018 STREET AND ALLEY IMPROVEMENT BONDS (Resolution) – Rebecca Kurtz, Ehlers & Associates

Rebecca Kurtz, Ehlers & Associates, requested the Council approve the sale of the 2018 Street and Alley Improvement Bonds. She reviewed the bond sale amount with the Council noting adjustments had been made by the amount the City received in prepaid assessments. She noted the City had an AA bond rating and commended the City for its strong financial decisions and fiscal spending. She noted the City received two bids with the low bidder being Northland Securities which came in with an interest rate of 3.12%.

**A motion was made by Johnson, seconded by Schulz, to adopt Resolution No. 2018-31 approving the Sale of 2018 Street and Alley Improvement Bond Series 2018A in the amount of \$805,000. The motion carried 4-0.**

D. ACCEPT BIDS AND AWARD CONTRACT FOR 2018 STREET & ALLEY RECONSTRUCTION PROJECT (Resolution) AND APPROVE WORK PLAN FOR CONSTRUCTION SERVICES – Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, requested the Council accept bids and award a contract for the 2018 Street & Alley Reconstruction project, and approve a work plan for the construction services.

He stated the 2018 Street & Alley Reconstruction Project consists of reconstructing portions of 4th Street NE, 4th Avenue NE, and 6th Avenue NE including repairing or minimal reconstruction of the storm and sanitary sewer, and replacement of curb and gutter as needed. The existing roadway widths 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 reported the project also includes reconstructing the alleys between 2nd Avenue NE and 3rd Avenue NE, and between 5<sup>th</sup> Avenue NE and 6th Avenue NE, including storm sewer reconstruction and replacing the existing bituminous surface with a 6" concrete surface.

On April 9, 2018, the City Council held a public hearing for the proposed project assessments, and adopted a resolution accepting the assessments and the terms in which they will be applied on this project. The City has no record of any property owner objecting to their proposed assessment.

Mr. Gustafson commented WSB's current engineering contract for this project ends with the bid opening process. The proposal from WSB would allow them to continue working on this project and provide services for construction administration and inspection, surveying and material testing, and as-built preparation.

Mr. Gustafson explained bids were received on March 8 for the 2018 Street & Alley Reconstruction Project. Ten bids were received in response to the call for bids. The bid results were summarized with the Council and it was noted the low bidder, Asphalt Surface Technologies Corporation (ASTECH Corp), has satisfactorily completed several similar projects in the metro area. The bid from ASTECH Corp. was \$695,585.20.

Mr. Gustafson commented the total project cost is estimated at \$956,429.65, and includes all proposed street, alley, utility, sidewalk, and storm sewer improvements as well as all engineering and administrative costs. Financing the 2018 Street & Alley Reconstruction Project will be based on the City's special assessment policy. The streets portion 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 alleys portion calls for 80% of the proposed improvements to be specially assessed including all administrative costs. The remaining 20% and 100% of the storm costs will be financed by the City through alley and enterprise funds. Each portion of the project will have differing assessments due to the proposed work in each portion.

Mr. Gustafson stated assessment rolls were prepared based on the results of the low bid. Individual assessment notices were mailed to each property owner. Street assessments were determined to be \$5,712.26 per unit, and commercial \$67.16 per lineal foot. Alley #1 (5th-6th) assessments were determined to be \$4,233.31 per unit, and Alley #2 (2nd-3rd) assessments \$3,521.43 per unit.

**A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2018-32 accepting the bids and awarding the 2018 Street & Alley Reconstruction Project Contract to ASTECH Corp. The motion carried 4-0.**

Mr. Gustafson stated the 2018 Street & Alley Reconstruction Project has completed plans and specifications and has been awarded to a contractor. The project consists of reclaiming the existing bituminous streets, replacing the bituminous alleys with concrete, storm sewer work, sidewalk installation, and limited curb replacement. WSB's project scope and proposed tasks are based on the project and include the following scope of services:

**Task 1: Construction Administration and Observation**

This task includes construction administration and coordination of all WSB construction related work tasks, construction surveying tasks, establishment and monitoring of WSB's billings, and correspondence with the City and permitting agencies (as necessary) on a periodic basis. The construction manager will provide technical direction on aspects of the project design and provide minor plan updates as needed. WSB will track any monthly work completed to date and summary of quantities for the preparation and processing of monthly payment vouchers. This task also includes attendance of WSB staff members at the preconstruction meeting, shop drawing review, and responding to requests for information.

**Task 2: Construction Staking**

WSB will provide location and offset stakes for project roads and infrastructure during construction. One set of stakes will be provided per project component and location. Any markings, locations, stakes, or controls that are damaged or altered and needs to be reset shall be considered extra. Time spent to correct or reset damaged markings will be paid at the hourly rate per the WSB & Associates, Inc. 2018 Fee Schedule.

**Task 3: Material Testing**

WSB will provide material testing services based on the testing rates as defined in the project manual.

**Task 4: Record Plans**

WSB will provide full-time construction administration and observation services for this project and will provide documentation to create record plans. As part of this work, WSB will be responsible for documenting and providing a record of the following for use in creating the plans:

- Plan changes in the field during construction
- Measurement of structure inverts

Mr. Gustafson noted WSB will perform a post-construction survey of structures, hydrants, valves, service heads, castings, and other pertinent information. The construction data will be used, along with the survey, to create record drawings.

The cost associated with providing these services is \$111,780.

**A motion was made by Johnson, seconded by Schulz, to approve the Engineering Contract with WSB & Associates for the 2018 Street & Alley Improvement Project. The motion carried 4-0.**

**E. APPROVE PROJECT TO IMPROVE CENTRAL AVENUE CROSSWALKS**

City Planner Nancy Abts stated since 2016 the City of Osseo has worked with Hennepin County on projects to improve public health and active living. These projects have included updates to the Comprehensive Plan and the City parks. Another component was

installing demonstration facilities for bicycles and pedestrians. Other projects include the Osseo Orchard, education on smoke-free multi-family housing, and free bicycle classes.

Abts reported this year funding includes an “active living” project to improve walking and/or biking in Osseo. The proposed improvements to crosswalks are based on input from the Comp Plan process. The City worked with County Active Living and Transportation planning staff to find ways to improve crosswalks. Intersections at Central Avenue and Boerboom Park were chosen for the project. Changes include re-stripping the crosswalks with more prominent markings. Adding more pedestrian signs should also help crossings. The new police traffic enforcement position can also encourage drivers to stop for people crossing the street.

Abts explained the project will begin with collecting “baseline” information on the intersections. WSB will install a small, unobtrusive camera on a pole near the intersection to record video of the activity for 48 hours. Pedestrians, cyclists, and motorists will be recorded and counted. Monitoring will show how many people try to cross the road on foot or on bicycle. It will also record whether vehicles stop, and whether it takes a long or short time for people to be able to cross.

Abts stated the City will then make improvements to the intersection. Bold “Continental” style markings will replace the current thin white stripes. Staff will add more pedestrian signs. Outreach and education will remind drivers about the need to stop for pedestrians. Once the improvements are in place, WSB will return for a second round of monitoring. The video will be reviewed for the same information. Comparing the two videos will show the impact of the changes to the crosswalk. Staff explained at the end of the project, the City will put together a report. If the changes are successful, they can be reproduced for other challenging crosswalks in the City.

Schulz asked what the proposed funding source would be for this project. Abts reported the City received a grant from Hennepin County in the amount of \$5,000.

Schulz questioned how staff would be selecting days to observe crosswalk/pedestrian behavior. Mr. Gustafson reported he would sit down with staff and select two days for this monitoring.

Stelmach suggested the monitoring occur on a Friday and Saturday.

**A motion was made by Schulz, seconded by Johnson, to approve the demonstration project and improve crosswalks at Central Avenue. The motion carried 4-0.**

F. ACCEPT DONATION TO FLOWERS IN THE PARK FUND (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Evans-Nordby Funeral Home	\$1,500	Trolley Sponsor
Osseo Fire Relief Association	\$ 800	Police Equipment Fund
Briggs & Morgan	\$ 200	Beautification/Flower Fund
Sharon Wilken	\$ 100	Beautification/Flower Fund
Harold E. & Gayle Johnson	\$ 700	Beautification/Flower Fund
<i>(in memory of Paul Berndt, Kimberly Johnson, Robin Kohl, Arnold Mavis, Grace Nadeau, Redgie Reznicek, and Mary Scharber)</i>		

Staff recommended the Council accept the donations.

**A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2018-333 accepting donations from Evans-Nordby Funeral Home, the Osseo Fire Relief Association, Briggs & Morgan, Sharon Wilken, and Harold E. & Gayle Johnson. The motion carried 4-0.**

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE 2<sup>ND</sup> READING AND ADOPTION OF ORDINANCE  
AMENDMENT FOR SIGN CODE

Abts stated following several months of discussion and review of preliminary changes, the Planning Commission first considered a draft sign ordinance on July 17, 2017. A Public Hearing was also held at that meeting. The following week, the City Council tabled a first reading of the ordinance. Revisions have been on-going and have included discussions at a City Council work session and at several Planning Commission meetings.

Abts explained the Planning Commission discussed temporary movable Feather Banners and other types of more modern signage at its November 20, 2017, and March 19 meetings. At its April 16 meeting, the Commission voted 5-2 to recommend approval of the revised draft ordinance, which includes provisions to allow these types of signs on a limited basis. It was noted a first reading of the ordinance was approved on April 23. Staff reviewed the proposed changes in detail with the Council and recommended approval of the Ordinance.

Schulz asked if local businesses were notified regarding the proposed Sign Code change. Abts reported businesses that signed up to be notified by email on this matter were sent information regarding this matter.

Schulz stated he was unaware of this email sign-up option and explained he was surprised by the process. He noted he was a local business owner and was not aware of this information. He reported he was of the opinion the proposed Sign Code was too restrictive and, for this reason, he would not be offering his support.

Stelmach stated he was not aware the City had a distribution list in place either. He commented the City was doing the minimum for the changes but noted he would still like to have local business owners weigh in on this Ordinance amendment prior to being approved. Grams explained staff had discussed how to get this information out to all local businesses. He stated the City did not have an general list of valid emails for local business owners. He commented the only information the City had was addresses and phone numbers, but stated this information was subject to change. He reported it would be quite expensive to mail this Ordinance amendment to all local businesses.

Stelmach explained he believed the City could come up with an email list if a staff member were to walk the town for a day. He anticipated a one-page letter could be sent to all local businesses with a link to the proposed Ordinance amendment to save on postage and copies.

Schulz stated he would have appreciated staff coming to the Council regarding this matter and indicated he was disappointed in staff's effort to contact all local businesses regarding the proposed Ordinance amendment.

Johnson asked who the zoning administrator was for the City. Abts reported this role was designated by the City Council on a yearly basis and noted she served the City as the zoning administrator.

Johnson questioned who was required to pursue a sign permit, the sign vendor or the property owner. Abts explained the property owner was responsible for obtaining a sign permit. Grams commented it was typical for a sign vendor to contact the City regarding a sign permit.

Stelmach noted several language changes within the proposed Ordinance.

Poppe asked if this was a time critical matter or if the Council could postpone action on the Ordinance amendment. Grams recommended the Council table action in order to allow staff to reach out to local business owners.

Schulz inquired if it was necessary to put additional staff time into this matter. He anticipated the Ordinance amendment would be passed at the next meeting if Zelenak was in attendance. Grams commented his goal would be to have a 5-0 vote from the Council on this issue and not a 3-2 vote. He believed it was worth staff's time to address the items Schulz finds too restrictive within the Sign Code, even if this takes more time. He commented this issue could be sent to a committee for further discussion.

Schulz stated he would be happy to address this issue in further detail with staff.

Poppe supported this recommendation and reported Schulz had a unique perspective given the fact he was a business owner in Osseo.

Further discussion ensued regarding how to approach this matter.

Grams stated he could set up a listening session to allow the Councilmembers to voice their concerns in order to reach common ground on the Ordinance amendment. He noted he could also reach out to local businesses in order to gain feedback from them as well.

Poppe explained he supported the Council taking its time on this Ordinance amendment because he wanted to see it done right.

**A motion was made by Stelmach, seconded by Johnson, to table action on the Ordinance Amending Chapter 153 of the City Code related to Sign Regulations to a future Council work session and direct staff to reach out to local business owners regarding this matter. The motion carried 4-0.**

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF MAY 14, 2018

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, received an update on the North Central Redevelopment Project, received an update on the 2018 Osseo Spring Opener event, and received an update on the Osseo Urban Townhomes.

**A motion was made by Johnson, seconded by Schulz, to confirm the EDA Actions of May 14, 2018. The motion carried 4-0.**

**B. APPROVE 1<sup>ST</sup> READING OF LIQUOR ORDINANCE**

Grams stated at the April 3 Council work session a draft liquor ordinance was discussed. In City Attorney Mary Tietjen's memo for this item of April 3, she notes several discrepancies between our current code and that of the proposed LMC model resolution for liquor. The Council directed staff to solicit feedback from all liquor license vendors. The letter from City Administrator Riley Grams was mailed, along with current liquor ordinance and draft of new ordinance, on April 10.

Grams commented the letter asked liquor license holders to express comments/concerns to the Councilmembers. The City Attorney and staff met to discuss some of the concerns/questions that staff had about the new language. Since that time, more edits to section numbering has improved the readability and organization of the new language as it covers statutory limits and authority. Staff reviewed the proposed changes to the Liquor Ordinance and requested the Council approve the 1<sup>st</sup> reading.

Stelmach discussed several language changes and concerns that were brought to his attention by local business owners regarding the Liquor Ordinance and noted he would forward these comments on to staff. Grams explained staff's recommendation would be to keep the liquor license permit from July to July and not change this to a calendar year.

Johnson questioned how many day's notice a non-profit fundraiser would be required to notify the City prior to any raffle event where liquor is a prize. Grams stated he would need feedback from the Council on this matter. He explained 30 days appeared to be too long for some license holders in the City.

Schulz recommended this item be tabled for two weeks to allow the Council to review some of the concerns and comments raised this evening.

**A motion was made by Schulz, seconded by Stelmach, to table action on the proposed Liquor Ordinance to the May 29, 2018, City Council meeting. The motion carried 4-0.**

**C. APPROVE ALTERATIONS IN COMMUNITY CENTER**

Grams reported with the increased use in the Osseo Community Center, staff has heard of some additional heating and light issues inside Room B of the Community Center, which is nearest to Central Avenue. Users report that the room is uncomfortably warm and other users report trouble viewing projected presentations during the day time hours due to the amount of light coming in from the large windows. In order to address these issues, staff obtained quotes to improve the venting components and/or to treat the windows in Room B. The consultants visited the Community Center rooms and spoke with staff before providing the attached quotes.

Grams explained both Cedar Heating & Air Conditioning and Steve's Heating & Service propose separating the two Community Center rooms into two distinct "zones" by installing dampers into the existing ductwork. Both also propose installing a new panel which will allow the City (or users) to manually change the temperature in Room B during use.

Cedar Heating & Air Conditioning	\$2,980
Steve's Heating & Service Inc.	\$3,291

Grams stated in order to address potential light issues (and also help block out some sunlight which may help with heat concerns), staff obtained quotes from Aero Drapery & Blind. The first quote is to address the Central Ave side of the room. The proposal includes adding tinted film to the Community Center patio doors and screen shades to the large windows. There are two screen shade options available. The Defy 3% is a 'tatar weave' fabric and the Calle 1% or Empire 1% is also a 'tatar weave' fabric but allows less light through than the 3% fabric.

Aero Drapery & Blind (door tint and Defy 3% shades)	\$1,574
Aero Drapery & Blind (door tint and Calle or Empire 1% shades)	\$1,632

Grams commented there is a second option to shade the windows along 5th Street NW to address light, although there is not direct sunlight coming in from those windows to address the temperature of the room. The proposal includes all of the windows (six in total) along the 5th Street NW side of the Community Center.

Aero Drapery & Blind (Defy 3% shades)	\$3,420
Aero Drapery & Blind (Calle or Empire 1% shades)	\$3,756

Schulz asked what fund the room rental fees were placed in. Grams reported these funds were placed in a separate fund and noted the balance in this fund was not high enough to cover the proposed expenses.

Schulz commented he supported the proposed expenses in order to improve the space at the Community Center. He stated he supported the drapes or blinds that were more light restrictive.

Johnson anticipated that by having the blinds in place, this would assist in controlling the temperature in the room during the summer months.

Schulz suggested blinds be installed on the 5<sup>th</sup> Street side of the room as well.

**A motion was made by Schulz, seconded by Stelmach, to approve the Community Center alterations to award a contract to Cedar Heating & Air Conditioning and Aero Blinds as described directing staff to purchase the 1% shades for all windows on Central Avenue and 5<sup>th</sup> Street in Room B. The motion carried 4-0.**

D. APPROVE APPOINTMENT TO PUBLIC SAFETY ADVISORY COMMITTEE  
(Resolution)

Grams stated there is one position yet to fill on the Public Safety Advisory Commission. It is a business appointment for the remainder of 2018. Brenda Link is employed by Comfort Keepers, an Osseo business, and the business owner has submitted a letter of interest for the employee to fill the vacancy through the end of 2018.

Schulz stated he was not comfortable appointing someone to the EDA who has not directly expressed interest in the appointment.

**A motion was made by Schulz, seconded by Johnson, to table action on the appointment to the Public Safety Advisory Committee to the May 29, 2018, City Council meeting. The motion carried 4-0.**

E. 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 4-0.**

11. ADMINISTRATOR REPORT

Grams stated he was proud of the City's recent audit findings. He thanked the City finance team for their efforts on behalf of the community.

Grams congratulated Juliana Hultstrom for being appointed President of the EDA.

12. COUNCIL AND ATTORNEY REPORTS

Stelmach reported he attended the Vintage Foreign Car and Craft Show last Saturday and noted this was a great community event.

Johnson explained National Police Officer's Memorial Day would be observed on Tuesday, May 15, and noted the entire week would be observed as National Police Week.

Johnson stated he also attended the Vintage Car Show and explained he was happy the Dickinson brothers could participate in this event.

Schulz commented the Vintage Car and Craft Show was a huge success. He noted the Craft Show had 28 vendors.

Poppe stated the Economic Development Authority has a vacancy at this time.

Poppe reported City Hall would be closed on Monday, May 28, for Memorial Day and the City Council meeting would be moved to Tuesday, May 29.

13. ADJOURNMENT

**A motion was made by Schulz, seconded by Johnson, to adjourn the City Council meeting at 8:55 p.m. The motion carried 4-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*