

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
March 13, 2023**

1. CALL TO ORDER

Acting Mayor Juliana Hultstrom called the regular meeting of the Osseo City Council to order at 7:00 p.m. on Monday, March 13, 2023.

2. ROLL CALL

Members present: Councilmembers Juliana Hultstrom, Harold E. Johnson, Mark Schulz, Alicia Vickerman.

Members absent: Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, Police Chief Shane Mikkelson, Fire Chief Mike Phenow, Police Lieutenant Todd Kintzi, Police Officer Adrienne Lamers, Police Officer Tony Mortinson, Police Officer Nick Englund, Police Officer Matthew Beyer, Police Officer Chad Malmon, Alyson Fauske, WSB & Associates, Rebecca Kurtz; Ehlers & Associates; and City Attorney Mary Tietjen.

Others present: John Roach, City Resident; Roseanna Garibaldi, City Resident; Char Mead, City Resident; Kenny Nelson, City Resident; Charles Kintzi, Father of Todd Kintzi; Shirley Kintzi, Mother of Todd Kintzi; and Debra Kintzi, Sister of Todd Kintzi.

3. PLEDGE OF ALLEGIANCE

Hultstrom led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Hultstrom 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 4-0.**

5. CONSENT AGENDA

- A. Approve February 27 Work Session Minutes
- B. Approve February 27 Council Minutes
- C. Receive February Building Report
- D. Set Council Work Session for March 27 at 5:30 p.m.
- E. Approve Training Request for City Accountant for Utility Solutions Expo
- F. Approve Hire of Firefighter Andreas Aristidou
- G. Accept Resignation of Firefighter Erin Lynne
- H. Receive February American Legion Gambling Report
- I. Receive February Fire Activity Report
- J. Receive February Fire Gambling Report

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

6. MATTERS FROM THE FLOOR

Kenny Nelson, 509 Third Avenue NE, stated he was a member of the EDA and a soon to be member of the Public Safety Advisory Committee. He reported he had concerns with allowing reserve officers write nuisance citations. He believed the City had a great police department and he did not want distrust to be created between residents and the police department.

Grams provided the Council with follow up information on the public comments that were made at the February 27 Council meeting.

7. SPECIAL BUSINESS

A. POLICE LIEUTENANT TODD KINTZI SWEARING IN CEREMONY

Police Chief Mikkelson introduced Lieutenant Todd Kintzi and reviewed his work history with the City Council. He discussed how Lieutenant Kintzi has grown as a leader of the years and explained he was looking forward to serving the City with Lieutenant Kintzi in his new role.

Lieutenant Kintzi thanked the Council for their tremendous support. He stated he was looking forward to serving the community in his new role. He then called up his family to pin on his badge and collar bars. A round of applause was offered by all in attendance.

B. ACCEPT DONATIONS

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Duffy’s Bar & Grill	\$1,000	Police
Duffy’s Bar & Grill	\$1,000	Fire
Darrell and Deanna Healy	\$300	Fire

Staff recommended the Council accept the donations.

**A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2023-11, accepting a donation from Duffy’s Bar & Grill and Darrell and Deanna Healy. The motion carried 4-0.**

8. PUBLIC HEARINGS – None

9. OLD BUSINESS – None

10. NEW BUSINESS

A. CONFIRM EDA ACTIONS OF MARCH 13, 2023

Grams discussed the actions of the EDA. He noted the EDA approved accounts payable, discussed amendments to the EDA bylaws and discussed an in-house business survey project.

**A motion was made by Schulz, seconded by Johnson, to Confirm the EDA Actions of March 13, 2023. The motion carried 4-0.**

B. APPROVE FIRST READING OF CITY CODE ENFORCEMENT ORDINANCE

Police Chief Mikkelson stated this request stems from many conversations with the Public Safety Advisory Committee and Council about who could be designated to issue citations for ordinance violations. This ordinance covers many designated employees that would be allowed to issue citations for ordinance violations. Chief Mikkelson sent a copy of the ordinance to other departments within the City that would be affected and all Staff were supportive. If the first reading is approved, the second reading and adoption will be on the next Council meeting agenda, March 27, 2023.

**A motion was made by Schulz, seconded by Vickerman, to approve the first reading of an Ordinance adding Chapter 37 under Title III: Administration. The motion carried 4-0.**

C. APPROVE 2023-2024 SANITARY SEWER RATES

Rebecca Kurtz, Ehlers & Associates, stated the City requested Ehlers to update its water and sewer utility rate study. The impetus for the rate study update was to base rates on the usage measured by the new water meters and also to address customer complaints regarding total utility billings. The Council held two work sessions in 2023 on January 20 and February 27 to review options for water and sewer rates for 2023 and beyond. At the last work session on February 27, 2023, it was clarified that prior to 2022 the City implemented winter quarter averaging for single family sewer customers, and inadvertently stopped the winter quarter averaging for 2022. The Council indicated that they supported a return to winter quarter averaging and supported the proposed 2023 sewer rates, described below. However, the Council indicated that they wanted to see more options for water rates at another work session on March 27, 2023.

