

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
August 28, 2023**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:05 p.m. on Monday, August 28, 2023.

2. ROLL CALL

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

Staff present: City Administrator Riley Grams, Alyson Fauske, WSB & Associates; Community Management Coordinator Jessica Rieland and City Attorney Mary Tietjen.

Others present: Chris Rains, Business Owner; Karen Ruzicka, City Resident; James Kelly, City Resident; Kathleen Gette, City Resident; Carole Lason, City Resident; Ann Schneider, City Resident; Paul Clausen, City Resident; Ken Schneider, City Resident; Kurt Kragness, City Resident; John Elmer, 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 Hultstrom, seconded by Schulz, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive August 14 EDA Minutes
- B. Approve August 14 Council Minutes
- C. Accept Resignation of Firefighter Beth Thibodeau
- D. Accept August American Legion Gambling Report
- E. Approve Hire of Firefighter Benjamin Lassell
- F. Receive August 21 Planning Commission Minutes

Hultstrom requested a correction to the August 14 Council minutes on Page 6 going into Page 7 noting Councilmember Vickerman's statement should be changed to be her statement.

A motion was made by Hultstrom, seconded by Mueller, to approve the Consent Agenda as amended. The motion carried 5-0.

6. MATTERS FROM THE FLOOR – None

7. SPECIAL BUSINESS

A. OSSEO SESQUICENTENNIAL CELEBRATION OPTIONS

Grams stated Osseo resident Kathleen Gette has requested an opportunity to present to the City Council regarding several options for the City’s upcoming 150th (sesquicentennial) celebration in 2025.

Kathleen Gette thanked the Council for their time. She provided an update on the 150th Celebration Committee noting the City of Osseo would be celebrating its 150th Anniversary in 2025. She reported a group of 40 resident volunteers are busy making plans for the festivities and are planning a publication. She encouraged residents to visit the Osseo 150th Celebration page on Facebook and invited those interested in looking to get involved to volunteer. Potential dates for the event were further discussed and she requested feedback from the Council.

Hultstrom encouraged the committee to not get their heart set on decorating the water tower due to safety concerns.

Vickerman stated she liked the idea of a laser light show for this celebration. She thanked Ms. Gette for the update and looked forward to hearing more about this event in the coming months.

Schulz questioned if the committee has considered how to fund this event. Ms. Gette stated the group was speaking with local organizations about funding this event.

Poppe thanked Ms. Gette and the other volunteers for their efforts.

B. ACCEPT DONATION TO MOVES IN THE PARK FUND (Resolution)

Grams stated the City has received the following donations:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
Bob & Carl’s Auto Body	\$200	MiniDazzle
Beverly Gustafson <i>(In Memory of Harold E. Johnson)</i>	\$20	Beautification
Sipe Bros, Inc.	\$100	Fire

Staff recommended the Council accept the donations.

A motion was made by Schulz, seconded by Hultstrom, to adopt Resolution No. 2023-38, accepting a donation from Bob & Carl’s Auto Body, Beverly Gustafson and Sipe Bros, Inc. The motion carried 5-0.

8. PUBLIC HEARINGS

A. MORATORIUM ON CANNABIS BUSINESS PUBLIC HEARING AND FIRST READING OF ORDINANCE

City Attorney Tietjen stated the City Council has addressed cannabis and hemp product regulations at several recent work sessions and Council meetings. The Council directed staff to prepare an interim ordinance, as allowed by the State Cannabis Act, to temporarily prohibit the establishment and operation of cannabis businesses within the City. It was noted this action required a public hearing. Staff explained the moratorium would expire on January 1, 2025 and would not impact the sale of lower potency products in Osseo.

A motion was made by Hultstrom, seconded by Mueller, to open the Public Hearing at 7:22 p.m. The motion carried 5-0.

A motion was made by Hultstrom, seconded by Vickerman, to close the Public Hearing at 7:23 p.m. The motion carried 5-0.

Schulz explained he supported the proposed moratorium noting this would put a pause on this topic to allow Staff time to further study this topic. He reported a number of other cities were putting moratoriums in place. He discussed how the consumption of lower potency products/cannabis was allowed on private property and suggested the City look into how to manage this consumption on City properties. He commented on how public safety was being impacted by cannabis and noted it was his understanding municipalities could open dispensaries. He supported the City looking into this, noting this would ensure cannabis was brought into the community in a responsible manner. He discussed how revenues from this could assist with public safety expenditures.

Hultstrom stated she believed this could be a win-win situation for Osseo and the revenues would be great for the community. She supported staff exploring this option further.

Mueller agreed this should be investigated, noting the new revenue streams would greatly benefit the residents of Osseo. She believed a partnership between the City and the Osseo Police Department would be the right thing to do for the dispensary.

Vickerman also supported Staff looking into this further but questioned how the optics of a municipal only dispensary would look to the community. City Attorney Tietjen indicated there were a number of cities that were looking into making the smoking of cannabis on public property a petty misdemeanor. She noted the Council could discuss moving forward with a separate ordinance to address this concern.

Hultstrom commented on the amount of revenue the Tribal dispensaries brought in after one month of legalized sales of cannabis.

Schulz clarified for the record he would be supporting the moratorium in order to provide Staff with the time necessary to study how cannabis sales should be conducted in the community and this had nothing to do with the City pursuing a municipal dispensary.

A motion was made by Hultstrom, seconded by Vickerman, to approve the first reading of the Ordinance, authorizing a study and imposing a moratorium on the operation of cannabis businesses in the City of Osseo. The motion carried 5-0.

9. OLD BUSINESS

A. APPROVE 2024 STREET PROJECT PLANS AND SPECS

Alyson Fauske, WSB & Associates, stated the Council approved the feasibility report for this project without the optional sidewalk improvements and without the 1st St NW improvements on June 26, 2023, and called for the improvement hearing to be held on July 24, 2023. The 2024 Street Reconstruction & Rehabilitation Project consists of street improvements throughout the City. Staff addressed the questions that were raised by the Council at their last meeting. She explained a reconstruction project was being recommended because there was not enough base material to allow for a mill and overlay. She discussed the number of curb and gutter sections that would be replaced through this project. She commented further on the proposed improvements and recommended the project be ordered, along with preparation of the plans and specifications.

Hultstrom explained she made one phone call today and learned there was funding available to small cities that could be used to assist with street improvements. She learned the City would be able to apply for this funding in September. She questioned why staff was not aware of this grand funding. She reported she was not able to connect with the City Administrator today to learn more about City Ordinances regarding streets. She understood there were residents that were concerned with the cost of this project and she believed it was in the City's best interest to apply for grants and aid that would assist in covering the expense of this project. She was of the opinion this cost for this project was outlandish and questioned why the infrastructure under this street was being improved. She feared the City was not doing its due diligence with this project. She expressed concern with the fact the Council was taking the opinion of a consultant who would benefit financially from this project. She believed other funding should be pursued and perhaps another opinion should be pursued for this project.

Ms. Fauske explained the grant Councilmember Hultstrom discussed was the Local Road Improvement Plan funding. She stated in her experience this grant was highly competitive and a local road improvement that does not have a regional impact, does not score well. She commented in looking at this grant, the City would have to work with Hennepin County to get this grant, because Osseo was not a State Aid City.

Schulz supported the City further investigating if any County or State grant funding was available. He supported this project moving forward and asked that staff ask the question regarding the availability of grant funds. He indicated he spoke with a member of the Cemetery Committee and it was his understanding this group would be willing to consider a donation to the City. This group has asked the City to send a letter regarding the proposed street project in order to present to the Committee for consideration.

Hultstrom recommended the City apply for grant funding as well because the Council did not know how the project would score. She explained she was not an engineer nor was she a grant writer. She discussed how Champlin recently approved mill and overlay projects in lieu of street reconstruction projects. She commented on the number of issues the City has had with its street improvement projects over the past four years. She feared that property owners were not seeing the benefit from the street projects.

She did not support this project moving forward given the large tax levy the City would be facing.

Schulz clarified for the record this project would include stormwater improvements. He indicated he wanted the public to know that Champlin assessed 100% for street projects, including mill and overlay. He reported a client of his recently received an assessment of \$6,000 for a mill and overlay project.

Hultstrom questioned why this street was being redone but the water and sewer lines were not.

Poppe inquired if Staff completed analysis on this. Ms. Fauske stated storm sewer extensions would be completed as part of this project. She noted the sanitary sewer pipes were televised in 2019 and the lines were scored. She indicated the pipes in this project area were not need in replacement. In addition, no backups were found. She reported the watermain in this area was also not in need of replacement, based on the borings.

Hultstrom asked if the large equipment that would be brought in for the street improvement work would impact the water and sewer lines. Ms. Fauske explained the watermain depth was typically 7½ feet and staff did not anticipate any concerns with the lines during work.

Schulz questioned if there had been any water or sewer line freezing concerns in this area. Grams stated there were some freezing concerns around Sipe Park, but this was taken care of four or five years ago.

Schulz inquired if the Council should consider re-televising this line in order to provide updated images of the sewer lines prior to this project moving forward. He asked what this expense would be. Ms. Fauske estimated it would cost several thousand dollars to televise these utility lines.

Schulz supported the sewer lines being televised as part of ordering these improvements.

Vickerman stated if these sewer lines required work, the City could line them without impacting the street. Grams stated it would be far more effective for the City to slip line these sewer lines than to pull them out and replace them as part of this street improvement project. He reported slip lining was extremely effective and was a fraction of the cost when compared to replacing sewer lines.

Hultstrom commented on Chapter 92 of City Code which addressed alleys and sidewalks. She requested Staff conduct further investigate into the City Code and how streets are to be improved. Grams stated he was not aware of any ordinance that requires infrastructure improvements as part of the street project. He reported this was taken into account through each street projects.

Schulz reported the Council has talked about doing an extensive review of City Code, but currently staff does not have the bandwidth to complete this task. City Attorney Tietjen did not believe the City had an ordinance in place that addressed streets.

Ms. Fauske explained she conducted some research after the last Council meeting and confirmed that the school district would be included in the assessment policy. She noted the church cemetery would be exempt from the assessment. She reported the 9th Street frontage, which was State of Minnesota property could not be assessed because the State would see no benefit from this street improvement project. She commented further on the project timeline and requested the Council order the project.

Schulz stated a resident that has a contact at the State of Minnesota was going to ask if the State would be willing to put money towards this project. He explained he would be voting to move this project forward with the understanding the project still has not been approved.

Vickerman indicated she would support this project moving on to the next step.

A motion was made by Mueller, seconded by Vickerman, to adopt Resolution No. 2023-39, ordering improvements and preparation of plans and specifications for the 2024 Street Reconstruction and Rehabilitation Project, directing Staff to televising the sewer lines within the project area.

Schulz thanked the residents that live in the project area for reaching out to him to discuss their concerns.

The motion carried 4-1 (Hultstrom opposed).

B. APPROVE SECOND READING AND ADOPTION OF FRANCHISE ORDINANCE WITH XCEL ENERGY

City Attorney Tietjen stated pursuant to authority in state law, cities may require that utility companies obtain a franchise authorizing use of public rights-of-way (ROW) to provide service. Utility franchises are typically granted by ordinance. Additionally, cities may impose a franchise fee on utility companies to raise revenues and/or help defray municipal costs associated with utility operations within a city's boundaries. On November 28, 2011, the City of Osseo adopted Ordinance No. 2011-8 implementing an electric franchise fee on Northern States Power Company (dba Xcel Energy). Per the ordinance, the franchise fee commenced on March 1, 2012. The Ordinance is attached to this Memorandum for the Council's reference. Last year, Xcel representatives reached out to the City Administrator advising that the current franchise between Osseo and Xcel would be expiring in 2023. Xcel and the City's attorneys negotiated a new franchise ordinance for the Council's consideration and approval.

A motion was made by Vickerman, seconded by Mueller, to approve the Second Reading of Ordinance No. 2023-04, adopting the Electric Franchise Ordinance with Xcel Energy. The motion carried 5-0.

10. NEW BUSINESS

A. APPROVE HIRE OF JESSICA RIELAND FOR COMMUNITY MANAGEMENT COORDINATOR

Grams stated in July, Joe Amerman left employment with the City of Osseo for a position with the City of Maple Grove. This left a vacancy in the Community Management Coordinator position. The City posted for the position and received over 30 applications. City Administrator Riley Grams reviewed and scored all applications and invited the top scoring candidates to interview with the Council Human Resources Committee (Councilmembers Schulz and Hultstrom) on August 16. After completing all the interviews, the Committee had a very difficult decision to make as the interviewed candidates were excellent and would have been great employees. However, in the end, the Committee opted to offer the position to Jessica Rieland. Jessica and I negotiated the terms of her employment and she has accepted the position.

Grams reported Jessica comes to Osseo with great education and work experiences. She graduated from the University of Minnesota with a bachelor's in urban studies, and an Associate's degree in Marketing and Management from Normandale Community College. Jessica most recently worked as the City Clerk/Associate Planner for the City of Oak Grove. We believe she will be a great fit for the City of Osseo in this role. The position is on Pay Grade 9, and Jessica will start on Step 2 (\$36.09/hour) of the Employee Compensation Plan. The position is a full-time position, and eligible for all full-time employee benefits per the Employee Personnel Policy. Jessica plans to start her first day on Tuesday, August 29.

Jessica Rieland introduced herself to the Council noting she currently lived in Bethel, Minnesota where she served two terms on the City Council. She indicated she has also served on the Business Council in Mounds View. She reported for the past three years she has worked as the City Clerk for the City of Oak Grove.

Vickerman welcomed Ms. Rieland to the City of Osseo.

Schulz stated he appreciated the fact Ms. Rieland has been an elected official with another city.

Mueller explained she looks forward to working with Ms. Rieland.

A motion was made by Hultstrom, seconded by Schulz, to approve the hire of Jessica Rieland as a Community Management Coordinator. The motion carried 5-0.

B. APPROVE SITE, BUILDING PLAN APPLICATION, AND PRELIMINARY PLAT FOR 300 2ND STREET SE

Grams stated property owner Chris Rains has submitted an application for a site and building plan approval, and preliminary plat for a new construction townhome project located at 300 2nd Street SE. The plans call for six individual unit townhomes on the property, with drive through garage access and two levels for living space above (three story total height). The units will be constructed and then sold individually, being managed by a newly created townhome association. The zoning of this property is Edged Mixed Use, and multi-family residential is an approved use in that zone. This project meets the zoning requirements for the EMX zone, as well as the City's Comprehensive Plan. The project allows for 2 off-street parking stalls for each unit, well within the City's zoning requirements (zoning requirements require one per living unit).

Grams reported the City Engineer has provided a memo noting several items (including grading plans, parking layout, sanitary sewer and water main access, stormwater management and erosion control), and it is expected that all items can be satisfactorily addressed within the project plans. The Planning Commission reviewed the project and plans at their Monday, August 21 meeting, and voted 6-1 in favor of recommending approval of the project to the City Council, contingent on the following ten conditions of approval:

1. Any necessary payment for SAC charges must be made prior to issuance of any building permits;
2. The applicant shall obtain all necessary building and sign permits and pay all fees related to the proposed improvements;
3. Weeds and other vegetation shall be maintained at all times in accordance with Chapter 93.38 of the City Code;
4. The applicant shall revise the landscape plan to bring the plan into compliance with the zoning ordinance by increasing the number of trees on the site or on public property to a total of twelve and replacing the junipers with a shrub that would be more salt and snow tolerant while maintaining headlight screening.
5. The applicant shall revise their plans to comply with the City Engineer comments dated August 15, 2023, and City regulations.
6. The site plan will be valid for three years following the date of approval unless work begins toward completion within the three-year period. The approval can be renewed upon application and Council approval for one additional year.
7. The applicant provides necessary documents to address cross-access and maintenance of the eastern parking lot and landscape areas by all property owners of Lots 1-7 Block 1. These documents must be reviewed and approved by the City prior to release of the final plat for recording.
8. The final plat should not be filed with the County until the applicant has submitted final construction documents for the approved Townhome site plan.
9. The property owner must obtain a demolition permit for the existing residence and garage.
10. The applicant should submit a final lighting plan that meets ordinance criteria.

Chris Rains, 624 Central Avenue, thanked the Council for considering his request.

Schulz thanked Mr. Rains for bringing this project to the Council. He thanked Mr. Rains for being persistent and working through the approval process with the City. He appreciated Mr. Rains passion for the City and looked forward to having a new housing product on this property.

Vickerman stated this was an exciting project that would benefit the community.

Schulz thanked the Planning Commission for their thoughtful deliberation of this request.

A motion was made by Hultstrom, seconded by Mueller, to adopt Resolution No. 2023-40, approving the site and building plan, and preliminary plat for 300 2nd Street SE with conditions. The motion carried 5-0.

C. APPROVE NEW EDIBLE CANNABINOID PRODUCTS LICENSES

Grams stated on August 14, 2023, the City Council of the City of Osseo adopted Ordinance No. 2023-03. The ordinance adds Chapter 118 to the Osseo Code of Ordinances licensing the sale of edible cannabinoid products containing THC at tobacco and liquor (exclusive and on-sale only) establishments within the city. This ordinance will remain in effect and the approved licenses will be valid until March 1, 2025, or until the Office of Cannabis Management assumes licensing of Edible Cannabinoid Products. The following tobacco and liquor establishments are eligible for the new license type by submitting the required application and paying the \$500 license fee. No additional background check is required. The Council should allow for public comment to consider approval of the new licenses.

Applicants:

1. Duff's LLC dba Duffy's Bar & Grill (current on-sale liquor license)
2. The Gr8 Vape LLC dba The Gr8 Vape (current tobacco license)
3. ZR's Mainstreet Liquor dba ZR's Mainstreet Liquor (current exclusive liquor store/tobacco license)
4. Yayin Gadol, LLC dba Top Ten Liquors (current exclusive liquor store/tobacco license)

A motion was made by Schulz, seconded by Vickerman, to approve the new edible cannabinoid products licenses for eligible liquor or tobacco establishments. The motion carried 5-0.

D. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT – None
12. COUNCIL AND ATTORNEY REPORTS

Hultstrom welcomed Jessica Rieland and Firefighter Lassell to the City of Osseo.

Hultstrom thanked Dave and Rosanna Garibaldi for working diligently to keep Central Avenue looking fantastic this summer.

Hultstrom noted she attended a League of Minnesota Cities HR and Data Practices Committee meeting last week where data practice requests were discussed.

Mueller thanked the volunteers who were serving on the 150th Celebration Committee.

Schulz thanked the Council for the thoughtful discussion this evening and for hearing all of the concerns from the Council. He encouraged residents to continue to provide the Council with feedback.

Poppe sent his condolences to Steve Grant's family, who was the Osseo Rink Attendant for a number of years.

13. ANNOUNCEMENTS

Poppe invited residents to visit the farmers market every Tuesday from 3:00 p.m. to 7:00 p.m.

Poppe reported the City was seeking a Parks and Recreation Committee member. Those interested were encouraged to contact City Hall for further information.

Poppe reported City Hall would be closed on Monday, September 4 for Labor Day.

Poppe explained there would be a Red Cross Blood Drive at the Community Center on Wednesday, September 6 from 1:00 p.m. to 7:00 p.m.

Poppe encouraged the public to attend the 2023 Lions Roar which would be held on Friday, September 8 and Saturday, September 9 in Downtown Osseo.

14. ADJOURNMENT

A motion was made by Schulz, seconded by Mueller, to adjourn the City Council meeting at 8:45 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial