

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
August 22, 2016**

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, August 22, 2016.

2. ROLL CALL

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

Members absent: Councilmember Mark Schulz.

Staff present: City Administrator Riley Grams, City Planner Nancy Abts, Police Chief Shane Mikkelsen, and City Attorney Mary Tietjen.

Others present: Ray Smith, Megan Nelson, Fitzie Heimdahl, Patty McClean, Kathleen Gette, Alexa McDowell, Denis Gardner, Dorothy Clarke, Mark & Deb Browne, Michael Olkives, Dashiell Thomas, Lauren Bowe, and Steve Marchetti.

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.

City Administrator Riley Grams requested the addition of Item 10G – Approve Purchase of City Council Laptop Computer.

**A motion was made by Stelmach, seconded by Zelenak, to accept the Agenda as amended. The motion carried 4-0.**

5. CONSENT AGENDA

- A. Receive EDA Minutes of August 8
- B. Approve Council Minutes of August 8
- C. Receive Planning Commission Minutes of August 15
- D. Receive July Police Report
- E. Receive July Fire Report
- F. Receive July American Legion Club Gambling Report
- G. Receive July Fire Relief Association Gambling Report
- H. Receive July Lions Club Gambling Report
- I. Approve Exempt Permit for Raffle at Osseo American Legion
- J. Accept Resignation of Part Time Police Officer Jesse Mathwig

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

6. MATTERS FROM THE FLOOR – None.

7. SPECIAL BUSINESS

A. PRESENTATION ON OSSEO NORTH WATER TOWER – Kathleen Gette, Resident, & Denis Gardner, MN State Historic Preservation Office

Grams stated Osseo resident, Kathleen Gette, was present along with Denis Gardner from the Minnesota State Historic Preservation Office to discuss the nomination process for the historic Osseo North Water Tower to be placed on the Minnesota Register of Historic Places.

Kathleen Gette thanked the Council for its time. She discussed the history of this project noting she has been working on it for the past three years. She was pleased to report that the Council was being asked to consider submitting the North Water Tower to the State Historic Preservation Office this evening. She thanked the public for its show of support for the historical landmark. The water tower preservation milestones were discussed with the Council along with the definition of the National Register of Historic Places. She explained no restrictions would be placed on the City for the North Water Tower, but it was simply a great honor to be listed and would open up funding opportunities for the rehabilitation of the water tower. The numerous benefits of the water tower were reviewed with the Council.

B. CONSIDER NORTH WATER TOWER SUBMISSION TO STATE HISTORIC PRESERVATION OFFICE – Alexa McDowell, AKAY Consulting

Grams explained Alexa McDowell with AKAY Consulting has worked as the consultant preparing the nomination application and was available to help answer any specific questions the City Council may have regarding the North Water Tower submission to the State Historic Preservation Office.

Alexa McDowell explained she completed a draft of the National Register Nomination. This was reviewed by Denis Gardner and he agreed the case has been made and this should proceed. She stated if the Council supports the application submission, the application would be reviewed by the State of Minnesota Board. She discussed the grant opportunities that would be available to the City. She encouraged the Council to be in touch with other cities who have recently refurbished their historical water towers if this item were to move forward. She stated while it is impossible to know how much the City would have to invest long-term into the water tower, she explained that over the next several decades there were funds available to assist with the water tower. She then provided further comment on the historical significance of the North Water Tower.

Denis Gardner, Minnesota State Historic Preservation Office, thanked the Council for its time and stated he was available for questions or comments from the Council.

Ms. McDowell discussed the next steps needed from the Council noting she would need a motion approving the application submission for the Osseo Historic North Water Tower to be placed on the National Register of Historic Places.

Stelmach asked if the City was eligible for state tax provisions. Mr. Gardner discussed the state and federal tax credits that would be available to the City. It was noted these tax credits were only available to private entities.

Stelmach thanked Ms. Gette, Mr. Gardner, and Ms. McDowell for their assistance with this application. He asked if the City would be able to put antennas on the water tower. Mr. Gardner explained the water tower belonged to the City and the State Board would not be able to say No; however, the state would want to work with the City to mitigate the impact.

Stelmach asked if the tower could be altered in any way. Mr. Gardner explained a review would be needed by his office and explained the defining features that make the water tower unique would have to remain in place.

Stelmach discussed the differences between the National Register and the Minnesota Historical Society.

Fitzie Heimdahl discussed the economic impact of historical preservation on economic development and how the historical water tower would benefit the City.

Stelmach commented on the possible grants available to the City and the need for a disaster preparedness plan. He inquired what this meant to the City. Mr. Gardner apologized but stated he did not have the specifics for these grant requirements, but anticipated the City would have to have a plan in place to fix the water tower if damage were to occur.

Johnson thanked Mr. Gardner for being present. He appreciated the thorough staff report and all of the information that was provided to the Council. He understood over 70 cities have historical water towers and less than 10% were on the National Registry. He questioned if it was necessary to go through all of this work and what the significance would be to have the water tower on the registry. Mr. Gardner described the difference between a historical site and a property on the National Register. He understood the City of Osseo had a Heritage Preservation Board that could name the water tower a historical site.

Zelenak stated the Heritage Preservation Commission has not called out any property as a historical site in Osseo.

Johnson discussed the five historical water towers he had visited in the last year. He stated Elk River was the only one that had pursued the National Register and even set up a 503C. He asked why these other water towers had not followed through with the National Register. Ms. McDowell believed the term “historical” was a loose term and simply meant a property or site was 50 years old or older. She explained that by having the property registered, additional funding would become available to the City to assist with its restoration and preservation. She understood that the City of Elk River created a non-profit in order to complete work on its water tower.

Zelenak explained that the City of Elk River may not have done any work to date, but may be reviewing its options, applying for grants, and planning for the future. She supported the City moving forward with the application submission in order for additional funding options to be made available to the City to assist with the water tower’s restoration and preservation.

Johnson stated he has had conversations with the City of Elk River and they have applied for two different grants. He expressed concern with the requirements that would be placed on the City if the water tower was placed on the National Registry and noted Elk

River has already incurred \$80,000 in debt for its water tower. It was his understanding that some grants required matching funds. He did not want any burden for the North Water Tower to be placed on the citizens of Osseo. It was his understanding that Legacy grants came with restrictions. He feared that if the water tower was placed on the National Registry that the City and its taxpayers would be burdened. He also understood that same materials would have to be used on the water tower for any repairs, which would be costly and difficult.

Mr. Gardner believed that Councilmember Johnson had been supplied with false information. He explained that by placing the water tower on the National Registry doors would be opened to the City for grant opportunities. He indicated that the money would not always be free.

Johnson stated again that he would not support the use of taxpayer funds for renovation or restoration of the North Water Tower. He questioned how matching funds would be raised to cover the future expenses of the water tower. He supported the water tower being named a historical site but did not want to pursue the National Registry.

Mr. Gardner discussed the competitive grant process noting Elk River had missed the deadline submission dates this year but encouraged them to try again next year.

Zelenak reiterated the City would not be placed under any restrictions if it were to submit its application to the National Register. She explained that restrictions would only be placed on the City if it were to pursue a specific grant.

Johnson recommended the water tower be named a historical site and that Legacy Grants be pursued to assist with its restoration. Mr. Gardner reported Legacy Grants are only available to properties listed within the National Register.

Grams stated taxpayers would only be burdened if the Council elected to tear the water tower down, if matching grants were pursued by the City, or if a partial grant were received and the City were forced to pay the remainder of the repair expenses. He understood the City did not have an additional \$100,000 within its budget at this time; however, this would be the expense to tear the water tower down. He believed it made sense to have the water tower application submitted to see what funding was available for its restoration and preservation.

Grams asked if a minimal level of repair on the water tower would have to be maintained by the City going forward. Mr. Gardner discussed the minimal level of historical and structural integrity that would have to be maintained by the City if the tower was placed on the registry.

Grams questioned how much it would cost the City to cover the lead-based paint on the water tower. Mr. Gardner discussed the lead-based painting process. It was his opinion that encapsulation and sealing was the preferred method over sand-blasting.

Zelenak thanked everyone for coming out this evening to address this issue.

Poppe summarized the discussion and understood that the next step would be to submit an application for the North Water Tower to be placed on the National Register. If the application were approved, this opened the door to funding sources for the City and would then allow the City to make a decision on how to proceed. Mr. Gardner stated this was the case.

**A motion was made by Zelenak, seconded by Stelmach, to approve the application submission for the Osseo Historic North Water Tower to be placed on the National Register of Historic Places.**

Stelmach asked if there were any costs associated with the application submission. Grams reported there would be no cost to the City.

**The motion carried 3-1 (Johnson opposed).**

C. SUMMER YOUTH RECREATION PROGRAM RECAP – Megan Nelson

Grams explained following a recommendation in May from the Parks and Recreation Committee, the Council hired Megan Nelson and Kaylee Omland to provide recreational programming to elementary-aged students. The program ran from June 21 through July 27, with no classes the week of July 4. It was noted the program came in under cost and did not exceed the \$3,000 approved. Many supplies (especially for the sports program) can be re-used.

Megan Nelson provided the Council with a recap on the summer youth recreation programs. She explained soccer, kickball, tag, and the water day were the highlights of the summer. The children also enjoyed touring the Fire Department, Police Department, and Public Works vehicles. The activities for the summer arts and crafts program were then discussed. She summarized the evaluation forms she received and noted there was great interest in continuing the program next summer.

Stelmach thanked Ms. Nelson for her efforts and believed she did a great job this summer with the youth recreation program. He fully supported the program for next year.

Zelenak questioned how many children participated in the summer programs. Ms. Nelson estimated 35 children were registered in the arts and crafts program and 32 children were enrolled in the sports program.

Johnson asked why the numbers decreased as the weeks went on. Stelmach anticipated the heat kept kids away some of the days. Ms. Nelson understood residents wanted to have the program advertised while school was still in session in order to increase enrollment.

The Council thanked Ms. Nelson for a job well done.

D. ACCEPT DONATION TO BEAUTIFICATION FUND (Resolution)

Grams indicated the Osseo American Legion, Dick's Bar & Grill, and Harold E. and Gayle Johnson have donated \$300, \$100 and \$100, respectively to the City for Beautification/Flower Fund. Staff recommends the Council accept the donation.

**A motion was made by Zelenak, seconded by Stelmach, to adopt Resolution No. 2016-52 accepting donations to the Beautification Fund. The motion carried 4-0.**

E. ACCEPT DONATION TO GATEWAY SIGN FUND (Resolution)

Grams indicated the Osseo American Legion has donated \$10,000 to the Osseo Gateway Sign Fund. Staff recommends the Council accept the donation.

**A motion was made by Johnson, seconded by Stelmach, to adopt Resolution No. 2016-53 accepting a donation from the Osseo American Legion to the Gateway Sign Fund. The motion carried 4-0.**

F. ACCEPT DONATION TO POLICE EQUIPMENT FUND (Resolution)

Grams indicated Duffy's Bar & Grill has donated \$1,000 to the City for the Police Equipment Fund. Staff recommends the Council accept the donation.

**A motion was made by Stelmach, seconded by Zelenak, to adopt Resolution No. 2016-54 accepting a donation from Duffy's Bar & Grill to the Police Equipment Fund. The motion carried 4-0.**

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE NIGGLER CEMETERY REQUEST FOR STORM WATER UTILITY CHARGES

Grams stated two cemetery properties, owned by the Niggler Cemetery Association (124 Broadway Street W and an unassigned parcel), are currently located in the Manufacturing Zone (M) and are classified as Manufacturing for the purposes of Osseo Storm Water Utility Charges. However, the Association has asked the City Council to consider reclassifying the two parcels to a Residential classification. This would not change the actual zoning classification of the parcels, rather the classification used by the City to formulate storm water utility charges. The Association makes note of other cemeteries in Osseo (most notably, St. Vincent de Paul's cemetery) that are classified as Residential (R-1).

Grams reported that reclassifying these parcels will effectively reduce the storm water utility charges by half (Manufacturing classifications are given 2 Residential Equivalency Factor (REF) while Residential classifications are given 1 REF). Because the two cemetery parcels have very little impervious surface, and act more as a residential property than a developed commercial or manufacturing property, staff recommends the Council approve the reclassification. Staff recommended the Council approve the reclassification of 124 Broadway Street W and adjacent unassigned parcel from Manufacturing (M) to Residential (R-1) for the purposes of Osseo Storm Water Utility charges.

Stelmach asked if the reclassification would change the assessments for the property. Grams reported this was such a small property and would not change anything for the City.

**A motion was made by Stelmach, seconded by Zelenak, to approve the reclassification of 124 Broadway Street W and adjacent unassigned parcel from Manufacturing (M) to Residential (R-1) for the purposes of Osseo Storm Water Utility charges.**

Johnson suggested the other cemetery within the City also be reclassified. Grams stated he would reach out to the cemetery regarding this matter.

**The motion carried 4-0.**

10. NEW BUSINESS

A. APPROVE CENTRAL AVENUE CLOSURE FOR POP UP PARKS DURING 2016 LIONS ROAR

City Planner Nancy Abts stated Pop Up Parks are a way to try out park features and recreation options. They are an interactive, temporary display. (Open Streets Minneapolis events also use a pop up park model.) Pop Ups are also a way to involve residents in developing an upgraded Boerboom Park. She reported the Pop Up Park in Osseo is planned for the same time as Lions Roar.

Abts indicated the design for the Bigger Boerboom Pop Up Park was created by a Parks and Recreation subcommittee and includes a checkers area (with a giant checkers board and regular-sized checkers sets), a “demonstration” of the planned Picnic Pavilion for Sipe Park, a horseshoe area (using plastic horseshoes and stand-alone pegs), a bike station, a mini dog park, seating areas, and stations where visitors can talk to volunteers, leave feedback, and learn more about the project. There will also be information on the Comprehensive Plan update as part of the setup. The Craft Show in the park is scheduled from Noon-5 p.m. on Friday. The Pop Up Park will be open the same hours as the craft sale on Friday, and after the parade on Saturday until 5 p.m.

Abts explained the City will receive up to \$3,000 to support a pop up park & demonstration project in 2016, as part of a Creating Healthier Communities grant from Hennepin County and the Minnesota Department of Health. Many of the items purchased can be stored and used again, alongside other community events.

Abts commented to get as much use from the pop up as possible, staff are asking to close the block of Central Avenue in front of City Hall on Friday as well as Saturday. The Lions have reserved this part of the Lions Roar for the Public Safety booth and other City displays. Staff recommended the Council approve closing Central Avenue from 11 a.m. until 6 p.m. on Friday, September 9, during Lions Roar to allow for a Pop Up Park demonstration project.

Stelmach asked when the grant would be approved by Hennepin County. Abts reported the County would be approving the grant on Tuesday, August 23.

Stelmach questioned the cost of putting the Pop Up Park in place. Abts reviewed the cost for the fencing, kiosks, and horse shoes noting the grant would cover the cost of these items, along with staff time. She stated she could provide further information to the Council regarding these costs.

Poppe questioned what information would be placed on the cardboard kiosk. Abts stated Pop Up Park information would be included, along with a comment box. Police Chief Shane Mikkelson discussed the Public Safety items that would be included at Lions Roar. Grams provided further comment on how the Pop Up Park would be a great opportunity for City staff to engage the public.

**A motion was made by Stelmach, seconded by Zelenak, to approve closing Central Avenue from 11 a.m. until 6 p.m. on Friday, September 9, during Lions Roar to allow for a Pop Up Park demonstration project. The motion carried 4-0.**

B. APPROVE PURCHASE OF NEW POLICE SQUAD VEHICLE

Police Chief Shane Mikkelsen stated the Police Department has a four-year replacement schedule established on its squad cars. The 2013 Ford Interceptor will replace the 2011 Crown Victoria as the fourth vehicle. The 2011 Crown Victoria will then be torn down and all usable parts will be placed in the new 2017 squad. The 2011 Crown Victoria will then be sold. We would like to purchase a 2017 Ford Explorer Utility in January 2017. We would like to have this squad car fully marked but have a smooth top. We would like to not have a light bar on top but the lights will be built into the vehicle. The vehicle will have to be ordered now but it will not be delivered until after January 2017. It was noted this purchased was included in the CIP. Staff requested the Council approve the purchase of a 2017 Ford Explorer Utility and the replacement of the 2011 Crown Victoria.

Poppe questioned how much the City could get at auction for the Crown Victoria. Police Chief Mikkelsen estimated the City would receive somewhere between \$3,000 and \$4,000 for this vehicle.

**A motion was made by Stelmach, seconded by Johnson, to approve the purchase of a 2017 Ford Explorer Utility and the replacement of the 2011 Crown Victoria. The motion carried 4-0.**

C. APPROVE AMENDED CONSULTANT AGREEMENT WITH KENNEDY & GRAVEN FOR 2017 LEGAL SERVICES

Grams reported since January 2015 the retainer with Kennedy & Graven for City Attorney Tietjen's service has been \$24,000. This amended agreement proposes a retainer of \$27,000, a \$3,000 increase, starting January 2017. There are no increases proposed for hourly rate, mileage, paralegal or law clerk rates. This proposed increase would be included in the 2017 budget, which staff is currently developing.

Johnson questioned if the City had a three-year contract with Kennedy & Graven. City Attorney Tietjen clarified that the City had a year to year contract with Kennedy & Graven and the rates were not adjusted in 2015 or 2016.

**A motion was made by Johnson, seconded by Zelenak, to approve the amended agreement with Kennedy & Graven for Municipal Legal Services, with compensation for the retainer in 2017 at \$27,000. The motion carried 4-0.**

D. APPROVE PURCHASE OF BANYON DATA SYSTEM PAYROLL SOFTWARE

Grams stated currently the City uses ADP, LLC, to provide payroll services that include check generation, direct deposit, tax payments, and quarterly and annual reporting services. ADP has grown to an encompassing labor management system that not only generates payroll but provides human resource and time/attendance functions as well. Because ADP has molded its program to incorporate these other tasks, it has become a time consuming, multi-step process that is inefficient for the small employer. Services are not flexible, with time intensive tasks such as generating reports and costly requests to make changes.

Grams explained staff proposes purchasing an individual module from Banyon Data System to handle payroll systems. This purchase is expected to improve efficiency and ease the burden of performing basic payroll functions. BDS has a PERA function in



which a report is generated directly to PERA. Currently, PERA needs to be entered by hand. Journal entries and tax payment recording is generated automatically to eliminate redundant, manual data entry. Quarterly and annual reports are produced easily. Employees will enjoy the automated delivery of their pay stubs through email. Future expansion of automating the payroll process is available through BDS's automated timesheets module that uploads to the payroll system. The proposal from BDS for the payroll software is \$4,785, plus yearly support and upgrades of \$795/year. Staff recommended the Council approve the purchase of the Banyon Data Systems payroll software.

Stelmach inquired if the software would require annual training. Grams stated this would be covered by the \$795.

Stelmach supported the purchase of the new system and noted the City would be saving approximately \$2,200 per year on labor.

Johnson understood ADP was a very independent program and believes Banyon would offer the City more flexibility.

**A motion was made by Johnson, seconded by Stelmach, to approve the purchase of Banyon Data Systems payroll software.**

Stelmach supported yearly training on the software in order to keep City staff up to date on the changes within the financial software.

**The motion carried 4-0.**

E. AUTHORIZE APPLICATION FOR MET COUNCIL FUNDING FOR  
COMPREHENSIVE PLAN UPDATE (Resolution)

Abts stated the Met Council offers identified communities funding to support their comprehensive plan update. She noted the City was eligible to apply for \$32,000 in grant funding. It was noted a resolution authorizing staff to apply for the funding is required. Staff reported the Met Council funding was non-competitive and will be used to supplement other funding for the Comprehensive Plan Update. Half of the funding is available up-front, and half will be available once the completed document is submitted. The funding agreement does require on-time submission of the Comp Plan for review.

**A motion was made by Johnson, seconded by Zelenak, to adopt Resolution No. 2016-55 authorizing an application for Met Council Funding to support the Comprehensive Plan Update. The motion carried 4-0.**

F. APPROVE ACCOUNTS PAYABLE

Grams 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 4-0.**

G. APPROVE PURCHASE OF CITY COUNCIL LAPTOP COMPUTER

Grams stated a Councilmember City-issued laptop computer has had issues with launching into Microsoft Windows recently. The City's IT Consultant, LogicNet, has

many hours into fixing the laptop. The system is not covered under warranty and thus cannot be fixed without completely rebuilding the computer. Staff believes it is cheaper for the City to purchase a new computer than have Logic Net continue to work on it at the billable rate.

**A motion was made by Stelmach, seconded by Zelenak, to approve the purchase of a City Council laptop for an amount not to exceed \$1,143.18. The motion carried 4-0.**

11. ADMINISTRATOR REPORT – None.

12. COUNCIL AND ATTORNEY REPORTS

Zelenak thanked all of the people that came out to show their support for the North Water Tower and appreciated the facts Denis Gardner was able to be present to answer questions from the Minnesota State Historic Preservation Office.

Stelmach agreed.

Poppe invited the public to attend the next Music in the Park event on Tuesday, August 23, where Barley Jack's would begin playing at 7 p.m. He encouraged residents to visit the Farmers Market every Tuesday from 3 to 7 p.m.

Poppe reported blue bags for organics recycling from Randy's Sanitation were free to residents.

Poppe discussed the upcoming Bike Grant class.

Poppe explained Lions Roar would be held on Friday, September 9, and Saturday, September 10.

13. ADJOURNMENT

**A motion was made by Stelmach, seconded by Zelenak, to adjourn the City Council meeting at 9:02 p.m. The motion carried 4-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*