

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
May 22, 2023**

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, May 22, 2023.

2. ROLL CALL

Members present: Councilmembers Juliana Hultstrom, Mark Schulz, Alicia Vickerman and Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, Public Works Director Nick Waldbillig, Rebecca Kurtz, Ehlers & Associates; Jessica Cook, Ehlers & Associates; and City Attorney Mary Tietjen.

Others present: Harold E. Johnson, City Resident; RoseAnna Garibaldi, City Resident; Amy McNally, Hennepin County Library; Patty Hedrick, Hennepin County Library; John Roach, City Resident; Karen Ruzicka, City Resident; Frank Ruzicka, City Resident; Mark Cook, City Resident; Patti Hetrick, City Resident; Ashlee Mueller, City Resident; Teresa Aho, Business Owner; James Kelly, City Resident; Kathleen Gette, City Resident; Char Mead, City Resident; Sarita Nelson, City Resident; Michael Olkives, City Resident; and Preston Kroska, City Resident.

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 Hultstrom, to accept the Agenda as presented. The motion carried 4-0.

5. CONSENT AGENDA

- A. Approve May 8 Council Minutes
- B. Approve Lions Club Community Center Fee Waiver Request for Halloween Event
- C. Receive April American Legion Gambling Report
- D. Receive April Lions Club Gambling Report
- E. Receive April Fire Department Gambling Report
- F. Approve Hire of Elizabeth Dahlin for Movie in the Park Attendant
- G. Receive April Hockey Association Gambling Report

A motion was made by Hultstrom, seconded by Vickerman, to approve the Consent Agenda. The motion carried 4-0.

6. MATTERS FROM THE FLOOR

Harold E. Johnson, 12 6th Street NE, addressed the Council regarding the utility rate study. He noted the Council discussed this matter in January, February and in March the Council adopted the sewer rates. He commented that the water rates were further discussed at the end of March. He questioned what the billing was per quarter under the old system compared to the new system. He believed this was important when considering rate increases. Without this information, the rate study should be considered garbage. This omission was caused by the City Administrator. He explained 20 meters have still not been installed properly and no action has been requested from the Council to correct this matter. He expressed concern with the fact the City Administrator has failed to act on this. He reported he has always been a strong supporter of Ehlers & Associates, however with the information that was provided on the 600 Central Avenue project and from the utility rate study, he was questioning their abilities. He feared the information provided was benefiting the City Administrator and was fully disclosing information to the Council and taxpayers. He discussed how he caught several expenditures that were improperly expensed. He commented on how poorly the 2022 alleyway project was completed noting holes and chips were already occurring after the winter. He reported this was not quality work. He recommended Staff, Ehlers and WSB be held accountable for this work. He wished the newly appointed Council person all the best.

RoseAnna Garibaldi, 12 6th Street, commented on the question raised by Councilmember Hultstrom and Councilmember Johnson regarding the difference between the amount of purchased from Maple Grove to the amount of water sold to Osseo users. She explained Staff has failed to answer this question. She questioned how the City could select new water rates without this information. She requested the Council pursue this information prior to selecting new water rates.

7. SPECIAL BUSINESS

A. APPOINTMENT CITY COUNCILMEMBER

Grams stated former Councilmember Harold Johnson resigned at the May 8 Council meeting. The Council adopted Resolution 2023-23 accepting the resignation and declaring a vacancy on the Council. The Council directed Staff to accept letters of interest from individuals in the community who are interested in serving on the Council, fulfilling the remainder of the Council term (through December 31, 2024) by Wednesday, May 17 at noon. The City received a total of four letters of interest from community members from:

- 1) Ashlee Mueller
- 2) Mark Cook
- 3) James Kelly
- 4) Kathleen Gette

Grams explained the Council should consider those interested in the position, and motion to appoint one person to fulfill the remainder of the unexpired Council term.

Vickerman thanked the four candidates for stepping forward and being willing to serve as a Councilmember. She stated she would rather have someone voted into this position, but given the fact the Council had a vacant seat she supported the Council appointing someone. She appreciated the unique skills and abilities of each individual that stepped forward and noted she would support Ashlee Mueller being appointed to the open Council seat.

A motion was made by Vickerman, seconded by Hultstrom, to adopt Resolution No. 2023-25, appointing Ashlee Mueller to serve the remainder of the unexpired Council term.

Schulz stated everyone that applied had good qualifications. He appreciated the four residents that stepped forward and were willing to serve. He was of the opinion that Ashlee Mueller would be a good candidate for Council based on her prior experience with other City Commissions and Committees.

Hultstrom thanked all four candidates for stepping forward. She believed all four candidates had unique and valuable qualities. She stated serving on the Council was not easy, but rather was a great deal of work. She was of the opinion Ashlee Mueller had a good understanding of how the City works from the inside.

The motion carried 4-0.

B. APPROVE 2023 LIONS ROAR AND 5K SPECIAL EVENT PERMIT

Grams stated that the City is ready to host the 2023 Osseo Lions Roar event and 5K race September 8-9, 2023. The Lions Roar event and 5K race will feature many of the same events as in previous years. Members from the Osseo Lions and the Osseo Cross Country Team will be present on Monday night to present this item to the Council and seek approval. He reminded Council that the City provides various services in support of these events. The City also provides free advertising of the events through the City's social media accounts, website, and Gateway Sign. The events also include noted street closures. All City Department Heads have received the permits and provided any necessary comments. He commented on the event in further detail and recommended approval.

Schulz asked if the City would have enough law enforcement to assist with this event. Grams explained the City had a number of reserves that would be able to assist with this event. He noted the cost for law enforcement was paid for by the Lions.

A motion was made by Vickerman, seconded by Hultstrom, to approve the 2023 Osseo Lions Roar and 5K Race special event permits, waiver of fees for advertising and City services, and associated road closures. The motion carried 4-0.

C. ACCEPT DONATIONS

Grams stated the City has received the following donations:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
Osseo Lions Club	\$3,000	Beautification

American Legion Post 172 \$4,000 Police

Staff recommended the Council accept the donations.

A motion was made by Schulz, seconded by Hultstrom, to adopt Resolution No. 2023-26, accepting a donation from the Osseo Lions Club and American Legion Post 172. The motion carried 4-0.

- 8. PUBLIC HEARINGS – None
- 9. OLD BUSINESS

A. APPROVE WATER RATES

Rebecca Kurtz, Ehlers & Associates, commented on the history of the City’s water rates and noted the discussions the Council has had regarding the water rates over the past four months. She reviewed the three water rate options for the City in detail with the Council, noting the differences between each option and recommended approval of a water rate change.

Hultstrom explained she was having a hard time understanding the math. She understood the City wanted to encourage conservation. She stated she requested information regarding what was coming in from Maple Grove and what was going out to Osseo users. Because she didn’t have this information, she was having a hard time supporting a water rate increase.

Jessica Cook, Ehlers & Associates, explained in 2017 the City purchased 114,500,000 gallons of water from Maple Grove and the water loss was 25%, which meant the City sold 85,720,000 gallons. She reported in 2022 the water purchased was 103,500,000 gallons and the water loss was 13%, which meant the water sold was 90,000,000 gallons. She indicated there was water loss in every system, but the City did see an improvement. She commented further on how the math works for water rates that have a minimum. She stated the policy issue before the Council was weighing the benefit of a more aggressive conservation rate (Option 2), versus revenue stability (Option 1). She noted all three options were viable and all three would have very similar rate increases in the future.

Hultstrom explained she could not support a 10,000 minimum usage water rate. She expressed concern with how seniors would be impacted by water rate increases. She did not believe it was fair for residents to be charged for water that they were not using. She reported she fought four years ago to get the minimum from 10,000 to 8,000 gallons. She indicated she did not support the minimum going back up to 10,000 gallons. She thanked Staff for the additional information regarding the water purchased and used in 2017 and 2022. She noted she would not be able to support Option 1 for the new water rates. Ms. Kurtz thanked Councilmember Hultstrom for her feedback and stated the Council has to determine what type of policy they would like to have in place when it comes to its water rates.

Schulz stated he understood Councilmember Hultstrom’s concerns. He noted the City could bring down the bills for the low users with Option 2. However, the challenge

would be to ensure the new rate structure was stable. He commented further on the differences between Options 1 and 2 and noted he was leaning towards Option 2.

Vickerman agreed with Councilmember Schulz and stated she felt adding more people to the minimum made that number look better to her. She explained she preferred Option 1 or 2 moving forward. She requested further information regarding when irrigation and bulk rates apply to users. Ms. Cook reported this only to users that have a separate irrigation meter. She noted some businesses have a separate irrigation meter.

Schulz asked if the proposed water rates were designed to pay for the current and future water meters. Ms. Kurtz stated the proposed model has factored in the current debt service. However, she could not say the City would not need to bond for future water projects. Ms. Cook discussed the level of resources the City would have to work with, noting the existing meters would not have to be replaced for another 10 years.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2023-27, setting water user fees as Option 2 in 2023 and that these rates be implemented for the second quarter of 2023. The motion carried 4-0.

10. NEW BUSINESS

A. APPROVE MEMORANDUM OF UNDERSTANDING WITH HENNEPIN COUNTY LIBRARY

Grams stated Hennepin County Library staff recently approached Staff about a new concept to expand the Hennepin County Library Osseo branch hours. Extended hours would allow the Library to increase service to the Osseo community by providing a self-service model to borrowing library materials and using public technology during hours they would not have otherwise. The Library has experience providing self-service access to holds pick-up in several locations, and other nearby library systems are expanding access to libraries beyond staffed hours. This Memorandum of Understanding will outline the ways in which the Library and the City can together provide expanded service at Osseo Library and offer access to library service at hours more convenient to residents who live and work nearby. The pilot concept plan was presented to the Council Intergovernmental Relations Committee (Councilmembers Schulz and Vickerman) who met with Staff and Library representatives. The Committee also reviewed the draft MOU and is recommending approval to the Council.

Amy McNally, Hennepin County Library representative, explained Hennepin County has been discussing how to expand services in a new service model. She was excited to be discussing a pilot program with the City that would expand library hours through a self-service model. She discussed how this model has been successful in the Dinkeytown area. She was of the opinion that the self-service model would be a positive opportunity for Osseo. She commented further on what the new service model would look like in action.

Patty Hedrick, Hennepin County Library representative, discussed the goals for the expanded library hours, which would be to increase circulation and visit counts and for library patrons to experience self-service options as safe, intuitive and easy to use. She

described how self-service hours were benefiting other library systems in the metro area.

Ms. McNally reviewed the services that would be available during self-service hours. She stated this would include use of public technology, use of public computers, pick up holds, return materials, browse collections, check out materials using self-check machine, and can place holds. She reported visitors would not be able to obtain in-person reference services or physical library cards during self-service hours.

Hultstrom asked if library cards expire. Ms. McNally reported so long as cards are used regularly, they do not expire.

Ms. Hedrick discussed how the library would be accessed noting the extended service hours would be the same hours as the Osseo City Hall. She reported the interior door would remain unlocked during City Hall building hours and library staff would be onsite daily to conduct materials handling tasks. It was noted security cameras inside the library would be monitored by Hennepin County Security. She stated the library would assume all liability if something were lost or stolen. She understood there would be some questions at first from the public, but noted an educational campaign would be pursued to educate Osseo residents. She commented further on the timeline for the transition to the new hours, which would be July or early August.

Vickerman appreciated all of the County's efforts and explained she looked forward to the new changes coming to the library.

Hultstrom agreed stating she looked forward to seeing an increase in the number of residents visiting the library.

A motion was made by Hultstrom, seconded by Vickerman, to approve the Memorandum of Understanding expanding Library hours in Osseo City Hall. The motion carried 4-0.

B. APPROVE LIQUOR AND TOBACCO LICENSE RENEWALS

Grams reviewed the renewal license applicants for liquor, beer, wine, and tobacco products. He reported all applicants, except for Yellow Tree Theatre, have submitted all required documents to be considered for license approval, plus paid the fees for all licenses. Background investigations for all applicants have been completed. Staff commented on the licenses in further detail and recommended approval.

A motion was made by Schulz, seconded by Hultstrom, to approve liquor and tobacco license renewals as presented for July 1, 2023 to June 30, 2024. The motion carried 4-0.

C. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT

Grams thanked all service members for their dedicated service to this country.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen explained the legislative session was wrapping up. She noted the State did vote to legalize cannabis and the City currently had a moratorium in place regarding the sale of THC edible products. She noted she would be following up with Staff on options for the City.

Hultstrom welcomed Ashlee Mueller to the Council.

Hultstrom reported Representative Susan Fa worked diligently on behalf of Osseo and she was able to get the City \$1.6 million out of the cash fund and noted these funds would go towards the 2020 lift station project.

Vickerman stated she was very proud of the fact the City received these funds as well. She thanked the local legislators for all of their assistance with this funding.

Vickerman thanked Councilmember Harold Johnson for his many years of service on the City Council and stated she was looking forward to working with newly appointed Councilmember Ashlee Mueller.

Schulz reported he was proud of the fact the City received \$1.6 million from the State. He explained he appreciated all of the efforts of the Council, Staff, and the local representatives to pursue this funding. She thanked Representative Fa for working so diligently on behalf of the City.

Schulz thanked all of the veterans who have served and encouraged all residents to take some time and consider those who gave the ultimate sacrifice for this country.

Poppe thanked the four individuals that expressed their interest in serving on the Council.

13. ANNOUNCEMENTS

Poppe stated the City was looking for volunteer drivers with a valid driver's license willing to drive the Osseo trolley June through September.

Poppe noted City Hall would be closed on Monday, May 29 for Memorial Day.

Poppe encouraged residents to attend the Memorial Day ceremony on Monday, May 29 at 10:00 a.m. at Boerboom Park.

14. ADJOURNMENT

A motion was made by Schulz, seconded by Hultstrom, to adjourn the City Council meeting at 8:15 p.m. The motion carried 4-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial