

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES  
November 13, 2017**

1. ROLL CALL

President Todd Woods called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, November 13, 2017.

Members present: Juliana Hultstrom, Harold E. Johnson, Dan LaRouche, Duane Poppe, Mark Schulz (arrived at 6:03 p.m.), Larry Stelmach, and Todd Woods.

Members absent: None.

Staff present: Executive Director Riley Grams, City Planner Nancy Abts, and City Attorney Mary Tietjen.

Others present: Neil Lynch.

2. APPROVAL OF AGENDA

**A motion was made by Stelmach, seconded by Johnson, to approve the Agenda as presented. The motion carried 6-0.**

3. APPROVAL OF MINUTES – OCTOBER 9, 2017

**A motion was made by LaRouche, seconded by Johnson, to approve the minutes of October 9, 2017, as presented. The motion carried 6-0.**

4. MATTERS FROM THE FLOOR – None.

5. PUBLIC HEARINGS – None.

6. ACCOUNTS PAYABLE

Executive Director Riley Grams presented the EDA Accounts Payable listing.

**A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable. The motion carried 6-0.**

7. OLD BUSINESS

A. CONSIDER EDA PAY OFF OF BEAUTIFICATION FUND DEFICIT

Grams stated in August the EDA discussed paying off the deficit in the Beautification Fund. The Beautification Fund houses all of the expenditures for Osseo's downtown beautification, including all materials and labor for the hanging flower baskets, flower planter boxes along Central Avenue, flowers in Boerboom Park, and flowers and plant maintenance around the Clocktower and Gateway Sign. At that meeting, the EDA directed staff to develop a plan so the Beautification Fund does not continue to go into deficit each year. Staff put together a plan, and the Parks & Recreation Committee reviewed the plan at its November 7 meeting and recommended approval by a 6-0 vote. The plan is as follows:

- A) Reduce the number of hours from Designing Nature. City staff and local volunteers will pitch in to cover the weekly clean up and general maintenance of the flowerbeds and in Boerboom Park. The City would still hire Designing Nature to do the initial spring cleanup and flower plantings, as well as the final fall clean up and cutting down of plants/flowers. However, staff and volunteers would cover the weekly maintenance throughout the summer months. Volunteers would be requested throughout the spring and summer, with supplies offered by the City. Staff plan on doing a twice-a-year team building exercise in which we would split into two groups and take one side of Central Avenue, cleaning up the planting areas and providing general maintenance. Staff anticipates this would save approximately \$3,000 per year in expenditures.
- B) Staff will develop a sponsorship program and offer it to local businesses and residents to help cover the other expenditures. We considered a variety of ways to promote the sponsorship of various hanging flower baskets or individual planting boxes. This includes thank you ads on the Gateway Sign, posts on the City’s social media pages (Facebook and Twitter), mentions in the year-end Osseo Outlook newsletter, and a thank you page on the City’s website. Staff did consider small plaques to put on the flower baskets or in the flowerbeds, but determined this would only add additional costs to the sponsorship program and would be difficult to implement. Public Works doesn’t want to hang anything on light poles, including drilling holes or attaching small plaques to the light poles. Putting signs on the flower baskets themselves wouldn’t work either as the flowers would eventually over grow and hide the plaques. Additionally, we would be concerned with theft of the plaques. We determined that the appropriate sponsorship level for a hanging flower basket is \$200 (which includes the basket itself, watering, fertilizer, and maintenance of those water lines) and for a flowerbed is \$175 (including the flowers, watering, and fertilizer).
- C) Continue to include various donations directly to the Beautification Fund towards these expenses. We average a total of \$6,000 in donations to this specific fund, mostly from individual resident donors. However, from time to time we do receive larger donations from local community groups or businesses.

Grams explained the following is a summary of the last three years of expenses to the Beautification Fund:

2015:	\$12,193.43
2016:	\$14,032.44
2017 (anticipated):	\$11,430.68

Grams stated staff is now housing the expenditures and revenue of this fund into the City’s General Fund budget. The City is showing expenditures of approximately \$12,500 annually, which is now in the General Fund budget. However, the average annual donation and sponsorship amounts are included in the General Fund revenue budget, which offsets the expenditure amount. Housing the expenditures into the General Fund budget ensures that the Fund will not go into deficit, which was the major concern of the EDA members.

Grams reported the Fund has a deficit of \$15,806.54 (to date). This is the amount that the EDA is being asked to pay off, which would zero out the balance of the Fund. Because the beautification of Osseo’s downtown business core can be considered a key component to a lively business environment, the City Council believes this to be an appropriate use of EDA funds, per its direction from the May 30 work session. The EDA should consider paying off the existing fund deficit in 2017 so that the Fund is “zeroed out” on December 31, 2017 (end of our fiscal year). Staff requests that the final pay off amount be determined on December 31, and the preference is to exclude a specific amount in the motion. If a specific amount is required by the

EDA, staff recommends a not-to exceed amount of \$17,500, as we are anticipating more expenses to come in shortly.

Stelmach thanked staff for working on this item. He appreciated staff's recommendations but would have appreciated receiving more information on the plaques.

Hultstrom stated she would have liked to have received more information on the history of these accounts, such as the amounts being donated on a yearly basis.

Johnson believed all residents of Osseo benefited from the hanging baskets and keeping of the City park, and not just the local business owners. For this reason, he supported the expense being shared by all residents. He stated he would like to see more buy-in from the local property owners and business owners by having them assist the City in beautifying and maintaining our main street. He reported five years ago a benefactor covered all of the beautification expenses but this has since stopped. He stated he did not support the City pursuing plaques as this would become a labor intensive issue for staff to maintain.

Woods reported all donations received by the City were approved by the City Council.

Hultstrom understood this to be the case and stated she would like to see a spreadsheet listing all of the donations received for the Beautification/Flower Fund.

Woods questioned if there were any Central Business District general appearance requirements. Grams stated there were some basic requirements in place.

Woods agreed with Johnson stating it would be difficult for the City to install and maintain plaques. However, he did support the City recognizing residents or organizations that donated to the Beautification/Flower Fund on an annual basis. He asked if the City should be asked to fund half or a portion of the deficit.

Schulz stated the goal of the EDA was to modify and further economic development in the City. He understood there was a delicate balance between the EDA and the City Council, which made this situation a quagmire. He indicated the City could cover the deficit through reserve funds, but he wanted to see some sort of plan put in place in order to eliminate a deficit in 2018. He stated he owns a business on Central Avenue and he believed there was confusion between what type of maintenance he could complete. He provided further comment on the numerous expenses that have grown out of the Central Avenue improvement project. He stated he would support the EDA covering the deficit for this year, but moving forward he wanted to see the City have better plans in place. He suggested the City not install the flower baskets for a year to see how the public responds.

Woods inquired if the contract with Designing Nature was approved on a yearly basis. Grams reported this was the case.

Woods asked the EDA how they wanted to proceed.

Stelmach questioned how much the City has received in 2017 in donations. Grams stated historically the City receives \$6,000 in donations each year.

**A motion was made by Schulz, seconded by Stelmach, to approve paying off the Beautification Fund deficit on December 31, 2017, in an amount not to exceed \$17,500. The motion carried 6-1 (Hultstrom opposed).**

B. DISCUSS PROPOSED 2018 ECONOMIC DEVELOPMENT AUTHORITY BUDGET

Grams stated each year the EDA considers new budget documents for approval prior to the end of the year. It was noted the proposed budget includes the anticipated expenditures and revenue into the EDA budget for 2018. Items of note include:

- 1) The City Council has considered whether the EDA would pay for the on-going maintenance and operation costs of the Gateway Sign, since it is a tool of economic development here in Osseo. After a few months of data, staff determined that the average monthly cost for the Gateway Sign (electric costs, mostly) to be \$250. Extrapolated out for a full year, it would appear to be approximately \$3,000 for operations of the Gateway Sign.
- 2) Continue to fund staff time to the City's General Fund budget. No change from last year (\$45,000).
- 3) Anticipated property acquisition costs for future redevelopment are also included in this budget. At this point, staff recommends that any property purchases for the North Central Development area should be included in the overall redevelopment of that site (the TIF or other City assistance package would include funds for property acquisition at the time of the deal). However, another area staff is considering property acquisition is on the same block as the MN Mediation Center. Proposed property purchase costs for 2018: \$525,000. However, the idea would be to sell the properties to a developer for the same total purchase cost. There is \$525,000 located in the revenue section of the budget to offset that amount.
- 4) The Spring Opener event is also in the budget for \$2,500. This is an estimate of expected expenditures.

Grams requested the EDA discuss the proposed 2018 EDA budget and direct staff accordingly. Staff will then adjust the budget and bring it back at the December 11 meeting.

Further discussion ensued regarding the Gateway Sign expense. It was noted the \$65,000 expenditure should be placed on the 2017 budget and not for year 2018.

Woods supported the Spring Opener being fully funded by the EDA and suggested the amount be increased to \$6,000.

Stelmach agreed this was a better number.

8. NEW BUSINESS - None.
9. REPORTS OR COMMENTS: Executive Director, President, Members
  - A. COMPREHENSIVE PLAN UPDATE

City Planner Nancy Abts provided the EDA with an update on the Comprehensive Plan. She stated each community in the seven-county metro region must update its Comp Plan every ten years. Osseo is on track to complete its update by early 2018 to meet the Metropolitan Council deadlines. The deadlines are required for grant funding the City has received. The Comp Plan addresses many topics, guides future development, and helps the community get from 'where we are' to 'where we want to be'. The plan covers topics including:

- Land use
- Redevelopment
- Housing quality
- Park and recreation systems

- Community facilities
- Commercial and economic development
- Community infrastructure systems
- Surface water management
- Transit and transportation

Abts reported many of the topics also influence Economic Development in Osseo. The Comprehensive Plan serves as the framework for many development policies. This includes the City's zoning and land use as well as other priorities. This update to the plan also highlights components that influence public health. These parts of the plan were funded through a grant from the Minnesota Department of Health, administered through Active Living Hennepin County. She explained staff has learned that connections, community vitality, and being business friendly were important to the public. Staff provided further comment on the Comp Plan approval timeline and thanked the public for its input.

LaRouche commented he has been serving on the EDA for the past ten months. He stated he was still uncertain as to the specific function or role of the EDA. He recalled a chart of projects that was presented to him by staff and stated he would like to better understand how to prioritize his attention as an EDA member. He requested the EDA be provided with a better understanding of exactly what the EDA was tasked with. In addition, he would like the prioritizations of the group addressed.

Schulz thanked the EDA for having a great conversation on the Beautification Fund and digging deeper into the purpose of the EDA.

Johnson stated he appreciated all of the comments presented this evening, as well. He commented on the recent sale of a foreclosed townhome in the community and suggested the EDA discuss this matter at a future meeting. He thanked all those who helped hang lights downtown this past Saturday.

Woods thanked LaRouche for his comments and stated he looked forward to further addressing the role of the EDA.

10. ADJOURNMENT

**A motion was made by Schulz, seconded by Johnson, to adjourn at 7:00 p.m. The motion carried 7-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*