Ms. Kurtz explained there was consensus among the Council about setting sewer rates for 2023, Ehlers is recommending that the Council adopt 2023 sewer rates effective January 1, 2023 at its Council meeting on March 13, 2023. Waiting until March 27, 2023, as previously discussed with the Council, will not allow staff enough time to reprogram the billing software prior to bills going out in April. The reasons to move ahead with sewer rates now is twofold:

1. The rates currently programmed into the billing software do not provide for winter quarter averaging. It is important to reprogram the billing software before bills go out in April to ensure that winter quarter averaging is reinstated and that it is calculating properly.

2. The sewer fund's cash balance is less than the target cash reserves and is projected to remain so over the next ten years, as shown in the following graph. It is important to implement rate increases from the beginning of 2023 to ensure the system rebuilds adequate cash reserves over the long-term.

Ms. Kurtz reported at the January work session the Council asked if refunds could be provided to single family residential customers that did not receive winter quarter averaging in 2022. Ehlers has determined that credits can be provided on sewer bills to those affected customers. The cash balance graph above includes the provision of the credits. It is expected that single family residential customers who receive a credit will generally be those who during 2022 used more water per quarter from April through December as compared to January through March AND used more than 15,000 gallons of water per quarter in that same time period of April through December. Ehlers will assist the City in calculating the refund amounts, and Staff expects the credits will show up on the third quarter utility bills this fall.

Ms. Kurtz indicated sewer rate increases are needed to pay for debt service associated with the 2020 and 2022 bond issues, which financed the lift station and sewer pipe lining, plus pay for operations and maintenance, and slowly restore cash balances. Single family residential quarterly sewer billings will be based on the lesser of the winter quarter water usage or the actual quarterly usage, but not less than the 15,000 gallons included in the base charge. Winter quarter water usage will be calculated as the metered water usage during January, February, and March. The quarterly sewer billings for all other classes of customers will be based on the actual quarterly metered water usage. No sewer charges will be billed on irrigation meters. Staff commented further on the proposed quarterly sewer rates and recommended approval of the new rates.

Vickerman asked how residents would receive communication regarding the credits that would be on their bill in the third quarter. Ms. Kurtz explained she has discussed this matter with Staff noting she would look at providing a letter to residents.

Vickerman questioned if Staff had taken into consideration how bonding from the State legislature may impact the City's enterprise funds. Ms. Kurtz discussed the sewer fund balances and noted even with the proposed rates, the ending fund balance would not reach the target fund balances. She reported this was done to allow for time to see what the State legislature may approve.

Hultstrom asked if the Met Council grant for the sewer lining project would impact the City's sewer fund balance. Alyson Fauske, WSB & Associates, explained she did not believe the grant monies would impact the sewer fund because they were included in the budget last year.

**A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2023-12, setting sanitary sewer user fees for 2023. The motion carried 4-0.**

- D. ACCEPT METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES SEWER LINING GRANT

Alyson Fauske, WSB & Associates, explained the 2022 sanitary sewer lining project consists of lining approximately 20,135 lineal feet of sanitary sewer pipe in the south

and east part of the City with a cured-in-place epoxy resin pipe liner. The proposed improvements will help reduce groundwater infiltration into the system, eliminate root growth at joints and ultimately extend the serviceable life of this underground infrastructure. The sanitary sewer lines that are proposed for rehabilitation are located on several streets throughout the City. The recommended sewer repairs were determined after analyzing sewer televising. Work was completed in December, 2022 and the City is eligible to request that the Metropolitan Council Environmental Services (MCES) reimburse the City for up to 50% the project cost.

Ms. Fauske reported the estimated project cost including construction, engineering, legal and administrative costs was estimated at \$857,490.40. The total project cost based on the lowest bid was \$873,676.90 and the final project costs are \$854,858.90. The project funding includes the 2020 bond proceeds, a Metropolitan Council Environmental Services (MCES) Grant and the City's utility fund. Staff commented further on the project and recommended approval.

Johnson reported the City would be receiving \$52,762 in grant funding for this project.

Vickerman thanked Staff for applying for this grant funding.

**A motion was made by Johnson, seconded by Vickerman, to adopt Resolution No. 2023-13, accepting and approving the Grant Agreement between the City of Osseo and the Metropolitan Council Environmental Services for the Improvement of publicly owned infrastructure. The motion carried 4-0.**

E. APPROVE CITY CONCURRENCE ON SHINGLE CREEK AND WEST MISSISSIPPI BOUNDARY CHANGE

Grams explained the Shingle Creek Watershed Management Commission (SCWMC) and West Mississippi Watershed Management Commissions (WMWMC) are in the process of updating their legal boundaries to better reflect the current hydrologic condition. SCWMC and WMWMC request that the City review the proposed boundary and take action to provide concurrence with the revision as stated. The Watershed Commissions voted to update the boundaries of the two Commissions last summer now that they have a much better understanding of the hydrology of the land area for which the two Commissions are responsible and there has been a tremendous amount of development in much of the land area in these two Watersheds. The engineers from Stantec proceeded to look at all boundaries that were originally drawn when the Commissions were first created. They looked at all the properties along the boundaries between where, for example, the West Mississippi Watershed met the Elem Creek Watershed to see if those were accurate hydrologically. The practical affect for homeowners or business owners will be for what watershed will the taxes be assessed.

Grams explained how each affected City is asked to concur with the boundary changes by passing the proposed Resolution. The City Attorney's office reviewed this information and has recommended that the Council approve the boundary changes as requested. After municipal concurrence, SCWMC and WMWMC will submit the boundary revision to the Minnesota Board of Water and Soil Resources and to Hennepin County for updating of official property records. Staff commented further on the request and recommended approval.

Vickerman questioned if different boundaries would impact rates charged to residents. John Rauch, watershed commission member, explained the rates will be determined by which watershed a resident lives in. He noted there would not be a substantial difference between the two watershed districts. He reported the rates are established by the Met Council.

Johnson supported the City speaking with the watershed district in order to receive assistance with the planning and maintenance that was required on the ditch.

**A motion was made by Vickerman, seconded by Johnson, to adopt Resolution No. 2023-14, concurring with proposed watershed boundary changes. The motion carried 4-0.**

F. RATIFY FIRE DEPARTMENT RELIEF ASSOCIATION BYLAWS

Fire Chief Phenow stated the Board of Trustees of the Osseo Fire Department Relief Association (OFDRA) discussed and approved these bylaws changes on February 9, 2023. At the regular meeting of the membership of the OFDRA, also on February 9, 2023, the membership approved and adopted the proposed bylaws. He reviewed the proposed changes in detail with the Council and recommended approval of the amended bylaws.

Schulz thanked Fire Chief Phenow for his work on this item.

Johnson requested further information regarding the proposed benefit levels. Fire Chief Phenow described the benefits that would be paid to members based on their number of years of service.

**A motion was made by Schulz, seconded by Vickerman, to adopt Resolution No. 2023-15, ratifying the Osseo Fire Department Relief Association Bylaws. The motion carried 4-0.**

G. CLOSED SESSION – EMPLOYEE PERFORMANCE REVIEW

City Attorney Tietjen reported the Council HR Committee has asked to conduct a closed session review of an employee performance. Under Minnesota Statute regarding the Open Meeting Law, after a public body meets in a closed session to evaluate the performance of an employee, the body is required to summarize the conclusions regarding the evaluation at its next open meeting. A summary of the closed session proceedings will be given at the next open meeting, on March 27, 2023.

**A motion was made by Vickerman, seconded by Schulz, to adjourn the City Council meeting to a Closed Session at 7:53 p.m. pursuant to MN Statute Section 13D.05 subd3(a). The motion carried 4-0.**

**A motion was made by Schulz, seconded by Johnson, to reconvene the City Council meeting from a Closed Session at 8:37 p.m. The motion carried 4-0.**

H. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

**A motion was made by Johnson, seconded by Vickerman, to approve the Accounts Payable as presented. The motion carried 4-0.**

11. ADMINISTRATOR REPORT

Grams congratulated Lieutenant Todd Kintzi on his promotion.

12. COUNCIL AND ATTORNEY REPORTS

Schulz thanked Staff for their efforts to pursue grants on behalf of the City. Schulz congratulated Lieutenant Kintzi on his promotion.

Johnson reported the Minnesota House passed new regulations regarding the use of TIF. He noted this bill was now being considered by the Minnesota Senate.

Vickerman explained the Blue Line Extension Corridor Committee met on Thursday, March 9. She noted the group discussed the design plans for the City of Crystal. She anticipated this line would not be ready for use until 2028 or 2030. Vickerman congratulated Lieutenant Kintzi on his promotion.

Hultstrom discussed the recent town hall session and thanked Representative Bohner for her service to the City.

13. ANNOUNCEMENTS

Hultstrom reported there would be a fruit tree pruning workshop at the Osseo Orchard next to the Public Works building on Saturday, March 18 from 10:30 a.m. to 12:00 p.m.

Hultstrom encouraged residents to consider participating in the American Red Cross Blood Drive that would be held on Wednesday, March 22 at the Community Center from 1:00 p.m. to 7:00 p.m.

Hultstrom reported the Public Safety Advisory Committee would be meeting next on Wednesday, March 22 at 6:00 p.m.

14. ADJOURNMENT

**A motion was made by Schulz, seconded by Vickerman, to adjourn the City Council meeting at 8:47 p.m. The motion carried 4-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*