

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
November 26, 2018**

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 26, 2018.

2. ROLL CALL

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

Staff present: City Clerk LeAnn Larson, City Planner Nancy Abts, Public Works Director Nick Waldbillig, Police Chief Shane Mikkelson, and City Attorney Mary Tietjen.

Others present: Gary Groen, Lee Gustafson & Emily Lueth & Erin Purdu—all WSB & Associates, Colleen Slattery, Lindsey Bye, Nancy Snyder, Sherry Murdock, Heidi McGee, Daniel Burns, Ken Hardy, Fred Biederman, Allen Haslach, Alan & Pam Pickwell, Jeff Aalbers, Diane Nodgaard, Dan Halme, Brent Masika, Katy Page, and Jill Loomis.

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

5. CONSENT AGENDA

- A. Approve Council Work Session Minutes of October 22
- B. Receive EDA Minutes of November 13
- C. Approve Council Minutes of November 13
- D. Consider Statutory Tort Limits for City's Liability Coverage
- E. Approve Hire of Rink Attendants Hailey Olson and Luke Wills
- F. Approve Resignation of Police Officer Adrienne Lamers
- G. Approve Annual Firefighter Payroll for November 2017 through October 2018
- H. Receive October Hockey Association Gambling Report

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

6. MATTERS FROM THE FLOOR – None.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS (Resolution)

City Clerk LeAnn Larson stated the City had received the following donations:

Donor	Amount/Item	Designated Fund
Anytime Fitness	\$ 100	Minidazzle
Jodi Baglien LLC	\$ 50	Minidazzle

Staff recommends the Council accept the donations.

**A motion was made by Stelmach, seconded by Johnson, to adopt Resolution No. 2018-64 accepting donations from Anytime Fitness and Jodi Baglien LLC. The motion carried 5-0.**

8. PUBLIC HEARINGS

A. IMPROVEMENT HEARING FOR 2019 STREET & ALLEY PROJECT – WSB & Associates (Resolution)

City Engineer Lee Gustafson, WSB & Associates, stated the 2019 Street Reconstruction Project consists of reconstructing portions of 1st Avenue NW and 7th Avenue SE including repairing or minimal reconstruction of the storm and sanitary sewer, replacement of the curb and gutter as needed, and sidewalk repair and installation. On 7<sup>th</sup> Avenue SE, between 2nd Street SE and 3rd Street SE, full watermain replacement is being recommended to eliminate past water main and service freezing issues. The 2019 project also includes the mill and overlay of portions of 2nd Street NW, 3rd Street NE, 4th Street NW, 5<sup>th</sup> Street NE, 6th Street NW, and 6th Street NE.

Mr. Gustafson explained the existing roadway width will be maintained to the greatest extent possible, and minimal impacts will be made outside of the curb with the exception for impacts related to utility work, curb replacement, and sidewalk repair and installation. All driveways in the project area will receive a concrete apron. Due to the watermain replacement and poor drainage on 7th Avenue SE, all curb will be removed and replaced along that street. Spot curb replacement is being recommended on 1st Avenue NW for the following reasons:

- Full curb replacement on 1st Avenue NW will have significant impacts on boulevard trees and require some landscaped areas on the west side of the street to be removed.
- A high majority of the curb on 1st Avenue NW is in good condition and will last many more years.
- Adjacent streets that have been reconstructed or overlaid were done by retaining the good curbing. The appearance of 1st Avenue NW will therefore match adjacent streets closely after the project is completed.

Mr. Gustafson reported it is expected that the roadway improvements can be completed within existing road rights-of-way or drainage easements for work on all streets except the east side of 7th Avenue SE adjacent to the church, where only half of the existing road falls into public road right-of-way. It is understood that the City will acquire this right-of-way during final design similar to the 2017 project.

Mr. Gustafson stated it is also proposed to widen 7th Avenue SE adjacent to St. Paul's Lutheran Church from 28 to 36 feet with all widening occurring on the east side. Widening beyond 36 feet would further impact the church's parking areas. As part of the City's initiative to increase walkability around the City, sidewalk installation is being proposed for certain portions of 7th Avenue SE. In determining the benefit of adding sidewalk with this project, this street was evaluated for potential impacts, connectivity to existing walks, and overall benefit to adjacent properties. Based on this evaluation, a new sidewalk is proposed on the east side of 7th Avenue SE from Broadway Street E to 2nd Street SE, and on the west side from 2nd Street SE to 3rd Street SE.

Mr. Gustafson explained the 2019 project consists of reconstructing the alley between Central Avenue and 1st Avenue NE, from 2nd Street NE to 3rd Street NE, and includes repairing or minimal reconstruction of the storm sewer. It is proposed to maintain the existing alley width, and that all work will be within the existing alley right-of-way. The schedule for the street and alleyway project was reviewed with the Council. He commented on the proposed assessments for the 2019 project and recommended the Council order the improvements.

Stelmach asked if the ponding concerns on 1<sup>st</sup> Avenue and 6<sup>th</sup> Street NW would be addressed through this project. Mr. Gustafson commented he had checked this street several times and noted this roadway was quite flat. He reported a concrete cross gutter would be installed to assist with drainage.

Johnson questioned if staff had spoken to the residents that live along 7<sup>th</sup> Avenue SE to discuss updating their water piping. Mr. Gustafson indicated this would be discussed with the residents if the project is ordered by the Council.

**A motion was made by Schulz, seconded by Johnson, to open the Public Hearing at 7:18 p.m. The motion carried 5-0.**

Colleen Slattery, 614 1<sup>st</sup> Avenue NW, stated she sent an email to the Council with state statute references. She discussed how multi-family housing was defined by state statute as being an apartment complex, a cooperative, or a group of townhomes, with four or more units. She explained the row homes qualify as multi-family housing and asked why a  $\frac{3}{4}$  rate was being proposed. She stated the proposed rate would have the nine-unit owners paying more than four individual homes would.

Jeff Aalbers, St. Paul's Lutheran Church, explained his church had a great deal of footage along 7<sup>th</sup> Avenue SE which meant there would be a large assessment. He stated he had concerns with the location of the sidewalk. He recommended the sidewalk be flipped to the other side of the street as it would not be used by the church. He believed it would benefit Osseo residents to have the sidewalk on the same side as residential homes and the City park. He reported this was a narrow street and noted the church would lose eight feet of its parking lot in order to allow the street to be wider. He explained that a sidewalk would increase the loss of church parking. He expressed concern with the fact the St. Paul's was being assessed at a commercial rate and requested relief on the assessment rate given the fact the church was a non-profit.

Mr. Gustafson reported the assessments for 1<sup>st</sup> Avenue NW were originally set to be charged a full rate. However, after some consideration staff recommended a  $\frac{3}{4}$  rate be charged for the nine-unit row home assessments. He explained the Council could amend its assessment policy or continue to review the assessments on a case by case basis. He then commented on St. Paul's assessment. He reviewed photographs of the east and west

side of 7<sup>th</sup> Avenue SE and explained there were several obstacles and large trees in place on the west side of the roadway, which led staff to recommend the sidewalk be placed on the east side. He commented on the jog in the roadways noting the sidewalk would not line up with the park sidewalk no matter which side of the street the sidewalk was placed. He provided further comment on the options available to the City Council regarding the widening of this roadway.

Schulz asked if the sidewalk on the church side of the street would be back to curb. Mr. Gustafson reported this was the case.

Mr. Aalbers discussed how the eight feet of additional road width would impact 7<sup>th</sup> Avenue SE. He noted all eight feet would be taken from the church parking lot. He expressed concern with how the church would be impacted by maintenance and upkeep if the sidewalk was pushed into the parking lot. He stated the church supported the road improvement project but did not like the idea of the sidewalk on church property. He noted that trees would be lost on the church side of the street as well.

Ms. Slattery asked why staff was not comparing the number of homes that could be built on a block for the condo assessment rates. She noted more money was being collected from her condo association and she stated she wanted this to be fairer.

Schulz commented on the varying lot sizes throughout the City of Osseo and how the Council tried to keep assessment rates fair for all. He noted the average lot width was 66 feet in Osseo.

Sherry Murdock, 606 1<sup>st</sup> Avenue NW, reported her concern was with the difference between how the City and the state defined condos. She believed the City was not giving the condos the proper classification.

Heidi McGee, 600 1<sup>st</sup> Avenue NW, stated some of the original condo units were sold as low-income housing. She explained these condo units were very narrow and encouraged the City to consider reducing the assessment rate.

Johnson commented he has spoken strongly about this type of assessing. However, as it has been explained to him, varying residential lot sizes in Osseo were charged the same assessment rate. He stated this was due to the fact each home uses the streets in the same manner.

Stelmach explained he lives on a smaller lot in Osseo but noted he was charged the same amount as homeowners with larger lots. He understood he used the street in the same manner as all other homeowners on his street. Mr. Gustafson stated he was proposing to charge a fair assessment and was not trying to go against state statute on how the row homes should be defined. He reported the Council would be making the final decision on the assessment for the row homes, but noted staff was making a fair recommendation. He indicated the church would be paying per linear foot on its assessment, which would be same amount the City would be paying for the park assessment.

City Planner Nancy Abts asked if this was the assessment hearing. Mr. Gustafson clarified the Council was being asked to order the improvements tonight and noted the assessment hearing would be held in April 2019. He explained the assessment hearing would reflect actual bid costs. He reported the assessments presented this evening were estimates. It was his hope the City would receive favorable bids again in 2019. He reported the 2019 proposed assessments were lower than the 2018 assessments.

Schulz stated he had some angst with a proposed new assessment rate for the row homes without the Council formally adjusting the City's assessment policy. He suggested the Council think on this further. He anticipated that moving the sidewalk to the other side of the street along 7<sup>th</sup> Avenue SE would make the cost of the project increase. He supported this project moving forward and recommended the Council review the assessment policy. City Attorney Mary Tietjen stated she would support the Council reviewing this policy before April 2019. She stated there would be benefit to reviewing the policy while also maintaining some level of flexibility given the fact the projects vary from year to year.

Schulz recommended the project move forward and that the Council review the assessment policy at an upcoming work session. He stated for those residents requesting a lower assessment what this meant was that their neighbors would have to pay more. He explained he understood the concerns of the church.

Lindsey Bye, 613 1<sup>st</sup> Avenue NW, encouraged the City to review its multi-family housing definition and consider the row homes as such. She stated she was more than happy to pay the per linear foot rate for the street improvement project as this would be a more fair assessment.

Nancy Snyder, 612 1<sup>st</sup> Avenue NW, stated she lives in one of the townhomes and believed the  $\frac{3}{4}$  assessment rate was unfair. She encouraged the Council to reconsider this rate.

**A motion was made by Schulz, seconded by Stelmach, to close the Public Hearing at 7:59 p.m. The motion carried 5-0.**

Mr. Gustafson requested feedback from the Council about widening of 7<sup>th</sup> Avenue SE.

Johnson stated he would be in favor of not widening 7<sup>th</sup> Avenue SE and recommended the sidewalk be installed back to curb. He explained the church would have less of an impact if the street width remained as is. However, he noted staff might bid the project both ways.

Schulz agreed with Johnson on this matter. He did not believe the short-term benefits outweighed the long-term benefits. He commented he would like to see the project done in a cost-effective manner, but in the right way. He indicated he did not support the sidewalk being located on the west side due to the loss of trees, fences, and the fact that retaining walls would be required.

Johnson explained the church assessment was the only money the City received from churches. He noted the church had to pay its fair share for the use of the City streets and other infrastructure.

Abts requested comment from staff on how the water main replacement expenses and all other utility improvements up to property lines would be funded. Mr. Gustafson reported these expenses would be the sole responsibility of the City of Osseo.

**A motion was made by Johnson, seconded by Schulz, to adopt Resolution No. 2018-65 Ordering Improvements and Preparation of Plans and Specifications for the 2019 Street and Alley Reconstruction Project, but not the widening of 7<sup>th</sup> Avenue SE between Broadway and 2<sup>nd</sup> Avenue SE. The motion carried 5-0.**

B. TRUTH IN TAXATION PUBLIC HEARING

Larson reported the Council would be holding a Truth in Taxation hearing at this meeting. She explained the Council would be taking public comments regarding the proposed City portion of resident's total property taxes for 2019. She encouraged residents to focus their comments on the proposed City levy. She commented on how the proposed levy would impact Osseo residents and described how property values were set by the County Tax Assessor. It was noted home values were on the rise while commercial property values were declining. The average home value in Osseo is now \$211,000.

Larson discussed the change in the City's tax capacity rate and how this impacted taxpayers. She noted the preliminary tax levy shows a slight decrease in the tax rate from 2018 to 2019 of 1.64%. It was noted if the Council reduces the proposed 2019 budget, residents would have a lower City portion property tax payment payable in 2019 than was proposed within the tax statement letters. According to the Hennepin County Assessor, 2019 will see the continued shift of tax burden from commercial back to residential properties. The City expects to see the continued trend of increased property values into the foreseeable future, which ultimately raises property taxes as property values rise.

Larson reviewed the change in the City tax levy noting the total proposed City levy was up \$76,228 from 2018 to 2019. She explained this reflects increases and decreases in City expenditures and in City revenues. Expenditures are estimated to increase 7.06% and non-tax levy revenues are estimated to increase by 6.54%. The net result is an increase of \$105,330 of non-tax levy spending increases.

Larson described how property taxes are spent by the City for the median value homeowner.

Gary Groen, Financial Consultant, reported the tax information that was provided to the public was based on the preliminary levy that was approved by the Council in September 2018. Between September and December, the budget and levy can be reduced, but not increased. He reported the Council would be reviewing the budget one final time in December and the final budget and levy will be approved at that time.

Stelmach requested clarification on the City's tax capacity rate. Mr. Groen stated this was a mathematical formula that compared the City's levy to the value of the City's taxable properties.

**A motion was made by Schulz, seconded by Stelmach, to open the Truth in Taxation hearing at 8:24 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 10, 2018, City Council Meeting. The motion carried 5-0.**

9. OLD BUSINESS

A. APPROVE 2<sup>ND</sup> READING AND ADOPTION OF RIGHT OF WAY MANAGEMENT ORDINANCE

Abts stated in August 2017 the City Council passed a moratorium “On the Consideration of Wireless Telecommunications Facilities and Antennas in the City.” The moratorium was possible because the City did not have a Right of Way ordinance in place. Since that time, staff has worked with the city’s engineering and legal consultants to modify a model ordinance for Right of Way Management. This ordinance establishes procedures for permitting and inspecting work in the Right of Way. It also includes procedures for permitting Small Cell Wireless facilities.

Abts commented the draft ordinance requires that Right of Way users register with the City. Registration includes providing emergency contact information. The ordinance requests Right of Way users notify the city of planned projects in advance, so that work can be coordinated if possible.

Abts explained other aspects of the ordinance include an option for a permit for “occupying” the Right of Way temporarily, without excavation. Another chapter acknowledges placing “private improvements” (e.g., fences and landscaping) in the Right of Way is done at the property owner’s risk. Changes to the draft ordinance were made between the first and second readings. These changes primarily relate to how specific permit “types” and associated fees are described in the ordinance. City staff and consultants believe the changes will facilitate implementation of the ordinance (e.g., by not necessitating or implying a need for multiple different permit forms) without changing the implications for managing the Right of Way. She reviewed the changes that were made to the Ordinance based on the comments staff received from the 1<sup>st</sup> reading.

Johnson requested a grammatical change on Page 2. He commented on the City obligation for electricity and asked if a City meter was to be placed on these facilities. Abts commented the proposed electricity amounts were set by state statute and noted meters would not be installed.

Schulz asked if the City could request a meter to be installed.

Johnson commented this would be a City obligation.

City Attorney Tietjen advised the prescribed numbers were set by state statute. She reported the City could require metering to evaluate the amount of electricity that was being used. She explained she could follow up on this matter further and could report back to the Council.

**A motion was made by Schulz, seconded by Johnson, to approve the Second Reading and adopt Ordinance No. 2018-6, Amending Title IX, General Regulations, by Adding a New Chapter 95 to the Code of Ordinances relating to Regulation of the Public Rights of Way and Issuance of Right-of-Way Permits and a New Chapter 96 relating to the Private Use of City Boulevards and Unopened Right-of-Way. The motion carried 5-0.**

10. NEW BUSINESS

A. APPROVE AMENDED FEE SCHEDULE (Resolution)

Abts stated the proposed Right of Way Management Ordinance establishes procedures for permitting and inspecting work in the Right of Way. It also includes procedures for permitting Small Cell Wireless facilities. Additionally, the ordinance requires that Right

of Way users register with the City. Other aspects of the ordinance include an option for a permit for “occupying” the Right of Way temporarily, without excavation. Another chapter acknowledges placing “private improvements” (e.g., fences and landscaping) in the Right of Way is done at the property owner’s risk.

**A motion was made by Johnson, seconded by Schulz, to adopt Resolution No. 2018-66 approving the amended Fee Schedule for 2018. The motion carried 5-0.**

**B. APPROVE CONDITIONAL USE PERMIT FOR PRIDE TRANSPORTATION SCHOOL BUS COMPANY AT 8603 JEFFERSON HIGHWAY (Resolution)**

Abts stated Pride Transportation Bus Services operates school busses. They serve several charter schools and Head Start programs in the Twin Cities metro. The company would like to open a new center of operations in Osseo, to be nearer to their homes and some of the schools they serve.

Abts reported the subject property is owned by Jefferson Properties, is under contract for purchase, and is located on Jefferson Highway. A multi-tenant light industrial building, owned and leased by Wiley Properties, is located to the north. The properties to the west and south are located in the City of Maple Grove. A cemetery is located to the east. Following a 2016 lot split, the 8603 Jefferson Highway property no longer has direct access to the highway. The proposed business plans to access the site via the property to the south, actually in the City of Maple Grove. To ensure access into the future, the Conditional Use Permit proposes a Cross Access Easement be prepared with the property to the south.

Abts explained the provided site plan shows the business making use of some property located in Maple Grove. However, all the necessary parking and other site improvements can be accommodated on the Osseo portion of the property. Additionally, Maple Grove’s Community Development and Engineering staff have reviewed the proposal. They did not note any concerns about the business. Staff provided further comment on the request and reported the Planning Commission recommended approval with conditions pending receipt of an application form signed by the current property owner.

Stelmach noted he attended the Planning Commission meeting, along with Councilmember Johnson. He explained the number of vehicles owned by the bus company at this time was 32 and not 40. He reported the applicant would be putting up a fence to screen the site. He indicated the main concerns raised by the Planning Commissioner were with traffic and if longer vehicles would properly enter and exit this site.

Johnson stated he was not concerned about the longer vehicles entering and exiting the property. He commented on the three railroad crossings surrounding this property and how this would impact traffic due to the fact all busses stop at each railroad crossing. He indicated there could be bottlenecks from time to time. He reiterated the fact that the Conditional Use Permit would not belong to the renter but rather would run with the property. He asked if the applicant was in attendance. Abts explained the applicant was not in attendance.

Johnson questioned if Pride Transportation School Bus Company was owned by a woman. Brent Masika, representative, explained he would be the property owner and noted he was proposing to close on the property in the next 30 days. He noted this was a family business and reported the business was owned by the applicant’s mother.



City Attorney Tietjen advised that typically the applicant for a Conditional Use Permit was the property owner and not the business owner.

Johnson stated he did not feel comfortable moving forward with this request until further questions could be answered by the tenant, Muhamed Ali.

Fred Beiderman, Maple Grove/Brooklyn Cemetery representative, explained he was working with St. Paul's to merge this cemetery. He stated the cemetery has been in operation since 1862. He noted the cemetery was located partially in Maple Grove and partially in Osseo. He expressed confusion where the property line was located. Abts reviewed the location of the buildings on the site noting the location of the property line.

Mr. Masika reviewed how the property would be accessed and noted cross-access easements would be put in place. He reported the busses would be entering and exiting the property from the south. Abts reviewed the location of the proposed fence on the north side of the property. She noted a fencing permit would have to be acquired from both the cities of Osseo and Maple Grove.

Schulz recommended Condition 4 be removed. He stated he could support busses being washed outdoors. He understood that all maintenance would occur indoors; however, he explained he could support tires being changed outdoors. Abts stated the concern with washing vehicles outdoors was the water runoff and where this was directed.

Stelmach asked if Condition 4 has been used in other Conditional Use Permits. Abts spoke to the use of Condition 4 in recent CUPs. She stated the intent was to keep busses out of residential districts. Police Chief Shane Mikkelson commented this issue was brought up because of the Achieve program, noting the City had received a number of complaints. He noted meetings have been held with Achieve to assist in properly directing the bus traffic through the City on 6<sup>th</sup> Avenue NE.

Ken Hardy, St. Paul's Lutheran Cemetery representative, expressed concern with the security of the graves along the subject property. He stated two years ago he was approached by the property owner to change the boundary of the property. He noted this change had not been reflected by the County.

Johnson reported the property owner was proposing to have a fence that would run straight along the property line between the subject property and the cemetery. Mr. Hardy supported this fence being put in place and that it be straight.

Johnson asked if the applicant would have an easement with Wiley Properties. Mr. Masika reported an easement was in place through the title work. He noted this would be finalized with Wiley's attorney and this information could be provided to the City. He reviewed the location of the easement with the Council and staff.

**A motion was made by Schulz, seconded by Stelmach, to adopt Resolution No. 2018-67 approving the Conditional Use Permit request to Allow for the Storage, Dispatch, Maintenance, and Repair of School Busses at 8603 Jefferson Highway, pending receipt of an application form signed by the current property owner, with the following conditions:**

- 1) Employee parking. In accordance with the documentation provided as part of the CUP application, at least 30 clearly marked employee parking spaces shall be

provided at all times (Osseo City Code Chapter 153 Appendix B). The number of required parking spots may be updated in accordance with a revised Site Plan approved by and on file with the City. No parking or idling of vehicles is allowed outside of clearly marked parking spaces.

2) Bus parking. Bus parking spaces shall likewise be clearly marked and indicated as bus parking. Bus parking shall be distinct from employee parking. No parking or idling of vehicles is allowed outside of clearly marked parking spaces.

3) Vehicle Storage. Any inoperable or unlicensed vehicle awaiting repairs for longer than 12 hours must be stored inside an enclosed space or properly screened from public view.

~~4) Test Drives. Vehicles undergoing repair or maintenance at the property may not be driven through residential districts.~~

5) Indoor Operations. All vehicle repair, washing, and maintenance shall take place indoors.

6) Access to Jefferson Highway. The Applicant shall record a Declaration of Cross Access Easement with the property to the south to preserve access to the bus storage site from Jefferson Highway. The Applicant shall provide a copy of the recorded document to the City.

7) 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, or salvage shall be stored anywhere on the property without a Conditional Use Permit or amendment approving this use (Osseo City Code § 153.059). This includes keeping unlicensed or inoperable motor vehicles or the remains thereof for dismantling, sale of parts, or sale as scrap;

b) No auto sales, service, or repairs are to be offered to the public without a Conditional Use Permit or amendment approving the use of the property as a public garage;

c) Any waste tires must be stored inside an enclosed space or properly 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 must be screened from public view (Osseo City Code § 153.057);

e) Modifications to the building and site 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;

h) Unguarded vehicles and machinery shall not be so situated on private property so as to pose a nuisance (Osseo City Code § 93.18 (N));

i) No dirt or sediment may be tracked on to public rights of way as a result of operations (Osseo City Code § 93.18 (T)).

8) 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 for inspection to determine compliance with the stated conditions of approval.

9) Recording Requirement. The City of Osseo will memorialize the conditional use permit by adopting a resolution that the applicant will record in the office of the County Registrar of Titles within 60 days of its adoption by the City.

10) 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.

11) 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.

12) 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.

13) 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 3-2 (Johnson and Zelenak opposed).**

**C. APPROVE 2019 CAPITAL IMPROVEMENT PLAN**

Gary Groen, Financial Consultant, commented each year the City 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.

Mr. Groen stated all of the items in these worksheets are not set in stone. The idea with CIP documents is to put anything and everything into the plan, so that we can properly budget for their purchase. By including these items in the worksheets, the Council is not committing itself to purchasing these items. Staff will still come to the Council for approval of each of these items when the time comes.

Mr. Groen reported the Capital Equipment Fund finances all City capital equipment needs, most notably from the Police, Fire, and Public Works Departments. Each department head provided input into their department equipment needs, when the equipment should be purchased, and how much it is expected to cost. The Fire Relief Association has informed the City that it will contribute, at a minimum, \$30,000 annually towards this fund to help offset the cost of fire related equipment purchases. Additionally, City staff has indicated that the City would be willing to move \$45,000 per year annually from the Streets Fund to the Equipment Fund to help offset Fire Department equipment costs. The Fire Department and the OFDRA had always found a way, through donations or other, to buy equipment. However, with a number of expensive pieces of equipment coming up within the next six to ten years, it would be smart to begin budgeting for those purchases.

Mr. Groen stated also new this year are the contributions from the Water, Sewer, and Storm Sewer Funds to help pay for pieces of equipment that directly related to those funds. Staff noted near the top of the worksheet are transfers from those various funds to the Equipment Fund to pay for equipment, specifically in the Public Works area. These amounts directly correlate to the expenditures as seen in the Utility Rate Study. As we

continue to look for ways for all non-property tax generating properties to pay their fair share (such as the schools, churches, etc.) this is one of the ways to accomplish that. Otherwise, those properties get the benefit of those pieces of equipment without paying for it (through property taxes).

Mr. Groen commented on the various funds. He noted the Capital Streets Fund shows all of the costs associated with annual street and alley projects, as well as on-going street maintenance. Currently, we are showing a few more years of the planned overhaul of City streets and alleys and that the utility costs for those remaining projects are coming from the water, sewer, and storm sewer funds.

Johnson asked what vehicles the Public Works department had at this time. Waldbillig reviewed the trucks currently owned by the Public Works department, noting he would be keeping the one-ton truck and two other pickup trucks.

**A motion was made by Johnson, seconded by Stelmach, to approve the 2019 Capital Improvement Plan updates. The motion carried 5-0.**

D. CONFIRM HENNEPIN COUNTY HAZARD MITIGATION PLAN (Resolution)

Chief Mikkelson stated the Hennepin County Emergency Management team has an All Hazard Mitigation Plan that lays out what will happen when there is large emergency that takes place in Hennepin County. He noted staff has been a part of this plan from the beginning by adding information about Osseo to the plan. Approving the mitigation plan will allow Osseo to apply for federal and state funds if a large-scale emergency were to occur.

Stelmach asked if this plan bonds the City in any way. Chief Mikkelson reported this was simply a plan to assist the City in managing an emergency situation.

**A motion was made by Zelenak, seconded by Stelmach, to adopt Resolution No. 2018-68 approving the Hennepin County All-Hazard Mitigation Plan. The motion carried 5-0.**

E. APPROVE 2019 UTILITY RATES (Resolutions)

Larson explained the Osseo utility rates need to be set for 2019 as the current rate approval expires at the end of 2018. After reviewing the utility fund projections, there is sufficient balances in all three funds if the Council opts to freeze the rates for 2019. Freezing the rates for one year is recommended by staff. Staff noted the utility rates would be the same as were in 2017 and 2018.

Larson stated currently the Council and staff are working on a Utility Rate Study. The Council has discussed the rate study in previous Council work sessions in the fall of 2018. While the rate study is ongoing, it is anticipated that the conclusion of the study and proposed utility rates will be in 2019.

Council should consider freezing the current rates for one year to allow more time to complete the rate study. If the Council elects to freeze the utility rates for 2019, those rates will be incorporated into the utility rate study. Staff recommended approval of three resolutions approving the freezing of the utility rates for 2019:

**WATER RATES**

2018 QUARTERLY WATER RATES				2019 PROPOSED RATES
Tier	From Gallons	To Gallons	Rate (\$/gal)	Rate (\$/gal)
1	1	10,000	\$0.003601	\$ 0.003601
2	10,001	20,000	\$0.004665	\$ 0.004665
3	20,001	30,000	\$0.004822	\$ 0.004822
4	30,001	40,000	\$0.004980	\$ 0.004980
5	40,001	50,000	\$0.005148	\$ 0.005148
6	50,001	60,000	\$0.005306	\$ 0.005306
7	60,001	70,000	\$0.005474	\$ 0.005474
8	70,001	+	\$0.005631	\$ 0.005631
Minimum Quarterly Charge:			\$36.00	\$ 36.00

(10,000 gallons is the minimum charge)

**A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2018-69 Setting Water Rates for 2019. The motion carried 5-0.**

**SEWER RATES**

2019: A minimum charge of \$50.50 per quarter + \$9.72 per 1,000 gallons beyond 15,000 gallons (15,000 gallons is included in the minimum charge)

**A motion was made by Stelmach, seconded by Zelenak, to adopt Resolution No. 2018-70 Setting Sanitary Sewer Rates for 2019. The motion carried 5-0.**

**STORM WATER RATES**

2019 - \$33.83 per REF per quarter

**A motion was made by Stelmach, seconded by Zelenak, to adopt Resolution No. 2018-71 Setting Storm Water Utility Fees in 2019. The motion carried 5-0.**

**F. APPROVE DRAFT COMPREHENSIVE PLAN TO METROPOLITAN COUNCIL**

Erin Perdu, WSB & Associates, stated comments from the Three Rivers Park District and Watershed Management Organizations, as well as preliminary feedback from the Metropolitan Council, had been received. These comments are reflected in some relatively small changes to the draft Comprehensive Plan, as well as proposed updates to the city’s Stormwater Management Plan of 2015, which is amended per Supplement 2018-1, included in the draft plan.

Ms. Perdu discussed the engagement efforts of the City with respect to the Comprehensive Plan. Strategic or scenario planning may be a helpful exercise for the Council to undertake in the decade between Comprehensive Plan updates. The Council is currently preparing for a strategic planning session early in 2019.

Ms. Perdu reported the City is now ready to proceed with a formal submission to the Metropolitan Council, in advance of the December 31 deadline. The Met Council will have up to 120 days to formally review the plan. Following a recommendation from the

Met Council's Community Development Committee, the plan will be presented for formal approval by the entire Metropolitan Council. Once the plan is approved by the Metropolitan Council, it will also need to be officially adopted by the City of Osseo.

**A motion was made by Johnson, seconded by Zelenak, to approve submission of the revised draft Comprehensive Plan Update to the Metropolitan Council.**

Schulz reported this was an expensive unfunded mandate the City had to go through on behalf of the Met Council. He discussed the amount of staff time and resources that were spent to complete this document. He believed that the current document would not be able to be attained and therefore would not be supporting it.

Stelmach stated he would not be supporting the document either.

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

G. APPROVE ACCOUNTS PAYABLE

Larson reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT – None

12. COUNCIL AND ATTORNEY REPORTS

Abts reported her family was dealing with a difficult medical diagnosis and she thanked the Council for its support in this difficult time.

Johnson commented on the high quality services provided by the Osseo Fire Department and encouraged the Council to consider an hourly compensation rate.

Johnson stated seasonal decorations were placed in the park by the Lions Club last Saturday. In addition, he noted holiday lights have been strung along Central Avenue.

Schulz noted Council volunteers were needed for the Minidazzle and encouraged the Council to respond to staff regarding their availability. He thanked 5 Central Apts for stepping forward to serve hot cocoa for this event.

13. ANNOUNCEMENTS

Poppe stated Minidazzle would be held on Friday, December 7 from 6-8 p.m. He noted lunch with Santa would be held at the Community Center on Saturday, December 8, from 11 a.m. to 1 p.m. He noted this event would be sponsored by the Osseo Lions Club.

Poppe invited the public to attend the Open House for the Mayor and City Councilmembers on Monday, December 10, from 5:30 p.m. to 6:00 p.m. at City Hall.

Poppe encouraged the public to purchase a toy for the Toys for Tots drive by Tuesday, December 18. He noted all of the drop off locations in Osseo.

Poppe noted the City snow emergency policy.

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

14. ADJOURNMENT

**A motion was made by Schulz, seconded by Zelenak, to adjourn the City Council meeting at 9:47 p.m. The motion carried 5-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*