

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
June 10, 2024**

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, June 10, 2024.

2. OATH OF OFFICE

City Attorney Tietjen administered the Oath of Office to newly appointed City Councilmember John Hall.

3. ROLL CALL

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

Members absent: Councilmember Alicia Vickerman

Staff present: Police Chief Shane Mikkelson and City Attorney Mary Tietjen.

Others Speakers present: Carole Larson, City Resident; Alyson Fauske, WSB & Associates; Janel Bitzen, BerganKDV.

4. PLEDGE OF ALLEGIANCE

Poppe led the Pledge of Allegiance.

5. APPROVAL OF AGENDA [Additions - Deletions]

Poppe asked for additions or deletions to the Agenda.

Schulz requested the agenda be amended adding an item to accept the resignation of Community Management Coordinator Jessica Rieland. City Attorney Tietjen suggested this be placed under Item E on the Consent Agenda.

A motion was made by Schulz, seconded by Hall, to accept the Agenda as amended. The motion carried 4-0.

6. CONSENT AGENDA

- A. Approve May 28 Work Session Minutes
- B. Approve May 28 Council Minutes
- C. Receive June 3 Parks & Recreation Minutes
- D. Receive May Fire Department Activity Report
- E. Accept Resignation of Community Management Coordinator Jessica Rieland

Hall noted minor changes to the June 3 Parks and Recreation minutes.

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

7. MATTERS FROM THE FLOOR

Ed Columbus, 11 4th Street, invited the public to attend the first Music and Movies in the Park event which would be held on Tuesday, June 11 beginning at 6:30 p.m.

Mr. Columbus explained it came to his attention that the sign at City Hall was in need of maintenance. He asked if the Lions could repair and paint this sign. Poppe thanked Mr. Columbus for bringing this matter to the Council and noted Staff would be in touch.

Kenneth Peloquin, 9315 Union Terrace Lane North, Maple Grove, asked if the City would be approving a tax on pull tabs in Osseo.

Schulz stated a fee was being approved by the Council.

Mr. Peloquin reported he was the gambling manager for the Lions. He stated the City gives a great deal of money to the City of Osseo. He questioned why the Council wanted to approve a fee or tax at this time.

Schulz explained this item would be further discussed under agenda Item 10A.

8. SPECIAL BUSINESS

A. SWEARING IN CEREMONY FOR POLICE OFFICER RYAN SWANSON

Mikkelson introduced Officer Ryan Swanson to the City Council noting he started with the Osseo Police Department on May 15, 2023. He reported Officer Swanson has successfully passed his 1-year probationary period and is currently one of the departments finest firearms training officers.

City Attorney Tietjen administered the Oath of Office to Police Officer Ryan Swanson.

Officer Swanson's badge was pinned on and a round of applause was offered by all in attendance.

B. 150TH CELEBRATION COMMITTEE UPDATE

Carole Larson, Committee Chair, provided the Council with an update from the 150th Celebration Committee. She reviewed the activities that were being planned for the 150th Celebration. She indicated the committee has been working together for over a year and meets on the 4th Thursday of the month at the Community Center. She noted subcommittees have been formed to assist with planning this event. She reviewed the merchandising and advertising efforts that have been pursued by the committee. She commented on how the 150th Celebration committee would be attending summer events in order to get the word out on this event. She explained the publication for the event was already 60 pages. She indicated the committee has been working

independently on this project, in cooperation with the Maple Grove Historical Society. It was her hope the City Council would provide feedback and assistance in the future.

Schulz thanked Ms. Larson for her detailed presentation.

Hall invited Ms. Larson to attend the EDA social event on Wednesday, June 26 at the American Legion from 4:30 p.m. to 6:30 p.m.

Mikkelson questioned if the Council would support staff participating in the 150th Committee meetings. The Council supported staff attending these meetings.

C. APPROVE LIONS ROAR 5K SPECIAL EVENT PERMIT

Mikkelson requested the Council approve the Lions Roar 5K special event permit. He reported the Lions Roar 5K would be held on Saturday, September 7.

Schulz stated he supported this event moving forward and appreciated all of the assistance the Lions brought into the community to host this event.

A motion was made by Schulz, seconded by Hall, to approve the Lions Roar 5K Special Event Permit. The motion carried 4-0.

D. APPROVE DUFFY'S SUMMER PARTY SPECIAL EVENT PARTY

Mikkelson requested the Council approve Duffy's Summer Party special event permit. He reported Duffy's Summer Party would be held on Saturday, June 29 from 8:00 p.m. to 12:00 a.m.

A motion was made by Hall, seconded by Schulz, to approve Duffy's Summer Party Special Event Party permit. The motion carried 4-0.

9. PUBLIC HEARINGS

A. SPECIAL ASSESSMENT PUBLIC HEARING FOR 2024 STREET PROJECT

Alyson Fauske, WSB & Associates, stated the 2024 Street Project consists of reconstructing North Oaks Drive and 1½ Street NE (Central Avenue to 1st Avenue NE), reclamation of 3rd Street NE, 8th Avenue NE, 9th Avenue NE, 1st Street NE, and Broadway Avenue ("8th/9th Ave Area"), and the mill and overlay of the CR 81 Frontage Road. Utility work includes extension of storm sewer and replacement of hydrants. All of the curb and gutter will be replaced in the reconstruction areas. Spot curb and gutter replacement in the 8th/9th Ave Area will consist of removal and replacement of full panels that are severely damaged, have heaved, or have settled. There are several panels throughout the 8th/9th Ave Area that are flat and therefore hold water for a period of time following rain events. In order to fix this issue, the street grade would need to be adjusted; therefore, these panels will not be replaced with this project. Six bids were received on April 16, 2024 and at the May 13, 2024 meeting the City Council awarded the project to the lowest responsible bidder, Park Construction Company.

Ms. Fauske reported the total project cost is estimated at \$1,468,663.37 and includes all proposed street and utility improvements, a construction contingency as well as all engineering and administrative costs. A portion of some of the project costs will be assessed based on the City's special assessment policy, past practice and City Council direction: 50% of the street reconstruction cost, 50% of the curb replacement costs and 25% of the street reclamation costs. The remaining will be financed by the City through street and enterprise funds.

Ms. Fauske explained the final assessment rolls have been prepared based on the results of the low bid. The table below is a comparison of the estimated assessments from the feasibility report and the proposed final assessment amounts. Note that the project scope for the 8th/9th Ave Area changed from reconstruction (assessed at 50%) to reclamation (street improvements assessed at 25% and curb and gutter replacement assessed at 50%). Staff commented further on the proposed assessments and requested the Council hold a public hearing and adopt the proposed assessments for the 2024 Street Reconstruction and Rehabilitation Project.

A motion was made by Hultstrom, seconded by Hall, to open the Public Hearing at 7:44 p.m. The motion carried 4-0.

There were no comments from the public.

A motion was made by Schulz, seconded by Hall, to close the Public Hearing at 7:45 p.m. The motion carried 4-0.

Schulz requested further information regarding the different assessment rates that were being used for the properties within the project area. Ms. Fauske explained the project was bid according to the different project areas. She indicated she could follow up with the contractor to see why the prices were different per front foot for the three different project areas.

Schulz expressed concern with how this project would be assessed at a 25% assessment rate, which meant the residents of Osseo would be paying the remaining 75%, many of them who have paid 50% assessments for their streets. He did not believe this was an equitable assessment. He stated after voting on so many of these projects over the years, he would not be able to support the 25% assessment rate.

Hultstrom reported there were other projects that the City has paid 100% for.

Schulz explained this was only done for maintenance projects.

Hultstrom indicated she appreciated Councilmember Schulz's thoughts but she had a differing opinion. She discussed how this project was different and noted she appreciated how the Council had listened to the residents of this neighborhood when it came to the assessments for this project. She also appreciated how the Council had made the assessment policy transparent. She clarified she was within the project area, but she believed it was more than fair to assess 25% for this project.

Schulz reported he was expressing his opinion. He indicated he did not feel comfortable with the 25% assessment rate. He understood the proposed assessments would impact

the residents within the project area, but if the 25% assessment rate were followed, there would be impacts on all residents in Osseo. He reported he appreciated all of the residents that spoke regarding this reconstruction project. He understood that Councilmember Hultstrom had stated on the record that if the 50% assessment were approved, she would not be able to afford to live in her home. He stated Councilmember Hultstrom was allowed to have her opinion, but noted this was a special assessment and he supported the Council following its previous applied policy since 2010. He indicated he did not appreciate the manner in which Councilmember Hultstrom came at him.

Hall stated he feared the Council was comparing apples, oranges and pears. He indicated this street improvement project had three separate components: a complete reconstruction, a reclamation and a mill and overlay. He reported the City's assessment policy does state it could be amended by the City Council. He believed 50% on a reclamation would not be following the policy because it was not a complete rip and replace. He commented on how the City would be saving a lot of money in the long run by listening to its residents. He discussed how it would have cost the City a lot more money, to be in court, if the City had pursued a rip and replace project. He was of the opinion this project would not add adequate value to properties to support a 50% assessment. He commented on how assessments were encumbrances on properties in Osseo. He was of the opinion 25% was a fair assessment amount because something new was being done. He believed the recommendation from staff should be supported.

Hultstrom reported the bond was issued in 2022 and the City has been paying for it entirely. She did not believe it was fair for the Council to imply, because this neighborhood had come together and suggest the project be assessed differently, that the remainder of the City would now have to make up the difference. She commented on how the City would have \$400,000 in bond funding to spend because this neighborhood had thought up a different approach to this project.

A motion was made by Hultstrom, seconded by Hall, to adopt Resolution No. 2024-38, adopting assessment roll for the 2024 Street Reconstruction and Rehabilitation Project. The motion carried 3-1 (Schulz opposed).

10. OLD BUSINESS

A. APPROVE SECOND READING AND ADOPTION OF CITY ADMINISTERED FUND ORDINANCE

Mikkelson stated City staff developed the draft ordinance regulating lawful gambling based on the League of Minnesota Cities' model with changes incorporated from the Council meeting on April 22, 2024. The draft leaves in: (1) Permit required for local gambling; (2) City administered fund set to 10%; and (3) Annual investigative fee of \$100. The provisions that were removed result in: (1) no trade area requirement; (2) no limit of the number of organizations per premises; (3) no limit of the number of premises per organization; (4) no limit to the number of total licenses; and (5) removing the hours of operation provision. Staff commented further on the proposed Ordinance and recommended approval.

Schulz provided history on this Ordinance noting the original concept would be to create an administrative oversight for lawful gambling. He explained the 10% fee would be similar to the donations that were already being made to the City. He discussed how gateway sign fees would be waived for charitable gambling organizations going forward. It was his hope the City's charitable gambling organizations would take advantage of this opportunity in order to make local events more successful.

A motion was made by Schulz, seconded by Poppe, to adopt Ordinance No. 2024-03, adding a new chapter to the City Code related to Lawful Gambling.

Hall asked if all of the charitable gambling organizations had been contacted and asked for feedback on this matter.

Schulz indicated he has spoken with the American Legion and they understood the proposed change. He discussed how the proposed change would be very minimally disrupt the operations of the charitable gambling organizations in the community.

Hall explained he was concerned that a percentage should not be placed on these organizations or that these organizations would take their dollars elsewhere and donations would no longer be made to the City.

Poppe commented these organizations could do that right now. He indicated the proposed Ordinance would ensure the City received at least 10%.

Hall questioned if Staff had numbers on what 10% would look like for these organizations.

Schulz reported this information was included in a previous packet and noted the funding would look very similar to the donations that were already being made to the City.

The motion carried 4-0.

A motion was made by Schulz, seconded by Hall, to adopt Resolution No. 2024-39, approving summary publication of Ordinance No. 2024-03. The motion carried 4-0.

11. NEW BUSINESS

A. RECEIVE BUDGET AUDIT REPORT

Janel Bitzan, BerganKDV, provided the Council with a presentation on the 2023 audit. She reported the City received a clean or unmodified opinion which provides assurances that the financial statements are fairly presented in all material respects. She reviewed financial trend information for the City, commented on general fund revenues and expenditures, and discussed the net positions of the City's enterprise funds.

Hultstrom thanked Ms. Bitzan for her detailed presentation and for her patience when working with Staff on the audit.

Hall reported the City only had 20% to 30% in reserves at this time and the current policy requires the City to have 50% in reserves on hand. Groen stated 40% was typical for cities.

Hall indicated the City was about half of where it should be when it comes to its reserves. He clarified that the 56% for public safety was for police and fire. He commented further on the PTO fund and asked if the City had an adequate amount of funding set aside.

Schulz commented the PTO policies was currently being reviewed by the Interim City Administrator.

B. APPROVE 2024 OFFICIAL COUNCIL APPOINTMENTS

Mikkelson stated the resignation of Councilmember Ashlee Mueller was accepted in May, leaving vacancies on various Boards and Commissions. The Council should consider appointing a Councilmember to the following vacant positions:

| | |
|------------------------------------|-----------------------------------|
| Public Safety Committee: | Julianna Hultstrom & _____ |
| Historical Preservation Committee: | _____ |
| Parks & Recreation Committee: | Alicia Vickerman & _____ |
| Economic Development Authority: | Duane Poppe & Mark Schulz & _____ |

Mikkelson reported the Council should consider these openings and adopt the Resolution filling those vacancies.

Schulz pointed out an error on this document. He clarified for the record that earlier this year he was asked to fill a vacancy on the HR Committee after Councilmember Vickerman stepped back.

Hultstrom clarified she and Councilmember Vickerman serve on the Intergovernmental Committee. She noted these corrections were made in January.

Hall explained he would be interested in filling the vacancies on the Public Safety Committee and the Parks and Recreation Committee.

Hultstrom asked if Councilmember Hall was interested in serving on the Intergovernmental Committee.

Hall stated he would be willing to serve on this committee and the Historical Preservation Committee as well.

Schulz inquired if Councilmember Hall would be willing to serve on the EDA.

Hall explained he had a problem with the fact the EDA was made up of three councilmembers. He was of the opinion the EDA should be made up of more community members than councilmembers.

Hultstrom questioned if there would be an issue with having only two Councilmembers on the EDA.

Poppe stated this would not be a problem.

The Council further reviewed the list of appointments as discussed.

A motion was made by Schulz, seconded by Hall, to adopt Resolution No. 2024-40, adopting 2024 official City Council appointments as discussed. The motion carried 4-0.

C. APPROVE INTERIM CITY ADMINISTRATOR COMPENSATION AND BENEFIT ADJUSTMENT

Mikkelson stated on April 26, 2024, the Council appointed Shane Mikkelson as the Interim City Administrator. He reported the Council needs to adopt a compensation and benefit adjustment for based on the new responsibilities.

A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2024-41, approving the compensation and benefit adjustment for the Interim City Administrator Shane Mikkelson.

Schulz stated by doing this the City would save approximately \$160,000 through the dual role. Mikkelson reported this was the case.

Hall explained the compensation and benefit adjustment would continue until rescinded by the City Council.

Hultstrom thanked the Interim City Administrator for waiving unrestricted PTO.

Schulz thanked Interim City Administrator Mikkelson for being willing to step up and assume this position. He appreciated the leadership that has been exhibited by Interim City Administrator Mikkelson and that he was willing to learn on the fly. Mikkelson explained the appreciated the grace being offered by the Council as he was learning his new position.

The motion carried 4-0.

D. APPROVE ACCOUNTS PAYABLE

Mikkelson reviewed the Accounts Payable with the Council.

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

12. ADMINISTRATOR REPORT – None

13. COUNCIL AND ATTORNEY REPORTS

Hultstrom welcomed Councilmember Hall to the City Council.

Hultstrom welcomed Officer Ryan Swanson to the Osseo Police Department.

Hultstrom stated last week she attended the LMC Legislative Recap and she was appointed to the Policy HR and Data Practices Committee.

Hall congratulated all of the 2024 graduates and to the student athletes who competed all year.

Hall stated over the weekend a portion of the playground equipment at the old Osseo Elementary School was removed. He explained he made a phone call and learned this had to be done due to State requirements. He indicated new equipment would be installed to accommodate the students that attend this school.

Hall encouraged the public to attend the farmers market on Tuesday, June 11. In addition, he invited the public to attend the Music and Movies in the Park on Tuesday June 11.

Hall thanked all who spoke during the Matters from the Floor portion of the meeting.

Hall requested Police Chief Mikkelson compile information to assist him with understanding how the number of calls for service have increased for the Osseo Police Department over the past five years.

Police Chief Mikkelson stated in 2019 the department had 8,404 case numbers and at the end of 2023, the department had 10,585 case numbers. He commented as of 2024, the department already had 6,769 case numbers, which was ahead of 2023 numbers. He commented further on how the department was no longer able to find part-time officers and noted the City's additional officers were being utilized to assist with the increase in call volume.

Hall reported there would be a memorial service for fallen officer Jamal Mitchell at the Maple Grove Senior High on Tuesday, June 11.

Schulz stated he looked forward to serving with Councilmember Hall.

Schulz indicated the Osseo Police Department was one of the only departments in the northwest metro that was fully staffed. He explained public safety was the highest tenant for the City Council to provide for this community. He believed if residents did not feel safe in their homes, they would not live in this community. He appreciated how well the City has maintained property values.

Schulz stated his heart went out to Officer Mitchell's family and to the family of the other wounded officer.

14. ANNOUNCEMENTS

Poppe encouraged the public to attend the upcoming Music and Movies in the Park events planned for June 11 and June 18.

Poppe reported City Hall would be closed on Wednesday, June 19 for Juneteenth.

15. ADJOURNMENT

A motion was made by Hall, seconded by Hultstrom, to adjourn the City Council meeting at 8:50 p.m. The motion carried 4-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial