



# Osseo City Council Meeting

## AMENDED AGENDA

REGULAR MEETING  
Monday, June 10, 2024  
7:00 p.m., Council Chambers

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MAYOR: DUANE POPPE | COUNCILMEMBERS: JOHN HALL, JULIANA HULTSTROM, MARK SCHULZ, ALICIA VICKERMAN

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1. **Call to Order**
2. **Oath of Office** – Councilmember John Hall
3. **Roll Call** [quorum is 3]
4. **Pledge of Allegiance**
5. **Approval of Agenda** [requires unanimous additions]
6. **Consent Agenda** [requires unanimous approval]
  - 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**
7. **Matters from the Floor**

*Individuals may address the Council about any matter. The City Council will take no official action on items discussed at the Forum, with the exception of referral to Staff or Commission or Committee for future report. Individuals can also submit comments to [cityhall@ci.osseo.mn.us](mailto:cityhall@ci.osseo.mn.us) prior to a meeting.*
8. **Special Business**
  - A. Swearing in Ceremony for Police Office Ryan Swanson
  - B. 150<sup>th</sup> Celebration Committee Update – Carole Larson
  - C. Approve Lions Roar 5K Special Event Permit
  - D. Approve Duffy’s Summer Party Special Event Party
9. **Public Hearings**
  - A. Special Assessment Public Hearing for 2024 Street Project (Resolution)– Alyson Fauske, WSB & Associates
10. **Old Business**
  - A. Approve Second Reading and Adoption of City Administered Fund Ordinance (Resolution)
11. **New Business**
  - A. Receive Budget Audit Report – Janel Bitzan
  - B. Approve 2024 Official Council Appointments (Resolution)
  - C. Approve Interim City Administrator Compensation and Benefit Adjustment (Resolution)
  - D. Approve Accounts Payable
12. **Administrator Report**
13. **Council and Attorney Reports**
14. **Announcements**

Music and Movies June 11 & 18  
City Hall Closed Wednesday June 19 (Juneteeth)
15. **Adjournment**

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*The City of Osseo’s mission is to provide high-quality public services in a cost-effective, responsible, innovative, and professional manner given changing needs and available resources.*



## OATH OF OFFICE

I, John Hall, do solemnly swear to support the Constitution of the United States, the Constitution of the State of Minnesota, and to discharge faithfully the duties of the office of Councilmember of the City of Osseo, Minnesota, to the best of my judgment and ability, so help me God.

Dated: June 10, 2024

\_\_\_\_\_  
John Hall

Witness:

\_\_\_\_\_

**OSSEO CITY COUNCIL  
WORK SESSION MINUTES  
May 28, 2024**

1. CALL TO ORDER

Mayor Duane Poppe called the work session of the Osseo City Council to order at 6:00 p.m. on Monday, May 28, 2024.

2. ROLL CALL

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

Members absent: Councilmember Mark Schulz.

Staff present: Interim City Administrator Shane Mikkelson, Public Works Director Nick Waldbillig and City Attorney Mary Tietjen.

Other Speakers present: Dan Greuel, Oretel Architects.

3. AGENDA

Council agreed to discuss the work session items.

4. DISCUSSION ITEMS

A. DISCUSS CITY FACILITIES UPDATE

Mikkelson stated the Council held a work session on July 31, 2023 to discuss the current state of the City's aging City Hall and Public Safety building. At the meeting, staff discussed the myriad of issues surrounding the current facility, and the need to consider a rehabilitated or completely new facility in the very near future. The current building was originally constructed in the 1960s, and is outdated with aging utilities, inadequate ADA entrances and usable spaces, no windows in the staff office area, a host of water drainage issues and not enough space to house the increased Police Department. Additionally, the Fire Department space does not fit the current industry standards, and the entire facility does not currently meet the service needs of the community, nor will it meet the future service needs of the community.

Mikkelson reported the Council gave directions at that work session to bring forward a proposal to work with a local architecture firm to conduct a facility needs assessment. The Council approved a proposal from Oertel Architects, through local firm Rochon, to conduct the study at the August 14, 2023, Council meeting. Since then, Staff has met with representatives from Oertel Architects several times to begin the process of examining the current facilities, discuss with Department Heads the future requirements and service demands, and develop concept options for the City Council to consider.

Mikkelson explained on January 29, 2024, the Council held a work session to discuss the facilities needs and gave Staff feedback on the designs proposed. Staff and Oertel took the feedback and came back with new plans on April 29, 2024. Council discussed the plans for the Osseo Police Department at the Osseo Press site. During that meeting the Council expressed questions about the pricing of two different plans. Oertel has reexamined the plans that were first given to the council and the second set of plans presented to Council and came up with some better-informed number. They will explain the cost estimates at the meeting, and we will need to discuss the future of this project. The next steps will be outlined by Oertel Architects for this project if we chose to move forward. The recommendation is for the City Council to carefully explore the information presented in the work session and reach a general consensus about how the City should proceed with this project.

Dan Greuel, Oertel Architects, further discussed the options available to the Council for City Hall and the Osseo Police Department, noting the costs for each option. It was noted the single story option would cost about \$3.5 million, which may be more closely aligned with the City's budget for this project.

Vickerman requested further information regarding the square footage within the single story design and how it compared to the current City Hall square footage. Mr. Greuel stated City Hall currently had 3,200 square feet. He noted the foot print for the Press Building was 6,000 square feet.

Further discussion ensued regarding the proposed layout of the one story building.

Vickerman questioned if there were any sticking points with having a one story versus a two story building. Mikkelson discussed how the building may have to be flipped in order to accommodate a garage, noting he did not see how vehicles could exit onto 1<sup>st</sup> Avenue, but rather would have to exit into an alleyway.

Hultstrom stated she has not heard one positive comment from the public regarding splitting off the police department. She indicated she has had a lot of people come to her with concerns. She commented on how the Council was making decisions for all of Osseo. She explained she was having a hard time with this because if the City was going to spend \$3 to \$5 million, the project has to be done right. She wanted to be assured the City was meeting its needs. She reported she would not think about putting squad cars out onto an alley and if they were put onto 1<sup>st</sup> this would be an uncontrolled intersection. She stated there were a lot of things the Council still had to consider when it came to finances. She indicated the Council may have to consider a City-wide tax, but this would have to be considered in the future. She stated the City's best hope would be to get in on some bonding to assist with this project. She reported at this time she was not inclined to go further with this project given the fact she was conflicted and it may not work.

Vickerman agreed with some of these points, noting if the project were done, she wanted it done right. She wanted the community to get behind and be proud of the project without a huge price tag. She understood the Council had to spend taxpayers dollars wisely. She appreciated the fact Staff had brought forward viable options, but she was uncertain if the Council could make a decision about the one story versus the

two story option at this time, given the fact neither would work the way the City needed them to.

Poppe stated he was struggling with the layout and the site. He understood City Hall and the police department both needed room.

Vickerman commented on how a great deal of money would have to be spent, and she questioned if the existing building would properly meet the needs of the City after renovations were complete. She asked if the garage would become two stories. Mr. Greuel stated the garage would be one story with space over the garage.

Mikkelson stated more work could be done on the plans if this was requested from the Council. He indicated these were concept plans at this time.

Hultstrom reported she was hesitant to spend more money on plans given the fact the Council was struggling with getting the basics.

Mr. Greuel explained he was showing conceptual plans at this time to show how the space could be used. He reported more detailed schematics could be designed for the police space.

Hultstrom indicated she was struggling with moving this project forward given the fact the City did not have funding in place. She reported a State bonding request would have to be considered and the moratorium would have to be lifted on City-wide taxes before the City would have funding options in place. She commented this project would cost millions of dollars and she was not comfortable moving this project forward at this point.

Mikkelson stated after conducting research, it was his understanding the City had to have detailed plans in place in order to receive State funding. He indicated he would like to have plans in place to be submitted to the State for consideration.

Vickerman asked what step the City was at in the planning process. Mr. Greuel indicated the Council would have to determine a budget for this project and then the State could determine what percentage they may be willing to fund. Once the budget was determined the plans could be further ironed out, along with the predesign documents. He commented on how sustainability requirements would have to be met in order to be considered for State funding.

Vickerman stated she was worried the City's up front investment could be for now. She expressed concern about moving forward at this time. While she appreciated seeing the plans, she was uncertain that this site would fully meet the City's needs.

Poppe agreed stating if the City moved forward with this project, he wanted it to be done right.

Mr. Greuel questioned if there was another site that should be investigated for the police department.

Poppe stated the City did not have another site.

Hultstrom explained parking would become an issue at the community center if this plan were to move forward. She asked if the cost for this project would be significantly impacted if the current building were demolished and the City started over.

Mr. Greuel reported this would greatly increase costs. He indicated the existing building was built quite solidly.

Poppe commented on how the one-story design would not quite meet the City's needs and the two story design was still a long way from where it needs to be.

Mikkelson reported the two-story design would work, but it comes with a higher price.

Hultstrom indicated she would feel much better if a City-wide tax could be considered to assist with funding this project.

Vickerman did not see a way forward at this time given the fact the City did not have funding available for this project.

Poppe asked what the options were for the City if this project did not move forward. Mikkelson indicated the police department would have to remain at City Hall.

Mikkelson questioned how the Council wanted Staff to proceed.

Vickerman stated she was at an impasse given the fact the City did not have funding for this project and the fact that the space may not properly meet the City's needs.

Hultstrom commented on how if the City were to go after funding, she wanted proper plans to be in place that fully meet the City's needs.

Vickerman suggested the project be put on pause until funding sources could be determined.

Poppe indicated this project wasn't working and should be canceled at this point.

Mikkelson questioned if the purchase of the building should be canceled.

Vickerman commented she would support rescinding the purchase as opposed to trying to come up with a different idea that the City does not have plans for.

Mr. Greuel asked if the Council would like him to take another stab at trying to make the use fit in the building.

Poppe stated this building may not meet the City's needs long term, but rather the City would just be making it work.

Council consensus was to table action on this item at this time.

B. DISCUSS INTERIM CITY ADMINISTRATOR POSITION

Mikkelson stated on April 22nd, he was appointed the Interim City Administrator. He requested the Council discuss the future of this position and thoughts on pay.

Vickerman stated there were possible deterrents for Police Chief Mikkelson to remaining the full time City Administrator. She questioned if Police Chief Mikkelson was interested in remaining in this position full time or should the Council consider posting for the position and going through the interview process.

Mikkelson explained the only way he would stay with the City would be if he continued to serve in both capacities.

Vickerman questioned if the HR Committee had discussed this matter.

Hultstrom stated it was her understanding this matter would be considered by the Risk Management Committee.

Poppe reported the Risk Management Committee met with the Police Chief and with everything that was going on, he questioned if it would be in the City's best interests to stabilize things for a bit before making any personnel changes.

Hultstrom commented she expected a recommendation would be coming from the Budget and Finance or Risk Management Committee. She stated she wanted to see a recommendation come forward and that the Council then have a full discussion based on this recommendation.

Poppe commented on the email that was sent to the Council that noted the discussions that were held with the Police Chief.

Vickerman stated she did not believe a dual role would be sustainable long term. She suggested goals be set for the City to get through and that fair compensation be paid to the Police Chief. She was of the opinion the Police Chief could not sustain the dual role long term.

Poppe recommended the City get through the end of the year and that a search begin in the next year.

Vickerman expressed concern with how the Police Chief would be burning the candle at both ends if he continued to serve as both the Police Chief and City Administrator for the next 10 years. She believed the City should compensate the Police Chief for doing both jobs with the understanding the jobs would be split at some point in the future. She suggested the City Council have a goal of having a new City Administrator in place by the end of the year.

Hultstrom indicated she would like to see the interim position remain in place through the end of the year. She did not want to bring a new Staff member in in the middle of the budget cycle. She appreciated the expertise Police Chief Mikkelson brought to the table when it came to the City pursuing a cannabis license and noted it would be difficult to bring someone new in to address this topic. She commented on how this

initiative could be a revenue stream for the City. She commented on how too much change within the City may become unmanageable. She stated she was comfortable compensating Police Chief Mikkelson for the dual role through the end of 2024.

Mikkelson stated he would be comfortable with continuing in the dual role through the end of the year.

Poppe asked if it would make sense to come forward with a recommendation to keep Police Chief Mikkelson in his role through the end of 2024 with the City Council posting for the City Administrator position at the end of the third quarter or beginning of the 4<sup>th</sup> quarter.

Vickerman and Hultstrom believed this was a fair plan.

5. ADJOURNMENT

The Work Session adjourned at 7:08 p.m.

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*

Unapproved



**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
May 28, 2024**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:09 p.m. on Tuesday, May 28, 2024.

2. ROLL CALL

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

Members absent: Councilmember Mark Schulz.

Staff present: Police Chief Shane Mikkelson, Public Works Director Nick Waldbillig and City Attorney Mary Tietjen.

Other Consultants/Speakers: Alyson Fauske, WSB & Associates.

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 Vickerman, to accept the Agenda as presented. The motion carried 3-0.**

5. CONSENT AGENDA

- A. Approve May 13 Council Minutes
- B. Approve Liquor and Tobacco License Renewals for 2024-2025
- C. Receive Q1 Budget Update
- D. Receive April Lions Club Gambling Report
- E. Receive April Hockey Association Gambling Report
- F. Receive April Fire Relief Association Gambling Report

Vickerman asked if further discussion could be held on Item 5C.

Poppe indicated this item could be pulled from the consent agenda for further discussion, if desired.

Hultstrom explained she had changes she would like made to the minutes. She reviewed several changes she would like made to the minutes.

**A motion was made by Vickerman, seconded by Hultstrom, to approve the Consent Agenda with the noted changes to the minutes. The motion carried 3-0.**

6. MATTERS FROM THE FLOOR

City Resident explained at the worksession meeting the administration was discussed. He suggested, because this was an election year, that the hire of a new City Administrator be completed in Quarter 2 of 2025. He commented on how policy was not law. He stated he had two public record requests noting his name should be removed from the minutes. He stated it was his Fourth Amendment right to remain anonymous. He requested that all minutes with his name have his name removed per his civil rights. He requested that all minutes with his name have his name removed per his civil rights. He commented on the separation agreement with Riley Grams noting one councilmember voted no. He stated on 4/30/24 he made a complaint on an officer and he requested follow up on this matter. He then handed the mayor his public records request.

Mikkelson reported he received one email. He read the email from Nicolas Torres in full for the record. He explained Mr. Torres was unable to attend this meeting as he was out of town. Mr. Torres shared his thoughts regarding the Council appointment and recommended a responsible candidate be appointed based on prior level of engagement with the community. Mr. Torres suggested John Hall be appointed to the vacant position on the City Council based on his prior experience and existing relationships in the community.

7. SPECIAL BUSINESS

A. APPOINT CITY COUNCILMEMBER

Mikkelson stated former Councilmember Ashlee Mueller resigned at the May 13, 2024, Council meeting. The Council adopted Resolution 2024-35, accepting the resignation and declaring a vacancy on the Council. The Council directed Staff to accept letters of interest from individuals in the community interested in serving on the Council, fulfilling the remainder of the Council term (through December 31, 2024) by Wednesday, May 22 at Noon. The City received a total of four letters of interest from community members from:

1) Mark Cook  
3) John Hall

2) James Kelly  
4) Ed Columbus

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

Hultstrom stated she was looking to Mayor Poppe for direction on this decision.

Poppe explained the City received four good applicants that would be a good addition to the City Council. He indicated he was leaning towards Mr. Cook because he was a business owner, was active in the EDA and was involved in the high school and community.

Vickerman stated it was a good problem to have so many great candidates to consider. She reported this was a difficult decision for the Council to make but she appreciated how each of the candidates was community oriented. She indicated one of the only differentiating factors for these candidates was that one individual was elected and reelected. She stated Mr. Hall had been elected to sit on City Council before.

Hultstrom thanked each of the candidates who applied for this position. She noted she had great conversations with each of the gentleman. She indicated this job was very difficult. She commented on the importance of the election process and encouraged each of the individuals to consider running for election in November, even if not appointed. She discussed how she worked hard to hold herself to standards and she believed being elected in the past was important, but what was even more important was that somebody has gone through training for a position. For this reason, she would support John Hall being appointed to the vacant seat.

**A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2024-36, appointing John Hall to serve the remainder of the unexpired Council term. The motion carried 3-0.**

B. APPROVE 2024 LIONS ROAR SPECIAL EVENT PERMIT

Mikkelson requested the Council approve the 2024 Lions Roar Special Event Permit. He explained Lions Roar would be held September 6 and September 7. He reviewed the events planned for this year and commented on the proposed street closures.

**A motion was made by Vickerman, seconded by Hultstrom, to approve the 2024 Lions Roar Special Event Permit.**

Hultstrom reminded the Lions Club to get their liquor license and food permit from the County.

**The motion carried 3-0.**

C. APPROVE 2024 MUSIC AND MOVIES IN THE PARK SERIES SPECIAL EVENT PERMIT

Mikkelson reviewed the 2024 Music and Movies in the Park schedule and requested the Council approve the special event permit for these events.

**A motion was made by Hultstrom, seconded by Vickerman, to approve the 2024 Music and Movies in the Park Series Special Event Permit. The motion carried 3-0.**

D. ACCEPT DONATIONS

Mikkelson stated the City has received the following donations:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
American Legion Post 172	\$2,500 (for trees)	Public Works Facility Maint.
Osseo Fire Relief Association	\$950	Fire Equipment
Kenny Nelson	One new Minnesota State flag	City Facilities

Staff recommended the Council accept the donations.

Hultstrom thanked Kenny Nelson for the new Minnesota flag.

**A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2024-37, accepting a donation from the American Legion Post 172, Osseo Fire Relief Association and Kenny Nelson. The motion carried 3-0.**

8. PUBLIC HEARINGS – None

9. OLD BUSINESS – None

10. NEW BUSINESS

A. APPROVE PAVEMENT MAINTENANCE PROPOSAL

Alyson Fauske, WSB & Associates, stated the proposed 2024 Pavement Maintenance Project is proposed to include filling the cracks in the streets from the street improvement projects conducted between 2016 and 2020. The proposal is for services related to the preparation of a quote package, bidding, and construction administration. If approved work a quote package will be prepared and reviewed by the Public Works Director and distributed to contractors. Quotes would be brought to City Council for consideration in June and the work would take place before Labor Day. It is anticipated that the work would be completed within one week. Staff recommended a budget for \$26,000 for the project for 2024.

Vickerman questioned if Staff understood how many cracks these roads had. Ms. Fauske reported Staff estimated 65 feet of cracking in every 100 feet of streets. She explained additional funding was budgeted for 2025 to complete the crack filling for the 2015 street project.

**A motion was made by Vickerman, seconded by Hultstrom, to approve engineering proposal with WSB and authorize preparation and distribution of the quote package. The motion carried 3-0.**

B. APPROVE HIRE OF EMPLOYMENT AGREEMENT FOR BLANE ANDERSON AS FIRE CHIEF 2

Mikkelson stated the Fire Department had an internal posting for Fire Chief 2, and Blane Anderson was selected to fill that position. The Council HR Committee discussed the employment agreement negotiated with Blane Anderson and Attorney Tietjen reviewed the contract.

Hultstrom stated she has served as a trustee with the fire department and she appreciated the strong presence Blane Anderson had with the Osseo Fire Department.

**A motion was made by Hultstrom, seconded by Vickerman, to approve the hire and employment agreement for Blane Anderson as Fire Chief 2. The motion carried 3-0.**

C. APPROVE ACCOUNTS PAYABLE

Mikkelson reviewed the Accounts Payable with the Council.

Hultstrom requested further information regarding the badge expenditure. Mikkelson explained the \$750 expenditure would cover the expense of creating a concept badge and all of the artwork for the new 150<sup>th</sup> anniversary celebration badge. He stated all Osseo officers would wear this badge during the 150-anniversary year.

**A motion was made by Vickerman, seconded by Hultstrom, to approve the Accounts Payable as presented. The motion carried 3-0.**

11. ADMINISTRATOR REPORT – None

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen explained she was working to digest all of the new laws, especially with respect to cannabis, noting this matter would be coming back to the Council at a future worksession meeting.

Hultstrom thanked all of the candidates who applied to serve as a City Councilmember. She congratulated John Hall on his appointment. She welcomed Blane Anderson to his new position as Chief 2. Hultstrom thanked the Legion for their donation to the Public Works Department for trees. She indicated she would be attending a League of Minnesota Cities legislative update on Monday, June 3.

Vickerman thanked each of the candidates that applied for the City Councilmember position. She thanked Staff and the Parks and Recreation Committee for their efforts on the Music and Movies in the Park schedule.

13. ANNOUNCEMENTS – None

14. ADJOURNMENT

**A motion was made by Hultstrom, seconded by Vickerman, to adjourn the City Council meeting at 7:49 p.m. The motion carried 3-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*

**OSSEO PARKS & RECREATION COMMITTEE MINUTES  
REGULAR MEETING  
June 3, 2024**

1. CALL TO ORDER

The Osseo Parks & Recreation Committee meeting was called to order at 6:00 p.m., Monday, June 3, 2024.

2. ROLL CALL

Present: Committee members Dee Bonn, Dan Penny, Dori Trossen, Alicia Vickerman and Kara Wolf

Absent: Chair Kerstin Schulz

Others present: Community Management Coordinator Jessica Rieland

3. APPROVE AGENDA

**A motion was made by Bonn, seconded by Vickerman, to approve the meeting's agenda. The motion passed 5-0.**

4. PUBLIC COMMENTS

Penny advised the public that this is the time for public comments. There were no public comments.

5. SPECIAL BUSINESS

There was no special business.

6. OLD BUSINESS

A. REVOLUTIONARY SPORTS UPDATE

Rieland stated Revolutionary Sports has a group minimum of 4, group maximum of 12, and there is a total session/sport minimum of 20.

Session 1 began on May 6, and soccer and baseball were the only two sports that met the minimum class size requirement. Tennis and basketball were cancelled.

Soccer: 5

Baseball: 8

Session 2 begins on June 5, and all sports have met the minimum class size.

Soccer: 9

Tennis: 5

Baseball: 12

Basketball: 11

Session 3 begins on July 15, and we have met the minimum class size for all sports except baseball.

Soccer: 5  
Tennis: 4  
Baseball: 2  
Basketball: 5

Rieland reported with the current registration numbers the city will be responsible for 134 additional registrations totaling approximately \$7,182.40 (\$53.60 x 134).

Vickerman asked if the 20 minimum was per night per sport. Rieland replied yes.

Vickerman questioned what kind of marketing efforts the city could pursue to try and get more registrations for Session 2 and 3. She supported the city marketing these sessions and keeping them open as long as possible to try and get more registrants.

Rieland explained that staff sent an insert in utility bills, advertised in the newsletter and posted weekly on Facebook and the gateway sign. She noted that she also distributed 10 posters to local businesses and that CCX advertises before each session.

Trossen suggested the City consider handing out a free voucher for a glass at Music and Movies in the Park.

Vickerman recommend flyers be posted at Music and Movies in the Park to make families aware of the City's youth sports programs.

Wolf suggested the families that signed up for Session 3 be invited to participate in Session 2 and that Session 3 then be canceled. She stated this would reduce the loss on this program.

Wolfe reported if Session 3 were canceled, the City would save \$3,400 and if the kids from Session 3 were moved to Session 2, the City would be going from a \$7,000 loss to a \$1,500 loss. She recommended that the City pursue the cancelation of Session 3 and that the children signed up for Session 3 classes be encouraged to participate in Session 2.

Vickerman wanted to see additional marketing done in order to gain more registrations for Session 3. She suggested Session 3 not be canceled until two weeks prior to the session beginning.

Bonn supported this recommendation, noting she would like to see the City get more registrations.

Wolf indicated she supported cutting Session 3 given the tremendous loss the City would have to cover for this session.

Bonn explained she could support Session 3 being cut and recommended staff encourage these families to register for a class in Session 2.

Vickerman stated she was sad to see the registration numbers this low. Rieland reported the number of registrations has substantially declined over the past two years.

Bonn indicated it may be time to think of something different for 2025.

Rieland commented that Osseo may not be able to complete in this market due to the programs offered by neighboring cities. She recommended exploring unique options to set the city apart from the other sports that are being offered in the area.

**A motion was made by Vickerman, seconded by Bonn, to recommend the City cancel Session 3 and that staff work to combine Session 3 with Session 2. The motion passed 5-0.**

**B. MUSIC AND MOVIES IN THE PARK UPDATE**

Rieland stated that since the last meeting Ed Columbus has found a sponsor for each night of the event series. The trivia night sponsors will have a booth set up and there will be a chance to win gift cards between the music and the movie. Rieland added that she would like to sincerely thank Mr. Columbus for his hard work and dedication year after year.

June 11: Café Olympia

June 18: Premier Bank

June 25: Osseo Area Schools

July 9: The 32nd Collective and Two Scoops

July 16: Red's Savoy Pizza

July 23: Duffy's Bar & Grill

July 30: Holiday

August 13: Champ's Of Osseo

August 20: Annabelle House

Rieland explained on the night of the Teddy Bear Band, Lions KidSight offered to provide free screenings. Last year it was well received by the parents who had their children's eyesight tested. She commented further on the donations the City has received to date.

Ed Columbus, resident of Osseo, explained he was looking forward to the Music and Movies in the Park events beginning, noting the first event would be held on Tuesday, June 11. He reported Café Olympia would be sponsoring the first event. He stated the Lions would be providing popcorn and ice cream again this year.

The Commission thanked staff and Mr. Columbus for all of their efforts on behalf of the City of Osseo.

7. NEW BUSINESS – None
8. STAFF & COMMITTEE MEMBER REPORTS – None



9. ADJOURNMENT

**A motion was made Vickerman, seconded by Trossen, to adjourn the meeting at 6:30 p.m. The motion passed 5-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*

Unapproved



# Osseo Fire Department

## Monthly Activity Report – May 2024

### Incident Responses

<b>Fire</b>	<b>3</b>
<hr/>	
Accident/PI.....	1
Fire Alarm – Apartment.....	1
Gas Odor.....	1
<b>EMS</b>	<b>12</b>
<hr/>	
Heart.....	3
Unconscious.....	3
Stroke.....	3
Head Injury.....	1
Lift Assist.....	2
<b>Mutual Aid</b>	<b>8</b>
<hr/>	
Brooklyn Park.....	7
Dayton.....	1
<b>Total .....</b>	<b>23</b>

### Training

- SCBA Trailer
- First Due
- Incident Command Leadership (Officers)

Jessica Rieland  
348 St. Francis Ave NW  
Bethel, MN 55005

June 7, 2024

Shane Mikkelson  
City of Osseo  
415 Central Ave  
Osseo, MN 55369

Dear Mr. Mikkelson,

Please accept this letter as a formal notice of my resignation from my position as Community Management Coordinator with the City of Osseo.

My last working day will be June 21, 2024. It is my intention to complete all the shifts scheduled for me during this period.

Sincerely,

A handwritten signature in blue ink that reads "JRieland". The signature is written in a cursive style with a large initial "J" and "R".

Jessica Rieland



## City of Osseo City Council Meeting Item

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**Agenda Item:** Swearing-in of Officer Ryan Swanson

**Meeting Date:** June 10<sup>th</sup>, 2024

**Prepared by:** Lieutenant Todd Kintzi

**Attachments:** None

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**Policy Consideration:**

Official swearing-in of Officer Ryan Swanson.

**Background:**

On May 15<sup>th</sup>, 2023, Officer Ryan Swanson started with the Osseo Police Department. Ryan has successfully passed his 1-year probationary period and is currently one of our newest firearms training officers.

**Budget or Other Considerations:**

This ceremony does not affect the current police budget.

**City Goals Met by This Action:**

Continue to give staff the necessary tools to do their jobs effectively and efficiently.



## City of Osseo City Council Meeting Item

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**Agenda Item:** Osseo Sesquicentennial Celebration Options

**Meeting Date:** June 10<sup>th</sup>, 2024

**Prepared by:** Shane Mikkelson, Interim City Administrator

**Attachments:**

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Osseo resident Carole Larson has requested an opportunity to update the City Council about how the planning is going for the City's upcoming 150<sup>th</sup> (sesquicentennial) celebration in 2025. Carole Larson is the president of the Osseo 150<sup>th</sup> Celebration Planning Committee. Carole and I met last week, and she has many updates for Council. We also talked about ways for the city to assist the committee in the planning process.

# Osseo 150<sup>th</sup> Celebration Activities

Activity	Status
<p><b>Merchandise/Marketing</b>  <i>T-shirts/sweatshirts, garden flags or signs, HOMER HANKIES, reusable bags, baseball/knit caps w/patches, pins/buttons</i>  <i>The 32<sup>nd</sup> Collective (owners Aaron and Ashlynn Silva) will be partnering with this team for options and ideas</i></p>	<p align="center"><b>--IN PROGRESS--</b></p> <p align="center">developing ideas/timing</p> <p align="center">WISH LIST: get buttons to be worn as soon as Summer 2024; preorders for T-shirts during 2024 Farmers Market</p>
<p><b>150<sup>th</sup> Celebration Float in Lions Roar Parade and Maple Grove Days Parade including Osseo Water Tower Mascot Costume</b></p>	<p align="center"><b>Participated in 2023 Lions Roar Parade</b></p> <p align="center">Will participate in 2024 &amp; 2025 Lions Roar Parades and 2025 Maple Grove Days Parade</p>
<p><b>150<sup>th</sup> Celebration Booths at Community Events</b></p>	<p align="center">2024 &amp; 2025 Maple Grove Days                  2024 &amp; 2025 Osseo Night to Unite                  2025 Osseo Vintage Car Show                  2024-2025 Osseo City-wide Holiday Events</p>
<p><b>Online Presence and Publicity Opportunities</b></p>	<p align="center">150<sup>th</sup> Celebration Facebook Page-posts shared to Osseo and Maple Grove Neighbors Pages;                  CCX News Stories and Features;                  Discover Osseo;                  Osseo Gateway Sign</p>
<p><b>Printed Media Publicity Opportunities</b></p>	<p align="center">Osseo-Maple Grove Press;                  Osseo Outlook;                  Prime Advertising</p>

Activity	Status
Historic Homes & Businesses	<p align="center"><b>--IN PROGRESS--</b></p> <p align="center">working on historic homes &amp; businesses walking maps/ QR codes/photo boards, scavenger hunt</p>
Jefferson Highway History	<p align="center"><b>--IN PROGRESS--</b></p> <p align="center">stories will be featured in 150<sup>th</sup> Publication</p>
Residents Who Served in Military	<p align="center"><b>--IN PROGRESS--</b></p> <p align="center">working with Osseo-Maple Grove American Legion Post #172; stories will be featured in 150<sup>th</sup> Publication; developing other ideas to highlight Boerboom Veterans Memorial Park and local Civil War gravestones</p>

<b>Activity</b>	<b>Status</b>
<b>Merchants/Business Partnerships</b>	<p align="center"><b>--IN PROGRESS--</b></p> <p align="center">developing ideas/timing to work with Osseo area businesses, Downtown District of Osseo, and EDA</p>
<b>Post Office Osseo 150<sup>th</sup> Commemorative Postmark and City of Osseo 150<sup>th</sup> Commemorative Stamp for City Office Mailings</b>	<p align="center"><b>--CHECKING ON THIS--</b></p>
<b>Lighting for the Water Tower</b>	<p align="center"><b>--CHECKING ON THIS--</b></p> <p align="center">ways to illuminate water tower safely on nights leading up to Celebration weekend</p>
<b>Celebration Commemorative Ceremony</b>	<p align="center"><b>--CHECKING ON THIS—</b></p>



Activity	Status
<p><b>CCX Media Interviews</b></p>	<p>--COMPLETED-- to be included in 150th Publication and in CCX news features</p>
<p><b>Sesquicentennial Seal for Cover of 150<sup>th</sup> Publication</b> <i>Designed by Aaron Silva from The 32<sup>nd</sup> Collective</i></p>	<p>--COMPLETED-- to be included in 150th Publication</p>
<p><b>150<sup>th</sup> Publication</b> <i>Includes history of Osseo and area businesses, social organizations, churches, infrastructure, fires, military, personal stories (including recollections, water tower stories), and photos</i></p>	<p>---IN PROGRESS-- team is working on gathering stories from businesses/individuals; sponsorships; photos  Nystrom Publishing will receive final draft for printing and binding; goal to have book completed by early 2025</p>

Committee Chair: Carole Larson

[cjdlarson@gmail.com](mailto:cjdlarson@gmail.com)

763-486-9676

Committee Vice-Chair: Ann Schneider

[agdschneider@gmail.com](mailto:agdschneider@gmail.com)

763-587-1202



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# Osseo

## City of Osseo

415 Central Avenue  
Osseo, MN 55369-1195  
P 763.425.2624 F 763.425.1111

### Special Event Permit Application

**A Special Event Permit is required if one or more of the following apply to your event:**

- 200 or more individuals will be in attendance
- Temporary Alcohol License required
- Admission or fees will be charged or donations requested while using City property  Special services will be required (road closure, traffic control, security, exclusive use of City property, etc. A deposit will be required for the estimated cost of providing Special Services.)

**INSTRUCTIONS:** Fill out this form completely, sign it, and include all required attachments. If additional space is needed, attach additional sheets. **Submit to the City of Osseo 30 days prior to the date of the event.**

#### 1. EVENT INFORMATION

Name of Event: Osseo Lions Roar 5K Road Race      Purpose of Event: Fundraiser for Osseo Cross Country

Description of Event: Since 2011, the Osseo Senior High Cross country program has offered a family-friendly 5K as part of the Osseo Lions Roar community celebration. In 2023, approximately 300 individuals of all ages and abilities participated.

Days/Date(s) of Event: Saturday, September 7th, 2024      Start Time 8:00am      End Time 11:30am  
Estimated Setup Start Time: 7:30am      Estimated Take Down Finish Time: 12:30pm

Location Address: Starts at OSH stadium, continues through Osseo, finishes at Central Ave/ 6th Street NE.

Property Owner Name: NA

Owner Phone: NA      Email: NA

Estimated # of Attendees: 300      Admission Fee/Donation Requested \$30 per participant

#### 2. APPLICANT INFORMATION

Name: John Rundquist      Title: Head Coach of Osseo Cross Country

Address : Osseo Senior High- 317 2nd Ave. NW, Osseo MN 55369

Daytime Phone : 612 703-6527      Cell \_\_\_\_\_

Email: [RundquistJ@District279.org](mailto:RundquistJ@District279.org)

Affiliation/Organization: Osseo Cross Country

Are you an authorized applicant for this organization?  Yes  No Will this person have authority to cancel or modify event plans?  Yes  No

Will this person be present at the event and in charge of the event at all times?  Yes  No *If no, provide contact information for person who will be the responsible party on the day of this event:*

Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Cell \_\_\_\_\_

Email \_\_\_\_\_

### 3. REQUEST FOR SPECIAL SERVICES

We are requesting the following services to be provided by the City. There will be a charge for these services and a deposit/escrow payment will be required for the estimated cost at least 10 days before the event.

Street closures (traffic cones, barricades)

Traffic control

Police services requiring special arrangements

Stationing emergency vehicles at or in the immediate vicinity

Exclusive use of city streets or right-of-way for

event, as staging area, or for event parking

Additional street cleaning

Garbage/recycle bins

Special signage (e.g., temporary no parking signs)

Exclusive use of city building(s), equipment, or other property

Describe any services, city personnel, city equipment, and city property which you are requesting the city to provide, including the estimate of number and type needed and the basis on which the estimate is made.

- From the police department: street closures, traffic control, lead biker
- From public works: garbage/recycling containers, access to the electrical outlet at Central/6th Street, use of 30 orange cones.
- These details can be coordinated with John Rundquist

***If special services are needed, an indemnification agreement is required. The special event holder shall agree to defend, indemnify, and hold the City, its officials, employees, and agents harmless from any claims that arise in whole or in part out of the Special Event, except any claims arising solely out of the negligent acts or omissions of the City, its officials, employees, and agents. Please complete the release and indemnification agreement and attach to this application. A Special Service deposit amount will be estimated by City staff.***

### 4. SITE PLAN

Attach sketch(es) or site plan(s) showing the location of the following as applicable:

Route (beginning/end, direction of travel, traffic control points)

Ticketing/registration/entry locations

Entertainment or stage locations

List of event activities and locations

Portable toilet facilities

Fencing locations

Parking areas for participants/spectators

Sign locations

Speaker (sound amplification) locations

Food concession areas (cooking, serving, consumption, cleaning)

Alcoholic beverage concession areas

Other concession areas

Size and location of any tents or structures

Trash/recycling receptacle areas  First aid facilities

ADA accessibility considerations

Evacuation routes

Other important aspects of your event

## 5. ENTERTAINMENT

Describe entertainment plans. If there will be music, sound amplification, or any other noise impact, please describe including the intended hours.

- We will play music and make announcements at the start area (OSH Stadium) and the finish area (Central/6th).
- Start area noise impact will be from 9:00am to 10:00am and finish area noise impact will be from 10:00am to 11:45am.

## 6. ACTIVITIES

List all activities to take place at the special event. Be sure to indicate locations on your site plan(s).

- Registration and the start of the race will be at OSH Stadium.
- The finish of the race will be at Central/6th St. NE.

## 7. SANITATION/POTABLE WATER

Describe the toilet and hand washing facilities present on site (type, number, and location) as well as temporary/portable facilities to be provided. Describe the source of potable (drinking) water.

- Participants will use the sanitation facilities at OSH stadium. Drinking water from a bottled source will be provided at a water stop near Central/ 2nd St. NE and at the finish line.

## 8. PARKING AND TRAFFIC CONTROL

Describe the location and number of parking spaces available. Describe arrangements that have been made for traffic control. Be sure to indicate locations on your site plan(s).

- Participants will part at OSH stadium.
- As in the past, traffic control needs will be coordinated in advance with Chief Mikkelson.

## 9. EMERGENCY/MEDICAL SERVICES

Describe measures that will be taken to ensure emergency vehicle access (police, fire, ambulance) to the event area.

- As in the past, we will work with the Osseo Police Department to ensure that protocols for emergency services are followed.

## 10. SECURITY/CROWD MANAGEMENT

Describe your proposed procedures and staffing for the event operations, crowd control, inclement weather and emergency evacuation plans.

- The start line, race route, and finish line areas will be staffed by student and adult volunteers. In case of emergency, we will follow all instructions given to the other Lions Roar events at that time.

## 11. TRASH/RECYCLING, EVENT CLEAN UP

Describe how many, location, and what type of trash/recycling containers to be provided. What provisions have been made for clean-up of the site and surrounding area after the event?

- At the finish line (Central/6th Str. NE): 3 trash containers and 3 recycling containers
- At the water stop near Central/2nd Street NE: 1 trash container and 1 recycling container

Name of trash/recycling hauler: NA

Will you make use of Hennepin County's Free Portable Recycling Unit Loan Program?  Yes  No

## 12. LIGHTING

Describe any temporary or permanent lighting that will be added for the event, which may need to be inspected by Tokle Electrical Inspection, with an electrical permit issued by the City of Osseo. It is the applicant's responsibility to arrange for an inspection, if required.

- NA

## 13. TEMPORARY STRUCTURES OR CONSTRUCTION

Describe any tents, enclosures, stages, platforms, scaffolding, riser, bleachers, fences, and any other type of temporary structure or construction for the event. The property owner will be responsible and must obtain any building or electrical permits that may be required for such construction.

- The professional race timing company that we have hired will lay down rubber timing mats across half of Central Avenue just south of the 6th Street NE.

## 14. ADVERTISING AND PROMOTION

Describe how this event will be advertised and promoted. Describe any signs (size, type, location). All signs must comply with City Code (*Section 153.090 - 153.099*) including a permit, if required. Please provide any ad and flyer copies.

- The event is promoted on our website (OsseoLionsRoar5K.com) and Facebook (Osseo Lions Roar 5K). We will request inclusion on the gateway digital display in August.

## 15. NOISE

Describe expected type, duration, and timing of any noise sources. Describe measures to be taken to ensure compliance with the city nuisance ordinances regarding noise ([Chapter 93](#)).

- See Entertainment section above

## 16. FIREWORKS OR PYROTECHNICS

Will any fireworks or pyrotechnics be used at the event?  Yes  No

*If yes, describe in detail. Fire Department approval will be required and a permit/license is required 15 days prior to the event, per City Code ([Section 114.04](#)).*

- NA

***Please attach a copy of the permit/license. In addition, as a condition of granting of a permit for fireworks or pyrotechnics, the company hired to perform the pyrotechnics shall provide the City a public liability insurance policy naming the City as an additional insured entity with limits of not less than one million dollars per occurrence. Please attach the certificate of insurance to this application.***

## 17. FOOD AND BEVERAGES

Will alcoholic beverages be served?  Yes  No Will alcoholic beverages be consumed outside the licensed establishment?  Yes  No Will alcoholic beverages be consumed upon public lands, streets, or parks?  Yes  No

*If yes, describe the type of beverages, alcohol allowed area, security measures to be taken, and the status of the liquor license. Council approval will be required ([Chapter 113](#)). As a condition of allowing the consumption of alcohol outside of the building, the liquor license holder shall provide the City a liquor liability insurance policy naming the City as an additional insured entity with limits of not less than one million dollars per occurrence to include the alcohol allowed area. Please attach the certificate of insurance to this application.*

- NA

Will food and/or non-alcoholic beverages be served?  Yes  No

*If yes, describe what will be served and any plans for cooking food in the event area, including fuel source to be used. Generators or other portable power supply units may need to be inspected by Tokle Electrical Inspection, and an electrical permit must be issued by the City of Osseo. It is the applicant's responsibility to arrange for an inspection, if required.*

- Finish line refreshments typically include bottled water, fruit, and snack foods. No cooking will occur.

Has a license been obtained from the Hennepin County Department of Health and Environment? (Please attach)  Yes  No

## 18. OTHER CONCESSIONS

Describe what vendors or concessionaires you will allow at the event, and how you intend to regulate and monitor their activities.

- NA

## 19. GAMBLING

Will there be any gambling (raffles, pull-tabs, bingo, etc.) at the event?  Yes  No

*If yes, a lawful gambling permit will be required as provided by state law. Describe the gambling activity and the status of gambling permit.*

- NA

## 20. WORKERS COMPENSATION COMPLIANCE

*In accordance with Minnesota Statutes all applicants for licenses and permits to operate a business in Minnesota must submit acceptable evidence of compliance with Workers' Compensation Insurance requirements. **Please complete the certificate of compliance and attach to this application.***

## 21. INSURANCE

*As a condition of the granting of a permit for special event conducted on public property or public streets or public parking lots, the permit holder shall provide the City with a copy of a Certificate of Liability Insurance naming the City as an additional insured entity with limits of not less than one million dollars per occurrence. If alcoholic beverages are to be sold or distributed the policy must also include an endorsement for liquor liability.*

## 22. THE MINNESOTA DATA PRACTICES ACT

*The Minnesota Data Practices Act requires that we inform you of your rights about the private data we are requesting on this form. Private data is available to you, but not to the public. We are requesting this data to determine your eligibility for a permit from the City of Osseo. Providing the data may disclose information that could cause your application to be denied. You are not legally required to provide the data; however, refusing to supply the data may cause your permit to not be processed. Your residence address and telephone number will be considered public data unless you request this information to be private and provide an alternative address and telephone number. **Please sign below to indicate that you have read this notice:***

Signature:

John D. Rundquist

Date: 4/22/2024

I request that my residence address and telephone number be considered private data. My alternative address and telephone number are as follows:

Address:

Telephone:



23. ACKNOWLEDGEMENT/SIGNATURE

The signature of the legal owner of the event location or the owner's official representative is required and authorizes the designee of the City of Osseo and other entities/agencies to enter the property to perform inspections to establish and ensure compliance will all permit conditions. Entry may be without prior notice.

Property Owner Signature Printed Name Date

I hereby acknowledge that I have read this application and that all information is true and correct to the best of my knowledge. I hereby agree that the special event will be conducted in accordance with the Osseo City Code and the laws of Hennepin County and the State of Minnesota. I further understand that failure to comply with the conditions of my Special Event Permit, including the payment of required fees, deposits, and reimbursements, or conducting the event in a way that creates a threat to the health, safety, or welfare of any individual or the general public may result in the immediate cancellation of the Special Event Permit and other penalties.

John D. Rundquist John D. Rundquist 4/22/2024

Applicant Signature Printed Name Date

City of Osseo use only:

Checklist/attachments

- Application form, signed
- Sketch/site plan attached
- Workers Comp Certificate attached
- Certificate(s) of Insurance
  - Public land
  - Liquor
  - Fireworks
- Release and Indemnification Agreement
- Estimated Deposit \$ \_\_\_\_\_ (see next page)

Other Permits/Licenses/Application, as applicable

- Building Permit
- Electrical Permit
- Sign Permit
- Liquor License
- Lawful Gambling Permit
- Hennepin County Dept. of Health (food)
- Community Center Application
- Band Shell Application
- Sipe Park Application

This application/request received: Date \_\_\_\_\_ By \_\_\_\_\_ This application approved/rejected by: Date \_\_\_\_\_

\_\_\_\_\_ By \_\_\_\_\_ Application fee for event received on: Date \_\_\_\_\_

Amount \$50 Receipt# \_\_\_\_\_ Special Services deposit received on: Date \_\_\_\_\_

Amount \_\_\_\_\_ Receipt# \_\_\_\_\_ Remaining deposit (if any) returned to applicant on: Date \_\_\_\_\_

Amount \_\_\_\_\_ Receipt# \_\_\_\_\_

Administrative Comments & Fees— reviewed by Date

*JDR* \_\_\_\_\_ 5-31-24

Police Department Comments & Fees — reviewed by Date

*NO COMMENT* *JDR* \_\_\_\_\_ 5-28-24

Fire Department Comments & Fees — reviewed by Date

*NO COMMENT* *Nick Caswell* \_\_\_\_\_ 5-30-24



				<b>Deposit Total</b>	



City of Osseo

415 Central Avenue

Osseo, MN 55369-1195

P 763.425.2624 F 763.425.1111

## Special Event Permit Application

A Special Event Permit is required if one or more of the following apply to your event:

- 200 or more individuals will be in attendance
- Temporary Alcohol License required
- Admission or fees will be charged or donations requested while using City property
- Special services will be required (road closure, traffic control, security, exclusive use of City property, etc. A deposit will be required for the estimated cost of providing Special Services.)

**INSTRUCTIONS:** Fill out this form completely, sign it, and include all required attachments. If additional space is needed, attach additional sheets. Submit to the City of Osseo 30 days prior to the date of the event.

### 1. EVENT INFORMATION

Name of Event Duffys Summer Party 2024 Purpose of Event Anniversary Party

Description of Event Outdoor event with Live Band

Days/Date(s) of Event Sat June 29 Start Time 8:00 pm End Time 12:00AM

Estimated Setup Start Time 12pm Estimated Take Down Finish Time 1 AM

Location Address 337 Central Ave Osseo, MN 55369

Property Owner Name Martin Duffy

Owner Phone (763) 425-0310 Email duffysbargrill337@gmail.com

Estimated # of Attendees 150-300 Admission Fee/Donation Requested \$ None

### 2. APPLICANT INFORMATION

Name Josh Duffy Title EM

Address 22599 128th Ave N Rogers, MN 55374

Daytime Phone (952) 994-0198 Cell (952) 994-0198

Email duffysbargrill337@gmail.com

Affiliation/Organization Duffys Bar & Grill

Are you an authorized applicant for this organization?

Yes  No

Will this person have authority to cancel or modify event plans?

Yes  No

Will this person be present at the event and in charge of the event at all times?  Yes  No  
If no, provide contact information for person who will be the responsible party on the day of this event:

Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Cell \_\_\_\_\_

Email \_\_\_\_\_

**3. REQUEST FOR SPECIAL SERVICES**

We are requesting the following services to be provided by the City. There will be a charge for these services and a deposit/escrow payment will be required for the estimated cost at least 10 days before the event.

- Street closures (traffic cones, barricades)
- Traffic control
- Police services requiring special arrangements
- Stationing emergency vehicles at or in the immediate vicinity
- Exclusive use of city streets or right-of-way for event, as staging area, or for event parking
- Additional street cleaning
- Garbage/recycle bins
- Special signage (e.g., temporary no parking signs)
- Exclusive use of city building(s), equipment, or other property

Describe any services, city personnel, city equipment, and city property which you are requesting the city to provide, including the estimate of number and type needed and the basis on which the estimate is made.

N/A

**If special services are needed, an indemnification agreement is required.** The special event holder shall agree to defend, indemnify, and hold the City, its officials, employees, and agents harmless from any claims that arise in whole or in part out of the Special Event, except any claims arising solely out of the negligent acts or omissions of the City, its officials, employees, and agents. **Please complete the release and indemnification agreement and attach to this application. A Special Service deposit amount will be estimated by City staff.**

**4. SITE PLAN**

Attach sketch(es) or site plan(s) showing the location of the following as applicable:

- Route (beginning/end, direction of travel, traffic control points)
- Ticketing/registration/entry locations
- Entertainment or stage locations
- List of event activities and locations
- Portable toilet facilities
- Fencing locations
- Parking areas for participants/spectators
- Sign locations
- Speaker (sound amplification) locations
- Food concession areas (cooking, serving, consumption, cleaning)
- Alcoholic beverage concession areas
- Other concession areas
- Size and location of any tents or structures
- Trash/recycling receptacle areas
- First aid facilities
- ADA accessibility considerations
- Evacuation routes
- Other important aspects of your event

## 5. ENTERTAINMENT

Describe entertainment plans. If there will be music, sound amplification, or any other noise impact, please describe including the intended hours.

We will have a 5 person band playing live music from 8pm - 12:00 AM

## 6. ACTIVITIES

List all activities to take place at the special event. Be sure to indicate locations on your site plan(s).

Customers will be watching live music & dancing. There will be an area in front of the stage for dancing, and an area for a bar & beer trailer.

## 7. SANITATION/POTABLE WATER

Describe the toilet and hand washing facilities present on site (type, number, and location) as well as temporary/portable facilities to be provided. Describe the source of potable (drinking) water.

We will have a portable toilet area outside with 2 portable toilets with hand sanitizer inside. Hand washing stations are located inside the bar.

## 8. PARKING AND TRAFFIC CONTROL

Describe the location and number of parking spaces available. Describe arrangements that have been made for traffic control. Be sure to indicate locations on your site plan(s).

Parking will be in the North side of the lot & on the streets.

## 9. EMERGENCY/MEDICAL SERVICES

Describe measures that will be taken to ensure emergency vehicle access (police, fire, ambulance) to the event area.

We will keep a lane open behind duffys and move our fencing as needed for emergency services.

**10. SECURITY/CROWD MANAGEMENT**

Describe your proposed procedures and staffing for the event operations, crowd control, inclement weather and emergency evacuation plans.

This event will be 100% staffed by Duffys employees & security.  
Security will be I.D'ing guests at all entrances before entry.  
There will be at least 2 managers present at all times.

**11. TRASH/RECYCLING, EVENT CLEAN UP**

Describe how many, location, and what type of trash/recycling containers to be provided. What provisions have been made for clean-up of the site and surrounding area after the event?

Trash containers are marked with a "T" on the map.  
They will be placed around our outdoor event area.

Name of trash/recycling hauler \_\_\_\_\_

Will you make use of Hennepin County's Free Portable Recycling Unit Loan Program?  Yes  No

**12. LIGHTING**

Describe any temporary or permanent lighting that will be added for the event, which may need to be inspected by Tokle Electrical Inspection, with an electrical permit issued by the City of Osseo. It is the applicant's responsibility to arrange for an inspection, if required.

We will have temporary lighting provided by the band :  
Osseo Lions.

**13. TEMPORARY STRUCTURES OR CONSTRUCTION**

Describe any tents, enclosures, stages, platforms, scaffolding, riser, bleachers, fences, and any other type of temporary structure or construction for the event. The property owner will be responsible and must obtain any building or electrical permits that may be required for such construction.

We will put up temporary fencing around the perimeter of Duffys.

**14. ADVERTISING AND PROMOTION**

Describe how this event will be advertised and promoted. Describe any signs (size, type, location). All signs must comply with City Code (*Section 153.090 - 153.099*) including a permit, if required. Please provide any ad and flyer copies.

We will have flyers in the restaurant and are promoting our event on our website, & Facebook & city guides.



**15. NOISE**

Describe expected type, duration, and timing of any noise sources. Describe measures to be taken to ensure compliance with the city nuisance ordinances regarding noise (*Chapter 93*).

Live music from 8pm-2Am. Music will stop promptly at midnight.

**16. FIREWORKS OR PYROTECHNICS**

Will any fireworks or pyrotechnics be used at the event?  Yes  No

If yes, describe in detail. Fire Department approval will be required and a permit/license is required 15 days prior to the event, per City Code (*Section 114.04*).

**Please attach a copy of the permit/license.** In addition, as a condition of granting of a permit for fireworks or pyrotechnics, the company hired to perform the pyrotechnics shall provide the City a public liability insurance policy naming the City as an additional insured entity with limits of not less than one million dollars per occurrence. **Please attach the certificate of insurance to this application.**

**17. FOOD AND BEVERAGES**

Will alcoholic beverages be served?  Yes  No  
Will alcoholic beverages be consumed outside the licensed establishment?  Yes  No  
Will alcoholic beverages be consumed upon public lands, streets, or parks?  Yes  No

If yes, describe the type of beverages, alcohol allowed area, security measures to be taken, and the status of the liquor license. Council approval will be required (*Chapter 113*). As a condition of allowing the consumption of alcohol outside of the building, the liquor license holder shall provide the City a liquor liability insurance policy naming the City as an additional insured entity with limits of not less than one million dollars per occurrence to include the alcohol allowed area. **Please attach the certificate of insurance to this application.**

Will food and/or non-alcoholic beverages be served?  Yes  No

If yes, describe what will be served and any plans for cooking food in the event area, including fuel source to be used. Generators or other portable power supply units may need to be inspected by Togle Electrical Inspection, and an electrical permit must be issued by the City of Osseo. It is the applicant's responsibility to arrange for an inspection, if required.

We will use our Kitchen to provide food for our event.  
No additional food areas.

Has a license been obtained from the Hennepin County Department of Health and Environment? (Please attach)  Yes  No

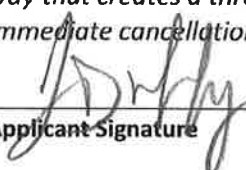


**23. ACKNOWLEDGEMENT/SIGNATURE**

The signature of the legal owner of the event location or the owner's official representative is required and authorizes the designee of the City of Osseo and other entities/agencies to enter the property to perform inspections to establish and ensure compliance with all permit conditions. Entry may be without prior notice.


Martin Duffy
4/25/24  
 Property Owner Signature Printed Name Date

I hereby acknowledge that I have read this application and that all information is true and correct to the best of my knowledge. I hereby agree that the special event will be conducted in accordance with the Osseo City Code and the laws of Hennepin County and the State of Minnesota. I further understand that failure to comply with the conditions of my Special Event Permit, including the payment of required fees, deposits, and reimbursements, or conducting the event in a way that creates a threat to the health, safety, or welfare of any individual or the general public may result in the immediate cancellation of the Special Event Permit and other penalties.


Josh Duffy
4/25/24  
 Applicant Signature Printed Name Date

**Checklist/attachments**

- Application form, signed
- Sketch/site plan attached
- Workers Comp Certificate attached
- Certificate(s) of Insurance
  - Public land
  - Liquor
  - Fireworks
- Release and Indemnification Agreement
- Estimated Deposit \$ 50.00 (see next page)

**Other Permits/Licenses/Application, as applicable**

- Building Permit
- Electrical Permit
- Sign Permit
- Liquor License
- Lawful Gambling Permit
- Hennepin County Dept. of Health (food)
- Community Center Application
- Band Shell Application
- Sipe Park Application

**City of Osseo use only:**

This application/request received: Date \_\_\_\_\_ By \_\_\_\_\_

This application approved/rejected by: Date \_\_\_\_\_ By \_\_\_\_\_

Application fee for event received on: Date 5/23/24 Amount \$50 Receipt# 679998 check #3554

Special Services deposit received on: Date \_\_\_\_\_ Amount \_\_\_\_\_ Receipt# \_\_\_\_\_

Remaining deposit (if any) returned to applicant on: Date \_\_\_\_\_ Amount \_\_\_\_\_ Receipt# \_\_\_\_\_

Administrative Comments & Fees— reviewed by SPD Date 5-31-24

Police Department Comments & Fees — reviewed by SPD Date 5-28-24  
NO COMMENT

Fire Department Comments & Fees — reviewed by Mike Cogswell Date 5-30-24  
OK, NO COMMENT

Public Works Comments & Fees — reviewed by Wick W. Date 5-29-24  
OK

**18. OTHER CONCESSIONS**

Describe what vendors or concessionaires you will allow at the event, and how you intend to regulate and monitor their activities.

N/A

**19. GAMBLING**

Will there be any gambling (raffles, pull-tabs, bingo, etc.) at the event?  Yes  No

If yes, a lawful gambling permit will be required as provided by state law. Describe the gambling activity and the status of gambling permit.

We have pull tabs booths that operate everyday at Duffys  
They will be operating w/ normal business procedures

**20. WORKERS COMPENSATION COMPLIANCE**

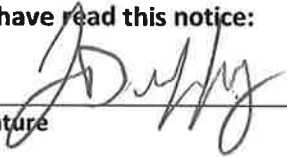
In accordance with Minnesota Statutes all applicants for licenses and permits to operate a business in Minnesota must submit acceptable evidence of compliance with Workers' Compensation Insurance requirements. Please complete the certificate of compliance and attach to this application.

**21. INSURANCE**

As a condition of the granting of a permit for special event conducted on public property or public streets or public parking lots, the permit holder shall provide the City with a copy of a Certificate of Liability Insurance naming the City as an additional insured entity with limits of not less than one million dollars per occurrence. If alcoholic beverages are to be sold or distributed the policy must also include an endorsement for liquor liability.

**22. THE MINNESOTA DATA PRACTICES ACT**

The Minnesota Data Practices Act requires that we inform you of your rights about the private data we are requesting on this form. Private data is available to you, but not to the public. We are requesting this data to determine your eligibility for a permit from the City of Osseo. Providing the data may disclose information that could cause your application to be denied. You are not legally required to provide the data; however, refusing to supply the data may cause your permit to not be processed. Your residence address and telephone number will be considered public data unless you request this information to be private and provide an alternative address and telephone number. Please sign below to indicate that you have read this notice:

Signature 

Date 4/25/24

I request that my residence address and telephone number be considered private data. My alternative address and telephone number are as follows:

337 Central Ave Osseo, MN 55369

763-425-0310

Address

Telephone

**City of Osseo use only:**

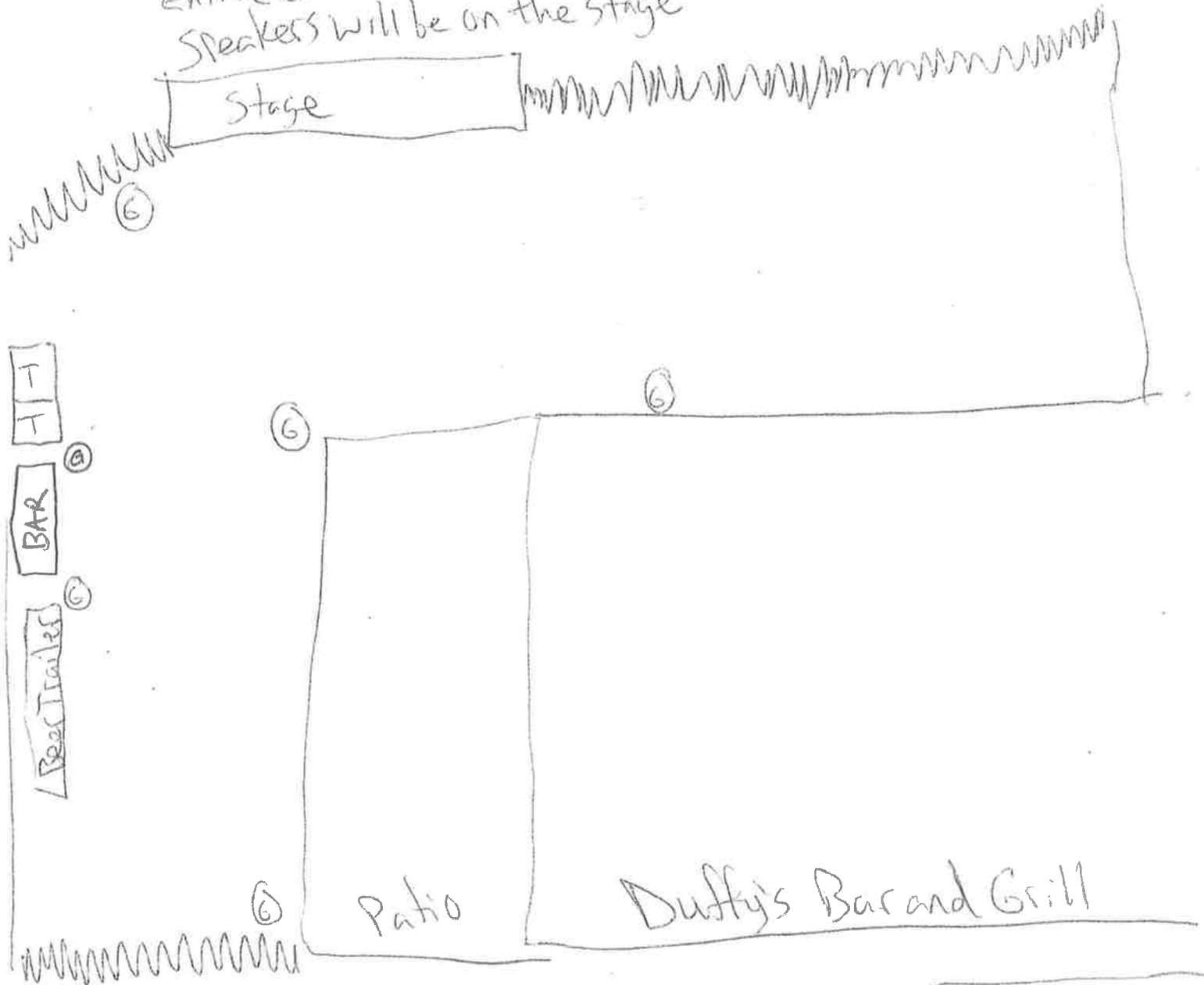
<b>Special Event Permit Fees</b>			
Permit Application Fee		\$50	non-refundable
Special Services (hourly rates for staff time)			deposit refundable, if not used
Staff Time	<b>Staff Type</b>	<b>Rate</b>	
City Staff – Professional	<i>Pro</i>	\$75/hour	
City Staff -- Administrative Support	<i>Admin</i>	\$50/hour	
City Staff -- Public Works Director	<i>PWD</i>	\$75/hour	
City Staff -- Public Works Maintenance	<i>PWM</i>	\$50/hour	
Police Services	<i>PS</i>	per contract	per current Police services contract

**Special Service Deposit Calculations**

Task	Staff Type	# of Staff	Hours / Staff (Round to 0.25)	Rate	Deposit Amount
				Deposit Total	50.00

# Duffy's Summer Party

All food comes from main kitchen  
Entire event and property is ADA accessible  
Speakers will be on the stage



Central Ave

G = Garbage  
~~~~~ = fence  
T = Portable Toilette

# Certificate of Compliance

## Minnesota Workers' Compensation Law

This form must be completed by the business license applicant.

Print in ink or type

Minnesota Statutes § 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minn. Stat. chapter 176. If the required information is not provided or is falsely stated, it shall result in a \$2,000 penalty assessed against the applicant by the commissioner of the Department of Labor and Industry. A valid workers' compensation policy must be kept in effect at all times by employers as required by law.

|                                                                                                                                                                                                               |  |                                                 |                            |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------|----------------------------|-------------------|
| License or certificate number (if applicable)                                                                                                                                                                 |  | Business telephone number<br>763-425-0310       | Alternate telephone number |                   |
| Business name (Provide the legal name of the business entity. If the business is a sole proprietor or partnership, provide the owner's name(s), for example John Doe, or John Doe and Jane Doe.)<br>Duffs LLC |  |                                                 |                            |                   |
| DBA ("doing business as" or "also known as" an assumed name), if applicable<br>Duffys Bar and Grill                                                                                                           |  |                                                 |                            |                   |
| Business address (must be physical street address, no P.O. boxes)<br>337 Central Ave                                                                                                                          |  | City<br>Osseo                                   | State<br>MN                | ZIP code<br>55369 |
| County<br>Hennepin                                                                                                                                                                                            |  | Email address<br>duffysbarandgrill337@gmail.com |                            |                   |

You must complete number 1 or 2 below.

**Note:** You must resubmit this form to the authority issuing your license if any of the information you have provided changes.

1.  I have a workers' compensation insurance policy.

Insurance company name (not the insurance agent)  
Society Insurance

Policy number

WC90008747-1

Effective date

08/01/2023

Expiration date

07/31/2024

I am self-insured for workers' compensation. (Attach a copy of the authorization to self-insure from the Minnesota Department of Commerce; see [www.mn.gov/commerce/industries/insurance/licensing/self-insurance](http://www.mn.gov/commerce/industries/insurance/licensing/self-insurance).)

2. I am not required to have workers' compensation insurance because:

- I only use independent contractors and do not have employees. (See Minn. Stat. § 176.043 for trucking and messenger courier industries; Minn. Stat. § 181.723, subd. 4, for building construction; and Minnesota Rules chapter 5224 for other industries.)
- I do not use independent contractors and have no employees. (See Minn. Stat. § 176.011, subd. 9, for the definition of an employee.)
- I use independent contractors and I have employees who are not required to be covered by the workers' compensation law. (Explain below.)
- I only have employees who are not required to be covered by the workers' compensation law. (Explain below.) (See Minn. Stat. § 176.041 for a list of excluded employees.)

Explain why your employees are not required to be covered

I certify the information provided on this form is accurate and complete. If I am signing on behalf of a business, I certify I am authorized to sign on behalf of the business.

Print name

Josh Duffly

Applicant signature (required)

*Josh Duffly*

Title

General Manager

Date

4/29/24

If you have questions about completing this form or to request this form in Braille, large print or audio, call (651) 284-5032 or 1-800-342-5354.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
04/29/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|                                                                                                 |  |                                                                                                                                                                                                 |  |
|-------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>PRODUCER</b><br>Christensen Group<br>9855 West 70th Street, Ste 100<br>Eden Prairie MN 55344 |  | <b>CONTACT NAME:</b> Kyle Nybakken<br><b>PHONE (A/C No. Ext):</b> (952) 653-1000<br><b>FAX (A/C No.):</b> (952) 653-1100<br><b>E-MAIL ADDRESS:</b> KNybakken@christensengroup.com               |  |
| <b>INSURED</b><br>Duffy LLC, DBA: Duffy's Bar & Grill<br>337 Central Ave<br>Osseo MN 55369      |  | <b>INSURER(S) AFFORDING COVERAGE</b><br><b>INSURER A:</b> Society Ins a Mutual Company<br><b>INSURER B:</b><br><b>INSURER C:</b><br><b>INSURER D:</b><br><b>INSURER E:</b><br><b>INSURER F:</b> |  |
|                                                                                                 |  | <b>NAIC #</b><br>15261                                                                                                                                                                          |  |

**COVERAGES**

CERTIFICATE NUMBER: 23-24 Lib

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

| INSR LTR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                                                               | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS                                                                                                                                                                                                                                                                    |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|---------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A        | <input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b><br><input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR<br>GENERAL AGGREGATE LIMIT APPLIES PER<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO JECT <input type="checkbox"/> LOC<br><input type="checkbox"/> OTHER |           |          | BP10008744    | 08/01/2023              | 08/01/2024              | EACH OCCURRENCE \$ 1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000<br>MED EXP (Any one person) \$ Excluded<br>PERSONAL & ADV INJURY \$ 1,000,000<br>GENERAL AGGREGATE \$ 2,000,000<br>PRODUCTS - COMP/OP AGG \$ 2,000,000<br>GL Enhancement \$ INCLUDED |
| A        | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input checked="" type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY                                                              |           |          | BP10008744    | 08/01/2023              | 08/01/2024              | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                                                                                                 |
| A        | <input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b><br><input type="checkbox"/> EXCESS LIAB<br>DED <input checked="" type="checkbox"/> RETENTION \$ 0                                                                                                                                                                                      |           |          | CU10008748    | 08/01/2023              | 08/01/2024              | EACH OCCURRENCE \$ 1,000,000<br>AGGREGATE \$                                                                                                                                                                                                                              |
| A        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below                                                                                                                                                   |           | N/A      | WC10008747    | 08/01/2023              | 08/01/2024              | <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$ 500,000<br>E.L. DISEASE - EA EMPLOYEE \$ 500,000<br>E.L. DISEASE - POLICY LIMIT \$ 500,000                                                                        |
| A        | Liquor Liability                                                                                                                                                                                                                                                                                                                                |           |          | LL10008746    | 08/01/2023              | 08/01/2024              | Each Common Cause \$ 1,000,000<br>Aggregate \$ 1,000,000                                                                                                                                                                                                                  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate holder is provided evidence of coverage.

**CERTIFICATE HOLDER****CANCELLATION**City of Osseo  
415 Central Avenue

Osseo

MN 55369

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**Agenda Item:** 2024 Street Reconstruction & Rehabilitation Project Assessment Hearing  
**Meeting Date:** June 10, 2024  
**Prepared By:** Alyson Fauske, PE (MN), City Engineer  
**Attachments:** Resolution, map, assessment rolls, postcard

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**Policy Consideration:**

Request the following:

1. Hold the assessment hearing for the 2024 Street Reconstruction and Rehabilitation Project.
2. Approve a resolution adopting the proposed assessments for the 2024 Street Reconstruction and Rehabilitation Project.

**Background:**

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.

**Funding/Financing:**

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. A summary of the as bid costs and funding sources is shown below.

|                                                                 | <b>As Bid Cost</b>    | <b>Estimated Cost</b> | <b>Funding Source</b>                                                                |
|-----------------------------------------------------------------|-----------------------|-----------------------|--------------------------------------------------------------------------------------|
| Surface improvements, 8 <sup>th</sup> /9 <sup>th</sup> Ave Area | \$644,249.96          | \$ 663,373.57         | 50% of curb & gutter and 25% of street cost assessed; remainder from the Street Fund |
| Surface improvements, North Oaks                                | \$309,089.64          | \$ 388,893.82         | 50% assessed, 50% Street Fund                                                        |
| Surface improvements, 1½ Street NE                              | \$48,600.00           | \$ 44,582.21          |                                                                                      |
| Surface improvements, CR 81 frontage road                       | \$164,882.23          | \$ 215,996.35         | Street Fund                                                                          |
| Drainage improvements                                           | \$127,879.07          | \$ 152,521.60         | Storm Fund                                                                           |
| Sanitary sewer improvements                                     | \$25,152.51           | \$ 24,780.80          | Sewer Fund                                                                           |
| Watermain improvements                                          | \$15,478.14           | \$ 10,841.60          | Water Fund                                                                           |
| Hydrant improvements                                            | \$133,331.81          | \$ 164,150.27         | Water Fund                                                                           |
| <b>Total</b>                                                    | <b>\$1,468,663.37</b> | <b>\$1,665,140.22</b> |                                                                                      |

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 8<sup>th</sup>/9<sup>th</sup> Ave Area changed from reconstruction (assessed at 50%) to reclamation (street improvements assessed at 25% and curb and gutter replacement assessed at 50%).

| <b>Project Area</b>                       | <b>Estimated Assessment per Feasibility Report</b> | <b>Proposed Final Assessment</b> |
|-------------------------------------------|----------------------------------------------------|----------------------------------|
| 8 <sup>th</sup> /9 <sup>th</sup> Ave Area | \$11,440.00 per unit                               | \$3,180.00 per unit              |
| North Oaks                                | \$84.00 per front foot                             | \$69.00 per front foot           |
| 1½ Street NE                              | \$62.00 per front foot                             | \$81.00 per front foot           |

The assessment roll includes Map ID 48, a \$64,371.50 assessment to the City of Osseo for the east half of 9<sup>th</sup> Avenue NE. This has been proposed since the initial feasibility report in 2022 to demonstrate that residents in that area of the project would not be assessed for the portion of the street where there aren't any houses.



**Schedule:**

The contractor has indicated that work will begin late July/early August and will take 8 to 10 weeks to complete, weather permitting. The substantial completion date is September 30, 2024. The attached postcard with project information was distributed to homes and businesses adjacent to the project area. As of June 5, one resident has signed up for email updates for the project.

**Previous Action or Discussion:**

On May 13, 2024, the City Council adopted resolutions declaring costs to be assessed and ordering preparation of assessments, and scheduling the assessment hearing for the 2024 Street Reconstruction and Rehabilitation Project.

**Options:**

The City Council may choose to:

1. Adopt the attached resolution adopting the proposed assessments for the 2024 Street Reconstruction and Rehabilitation Project;
2. Adopt the attached resolution adopting the proposed assessments for the 2024 Street Reconstruction and Rehabilitation Project with noted changes or as amended;
3. Table action on this item for more information.

**Recommendation/Action Requested:**

Staff recommends the City Council choose Option (1): Adopt the attached resolution adopting the proposed assessments for the 2024 Street Reconstruction and Rehabilitation Project.

**Next Step:**

Construction.

**Resolution No. 2024-\_\_**

**RESOLUTION ADOPTING ASSESSMENT ROLLS FOR THE  
2024 STREET RECONSTRUCTION AND REHABILITATION PROJECT**

**WHEREAS**, pursuant to proper notice duly given as required by law, the City Council of the City of Osseo, Minnesota, has met and heard and passed upon all objections to the proposed assessments for the improvements of the 2024 Street Reconstruction and Rehabilitation Project.

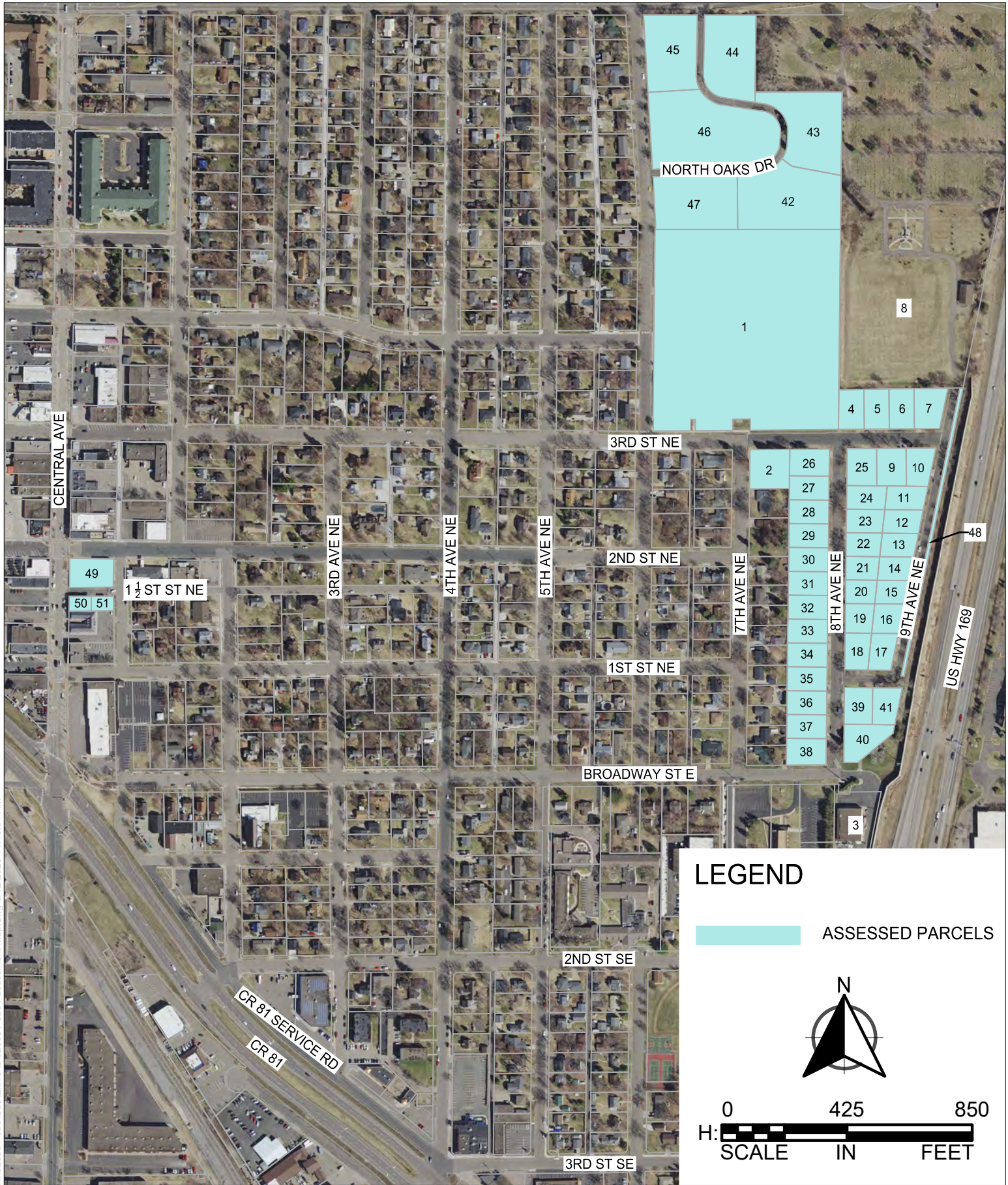
**NOW, THEREFORE BE IT RESOLVED**, by the City Council of Osseo, Hennepin County, Minnesota:

1. The proposed assessments, copies of which are attached hereto and made a part hereof, are hereby accepted and shall constitute the special assessments against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvements in the amount of the assessment levied against it.
2. Assessments shall be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in January 2025, and shall bear interest at the rate of 2 percent above the true interest cost (TIC) per annum from the date of the adoption of the assessment resolution.
3. The owner of any property so assessed may at any time prior to November 15, 2024 pay the whole of the assessment against any parcel with interest accrued to the date of payment to the Osseo City Clerk except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution and the owner may, at any time thereafter, pay to the City Clerk the entire amount of the assessment remaining unpaid with interest accruing to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year. No partial prepayments will be accepted by the City Clerk.
4. The City Clerk shall submit a certified duplicate of this assessment to the County Auditor to be extended on the proper tax list of the county, and such assessments shall be collected and paid over in the same manner as other municipal taxes.

Adopted by the Osseo City Council this 10<sup>th</sup> day of June, 2024.

The motion for the adoption of the foregoing resolution was made by Councilmember \_\_\_\_\_, seconded by Councilmember \_\_\_\_\_, and upon vote being duly taken thereon, the following voted in favor thereof: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.





K:\020591-000\Card\Exhibits\020591-000\_Assessment\_Map.dwg, 5/12/2023 11:45:04 AM



**CITY OF OSSEO  
2024 STREET RECONSTRUCTION & REHABILITATION PROJECT  
ASSESSMENT ROLL**

Date: 5/1/2024  
WSB Project No.: 020591-000

*Complete Reconstruction Residential Single-Family Per Unit Assessment:* **Rate \$3,180.00**  
*Complete Reconstruction Institutional/Commercial/Multi-Family Front Foot Assessment:* **\$62.00**

| MAP ID                                               | PID           | FEE OWNER                             | FEE OWNER ADDRESS  | CITY/STATE/ZIP         | PROPERTY ADDRESS      | USE DESCRIPTION | UNITS | UNIT ASSESSMENT RATE | FRONT FOOTAGE (LF) | FOOTAGE ASSESSMENT RATE | PROPOSED ASSESSMENT |
|------------------------------------------------------|---------------|---------------------------------------|--------------------|------------------------|-----------------------|-----------------|-------|----------------------|--------------------|-------------------------|---------------------|
| 1                                                    | 1811921210001 | OSSEO SCHOOL DIST NO 279              | 11200 93RD AVE N   | MAPLE GROVE MN 55369   | 324 6TH AVE N E       | COMMERCIAL      |       |                      | 300                | \$62.00                 | \$18,600.00         |
| 2                                                    | 1811921240065 | BARRY C SUPER/LARAA L L VEIT          | 224 7TH AVE N E    | OSSEO MN 55369         | 224 7TH AVE N E       | RESIDENTIAL     | 0.5   | \$3,180.00           |                    |                         | \$1,590.00          |
| 3                                                    | 1811921420003 | CITY OF OSSEO                         | 415 CENTRAL AVE    | OSSEO MN 55369         | 800 BROADWAY ST E     | INDUSTRIAL      |       |                      |                    |                         |                     |
| 4                                                    | 1811921130006 | D & C MARKGRAF                        | 801 3RD ST N E     | OSSEO MN 55369         | 801 3RD ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 5                                                    | 1811921130005 | ROBERT & MARIE KYKER TRUST            | 9147 IVES LA N     | MAPLE GROVE MN 55369   | 809 3RD ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 6                                                    | 1811921130004 | LONNIE GLOVER ET AL                   | 817 3RD ST NE      | OSSEO MN 55369         | 817 3RD ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 7                                                    | 1811921130003 | M & D POLICH                          | 825-3RD ST NE      | OSSEO MN 55369         | 825 3RD ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 8                                                    | 1811921120003 | CH ST VINC DE PAUL                    | 9100 93RD AVE N    | BROOKLYN PARK MN 55445 | 8601 93RD AVE N       | COMMERCIAL      |       |                      |                    |                         |                     |
| 9                                                    | 1811921130008 | J P W HALL & C M HALL                 | 808 3RD ST N E     | OSSEO MN 55369         | 808 3RD ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 10                                                   | 1811921130009 | L L NYGARD & D D NYGARD               | 217 9TH AVE N E    | OSSEO MN 55369         | 217 9TH AVE N E       | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 11                                                   | 1811921130010 | ANTHONY RIOFRIO/KARISA YANG           | 209 9TH AVE N E    | OSSEO MN 55369         | 209 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 12                                                   | 1811921130011 | DAVID A JOHNSON                       | 201 9TH AVE N E    | OSSEO MN 55369         | 201 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 13                                                   | 1811921130012 | CARLOS RODRIGUEZ                      | 133 9TH AVE N E    | OSSEO MN 55369         | 133 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 14                                                   | 1811921130013 | M J AMUNDSON & J M AMUNDSON           | 125 9TH AVE N E    | OSSEO MN 55369         | 125 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 15                                                   | 1811921130014 | TIA FARNSWORTH                        | 117 9TH AVE N E    | OSSEO MN 55369         | 117 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 16                                                   | 1811921130015 | BENEDICT MAMBU BOAKAI                 | 109 9TH AVE NE     | OSSEO MN 55369         | 109 9TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 17                                                   | 1811921130016 | MEGAN HOEBEN                          | 101 9TH AVE N E    | OSSEO MN 55369         | 101 9TH AVE N E       | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 18                                                   | 1811921130017 | LEWIS OWEN & TAYLOR D LUND            | 100 8TH AVE N E    | OSSEO MN 55369         | 100 8TH AVE N E       | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 19                                                   | 1811921130018 | PHENG LEE                             | 108 8TH AV NE      | OSSEO MN 55369         | 108 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 20                                                   | 1811921130019 | LISA C BURKE                          | 116 8TH AVE N E    | OSSEO MN 55369         | 116 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 21                                                   | 1811921130020 | PAULA WEAKLY                          | 7517 XERXES AVE N  | MINNEAPOLIS MN 55444   | 124 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 22                                                   | 1811921130021 | D M CAMILLO ETAL SUBJ/LE              | 132 8TH AVE N E    | OSSEO MN 55369         | 132 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 23                                                   | 1811921130022 | SUSAN CRAWFORD                        | 200 8TH AVE N E    | OSSEO MN 55369         | 200 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 24                                                   | 1811921130023 | AMANDA DRISCOLL & C DRISCOLL          | 208 8TH AVE N E    | OSSEO MN 55369         | 208 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 25                                                   | 1811921130007 | C L RASMUSSEN/C L RASMUSSEN           | 216 8TH AVE N E    | OSSEO MN 55369         | 216 8TH AVE N E       | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 26                                                   | 1811921240078 | HARTKOPF FAMILY TRUST                 | 225 8TH AVE N E    | OSSEO MN 55369         | 225 8TH AVE N E       | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 27                                                   | 1811921240079 | DIANE CROSS & DAVID CROSS             | 14951 XKIMO ST N W | RAMSEY MN 55303        | 217 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 28                                                   | 1811921240080 | KELSEY SCHWARTZ                       | 209 8TH AVE N E    | OSSEO MN 55369         | 209 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 29                                                   | 1811921240081 | R F JOHNSON/LINDA L JOHNSON           | 201 8TH AVE N E    | OSSEO MN 55369         | 201 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 30                                                   | 1811921240082 | NICHOLAS TORRES/LISA MILLER           | 133 8TH AVE N E    | OSSEO MN 55369         | 133 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 31                                                   | 1811921240083 | M G OVERMAN & D A OVERMAN             | 125 8TH AVE N E    | OSSEO MN 55369         | 125 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 32                                                   | 1811921240084 | B C WALLIN & J C WALLIN               | 117 8TH AVE N E    | OSSEO MN 55369         | 117 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 33                                                   | 1811921240085 | KATHRINE BUTLER & JASON BUTLER        | 109 8TH AVE N E    | OSSEO MN 55369         | 109 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 34                                                   | 1811921240086 | BRET C MOODY                          | 101 8TH AVE N E    | OSSEO MN 55369         | 101 8TH AVE N E       | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 35                                                   | 1811921240087 | LEE FUNDANET & LETTIE FUNDANET        | 25 8TH AVE N E     | OSSEO MN 55369         | 25 8TH AVE N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 36                                                   | 1811921240088 | DONNA DILLAN/WILLIAM DILLAN           | 17 8TH AVE N E     | OSSEO MN 55369         | 17 8TH AVE N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 37                                                   | 1811921240089 | T G JOHNSON & S R JOHNSON             | 9 8TH AVE N E      | OSSEO MN 55369         | 9 8TH AVE N E         | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 38                                                   | 1811921240090 | ERIN BARNES-DRISCOLL & BRIAN DRISCOLL | 725 BROADWAY ST E  | OSSEO MN 55369         | 725 BROADWAY ST E     | RESIDENTIAL     | 0.5   | \$3,180.00           |                    |                         | \$1,590.00          |
| 39                                                   | 1811921130024 | J & C TODD                            | 16 8TH AVE N E     | OSSEO MN 55369         | 16 8TH AVE N E        | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 40                                                   | 1811921130026 | JASON ALEXANDER                       | 801 BROADWAY ST E  | OSSEO MN 55369         | 801 BROADWAY ST E     | RESIDENTIAL     | 1.5   | \$3,180.00           |                    |                         | \$4,770.00          |
| 41                                                   | 1811921130025 | M J WOODS & J HULTSTROM               | 808 1ST ST N E     | OSSEO MN 55369         | 808 1ST ST N E        | RESIDENTIAL     | 1     | \$3,180.00           |                    |                         | \$3,180.00          |
| 48                                                   |               | CITY OF OSSEO                         | 415 CENTRAL AVE    | OSSEO MN 55369         | 9TH AVE EAST FRONTAGE | PUBLIC          |       |                      | 1038.25            | \$62.00                 | \$64,371.50         |
| <b>GRAND TOTAL - PRELIMINARY PROJECT ASSESSMENT:</b> |               |                                       |                    |                        |                       |                 |       |                      |                    |                         | <b>\$211,761.50</b> |

**CITY OF OSSEO  
2024 STREET RECONSTRUCTION & REHABILITATION PROJECT  
ASSESSMENT ROLL (NORTH OAKS DR)**

Date: 5/1/2024  
WSB Project No.: 020591-000

Rate

Complete Reconstruction Institutional/Commercial/Multi-Family Front Foot Assessment: **\$69.00**

| MAP ID                                               | PID           | FEE OWNER                 | FEE OWNER ADDRESS   | CITY/STATE/ZIP         | PROPERTY ADDRESS  | USE DESCRIPTION | UNITS | UNIT ASSESSMENT RATE | FRONT FOOTAGE (LF) | FOOTAGE ASSESSMENT RATE | PROPOSED ASSESSMENT |
|------------------------------------------------------|---------------|---------------------------|---------------------|------------------------|-------------------|-----------------|-------|----------------------|--------------------|-------------------------|---------------------|
| 42                                                   | 1811921210083 | STERLING PROPERTIES L L C | PO BOX 5093         | HOPKINS MN 55343       | 608 NORTH OAKS DR | MULTI-FAMILY    |       |                      | 164.66             | \$69.00                 | \$11,361.54         |
| 43                                                   | 1811921210077 | STERLING PROPERTIES L L C | P O BOX 5093        | HOPKINS MN 55343       | 616 NORTH OAKS DR | MULTI-FAMILY    |       |                      | 263                | \$69.00                 | \$18,147.00         |
| 44                                                   | 1811921210076 | 6TH ST APTS LLC           | 6909 WINNETKA AVE N | BROOKLYN PARK MN 55428 | 624 NORTH OAKS DR | MULTI-FAMILY    |       |                      | 424.49             | \$69.00                 | \$29,289.81         |
| 45                                                   | 1811921210074 | 6TH ST APTS LLC           | 6909 WINNETKA AVE N | BROOKLYN PARK MN 55428 | 625 NORTH OAKS DR | MULTI-FAMILY    |       |                      | 255.37             | \$69.00                 | \$17,620.53         |
| 46                                                   | 1811921210075 | 6TH ST APTS LLC           | 6909 WINNETKA AVE N | BROOKLYN PARK MN 55428 | 620 6TH AVE N E   | MULTI-FAMILY    |       |                      | 845.59             | \$69.00                 | \$58,345.71         |
| 47                                                   | 1811921210084 | STERLING PROPERTIES L L C | PO BOX 5093         | HOPKINS MN 55343       | 600 NORTH OAKS DR | MULTI-FAMILY    |       |                      | 286.67             | \$69.00                 | \$19,780.23         |
| <b>GRAND TOTAL - PRELIMINARY PROJECT ASSESSMENT:</b> |               |                           |                     |                        |                   |                 |       |                      |                    |                         | <b>\$154,544.82</b> |

**CITY OF OSSEO  
2024 STREET RECONSTRUCTION & REHABILITATION PROJECT  
ASSESSMENT ROLL (1 1/2 ST NE)**

Date: 5/1/2024  
WSB Project No.: 020591-000

Rate

*Complete Reconstruction Institutional/Commercial/Multi-Family Front Foot Assessment:* **\$81.00**

| MAP ID                                               | PID           | FEE OWNER                    | FEE OWNER ADDRESS  | CITY/STATE/ZIP   | PROPERTY ADDRESS | USE DESCRIPTION | UNITS | UNIT ASSESSMENT RATE | FRONT FOOTAGE (LF) | FOOTAGE ASSESSMENT RATE | PROPOSED ASSESSMENT |
|------------------------------------------------------|---------------|------------------------------|--------------------|------------------|------------------|-----------------|-------|----------------------|--------------------|-------------------------|---------------------|
| 49                                                   | 1811921230163 | CIRCLE K STORES, INC         | PO BOX 52085 DC-17 | PHOENIX AZ 85072 | 124 CENTRAL AVE  | COMMERCIAL      |       |                      | 150                | \$81.00                 | \$12,150.00         |
| 50                                                   | 1811921230031 | DOUGLAS COMM ENTERPRISES LLC | 116 CENTRAL AVE    | OSSEO MN 55369   | 116 CENTRAL AVE  | COMMERCIAL      |       |                      | 75                 | \$81.00                 | \$6,075.00          |
| 51                                                   | 1811921230032 | DOUGLAS COMM ENTERPRISES LLC | 116 CENTRAL AVE    | OSSEO MN 55369   | 125 1ST AVE N E  | COMMERCIAL      |       |                      | 75                 | \$81.00                 | \$6,075.00          |
| <b>GRAND TOTAL - PRELIMINARY PROJECT ASSESSMENT:</b> |               |                              |                    |                  |                  |                 |       |                      |                    |                         | <b>\$24,300.00</b>  |

# 2024 Street Rehabilitation & Reconstruction Project



CITY OF OSSEO

The City of Osseo will begin construction on the 2024 Street Rehabilitation and Reconstruction Project in July.

The project includes rehabilitating portions of 8th Ave NE, 9th Ave NE, 3rd St NE, 1st St NE and Broadway St E, reconstructing 1½ St NE and North Oaks Dr, and the mill and overlay of the CR 81 Service Road. The project also includes extension of the storm sewer and replacement of the hydrants in the rehabilitation area and North Oaks Drive. A project map can be seen on the back side of this postcard. The project is expected to be complete this fall. If you have issues with your water or sanitary sewer service, we encourage you to have a private contractor address those before the city's contractor starts work in your area. The gas company has completed their work in this area and restoration will be done by the end of May.

A project helpline is available for project-related questions or concerns. The helpline is available both by phone and email:

**651.286.8470 | [OsseoStreetProject@wsbeng.com](mailto:OsseoStreetProject@wsbeng.com)**

If you would like to receive project updates via email, please subscribe by emailing the project helpline.

# 2024 Street Rehabilitation & Reconstruction Project



CITY OF OSSEO

The City of Osseo will begin construction on the 2024 Street Rehabilitation and Reconstruction Project in July.

The project includes rehabilitating portions of 8th Ave NE, 9th Ave NE, 3rd St NE, 1st St NE and Broadway St E, reconstructing 1½ St NE and North Oaks Dr, and the mill and overlay of the CR 81 Service Road. The project also includes extension of the storm sewer and replacement of the hydrants in the rehabilitation area and North Oaks Drive. A project map can be seen on the back side of this postcard. The project is expected to be complete this fall. If you have issues with your water or sanitary sewer service, we encourage you to have a private contractor address those before the city's contractor starts work in your area. The gas company has completed their work in this area and restoration will be done by the end of May.

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**2024 STREET REHABILITATION  
& RECONSTRUCTION PROJECT**



**2024 STREET REHABILITATION  
& RECONSTRUCTION PROJECT**







Kennedy & Graven  
 Fifth Street Towers  
 150 South Fifth Street, Suite 700  
 Minneapolis, MN 55402  
 (612) 337-9255 direct  
 jsathe@kennedy-graven.com

**MEMORANDUM**

**TO:** Mayor and City Councilmembers  
 Chief Shane Mikkelson, Interim City Administrator

**FROM:** Joseph L. Sathe, Assistant City Attorney

**DATE:** June 10, 2024

**RE:** Lawful Gambling Ordinance – Second Reading

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.\*

\*Hours of Operation Language. The language provided below, for reference, was in the draft from April 22, 2024, but not addressed in the memo. If the Council desires to have the provision added in, an amended ordinance will be brought back to the next meeting. I have updated the table to show that neither Brooklyn Park nor Maple Grove include a similar provision.

**§ 119.XX HOURS OF OPERATION**

*Lawful gambling shall not be conducted between 1 a.m. and 8 a.m. on any day of the week.*

| <b>Table Showing Lawful Gambling Regulations of Cities Contiguous to Osseo</b> |                                       |                      |                       |                                              |                            |                           |                           |                               |                                  |
|--------------------------------------------------------------------------------|---------------------------------------|----------------------|-----------------------|----------------------------------------------|----------------------------|---------------------------|---------------------------|-------------------------------|----------------------------------|
|                                                                                | <i>Trade Area?</i>                    | <i>Local Permit?</i> | <i>10% City Fund?</i> | <i>Investigative Fee?</i>                    | <i>Local Gambling Tax?</i> | <i>Orgs. Per Premise?</i> | <i>Premises per Org.?</i> | <i>Limit of Total Number?</i> | <i>Hours of Operation Limit?</i> |
| <b>Maple Grove</b><br><a href="#">Ch. 10, Art. VI</a>                          | 75% Contiguous cities                 | No                   | Yes Full 10%          | No                                           | .5% \$27,486 in 2022.      | 1                         | Yes*                      | No                            | No                               |
| <b>Brooklyn Park</b><br><a href="#">City Code, section 113.60-64</a>           | 75% Contiguous cities and Minneapolis | No                   | No                    | \$250 Max fee for 2 <sup>nd</sup> class city | No                         | None                      | 3                         | No                            | No                               |

\* Maple Grove limits the number of locations per organization based on a review of factors at the time of the application such as current number of licenses in the city, other applicants for the same location, etc.

## **Implementation Steps and Additional Informational Notes**

***City Administered Fund Timing*** – Lawful gambling organizations must calculate the 10% of net profits that will be sent to the City Administered Fund beginning on the effective date of the ordinance – July 1, 2024. Payments will be due to the City quarterly. The payment schedule will be communicated by staff to each entity that must contribute to the fund.

***Entity Reporting*** – Each lawful gambling organization will file a copy of all reports it submits to the state to the City. This includes monthly and annual reports on lawful gambling operations for the organization and at each site.

***City Reporting*** – By March 15 each year, the city must submit a report to the Minnesota Gambling Control Board that outlines how much money was collected, the amount spent, and on what lawful purposes the money was spent.

***City Budgeting*** – All funds must be paid directly to the City Administered Fund. The City may only make expenditures from the City Administered Fund once the money has been deposited in the Fund.

The City can choose to include funds that are already in the City Administered Fund during the annual budgeting process, but may also authorize expenditures as funds are deposited quarterly.

***City Eligible Expenditures*** – The dollars collected as part of the City Administered Fund may be spent by the City on:

- Police, fire, and other emergency or public safety related services, equipment, and training, excluding pension obligations; or
- Charitable contributions (outlined in the table below).

An organization that makes contributions to the City Administered Fund cannot be a beneficiary of the City's spending of those same dollars.

## Lawful Purpose Expenditures Code Summary

This one-page chart lists the lawful purpose expenditures that are allowed, and the codes to use when reporting these expenditures. Refer to the code information for restrictions not noted in this chart.

| CODE                                                                                                                                                                                                                                                                                               | CODE                                                                                                                                                                                                                                                                                                                                                                                                                                    | CODE                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>1</b> To and by 501(c)(3) organizations or 501(c)(4) festival organizations.                                                                                                                                                                                                                    | <b>11</b> To and by a nonprofit organization which is a church or a body of communicants.                                                                                                                                                                                                                                                                                                                                               |                                                                                               |
| <b>2</b> Relieving the effects of poverty, homelessness, or disability.                                                                                                                                                                                                                            | <b>12</b> Water quality testing for public waters, provided that the MPCA has approved the project.                                                                                                                                                                                                                                                                                                                                     | <b>19</b> Recognizing humanitarian service demonstrated through volunteerism or philanthropy. |
| <b>3</b> Program for education, prevention, or treatment of problem gambling.                                                                                                                                                                                                                      | <b>13</b> - Wildlife management project that benefits the public-at-large, provided that the DNR has approved the project.<br><br>- Costs related to grooming and maintaining snowmobile or all-terrain vehicle trails that are grant-in-aid trails, or other trails open to public use, provided that DNR has approved the project.<br><br>- Supplies and materials for safety training and education programs coordinated by the DNR. |                                                                                               |
| <b>4</b> Funding a public or private nonprofit education institution registered with or accredited by Minnesota or any other state.                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               |
| <b>5</b> Scholarships.                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               |
| <b>6</b> - Recognition of military service (open to the public).<br>- Active military personnel in need.                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               |
| <b>7</b> Activities and facilities benefiting youth under age 21.                                                                                                                                                                                                                                  | <b>14</b> Conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled.                                                                                                                                                                                                                                                                                      |                                                                                               |
|                                                                                                                                                                                                                                                                                                    | <b>15</b> To community arts organizations or expenditures to fund arts programs in the community.                                                                                                                                                                                                                                                                                                                                       |                                                                                               |
| <b>10</b> - Contributions to the United States, state of Minnesota, or any of its subdivisions or agencies or instrumentalities (except a direct contribution to a law enforcement or prosecutorial agency).<br><br>- A fund administered and regulated by a city or county (for lawful purposes). |                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                               |



**ORDINANCE NO. 2024- \_\_\_\_**

**AN ORDINANCE ADDING A NEW CHAPTER TO THE CITY CODE RELATED TO  
LAWFUL GAMBLING**

**THE CITY COUNCIL OF THE CITY OF OSSEO HEREBY ORDAINS:**

**Section 1.** Title XI: Business Regulations of the Osseo City Code is amended by adding a new Chapter 119: Lawful Gambling, as follows:

**§ 119.01 ADOPTION OF STATE LAW BY REFERENCE**

The provisions of Minnesota Statutes, chapter 349, as they may be amended from time to time, with reference to the definition of terms, conditions of operation, provisions relating to sales, and all other matters pertaining to lawful gambling are hereby adopted by reference and are made a part of this ordinance as if set out in full. It is the intention of the Council that all future amendments of Minnesota Statutes, chapter 349, are hereby adopted by reference or referenced as if they had been in existence at the time this ordinance was adopted.

**§ 119.02 CITY MAY BE MORE RESTRICTIVE THAN STATE LAW**

The Council is authorized by the provisions of Minnesota Statutes, section 349.213, as it may be amended from time to time, to impose, and has imposed in this ordinance, additional restrictions on gambling within its limits beyond those contained in Minnesota Statutes, chapter 349, as it may be amended from time to time.

**§ 119.03 PURPOSE**

The purpose of this ordinance is to regulate lawful gambling within the City of Osseo, to prevent its commercialization, to ensure the integrity of operations, and to provide for the use of net profits only for lawful purposes.

**§ 119.04 DEFINITIONS**

In addition to the definitions contained in Minnesota Statutes, section 349.12, as it may be amended from time to time, the following terms are defined for purposes of this ordinance:

*BOARD*, as used in this ordinance, means the State of Minnesota Gambling Control Board.

*CITY*, as used in this ordinance, means the City of Osseo.

*COUNCIL*, as used in this ordinance, means the City Council of the City of Osseo.

*LICENSED ORGANIZATION*, as used in this ordinance, means an organization licensed by the Board.

*LOCAL PERMIT*, as used in this ordinance, means a permit issued by the city.

#### **§ 119.05 APPLICABILITY**

This ordinance shall be construed to regulate all forms of lawful gambling within the city except bingo conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, only members of the organization, residents of the nursing home or housing project, and their guests, are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo.

#### **§ 119.06 LAWFUL GAMBLING PERMITTED**

Lawful gambling is permitted within the city provided it is conducted in accordance with Minnesota Statutes, sections 609.75-.763, inclusive, as they may be amended from time to time; Minnesota Statutes, sections 349.11-.23, inclusive, as they may be amended from time to time; and this ordinance.

#### **§ 119.07 COUNCIL APPROVAL**

Lawful gambling authorized by Minnesota Statutes, sections 349.11-.23, inclusive, as they may be amended from time to time, shall not be conducted unless approved by the Council, subject to the provisions of this ordinance and state law.

#### **§ 119.08 COUNCIL APPROVAL**

(A) Lawful gambling authorized by Minnesota Statutes, sections 349.11-.23, inclusive, as they may be amended from time to time, shall not be conducted unless approved by the Council, subject to the provisions of this ordinance and state law.

(B) Upon receipt of an application for issuance of a premises permit, the city clerk shall transmit the application to the chief of police for review and recommendation.

(C) The chief of police shall investigate the matter and make the review and recommendation to the City Council as soon as possible, but in no event later than forty-five (45) days following receipt of the notification by the city.

(D) Organizations applying for a state-issued premises permit shall pay the city a \$100 investigation fee. This fee shall be refunded if the application is withdrawn before the investigation is commenced. If approved by the City Council and the Board, a licensed organization will be responsible for an annual investigative fee for conducting lawful gambling within the city.

(E) The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

(F) The Council shall receive the police chief's report and consider the application within forty-five (45) days of the date the application was submitted to the city clerk.

(G) The Council shall by resolution approve or disapprove the application within sixty (60) days of receipt of the application.

(H) The Council shall deny an application for issuance or renewal of a premises permit for any of the following reasons:

- (1) Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.
- (2) Violation by the on-sale establishment or organization leasing its premises for gambling of any state statute, state rule, or city ordinance relating to the operation of the establishment, including, but not limited to, laws relating to alcoholic beverages, gambling, controlled substances, suppression of vice, and protection of public safety within the last three (3) years.
- (3) Lawful gambling would be conducted at premises other than those for which an on-sale liquor license has been issued.
- (4) Failure of the applicant to pay the investigation fee provided by section 119.08 (D) within the prescribed time limit.
- (5) Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

Otherwise, the Council shall pass a resolution approving the application.

### **§ 119.09 LOCAL PERMITS**

(A) No organization shall conduct lawful gambling excluded or exempted from state licensure requirements by Minnesota Statutes, section 349.166, as it may be amended from time to time, without a valid local permit. This section shall not apply to lawful gambling exempted from local regulation by section 119.05 of this ordinance.

(B) Applications for issuance or renewal of a local permit shall be on a form prescribed by the city. The application shall contain the following information:

- (1) Name and address of the organization requesting the permit.
- (2) Name and address of the officers and person accounting for receipts, expenses, and profits for the event.
- (3) Dates of gambling occasion for which permit is requested.

(4) Address of premises where event will occur.

(5) Copy of rental or leasing arrangement, if any, connected with the event, including rent to be charged to the organization.

(6) Estimated value of prizes to be awarded.

(C) The fee for a local permit shall be \$100. The fee shall be submitted with the application for a local permit. This fee shall be refunded if the application is withdrawn before the investigation is commenced.

(D) Upon receipt of an application for issuance or renewal of a local permit, the city clerk shall transmit the notification to the chief of police for review and recommendation.

(E) The chief of police shall investigate the matter and make review and recommendation to the City Council as soon as possible, but in no event later than forty-five (45) days following receipt of the notification by the city.

(F) The applicant shall be notified in writing of the date on which the Council will consider the recommendation.

(G) The Council shall receive the public safety department's report and consider the application within forty-five (45) days of the date the application was submitted to the city clerk.

(H) The Council shall deny an application for issuance or renewal of a premises permit for any of the following reasons:

(1) Violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling within the last three (3) years.

(2) Violation by the on-sale establishment, or organization leasing its premises for gambling, of any state statute, state rule, or city ordinance relating to the operation of the establishment, including, but not limited to, laws relating to the operation of the establishment, laws relating to alcoholic beverages, gambling, controlled substances, suppression of vice, and protection of public safety within the last three (3) years.

(3) The organization has not been in existence for at least three (3) consecutive years prior to the date of application.

(4) The organization does not have at least thirteen (13) active and voting members.

(5) Exempted or excluded lawful gambling will not take place at premises the organization owns or rents.



- (6) Exempted or excluded lawful gambling will not be limited to a premises for which an on-sale liquor license has been issued.
- (7) Failure of the applicant to pay the permit fee provided by section 119.09 (C) within the prescribed time limit.
- (8) Operation of gambling at the site would be detrimental to health, safety, and welfare of the community.

Otherwise the Council shall approve the application.

(I) Local permits shall be valid for one (1) year after the date of issuance unless suspended or revoked.

#### **§ 119.10 REVOCATION AND SUSPENSION OF LOCAL PERMIT**

(A) A local permit may be revoked or temporarily suspended for a violation by the gambling organization of any state statute, state rule, or city ordinance relating to gambling.

(B) A license shall not be revoked or suspended until written notice and an opportunity for a hearing have first been given to the permitted person. The notice shall be personally served or sent by certified or registered mail. If the person refuses to accept notice, notice of the violation shall be served by posting it on the premises. Notice shall state the provision reasonably believed to be violated and shall also state that the permitted person may demand a hearing on the matter, in which case the permit will not be suspended until after the hearing is held. If the permitted person requests a hearing, the Council shall hold a hearing on the matter at least one week after the date on which the request is made. If, as a result of the hearing, the Council finds that an ordinance violation exists, then the Council may suspend or revoke the permit.

#### **§ 119.11 LICENSE AND PERMIT DISPLAY**

All permits issued under state law or this ordinance shall be prominently displayed during the permit year at the premises where gambling is conducted.

#### **§ 119.12 NOTIFICATION OF MATERIAL CHANGES TO APPLICATION**

An organization holding a state-issued premises permit or a local permit shall notify the city within ten (10) days in writing whenever any material change is made in the information submitted on the application.

#### **§ 119.13 CONTRIBUTION OF NET PROFITS TO FUND ADMINISTERED BY CITY**

(A) Each organization licensed to conduct lawful gambling within the city pursuant to Minnesota Statutes, section 349.16, as it may be amended from time to time, shall contribute

ten percent (10%) of its net profits derived from lawful gambling in the city to a fund administered and regulated by the city without cost to the fund. The city shall disburse the funds for charitable contributions as defined by Minnesota Statutes, section 349.12, subdivision 7a, as it may be amended from time to time.

(B) Payment under this section shall be made on the last day of each month.

(C) The city's use of such funds shall be determined at the time of adoption of the city's annual budget or when the budget is amended.

(B) This section applies only to lawful purpose expenditures of gross profits derived from gambling conducted at a premises within the city's jurisdiction.

### **§ 119.14 RECORDS AND REPORTING**

Organizations conducting lawful gambling shall file with the city clerk one copy of all records and reports required to be filed with the Board, pursuant to Minnesota Statutes, Chapter 349, as it may be amended from time to time, and rules adopted pursuant thereto, as they may be amended from time to time. The records and reports shall be filed on or before the day they are required to be filed with the Board.

### **§ 119.15 PENALTY**

Any person who violates any provision of this ordinance; Minnesota Statutes, sections 609.75-609.763, inclusive, as they may be amended from time to time; or Minnesota Statutes, sections 349.11-349.21, as they may be amended from time to time; or any rules promulgated under those sections, as they may be amended from time to time, shall be guilty of a misdemeanor and subject to a fine of not more than \$1,000 or imprisonment for a term not to exceed 90 days, or both, plus in either case the costs of prosecution. In addition, violations shall be reported to the Board and recommendation shall be made for suspension, revocation, or cancellation of an organization's license.

### **§ 119.16 SEVERABILITY**

If any provision of this ordinance is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.

**Section 2.** This ordinance becomes effective on July 1, 2024 and after publication of a summary of the ordinance as provided by Minnesota Statutes, sections 412.191, subdivision 4, as it may be amended from time to time, which meets the requirements of Minnesota Statutes, sections 331A.01, subdivision 10, as it may be amended from time to time.

ADOPTED by the City Council of the City of Osseo, Minnesota, this 10<sup>th</sup> day of June 2024.

ATTEST:

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Mayor

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City Clerk

First reading: April 22, 2024

Second reading and adoption: June 10, 2024

Published: June 20, 2024, *Osseo-Maple Grove Press*

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING SUMMARY PUBLICATION  
OF ORDINANCE NO. 2024-\_\_**

**WHEREAS**, the City has adopted the above-referenced ordinance; and

**WHEREAS**, Minnesota Statutes, § 412.191, subd. 4, allows publication by title and summary in the case of lengthy ordinances or those containing charts or maps; and

**WHEREAS**, the verbatim text of the ordinance is cumbersome, and the expense of publication of the complete text is not justified; and

**WHEREAS**, the following summary clearly informs the public of the intent and effect of the ordinance.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Osseo, Minnesota, that the following summary is hereby approved for official publication:

**SUMMARY PUBLICATION  
ORDINANCE NO. 2024-\_\_**

**AN ORDINANCE ADDING A NEW CHAPTER TO THE CITY CODE RELATED TO  
LAWFUL GAMBLING**

On June 10, 2024, the Osseo City Council adopted an ordinance designated as Ordinance No. 2024-\_\_, the title of which is stated above. The purpose of the ordinance is to enact rules and regulations specific to the conduct of lawful gambling operated at locations in the City, including certain bingo, raffles, paddlewheels, tipboards, and pull-tabs. The ordinance establishes a local permit for lawful gambling operations not licensed by the State of Minnesota and established a city-administered fund to which lawful gambling organizations will contribute a percentage of net profits that the City can use for city and charitable expenditures as authorized by Minnesota Statutes.

Copies of the ordinance are available for public inspection in the office of the City Clerk during normal business hours.

**BE IT FURTHER RESOLVED**, that the City Clerk is directed to keep a copy of the ordinance in the Clerk's office at City Hall for public inspection and to post a full copy of the ordinance in a public place in the City for a period of two weeks.

**Adopted by the City Council of the City of Osseo, Minnesota this 10<sup>th</sup> day of June 2024.**



**City of Osseo**  
**Communications Letter**  
**December 31, 2023**

**City of Osseo  
Table of Contents**

|                                                                                            |    |
|--------------------------------------------------------------------------------------------|----|
| Report on Matters Identified as a Result of<br>the Audit of the Basic Financial Statements | 1  |
| Material Weakness                                                                          | 3  |
| Recommendation for Management                                                              | 4  |
| Required Communication                                                                     | 5  |
| Financial Analysis                                                                         | 9  |
| Emerging Issues                                                                            | 19 |



## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

Honorable Mayor, Members  
of the City Council, and Management  
City of Osseo  
Osseo, Minnesota

In planning and performing our audit of the basic financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Osseo, Minnesota, as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- ◆ *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- ◆ *Probable.* The future event or events are likely to occur.

The material weakness identified is stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

During our audit, we also became aware of a deficiency in internal control other than significant deficiencies or material weaknesses, and other matters that is an opportunity for strengthening internal controls and operating efficiency. It is described in the accompanying letter under Recommendations for Management.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated May 15, 2024, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the Members of the City Council and management and others within the City, and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*Bergan KDV Ltd.*

St. Cloud, Minnesota  
May 15, 2024



## City of Osseo Material Weakness

### **Improve Segregation of Accounting Duties**

The City had a lack of segregation of accounting duties due to a limited number of office employees. The lack of adequate segregation of accounting duties could adversely affect the City's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- ◆ The city accountant enters utility billing receipts and makes adjustments to accounts. This individual also can receipt payments for utility bills and enter the receipts into the billing program, which upon exporting to the general ledger, is posted.
- ◆ The city accountant can receipt payments, reconcile the daily receipt batch, and post the batch to the general ledger.
- ◆ The City's contracted accountant reconciles cash and has full general ledger access, including the ability to initiate and record journal entries without review.
- ◆ Journal entries are not always formally approved.
- ◆ The city accountant inputs timesheets, calculates payroll, generates payroll, and also has access to change pay rates in the system.

Management and Members of the City Council are aware of this condition and have taken certain steps to compensate for the lack of segregation but due to the number of staff needed to properly segregate all of the accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. However, management and the Members of the City Council must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

We recommend segregation or independent review be implemented whenever practical and cost effective.

**City of Osseo  
Recommendation for Management**

**Review Implications on Second Mortgages**

Through further research of the mortgages, it was noted that no forgiveness provisions exist upon reaching 30 years, rather it appears collection could be compelled at that time. The City should further research the legal implications of these loans and their legal status as a lienholder as the city.

## **City of Osseo Required Communication**

We have audited the basic financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2023. Professional standards require that we advise you of the following matters related to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

## City of Osseo Required Communication

### Significant Risks Identified

We have identified the following significant risks of material misstatement:

- ◆ Misappropriation of Assets and Segregation of Duties - Misappropriation of assets is considered a risk in substantially all engagements as assets may be misappropriated due to fraud or error. If duties cannot be appropriately segregated within the accounting and finance department, there is a risk of unauthorized disbursements being made from the entity. In addition, generally these results in less review taking place as transactions are recorded in the financial statements.
- ◆ Management Override of Controls - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- ◆ Improper Revenue Recognition - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources.
- ◆ Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the City for post employment benefits.
- ◆ Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

### Qualitative Aspects of the City's Significant Accounting Practices

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Total Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB, and Deferred Inflows of Resources Related to OPEB - These balances are based on an actuarial study using the estimates of future obligations of the City for post employment benefits.

**City of Osseo  
Required Communication**

**Qualitative Aspects of the City's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates (Continued)*

Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements taken as a whole and each applicable opinion unit.

Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatement that we identified as a result of our audit procedures was brought to the attention of and corrected by management, market value adjustment on investments.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

## **City of Osseo Required Communication**

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

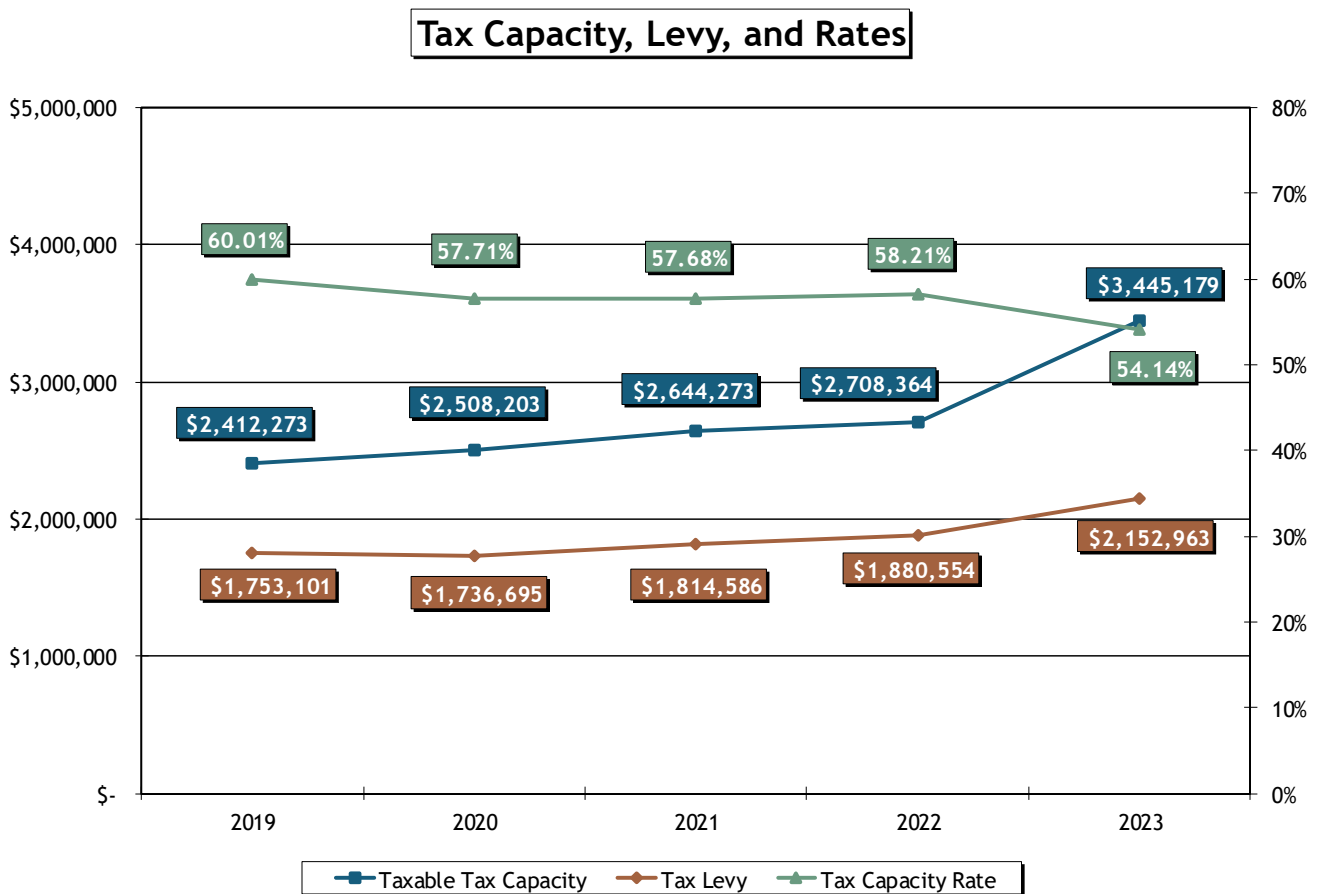
Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

## City of Osseo Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

### Tax Capacity, Levy, and Rates

The graph below presents information relating to the City's tax levy, tax capacity, and rates.



The City's taxable tax capacity has increased 42.8% in the five years presented, the tax levy has increased 22.8% over that same time period. With the increase in taxable tax capacity at a higher rate, the tax capacity rate has decreased from 60.01% to 54.14%.

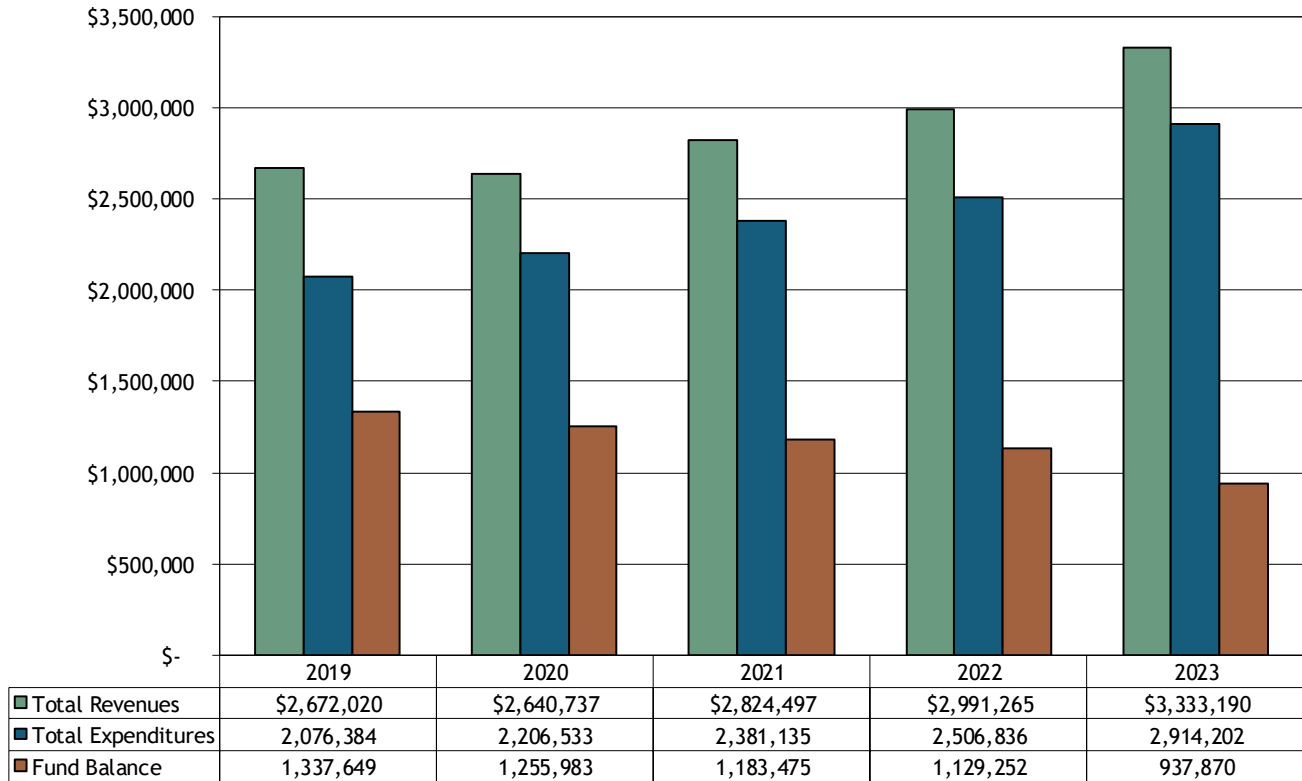
## City of Osseo Financial Analysis

### General Fund Revenues, Expenditures, and Fund Balance

As illustrated in the graph below, total revenues have exceeded total expenditures in the General Fund each of the last five years. The ending fund balance represents about four months of 2023 General Fund expenditures, excluding transfers out. It is important to carry over an adequate fund balance as the City relies on year-end fund balance to finance much of the subsequent year's expenditures, since Local Government Aid (LGA) and major property tax settlements are not received until May and June.

The City's fund balance policy is to have 40-50% of the subsequent year's budgeted expenditures in unassigned fund balance at year-end. The City's unassigned fund balance of \$829,374 at December 31, 2023, did not meet this goal. The fund balance represents 20.7% of 2024 budgeted expenditures.

**General Fund Revenues, Expenditures and Fund Balance**





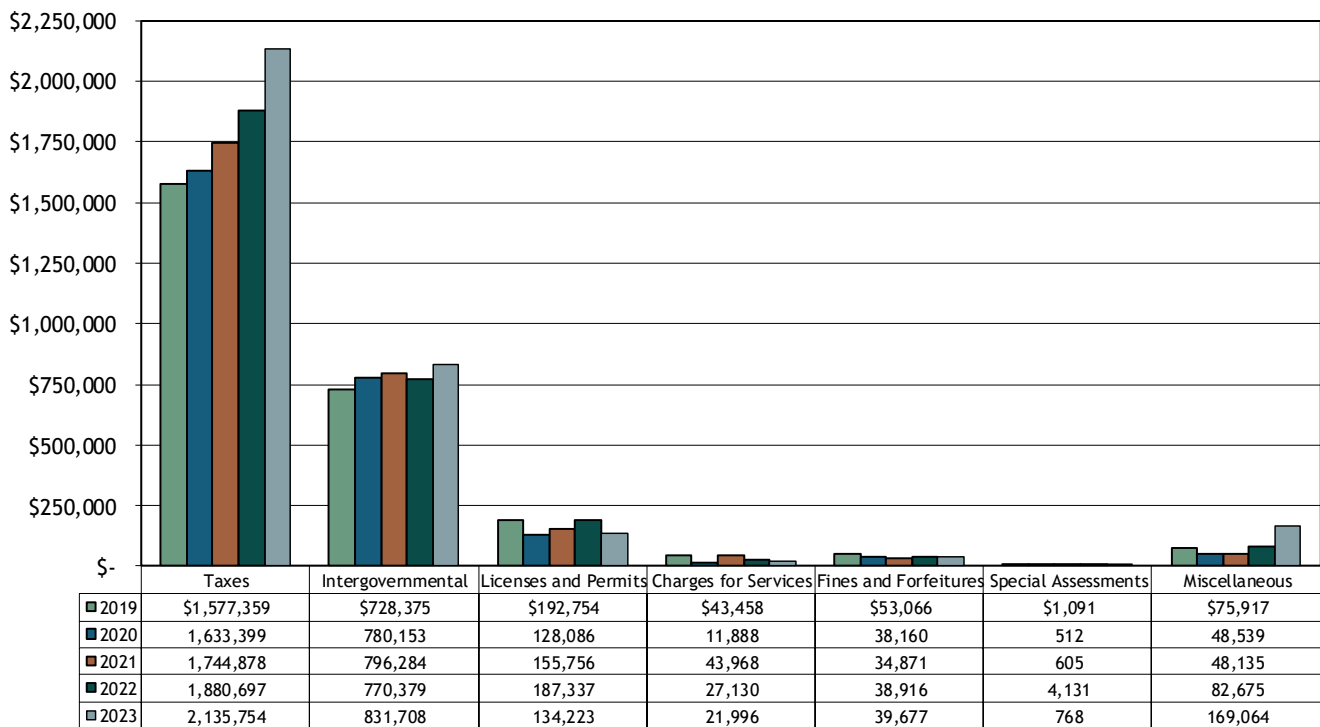
## City of Osseo Financial Analysis

### General Fund Revenues

For the year ended December 31, 2023, revenues for the City's General Fund totaled \$3,333,190. This represents an increase of \$341,925, or 11.4%, compared to 2022.

Trends for each of the City's major revenue classifications over the past five years are graphically portrayed in the bar chart below.

**General Fund Revenues**



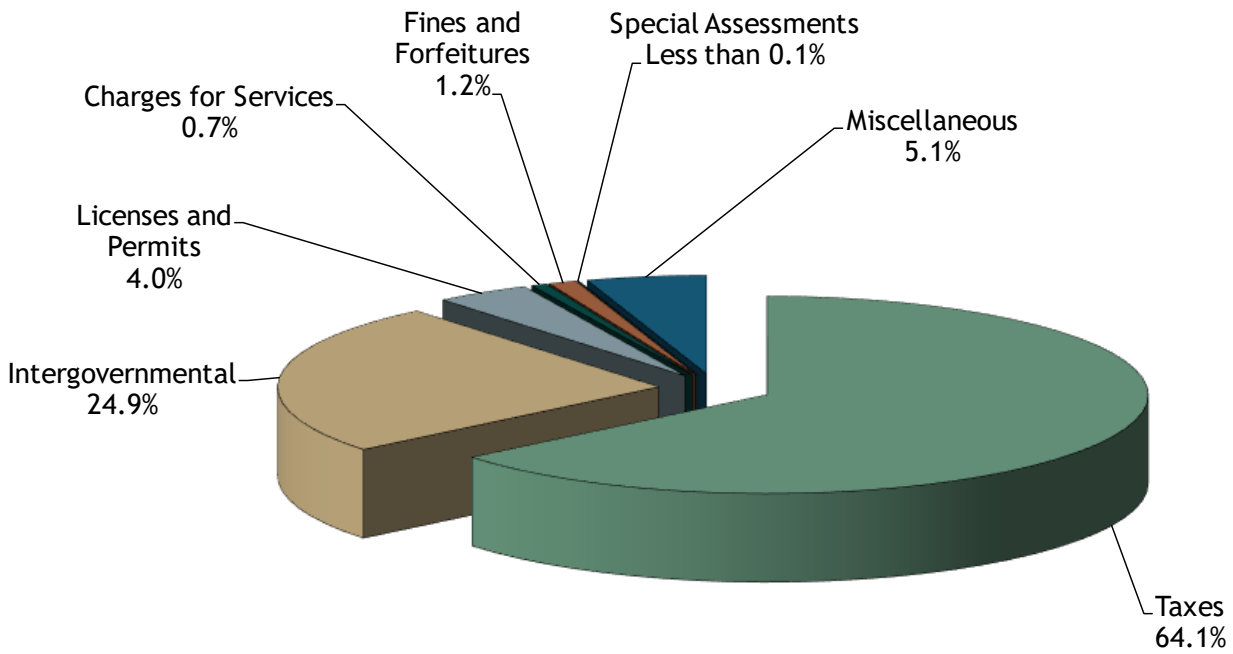
Tax revenue increased in 2023 with an increase in the levy. Intergovernmental revenues increased due to increased public safety aids and miscellaneous revenues increased as a result of increased investment activity. Partially offsetting these increases was a decrease in licenses and permits due to less building activity in 2023.

City of Osseo  
Financial Analysis

**General Fund Revenues (Continued)**

General Fund revenues allocated by source for 2023 are depicted in the following pie chart. Tax revenues and Intergovernmental revenues made up a large share of the 2023 General Fund revenue stream at 64.1% and 24.9% respectively.

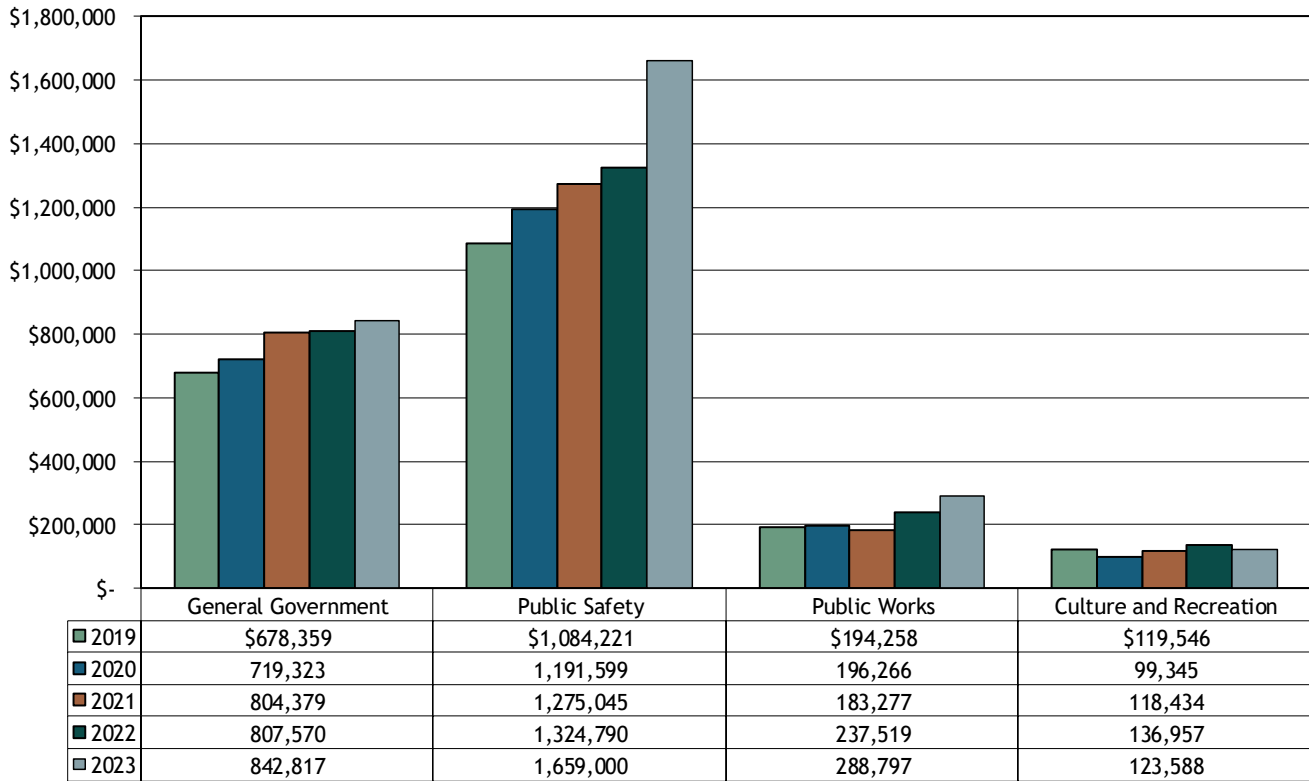
**2023 General Fund Revenues**



**City of Osseo  
Financial Analysis**

**General Fund Expenditures**

**General Fund Expenditures**



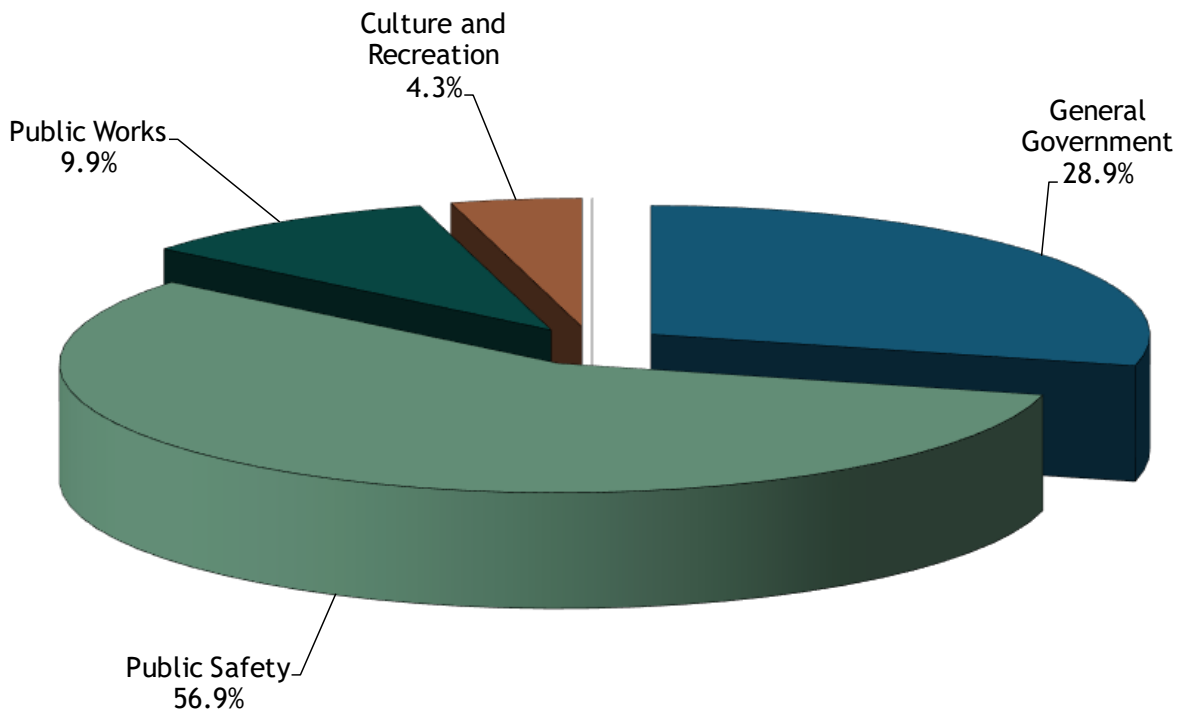
In total, General Fund expenditures increased \$407,366, or 16.3% from 2022 to \$2,914,202. Public Safety expenditures played the most significant role in the increase due to increases in salaries and benefits. Public Works expenditure increased due to increases in salaries and benefits, maintenance, and snow removal. General government expenditures increased as a result of increased professional services costs.

City of Osseo  
Financial Analysis

**General Fund Expenditures (Continued)**

The pie chart below presents an allocation of General Fund expenditures by department. As the pie chart indicates, public safety comprised the largest percentage of General Fund expenditures at approximately 56.9%.

**2023 General Fund Expenditures**



**City of Osseo  
Financial Analysis**

**General Fund Revenues and Expenditures - Budget and Actual**

|                                                 | Original<br>and Final<br>Budget | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Over (Under) |
|-------------------------------------------------|---------------------------------|---------------------|-------------------------------------------------|
| <b>Revenues</b>                                 |                                 |                     |                                                 |
| Taxes and assessments                           | 2,147,463                       | \$ 2,135,754        | \$ (11,709)                                     |
| Licenses and permits                            | 222,100                         | 134,223             | (87,877)                                        |
| Intergovernmental                               | 769,331                         | 831,708             | 62,377                                          |
| Charges for services                            | 37,500                          | 21,996              | (15,504)                                        |
| Fines and forfeitures                           | 45,000                          | 39,677              | (5,323)                                         |
| Other revenue                                   | 165,000                         | 169,832             | 4,832                                           |
| Total revenues                                  | <u>3,386,394</u>                | <u>3,333,190</u>    | <u>(53,204)</u>                                 |
| <b>Expenditures</b>                             |                                 |                     |                                                 |
| General government                              | 780,460                         | 842,817             | 62,357                                          |
| Public safety                                   | 1,638,664                       | 1,659,000           | 20,336                                          |
| Public works                                    | 220,249                         | 288,797             | 68,548                                          |
| Culture and recreation                          | 131,151                         | 123,588             | (7,563)                                         |
| Total expenditures                              | <u>2,770,524</u>                | <u>2,914,202</u>    | <u>143,678</u>                                  |
| Excess of revenues over<br>(under) expenditures | <u>615,870</u>                  | <u>418,988</u>      | <u>(196,882)</u>                                |
| <b>Other Financing Sources (Uses)</b>           |                                 |                     |                                                 |
| Transfers in                                    | 10,000                          | 15,500              | 5,500                                           |
| Transfers out                                   | (625,870)                       | (625,870)           | -                                               |
| Total other financing sources (uses)            | <u>(615,870)</u>                | <u>(610,370)</u>    | <u>5,500</u>                                    |
| Net change in fund balance                      | <u>\$ -</u>                     | <u>\$ (191,382)</u> | <u>\$ (191,382)</u>                             |

The City Council approved a balanced budget for 2023, actual results were a decrease in fund balance of \$191,382.

In total, the City's General Fund revenues were \$53,204 under budget. License and permits were under budget \$87,877 due to a delay in developer projects. Intergovernmental revenues were \$62,377 over budget as a result of the public safety aid that was not budgeted for.

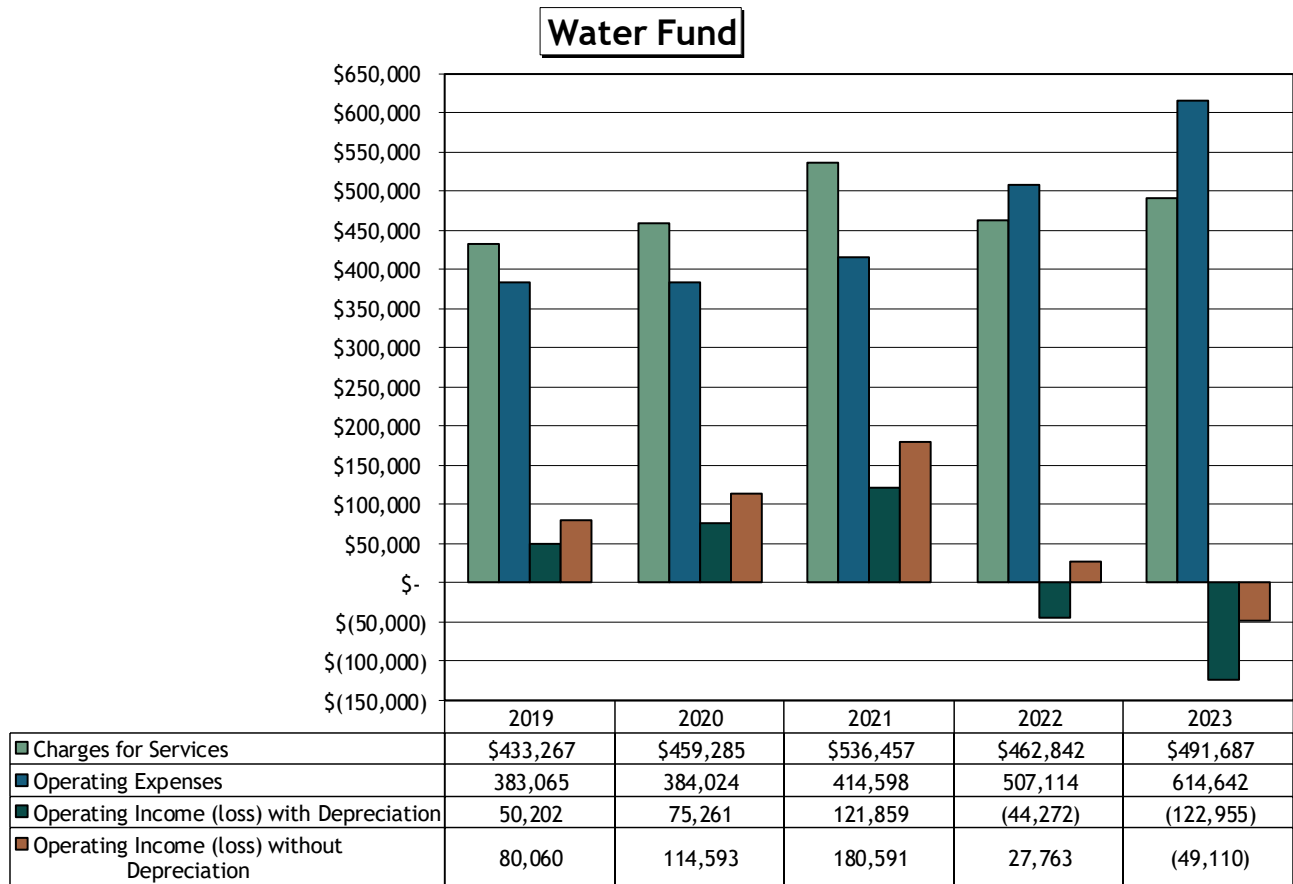
In total, the City's expenditures were over budget by \$143,678, a variance of 5.2%. The largest variance was public works which was over budget \$68,548 due to higher than anticipated costs for maintenance and snow removal. General government expenditures were over budget \$62,357 due primarily to higher than anticipated legal and software costs.

## City of Osseo Financial Analysis

### Water Fund

The graph below illustrates the operations of the Water Fund for the past five years.

The City's Water Fund had operating loss of \$122,955 in 2023 with depreciation. Charges for services increased 6.2% with an increase in usage. Operating expenses increased \$107,528 or 21.2%. This was due to increased costs associated with employee salaries, benefits, the utility rate study, and water charges from Maple Grove. After adding nonoperating activity and transfers out, the Water Fund experienced an increase in net position of \$15,973.



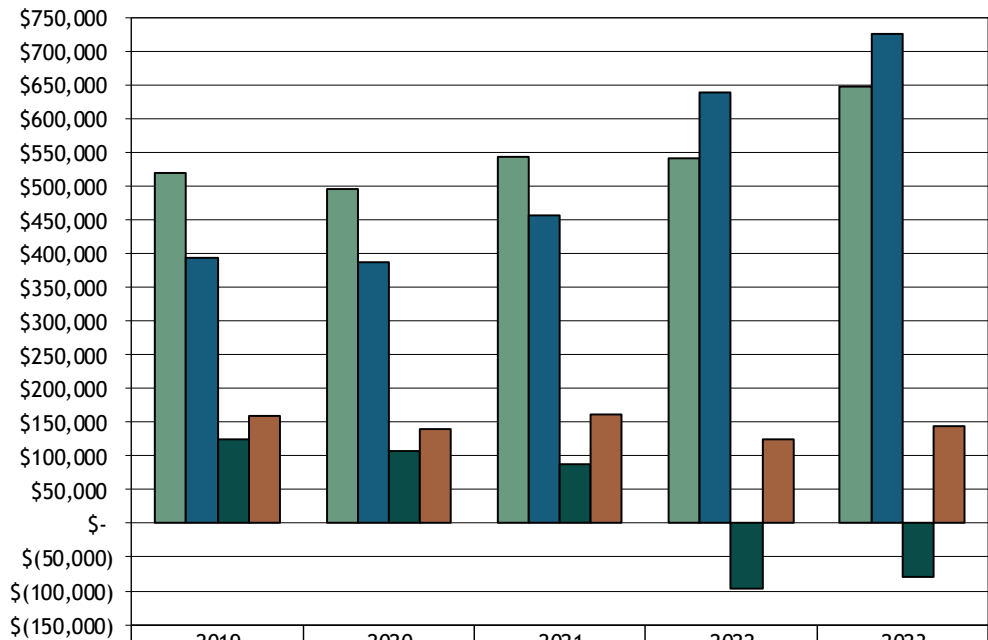
## City of Osseo Financial Analysis

### Sewer Fund

The graph below illustrates the operations of the Sewer Fund for the past five years.

The Sewer Fund had negative operations in 2023. The City's Sewer Fund had operating loss of \$79,081 in 2023, with depreciation. Charges for services increased \$105,322 or 19.4% as a result of a rate increase and increased usage. Operating expenses increased \$86,867 or 13.6%. This was due to increased costs associated with employee benefits, professional services, and sewer charges. After adding nonoperating activity and transfers out, the Sewer Fund experienced a decrease in net position of \$90,757. This fund also has significant debt service obligations. We recommend council continue to evaluate the performance of this fund and make adjustments, as necessary.

**Sewer Fund**



|                                           | 2019      | 2020      | 2021      | 2022      | 2023      |
|-------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Charges for Services                      | \$519,028 | \$495,356 | \$543,950 | \$541,962 | \$647,284 |
| Operating Expenses                        | 394,685   | 388,171   | 455,987   | 639,498   | 726,365   |
| Operating Income (loss) with Depreciation | 124,343   | 107,185   | 87,963    | (97,536)  | (79,081)  |
| Operating Income without Depreciation     | 158,813   | 140,674   | 160,632   | 123,650   | 143,330   |

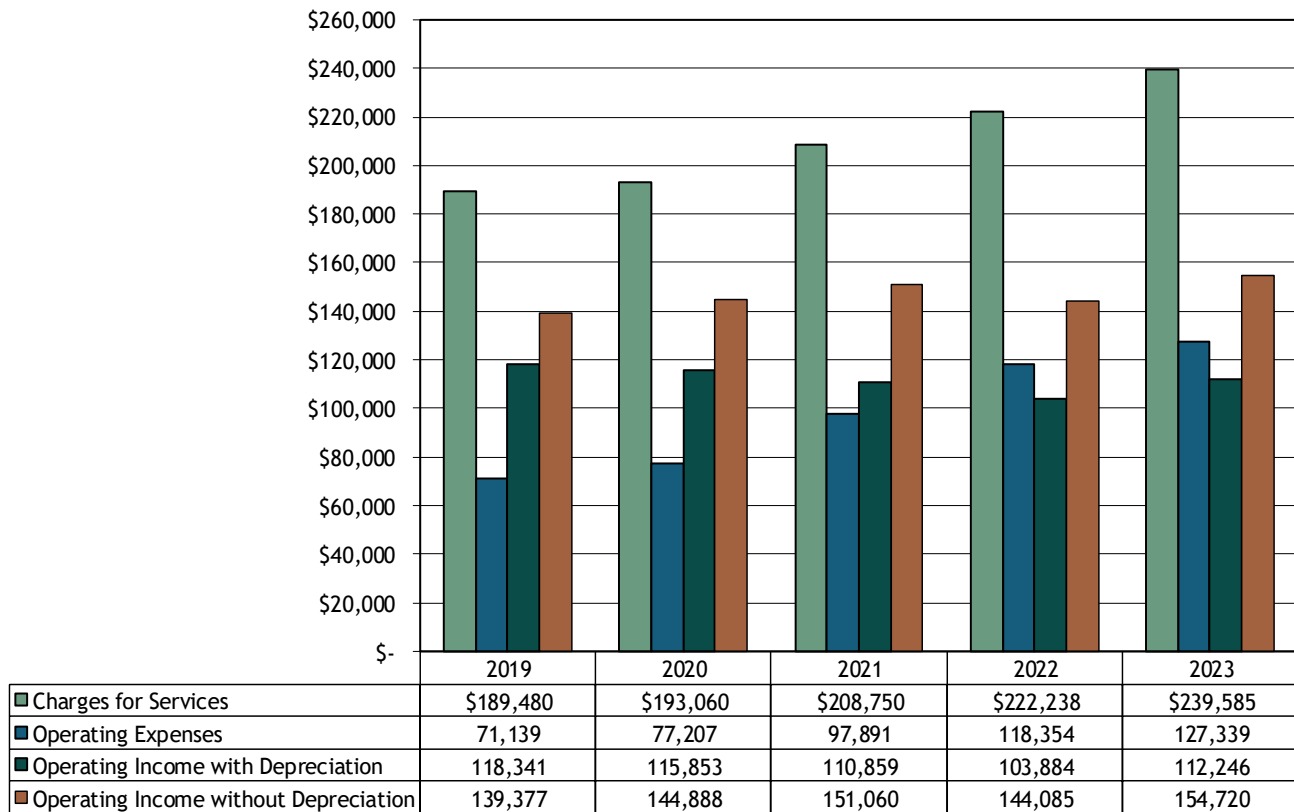
## City of Osseo Financial Analysis

### Storm Water Fund

The graph below illustrates the operations of the Storm Water Fund for the past five years.

The Storm Water Fund operating revenue increased 7.8% or \$17,347 from 2022 due to an increase in rates. Operating expenses were up \$8,985 or 7.6%. The storm water fund had net income of \$112,246. Adding nonoperating revenues and expenses, and a transfers out, the Storm Water Fund experienced an increase in net position of \$65,546.

**Storm Water Fund**



Enterprise funds may be used to account for any activity in which a fee is charged. It is not required to have the fee support the entire activity; however, the basic premise in establishing an enterprise fund is the activity will be operated similar to a business. Therefore, it is expected for the enterprise fund to at least be able to meet its current and future obligations.

We recommend the City continue to evaluate water, sewer, and storm water rates to continue generating sufficient operating income in the future.



## City of Osseo Emerging Issues

### Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- ◆ **Implementation Guide No. 2021-1 - Amending Capitalization Requirements**  
GASB has issued Implementation Guide No. 2021-1, amending previously issued guidance regarding capitalization requirements for capital assets that are significant in the aggregate but below the government's capitalization threshold individually.
- ◆ **Accounting Standard Update - GASB Statement No. 100 - Accounting Changes and Error Corrections**  
GASB has issued GASB Statement No. 100 relating to accounting and financial reporting for accounting changes and error corrections. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability.
- ◆ **Accounting Standard Update - GASB Statement No. 101 - Compensated Absences**  
GASB has issued GASB Statement No. 101 relating to accounting and financial reporting for compensated absences. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The following are extensive summaries of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your City.

### **Implementation Guide No. 2021-1 - Amending Capitalization Requirements**

Implementation Guide No. 2021-1, amended previously issued guidance contained in Implementation Guide No. 2015-1 regarding capitalization requirements for capital assets that are significant in the aggregate.

Original guidance stated that it *may be* appropriate for a government to establish a capitalization policy that would require capitalization for certain types of assets with individual acquisition costs that are less than the threshold for an individual asset.

Amended guidance states that a government *should* capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. Computers and classroom furniture are common examples of asset types that could be significant collectively. The amended guidance clarifies that if 100 computers costing \$1,500 each totaling a \$150,000 aggregate amount is significant, the government *should* capitalize the computers.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

## City of Osseo Emerging Issues

### **Accounting Standard Update - GASB Statement No. 100 - *Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62***

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting - understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement.

This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in Required Supplementary Information (RSI) and Supplementary Information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB Statement No. 100 is effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Osseo  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 101 - *Compensated Absences***

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

GASB Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**City of Osseo  
Hennepin County, Minnesota**

**Basic Financial Statements**

**December 31, 2023**

**City of Osseo  
Table of Contents**

|                                                                                                                                                |          |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Elected Officials and Administration</b>                                                                                                    | <b>1</b> |
| <b>Independent Auditor's Report</b>                                                                                                            | <b>2</b> |
| <b>Management's Discussion and Analysis</b>                                                                                                    | <b>5</b> |
| <b>Basic Financial Statements</b>                                                                                                              |          |
| Government-Wide Financial Statements                                                                                                           |          |
| Statement of Net Position                                                                                                                      | 15       |
| Statement of Activities                                                                                                                        | 16       |
| Fund Financial Statements                                                                                                                      |          |
| Balance Sheet - Governmental Funds                                                                                                             | 18       |
| Reconciliation of the Balance Sheet to the Statement of Net Position<br>- Governmental Funds                                                   | 21       |
| Statement of Revenues, Expenditures, and Changes in Fund Balances<br>- Governmental Funds                                                      | 22       |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes<br>In Fund Balances to the Statement of Activities - Governmental Funds | 24       |
| Statement of Revenues, Expenditures, and Changes in Fund Balance<br>- Budget and Actual - General Fund                                         | 25       |
| Statement of Net Positions - Proprietary Funds                                                                                                 | 26       |
| Statement of Revenues, Expenses, and Changes in Fund Net Position<br>- Proprietary Funds                                                       | 27       |
| Statement of Cash Flows - Proprietary Funds                                                                                                    | 28       |
| Notes to Basic Financial Statements                                                                                                            | 29       |
| <b>Required Supplementary Information</b>                                                                                                      |          |
| Schedule of Changes in Total OPEB Liability and Related Ratios                                                                                 | 68       |
| Schedule of City's Proportionate Share of Net Pension Liability<br>- General Employees Retirement Fund                                         | 70       |
| Schedule of City's Proportionate Share of Net Pension Liability<br>- Public Employees Police and Fire Retirement Fund                          | 70       |
| Schedule of City Contributions - General Employees Retirement Fund                                                                             | 71       |
| Schedule of City Contributions - Public Employees Police and Fire<br>Retirement Fund                                                           | 71       |
| Schedule of Changes in the Net Pension Liability and Related Ratios<br>- Fire Relief Association                                               | 72       |
| Schedule of City Contributions and Non-Employer Contributing Entities<br>- Fire Relief Association                                             | 74       |
| Notes to Required Supplementary Information                                                                                                    | 76       |
| <b>Supplementary Information</b>                                                                                                               |          |
| Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balance<br>- Budget and Actual - General Fund                                 | 86       |
| Combining Balance Sheet - Nonmajor Governmental Funds                                                                                          | 88       |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances<br>- Nonmajor Governmental Funds                                   | 94       |
| Combining Balance Sheet - EDA Component Unit                                                                                                   | 100      |

**City of Osseo  
Table of Contents**

**Supplementary Information (Continued)**

|                                                                                                                                               |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Reconciliation of Balance Sheet to the Statement of Net Position<br>- EDA Component Unit                                                      | 103        |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances<br>- EDA Funds Component Unit                                      | 104        |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund<br>Balances to the Statement of Activities - EDA Component Unit | 107        |
| <b>Minnesota Legal Compliance</b>                                                                                                             | <b>109</b> |

**City of Osseo  
Elected Officials and Administration  
December 31, 2023**

| Elected Officials                 | Position                                      | Term Expires      |
|-----------------------------------|-----------------------------------------------|-------------------|
| Duane Poppe                       | Mayor                                         | December 31, 2024 |
| Alicia Vickerman                  | Council Member                                | December 31, 2024 |
| Ashlee Mueller                    | Council Member                                | December 31, 2024 |
| Mark Schulz                       | Council Member                                | December 31, 2026 |
| Julianna Hultstrom                | Council Member                                | December 31, 2026 |
| <hr/> <b>Administration</b> <hr/> |                                               |                   |
| Riley Grams                       | City Administrator/<br>EDA Executive Director | Appointed         |
| <hr/> <b>EDA Officials</b> <hr/>  |                                               |                   |
| Duane Poppe                       | President                                     | December 31, 2024 |
| Mark Schulz                       | Vice President                                | December 31, 2026 |
| Kenny Nelson                      | Treasurer                                     | December 31, 2025 |
| Teresa Aho                        | Assistant Treasurer                           | December 31, 2024 |
| Ashlee Mueller                    | Member                                        | December 31, 2024 |
| Mark Cook                         | Member                                        | December 31, 2024 |
| James Hultgren                    | Member                                        | December 31, 2028 |



## Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Osseo  
Osseo, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Osseo as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Osseo's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Osseo as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Osseo and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

The City of Osseo's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Osseo's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- ◆ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Osseo's internal control. Accordingly, no such opinion is expressed.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- ◆ Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Osseo's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Osseo's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bergan KDV Ltd.*

St. Cloud, Minnesota  
May 15, 2024

## City of Osseo Management's Discussion and Analysis

As management of the City of Osseo, Minnesota (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2023. In 2023 and 2022, the EDA is no longer reported as a blended component unit. Comparisons of financial information in the government-wide financial statements should be read in this context.

### FINANCIAL HIGHLIGHTS

- ◆ The assets of the City exceeded its liabilities at the close of the most recent year by \$14,048,417.
- ◆ As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$7,103,207.
- ◆ At the end of the current year, unassigned fund balance for the General Fund was \$829,374 or 23.40% of 2023 total General Fund expenditures and transfers out and 20.60% of the 2024 budgeted expenditures and transfers out.
- ◆ The net position of the governmental activities decreased by \$105,210 and the net position of the business-type activities decreased by \$9,238.
- ◆ On March 26, 2018, S&P Global Ratings raised its long-term rating to "AA" from "AA-1" on the City's existing general obligation bonds and the City continues to maintain that rating in 2023.
- ◆ The City issued \$2,950,000 G.O. Bonds in 2022 to finance the 2022 and 2023 street improvements. The projects will be completed in 2024. The utility portion of the 2022 G.O. Bonds (\$740,000) for infrastructure improvements was completed in 2022.
- ◆ The City retired \$1,005,000 in scheduled bond principal in 2023.
- ◆ The City is not planning to issue any bonds for infrastructure improvements in 2024.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broader overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and deferred inflows and liabilities and deferred outflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**City of Osseo  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, economic development, interest on long-term debt and intergovernmental. The business-type activities of the City include the water, sewer, and storm water.

The government-wide financial statements can be found on pages 15-17 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into two categories, governmental funds, and proprietary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund (page 25) to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 18-25 of this report.

**Proprietary Funds**

The City's enterprise (proprietary) funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and storm water services.

**City of Osseo  
Management's Discussion and Analysis**

**FUND FINANCIAL STATEMENTS (CONTINUED)**

**Proprietary Funds (Continued)**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, and storm water services, all of which are considered major funds of the City.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

**Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Financial Statements can be found on pages 29-65 of this report.

**Component Unit**

The Osseo Economic Development Authority (EDA) has a seven-member governing body, and the financial activity of the EDA is reported as a discretely presented component unit.

**Comparative Data**

The General Fund total revenues increased in 2023 by \$341,925. The general property tax revenue increased by \$255,057. However, licenses and permits and charges for services decreased by \$58,248. The General Fund expenditures increased by \$407,366 excluding transfers out. Budgeted transfers out totaled \$625,870 in 2022 and 2023 in accordance with the City's long-term capital improvement plan. The overall General Fund Balance decreased \$191,382. General Fund revenue increases in general property taxes and intergovernmental revenues were offset by a significant decrease in building permit revenue and charges for services. General Fund expenditures include increases in public safety and public works salaries and benefits, maintenance and snow removal costs. Other departmental expenditures also exceeded those anticipated in the 2023 budget.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,048,417 at the close of the most recent year.

The largest portion of the City's net position reflects its investment in its capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Osseo  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities**

|                                          | <b>Net Position</b>     |                      |                          |                     |                      |                      |
|------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                          | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|                                          | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| <b>Current and Other Assets</b>          | \$ 9,072,219            | \$ 9,452,604         | \$ 3,954,408             | \$ 3,919,539        | \$ 13,026,627        | \$ 13,372,143        |
| Capital assets                           | 12,383,449              | 13,070,287           | 5,209,783                | 5,437,376           | 17,593,232           | 18,507,663           |
| <b>Total assets</b>                      | <u>\$ 21,455,668</u>    | <u>\$ 22,522,891</u> | <u>\$ 9,164,191</u>      | <u>\$ 9,356,915</u> | <u>\$ 30,619,859</u> | <u>\$ 31,879,806</u> |
| <b>Deferred Outflows of Resources</b>    | <u>\$ 1,571,418</u>     | <u>\$ 1,797,486</u>  | <u>\$ 65,137</u>         | <u>\$ 77,045</u>    | <u>\$ 1,636,555</u>  | <u>\$ 1,874,531</u>  |
| <b>Long-Term Liabilities Outstanding</b> | \$ 10,947,175           | \$ 13,554,870        | \$ 3,507,273             | \$ 3,773,020        | \$ 14,454,448        | \$ 17,327,890        |
| Other liabilities                        | 1,691,541               | 1,661,101            | 375,857                  | 472,762             | 2,067,398            | 2,133,863            |
| <b>Total liabilities</b>                 | <u>\$ 12,638,716</u>    | <u>\$ 15,215,971</u> | <u>\$ 3,883,130</u>      | <u>\$ 4,245,782</u> | <u>\$ 16,521,846</u> | <u>\$ 19,461,753</u> |
| <b>Deferred Inflows of Resources</b>     | <u>\$ 1,470,272</u>     | <u>\$ 81,098</u>     | <u>\$ 215,879</u>        | <u>\$ 48,621</u>    | <u>\$ 1,686,151</u>  | <u>\$ 129,719</u>    |
| <b>Net Position</b>                      |                         |                      |                          |                     |                      |                      |
| Net investment in capital assets         | \$ 3,420,939            | \$ 3,565,457         | \$ 1,724,951             | \$ 2,512,000        | \$ 4,385,868         | \$ 5,192,676         |
| Restricted                               | 4,243,003               | 4,122,550            | -                        | -                   | 4,243,003            | 4,122,550            |
| Unrestricted                             | 1,254,156               | 1,335,301            | 3,405,368                | 2,627,557           | 5,419,546            | 4,847,639            |
| <b>Total net position</b>                | <u>\$ 8,918,098</u>     | <u>\$ 9,023,308</u>  | <u>\$ 5,130,319</u>      | <u>\$ 5,139,557</u> | <u>\$ 14,048,417</u> | <u>\$ 14,162,865</u> |

In June 2012, the Governmental Accounting Standards Board (GASB 68) issued new public pension accounting rules that took effect in fiscal year 2015 for local and state governments. The "Net Pension Liability" is calculated by the Public Employees Retirement Association (PERA) actuary, and a pro-rata share of the liability is recorded on the City's Statement of Net Position. The City's share of the net pension liability is reported in footnote 11.

Governmental activities decreased the City's net position by \$105,210 to \$8,918,098.

**Business-Type Activities**

Business-type activities net position decreased by \$9,238. The following highlights the change in the net position of the business accounts:

- ◆ The Water Fund charges for services increased by \$27,173 and operating expenses increased by \$107,528. The operating loss of the Water Fund is \$122,955. Other income includes antennae rental income totaling \$103,074 together with interest income totaling 84,108. Net position in the water fund increased by \$15,973. Transfers out total \$95,315 and include the Water Fund contribution to the debt service of various bond issues over the past several years and contributions for future capital equipment needs.
- ◆ The Sewer Fund charges for services increased by \$102,702 and operating expenses increased by \$86,867. The operating loss of \$79,081 together with interest income of \$36,264 accounted for a decrease in the Sewer Fund net position. Transfers out for contributions to debt service totaled \$34,270. The net position decreased by \$90,757.
- ◆ The Storm Water Fund charges for services increased by \$17,050 and operating expenses increased by \$8,985. The operating income totaled \$112,246. Transfers to other funds for debt service totaled \$117,319. The net position increased by \$65,546.

**City of Osseo  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Business-Type Activities (Continued)**

- ◆ The City completed a utility rate study in 2023 and rates were adjusted beginning July 1, 2023, to finance ongoing operations and the 2020, 2021, and 2022 improvements.
- ◆ Beginning in 2018, the City is allocating any portion of bonds issued that include utility (water, sewer, or storm water) improvements to the respective enterprise funds. In prior years, the City had reported the liability for the bond issue in the governmental funds and transferred monies as necessary to finance the enterprise portion of the debt.
- ◆ Transfers out total \$246,904 in 2023 and include the enterprise fund contributions for debt service on bonds issued prior to 2018 and financing for future utility fund needs.
- ◆ Bonds were issued in 2020 and were issued again in 2022 to complete all upgrades to the sanitary sewer lift stations and related technology, complete all City sewer lining projects, replace all water meters, and upgrade the related meter reading software.

**Changes in Net Position**

|                                                              | Governmental Activities |                     | Business-Type Activities |                     | Total                |                      |
|--------------------------------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
|                                                              | 2023                    | 2022                | 2023                     | 2022                | 2023                 | 2022                 |
| <b>Revenues</b>                                              |                         |                     |                          |                     |                      |                      |
| Program revenues                                             |                         |                     |                          |                     |                      |                      |
| Charges for services                                         | \$ 230,783              | \$ 303,557          | \$ 1,480,183             | \$ 1,318,557        | \$ 1,710,966         | \$ 1,622,114         |
| Operating grants and contributions                           | 236,615                 | 158,301             | 36,056                   | 52,762              | 272,671              | 211,063              |
| Capital grants and contributions                             | 193,866                 | 707,835             | 111,457                  | -                   | 305,323              | 707,835              |
| General revenues                                             |                         |                     |                          |                     |                      |                      |
| Taxes                                                        | 2,270,627               | 2,000,308           | -                        | -                   | 2,270,627            | 2,000,308            |
| Grants and contributions not restricted to specific programs | 625,308                 | 762,748             | -                        | -                   | 625,308              | 762,748              |
| Other                                                        | 462,294                 | 335,292             | 153,067                  | (49,353)            | 615,361              | 285,939              |
| Total revenues                                               | <u>4,019,493</u>        | <u>4,268,041</u>    | <u>1,780,763</u>         | <u>1,321,966</u>    | <u>5,800,256</u>     | <u>5,590,007</u>     |
| <b>Expenses</b>                                              |                         |                     |                          |                     |                      |                      |
| General government                                           | 939,134                 | 1,016,927           | -                        | -                   | 939,134              | 1,016,927            |
| Public safety                                                | 2,009,612               | 1,732,907           | -                        | -                   | 2,009,612            | 1,732,907            |
| Public works                                                 | 950,241                 | 900,963             | -                        | -                   | 950,241              | 900,963              |
| Culture and recreation                                       | 180,109                 | 212,323             | -                        | -                   | 180,109              | 212,323              |
| Economic development                                         | 148                     | 176                 | -                        | -                   | 148                  | 176                  |
| Interest on long-term debt                                   | 292,363                 | 307,605             | -                        | -                   | 292,363              | 307,605              |
| Water                                                        | -                       | -                   | 626,167                  | 517,151             | 626,167              | 517,151              |
| Sewer                                                        | -                       | -                   | 780,966                  | 700,682             | 780,966              | 700,682              |
| Storm water                                                  | -                       | -                   | 135,964                  | 126,863             | 135,964              | 126,863              |
| Total expenses                                               | <u>4,371,607</u>        | <u>4,170,901</u>    | <u>1,543,097</u>         | <u>1,344,696</u>    | <u>5,914,704</u>     | <u>5,515,597</u>     |
| Increase in net position before transfers                    | (352,114)               | 97,140              | 237,666                  | (22,730)            | (114,448)            | 74,410               |
| Transfers                                                    | 246,904                 | 136,173             | (246,904)                | (136,173)           | -                    | -                    |
| Increase (decrease) in net position                          | <u>(105,210)</u>        | <u>233,313</u>      | <u>(9,238)</u>           | <u>(158,903)</u>    | <u>(114,448)</u>     | <u>74,410</u>        |
| <b>Net Position</b>                                          |                         |                     |                          |                     |                      |                      |
| Beginning                                                    | 9,023,308               | 9,373,875           | 5,139,557                | 5,298,460           | 14,162,865           | 14,672,335           |
| Prior period adjustment                                      | -                       | (583,880)           | -                        | -                   | -                    | (583,880)            |
| Ending                                                       | <u>\$ 8,918,098</u>     | <u>\$ 9,023,308</u> | <u>\$ 5,130,319</u>      | <u>\$ 5,139,557</u> | <u>\$ 14,048,417</u> | <u>\$ 14,162,865</u> |

**City of Osseo  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular unassigned fund balance may serve as a useful measure of a City's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$7,103,207. Approximately 11.60%, or \$824,300 of this total amount constitutes unassigned fund balance. The unassigned fund balance includes a fund balance deficit in the 2020 Improvement Project Capital Projects Fund of \$3,754.

The restricted, committed, or assigned fund balances indicate that the expenditures are limited to the eligible expenditures imposed by other governing bodies, funds that are identified for use under the City's capital plans, or is already restricted for debt service.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements.

The proprietary funds current year net position decreased by \$9,238 is primarily due to operating loss of \$89,790 and transfers out totaling \$246,904.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund balance decreased by \$191,382 during the current year. Of the total fund balance of \$937,870, \$28,290 relates to prepaid items and is considered non-spendable, \$80,206 is restricted and \$829,374 is unassigned and available for spending as of December 31, 2023.

The City's 2023 General Fund revenue includes \$5,407 of excess TIF revenue (reported as part of property tax revenue). General Fund property tax revenues were \$274,256 more than 2022. The City received \$134,223 in license and permit revenue compared to the estimated budget of \$222,100. The total General Fund actual revenue and transfers in were \$47,704 less than anticipated. The General Fund expenditures totaled \$2,914,202 compared to a budgeted expenditure total of \$2,770,524. The variance is \$143,678 and is primarily due to several variances including salaries and benefits, snow removal, maintenance, and other services.

The total fund balance at year end is below the parameters of the City's policy of maintaining a fund balance that is approximately 40-50% of the subsequent year's budgeted expenditures. In accordance with the City's fund balance policy, the increase required to meet the minimum fund balance will be included in the next budget cycle and may include adjustments in the 2024 approved budget.



**City of Osseo  
Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, totaled \$17,592,232 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings, improvements, and machinery and equipment. The Street Management Plan started with the 2014 improvements and will continue thru 2024 to complete the infrastructure improvements throughout the entire City. The Street Management Plan includes capital and maintenance expenditure estimates through 2030. In addition, the City's 2020 bond issue and the bonds issued in 2022 include the financing for the major utility infrastructure improvements capitalized in 2021 and 2022. The street improvements included in the 2022 bond issue will be completed in 2024. The net increase in business type capital assets totaled \$111,137 in the current year.

**Capital Assets**

|                                     | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|-------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                     | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| Land                                | \$ 824,809              | \$ 824,809           | \$ 46,035                | \$ 46,035           | \$ 870,844           | \$ 870,844           |
| Construction in Progress            | -                       | 35,784               | -                        | -                   | -                    | 35,784               |
| Infrastructure                      | 16,843,844              | 16,809,805           | 6,642,461                | 6,416,444           | 23,486,305           | 23,226,249           |
| Buildings and Building Improvements | 4,286,101               | 4,286,101            | -                        | -                   | 4,286,101            | 4,286,101            |
| Improvements Other than Buildings   | 469,634                 | 469,634              | -                        | -                   | 469,634              | 469,634              |
| Machinery and Equipment             | 2,572,694               | 2,511,260            | 1,172,704                | 1,287,584           | 3,745,398            | 3,798,844            |
| Total capital assets                | <u>\$ 24,997,082</u>    | <u>\$ 24,937,393</u> | <u>\$ 7,861,200</u>      | <u>\$ 7,750,063</u> | <u>\$ 32,858,282</u> | <u>\$ 32,687,456</u> |

Additional information on the City's capital assets can be found in Note 7 on page 41 of this report. Pages 40 and 41 include the allocation of depreciation expense to the various governmental activities.

**Long-Term Debt**

At the end of the current year the City had total bonded debt, including the lease revenue bonds, of \$13,285,000. The G.O. Bonds are backed by the full faith and credit of the City. The revenue sources needed to finance the G.O. Bonds include general property taxes, special assessments, and contributions from the enterprise funds. The lease revenue bonds will be paid by the annual budget appropriations of the City Council. At the end of the current year the EDA had total bonded debt \$365,000. The G.O. Tax Increment Bonds are backed by the full faith and credit of the City. The revenue sources needed to finance the G.O. Tax Increment Bonds include tax increments.

**Outstanding Debt**

|                                                              | Governmental Activities |                      | Business-Type Activities |                     | Total                |                      |
|--------------------------------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
|                                                              | 2023                    | 2022                 | 2023                     | 2022                | 2023                 | 2022                 |
| General Obligation (G.O.)                                    | \$ 9,150,000            | \$ 9,900,000         | \$ 3,345,000             | \$ 3,550,000        | \$ 12,495,000        | \$ 13,450,000        |
| Revenue Bond Payable                                         | 790,000                 | 840,000              | -                        | -                   | 790,000              | 840,000              |
| Total                                                        | <u>\$ 9,940,000</u>     | <u>\$ 10,740,000</u> | <u>\$ 3,345,000</u>      | <u>\$ 3,550,000</u> | <u>\$ 13,285,000</u> | <u>\$ 14,290,000</u> |
| G.O. Tax Increment<br>(As reported in EDA<br>component Unit) | -                       | -                    | -                        | -                   | <u>\$ 365,000</u>    | <u>\$ 465,000</u>    |

**City of Osseo  
Management's Discussion and Analysis**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Debt (Continued)**

In March, 2018 Standard and Poor's (S & P) reviewed the City's rating of its long-term debt and increased the rating to AA from AA-1. The AA rating was reaffirmed with the issuance of the 2022 improvement bonds and again in 2024 with the issuance of \$380,000 G.O. Equipment Certificates. The S & P report noted a strong economy along with the City's strong management with good financial policies, practices, and strong budgetary performance.

Additional information on the City's long-term debt can be found in Note 8 on pages 42-46.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

- ◆ The City's tax capacity valuation has increased again for 2023 general property taxes extending this trend over the past several years.
- ◆ The tax capacity rate has decreased from 77.83% in 2013 to an estimated 54.14% for property taxes payable in 2023. The tax capacity rate increased significantly for taxes payable in 2024 as a result of the demand for increased public safety expenditures.
- ◆ The 2024 General Fund budget includes estimated revenue of \$4,013,109 and estimated expenditures totaling \$4,013,109 including a capital improvement budget transfer of \$625,870.
- ◆ The City increased the utility rates in 2023 after completing a utility rate study. Rates were increased to finance ongoing operations and equipment and infrastructure improvements included in the 2020 and 2022 bond issues.
- ◆ The City completed the Central Avenue improvement project in 2021. Further improvements to Central Avenue will be completed in 2024 or 2025.
- ◆ With the completion of the projects financed by the bonds issued in 2020 and the bonds issued in 2022, the City will have completed the upgrade of all sewer lift stations and the related monitoring technology, completed the lining of all sewer lines, and completed the replacement of all water meters and upgraded the meter reading and billing software. The street improvement portion of this project (2021/22 Capital Projects Fund) will be completed in 2024.
- ◆ The 2021/22 Capital Projects Fund has a fund balance of \$1,927,795. This represents unexpended bond proceeds from the 2022 bond issue. A portion of that project was delayed but will be completed in 2024.
- ◆ The City issued \$380,000 G. O. Equipment Certificates in 2024 to finance vehicles for public safety and public works. Public safety vehicles are needed to provide additional public safety services.
- ◆ The City will review the 2024 General Fund budget to determine adjustments that may be made to increase the fund balance to more closely align with the parameters of its fund balance policy.

**REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City at 415 Central Avenue, Osseo, Minnesota 55369.

## **BASIC FINANCIAL STATEMENTS**

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City of Osseo  
Statement of Net Position  
December 31, 2023

|                                                                               | Governmental<br>Activities | Business-Type<br>Activities | Total                | Economic<br>Development<br>Authority<br>Component Unit |
|-------------------------------------------------------------------------------|----------------------------|-----------------------------|----------------------|--------------------------------------------------------|
| <b>Assets</b>                                                                 |                            |                             |                      |                                                        |
| Cash and investments (including cash and equivalents)                         | \$ 6,882,847               | \$ 3,366,361                | \$ 10,249,208        | \$ 2,030,982                                           |
| Property tax receivable                                                       | 15,027                     | -                           | 15,027               | 11,314                                                 |
| Accounts receivable                                                           | 26,608                     | 364,634                     | 391,242              | 9,937                                                  |
| Interest receivable                                                           | 84,981                     | -                           | 84,981               | -                                                      |
| Due from other governments                                                    | 5,119                      | -                           | 5,119                | -                                                      |
| Due from component unit                                                       | 512,949                    | -                           | 512,949              | -                                                      |
| Mortgages receivable                                                          | -                          | -                           | -                    | 417,930                                                |
| Special assessments receivable                                                |                            |                             |                      |                                                        |
| Delinquent                                                                    | 3,852                      | -                           | 3,852                | -                                                      |
| Deferred                                                                      | 1,460,947                  | 49,983                      | 1,510,930            | -                                                      |
| Lease receivable                                                              | -                          | 151,404                     | 151,404              | -                                                      |
| Prepaid items                                                                 | 30,945                     | 22,026                      | 52,971               | -                                                      |
| Net pension asset                                                             | 48,944                     | -                           | 48,944               | -                                                      |
| Capital assets                                                                |                            |                             |                      |                                                        |
| Land                                                                          | 824,809                    | 46,035                      | 870,844              | -                                                      |
| Capital assets being depreciated                                              |                            |                             |                      |                                                        |
| Infrastructure                                                                | 16,843,844                 | 6,642,461                   | 23,486,305           | -                                                      |
| Buildings                                                                     | 4,286,101                  | -                           | 4,286,101            | -                                                      |
| Improvements                                                                  | 469,634                    | -                           | 469,634              | -                                                      |
| Machinery and equipment                                                       | 2,572,694                  | 1,172,704                   | 3,745,398            | -                                                      |
| Less accumulated depreciation                                                 | (12,613,633)               | (2,651,417)                 | (15,265,050)         | -                                                      |
| Total capital assets                                                          | <u>12,383,449</u>          | <u>5,209,783</u>            | <u>17,593,232</u>    | <u>-</u>                                               |
| <b>Total assets</b>                                                           | <u>21,455,668</u>          | <u>9,164,191</u>            | <u>30,619,859</u>    | <u>2,470,163</u>                                       |
| <b>Deferred Outflows of Resources</b>                                         |                            |                             |                      |                                                        |
| Deferred outflows of resources related to fire relief pensions                | 97,335                     | -                           | 97,335               | -                                                      |
| Deferred outflows of resources related to city pensions                       | 1,474,083                  | 65,137                      | 1,539,220            | -                                                      |
| <b>Total deferred outflows of resources</b>                                   | <u>1,571,418</u>           | <u>65,137</u>               | <u>1,636,555</u>     | <u>-</u>                                               |
| <b>Total assets and deferred outflows of resources</b>                        | <u>\$ 23,027,086</u>       | <u>\$ 9,229,328</u>         | <u>\$ 32,256,414</u> | <u>\$ 2,470,163</u>                                    |
| <b>Liabilities</b>                                                            |                            |                             |                      |                                                        |
| <b>Liabilities</b>                                                            |                            |                             |                      |                                                        |
| Accounts payable                                                              | \$ 279,889                 | \$ 47,963                   | \$ 327,852           | \$ 145,450                                             |
| Salaries and benefits payable                                                 | 27,133                     | 6,506                       | 33,639               | -                                                      |
| Due to primary government                                                     | -                          | -                           | -                    | 512,949                                                |
| Due to other governments                                                      | 18                         | 3,409                       | 3,427                | -                                                      |
| Interest payable                                                              | 117,953                    | 27,607                      | 145,560              | 4,905                                                  |
| Unearned revenue                                                              | 151,370                    | -                           | 151,370              | -                                                      |
| Bonds payable, net of premiums                                                |                            |                             |                      |                                                        |
| Due within one year                                                           | 930,000                    | 235,000                     | 1,165,000            | 100,000                                                |
| Due in more than one year                                                     | 9,307,532                  | 3,249,832                   | 12,557,364           | 265,000                                                |
| Compensated absences payable                                                  |                            |                             |                      |                                                        |
| Due within one year                                                           | 185,178                    | 55,372                      | 240,550              | -                                                      |
| Due in more than one year                                                     | 27,275                     | -                           | 27,275               | -                                                      |
| Total other post employment benefits (OPEB) liability                         | 465,925                    | 43,016                      | 508,941              | -                                                      |
| Net pension liability                                                         | 1,146,443                  | 214,425                     | 1,360,868            | -                                                      |
| <b>Total liabilities</b>                                                      | <u>12,638,716</u>          | <u>3,883,130</u>            | <u>16,521,846</u>    | <u>1,028,304</u>                                       |
| <b>Deferred Inflows of Resources</b>                                          |                            |                             |                      |                                                        |
| Deferred inflows of resources related to city pensions                        | 1,446,558                  | 64,475                      | 1,511,033            | -                                                      |
| Deferred inflows of resources related to fire relief pensions                 | 23,714                     | -                           | 23,714               | -                                                      |
| Deferred inflows of resources related to lease receivable                     | -                          | 151,404                     | 151,404              | -                                                      |
| <b>Total deferred inflows of resources</b>                                    | <u>1,470,272</u>           | <u>215,879</u>              | <u>1,686,151</u>     | <u>-</u>                                               |
| <b>Net Position</b>                                                           |                            |                             |                      |                                                        |
| Net investment in capital assets                                              | 3,420,939                  | 1,724,951                   | 4,385,868            | -                                                      |
| Restricted for                                                                |                            |                             |                      |                                                        |
| Park improvements                                                             | 153,767                    | -                           | 153,767              | -                                                      |
| Debt service                                                                  | 3,514,016                  | -                           | 3,514,016            | -                                                      |
| Economic development authority                                                | -                          | -                           | -                    | 928,673                                                |
| Other purposes                                                                | 446,070                    | -                           | 446,070              | -                                                      |
| Net pension asset                                                             | 48,944                     | -                           | 48,944               | -                                                      |
| Tax increments                                                                | 80,206                     | -                           | 80,206               | -                                                      |
| Unrestricted                                                                  | 1,254,156                  | 3,405,368                   | 5,419,546            | 513,186                                                |
| <b>Total net position</b>                                                     | <u>8,918,098</u>           | <u>5,130,319</u>            | <u>14,048,417</u>    | <u>1,441,859</u>                                       |
| <b>Total liabilities, deferred inflows of resources,<br/>and net position</b> | <u>\$ 23,027,086</u>       | <u>\$ 9,229,328</u>         | <u>\$ 32,256,414</u> | <u>\$ 2,470,163</u>                                    |

See notes to basic financial statements.

City of Osseo  
Statement of Activities  
Year Ended December 31, 2023

| Functions/Programs                              | Expenses            | Program Revenues                     |                                    |
|-------------------------------------------------|---------------------|--------------------------------------|------------------------------------|
|                                                 |                     | Charges for Services                 | Operating Grants and Contributions |
| Governmental activities                         |                     |                                      |                                    |
| General government                              | \$ 939,134          | \$ 85,587                            | \$ -                               |
| Public safety                                   | 2,009,612           | 96,372                               | 211,137                            |
| Public works                                    | 950,241             | -                                    | -                                  |
| Culture and recreation                          | 180,109             | 48,824                               | 25,478                             |
| Economic development                            | 148                 | -                                    | -                                  |
| Interest and fiscal charges on long-term debt   | 292,363             | -                                    | -                                  |
| Total governmental activities                   | <u>4,371,607</u>    | <u>230,783</u>                       | <u>236,615</u>                     |
| Business-type activities                        |                     |                                      |                                    |
| Water                                           | 626,167             | 594,761                              | 2,471                              |
| Sewer                                           | 780,966             | 645,837                              | 32,478                             |
| Storm water                                     | 135,964             | 239,585                              | 1,107                              |
| Total business-type activities                  | <u>1,543,097</u>    | <u>1,480,183</u>                     | <u>36,056</u>                      |
| Total governmental and business-type activities | <u>\$ 5,914,704</u> | <u>\$ 1,710,966</u>                  | <u>\$ 272,671</u>                  |
| EDA Component Unit                              | <u>\$ 348,732</u>   | <u>\$ -</u>                          | <u>\$ 62,941</u>                   |
|                                                 |                     | General revenues                     |                                    |
|                                                 |                     | Property taxes                       |                                    |
|                                                 |                     | Franchise taxes                      |                                    |
|                                                 |                     | Tax increments                       |                                    |
|                                                 |                     | Intergovernmental                    |                                    |
|                                                 |                     | State aids                           |                                    |
|                                                 |                     | Investment earnings                  |                                    |
|                                                 |                     | Other general revenue                |                                    |
|                                                 |                     | Transfers                            |                                    |
|                                                 |                     | Total general revenues and transfers |                                    |
|                                                 |                     | Change in net position               |                                    |
|                                                 |                     | Net position - beginning             |                                    |
|                                                 |                     | Net position - ending                |                                    |

| Program Revenues                 | Net (Expense) Revenues and Changes in Net Position |                          |                     | EDA Component Unit |
|----------------------------------|----------------------------------------------------|--------------------------|---------------------|--------------------|
|                                  | Governmental Activities                            | Business-Type Activities | Total               |                    |
| Capital Grants and Contributions |                                                    |                          |                     |                    |
| \$ -                             | \$ (853,547)                                       | \$ -                     | \$ (853,547)        | \$ -               |
| 96,000                           | (1,606,103)                                        | -                        | (1,606,103)         | -                  |
| 97,866                           | (852,375)                                          | -                        | (852,375)           | -                  |
| -                                | (105,807)                                          | -                        | (105,807)           | -                  |
| -                                | (148)                                              | -                        | (148)               | -                  |
| -                                | (292,363)                                          | -                        | (292,363)           | -                  |
| <u>193,866</u>                   | <u>(3,710,343)</u>                                 | <u>-</u>                 | <u>(3,710,343)</u>  | <u>-</u>           |
| 56,115                           | -                                                  | 27,180                   | 27,180              | -                  |
| 9,900                            | -                                                  | (92,751)                 | (92,751)            | -                  |
| 45,442                           | -                                                  | 150,170                  | 150,170             | -                  |
| <u>111,457</u>                   | <u>-</u>                                           | <u>84,599</u>            | <u>84,599</u>       | <u>-</u>           |
| <u>\$ 305,323</u>                | <u>(3,710,343)</u>                                 | <u>84,599</u>            | <u>(3,625,744)</u>  | <u>-</u>           |
| <u>\$ -</u>                      | <u>-</u>                                           | <u>-</u>                 | <u>-</u>            | <u>(285,791)</u>   |
|                                  | 2,161,181                                          | -                        | 2,161,181           | -                  |
|                                  | 109,446                                            | -                        | 109,446             | -                  |
|                                  | -                                                  | -                        | -                   | 706,395            |
|                                  | -                                                  | -                        | -                   | 113,907            |
|                                  | 625,308                                            | -                        | 625,308             | -                  |
|                                  | 269,318                                            | 153,067                  | 422,385             | 49,698             |
|                                  | 192,976                                            | -                        | 192,976             | -                  |
|                                  | 246,904                                            | (246,904)                | -                   | -                  |
|                                  | <u>3,605,133</u>                                   | <u>(93,837)</u>          | <u>3,511,296</u>    | <u>870,000</u>     |
|                                  | (105,210)                                          | (9,238)                  | (114,448)           | 584,209            |
|                                  | <u>9,023,308</u>                                   | <u>5,139,557</u>         | <u>14,162,865</u>   | <u>857,650</u>     |
| <u>\$ 8,918,098</u>              | <u>\$ 5,130,319</u>                                | <u>\$ 14,048,417</u>     | <u>\$ 1,441,859</u> |                    |

**City of Osseo**  
**Balance Sheet - Governmental Funds**  
**December 31, 2022**

|                                                                     | Debt Service               |                                                       |                          |
|---------------------------------------------------------------------|----------------------------|-------------------------------------------------------|--------------------------|
|                                                                     | General Fund<br>(101, 200) | 2016B G.O.<br>Improvement<br>Refunding Bonds<br>(365) | 2022A G.O. Bond<br>(314) |
| <b>Assets</b>                                                       |                            |                                                       |                          |
| Cash and investments                                                | \$ 495,052                 | \$ 337,693                                            | \$ 322,556               |
| Taxes receivable - delinquent                                       | 13,525                     | 1,022                                                 | -                        |
| Special assessments receivable                                      |                            |                                                       |                          |
| Delinquent                                                          | -                          | 2,049                                                 | 385                      |
| Deferred                                                            | 8,617                      | 349,204                                               | 370,074                  |
| Accounts receivable                                                 | 26,608                     | -                                                     | -                        |
| Interest receivable                                                 | 84,981                     | -                                                     | -                        |
| Due from other funds                                                | 1,320                      | -                                                     | -                        |
| Due from other governments                                          | 5,119                      | -                                                     | -                        |
| Due from component unit                                             | 512,949                    | -                                                     | -                        |
| Prepaid items                                                       | 28,290                     | -                                                     | -                        |
|                                                                     | <u>\$ 1,176,461</u>        | <u>\$ 689,968</u>                                     | <u>\$ 693,015</u>        |
| <b>Liabilities</b>                                                  |                            |                                                       |                          |
| Accounts payable                                                    | \$ 205,213                 | \$ -                                                  | \$ -                     |
| Salaries and benefits payable                                       | 27,133                     | -                                                     | -                        |
| Due to other funds                                                  | -                          | -                                                     | -                        |
| Due to other governments                                            | -                          | -                                                     | -                        |
| Unearned revenue                                                    | -                          | -                                                     | -                        |
| Total liabilities                                                   | <u>232,346</u>             | <u>-</u>                                              | <u>-</u>                 |
| <b>Deferred Inflows of Resources</b>                                |                            |                                                       |                          |
| Unavailable revenue - property taxes                                | 6,245                      | 453                                                   | -                        |
| Unavailable revenue - special assessments                           | -                          | 351,354                                               | 370,074                  |
| Total deferred inflows of resources                                 | <u>6,245</u>               | <u>351,807</u>                                        | <u>370,074</u>           |
| <b>Fund Balances</b>                                                |                            |                                                       |                          |
| Nonspendable                                                        | 28,290                     | -                                                     | -                        |
| Restricted                                                          | 80,206                     | 338,161                                               | 322,941                  |
| Committed                                                           | -                          | -                                                     | -                        |
| Assigned                                                            | -                          | -                                                     | -                        |
| Unassigned                                                          | 829,374                    | -                                                     | -                        |
| Total fund balances                                                 | <u>937,870</u>             | <u>338,161</u>                                        | <u>322,941</u>           |
|                                                                     | <u>\$ 1,176,461</u>        | <u>\$ 689,968</u>                                     | <u>\$ 693,015</u>        |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,176,461</u>        | <u>\$ 689,968</u>                                     | <u>\$ 693,015</u>        |



Capital Projects

| <u>Streets (130)</u> | <u>2021 Alley<br/>Project (412)</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------|-------------------------------------|--------------------------------------------|-----------------------------------------|
| \$ 897,926           | \$ 1,942,773                        | \$ 2,886,847                               | \$ 6,882,847                            |
| 480                  | -                                   | -                                          | 15,027                                  |
| -                    | -                                   | 1,418                                      | 3,852                                   |
| 34,463               | -                                   | 698,589                                    | 1,460,947                               |
| -                    | -                                   | -                                          | 26,608                                  |
| -                    | -                                   | -                                          | 84,981                                  |
| -                    | -                                   | -                                          | 1,320                                   |
| -                    | -                                   | -                                          | 5,119                                   |
| -                    | -                                   | -                                          | 512,949                                 |
| -                    | -                                   | 2,655                                      | 30,945                                  |
| <u>\$ 932,869</u>    | <u>\$ 1,942,773</u>                 | <u>\$ 3,589,509</u>                        | <u>\$ 9,024,595</u>                     |
| \$ 8,961             | \$ 14,978                           | \$ 50,737                                  | \$ 279,889                              |
| -                    | -                                   | -                                          | 27,133                                  |
| -                    | -                                   | 1,320                                      | 1,320                                   |
| -                    | -                                   | 18                                         | 18                                      |
| -                    | -                                   | 151,370                                    | 151,370                                 |
| <u>8,961</u>         | <u>14,978</u>                       | <u>203,445</u>                             | <u>459,730</u>                          |
| 480                  | -                                   | -                                          | 7,178                                   |
| 34,463               | -                                   | 698,589                                    | 1,454,480                               |
| <u>34,943</u>        | <u>-</u>                            | <u>698,589</u>                             | <u>1,461,658</u>                        |
| -                    | -                                   | 2,655                                      | 30,945                                  |
| -                    | -                                   | 2,150,234                                  | 2,891,542                               |
| -                    | -                                   | 42,664                                     | 42,664                                  |
| 888,965              | 1,927,795                           | 496,996                                    | 3,313,756                               |
| -                    | -                                   | (5,074)                                    | 824,300                                 |
| <u>888,965</u>       | <u>1,927,795</u>                    | <u>2,687,475</u>                           | <u>7,103,207</u>                        |
| <u>\$ 932,869</u>    | <u>\$ 1,942,773</u>                 | <u>\$ 3,589,509</u>                        | <u>\$ 9,024,595</u>                     |

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City of Osseo  
Reconciliation of the Balance Sheet to  
the Statement of Net Position - Governmental Funds  
December 31, 2023

|                                                                                                                                                                                                                            |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Total fund balances - governmental funds                                                                                                                                                                                   | \$ 7,103,207        |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                                                                                                       |                     |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.                                                                       |                     |
| Cost of capital assets                                                                                                                                                                                                     | 24,997,082          |
| Less accumulated depreciation                                                                                                                                                                                              | (12,613,633)        |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.                                                                |                     |
| Long-term liabilities at year-end consist of:                                                                                                                                                                              |                     |
| Bond principal payable                                                                                                                                                                                                     | (9,940,000)         |
| Compensated absences payable                                                                                                                                                                                               | (212,453)           |
| Total OPEB liability                                                                                                                                                                                                       | (465,925)           |
| Net pension liability                                                                                                                                                                                                      | (1,146,443)         |
| Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and post employment benefits that are not recognized in the in the governmental funds. |                     |
| Deferred inflows of resources related to pensions                                                                                                                                                                          | (1,470,272)         |
| Deferred outflows of resources related to pensions                                                                                                                                                                         | 1,571,418           |
| Fire Relief Association net pension asset created through contributions to a defined benefit pension plan which is not recognized in the governmental funds.                                                               | 48,944              |
| Bond premiums are reported as a liability within the Statement of Net Position and are reported as an other financing source in the year the debt is issued within the governmental funds.                                 | (297,532)           |
| Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.                                    |                     |
| Property taxes                                                                                                                                                                                                             | 7,178               |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.                                                                                         |                     |
| Deferred special assessments                                                                                                                                                                                               | 1,454,480           |
| Governmental funds do not report a liability for accrued interest until due and payable.                                                                                                                                   | (117,953)           |
| Total net position - governmental activities                                                                                                                                                                               | <u>\$ 8,918,098</u> |

**City of Osseo**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended December 31, 2023**

|                                              | General Fund<br>(101, 200) | Debt Service                                          |                          |
|----------------------------------------------|----------------------------|-------------------------------------------------------|--------------------------|
|                                              |                            | 2016B G.O.<br>Improvement<br>Refunding<br>Bonds (365) | 2022A G.O.<br>Bond (314) |
| <b>Revenues</b>                              |                            |                                                       |                          |
| Taxes                                        | \$ 2,026,308               | \$ 135,026                                            | \$ -                     |
| Franchise taxes                              | 109,446                    | -                                                     | -                        |
| Special assessments                          | 768                        | 101,025                                               | 73,619                   |
| Licenses and permits                         | 134,223                    | -                                                     | -                        |
| Intergovernmental                            | 831,708                    | -                                                     | -                        |
| Revenue from EDA component unit              | 40,000                     | -                                                     | -                        |
| Charges for services                         | 21,996                     | -                                                     | -                        |
| Fines and forfeitures                        | 39,677                     | -                                                     | -                        |
| Miscellaneous                                |                            |                                                       |                          |
| Investment income                            | 61,882                     | 9,530                                                 | 6,610                    |
| Contributions and donations                  | 14,520                     | -                                                     | -                        |
| Other                                        | 52,662                     | -                                                     | -                        |
| Total revenues                               | <u>3,333,190</u>           | <u>245,581</u>                                        | <u>80,229</u>            |
| <b>Expenditures</b>                          |                            |                                                       |                          |
| Current                                      |                            |                                                       |                          |
| General government                           | 842,817                    | -                                                     | -                        |
| Public safety                                | 1,659,000                  | -                                                     | -                        |
| Public works                                 | 288,797                    | -                                                     | -                        |
| Culture and recreation                       | 123,588                    | -                                                     | -                        |
| Debt service                                 |                            |                                                       |                          |
| Principal                                    | -                          | 260,000                                               | -                        |
| Interest and other charges                   | -                          | 50,574                                                | 103,686                  |
| Capital outlay                               |                            |                                                       |                          |
| General government                           | -                          | -                                                     | -                        |
| Public safety                                | -                          | -                                                     | -                        |
| Public works                                 | -                          | -                                                     | -                        |
| Culture and recreation                       | -                          | -                                                     | -                        |
| Total expenditures                           | <u>2,914,202</u>           | <u>310,574</u>                                        | <u>103,686</u>           |
| Excess of revenues over (under) expenditures | 418,988                    | (64,993)                                              | (23,457)                 |
| <b>Other Financing Sources (Uses)</b>        |                            |                                                       |                          |
| Transfers in                                 | 15,500                     | 73,092                                                | 141,381                  |
| Transfers out                                | (625,870)                  | -                                                     | -                        |
| Total other financing sources (uses)         | <u>(610,370)</u>           | <u>73,092</u>                                         | <u>141,381</u>           |
| Net change in fund balances                  | (191,382)                  | 8,099                                                 | 117,924                  |
| <b>Fund Balances</b>                         |                            |                                                       |                          |
| Beginning of year, as previously stated      | <u>1,129,252</u>           | <u>330,062</u>                                        | <u>205,017</u>           |
| End of year                                  | <u>\$ 937,870</u>          | <u>\$ 338,161</u>                                     | <u>\$ 322,941</u>        |

Capital Projects

| <u>Streets (130)</u> | <u>2021 Alley<br/>Project (412)</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------|-------------------------------------|--------------------------------------------|-----------------------------------------|
| \$ -                 | \$ -                                | \$ -                                       | \$ 2,161,334                            |
| -                    | -                                   | 26,700                                     | 136,146                                 |
| 7,322                | -                                   | 136,769                                    | 319,503                                 |
| -                    | -                                   | -                                          | 134,223                                 |
| -                    | -                                   | -                                          | 831,708                                 |
| -                    | -                                   | -                                          | 40,000                                  |
| -                    | -                                   | 19,997                                     | 41,993                                  |
| -                    | -                                   | -                                          | 39,677                                  |
| 45,616               | 57,064                              | 88,616                                     | 269,318                                 |
| -                    | -                                   | 163,892                                    | 178,412                                 |
| -                    | -                                   | 1,969                                      | 54,631                                  |
| <u>52,938</u>        | <u>57,064</u>                       | <u>437,943</u>                             | <u>4,206,945</u>                        |
| -                    | -                                   | 18,600                                     | 861,417                                 |
| -                    | -                                   | 7,170                                      | 1,666,170                               |
| -                    | 5,001                               | -                                          | 293,798                                 |
| -                    | -                                   | 35,250                                     | 158,838                                 |
| -                    | -                                   | 540,000                                    | 800,000                                 |
| -                    | -                                   | 142,984                                    | 297,244                                 |
| -                    | -                                   | 30,405                                     | 30,405                                  |
| -                    | -                                   | 91,205                                     | 91,205                                  |
| 32,632               | 74,199                              | 110,604                                    | 217,435                                 |
| -                    | -                                   | 5,249                                      | 5,249                                   |
| <u>32,632</u>        | <u>79,200</u>                       | <u>981,467</u>                             | <u>4,421,761</u>                        |
| 20,306               | (22,136)                            | (543,524)                                  | (214,816)                               |
| 332,160              | -                                   | 933,101                                    | 1,495,234                               |
| (521,334)            | -                                   | (101,126)                                  | (1,248,330)                             |
| <u>(189,174)</u>     | <u>-</u>                            | <u>831,975</u>                             | <u>246,904</u>                          |
| (168,868)            | (22,136)                            | 288,451                                    | 32,088                                  |
| <u>1,057,833</u>     | <u>1,949,931</u>                    | <u>2,399,024</u>                           | <u>7,071,119</u>                        |
| <u>\$ 888,965</u>    | <u>\$ 1,927,795</u>                 | <u>\$ 2,687,475</u>                        | <u>\$ 7,103,207</u>                     |

**City of Osseo**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances**  
**to the Statement of Activities - Governmental Funds**  
**Year Ended December 31, 2023**

Total net change in fund balances - governmental funds \$ 32,088

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

|                      |           |
|----------------------|-----------|
| Capital outlays      | 167,567   |
| Depreciation expense | (757,601) |
| Loss on disposal     | (96,804)  |

Compensated absences are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

8,141

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual

|                 |           |
|-----------------|-----------|
| Pension expense | (139,309) |
|-----------------|-----------|

Total OPEB liabilities are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

65,538

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no impact on the net position in the Statement of Activities.

800,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                          |       |
|--------------------------|-------|
| Accrued interest payable | 4,881 |
|--------------------------|-------|

The governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

|              |        |
|--------------|--------|
| Bond premium | 32,079 |
|--------------|--------|

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

|                              |           |
|------------------------------|-----------|
| Special assessments deferred | (221,637) |
|------------------------------|-----------|

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

(153)

Change in net position - governmental activities

\$ (105,210)

**City of Osseo**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2023**

|                                              | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|----------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------------|
| <b>Revenues</b>                              |                                           |                   |                                                 |
| Property taxes                               | \$ 2,028,463                              | \$ 2,026,308      | \$ (2,155)                                      |
| Franchise taxes                              | 116,500                                   | 109,446           | (7,054)                                         |
| Special assessments                          | 2,500                                     | 768               | (1,732)                                         |
| Licenses and permits                         | 222,100                                   | 134,223           | (87,877)                                        |
| Intergovernmental                            | 769,331                                   | 831,708           | 62,377                                          |
| Revenue from eda component unit              | -                                         | 40,000            | 40,000                                          |
| Charges for services                         | 37,500                                    | 21,996            | (15,504)                                        |
| Fines and forfeitures                        | 45,000                                    | 39,677            | (5,323)                                         |
| Miscellaneous                                |                                           |                   |                                                 |
| Investment income                            | 45,000                                    | 61,882            | 16,882                                          |
| Contributions and donations                  | 27,000                                    | 14,520            | (12,480)                                        |
| Other                                        | 93,000                                    | 52,662            | (40,338)                                        |
| Total revenues                               | <u>3,386,394</u>                          | <u>3,333,190</u>  | <u>(53,204)</u>                                 |
| <b>Expenditures</b>                          |                                           |                   |                                                 |
| <b>Current</b>                               |                                           |                   |                                                 |
| General government                           | 780,460                                   | 842,817           | 62,357                                          |
| Public safety                                | 1,638,664                                 | 1,659,000         | 20,336                                          |
| Public works                                 | 220,249                                   | 288,797           | 68,548                                          |
| Culture and recreation                       | 131,151                                   | 123,588           | (7,563)                                         |
| Total expenditures                           | <u>2,770,524</u>                          | <u>2,914,202</u>  | <u>143,678</u>                                  |
| Excess of revenues over (under) expenditures | 615,870                                   | 418,988           | (196,882)                                       |
| <b>Other Financing Sources (Uses)</b>        |                                           |                   |                                                 |
| Transfers in                                 | 10,000                                    | 15,500            | 5,500                                           |
| Transfers out                                | (625,870)                                 | (625,870)         | -                                               |
| Total other financing sources (uses)         | <u>(615,870)</u>                          | <u>(610,370)</u>  | <u>5,500</u>                                    |
| Net change in fund balance                   | <u>\$ -</u>                               | <u>(191,382)</u>  | <u>\$ (191,382)</u>                             |
| <b>Fund Balance</b>                          |                                           |                   |                                                 |
| Beginning of year                            |                                           | <u>1,129,252</u>  |                                                 |
| End of year                                  |                                           | <u>\$ 937,870</u> |                                                 |

**City of Osseo**  
**Statement of Net Positions - Proprietary Funds**  
**December 31, 2023**

|                                                                    | Water (601)         | Sewer (602)         | Storm Water<br>(604) | Total               |
|--------------------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|
| <b>Assets</b>                                                      |                     |                     |                      |                     |
| <b>Current assets</b>                                              |                     |                     |                      |                     |
| Cash and cash equivalents                                          | \$ 1,973,580        | \$ 659,011          | \$ 733,770           | \$ 3,366,361        |
| Special assessments receivable                                     |                     |                     |                      |                     |
| Deferred                                                           | 15,444              | 28,798              | 5,741                | 49,983              |
| Accounts receivable                                                | 132,480             | 157,048             | 75,106               | 364,634             |
| Lease receivable                                                   | 151,404             | -                   | -                    | 151,404             |
| Prepaid items                                                      | -                   | 22,026              | -                    | 22,026              |
| Total current assets                                               | <u>2,272,908</u>    | <u>866,883</u>      | <u>814,617</u>       | <u>3,954,408</u>    |
| <b>Noncurrent assets</b>                                           |                     |                     |                      |                     |
| <b>Capital assets</b>                                              |                     |                     |                      |                     |
| Land                                                               | 46,035              | -                   | -                    | 46,035              |
| Infrastructure                                                     | 1,233,368           | 4,629,228           | 779,865              | 6,642,461           |
| Machinery and equipment                                            | 471,496             | 477,889             | 223,319              | 1,172,704           |
| Total capital assets                                               | <u>1,750,899</u>    | <u>5,107,117</u>    | <u>1,003,184</u>     | <u>7,861,200</u>    |
| Less accumulated depreciation                                      | (752,941)           | (1,669,962)         | (228,514)            | (2,651,417)         |
| Net capital assets                                                 | <u>997,958</u>      | <u>3,437,155</u>    | <u>774,670</u>       | <u>5,209,783</u>    |
| Total assets                                                       | <u>3,270,866</u>    | <u>4,304,038</u>    | <u>1,589,287</u>     | <u>9,164,191</u>    |
| <b>Deferred Outflows of Resources</b>                              |                     |                     |                      |                     |
| Deferred outflows of resources related to pensions                 | 29,675              | 28,947              | 6,515                | 65,137              |
| Total assets and deferred outflows of resources                    | <u>\$ 3,300,541</u> | <u>\$ 4,332,985</u> | <u>\$ 1,595,802</u>  | <u>\$ 9,229,328</u> |
| <b>Liabilities, Deferred Inflows of Resources and Net Position</b> |                     |                     |                      |                     |
| <b>Current liabilities</b>                                         |                     |                     |                      |                     |
| Accounts payable                                                   | \$ 35,064           | \$ 7,589            | \$ 5,310             | \$ 47,963           |
| Salaries and benefits payable                                      | 3,015               | 2,946               | 545                  | 6,506               |
| Interest payable                                                   | 4,771               | 19,273              | 3,563                | 27,607              |
| Due to other governments                                           | 3,409               | -                   | -                    | 3,409               |
| Bonds payable, due within one year                                 | 47,500              | 142,500             | 45,000               | 235,000             |
| Compensated absences payable                                       | 25,816              | 25,816              | 3,740                | 55,372              |
| Total current liabilities                                          | <u>119,575</u>      | <u>198,124</u>      | <u>58,158</u>        | <u>375,857</u>      |
| <b>Noncurrent liabilities</b>                                      |                     |                     |                      |                     |
| Bonds payable, net of premiums                                     | 602,153             | 2,494,390           | 388,289              | 3,484,832           |
| Total OPEB liability                                               | 19,307              | 19,307              | 4,402                | 43,016              |
| Net pension liability                                              | 97,687              | 95,290              | 21,448               | 214,425             |
| Less amount due within one year                                    | (47,500)            | (142,500)           | (45,000)             | (235,000)           |
| Total noncurrent liabilities                                       | <u>671,647</u>      | <u>2,466,487</u>    | <u>369,139</u>       | <u>3,507,273</u>    |
| Total liabilities                                                  | <u>791,222</u>      | <u>2,664,611</u>    | <u>427,297</u>       | <u>3,883,130</u>    |
| <b>Deferred inflows of resources</b>                               |                     |                     |                      |                     |
| Deferred inflows of resources related to pensions                  | 29,373              | 28,653              | 6,449                | 64,475              |
| Deferred inflows of resources related to lease receivable          | 151,404             | -                   | -                    | 151,404             |
| Total deferred inflows of resources                                | <u>180,777</u>      | <u>28,653</u>       | <u>6,449</u>         | <u>215,879</u>      |
| <b>Net Position</b>                                                |                     |                     |                      |                     |
| Net investment in capital assets                                   | 395,805             | 942,765             | 386,381              | 1,724,951           |
| Unrestricted                                                       | 1,932,737           | 696,956             | 775,675              | 3,405,368           |
| Total net position                                                 | <u>2,328,542</u>    | <u>1,639,721</u>    | <u>1,162,056</u>     | <u>5,130,319</u>    |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 3,300,541</u> | <u>\$ 4,332,985</u> | <u>\$ 1,595,802</u>  | <u>\$ 9,229,328</u> |

See notes to basic financial statements.



**City of Osseo**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended December 31, 2023**

|                                                      | Water (601)         | Sewer (602)         | Storm Water<br>(604) | Total               |
|------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|
| <b>Operating Revenues</b>                            |                     |                     |                      |                     |
| Charges for services                                 | \$ 489,116          | \$ 643,363          | \$ 238,603           | \$ 1,371,082        |
| Permits, hookup fees, and penalties                  | 2,571               | 2,474               | 982                  | 6,027               |
| Miscellaneous operating revenues                     | -                   | 1,447               | -                    | 1,447               |
| Total operating revenues                             | <u>491,687</u>      | <u>647,284</u>      | <u>239,585</u>       | <u>1,378,556</u>    |
| <b>Operating Expenses</b>                            |                     |                     |                      |                     |
| Wages and salaries                                   | 121,533             | 121,533             | 27,708               | 270,774             |
| Employee benefits                                    | 77,241              | 71,178              | 14,636               | 163,055             |
| Materials and supplies                               | 6,993               | 2,883               | 464                  | 10,340              |
| Repairs and maintenance                              | 4,620               | 4,482               | 2,994                | 12,096              |
| Professional services                                | 76,757              | 60,666              | 26,722               | 164,145             |
| Insurance                                            | 3,076               | 6,302               | 1,641                | 11,019              |
| Utilities                                            | 3,815               | 16,439              | 1,350                | 21,604              |
| Depreciation                                         | 73,845              | 222,411             | 42,474               | 338,730             |
| Other                                                | 21,447              | 5,252               | 9,350                | 36,049              |
| Service charges                                      | 225,315             | 215,219             | -                    | 440,534             |
| Total operating expenses                             | <u>614,642</u>      | <u>726,365</u>      | <u>127,339</u>       | <u>1,468,346</u>    |
| Operating income (loss)                              | (122,955)           | (79,081)            | 112,246              | (89,790)            |
| <b>Nonoperating Revenues/(Expenses)</b>              |                     |                     |                      |                     |
| Investment income                                    | 84,108              | 36,264              | 32,695               | 153,067             |
| Intergovernmental                                    | -                   | 23,317              | -                    | 23,317              |
| Connection charges                                   | 2,471               | 7,714               | 1,107                | 11,292              |
| Interest and fiscal agent fees                       | (11,525)            | (54,601)            | (8,625)              | (74,751)            |
| Other income                                         | 103,074             | -                   | -                    | 103,074             |
| Total nonoperating revenues                          | <u>178,128</u>      | <u>12,694</u>       | <u>25,177</u>        | <u>215,999</u>      |
| Income before capital contributions<br>and transfers | 55,173              | (66,387)            | 137,423              | 126,209             |
| Capital contributions                                | 56,115              | 9,900               | 45,442               | 111,457             |
| Transfers out                                        | <u>(95,315)</u>     | <u>(34,270)</u>     | <u>(117,319)</u>     | <u>(246,904)</u>    |
| Change in net position                               | 15,973              | (90,757)            | 65,546               | (9,238)             |
| <b>Net Position</b>                                  |                     |                     |                      |                     |
| Beginning of year                                    | <u>2,312,569</u>    | <u>1,730,478</u>    | <u>1,096,510</u>     | <u>5,139,557</u>    |
| End of year                                          | <u>\$ 2,328,542</u> | <u>\$ 1,639,721</u> | <u>\$ 1,162,056</u>  | <u>\$ 5,130,319</u> |

**City of Osseo**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended December 31, 2023**

|                                                                                    | Water (601)         | Sewer (602)       | Storm Water<br>(604) | Total               |
|------------------------------------------------------------------------------------|---------------------|-------------------|----------------------|---------------------|
| <b>Cash Flows - Operating Activities</b>                                           |                     |                   |                      |                     |
| Receipts from customers and users                                                  | \$ 523,059          | \$ 705,594        | \$ 242,437           | \$ 1,471,090        |
| Payments to suppliers                                                              | (316,684)           | (400,970)         | (40,915)             | (758,569)           |
| Payments to employees                                                              | (166,679)           | (162,894)         | (38,755)             | (368,328)           |
| Miscellaneous revenue                                                              | 105,545             | 31,031            | 1,107                | 137,683             |
| Net cash flows - operating activities                                              | <u>145,241</u>      | <u>172,761</u>    | <u>163,874</u>       | <u>481,876</u>      |
| <b>Cash Flows - Noncapital</b>                                                     |                     |                   |                      |                     |
| <b>Financing Activities</b>                                                        |                     |                   |                      |                     |
| Payments to/from other funds                                                       | 95,522              | -                 | -                    | 95,522              |
| Transfer to other funds                                                            | (95,315)            | (34,270)          | (117,319)            | (246,904)           |
| Net cash flows - noncapital financing activities                                   | <u>207</u>          | <u>(34,270)</u>   | <u>(117,319)</u>     | <u>(151,382)</u>    |
| <b>Cash Flows - Capital and Related</b>                                            |                     |                   |                      |                     |
| <b>Financing Activities</b>                                                        |                     |                   |                      |                     |
| Principal Paid on Debt                                                             | (47,471)            | (122,714)         | (46,107)             | (216,292)           |
| Interest and fiscal charges paid on debt                                           | (11,900)            | (60,569)          | (9,000)              | (81,469)            |
| Gain on disposal of capital assets                                                 | 15,400              | -                 | -                    | 15,400              |
| Acquisition of capital assets                                                      | -                   | (82,673)          | -                    | (82,673)            |
| Net cash flows - capital and related financing activities                          | <u>(43,971)</u>     | <u>(265,956)</u>  | <u>(55,107)</u>      | <u>(365,034)</u>    |
| <b>Cash Flows - Investing Activities</b>                                           |                     |                   |                      |                     |
| Interest and dividends received                                                    | <u>84,108</u>       | <u>36,264</u>     | <u>32,695</u>        | <u>153,067</u>      |
| Net change in cash and cash equivalents                                            | 185,585             | (91,201)          | 24,143               | 118,527             |
| <b>Cash and Cash Equivalents</b>                                                   |                     |                   |                      |                     |
| January 1                                                                          | <u>1,787,995</u>    | <u>750,212</u>    | <u>709,627</u>       | <u>3,247,834</u>    |
| December 31                                                                        | <u>\$ 1,973,580</u> | <u>\$ 659,011</u> | <u>\$ 733,770</u>    | <u>\$ 3,366,361</u> |
| <b>Reconciliation of Operating</b>                                                 |                     |                   |                      |                     |
| <b>Income to Net Cash</b>                                                          |                     |                   |                      |                     |
| <b>Flows - Operating Activities</b>                                                |                     |                   |                      |                     |
| Operating income                                                                   | \$ (122,955)        | \$ (79,081)       | \$ 112,246           | \$ (89,790)         |
| Adjustments to reconcile operating income to net cash flows - operating activities |                     |                   |                      |                     |
| Miscellaneous revenue                                                              | 105,545             | 31,031            | 1,107                | 137,683             |
| Depreciation expense                                                               | 73,845              | 222,411           | 42,474               | 338,730             |
| Accounts receivable                                                                | 41,679              | 29,488            | 5,351                | 76,518              |
| Due from other governments                                                         | -                   | 52,762            | -                    | 52,762              |
| Prepaid items                                                                      | 2,260               | (1,831)           | 1,130                | 1,559               |
| Special assessments receivable                                                     | (10,307)            | (23,940)          | (2,499)              | (36,746)            |
| Accounts payable                                                                   | 21,156              | (87,896)          | 476                  | (66,264)            |
| Due to other governmental units                                                    | 1,923               | -                 | -                    | 1,923               |
| Salaries payable                                                                   | 507                 | 522               | (130)                | 899                 |
| Net pension expense                                                                | 26,596              | 24,303            | 4,293                | 55,192              |
| Compensated absences payable                                                       | 5,326               | 5,326             | 196                  | 10,848              |
| Total OPEB liability                                                               | (334)               | (334)             | (770)                | (1,438)             |
| Total adjustments                                                                  | <u>268,196</u>      | <u>251,842</u>    | <u>51,628</u>        | <u>571,666</u>      |
| Net cash flows - operating activities                                              | <u>\$ 145,241</u>   | <u>\$ 172,761</u> | <u>\$ 163,874</u>    | <u>\$ 481,876</u>   |
| <b>Noncash Activities</b>                                                          |                     |                   |                      |                     |
| Contribution of capital assets from governmental funds                             | <u>\$ 56,115</u>    | <u>\$ 9,900</u>   | <u>\$ 45,442</u>     | <u>\$ 111,457</u>   |

See notes to basic financial statements.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Osseo is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is financially accountable.

The financial statements present the City and its component unit. The City includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, a certain organization has been defined and is presented in this report as a Discretely Presented Component Unit.

**1. Discretely Presented Unit**

Component units are legally separate entities for which the City (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally depended upon by the potential component unit.

In conformity with accounting principles generally accepted in the United States of America, the component unit's column in the government-wide Statement of Net Position and Statement of Activities include the financial data of the City's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the City.

The Osseo Economic Development Authority (EDA) meets the criteria to be included as a discretely presented component unit. The seven members of the governing board of the Osseo EDA are appointed by the City Council and three members are also City Council members. The tax rates established by the Osseo EDA and bonded debt must be approved by the City Council.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

**Description of Funds:**

**Major Governmental Funds:**

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Description of Funds: (Continued)**

Major Governmental Funds: (Continued)

2016B G.O. Improvement Refunding Bonds - This fund accounts for the resources accumulated and payments made for principal and interest on this bond issue.

2022A G.O. Bond - This fund accounts for the resources accumulated and payments made for principal and interest on this bond issue.

Streets Capital Projects Fund - This fund accounts for resources accumulated and payments related to the City's streets.

2021 Alley Project Fund - This fund accounts for resources accumulated and payments related to the alley project.

Proprietary Funds:

Water Fund - This fund accounts for the operations of the City's water utility.

Sewer Fund - This fund accounts for the operations of the City's sewer utility.

Storm Water Fund - This fund accounts for the operations of the City's storm water utility.

Component Unit:

EDA - This fund accounts for resources accumulated for the EDA and payments made for principal and interest on EDA debt issuances.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Storm Water Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1. Deposits and Investments**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City and EDA Component Unit's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

*Minnesota Statutes* authorize the City and EDA Component Unit to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City and the EDA Component Unit are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**2. Receivables and Payables**

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

| Assets                      | Years    |
|-----------------------------|----------|
| Infrastructure              | 15 - 100 |
| Structures and improvements | 25 - 50  |
| Equipment                   | 3 - 5    |
| Public improvements         | 20 - 40  |

**5. Lease Receivable**

The City is a lessor for numerous noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, (3) lease receipts, and (4) amortization.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**5. Lease Receivable (Continued)**

The City determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and mortgage receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statement of Net Position for deferred inflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years. Deferred inflows of resources related to lease receivable is reported in both the government-wide Statement of Net Position and the Proprietary Funds Statement of Net Position.

**7. Compensated Absences**

Employees earn paid time off (PTO) based upon the number of completed years of service. The City compensates employees for unused PTO upon termination of employment, up to a maximum of 840 hours. Employees are also entitled to payment on an annual basis for each hour of accrued PTO over the maximum accrual of 840 hours.

**8. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.



**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**8. Long-Term Obligations (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**10. Fund Balance**

**a. Classification**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- ◆ **Nonspendable Fund Balances** - These are amounts that cannot be spent because they are not in spendable form.
- ◆ **Restricted Fund Balances** - These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- ◆ **Committed Fund Balances** - These are amounts comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the City Council (highest level of decision making authority) through resolution and that remain binding unless removed by the City Council by subsequent formal action.
- ◆ **Assigned Fund Balances** - These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed and include all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. The City Council has delegated authority to assign and remove fund balance assignments to the City Administrator.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity  
(Continued)**

**10 Fund Balance (Continued)**

**a. Classification (Continued)**

- ◆ Unassigned Fund Balances - These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted and committed fund balances exceed the total net resources of that fund.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use restricted resources, and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order: committed, assigned, and unassigned.

**b. Minimum Fund Balance**

The City's target General Fund balance is to maintain an unrestricted General Fund balance of 40-50% of the subsequent year's budgeted operating expenditures. If the General Fund balance falls below 40% of the following fiscal year's budget, the City shall include a one-time budget adjustment in that following fiscal year's budget to increase the General Fund balance to 40% of that following fiscal year's budget.

**11. Net Position**

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. A reclassification of \$760,022 was made between this net position class and unrestricted net position in the total column of the Statement of Net Position to recognize the portion of debt attributable to capital assets donated from governmental activities to business-type activities. Net position is reported as restricted in the government-wide financial statement when there are limitations on use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgetary Information**

1. In August of each year City staff submits to the City Council a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund. Management may amend budgets within a department level, so long as the total department budget is not changed.
6. Annual appropriated budgets are adopted during the year for the General Fund. Annual appropriated budgets are not adopted for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls and formal appropriated budgets are not adopted. Formal budgets are not adopted for Special Revenue Funds.
7. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original amounts budgeted. Budgeted expenditure appropriations lapse at year-end.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Deficit Fund Balances**

At December 31, 2023, the following City Funds reported deficit fund balances:

|                                                               | Deficit Fund<br>Balance |
|---------------------------------------------------------------|-------------------------|
| Nonmajor Governmental Funds                                   |                         |
| Special Revenue Fund                                          |                         |
| Twins Grant                                                   | \$ 726                  |
| Capital Projects Fund                                         |                         |
| Hennepin County Corridor Planning<br>2020 Improvement Project | 594<br>3,754            |

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash balances of the City's and Component Unit's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**A. Deposits**

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the City's and EDA Component Unit's deposits may not be returned to it. The City has a policy that requires the City's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding FDIC, SAIF, BIF, or FCUA coverage. As of December 31, 2023, the City's bank balance of \$1,085,344 was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the City's name. The book balance as of December 31, 2023, was \$1,020,993 for deposits.

**B. Investments**

| Investment Type                   | Investment Maturities |                     |                     |             |
|-----------------------------------|-----------------------|---------------------|---------------------|-------------|
|                                   | Fair Value            | Less than One Year  | 1-5 Years           | 6-10 Years  |
| Brokered Money Market Accounts    | \$ 31,955             | \$ 31,955           | \$ -                | \$ -        |
| United States Treasury Securities | 6,064,974             | 6,064,974           | -                   | -           |
| United States Government Bonds    | 3,981                 | 3,981               | -                   | -           |
| Brokered Certificates of Deposit  | 5,158,105             | 3,747,153           | 1,410,952           | -           |
| Total                             | <u>\$ 11,259,015</u>  | <u>\$ 9,848,063</u> | <u>\$ 1,410,952</u> | <u>\$ -</u> |

Concentration of Credit Risk: The City's and Component Unit's investment policy states the City will diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions, or maturities. As of December 31, 2023, the City's investments follow the guidelines stated in its investment policy. No single investment was over 5% of the portfolio.

Credit Risk: The City's investment policy limits investments to those specified in the above statutes. U.S. government bonds were rated AA+ by Standard & Poor's (S&P). U.S. treasury notes were rated AA+ by S&P.

Interest Rate Risk: This is the risk that market values of securities in a portfolio would decrease due to changes in market value interest rates. The City's policy states maturities will be structured to meet cash requirements for operations and avoiding the need to sell prior to maturity.

Custodial Credit Risk - Investments: This is the risk in the event of the failure of the counterparty the City or Component Unit will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City and Component Unit's policy states all investments must be fully insured and registered in the name of the City. Some City Securities held by the City's broker-dealer are not registered to the City but are held in an insured account. The account is insured up to \$500,000 SIPC insurance and the broker-dealer provides an additional aggregate insurance policy for all of its customers as a group, not individually. It is unknown what portion of this policy is applicable to the City's portfolio.

The City has the following recurring fair value measurements as of December 31, 2023:

- ◆ \$11,227,060 of investments are valued using a matrix pricing model (Level 2 inputs)

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

Summary of cash deposits and investments as of December 31, 2023, were as follows:

|                                |               |
|--------------------------------|---------------|
| Cash on hand                   | \$ 182        |
| Deposits                       | 1,020,993     |
| Investments                    | 11,259,015    |
|                                | 11,259,015    |
| Total deposits and investments | \$ 12,280,190 |

Deposits and investments are presented in the December 31, 2023, basic financial statements as follows:

|                           | Primary<br>Government | Component<br>Unit |
|---------------------------|-----------------------|-------------------|
| Statement of Net Position |                       |                   |
| Cash and investments      | \$ 10,249,208         | \$ 2,030,982      |

**NOTE 4 - INTERFUND ASSETS/LIABILITIES**

| Fund                        | Due from<br>Other Funds | Due to<br>Other Funds |
|-----------------------------|-------------------------|-----------------------|
| General Fund                | \$ 1,320                | \$ -                  |
| Nonmajor Governmental Funds | -                       | 1,320                 |
| Total                       | \$ 1,320                | \$ 1,320              |

| Fund               | Due from<br>Component<br>Unit | Due to<br>Primary<br>Government |
|--------------------|-------------------------------|---------------------------------|
| General Fund       | \$ 512,949                    | \$ -                            |
| EDA Component Unit | -                             | 512,949                         |
| Total              | \$ 512,949                    | \$ 512,949                      |

Interfund activity exists to help with project costs and to cover deficit cash balances and will be repaid as funds become available.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 5 - INTERFUND TRANSFERS**

| Transfers Out               | Transfers In     |                                        |                   |                   |                             | Total               |
|-----------------------------|------------------|----------------------------------------|-------------------|-------------------|-----------------------------|---------------------|
|                             | General Fund     | 2016B G.O. Improvement Refunding Bonds | 2022 G.O. Bond    | Streets           | Nonmajor Governmental Funds |                     |
| General Fund                | \$ -             | \$ -                                   | \$ -              | \$ 332,160        | \$ 293,710                  | \$ 625,870          |
| Streets                     | -                | -                                      | 141,381           | -                 | 379,953                     | 521,334             |
| Nonmajor governmental funds | 15,500           | -                                      | -                 | -                 | 85,626                      | 101,126             |
| Water                       | -                | 32,813                                 | -                 | -                 | 62,502                      | 95,315              |
| Sewer                       | -                | 405                                    | -                 | -                 | 33,865                      | 34,270              |
| Storm Water                 | -                | 39,874                                 | -                 | -                 | 77,445                      | 117,319             |
| <b>Total</b>                | <u>\$ 15,500</u> | <u>\$ 73,092</u>                       | <u>\$ 141,381</u> | <u>\$ 332,160</u> | <u>\$ 933,101</u>           | <u>\$ 1,495,234</u> |

The above transfers were made for the following reasons: debt service agreements, capital asset purchases, closing of funds, capital contributions, and operating transfers.

**NOTE 6 - LEASE RECEIVABLE**

The City has entered into a tower lease agreement with USA Mobility. This lease was entered into in 2006 and will continue to 2024. The lease payments were \$6,774 for 2023. The City received payments of \$6,318 in principal and \$456 in interest payments in 2023. The deferred inflow and receivable balance related to this lease is \$5,654 as of December 31, 2023.

The City has entered into a tower lease agreement with Nextera Networks. This lease was entered into in 2009 and will continue to 2023. The lease payments were \$47,193 for 2023. The City received payments of \$45,447 in principal and \$1,746 in interest payments in 2023. The deferred inflow and receivable balance related to this lease is \$0 as of December 31, 2023.

The City has entered into a tower lease agreement with Sprint-TMobile. This lease was entered into in 2017 and will continue to 2026. The lease payments were \$45,818 for 2023. The City received payments of \$39,227 in principal and \$9,464 in interest payments in 2023. The deferred inflow and receivable balance related to this lease is \$145,750 as of December 31, 2023.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the City for the year ended December 31, 2023, was as follows:

|                                                | Beginning<br>Balance | Increases           | Decreases         | Ending<br>Balance    |
|------------------------------------------------|----------------------|---------------------|-------------------|----------------------|
| Governmental activities                        |                      |                     |                   |                      |
| Capital assets not being depreciated           |                      |                     |                   |                      |
| Land                                           | \$ 824,809           | \$ -                | \$ -              | \$ 824,809           |
| Construction in progress                       | 35,784               | -                   | 35,784            | -                    |
| Total capital assets not<br>being depreciated  | <u>860,593</u>       | <u>-</u>            | <u>35,784</u>     | <u>824,809</u>       |
| Other capital assets                           |                      |                     |                   |                      |
| Infrastructure                                 | 16,809,805           | 141,917             | 107,878           | 16,843,844           |
| Buildings                                      | 4,286,101            | -                   | -                 | 4,286,101            |
| Improvements                                   | 469,634              | -                   | -                 | 469,634              |
| Machinery and equipment                        | 2,511,260            | 61,434              | -                 | 2,572,694            |
| Total other capital assets                     | <u>24,076,800</u>    | <u>203,351</u>      | <u>107,878</u>    | <u>24,172,273</u>    |
| Total capital assets, cost                     | <u>24,937,393</u>    | <u>203,351</u>      | <u>143,662</u>    | <u>24,997,082</u>    |
| Less accumulated depreciation for              |                      |                     |                   |                      |
| Infrastructure                                 | 7,901,624            | 439,963             | 11,074            | 8,330,513            |
| Buildings                                      | 2,119,680            | 122,540             | -                 | 2,242,220            |
| Improvements                                   | 211,233              | 16,940              | -                 | 228,173              |
| Machinery and equipment                        | 1,634,569            | 178,158             | -                 | 1,812,727            |
| Total accumulated depreciation                 | <u>11,867,106</u>    | <u>757,601</u>      | <u>11,074</u>     | <u>12,613,633</u>    |
| Total other capital assets, net                | <u>12,209,694</u>    | <u>(554,250)</u>    | <u>96,804</u>     | <u>11,558,640</u>    |
| Governmental activities capital<br>assets, net | <u>\$ 13,070,287</u> | <u>\$ (554,250)</u> | <u>\$ 132,588</u> | <u>\$ 12,383,449</u> |

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

|                                                 | Beginning<br>Balance | Adjustments | Increases           | Decreases        | Ending<br>Balance   |
|-------------------------------------------------|----------------------|-------------|---------------------|------------------|---------------------|
| Business-type activities                        |                      |             |                     |                  |                     |
| Capital assets not being depreciated            |                      |             |                     |                  |                     |
| Land                                            | \$ 46,035            | \$ -        | \$ -                | \$ -             | \$ 46,035           |
| Other capital assets                            |                      |             |                     |                  |                     |
| Infrastructure and improvements                 | 6,416,444            | 99,940      | 126,077             | -                | 6,642,461           |
| Machinery and equipment                         | 1,287,584            | (99,940)    | -                   | 14,940           | 1,172,704           |
| Total capital assets<br>being depreciated       | <u>7,704,028</u>     | <u>-</u>    | <u>126,077</u>      | <u>14,940</u>    | <u>7,815,165</u>    |
| Total other capital assets, cost                | <u>7,750,063</u>     | <u>-</u>    | <u>126,077</u>      | <u>14,940</u>    | <u>7,861,200</u>    |
| Less accumulated depreciation for               |                      |             |                     |                  |                     |
| Infrastructure and improvements                 | 2,104,325            | 9,994       | 229,099             | -                | 2,343,418           |
| Machinery and equipment                         | 208,362              | (9,994)     | 109,631             | -                | 307,999             |
| Total accumulated depreciation                  | <u>2,312,687</u>     | <u>-</u>    | <u>338,730</u>      | <u>-</u>         | <u>2,651,417</u>    |
| Total other capital assets, net                 | <u>5,391,341</u>     | <u>-</u>    | <u>(212,653)</u>    | <u>14,940</u>    | <u>5,163,748</u>    |
| Business-type activities capital<br>assets, net | <u>\$ 5,437,376</u>  | <u>\$ -</u> | <u>\$ (212,653)</u> | <u>\$ 14,940</u> | <u>\$ 5,209,783</u> |

Depreciation expense was charged to functions/programs of the City as follows:

|                                                       |                   |
|-------------------------------------------------------|-------------------|
| Governmental activities                               |                   |
| General Government                                    | \$ 75,030         |
| Public Safety                                         | 170,366           |
| Public Works                                          | 493,538           |
| Park and Recreation                                   | 18,667            |
| Total depreciation expense - governmental activities  | <u>\$ 757,601</u> |
| Business-type activities                              |                   |
| Water                                                 | \$ 73,845         |
| Sewer                                                 | 222,411           |
| Storm Water                                           | 42,474            |
| Total depreciation expense - business-type activities | <u>\$ 338,730</u> |



**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT**

**A. General Obligation Bonds**

The City issues general obligation (G.O.) bonds to provide financing for tax increment projects and infrastructure improvements. Debt service is covered respectively by tax increments and special assessments against benefited properties with any shortfalls being paid from general taxes.

G.O. bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 15-year serial bonds with debt service payments each year.

**B. Components of Long-Term Liabilities**

Long-term indebtedness of the City listed below were issued to finance acquisition and construction of capital improvements or to refinance (refund) previous bond issues.

|                                                        | Interest<br>Rate | Final<br>Maturity | Original<br>Issue | Principal<br>Outstanding | Due Within<br>One Year |
|--------------------------------------------------------|------------------|-------------------|-------------------|--------------------------|------------------------|
| Governmental activities                                |                  |                   |                   |                          |                        |
| G.O. Bonds                                             |                  |                   |                   |                          |                        |
| G.O. Improvement, 2012A                                | 2.00%-2.60%      | 2028              | \$ 505,000        | \$ 155,000               | \$ 30,000              |
| G.O. Improvement, 2014A                                | 0.55%-4.00%      | 2030              | 500,000           | 260,000                  | 35,000                 |
| G.O. Street Reconstruction<br>Bonds, 2015A             | 2.00%-2.50%      | 2026              | 1,610,000         | 515,000                  | 170,000                |
| G.O. Bonds, 2016A                                      | 1.86%-2.08%      | 2032              | 1,285,000         | 825,000                  | 80,000                 |
| G.O. Improvement Refunding<br>Bonds, 2016B             | 1.66%-1.77%      | 2030              | 3,250,000         | 2,035,000                | 270,000                |
| G.O. Bonds, 2017A                                      | 1.40%-3.00%      | 2033              | 700,000           | 495,000                  | 45,000                 |
| G.O. Bonds, 2018A                                      | 2.30%-3.20%      | 2034              | 805,000           | 620,000                  | 50,000                 |
| G.O. Improvement Bonds, 2019A                          | 1.30%-2.25%      | 2035              | 745,000           | 625,000                  | 45,000                 |
| G.O. Improvement Bonds, 2020A                          | 2.00%-2.10%      | 2036              | 760,000           | 670,000                  | 45,000                 |
| G.O. Improvement Bonds, 2022A                          | 3.05%-3.36%      | 2038              | 2,950,000         | 2,950,000                | 105,000                |
| Total G.O. Bonds                                       |                  |                   | <u>13,110,000</u> | <u>9,150,000</u>         | <u>875,000</u>         |
| Public Project Lease Revenue<br>Bonds, 2014A           | 1.50%-4.00%      | 2035              | <u>1,150,000</u>  | <u>790,000</u>           | <u>55,000</u>          |
| Unamortized bond premiums                              |                  |                   |                   | 297,532                  | -                      |
| Compensated absences                                   |                  |                   |                   | <u>212,453</u>           | <u>185,178</u>         |
| Total governmental activities<br>long-term liabilities |                  |                   |                   | <u>\$ 10,449,985</u>     | <u>\$ 1,115,178</u>    |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**B. Components of Long-Term Liabilities (Continued)**

|                                                         | <u>Interest<br/>Rate</u> | <u>Final<br/>Maturity</u> | <u>Original<br/>Issue</u> | <u>Principal<br/>Outstanding</u> | <u>Due Within<br/>One Year</u> |
|---------------------------------------------------------|--------------------------|---------------------------|---------------------------|----------------------------------|--------------------------------|
| Business-type activities                                |                          |                           |                           |                                  |                                |
| G.O. Bonds                                              |                          |                           |                           |                                  |                                |
| G.O. Bonds, 2017A                                       | 1.40%-3.00%              | 2033                      | \$ 205,000                | \$ 150,000                       | \$ 15,000                      |
| G.O. Improvement Bonds, 2020A                           | 2.00%-2.10%              | 2041                      | 2,825,000                 | 2,455,000                        | 195,000                        |
| G.O. Improvement Bonds, 2022A                           | 3.05%-3.36%              | 2038                      | 740,000                   | 740,000                          | 25,000                         |
| Total G.O. Bonds                                        |                          |                           | <u>3,770,000</u>          | <u>3,345,000</u>                 | <u>235,000</u>                 |
| Unmortized bond premiums                                |                          |                           |                           | 139,832                          | -                              |
| Compensated absences                                    |                          |                           |                           | <u>55,372</u>                    | <u>55,372</u>                  |
| Total business type activities<br>long-term liabilities |                          |                           |                           | <u>\$ 3,540,204</u>              | <u>\$ 290,372</u>              |
| EDA activities                                          |                          |                           |                           |                                  |                                |
| G.O. Bonds                                              |                          |                           |                           |                                  |                                |
| G.O. Improvement, 2014A                                 | 0.55%-4.00%              | 2025                      | \$ 510,000                | \$ 110,000                       | \$ 55,000                      |
| G.O. Tax Increment, 2014B                               | 2.25%-3.65%              | 2028                      | 550,000                   | 255,000                          | 45,000                         |
| Total G.O. Bonds                                        |                          |                           | <u>1,060,000</u>          | <u>365,000</u>                   | <u>100,000</u>                 |
| Total EDA activities<br>long-term liabilities           |                          |                           |                           | <u>\$ 365,000</u>                | <u>\$ 100,000</u>              |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**C. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2023, was as follows:

|                                                         | Beginning<br>Balance | Additions         | Reductions        | Ending<br>Balance    |
|---------------------------------------------------------|----------------------|-------------------|-------------------|----------------------|
| Governmental activities                                 |                      |                   |                   |                      |
| G.O. Bonds                                              | \$ 9,900,000         | \$ -              | \$ 750,000        | \$ 9,150,000         |
| Revenue Bonds                                           | 840,000              | -                 | 50,000            | 790,000              |
| Unamortized bond premiums                               | 329,611              | -                 | 32,079            | 297,532              |
| Compensated absences                                    | 220,594              | 136,536           | 144,677           | 212,453              |
| Total governmental activities<br>long-term liabilities  | <u>\$ 11,290,205</u> | <u>\$ 136,536</u> | <u>\$ 976,756</u> | <u>\$ 10,449,985</u> |
| Business type activities                                |                      |                   |                   |                      |
| G.O. Bonds                                              | \$ 3,550,000         | \$ -              | \$ 205,000        | \$ 3,345,000         |
| Unamortized bond premiums                               | 151,124              | -                 | 11,292            | 139,832              |
| Compensated absences                                    | 44,524               | 21,085            | 10,237            | 55,372               |
| Total business-type activities<br>long-term liabilities | <u>\$ 3,745,648</u>  | <u>\$ 21,085</u>  | <u>\$ 226,529</u> | <u>\$ 3,540,204</u>  |
| EDA Activities                                          |                      |                   |                   |                      |
| G.O. Bonds                                              | \$ 165,000           | \$ -              | \$ 55,000         | \$ 110,000           |
| G.O. Tax Increment Bonds                                | 300,000              | -                 | 45,000            | 255,000              |
| Total EDA Long-Term<br>Liabilities                      | <u>\$ 465,000</u>    | <u>\$ -</u>       | <u>\$ 100,000</u> | <u>\$ 365,000</u>    |

The General Fund and Proprietary Funds typically liquidate the liabilities related to compensated absences.

**D. Annual Debt Service Obligations**

The annual requirements to amortize all debt outstanding other than compensated absences are as follows:

| Year Ending<br>December 31, | Governmental Activities  |                     |                      |                   |
|-----------------------------|--------------------------|---------------------|----------------------|-------------------|
|                             | General Obligation Bonds |                     | Public Revenue Bonds |                   |
|                             | Principal                | Interest            | Principal            | Interest          |
| 2024                        | \$ 875,000               | \$ 293,397          | \$ 55,000            | \$ 29,800         |
| 2025                        | 950,000                  | 220,173             | 55,000               | 27,944            |
| 2026                        | 980,000                  | 195,026             | 55,000               | 25,881            |
| 2027                        | 815,000                  | 176,663             | 60,000               | 23,725            |
| 2028                        | 845,000                  | 150,342             | 60,000               | 21,400            |
| 2029-2033                   | 3,170,000                | 443,789             | 345,000              | 67,500            |
| 2034-2038                   | 1,515,000                | 124,845             | 160,000              | 6,400             |
| Total                       | <u>\$ 9,150,000</u>      | <u>\$ 1,604,235</u> | <u>\$ 790,000</u>    | <u>\$ 202,650</u> |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**D. Annual Debt Service Obligations (Continued)**

| Year Ending<br>December 31, | Business-Type Activities |            |
|-----------------------------|--------------------------|------------|
|                             | General Obligation Bonds |            |
|                             | Principal                | Interest   |
| 2024                        | \$ 235,000               | \$ 90,632  |
| 2025                        | 250,000                  | 72,858     |
| 2026                        | 260,000                  | 66,959     |
| 2027                        | 269,999                  | 60,833     |
| 2028                        | 269,999                  | 54,382     |
| 2029-2033                   | 1,065,000                | 182,264    |
| 2034-2038                   | 765,000                  | 67,576     |
| 2039-2041                   | 230,002                  | 7,348      |
| Total                       | \$ 3,345,000             | \$ 602,849 |

| Year Ending<br>December 31, | EDA Activities           |          |                     |           |
|-----------------------------|--------------------------|----------|---------------------|-----------|
|                             | General Obligation Bonds |          | Tax Increment Bonds |           |
|                             | Principal                | Interest | Principal           | Interest  |
| 2024                        | \$ 55,000                | \$ 2,063 | \$ 45,000           | \$ 8,269  |
| 2025                        | 55,000                   | 687      | 50,000              | 6,678     |
| 2026                        | -                        | -        | 50,000              | 4,927     |
| 2027                        | -                        | -        | 55,000              | 3,011     |
| 2028                        | -                        | -        | 55,000              | 1,004     |
| Total                       | \$ 110,000               | \$ 2,750 | \$ 255,000          | \$ 23,889 |

**E. Pay-As-You-Go TIF Notes**

The City has issued TIF notes for various economic development purposes within the City. These issuances represent notes for which the City has no obligation for debt payment beyond the resources provided by tax increment revenues collected, as incorporated within the debt documents. At December 31, 2023, there were two TIF notes outstanding.

**F. Conduit Debt**

Conduit debt obligations are certain limited obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued revenue bonds to provide funding to private sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. Accordingly, the bonds are not reported as liabilities in the financial statements of the City.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 8 - LONG-TERM DEBT (CONTINUED)**

**F. Conduit Debt (Continued)**

As of December 31, 2023, the City's conduit debt consisted of the following:

|                                     |                            |
|-------------------------------------|----------------------------|
| Health Care Facility Revenue Note   | \$ 4,224,728               |
| Commerical Development Revenue Note | <u>2,683,708</u>           |
| Total                               | <u><u>\$ 6,908,436</u></u> |

**NOTE 9 - FUND BALANCES/NET POSITION**

**A. Fund Balance**

Fund balances are classified as follows to reflect the limitations and restrictions of the respective funds.

Fund balances of the City are comprised of the following components:

|                            | General<br>Fund   | 2016B G.O.<br>Improvement<br>Refunding<br>Bonds | 2022A G.O.<br>Bonds | Streets           | 2021<br>Alley<br>Project | Nonmajor<br>Governmental<br>Funds | Total               |
|----------------------------|-------------------|-------------------------------------------------|---------------------|-------------------|--------------------------|-----------------------------------|---------------------|
| <b>Nonspendable</b>        |                   |                                                 |                     |                   |                          |                                   |                     |
| Prepaid items              | \$ 28,290         | \$ -                                            | \$ -                | \$ -              | \$ -                     | \$ 2,655                          | \$ 30,945           |
| <b>Restricted</b>          |                   |                                                 |                     |                   |                          |                                   |                     |
| Debt service               | -                 | 338,161                                         | 322,941             | -                 | -                        | 1,550,397                         | 2,211,499           |
| Public Safety Aid          | 80,206            | -                                               | -                   | -                 | -                        | -                                 | 80,206              |
| Park improvements          | -                 | -                                               | -                   | -                 | -                        | 153,767                           | 153,767             |
| Hennepin County Tree Grant | -                 | -                                               | -                   | -                 | -                        | 1,840                             | 1,840               |
| Comp plan grant            | -                 | -                                               | -                   | -                 | -                        | 4,156                             | 4,156               |
| Police forfeiture          | -                 | -                                               | -                   | -                 | -                        | 19,245                            | 19,245              |
| Trolley                    | -                 | -                                               | -                   | -                 | -                        | 758                               | 758                 |
| Healthy Community Grant    | -                 | -                                               | -                   | -                 | -                        | 10,412                            | 10,412              |
| Fire apparatus             | -                 | -                                               | -                   | -                 | -                        | 386,380                           | 386,380             |
| COVID grants               | -                 | -                                               | -                   | -                 | -                        | 23,279                            | 23,279              |
| Total restricted           | <u>80,206</u>     | <u>338,161</u>                                  | <u>322,941</u>      | <u>-</u>          | <u>-</u>                 | <u>2,150,234</u>                  | <u>2,891,542</u>    |
| <b>Committed</b>           |                   |                                                 |                     |                   |                          |                                   |                     |
| Community fund             | -                 | -                                               | -                   | -                 | -                        | 18,104                            | 18,104              |
| Heritage preservation      | -                 | -                                               | -                   | -                 | -                        | 11,086                            | 11,086              |
| Cable access fees          | -                 | -                                               | -                   | -                 | -                        | 13,474                            | 13,474              |
| Total committed            | <u>-</u>          | <u>-</u>                                        | <u>-</u>            | <u>-</u>          | <u>-</u>                 | <u>42,664</u>                     | <u>42,664</u>       |
| <b>Assigned</b>            |                   |                                                 |                     |                   |                          |                                   |                     |
| Streets                    | -                 | -                                               | -                   | 888,965           | -                        | -                                 | 888,965             |
| Capital projects           | -                 | -                                               | -                   | -                 | 1,927,795                | -                                 | 1,927,795           |
| Equipment                  | -                 | -                                               | -                   | -                 | -                        | 198,582                           | 198,582             |
| Facilities improvements    | -                 | -                                               | -                   | -                 | -                        | 298,414                           | 298,414             |
| Total assigned             | <u>-</u>          | <u>-</u>                                        | <u>-</u>            | <u>888,965</u>    | <u>1,927,795</u>         | <u>496,996</u>                    | <u>3,313,756</u>    |
| <b>Unassigned</b>          |                   |                                                 |                     |                   |                          |                                   |                     |
|                            | <u>829,374</u>    | <u>-</u>                                        | <u>-</u>            | <u>-</u>          | <u>-</u>                 | <u>(5,074)</u>                    | <u>824,300</u>      |
| Total fund balance         | <u>\$ 937,870</u> | <u>\$ 338,161</u>                               | <u>\$ 322,941</u>   | <u>\$ 888,965</u> | <u>\$ 1,927,795</u>      | <u>\$ 2,687,475</u>               | <u>\$ 7,103,207</u> |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 9 - FUND BALANCES/NET POSITION (CONTINUED)**

**B. Net Position**

Restricted net position is comprised of the total restricted fund balances in the governmental funds plus the effect of the conversion to the government-wide net position.

**NOTE 10 - RISK MANAGEMENT**

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state, which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2023 was estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2023, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**NOTE 11 - PENSION PLANS**

The City participates in various pension plans. Total pension expense for the year ended December 31, 2023, was \$406,452. The components of pension expense are noted in the following plan summaries.

The General Fund, Water, Sewer, and Storm Water Funds typically liquidate the liability related to pensions.

**Public Employees' Retirement Association**

**A. Plan Description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**General Employees Retirement Plan**

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**A. Plan Description (Continued)**

**Public Employees Police and Fire Plan**

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

**General Employees Plan Benefits**

General Employees Plan benefits are based on a member's highest average salary for any 5 successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

**Police and Fire Plan Benefits**

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after 10 years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**B. Benefits Provided (Continued)**

**Police and Fire Plan Benefits (Continued)**

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1%. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota Statutes* Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**General Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023, and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023, were \$52,086. The City's contributions were equal to the required contributions as set by state statute.

**Police and Fire Fund Contributions**

Police and Fire Plan members were required to contribute 11.8% of their annual covered salary in fiscal year 2023, and the City was required to contribute 17.7% for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2023, were \$131,036. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**General Employees Fund Pension Costs**

At December 31, 2023, the City reported a liability of \$564,781 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$15,601.



**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0101%, at the end of the measurement period and 0.0096% for the beginning of the period.

|                                                                                                |                          |
|------------------------------------------------------------------------------------------------|--------------------------|
| City's proportionate share of the net pension liability                                        | \$ 564,781               |
| State of Minnesota's proportionate share of the net pension liability associated with the City | <u>15,601</u>            |
| Total                                                                                          | <u><u>\$ 580,382</u></u> |

For the year ended December 31, 2023, the City recognized pension expense of \$93,918 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$70 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

|                                                                 | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|-----------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience     | \$ 18,328                            | \$ 3,467                            |
| Changes in actuarial assumptions                                | 81,689                               | 154,802                             |
| Net difference between projected and actual investment earnings | -                                    | 11,555                              |
| Changes in proportion                                           | 45,510                               | -                                   |
| Contributions paid to PERA subsequent to the measurement date   | <u>26,043</u>                        | <u>-</u>                            |
| Total                                                           | <u><u>\$ 171,570</u></u>             | <u><u>\$ 169,824</u></u>            |

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

General Employees Fund Pension Costs (Continued)

The \$26,043 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending<br/>December 31,</u> | <u>Pension<br/>Expense<br/>Amount</u> |
|-------------------------------------|---------------------------------------|
| 2024                                | \$ 29,475                             |
| 2025                                | (61,026)                              |
| 2026                                | 19,506                                |
| 2027                                | (12,252)                              |
| Total                               | <u>\$ (24,297)</u>                    |

Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$796,087 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0461% at the end of the measurement period and 0.0502% for the beginning of the period.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state aid was paid on October 1, 2022. Thereafter, by October 1 of each year, the State will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90% funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90% funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$32,096.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs (Continued)**

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of \$273,414 for its proportionate share of the Police and Fire Plan's pension expense. Included in this amount, the City recognized (\$1,933) as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$4,149 for the year ended December 31, 2023, as revenue and an offsetting reduction of the net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2023, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

|                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience      | \$ 229,334                           | \$ -                                |
| Changes in actuarial assumptions                                 | 1,025,693                            | 1,119,463                           |
| Net difference between projected and actual investment earnings  | -                                    | 58,142                              |
| Changes in proportion                                            | 47,105                               | 163,604                             |
| Contributions paid to PERA subsequent<br>to the measurement date | 65,518                               | -                                   |
| Total                                                            | \$ 1,367,650                         | \$ 1,341,209                        |

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**D. Pension Costs (Continued)**

**Police and Fire Fund Pension Costs (Continued)**

The \$65,518 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| December 31, | Amount      |
|--------------|-------------|
| 2024         | \$ 39,120   |
| 2025         | 5,746       |
| 2026         | 215,113     |
| 2027         | (71,805)    |
| 2028         | (227,251)   |
| Total        | \$ (39,077) |

**E. Long-Term Expected Return on Investment**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class          | Target Allocation | Expected Real |
|----------------------|-------------------|---------------|
| Domestic equity      | 33.5 %            | 5.10 %        |
| International equity | 16.5              | 5.30          |
| Fixed income         | 25.0              | 0.75          |
| Private markets      | 25.0              | 5.90          |
| Total                | 100.0 %           |               |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan and 2.25% for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023, actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021, actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

**General Employees Fund**

**Changes in Actuarial Assumptions**

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

**Changes in Plan Provisions**

- ◆ An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**F. Actuarial Methods and Assumptions (Continued)**

Police and Fire Fund

Changes in Actuarial Assumptions

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.
- ◆ The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- ◆ Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- ◆ Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- ◆ A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- ◆ Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- ◆ The total and permanent duty disability benefit was increased, effective July 1, 2023.

**G. Discount Rate**

The discount rate used for the General Employees Plan used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees and Police and Fire Plans were projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Public Employees' Retirement Association (Continued)**

**H. Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

|                                                                                      | 1% Decrease in<br>Discount Rate<br>(6%) | Current<br>Discount Rate<br>(7%) | 1% Increase in<br>Discount Rate<br>(8%) |
|--------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|-----------------------------------------|
| City's proportionate share of<br>the General Employees Fund<br>net pension liability | \$ 999,142                              | \$ 564,781                       | \$ 207,502                              |
|                                                                                      | 1% Decrease in<br>Discount Rate<br>(6%) | Current<br>Discount Rate<br>(7%) | 1% Increase in<br>Discount Rate<br>(8%) |
| City's proportionate share of<br>the Police and Fire Fund<br>net pension liability   | \$ 1,579,532                            | \$ 796,087                       | \$ 151,991                              |

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Defined Benefit Pension Plan - Volunteer Firefighter's Relief Association**

**A. Plan Description**

The Osseo Firefighter's Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the Osseo Fire Department per *Minnesota State Statutes*.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Osseo Firefighter's Association, 415 Central Avenue, Osseo, MN 55369 or by calling (763) 424-5444.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan - Volunteer Firefighter’s Relief Association (Continued)**

**B. Benefits Provided**

Volunteer firefighters of the City are members of the Osseo Firefighter’s Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 15 years of service for monthly service pension, or 10 years of service for lump sum service pension. Partial benefits are payable to members who have reached 50 and have completed 10 years of service. Disability benefits and widow and children’s survivor benefits are also payable to members, or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

**C. Members Covered by Benefit Terms**

At December 31, 2023, the following employees were covered by the benefit terms:

|                                                                |    |    |
|----------------------------------------------------------------|----|----|
| Inactive members or beneficiaries currently receiving benefits | -  |    |
| Inactive members entitled to but not yet receiving benefits    | 3  |    |
| Active members                                                 | 26 |    |
| Total                                                          |    | 29 |

**D. Contributions**

*Minnesota Statutes* Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aids are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City’s obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers: therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year, the City recognized as revenue and as an expenditure an on behalf payment of \$18,227 made by the State of Minnesota for the Relief Association.

**E. Net Pension Liability**

The City’s net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

*Actuarial Assumptions*

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                     |
|---------------------------|---------------------------------------------------------------------|
| Inflation                 | 2.50 %                                                              |
| Investment rate of return | 3.75 %, net of pension plan investment expense, including inflation |



**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan - Volunteer Firefighter's Relief Association (Continued)**

**E. Net Pension Liability (Continued)**

*Actuarial Assumptions (Continued)*

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized in the table below.

| <u>Asset Class</u>   | <u>Target Allocation</u> | <u>Long-Term Expected Real<br/>Rate of Return</u> |
|----------------------|--------------------------|---------------------------------------------------|
| Domestic equity      | 30.0 %                   | 4.10 %                                            |
| International equity | 20.0                     | 4.64                                              |
| Fixed income         | 30.0                     | 1.05                                              |
| Real estate          | 0.0                      | 3.54                                              |
| Cash                 | 20.0                     | -0.45                                             |
| Total                | <u>100.0 %</u>           |                                                   |

*Discount Rate*

The discount rate used to measure the total pension liability was 3.75%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan - Volunteer Firefighter's Relief Association (Continued)**

**F. Changes in the Net Pension Liability**

*Discount Rate (Continued)*

|                               | Increase (Decrease)                  |                                          |                                          |
|-------------------------------|--------------------------------------|------------------------------------------|------------------------------------------|
|                               | Total<br>Pension<br>Liability<br>(a) | Plan Fiduciary<br>Net<br>Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
| Balances at January 1, 2023   | \$ 367,327                           | \$ 521,204                               | \$ (153,877)                             |
| Changes for the year          |                                      |                                          |                                          |
| Service cost                  | 26,583                               | -                                        | 26,583                                   |
| Interest cost                 | 14,522                               | -                                        | 14,522                                   |
| State contributions           | -                                    | 24,281                                   | (24,281)                                 |
| Projected investment return   | -                                    | (85,259)                                 | 85,259                                   |
| Benefit payments              | (13,338)                             | (13,338)                                 | -                                        |
| Administrative expense        | -                                    | (2,850)                                  | 2,850                                    |
| Net changes                   | 27,767                               | (77,166)                                 | 104,933                                  |
| Balances at December 31, 2023 | \$ 395,094                           | \$ 444,038                               | \$ (48,944)                              |

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the City, calculated using the discount rate of 3.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

|                                      | 1% Decrease in<br>Discount Rate<br>(2.75%) | Current<br>Discount Rate<br>(3.75%) | 1% Increase in<br>Discount Rate<br>(4.75%) |
|--------------------------------------|--------------------------------------------|-------------------------------------|--------------------------------------------|
| City's net pension liability (asset) | \$ (33,617)                                | \$ (48,944)                         | \$ (63,685)                                |

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan - Volunteer Firefighter's Relief Association (Continued)**

**G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2023, the City recognized pension expense of \$39,120. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference between expected and actual economic experience                       | \$ -                                 | \$ 23,714                           |
| Changes in actuarial assumptions                                                 | 13,697                               | -                                   |
| Net difference between projected and actual earnings on pension plan investments | 62,096                               | -                                   |
| Contributions paid to the Association subsequent to the measurement date         | 21,542                               | -                                   |
| Total                                                                            | \$ 97,335                            | \$ 23,714                           |

The \$21,542 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>December 31, | Pension<br>Expense<br>Amount |
|-----------------------------|------------------------------|
| 2024                        | \$ 5,841                     |
| 2025                        | 12,732                       |
| 2026                        | 17,806                       |
| 2027                        | 19,341                       |
| 2028                        | (1,594)                      |
| Thereafter                  | (2,047)                      |
| Total                       | \$ 52,079                    |

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 11 - PENSION PLANS (CONTINUED)**

**Defined Benefit Pension Plan - Volunteer Firefighter’s Relief Association (Continued)**

**H. Payable to the Pension Plan**

Required and actual employer contributions to the plan during 2023 were \$0. In addition, the City passes through state aid allocated to the plan in accordance with state statutes. For 2023, the state aid was \$18,227. Members of the Association are not allowed to make voluntary contributions to the plan.

Members are not vested in their accounts until they attain 10 years of active service, at which time they become 60% vested. Thereafter, the vested portion of their accounts increases by 5% annually until they achieve 100% vesting after having served for 20 years.

Plan provisions were established and may only be amended by amendments to the Association bylaws which require a majority vote by the Board of Trustees.

**NOTE 12 - POST EMPLOYMENT HEALTH CARE PLAN**

**A. Plan Description**

The City provides a single employer defined benefit healthcare plan to eligible retirees (as required by *Minnesota Statutes* § 471.61) and police or firefighters disabled in the line of duty (as required by *Minnesota Statutes* § 299A.465). The City will contribute 65% of the cost of health insurance premiums per month for those who have retired with at least 12 years of continuous service and have reached the age of 50. The City contribution applies only to the cost of individual coverage for the retiree and ceases upon the retiree reaching age 65. As of December 31, 2023, there was one retiree participating in the City’s group health plan.

**B. Benefits Provided**

There is no implicit rate subsidy for the City since age-based premiums are paid for health insurance. This results in the City’s OPEB liability being only the direct subsidy payments made towards retiree health insurance premiums.

**C. Contributions**

The City makes direct subsidy payments towards retiree health insurance premiums. For the year 2023, the City contributed \$8,505.

**D. Members**

As of December 31, 2023, the following were covered by the benefit terms:

|                                                                     |    |
|---------------------------------------------------------------------|----|
| Active employees or beneficiaries currently receiving benefits      | 10 |
| Active employees entitled to but waiving receiving benefit payments | 4  |
| Retirees electing coverage                                          | 1  |
|                                                                     | 1  |
| Total                                                               | 15 |

**City of Osseo  
Notes to Basic Financial Statements**

**NOTE 12 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

|                                 |                                                                                                                                                                                                                              |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment rate of return       | 4.05%, net of investment expense                                                                                                                                                                                             |
| Inflation                       | 2.50%                                                                                                                                                                                                                        |
| Healthcare cost trend increases | 6.8% initially, decreasing to an ultimate rate of 3.9%                                                                                                                                                                       |
| Mortality assumption            |                                                                                                                                                                                                                              |
| General employee                | From the July 1, 2022 PERA of Minnesota General Employees Retirement Plan actuarial valuation, Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.        |
| Police and fire                 | From the July1, 2022 PERA of Minnesota Public Employees Police & Fire Plan actuarial valuation, Pub-2010 Public Safety mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. |

The actuarial assumptions used in the December 31, 2021, valuation was based on the results of an actuarial experience study for the period January 1, 2021 through December 31, 2021.

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 12 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**F. Total OPEB Liability**

The City's total OPEB liability of \$508,941 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2021.

|                                                             | Total<br>OPEB<br>Liability |
|-------------------------------------------------------------|----------------------------|
| Balances at January 1, 2023                                 | \$ 590,838                 |
| Changes for the year                                        |                            |
| Service cost                                                | 44,971                     |
| Interest                                                    | 11,621                     |
| Changes of assumptions                                      | (123,509)                  |
| Differences between expected and actual economic experience | (6,475)                    |
| Benefit payments                                            | (8,505)                    |
| Net changes                                                 | (81,897)                   |
| Balances at December 31, 2023                               | \$ 508,941                 |

Changes of assumptions and other inputs reflect a change in the discount rate from 1.84% in 2022 to 4.05% in 2023.

**G. OPEB Liability Sensitivity**

The following presents the City's total OPEB liability calculated using the discount rate of 4.05% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

| Total OPEB Liability/ (Asset)              |                                     |                                            |
|--------------------------------------------|-------------------------------------|--------------------------------------------|
| 1% Decrease in<br>Discount Rate<br>(3.05%) | Current<br>Discount Rate<br>(4.05%) | 1% Increase in<br>Discount Rate<br>(5.05%) |
| \$ 561,934                                 | \$ 508,941                          | \$ 460,430                                 |

**City of Osseo**  
**Notes to Basic Financial Statements**

**NOTE 12 - POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)**

**G. OPEB Liability Sensitivity (Continued)**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

| Total OPEB Liability/(Asset)           |                                 |                                        |
|----------------------------------------|---------------------------------|----------------------------------------|
| 1% Decrease in<br>Trend Rate<br>(5.8%) | Current<br>Trend Rate<br>(6.8%) | 1% Increase in<br>Trend Rate<br>(7.8%) |
| \$ 440,908                             | \$ 508,941                      | \$ 587,352                             |

**H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the City recognized OPEB expense of \$73,392. At December 31, 2023, the City reported deferred outflows of resources of \$0.

**NOTE 12 - TAX INCREMENT FINANCING**

The City has entered into five Tax Increment Financing agreements which meet the criteria for disclosure through *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from *Minnesota Statutes* § 469. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs. During the year ended December 31, 2023, the City generated \$706,395 in tax increment revenue and made \$278,019 in payments to developers, in addition to debt service payments.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Osseo**  
**Schedule of Changes in Total OPEB Liability**  
**and Related Ratios**

|                                                            | December 31,<br>2018     | December 31,<br>2019     | December 31,<br>2020     | December 31,<br>2021     |
|------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total OPEB Liability                                       |                          |                          |                          |                          |
| Service cost                                               | \$ 13,643                | \$ 15,998                | \$ 15,947                | \$ 24,662                |
| Interest                                                   | 8,258                    | 7,994                    | 9,088                    | 8,618                    |
| Differences between expected<br>and actual experience      | -                        | -                        | 9,776                    | 740                      |
| Changes of assumptions                                     | 11,216                   | (9,541)                  | 35,956                   | 24,824                   |
| Benefit payments                                           | (9,660)                  | (11,737)                 | (10,161)                 | (11,945)                 |
| Net change in total<br>OPEB liability                      | <u>23,457</u>            | <u>2,714</u>             | <u>60,606</u>            | <u>46,899</u>            |
| Beginning of year                                          | <u>207,930</u>           | <u>231,387</u>           | <u>234,101</u>           | <u>294,707</u>           |
| End of year                                                | <u><u>\$ 231,387</u></u> | <u><u>\$ 234,101</u></u> | <u><u>\$ 294,707</u></u> | <u><u>\$ 341,606</u></u> |
| Covered payroll                                            | \$ 1,079,576             | \$ 1,027,560             | \$ 1,305,259             | \$ 1,212,685             |
| Total OPEB liability as a<br>percentage of covered payroll | 21.43%                   | 22.78%                   | 22.58%                   | 28.17%                   |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

| December 31,<br>2022 | December 31,<br>2023 |
|----------------------|----------------------|
| \$ 28,966            | \$ 44,971            |
| 7,309                | 11,621               |
| 201,737              | (6,475)              |
| 21,453               | (123,509)            |
| <u>(10,233)</u>      | <u>(8,505)</u>       |
| <u>249,232</u>       | <u>(81,897)</u>      |
| <u>341,606</u>       | <u>590,838</u>       |
| <u>\$ 590,838</u>    | <u>\$ 508,941</u>    |
| \$ 1,280,750         | \$ 1,636,612         |
| 46.13%               | 31.10%               |

**City of Osseo**  
**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**General Employees Retirement Fund**  
**Last Ten Years**

| For Fiscal<br>Year Ended<br>June 30, | City's<br>Proportionate<br>Share<br>(Percentage)<br>of the Net<br>Pension<br>Liability<br>(Asset) | City's<br>Proportionate<br>Share<br>(Amount) of<br>the Net<br>Pension<br>Liability<br>(Asset) | State's<br>Proportionate<br>Share<br>(Amount) of<br>the Net<br>Pension<br>Liability<br>Associated<br>with the City | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>the State's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>Associated<br>with the City | City's Covered<br>Employee<br>Payroll | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) as a<br>Percentage of<br>its Covered<br>Employee<br>Payroll | Plan Fiduciary<br>Net Position<br>as a<br>Percentage of<br>the Total<br>Pension<br>Liability |
|--------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 2015                                 | 0.0067%                                                                                           | \$ 347,229                                                                                    | \$ -                                                                                                               | \$ -                                                                                                                                                                               | \$ 385,040                            | 90.18%                                                                                                                                     | 78.19%                                                                                       |
| 2016                                 | 0.0079%                                                                                           | 641,441                                                                                       | 8,374                                                                                                              | 649,815                                                                                                                                                                            | 490,693                               | 130.72%                                                                                                                                    | 68.91%                                                                                       |
| 2017                                 | 0.0082%                                                                                           | 523,483                                                                                       | 6,545                                                                                                              | 530,028                                                                                                                                                                            | 525,307                               | 99.65%                                                                                                                                     | 75.90%                                                                                       |
| 2018                                 | 0.0090%                                                                                           | 499,283                                                                                       | 16,386                                                                                                             | 515,669                                                                                                                                                                            | 602,507                               | 82.87%                                                                                                                                     | 79.53%                                                                                       |
| 2019                                 | 0.0088%                                                                                           | 486,532                                                                                       | 14,999                                                                                                             | 501,531                                                                                                                                                                            | 620,267                               | 78.44%                                                                                                                                     | 80.23%                                                                                       |
| 2020                                 | 0.0088%                                                                                           | 527,600                                                                                       | 16,321                                                                                                             | 543,921                                                                                                                                                                            | 626,627                               | 84.20%                                                                                                                                     | 79.06%                                                                                       |
| 2021                                 | 0.0090%                                                                                           | 384,340                                                                                       | 11,769                                                                                                             | 396,109                                                                                                                                                                            | 647,067                               | 59.40%                                                                                                                                     | 87.00%                                                                                       |
| 2022                                 | 0.0096%                                                                                           | 760,323                                                                                       | 22,332                                                                                                             | 782,655                                                                                                                                                                            | 720,987                               | 105.46%                                                                                                                                    | 76.67%                                                                                       |
| 2023                                 | 0.0101%                                                                                           | 564,781                                                                                       | 15,601                                                                                                             | 580,382                                                                                                                                                                            | 805,333                               | 70.13%                                                                                                                                     | 83.10%                                                                                       |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Schedule of City's Proportionate Share**  
**of Net Pension Liability**  
**Public Employees Police and Fire Retirement Fund**  
**Last Ten Years**

| For Fiscal<br>Year Ended<br>June 30, | City's<br>Proportion of<br>the Net<br>Pension<br>Liability<br>(Asset) | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | State's<br>Proportionate<br>Share<br>(Amount) of<br>the Net<br>Pension<br>Liability<br>Associated<br>with the City | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability and<br>the State's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>Associated<br>with the City | City's Covered<br>Employee<br>Payroll | City's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability<br>(Asset) as a<br>Percentage of<br>its Covered<br>Employee<br>Payroll | Plan Fiduciary<br>Net Position<br>as a<br>Percentage of<br>the Total<br>Pension<br>Liability |
|--------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 2015                                 | 0.0370%                                                               | \$ 420,407                                                                     | \$ -                                                                                                               | \$ 420,407                                                                                                                                                                         | \$ 329,346                            | 127.65%                                                                                                                                    | 86.61%                                                                                       |
| 2016                                 | 0.0440%                                                               | 1,765,797                                                                      | -                                                                                                                  | 1,765,797                                                                                                                                                                          | 420,920                               | 419.51%                                                                                                                                    | 63.88%                                                                                       |
| 2017                                 | 0.0400%                                                               | 540,048                                                                        | -                                                                                                                  | 540,048                                                                                                                                                                            | 408,716                               | 132.13%                                                                                                                                    | 85.43%                                                                                       |
| 2018                                 | 0.0424%                                                               | 448,124                                                                        | -                                                                                                                  | 448,124                                                                                                                                                                            | 446,370                               | 100.39%                                                                                                                                    | 88.84%                                                                                       |
| 2019                                 | 0.0460%                                                               | 483,506                                                                        | -                                                                                                                  | 483,506                                                                                                                                                                            | 474,572                               | 101.88%                                                                                                                                    | 89.26%                                                                                       |
| 2020                                 | 0.0480%                                                               | 628,371                                                                        | 14,896                                                                                                             | 643,267                                                                                                                                                                            | 530,282                               | 118.50%                                                                                                                                    | 87.19%                                                                                       |
| 2021                                 | 0.0531%                                                               | 405,097                                                                        | 18,431                                                                                                             | 423,528                                                                                                                                                                            | 627,706                               | 64.54%                                                                                                                                     | 93.66%                                                                                       |
| 2022                                 | 0.0502%                                                               | 2,184,506                                                                      | 95,444                                                                                                             | 2,279,950                                                                                                                                                                          | 609,429                               | 358.45%                                                                                                                                    | 70.53%                                                                                       |
| 2023                                 | 0.0461%                                                               | 796,087                                                                        | 32,096                                                                                                             | 828,183                                                                                                                                                                            | 605,441                               | 131.49%                                                                                                                                    | 86.47%                                                                                       |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Osseo  
Schedule of City Contributions -  
General Employees Retirement Fund  
Last Ten Years**

| Fiscal Year<br>Ending<br>December 31, | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | City's Covered<br>Employee<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered<br>Employee<br>Payroll |
|---------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|----------------------------------------|---------------------------------------|--------------------------------------------------------------------------|
| 2015                                  | \$ 27,183                               | \$ 27,183                                                                       | \$ -                                   | \$ 362,440                            | 7.5%                                                                     |
| 2016                                  | 36,551                                  | 36,551                                                                          | -                                      | 487,347                               | 7.5%                                                                     |
| 2017                                  | 35,995                                  | 35,995                                                                          | -                                      | 479,933                               | 7.5%                                                                     |
| 2018                                  | 44,164                                  | 44,164                                                                          | -                                      | 588,853                               | 7.5%                                                                     |
| 2019                                  | 47,668                                  | 47,668                                                                          | -                                      | 635,573                               | 7.5%                                                                     |
| 2020                                  | 46,638                                  | 46,638                                                                          | -                                      | 621,840                               | 7.5%                                                                     |
| 2021                                  | 54,025                                  | 54,025                                                                          | -                                      | 720,333                               | 7.5%                                                                     |
| 2022                                  | 54,632                                  | 54,632                                                                          | -                                      | 728,427                               | 7.5%                                                                     |
| 2023                                  | 52,086                                  | 52,086                                                                          | -                                      | 694,480                               | 7.5%                                                                     |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Schedule of City Contributions -  
Public Employees Police and Fire Retirement Fund  
Last Ten Years**

| Fiscal Year<br>Ending<br>December 31, | Statutorily<br>Required<br>Contribution | Contributions<br>in Relation to<br>the Statutorily<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | City's Covered<br>Employee<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered<br>Employee<br>Payroll |
|---------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------|----------------------------------------|---------------------------------------|--------------------------------------------------------------------------|
| 2015                                  | \$ 67,659                               | \$ 67,659                                                                       | \$ -                                   | \$ 417,648                            | 16.20%                                                                   |
| 2016                                  | 69,638                                  | 69,638                                                                          | -                                      | 429,864                               | 16.20%                                                                   |
| 2017                                  | 73,661                                  | 73,661                                                                          | -                                      | 454,698                               | 16.20%                                                                   |
| 2018                                  | 72,946                                  | 72,946                                                                          | -                                      | 450,284                               | 16.20%                                                                   |
| 2019                                  | 82,367                                  | 82,367                                                                          | -                                      | 485,941                               | 16.95%                                                                   |
| 2020                                  | 105,014                                 | 105,014                                                                         | -                                      | 593,299                               | 17.70%                                                                   |
| 2021                                  | 112,051                                 | 112,051                                                                         | -                                      | 633,056                               | 17.70%                                                                   |
| 2022                                  | 108,790                                 | 108,790                                                                         | -                                      | 614,633                               | 17.70%                                                                   |
| 2023                                  | 131,036                                 | 131,036                                                                         | -                                      | 740,316                               | 17.70%                                                                   |

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Osseo**  
**Schedule of Changes in the Net Pension Liability**  
**and Related Ratios - Fire Relief Association**

|                                                                            | Measurement Date |              |              |              |
|----------------------------------------------------------------------------|------------------|--------------|--------------|--------------|
|                                                                            | 2014             | 2015         | 2016         | 2017         |
| Total pension liability (TPL)                                              |                  |              |              |              |
| Service cost                                                               | \$ -             | \$ 13,749    | \$ 14,869    | \$ 15,278    |
| Interest                                                                   | -                | 14,653       | 13,960       | 13,212       |
| Differences between expected and actual experience                         | -                | -            | -            | (13,350)     |
| Changes of assumptions                                                     | -                | -            | -            | 4,416        |
| Changes of benefit terms                                                   | -                | -            | -            | -            |
| Benefit payments, including refunds or member contributions                | -                | (31,640)     | (53,800)     | (33,172)     |
| Net change in total pension liability                                      | -                | (3,238)      | (24,971)     | (13,616)     |
| Beginning of year                                                          | -                | 281,173      | 277,935      | 252,964      |
| End of year                                                                | \$ -             | \$ 277,935   | \$ 252,964   | \$ 239,348   |
| Plan fiduciary net position (FNP)                                          |                  |              |              |              |
| Contributions - employer                                                   | \$ -             | \$ 23,341    | \$ 14,230    | \$ 16,428    |
| Net investment income                                                      | -                | (16,397)     | 15,092       | 34,081       |
| Benefit payments, including refunds of member contributions                | -                | (31,640)     | (53,800)     | (33,172)     |
| Administrative expense                                                     | -                | (1,775)      | (100)        | (2,650)      |
| Other                                                                      | -                | -            | -            | -            |
| Net change in plan fiduciary net position                                  | -                | (26,471)     | (24,578)     | 14,687       |
| Beginning of year                                                          | -                | 439,873      | 413,402      | 388,824      |
| End of year                                                                | \$ -             | \$ 413,402   | \$ 388,824   | \$ 403,511   |
| Net pension liability (NPL)                                                | \$ -             | \$ (135,467) | \$ (135,860) | \$ (164,163) |
| Plan fiduciary net position as a percentage of the total pension liability | 0.0%             | 148.7%       | 153.7%       | 168.6%       |
| Covered payroll                                                            | n/a              | n/a          | n/a          | n/a          |
| Net pension liability as a percentage of covered payroll                   | n/a              | n/a          | n/a          | n/a          |

The City implemented the provisions of Governmental Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. The schedules within the Required Supplementary Information section require a ten-year presentation, but does not require retroactive reporting. Information prior to 2015 is not available. Additional years will be reported as they become available.

| Measurement Date    |                     |                     |                     |                    |
|---------------------|---------------------|---------------------|---------------------|--------------------|
| 2018                | 2019                | 2020                | 2021                | 2022               |
| \$ 19,095           | \$ 19,620           | \$ 14,959           | \$ 20,231           | \$ 26,583          |
| 12,276              | 12,721              | 12,205              | 14,905              | 14,522             |
| -                   | (16,784)            | -                   | (7,702)             | -                  |
| -                   | 770                 | 4,641               | 9,408               | -                  |
| -                   | -                   | 56,692              | -                   | -                  |
| -                   | (45,058)            | -                   | -                   | (13,338)           |
| 31,371              | (28,731)            | 88,497              | 36,842              | 27,767             |
| 239,348             | 270,719             | 241,988             | 330,485             | 367,327            |
| <u>\$ 270,719</u>   | <u>\$ 241,988</u>   | <u>\$ 330,485</u>   | <u>\$ 367,327</u>   | <u>\$ 395,094</u>  |
| \$ 15,546           | \$ 16,052           | \$ 20,724           | \$ 22,727           | \$ 24,281          |
| (24,520)            | 51,586              | 45,018              | 27,837              | (85,259)           |
| -                   | (45,058)            | -                   | -                   | (13,338)           |
| (7,661)             | (900)               | (900)               | (2,904)             | (2,850)            |
| -                   | -                   | 146                 | -                   | -                  |
| (16,635)            | 21,680              | 64,988              | 47,660              | (77,166)           |
| 403,511             | 386,876             | 408,556             | 473,544             | 521,204            |
| <u>\$ 386,876</u>   | <u>\$ 408,556</u>   | <u>\$ 473,544</u>   | <u>\$ 521,204</u>   | <u>\$ 444,038</u>  |
| <u>\$ (116,157)</u> | <u>\$ (166,568)</u> | <u>\$ (143,059)</u> | <u>\$ (153,877)</u> | <u>\$ (48,944)</u> |
| 142.9%              | 168.8%              | 143.3%              | 141.9%              | 112.4%             |
| n/a                 | n/a                 | n/a                 | n/a                 | n/a                |
| n/a                 | n/a                 | n/a                 | n/a                 | n/a                |

**City of Osseo  
Schedule of City Contributions  
and Non-Employer Contributing  
Entities - Fire Relief Association**

|                                                              | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      |
|--------------------------------------------------------------|------------------|------------------|------------------|------------------|
| Employer                                                     |                  |                  |                  |                  |
| Statutorily determined contribution (SDC)                    | \$ -             | \$ -             | \$ -             | \$ -             |
| Contribution in relation to the SDC                          | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| Contribution deficiency (excess)                             | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Non-employer                                                 |                  |                  |                  |                  |
| 2% aid                                                       | <u>\$ 13,578</u> | <u>\$ 14,282</u> | <u>\$ 14,230</u> | <u>\$ 14,987</u> |
| Covered employee payroll                                     | n/a              | n/a              | n/a              | n/a              |
| Contributions as a percentage of covered<br>employee payroll | n/a              | n/a              | n/a              | n/a              |



| <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      | <u>2022</u>      | <u>2023</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| -                | -                | -                | -                | -                | -                |
| <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| <u>\$ 15,546</u> | <u>\$ 16,052</u> | <u>\$ 16,919</u> | <u>\$ 17,727</u> | <u>\$ 16,044</u> | <u>\$ 18,227</u> |
| n/a              | n/a              | n/a              | n/a              | n/a              | n/a              |
| n/a              | n/a              | n/a              | n/a              | n/a              | n/a              |

**City of Osseo**  
**Notes to Required Supplementary Information**

**General Employees Fund**

**2023 Changes**

Changes in Actuarial Assumptions

- ◆ The investment return assumption and single discount rate were changed from 6.5% to 7.0%.

Changes in Plan Provisions

- ◆ An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- ◆ The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- ◆ The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- ◆ A one-time, non-compounding benefit increase of 2.5% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- ◆ The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- ◆ The mortality improvement scale was changed from scale MP-2019 to scale MP-2020.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- ◆ The price inflation assumption was decreased from 2.5% to 2.25%.
- ◆ The payroll growth assumption was decreased from 3.25% to 3.0%.
- ◆ Assumed salary increase rates were changes as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- ◆ Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- ◆ Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- ◆ Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- ◆ The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- ◆ The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- ◆ The assumed spouse age difference was changed from two years older for females to one year older.

**City of Osseo**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2020 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- ◆ Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

**2019 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- ◆ The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2015 to MP-2017.
- ◆ The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- ◆ The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- ◆ Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- ◆ Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- ◆ Contribution stabilizer provisions were repealed.
- ◆ Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- ◆ For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- ◆ Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- ◆ The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.

**City of Osseo**  
**Notes to Required Supplementary Information**

**General Employees Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ The assumed annual increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- ◆ The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 Changes**

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- ◆ The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- ◆ Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation was decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**City of Osseo**  
**Notes to Required Supplementary Information**

**Police and Fire Fund**

**2023 Changes**

Changes in Actuarial Assumptions

- ◆ The investment return assumption was changed from 6.5% to 7.0%.
- ◆ The single discount rate changed from 5.4% to 7.0%.

Changes in Plan Provisions

- ◆ Additional one-time direct state aid contribution of 19.4 million will be contributed to the Plan on October 1, 2023.
- ◆ Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50% vesting after five years, increasing incrementally to 100% after 10 years.
- ◆ A one-time, non-compounding benefit increase of 3.0% will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- ◆ Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- ◆ The total and permanent duty disability benefit was increased, effective July 1, 2023.

**2022 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.
- ◆ The single discount rate was changed from 6.5% to 5.4%.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2021 Changes**

Changes in Actuarial Assumptions

- ◆ The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- ◆ The inflation assumption was changed from 2.5% to 2.25%.
- ◆ The payroll growth assumption was changed from 3.25% to 3.0%.
- ◆ The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- ◆ The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to scale MP-2020).
- ◆ Assumed rates of salary increase were modified as recommended in the July 14, 2020, experience study. The overall impact is a decrease in gross salary increase rates.
- ◆ Assumed rates of retirement were changed as recommended in the July 14, 2020, experience study. The changes resulted in slightly more unreduced retirements and fewer assumed early retirements.
- ◆ Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes resulted in more assumed terminations.
- ◆ Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates resulted in more projected disabilities.
- ◆ Assumed percent married for active female members was changed from 60% to 70%. Minor changes to form of payment assumptions were applied.

**City of Osseo**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2021 Changes (Continued)**

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2020 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2019 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2018 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions

- ◆ Annual increases were changed to 1.00% for all years, with no trigger.
- ◆ An end date of July 1, 2048, was added to the existing \$9.0 million state contribution.
- ◆ New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100% funding, or July 1, 2048, if earlier.
- ◆ Member contributions were changed from 10.80% to 11.30% of pay, effective January 1, 2019, and 11.80% of pay, effective January 1, 2020.
- ◆ Employer contributions were changed from 16.20% to 16.95% of pay, effective January 1, 2019, and 17.70% of pay, effective January 1, 2020.
- ◆ Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- ◆ Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- ◆ Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**2017 Changes**

Changes in Actuarial Assumptions

- ◆ Assumed salary increases were changed as recommended in the June 30, 2016, experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- ◆ Assumed rates of retirement were changed, resulting in fewer retirements.
- ◆ The CSA load was 30% for vested and non-vested deferred members. The CSA has been changed to 33% for vested members and 2% for non-vested members.
- ◆ The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.

**City of Osseo**  
**Notes to Required Supplementary Information**

**Police and Fire Fund (Continued)**

**2017 Changes (Continued)**

Changes in Actuarial Assumptions (Continued)

- ◆ Assumed termination rates were decreased to 3% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- ◆ Assumed percentage of married female members was decreased from 65% to 60%.
- ◆ Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- ◆ The assumed percentage of female members electing Joint and Survivor annuities was increased.
- ◆ The assumed annual benefit increase rate was changed from 1% for all years to 1% per year through 2064 and 2.5% thereafter.
- ◆ The single discount rate was changed from 5.6% per annum to 7.5% per annum.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2016 Changes**

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2037 and 2.5% thereafter to 1.0% per year for all future years.
- ◆ The assumed investment return was changed from 7.9% to 7.5%. The single discount rate changed from 7.9% to 5.6%.
- ◆ The single discount rate changed from 7.90% to 5.60%.
- ◆ The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

Changes in Plan Provisions

- ◆ There have been no changes since the prior valuation.

**2015 Changes**

Changes in Actuarial Assumptions

- ◆ The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2037 and 2.5% per year thereafter.

Changes in Plan Provisions

- ◆ The post-retirement benefit increase to be paid after attainment of the 90% funding threshold was changed, from inflation up to 2.5%, to a fixed rate of 2.5%.

**City of Osseo**  
**Notes to Required Supplementary Information**

**Volunteer Firefighter's Relief Association**

**2023 Changes**

- ◆ None

**2022 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate decreased from 4.24% to 3.75%.
- ◆ The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2022 Minnesota PERA Police & Fire Plan actuarial valuation.

Changes in Plan Provisions

- ◆ None

**2021 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate decreased from 4.75% to 4.24%.

Changes in Plan Provisions

- ◆ The lump sum multiplier was changed from \$1,600 to \$2,000.

**2020 Changes**

Changes in Actuarial Assumptions

- ◆ The mortality assumptions were updated from the rates used in the July 1, 2017, PERA Police and Fire Plan actuarial valuation to the rates used in the July 1, 2019, PERA Police and Fire Plan actuarial valuation.
- ◆ The inflation assumption decreased from 2.75% to 2.5%.

Changes in Plan Provisions

- ◆ None

**2019 Changes**

Changes in Actuarial Assumptions

- ◆ None

Changes in Plan Provisions

- ◆ None



**City of Osseo**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan**

**2023 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate was changed from 1.84% to 4.05% based on updated 20-year municipal bond rates.

**2022 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate was changed from 2.00% to 1.84% based on updated 20-year municipal bond rates.
- ◆ Health care trend rates were reset to reflect updated cost increase expectations.
- ◆ Medical per capita claims costs were updated to reflect recent experience.
- ◆ Withdrawal, mortality, and salary increase rates were updated from the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 PERA Police and Fire Plan valuations to the rates used in the 7/1/2022 valuations.
- ◆ The percent of future retirees not eligible for an explicit subsidy assumed to elect coverage at retirement changed from 50% to 25% to reflect recent plan experience.
- ◆ The retirement age assumption of future retirees not eligible for an explicit subsidy was changed from 62 to 63 years old to reflect recent plan experience.

**2021 Changes**

Changes in Actuarial Assumptions

- ◆ The Discount rate decreased from 2.75% to 2.00%.

**2020 Changes**

Changes in Actuarial Assumptions

- ◆ The discount rate was changed from 3.71% to 2.75% based on updated 20-year municipal bond rates.
- ◆ Healthcare trend rates were reset to reflect updated cost increase expectations, including the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- ◆ Medical per capita claims costs were updated to reflect recent experience, including an adjustment to reflect age/gender-based risk scores published by the Society of Actuaries.
- ◆ Salary increase rates were updated from the rates used in the 7/1/2017 PERA General Employees Plan and 7/1/2017 Police and Fire Plan valuations to the rates used in the 7/1/2017 Police & Fire Plan valuations to the rates used in the 7/1/2019 valuations.
- ◆ Mortality rates were updated from the RP-2014 tables to the rates used in the 7/1/2019 PERA General Employees Plan and 7/1/2019 Police & Fire Plan actuarial valuations.
- ◆ The inflation assumption was changed from 2.75% to 2.50% based on an updated historical analysis of inflation rates and forward-looking market expectations.

Changes in Plan Provisions

- ◆ Retiree premiums were updated to current levels.

**2019 Changes**

Changes in Actuarial Assumptions

- ◆ The Discount rate increased from 3.31% to 3.71%.

**City of Osseo**  
**Notes to Required Supplementary Information**

**Post Employment Health Care Plan (Continued)**

**2018 Changes**

Changes in Plan Provisions

- ◆ The City switched from age-based rates to a blended rate for health insurance.
- ◆ The City implemented GASB 75 in 2018.

Changes in Actuarial Assumptions

- ◆ The Discount rate decrease from 3.81% to 3.31%.

There are no assets accumulated in a trust for Other Postemployment Benefits.

**SUPPLEMENTARY INFORMATION**

**City of Osseo**  
**Detailed Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**Year Ended December 31, 2023**

|                                 | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|---------------------------------|-------------------------------------------|-------------------|-------------------------------------------------|
| <b>Revenues</b>                 |                                           |                   |                                                 |
| Property taxes                  | \$ 2,028,463                              | \$ 2,026,308      | \$ (2,155)                                      |
| Franchise taxes                 | 116,500                                   | 109,446           | (7,054)                                         |
| Special assessments             | 2,500                                     | 768               | (1,732)                                         |
| Licenses and permits            | 222,100                                   | 134,223           | (87,877)                                        |
| Intergovernmental revenue       |                                           |                   |                                                 |
| Local government aid            | 623,049                                   | 623,049           | -                                               |
| Fire aid                        | 29,282                                    | 22,542            | (6,740)                                         |
| Police aid                      | 110,000                                   | 175,397           | 65,397                                          |
| Other grants and aids           | 7,000                                     | 10,720            | 3,720                                           |
| Total intergovernmental revenue | <u>769,331</u>                            | <u>831,708</u>    | <u>62,377</u>                                   |
| Revenue from EDA component unit | -                                         | 40,000            | 40,000                                          |
| Charges for services            |                                           |                   |                                                 |
| General government              | 12,000                                    | 312               | (11,688)                                        |
| Public safety                   | 8,000                                     | 589               | (7,411)                                         |
| Culture and recreation          | 17,500                                    | 21,095            | 3,595                                           |
| Total charges for services      | <u>37,500</u>                             | <u>21,996</u>     | <u>(15,504)</u>                                 |
| Fines and forfeitures           | <u>45,000</u>                             | <u>39,677</u>     | <u>(5,323)</u>                                  |
| Miscellaneous revenues          |                                           |                   |                                                 |
| Investment income               | 45,000                                    | 61,882            | 16,882                                          |
| Contributions and donations     | 27,000                                    | 14,520            | (12,480)                                        |
| Other                           | 93,000                                    | 52,662            | (40,338)                                        |
| Total miscellaneous revenues    | <u>165,000</u>                            | <u>129,064</u>    | <u>(35,936)</u>                                 |
| Total revenues                  | <u>3,386,394</u>                          | <u>3,333,190</u>  | <u>(53,204)</u>                                 |
| <b>Expenditures</b>             |                                           |                   |                                                 |
| General government              |                                           |                   |                                                 |
| Mayor and council               | 32,634                                    | 34,115            | 1,481                                           |
| Administrative and finance      | 373,874                                   | 373,141           | (733)                                           |
| Other general government        | 373,952                                   | 435,561           | 61,609                                          |
| Total general government        | <u>780,460</u>                            | <u>842,817</u>    | <u>62,357</u>                                   |
| Public safety                   |                                           |                   |                                                 |
| Police                          |                                           |                   |                                                 |
| Current                         | 1,335,066                                 | 1,377,492         | 42,426                                          |
| Fire                            |                                           |                   |                                                 |
| Current                         | 256,238                                   | 255,593           | (645)                                           |

City of Osseo  
Detailed Schedule of Revenues, Expenditures, and  
Changes in Fund Balance -  
Budget and Actual - General Fund  
Year Ended December 31, 2023

|                                                 | Original and<br>Final Budgeted<br>Amounts | Actual<br>Amounts | Variance with<br>Final Budget -<br>Over (Under) |
|-------------------------------------------------|-------------------------------------------|-------------------|-------------------------------------------------|
| <b>Expenditures (Continued)</b>                 |                                           |                   |                                                 |
| Public safety (continued)                       |                                           |                   |                                                 |
| Building inspections                            |                                           |                   |                                                 |
| Current                                         | \$ 47,360                                 | \$ 25,915         | \$ (21,445)                                     |
| Total public safety                             | 1,638,664                                 | 1,659,000         | 20,336                                          |
| Public works                                    |                                           |                   |                                                 |
| Streets and highways                            |                                           |                   |                                                 |
| Street maintenance and storm sewers             | 220,249                                   | 288,797           | 68,548                                          |
| Culture and recreation                          |                                           |                   |                                                 |
| Current                                         | 131,151                                   | 123,588           | (7,563)                                         |
| Total expenditures                              | 2,770,524                                 | 2,914,202         | 143,678                                         |
| Excess of revenues over<br>(under) expenditures | 615,870                                   | 418,988           | (196,882)                                       |
| <b>Other Financing Sources (Uses)</b>           |                                           |                   |                                                 |
| Transfers in                                    | 10,000                                    | 15,500            | 5,500                                           |
| Transfers out                                   | (625,870)                                 | (625,870)         | -                                               |
| Total other financing sources (uses)            | (615,870)                                 | (610,370)         | 5,500                                           |
| Net change in fund balances                     | \$ -                                      | (191,382)         | \$ (191,382)                                    |
| <b>Fund Balance</b>                             |                                           |                   |                                                 |
| Beginning of year                               |                                           | 1,129,252         |                                                 |
| End of year                                     |                                           | \$ 937,870        |                                                 |

City of Osseo  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023

|                                                                        | Special Revenue               |               |                              |                                              |
|------------------------------------------------------------------------|-------------------------------|---------------|------------------------------|----------------------------------------------|
|                                                                        | Police<br>Forfeiture<br>(116) | Trolley (204) | Park<br>Improvement<br>(205) | CHeC - Healthy<br>Communities<br>Grant (241) |
| <b>Assets</b>                                                          |                               |               |                              |                                              |
| Cash and investments                                                   | \$ 19,245                     | \$ 823        | \$ 153,841                   | \$ 10,412                                    |
| Special assessments receivable                                         |                               |               |                              |                                              |
| Delinquent                                                             | -                             | -             | -                            | -                                            |
| Deferred                                                               | -                             | -             | -                            | -                                            |
| Prepaid items                                                          | -                             | -             | -                            | -                                            |
|                                                                        | <u>\$ 19,245</u>              | <u>\$ 823</u> | <u>\$ 153,841</u>            | <u>\$ 10,412</u>                             |
| Total assets                                                           | <u>\$ 19,245</u>              | <u>\$ 823</u> | <u>\$ 153,841</u>            | <u>\$ 10,412</u>                             |
| <b>Liabilities</b>                                                     |                               |               |                              |                                              |
| Accounts payable                                                       | \$ -                          | \$ 65         | \$ 56                        | \$ -                                         |
| Due to other funds                                                     | -                             | -             | -                            | -                                            |
| Unearned Revenue                                                       | -                             | -             | -                            | -                                            |
| Due to other governments                                               | -                             | -             | 18                           | -                                            |
| Total liabilities                                                      | <u>-</u>                      | <u>65</u>     | <u>74</u>                    | <u>-</u>                                     |
| <b>Deferred Inflows of Resources</b>                                   |                               |               |                              |                                              |
| Unavailable revenue - special assessments                              | -                             | -             | -                            | -                                            |
|                                                                        | <u>-</u>                      | <u>-</u>      | <u>-</u>                     | <u>-</u>                                     |
| <b>Fund Balances</b>                                                   |                               |               |                              |                                              |
| Nonspendable                                                           | -                             | -             | -                            | -                                            |
| Restricted                                                             | 19,245                        | 758           | 153,767                      | 10,412                                       |
| Committed                                                              | -                             | -             | -                            | -                                            |
| Assigned                                                               | -                             | -             | -                            | -                                            |
| Unassigned                                                             | -                             | -             | -                            | -                                            |
| Total fund balances                                                    | <u>19,245</u>                 | <u>758</u>    | <u>153,767</u>               | <u>10,412</u>                                |
|                                                                        | <u>\$ 19,245</u>              | <u>\$ 823</u> | <u>\$ 153,841</u>            | <u>\$ 10,412</u>                             |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 19,245</u>              | <u>\$ 823</u> | <u>\$ 153,841</u>            | <u>\$ 10,412</u>                             |

Special Revenue

| Cable TV (240)   | Community<br>Fund (250,<br>251, 252,<br>253, 254,<br>255, 256,<br>257, 258) | Heritage<br>Preservation<br>(260) | Comp Plan<br>Grant (150) | Hennepin<br>County Tree<br>Assessment<br>Grant (242) | COVID-19 Aid<br>(230) | Twins Grant<br>(244) |
|------------------|-----------------------------------------------------------------------------|-----------------------------------|--------------------------|------------------------------------------------------|-----------------------|----------------------|
| \$ 18,465        | \$ 18,676                                                                   | \$ 11,086                         | \$ 4,156                 | \$ 1,840                                             | \$ 174,649            | \$ -                 |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| <u>\$ 18,465</u> | <u>\$ 18,676</u>                                                            | <u>\$ 11,086</u>                  | <u>\$ 4,156</u>          | <u>\$ 1,840</u>                                      | <u>\$ 174,649</u>     | <u>\$ -</u>          |
| \$ 4,991         | \$ 572                                                                      | \$ -                              | \$ -                     | \$ -                                                 | \$ -                  | \$ -                 |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | 726                  |
| -                | -                                                                           | -                                 | -                        | -                                                    | 151,370               | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| <u>4,991</u>     | <u>572</u>                                                                  | <u>-</u>                          | <u>-</u>                 | <u>-</u>                                             | <u>151,370</u>        | <u>726</u>           |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | 4,156                    | 1,840                                                | 23,279                | -                    |
| 13,474           | 18,104                                                                      | 11,086                            | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | -                    |
| -                | -                                                                           | -                                 | -                        | -                                                    | -                     | (726)                |
| <u>13,474</u>    | <u>18,104</u>                                                               | <u>11,086</u>                     | <u>4,156</u>             | <u>1,840</u>                                         | <u>23,279</u>         | <u>(726)</u>         |
| <u>\$ 18,465</u> | <u>\$ 18,676</u>                                                            | <u>\$ 11,086</u>                  | <u>\$ 4,156</u>          | <u>\$ 1,840</u>                                      | <u>\$ 174,649</u>     | <u>\$ -</u>          |

**City of Osseo  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023**

|                                                                     | Debt Service             |                                             |                                            |                                     |
|---------------------------------------------------------------------|--------------------------|---------------------------------------------|--------------------------------------------|-------------------------------------|
|                                                                     | Special<br>Revenue Total | 2018A<br>Improvement<br>Bonds (309,<br>310) | 2019<br>Improvement<br>Bonds (311,<br>312) | 2017A<br>Improvement<br>Bonds (308) |
| <b>Assets</b>                                                       |                          |                                             |                                            |                                     |
| Cash and investments                                                | \$ 413,193               | \$ 190,283                                  | \$ 21,915                                  | \$ 159,904                          |
| Special assessments receivable                                      |                          |                                             |                                            |                                     |
| Delinquent                                                          | -                        | 301                                         | 258                                        | 145                                 |
| Deferred                                                            | -                        | 119,121                                     | 122,390                                    | 94,546                              |
| Prepaid items                                                       | -                        | -                                           | -                                          | -                                   |
|                                                                     | <u>          </u>        | <u>          </u>                           | <u>          </u>                          | <u>          </u>                   |
| Total assets                                                        | <u>\$ 413,193</u>        | <u>\$ 309,705</u>                           | <u>\$ 144,563</u>                          | <u>\$ 254,595</u>                   |
| <b>Liabilities</b>                                                  |                          |                                             |                                            |                                     |
| Accounts payable                                                    | \$ 5,684                 | \$ -                                        | \$ -                                       | \$ -                                |
| Due to other funds                                                  | 726                      | -                                           | -                                          | -                                   |
| Unearned Revenue                                                    | 151,370                  | -                                           | -                                          | -                                   |
| Due to other governments                                            | 18                       | -                                           | -                                          | -                                   |
| Total liabilities                                                   | <u>157,798</u>           | <u>-</u>                                    | <u>-</u>                                   | <u>-</u>                            |
| <b>Deferred Inflows of Resources</b>                                |                          |                                             |                                            |                                     |
| Unavailable revenue - special assessments                           | -                        | 119,121                                     | 122,390                                    | 94,546                              |
|                                                                     | <u>          </u>        | <u>          </u>                           | <u>          </u>                          | <u>          </u>                   |
| <b>Fund Balances</b>                                                |                          |                                             |                                            |                                     |
| Nonspendable                                                        | -                        | -                                           | -                                          | -                                   |
| Restricted                                                          | 213,457                  | 190,584                                     | 22,173                                     | 160,049                             |
| Committed                                                           | 42,664                   | -                                           | -                                          | -                                   |
| Assigned                                                            | -                        | -                                           | -                                          | -                                   |
| Unassigned                                                          | (726)                    | -                                           | -                                          | -                                   |
| Total fund balances                                                 | <u>255,395</u>           | <u>190,584</u>                              | <u>22,173</u>                              | <u>160,049</u>                      |
|                                                                     | <u>          </u>        | <u>          </u>                           | <u>          </u>                          | <u>          </u>                   |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 413,193</u>        | <u>\$ 309,705</u>                           | <u>\$ 144,563</u>                          | <u>\$ 254,595</u>                   |



Debt Service

| 2012A<br>Improvement<br>Bonds (371) | 2014A<br>Improvement<br>Bond (301) | Police Building<br>Debt Service<br>Fund (395) | 2015A<br>Improvement<br>Bonds (305) | 2016A<br>Improvement<br>Bonds (306,<br>307) | 2020<br>Improvement<br>Bonds (313) | Debt Service<br>Total |
|-------------------------------------|------------------------------------|-----------------------------------------------|-------------------------------------|---------------------------------------------|------------------------------------|-----------------------|
| \$ 69,438                           | \$ 117,560                         | \$ 126,979                                    | \$ 208,595                          | \$ 471,794                                  | \$ 182,511                         | \$ 1,548,979          |
| -                                   | -                                  | -                                             | -                                   | 714                                         | -                                  | 1,418                 |
| 36,007                              | 43,689                             | -                                             | -                                   | 138,638                                     | 144,198                            | 698,589               |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| <u>\$ 105,445</u>                   | <u>\$ 161,249</u>                  | <u>\$ 126,979</u>                             | <u>\$ 208,595</u>                   | <u>\$ 611,146</u>                           | <u>\$ 326,709</u>                  | <u>\$ 2,248,986</u>   |
| \$ -                                | \$ -                               | \$ -                                          | \$ -                                | \$ -                                        | \$ -                               | \$ -                  |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| 36,007                              | 43,689                             | -                                             | -                                   | 138,638                                     | 144,198                            | 698,589               |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| 69,438                              | 117,560                            | 126,979                                       | 208,595                             | 472,508                                     | 182,511                            | 1,550,397             |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| -                                   | -                                  | -                                             | -                                   | -                                           | -                                  | -                     |
| <u>69,438</u>                       | <u>117,560</u>                     | <u>126,979</u>                                | <u>208,595</u>                      | <u>472,508</u>                              | <u>182,511</u>                     | <u>1,550,397</u>      |
| <u>\$ 105,445</u>                   | <u>\$ 161,249</u>                  | <u>\$ 126,979</u>                             | <u>\$ 208,595</u>                   | <u>\$ 611,146</u>                           | <u>\$ 326,709</u>                  | <u>\$ 2,248,986</u>   |

**City of Osseo  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2023**

|                                                                                | Capital Projects             |                         |                          |                         |
|--------------------------------------------------------------------------------|------------------------------|-------------------------|--------------------------|-------------------------|
|                                                                                | Police<br>Equipment<br>(115) | Fire Equipment<br>(120) | Facilities Fund<br>(135) | Equipment<br>Fund (110) |
| <b>Assets</b>                                                                  |                              |                         |                          |                         |
| Cash and investments                                                           | \$ 13,270                    | \$ 14,849               | \$ 321,148               | \$ 571,050              |
| Special assessments receivable                                                 |                              |                         |                          |                         |
| Delinquent                                                                     | -                            | -                       | -                        | -                       |
| Deferred                                                                       | -                            | -                       | -                        | -                       |
| Prepaid items                                                                  | 2,655                        | -                       | -                        | -                       |
|                                                                                | <u>\$ 15,925</u>             | <u>\$ 14,849</u>        | <u>\$ 321,148</u>        | <u>\$ 571,050</u>       |
| <b>Total assets</b>                                                            | <u>\$ 15,925</u>             | <u>\$ 14,849</u>        | <u>\$ 321,148</u>        | <u>\$ 571,050</u>       |
| <b>Liabilities</b>                                                             |                              |                         |                          |                         |
| Accounts payable                                                               | \$ 6,359                     | \$ -                    | \$ 22,734                | \$ 7,848                |
| Due to other funds                                                             | -                            | -                       | -                        | -                       |
| Unearned Revenue                                                               | -                            | -                       | -                        | -                       |
| Due to other governments                                                       | -                            | -                       | -                        | -                       |
| <b>Total liabilities</b>                                                       | <u>6,359</u>                 | <u>-</u>                | <u>22,734</u>            | <u>7,848</u>            |
| <b>Deferred Inflows of Resources</b>                                           |                              |                         |                          |                         |
| Unavailable revenue - special assessments                                      | -                            | -                       | -                        | -                       |
| <b>Fund Balances</b>                                                           |                              |                         |                          |                         |
| Nonspendable                                                                   | 2,655                        | -                       | -                        | -                       |
| Restricted                                                                     | -                            | -                       | -                        | 386,380                 |
| Committed                                                                      | -                            | -                       | -                        | -                       |
| Assigned                                                                       | 6,911                        | 14,849                  | 298,414                  | 176,822                 |
| Unassigned                                                                     | -                            | -                       | -                        | -                       |
| <b>Total fund balances</b>                                                     | <u>9,566</u>                 | <u>14,849</u>           | <u>298,414</u>           | <u>563,202</u>          |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <u>\$ 15,925</u>             | <u>\$ 14,849</u>        | <u>\$ 321,148</u>        | <u>\$ 571,050</u>       |

Capital Projects

| Hennepin<br>County<br>Corridor<br>Planning (243) | 2020<br>Improvement<br>Project (409) | Capital Projects<br>Total | Total Nonmajor<br>Governmental<br>Funds |
|--------------------------------------------------|--------------------------------------|---------------------------|-----------------------------------------|
| \$ -                                             | \$ 4,358                             | \$ 924,675                | \$ 2,886,847                            |
| -                                                | -                                    | -                         | 1,418                                   |
| -                                                | -                                    | -                         | 698,589                                 |
| -                                                | -                                    | 2,655                     | 2,655                                   |
| <u>\$ -</u>                                      | <u>\$ 4,358</u>                      | <u>\$ 927,330</u>         | <u>\$ 3,589,509</u>                     |
| \$ -                                             | \$ 8,112                             | \$ 45,053                 | \$ 50,737                               |
| 594                                              | -                                    | 594                       | 1,320                                   |
| -                                                | -                                    | -                         | 151,370                                 |
| -                                                | -                                    | -                         | 18                                      |
| <u>594</u>                                       | <u>8,112</u>                         | <u>45,647</u>             | <u>203,445</u>                          |
| -                                                | -                                    | -                         | 698,589                                 |
| -                                                | -                                    | 2,655                     | 2,655                                   |
| -                                                | -                                    | 386,380                   | 2,150,234                               |
| -                                                | -                                    | -                         | 42,664                                  |
| -                                                | -                                    | 496,996                   | 496,996                                 |
| (594)                                            | (3,754)                              | (4,348)                   | (5,074)                                 |
| <u>(594)</u>                                     | <u>(3,754)</u>                       | <u>881,683</u>            | <u>2,687,475</u>                        |
| <u>\$ -</u>                                      | <u>\$ 4,358</u>                      | <u>\$ 927,330</u>         | <u>\$ 3,589,509</u>                     |

**City of Osseo**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

|                                                 | Special Revenue               |               |                              |                                              |
|-------------------------------------------------|-------------------------------|---------------|------------------------------|----------------------------------------------|
|                                                 | Police<br>Forfeiture<br>(116) | Trolley (204) | Park<br>Improvement<br>(205) | CHeC - Healthy<br>Communities<br>Grant (241) |
| <b>Revenues</b>                                 |                               |               |                              |                                              |
| Franchise taxes                                 | \$ -                          | \$ -          | \$ -                         | \$ -                                         |
| Special assessments                             | -                             | -             | -                            | -                                            |
| Charges for services                            | -                             | -             | 19,997                       | -                                            |
| Miscellaneous                                   |                               |               |                              |                                              |
| Investment income                               | 784                           | -             | 5,525                        | -                                            |
| Contributions and donations                     | -                             | -             | -                            | -                                            |
| Other                                           | -                             | 750           | -                            | -                                            |
| Total revenues                                  | <u>784</u>                    | <u>750</u>    | <u>25,522</u>                | <u>-</u>                                     |
| <b>Expenditures</b>                             |                               |               |                              |                                              |
| <b>Current</b>                                  |                               |               |                              |                                              |
| General government                              | -                             | -             | -                            | -                                            |
| Public safety                                   | -                             | -             | -                            | -                                            |
| Culture and recreation                          | -                             | 817           | 15,274                       | -                                            |
| <b>Debt service</b>                             |                               |               |                              |                                              |
| Principal                                       | -                             | -             | -                            | -                                            |
| Interest and other charges                      | -                             | -             | -                            | -                                            |
| <b>Capital outlay</b>                           |                               |               |                              |                                              |
| General government                              | -                             | -             | -                            | -                                            |
| Public safety                                   | -                             | -             | -                            | -                                            |
| Public works                                    | -                             | -             | -                            | -                                            |
| Culture and recreation                          | -                             | -             | 5,249                        | -                                            |
| Total expenditures                              | <u>-</u>                      | <u>817</u>    | <u>20,523</u>                | <u>-</u>                                     |
| Excess of revenues over<br>(under) expenditures | 784                           | (67)          | 4,999                        | -                                            |
| <b>Other Financing Sources (Uses)</b>           |                               |               |                              |                                              |
| <b>Sources (uses)</b>                           |                               |               |                              |                                              |
| Transfers in                                    | -                             | -             | 34,586                       | -                                            |
| Transfers out                                   | -                             | -             | -                            | -                                            |
| Total other financing sources (uses)            | <u>-</u>                      | <u>-</u>      | <u>34,586</u>                | <u>-</u>                                     |
| Net change in fund balances                     | 784                           | (67)          | 39,585                       | -                                            |
| <b>Fund Balances</b>                            |                               |               |                              |                                              |
| Beginning of year                               | <u>18,461</u>                 | <u>825</u>    | <u>114,182</u>               | <u>10,412</u>                                |
| End of year                                     | <u>\$ 19,245</u>              | <u>\$ 758</u> | <u>\$ 153,767</u>            | <u>\$ 10,412</u>                             |

Special Revenue

| Cable TV (240)   | Community Fund (250, 251, 252, 253, 254, 255, 256, 257, 258) | Heritage Preservation (260) | Comp Plan Grant (150) | Hennepin County Tree Assessment Grant (242) | COVID-19 Aid (230) | Twins Grant (244) |
|------------------|--------------------------------------------------------------|-----------------------------|-----------------------|---------------------------------------------|--------------------|-------------------|
| \$ 26,700        | \$ -                                                         | \$ -                        | \$ -                  | \$ -                                        | \$ -               | \$ -              |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| 1,158            | 15                                                           | 523                         | -                     | -                                           | -                  | -                 |
| -                | 18,208                                                       | -                           | -                     | -                                           | -                  | -                 |
| -                | 1,019                                                        | (100)                       | -                     | -                                           | -                  | -                 |
| <u>27,858</u>    | <u>19,242</u>                                                | <u>423</u>                  | <u>-</u>              | <u>-</u>                                    | <u>-</u>           | <u>-</u>          |
| 1                | -                                                            | -                           | 18,599                | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| -                | 19,159                                                       | -                           | -                     | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| 12,739           | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| <u>12,740</u>    | <u>19,159</u>                                                | <u>-</u>                    | <u>18,599</u>         | <u>-</u>                                    | <u>-</u>           | <u>-</u>          |
| 15,118           | 83                                                           | 423                         | (18,599)              | -                                           | -                  | -                 |
| -                | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| (10,000)         | -                                                            | -                           | -                     | -                                           | -                  | -                 |
| <u>(10,000)</u>  | <u>-</u>                                                     | <u>-</u>                    | <u>-</u>              | <u>-</u>                                    | <u>-</u>           | <u>-</u>          |
| 5,118            | 83                                                           | 423                         | (18,599)              | -                                           | -                  | -                 |
| 8,356            | 18,021                                                       | 10,663                      | 22,755                | 1,840                                       | 23,279             | (726)             |
| <u>\$ 13,474</u> | <u>\$ 18,104</u>                                             | <u>\$ 11,086</u>            | <u>\$ 4,156</u>       | <u>\$ 1,840</u>                             | <u>\$ 23,279</u>   | <u>\$ (726)</u>   |

**City of Osseo**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

|                                                 | Special<br>Revenue Total | Debt Service                                |                                            |                                     |
|-------------------------------------------------|--------------------------|---------------------------------------------|--------------------------------------------|-------------------------------------|
|                                                 |                          | 2018A<br>Improvement<br>Bonds (309,<br>310) | 2019<br>Improvement<br>Bonds (311,<br>312) | 2017A<br>Improvement<br>Bonds (308) |
| <b>Revenues</b>                                 |                          |                                             |                                            |                                     |
| Franchise taxes                                 | \$ 26,700                | \$ -                                        | \$ -                                       | \$ -                                |
| Special assessments                             | -                        | 18,429                                      | 16,689                                     | 15,398                              |
| Charges for services                            | 19,997                   | -                                           | -                                          | -                                   |
| Miscellaneous                                   |                          |                                             |                                            |                                     |
| Investment income                               | 8,005                    | 7,423                                       | 653                                        | 4,370                               |
| Contributions and donations                     | 18,208                   | -                                           | -                                          | -                                   |
| Other                                           | 1,669                    | -                                           | -                                          | -                                   |
| Total revenues                                  | <u>74,579</u>            | <u>25,852</u>                               | <u>17,342</u>                              | <u>19,768</u>                       |
| <b>Expenditures</b>                             |                          |                                             |                                            |                                     |
| Current                                         |                          |                                             |                                            |                                     |
| General government                              | 18,600                   | -                                           | -                                          | -                                   |
| Public safety                                   | -                        | -                                           | -                                          | -                                   |
| Culture and recreation                          | 35,250                   | -                                           | -                                          | -                                   |
| Debt service                                    |                          |                                             |                                            |                                     |
| Principal                                       | -                        | 50,000                                      | 40,000                                     | 45,000                              |
| Interest and other charges                      | -                        | 21,781                                      | 12,320                                     | 14,364                              |
| Capital outlay                                  |                          |                                             |                                            |                                     |
| General government                              | -                        | -                                           | -                                          | -                                   |
| Public safety                                   | 12,739                   | -                                           | -                                          | -                                   |
| Public works                                    | -                        | -                                           | -                                          | -                                   |
| Culture and recreation                          | 5,249                    | -                                           | -                                          | -                                   |
| Total expenditures                              | <u>71,838</u>            | <u>71,781</u>                               | <u>52,320</u>                              | <u>59,364</u>                       |
| Excess of revenues over<br>(under) expenditures | 2,741                    | (45,929)                                    | (34,978)                                   | (39,596)                            |
| <b>Other Financing Sources (Uses)</b>           |                          |                                             |                                            |                                     |
| Sources (uses)                                  |                          |                                             |                                            |                                     |
| Transfers in                                    | 34,586                   | 33,467                                      | 45,527                                     | 57,089                              |
| Transfers out                                   | (10,000)                 | -                                           | -                                          | -                                   |
| Total other financing sources (uses)            | <u>24,586</u>            | <u>33,467</u>                               | <u>45,527</u>                              | <u>57,089</u>                       |
| Net change in fund balances                     | 27,327                   | (12,462)                                    | 10,549                                     | 17,493                              |
| <b>Fund Balances</b>                            |                          |                                             |                                            |                                     |
| Beginning of year                               | <u>228,068</u>           | <u>203,046</u>                              | <u>11,624</u>                              | <u>142,556</u>                      |
| End of year                                     | <u>\$ 255,395</u>        | <u>\$ 190,584</u>                           | <u>\$ 22,173</u>                           | <u>\$ 160,049</u>                   |

Debt Service

| 2010A<br>Refunding<br>Bonds (380) | 2012A<br>Improvement<br>Bonds (371) | 2014A<br>Improvement<br>Bond (301) | Police Building<br>Debt Service<br>Fund (395) | 2015A<br>Improvement<br>Bonds (305) | 2016A<br>Improvement<br>Bonds (306,<br>307) | 2020<br>Improvement<br>Bonds (313) |
|-----------------------------------|-------------------------------------|------------------------------------|-----------------------------------------------|-------------------------------------|---------------------------------------------|------------------------------------|
| \$ -                              | \$ -                                | \$ -                               | \$ -                                          | \$ -                                | \$ -                                        | \$ -                               |
| -                                 | 15,931                              | 9,567                              | -                                             | -                                   | 35,212                                      | 25,543                             |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | 2,576                               | 4,113                              | 1,922                                         | 4,925                               | 18,408                                      | 6,422                              |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| <u>-</u>                          | <u>18,507</u>                       | <u>13,680</u>                      | <u>1,922</u>                                  | <u>4,925</u>                        | <u>53,620</u>                               | <u>31,965</u>                      |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | 30,000                              | 35,000                             | 50,000                                        | 165,000                             | 80,000                                      | 45,000                             |
| -                                 | 4,838                               | 10,263                             | 31,950                                        | 13,725                              | 19,788                                      | 13,955                             |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| <u>-</u>                          | <u>34,838</u>                       | <u>45,263</u>                      | <u>81,950</u>                                 | <u>178,725</u>                      | <u>99,788</u>                               | <u>58,955</u>                      |
| -                                 | (16,331)                            | (31,583)                           | (80,028)                                      | (173,800)                           | (46,168)                                    | (26,990)                           |
| 331                               | 11,265                              | 30,905                             | 85,626                                        | 170,680                             | 58,990                                      | 34,054                             |
| -                                 | -                                   | -                                  | -                                             | -                                   | -                                           | -                                  |
| <u>331</u>                        | <u>11,265</u>                       | <u>30,905</u>                      | <u>85,626</u>                                 | <u>170,680</u>                      | <u>58,990</u>                               | <u>34,054</u>                      |
| 331                               | (5,066)                             | (678)                              | 5,598                                         | (3,120)                             | 12,822                                      | 7,064                              |
| <u>(331)</u>                      | <u>74,504</u>                       | <u>118,238</u>                     | <u>121,381</u>                                | <u>211,715</u>                      | <u>459,686</u>                              | <u>175,447</u>                     |
| <u>\$ -</u>                       | <u>\$ 69,438</u>                    | <u>\$ 117,560</u>                  | <u>\$ 126,979</u>                             | <u>\$ 208,595</u>                   | <u>\$ 472,508</u>                           | <u>\$ 182,511</u>                  |

**City of Osseo**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

|                                                 | Debt Service          | Capital Projects             |                         |                          |
|-------------------------------------------------|-----------------------|------------------------------|-------------------------|--------------------------|
|                                                 | Debt Service<br>Total | Police<br>Equipment<br>(115) | Fire Equipment<br>(120) | Facilities Fund<br>(135) |
| <b>Revenues</b>                                 |                       |                              |                         |                          |
| Franchise taxes                                 | \$ -                  | \$ -                         | \$ -                    | \$ -                     |
| Special assessments                             | 136,769               | -                            | -                       | -                        |
| Charges for services                            | -                     | -                            | -                       | -                        |
| Miscellaneous                                   |                       |                              |                         |                          |
| Investment income                               | 50,812                | -                            | -                       | 11,570                   |
| Contributions and donations                     | -                     | 9,948                        | 39,736                  | -                        |
| Other                                           | -                     | -                            | -                       | -                        |
| Total revenues                                  | <u>187,581</u>        | <u>9,948</u>                 | <u>39,736</u>           | <u>11,570</u>            |
| <b>Expenditures</b>                             |                       |                              |                         |                          |
| Current                                         |                       |                              |                         |                          |
| General government                              | -                     | -                            | -                       | -                        |
| Public safety                                   | -                     | 4,420                        | -                       | 2,750                    |
| Culture and recreation                          | -                     | -                            | -                       | -                        |
| Debt service                                    |                       |                              |                         |                          |
| Principal                                       | 540,000               | -                            | -                       | -                        |
| Interest and other charges                      | 142,984               | -                            | -                       | -                        |
| Capital outlay                                  |                       |                              |                         |                          |
| General government                              | -                     | -                            | -                       | 22,734                   |
| Public safety                                   | -                     | 3,301                        | 53,281                  | -                        |
| Public works                                    | -                     | -                            | -                       | -                        |
| Culture and recreation                          | -                     | -                            | -                       | -                        |
| Total expenditures                              | <u>682,984</u>        | <u>7,721</u>                 | <u>53,281</u>           | <u>25,484</u>            |
| Excess of revenues over<br>(under) expenditures | (495,403)             | 2,227                        | (13,545)                | (13,914)                 |
| <b>Other Financing Sources (Uses)</b>           |                       |                              |                         |                          |
| Sources (uses)                                  |                       |                              |                         |                          |
| Transfers in                                    | 527,934               | -                            | -                       | 127,660                  |
| Transfers out                                   | -                     | -                            | (5,500)                 | (85,626)                 |
| Total other financing sources (uses)            | <u>527,934</u>        | <u>-</u>                     | <u>(5,500)</u>          | <u>42,034</u>            |
| Net change in fund balances                     | 32,531                | 2,227                        | (19,045)                | 28,120                   |
| <b>Fund Balances</b>                            |                       |                              |                         |                          |
| Beginning of year                               | <u>1,517,866</u>      | <u>7,339</u>                 | <u>33,894</u>           | <u>270,294</u>           |
| End of year                                     | <u>\$ 1,550,397</u>   | <u>\$ 9,566</u>              | <u>\$ 14,849</u>        | <u>\$ 298,414</u>        |



Capital Projects

| Equipment<br>Fund (110) | Hennepin<br>County<br>Corridor<br>Planning (243) | 2020<br>Improvement<br>Project (409) | Capital<br>Projects Total | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------------|--------------------------------------------------|--------------------------------------|---------------------------|--------------------------------------------|
| \$ -                    | \$ -                                             | \$ -                                 | \$ -                      | \$ 26,700                                  |
| -                       | -                                                | -                                    | -                         | 136,769                                    |
| -                       | -                                                | -                                    | -                         | 19,997                                     |
| 18,229                  | -                                                | -                                    | 29,799                    | 88,616                                     |
| 96,000                  | -                                                | -                                    | 145,684                   | 163,892                                    |
| 300                     | -                                                | -                                    | 300                       | 1,969                                      |
| <u>114,529</u>          | <u>-</u>                                         | <u>-</u>                             | <u>175,783</u>            | <u>437,943</u>                             |
| -                       | -                                                | -                                    | -                         | 18,600                                     |
| -                       | -                                                | -                                    | 7,170                     | 7,170                                      |
| -                       | -                                                | -                                    | -                         | 35,250                                     |
| -                       | -                                                | -                                    | -                         | 540,000                                    |
| -                       | -                                                | -                                    | -                         | 142,984                                    |
| 7,671                   | -                                                | -                                    | 30,405                    | 30,405                                     |
| 21,884                  | -                                                | -                                    | 78,466                    | 91,205                                     |
| 78,667                  | -                                                | 31,937                               | 110,604                   | 110,604                                    |
| -                       | -                                                | -                                    | -                         | 5,249                                      |
| <u>108,222</u>          | <u>-</u>                                         | <u>31,937</u>                        | <u>226,645</u>            | <u>981,467</u>                             |
| 6,307                   | -                                                | (31,937)                             | (50,862)                  | (543,524)                                  |
| 131,464                 | -                                                | 111,457                              | 370,581                   | 933,101                                    |
| -                       | -                                                | -                                    | (91,126)                  | (101,126)                                  |
| <u>131,464</u>          | <u>-</u>                                         | <u>111,457</u>                       | <u>279,455</u>            | <u>831,975</u>                             |
| 137,771                 | -                                                | 79,520                               | 228,593                   | 288,451                                    |
| 425,431                 | (594)                                            | (83,274)                             | 653,090                   | 2,399,024                                  |
| <u>\$ 563,202</u>       | <u>\$ (594)</u>                                  | <u>\$ (3,754)</u>                    | <u>\$ 881,683</u>         | <u>\$ 2,687,475</u>                        |

**City of Osseo  
Combining Balance Sheet -  
EDA Component Unit  
December 31, 2023**

|                                                                        | General Fund                               | Debt Service                       |                             |            |
|------------------------------------------------------------------------|--------------------------------------------|------------------------------------|-----------------------------|------------|
|                                                                        | Economic<br>Development<br>Authority (801) | TIF 2-4 Bell<br>Tower TIF<br>(817) | TIF 2-9, 5<br>Central (836) | Total      |
| <b>Assets</b>                                                          |                                            |                                    |                             |            |
| Cash and investments                                                   | \$ 785,108                                 | \$ 29,842                          | \$ 356,208                  | \$ 386,050 |
| Accounts receivable                                                    | -                                          | -                                  | -                           | -          |
| Taxes receivable - delinquent                                          | -                                          | 9,841                              | -                           | 9,841      |
| Mortgages receivable                                                   | 417,930                                    | -                                  | -                           | -          |
| Total assets                                                           | \$ 1,203,038                               | \$ 39,683                          | \$ 356,208                  | \$ 395,891 |
| <b>Liabilities</b>                                                     |                                            |                                    |                             |            |
| Accounts payable                                                       | \$ 1,442                                   | \$ 796                             | \$ 112,120                  | \$ 112,916 |
| Due to primary government                                              | 503,012                                    | -                                  | -                           | -          |
| Total liabilities                                                      | 504,454                                    | 796                                | 112,120                     | 112,916    |
| <b>Deferred Inflows of Resources</b>                                   |                                            |                                    |                             |            |
| Unavailable revenue - mortgages                                        | 417,930                                    | -                                  | -                           | -          |
| <b>Fund Balances</b>                                                   |                                            |                                    |                             |            |
| Restricted                                                             | 280,654                                    | -                                  | 244,088                     | 244,088    |
| Unassigned                                                             | -                                          | 38,887                             | -                           | 38,887     |
| Total fund balances                                                    | 280,654                                    | 38,887                             | 244,088                     | 282,975    |
| Total liabilities, deferred inflows of<br>resources, and fund balances | \$ 1,203,038                               | \$ 39,683                          | \$ 356,208                  | \$ 395,891 |

Capital Projects

| TIF 2-5 Realife<br>Co-op (806) | TIF 2-6 Celtic<br>Crossing<br>Condos (819) | Bell Tower<br>TIF (820) | TIF 2-8 Lancor<br>Lyndes Inn<br>(825) | Hall Sweeney<br>TIF (840) | Total             | Total EDA Funds     |
|--------------------------------|--------------------------------------------|-------------------------|---------------------------------------|---------------------------|-------------------|---------------------|
| \$ 161,732                     | \$ 98,809                                  | \$ 484,455              | \$ 114,828                            | \$ -                      | \$ 859,824        | \$ 2,030,982        |
| -                              | -                                          | -                       | -                                     | 9,937                     | 9,937             | 9,937               |
| -                              | -                                          | -                       | 1,473                                 | -                         | 1,473             | 11,314              |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 417,930             |
| <u>\$ 161,732</u>              | <u>\$ 98,809</u>                           | <u>\$ 484,455</u>       | <u>\$ 116,301</u>                     | <u>\$ 9,937</u>           | <u>\$ 871,234</u> | <u>\$ 2,470,163</u> |
| \$ 1,447                       | \$ 22,119                                  | \$ -                    | \$ 7,526                              | \$ -                      | \$ 31,092         | \$ 145,450          |
| -                              | -                                          | -                       | -                                     | 9,937                     | 9,937             | 512,949             |
| <u>1,447</u>                   | <u>22,119</u>                              | <u>-</u>                | <u>7,526</u>                          | <u>9,937</u>              | <u>41,029</u>     | <u>658,399</u>      |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 417,930             |
| 160,285                        | 76,690                                     | 10,156                  | 108,775                               | -                         | 355,906           | 880,648             |
| -                              | -                                          | 474,299                 | -                                     | -                         | 474,299           | 513,186             |
| <u>160,285</u>                 | <u>76,690</u>                              | <u>484,455</u>          | <u>108,775</u>                        | <u>-</u>                  | <u>830,205</u>    | <u>1,393,834</u>    |
| <u>\$ 161,732</u>              | <u>\$ 98,809</u>                           | <u>\$ 484,455</u>       | <u>\$ 116,301</u>                     | <u>\$ 9,937</u>           | <u>\$ 871,234</u> | <u>\$ 2,470,163</u> |

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**City of Osseo**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - EDA Component Unit**  
**December 31, 2023**

|                                                                                                                                                                    |              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Total fund balances - component unit                                                                                                                               | \$ 1,393,834 |
| <p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.</p> |              |
| <p>Long-term liabilities at year-end consist of:</p>                                                                                                               |              |
| Bond principal payable                                                                                                                                             | (365,000)    |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>                          |              |
| Second mortgage principal and accrued interest                                                                                                                     | 417,930      |
| Governmental funds do not report a liability for accrued interest due and payable.                                                                                 | (4,905)      |
| Total net position - component unit                                                                                                                                | \$ 1,441,859 |

**City of Osseo**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances - EDA Component Unit**  
**Year Ended December 31, 2023**

|                                     | <u>Special Revenue</u>                     | <u>Debt Service</u>                |                             |                   |
|-------------------------------------|--------------------------------------------|------------------------------------|-----------------------------|-------------------|
|                                     | Economic<br>Development<br>Authority (801) | TIF 2-4 Bell<br>Tower TIF<br>(817) | TIF 2-9, 5<br>Central (836) | Total             |
| <b>Revenues</b>                     |                                            |                                    |                             |                   |
| Tax increments                      | \$ -                                       | \$ 33,804                          | \$ 465,817                  | \$ 499,621        |
| Miscellaneous                       |                                            |                                    |                             |                   |
| Investment income                   | 25,881                                     | 7,660                              | -                           | 7,660             |
| Other                               | 61,441                                     | -                                  | -                           | -                 |
| Refunds and reimbursements          | -                                          | -                                  | -                           | -                 |
| Total revenues                      | <u>87,322</u>                              | <u>41,464</u>                      | <u>465,817</u>              | <u>507,281</u>    |
| <b>Expenditures</b>                 |                                            |                                    |                             |                   |
| Current                             |                                            |                                    |                             |                   |
| Economic development                | 4,291                                      | 1,538                              | 223,469                     | 225,007           |
| Debt service                        |                                            |                                    |                             |                   |
| Principal                           | -                                          | -                                  | 100,000                     | 100,000           |
| Interest and other charges          | -                                          | -                                  | 13,789                      | 13,789            |
| Intergovernmental                   |                                            |                                    |                             |                   |
| Payments to primary government for  |                                            |                                    |                             |                   |
| Debt service and tif administration | 40,000                                     | -                                  | -                           | -                 |
| Total expenditures                  | <u>44,291</u>                              | <u>1,538</u>                       | <u>337,258</u>              | <u>338,796</u>    |
| Net change in fund balances         | 43,031                                     | 39,926                             | 128,559                     | 168,485           |
| <b>Fund Balances</b>                |                                            |                                    |                             |                   |
| Beginning of year                   | <u>237,623</u>                             | <u>(1,039)</u>                     | <u>115,529</u>              | <u>114,490</u>    |
| End of year                         | <u>\$ 280,654</u>                          | <u>\$ 38,887</u>                   | <u>\$ 244,088</u>           | <u>\$ 282,975</u> |

Capital Projects

| TIF 2-5 Realife<br>Co-op (806) | TIF 2-6 Celtic<br>Crossing<br>Condos (819) | Bell Tower<br>TIF (820) | TIF 2-8 Lancor<br>Lyndes Inn<br>(825) | Hall Sweeney<br>TIF (840) | Total             | Total EDA<br>Funds  |
|--------------------------------|--------------------------------------------|-------------------------|---------------------------------------|---------------------------|-------------------|---------------------|
| \$ 119,512                     | \$ 47,135                                  | \$ -                    | \$ 40,127                             | \$ -                      | \$ 206,774        | \$ 706,395          |
| 2,754                          | -                                          | 13,403                  | -                                     | -                         | 16,157            | 49,698              |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 61,441              |
| -                              | -                                          | -                       | -                                     | 1,500                     | 1,500             | 1,500               |
| <u>122,266</u>                 | <u>47,135</u>                              | <u>13,403</u>           | <u>40,127</u>                         | <u>1,500</u>              | <u>224,431</u>    | <u>819,034</u>      |
| 2,189                          | 44,072                                     | 3,247                   | 15,838                                | 1,500                     | 66,846            | 296,144             |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 100,000             |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 13,789              |
| -                              | -                                          | -                       | -                                     | -                         | -                 | 40,000              |
| <u>2,189</u>                   | <u>44,072</u>                              | <u>3,247</u>            | <u>15,838</u>                         | <u>1,500</u>              | <u>66,846</u>     | <u>449,933</u>      |
| 120,077                        | 3,063                                      | 10,156                  | 24,289                                | -                         | 157,585           | 369,101             |
| 40,208                         | 73,627                                     | 474,299                 | 84,486                                | -                         | 672,620           | 1,024,733           |
| <u>\$ 160,285</u>              | <u>\$ 76,690</u>                           | <u>\$ 484,455</u>       | <u>\$ 108,775</u>                     | <u>\$ -</u>               | <u>\$ 830,205</u> | <u>\$ 1,393,834</u> |

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**City of Osseo**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**to the Statement of Activities - EDA Component Unit**  
**Year Ended December 31, 2023**

|                                                                                                                                                                                                                                                                                                                                                                                        |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Total Net Change in Fund Balances - Component Unit                                                                                                                                                                                                                                                                                                                                     | \$ 369,101               |
| Amounts reported for governmental activities in the Statement of Activities are different because:                                                                                                                                                                                                                                                                                     |                          |
| Principal payments on long-term debt are recognized as expenditures in the governmental funds but as an increase in the net assets in the Statement of Activities.                                                                                                                                                                                                                     | 100,000                  |
| Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. | 1,201                    |
| Loans receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.                                                                                                                                                                                                                | <u>113,907</u>           |
| Change in Net Position - Component Unit                                                                                                                                                                                                                                                                                                                                                | <u><u>\$ 584,209</u></u> |

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## Minnesota Legal Compliance

### Independent Auditor's Report

Honorable Mayor and Members  
of the City Council  
City of Osseo  
Osseo, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Osseo, Minnesota as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 15, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting - bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to *Minnesota Statutes § 6.65*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

*Bergan KDV Ltd.*

St. Cloud, Minnesota  
May 15, 2024



## City of Osseo City Council Meeting Item

**Agenda Item:** Approve 2023 Official Council Appointments (Resolution)

**Meeting Date:** June 10<sup>th</sup>, 2024

**Prepared by:** Shane Mikkelson, Interim City Administrator

**Attachments:** Resolution

**Policy Consideration:**

Consider appointing Councilmembers to various Boards and Commissions.

**Background:**

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 & _____ |

The Council should consider these openings and adopt the attached Resolution filling those vacancies.

**Options:**

The City Council may choose to:

1. Approve the attached Resolution appointing Councilmembers to various Boards and Commissions;
2. Approve the attached Resolution, with noted changes/as amended;
3. Deny approval of the attached Resolution;
4. Table action on this item for more information.

**Recommendation/Action Requested:**

Staff recommends the City Council choose option 1) Approve the attached Resolution appointing Councilmembers to various Boards and Commissions.

**Resolution No. 2024-XX**

**RESOLUTION ADOPTING 2024  
OFFICIAL CITY COUNCIL APPOINTMENTS**

WHEREAS, it is the duty of City Council of the City of Osseo to make annual appointments for various positions representing the City;

WHEREAS, Council Member Ashlee Mueller tendered her resignation through email to Mayor Duane Poppe and Council on May 7, 2024; and

WHEREAS, by adoption of Resolution No. 2024-35 on May 13, 2024, the City Council accepted Councilmember Mueller’s resignation and declared that a vacancy exists on the City Council; and

WHEREAS, by adoption of Resolution No. 2024-36 on May 28, 2024, the City Council appointed John Hall to serve the remainder of the unexpired term of Councilmember Ashlee Mueller; and

WHEREAS, the City Council should review vacancies due to Ashlee Mueller’s resignation and consider City Council appointments for the remainder of 2024.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Osseo, Hennepin County, Minnesota, that the following appointments and designations are hereby made, effective June 10, 2024:

**Council Appointments**

|                                   |                                      |
|-----------------------------------|--------------------------------------|
| Acting Mayor                      | Juliana Hultstrom                    |
| Alternate Acting Mayor            | Alicia Vickerman                     |
| Economic Development Authority    | Duane Poppe & Mark Schulz &<br>_____ |
| Fire Relief Association           | Juliana Hultstrom & Alicia Vickerman |
| Historical Preservation Committee | _____                                |
| Weed Inspector                    | Duane Poppe                          |

**Council Committee Appointments**

|                                       |                                      |
|---------------------------------------|--------------------------------------|
| Arts & Communications Committee       | Mark Schulz & Alicia Vickerman       |
| Budget & Finance Committee            | Duane Poppe & Mark Schulz            |
| Human Resources Committee             | Juliana Hultstrom & Alicia Vickerman |
| Intergovernmental Relations Committee | Alicia Vickerman & Mark Schulz       |
| Parks & Recreation Committee          | Alicia Vickerman & _____             |
| Public Safety Advisory Committee      | Juliana Hultstrom & _____            |
| Risk Management Committee             | Mark Schulz & Duane Poppe            |



## City of Osseo City Council Meeting Item

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**Agenda Item:** Adopt a resolution for the compensation and benefit adjustment for Interim City Administrator

**Meeting Date:** June 10<sup>th</sup>, 2024

**Prepared by:** Shane Mikkelson, Interim City Administrator

**Attachments:** Resolution

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**Policy Consideration:**

The approval of a compensation and benefit adjustment for Shan Mikkelson for the position of Interim City Administrator.

**Background:**

On April 26<sup>th</sup>, 2024, the Council appointed Shane Mikkelson as the Interim City Administrator. Today, we need to adopt a compensation and benefit adjustment for him.

**Budget or Other Considerations:**

This will affect the budget while Shane Mikkelson fills the position.

**City Goals Met By This Action:**

Develop teamwork among the City's leadership team.

**Options:**

The City Council may choose to:

1. Adopt the resolution approving the compensation and benefit adjustment for the interim City Administrator
2. Adopt the resolution approving the compensation and benefit adjustment for the interim City Administrator with noted changes/as amended;
3. Deny adopting the resolution approving the compensation and benefit adjustment for the interim City Administrator.
4. Table action on this item for more information.

**Recommendation/Action Requested:**

Staff recommends the City Council choose option 1. Adopt the resolution approving the compensation and benefit adjustment for the interim City Administrator

**CITY OF OSSEO  
HENNEPIN COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2024-\_\_\_**

**A RESOLUTION APPROVING A COMPENSATION AND BENEFIT ADJUSTMENT  
FOR INTERIM CITY ADMINISTRATOR SHANE MIKKELSON**

WHEREAS, on April 26, 2024, the Osseo City Council accepted the resignation of and approved a separation agreement with the former City Administrator; and

WHEREAS, the Council appointed Police Chief Shane Mikkelson as Interim Administrator until further notice.

**NOW THEREFORE, BE IT RESOLVED** that the Osseo City Council:

1. Approves the following pay and benefit adjustment, retroactive to April 26, 2024, for Shane Mikkelson:
  - a. A \$10.00 per hour pay increase.
  - b. A \$300 increase per pay period in the City's contribution to his deferred compensation account.
  - c. A maximum contribution to his health savings account in the amount of \$8,300.00 per year.
2. Such pay and benefits adjustments will be effective until rescinded by the City Council.

Approved by the City Council of the City of Osseo, Minnesota on the 28<sup>th</sup> day of May 2024.

\_\_\_\_\_  
Duane Poppe, Mayor

ATTEST:

\_\_\_\_\_  
Katrina Jones, City Clerk



Osseo, MN

# Pending Expense Approval Report

By Vendor Name

APPKT00332

| Vendor Name                                                             | Payable Number | Description (Item)              | Account Name                  | Account Number | Amount            |
|-------------------------------------------------------------------------|----------------|---------------------------------|-------------------------------|----------------|-------------------|
| <b>Vendor: Central Telephone</b>                                        |                |                                 |                               |                |                   |
| Central Telephone                                                       | 11255          | June 2024 Telephone Svcs        | Telecommunications            | 101-41700-321  | 916.70            |
| <b>Vendor Central Telephone Total:</b>                                  |                |                                 |                               |                | <b>916.70</b>     |
| <b>Vendor: Comcast</b>                                                  |                |                                 |                               |                |                   |
| Comcast                                                                 | June 2024.     | June 2024 City Hall Svc         | Telecommunications            | 101-41700-321  | 378.36            |
| Comcast                                                                 | June 2024      | June 2024 City Hall Svc         | Telecommunications            | 101-41700-321  | 19.91             |
| <b>Vendor Comcast Total:</b>                                            |                |                                 |                               |                | <b>398.27</b>     |
| <b>Vendor: Eftps - Fit And Fica</b>                                     |                |                                 |                               |                |                   |
| Eftps - Fit And Fica                                                    | INV0000810     | Federal Tax                     | Federal Withholding           | 101-21701      | 78,947.47         |
| Eftps - Fit And Fica                                                    | INV0000810     | Social Security                 | Fica Withholding              | 101-21703      | 16,070.38         |
| Eftps - Fit And Fica                                                    | INV0000810     | Medicare                        | Fica Withholding              | 101-21703      | 9,478.52          |
| <b>Vendor Eftps - Fit And Fica Total:</b>                               |                |                                 |                               |                | <b>104,496.37</b> |
| <b>Vendor: Element Technologies LLC</b>                                 |                |                                 |                               |                |                   |
| Element Technologies LLC                                                | IVC73074       | May 2024 Remote Support         | It Service                    | 101-41515-302  | 375.00            |
| Element Technologies LLC                                                | SLA73418       | May 2024 IT Services            | It Service                    | 101-41515-302  | 6,083.48          |
| <b>Vendor Element Technologies LLC Total:</b>                           |                |                                 |                               |                | <b>6,458.48</b>   |
| <b>Vendor: Fairs Garden Center</b>                                      |                |                                 |                               |                |                   |
| Fairs Garden Center                                                     | 12673          | Black Dirt - Hydrant Repair     | Operations                    | 601-49400-211  | 368.00            |
| <b>Vendor Fairs Garden Center Total:</b>                                |                |                                 |                               |                | <b>368.00</b>     |
| <b>Vendor: Finken Water Solutions</b>                                   |                |                                 |                               |                |                   |
| Finken Water Solutions                                                  | 20116TN        | 5/21/24 Admin Bottled Water     | Operations                    | 101-41700-211  | 31.45             |
| Finken Water Solutions                                                  | 20117TN        | 5/21/24 PD Bottled Water        | Operations                    | 101-41900-211  | 59.95             |
| Finken Water Solutions                                                  | 1428247        | June 2024 Cooler Rental         | Leases/Rentals                | 101-41110-410  | 13.00             |
| Finken Water Solutions                                                  | 1428248        | June 2024 Cooler Rental - PD    | Leases/Rentals                | 101-41900-410  | 8.00              |
| Finken Water Solutions                                                  | 1428249        | June 2024 Rental Property Wa    | Rental Property Expenses      | 205-42350-801  | 38.10             |
| <b>Vendor Finken Water Solutions Total:</b>                             |                |                                 |                               |                | <b>150.50</b>     |
| <b>Vendor: Fire Instruction Rescue Education</b>                        |                |                                 |                               |                |                   |
| Fire Instruction Rescue Educa                                           | 6896           | Leadership Incident Comman      | Fire Training - Reimburseable | 101-41920-261  | 650.00            |
| <b>Vendor Fire Instruction Rescue Education Total:</b>                  |                |                                 |                               |                | <b>650.00</b>     |
| <b>Vendor: Further</b>                                                  |                |                                 |                               |                |                   |
| Further                                                                 | INV0000799     | Employee HSA                    | Employee H.S.A Contribution   | 101-21711      | 1,162.08          |
| <b>Vendor Further Total:</b>                                            |                |                                 |                               |                | <b>1,162.08</b>   |
| <b>Vendor: Hennepin County Treasurer - Information Technology</b>       |                |                                 |                               |                |                   |
| Hennepin County Treasurer - I                                           | 1000225968     | May 2024 PINS, SILS, CALS       | Assessing Service             | 101-41110-308  | 29.00             |
| <b>Vendor Hennepin County Treasurer - Information Technology Total:</b> |                |                                 |                               |                | <b>29.00</b>      |
| <b>Vendor: Hennepin County Treasurer - Sheriff</b>                      |                |                                 |                               |                |                   |
| Hennepin County Treasurer -                                             | 1000226928     | March 2024 Jail Per Diem        | Incarceration Services        | 101-41900-316  | 150.00            |
| <b>Vendor Hennepin County Treasurer - Sheriff Total:</b>                |                |                                 |                               |                | <b>150.00</b>     |
| <b>Vendor: Hennepin County Treasurer</b>                                |                |                                 |                               |                |                   |
| Hennepin County Treasurer                                               | 1000227139     | April 2024 PW Fuel - Cust #59   | Fuel - Vehicle/Equipment      | 101-42000-216  | 355.23            |
| <b>Vendor Hennepin County Treasurer Total:</b>                          |                |                                 |                               |                | <b>355.23</b>     |
| <b>Vendor: Icma Retirement Corporation</b>                              |                |                                 |                               |                |                   |
| Icma Retirement Corporation                                             | INV0000798     | DFC - ICMA                      | Deffered Comp                 | 101-21705      | 707.84            |
| <b>Vendor Icma Retirement Corporation Total:</b>                        |                |                                 |                               |                | <b>707.84</b>     |
| <b>Vendor: Innovative Office Solutions</b>                              |                |                                 |                               |                |                   |
| Innovative Office Solutions                                             | IN4553186      | Office Supplies -Stapler & stap | Office Operations             | 101-41110-201  | 229.01            |
| <b>Vendor Innovative Office Solutions Total:</b>                        |                |                                 |                               |                | <b>229.01</b>     |
| <b>Vendor: Kennedy &amp; Graven, Chartered</b>                          |                |                                 |                               |                |                   |
| Kennedy & Graven, Chartered                                             | 181470         | April 2024 Legal Services       | Legal Service - Civil         | 101-41500-304  | 8,635.06          |
| <b>Vendor Kennedy &amp; Graven, Chartered Total:</b>                    |                |                                 |                               |                | <b>8,635.06</b>   |



Pending Expense Approval Report

Packet: APPKT00332

| Vendor Name                                                                          | Payable Number | Description (Item)            | Account Name                  | Account Number | Amount           |
|--------------------------------------------------------------------------------------|----------------|-------------------------------|-------------------------------|----------------|------------------|
| <b>Vendor: Lano Equipment, Inc.</b>                                                  |                |                               |                               |                |                  |
| Lano Equipment, Inc.                                                                 | 02-1068392     | Bobcat Tires                  | Equip Repair/ Maintenance     | 101-42000-221  | 2,218.70         |
| <b>Vendor Lano Equipment, Inc. Total:</b>                                            |                |                               |                               |                | <b>2,218.70</b>  |
| <b>Vendor: Law Enforcement Labor Services</b>                                        |                |                               |                               |                |                  |
| Law Enforcement Labor Serv                                                           | June 2024      | June 2024 LELS Dues           | Union Dues                    | 101-21708      | 634.50           |
| <b>Vendor Law Enforcement Labor Services Total:</b>                                  |                |                               |                               |                | <b>634.50</b>    |
| <b>Vendor: Lynde Greenhouse &amp; Nursery</b>                                        |                |                               |                               |                |                  |
| Lynde Greenhouse & Nursery                                                           | 321600         | Hanging Baskets for Central A | Central Avenue Beautification | 101-42350-215  | 5,750.00         |
| <b>Vendor Lynde Greenhouse &amp; Nursery Total:</b>                                  |                |                               |                               |                | <b>5,750.00</b>  |
| <b>Vendor: Macqueen Equipment</b>                                                    |                |                               |                               |                |                  |
| Macqueen Equipment                                                                   | P23050         | Spectacl Kit                  | Uniforms/Gear                 | 101-41920-218  | 179.90           |
| <b>Vendor Macqueen Equipment Total:</b>                                              |                |                               |                               |                | <b>179.90</b>    |
| <b>Vendor: Melissa Kloster</b>                                                       |                |                               |                               |                |                  |
| Melissa Kloster                                                                      | Apr 2024       | Apr 2024 Strength Classes     | Programming                   | 101-42300-312  | 440.00           |
| <b>Vendor Melissa Kloster Total:</b>                                                 |                |                               |                               |                | <b>440.00</b>    |
| <b>Vendor: Menards - Brooklyn Park</b>                                               |                |                               |                               |                |                  |
| Menards - Brooklyn Park                                                              | 87028          | Garbage Cans for Comm Ctr     | Operations                    | 101-41700-211  | 77.65            |
| Menards - Brooklyn Park                                                              | 8762           | Shop Supplies - PW            | Operations                    | 101-41700-211  | 105.97           |
| <b>Vendor Menards - Brooklyn Park Total:</b>                                         |                |                               |                               |                | <b>183.62</b>    |
| <b>Vendor: Metro Sales Inc</b>                                                       |                |                               |                               |                |                  |
| Metro Sales Inc                                                                      | INV2491920     | PW Copier Lease               | Leases/Rentals                | 101-42000-410  | 88.22            |
| <b>Vendor Metro Sales Inc Total:</b>                                                 |                |                               |                               |                | <b>88.22</b>     |
| <b>Vendor: Metro West Inspection Services, Inc.</b>                                  |                |                               |                               |                |                  |
| Metro West Inspection Serv                                                           | 4165           | May 2024 Finalized Permits    | Inspection Services           | 101-41940-305  | 1,185.84         |
| <b>Vendor Metro West Inspection Services, Inc. Total:</b>                            |                |                               |                               |                | <b>1,185.84</b>  |
| <b>Vendor: Metropolitan Council Environmental Services</b>                           |                |                               |                               |                |                  |
| Metropolitan Council Environ                                                         | 1173694        | June 2024 Waste Water Svcs    | Sanitary Sewer Service        | 602-49400-386  | 19,565.93        |
| <b>Vendor Metropolitan Council Environmental Services Total:</b>                     |                |                               |                               |                | <b>19,565.93</b> |
| <b>Vendor: Minnesota Child Support Payment Center (SDU/Tribal Order Payee)</b>       |                |                               |                               |                |                  |
| Minnesota Child Support Pay                                                          | INV0000808     | Child Support                 | Misc Deductions/Benefits      | 101-21710      | 728.65           |
| <b>Vendor Minnesota Child Support Payment Center (SDU/Tribal Order Payee) Total:</b> |                |                               |                               |                | <b>728.65</b>    |
| <b>Vendor: Minnesota Department of Health</b>                                        |                |                               |                               |                |                  |
| Minnesota Department of He                                                           | 2Q2024         | 2Q24 Community Water Supp     | Mn Water Connect Fee          | 601-21560      | 2,012.00         |
| <b>Vendor Minnesota Department of Health Total:</b>                                  |                |                               |                               |                | <b>2,012.00</b>  |
| <b>Vendor: Minute Maker Secretarial</b>                                              |                |                               |                               |                |                  |
| Minute Maker Secretarial                                                             | M1874          | April 2024 Meeting Minutes    | Recording Services            | 101-41000-307  | 637.25           |
| Minute Maker Secretarial                                                             | M1874          | April 2024 Meeting Minutes    | Recording Services            | 101-41900-307  | 142.75           |
| Minute Maker Secretarial                                                             | M1874          | April 2024 Meeting Minutes    | Recording Services            | 101-41920-307  | 142.75           |
| Minute Maker Secretarial                                                             | M1881          | May 13 CC Mtg                 | Education/Meetings/Travel     | 101-41000-260  | 167.00           |
| Minute Maker Secretarial                                                             | M1889          | May 28 CC & WS Meeting Min    | Recording Services            | 101-41000-307  | 256.75           |
| <b>Vendor Minute Maker Secretarial Total:</b>                                        |                |                               |                               |                | <b>1,346.50</b>  |
| <b>Vendor: MN Department of Revenue</b>                                              |                |                               |                               |                |                  |
| MN Department of Revenue                                                             | INV0000812     | State of MN Wage Levy         | Misc Deductions/Benefits      | 101-21710      | 924.22           |
| MN Department of Revenue                                                             | INV0000811     | State Tax                     | State Withholding             | 101-21702      | 23,249.48        |
| <b>Vendor MN Department of Revenue Total:</b>                                        |                |                               |                               |                | <b>24,173.70</b> |
| <b>Vendor: MN PEIP</b>                                                               |                |                               |                               |                |                  |
| MN PEIP                                                                              | 1393381        | June 2024 Medical/Dental Pre  | Med/Den/Life/Ltd/Std Insura   | 101-41110-130  | 2,010.96         |
| MN PEIP                                                                              | 1393381        | June 2024 Medical/Dental Pre  | Med/Den/Life/Ltd/Std Insura   | 101-41650-130  | 1,005.48         |
| MN PEIP                                                                              | 1393381        | June 2024 Medical/Dental Pre  | Med/Den/Life/Ltd/Std Insura   | 101-41900-130  | 9,671.57         |
| MN PEIP                                                                              | 1393381        | June 2024 Medical/Dental Pre  | Med/Den/Life/Ltd/Std Insura   | 101-42000-130  | 1,005.48         |
| <b>Vendor MN PEIP Total:</b>                                                         |                |                               |                               |                | <b>13,693.49</b> |
| <b>Vendor: Msrs Dfc/Hcsp</b>                                                         |                |                               |                               |                |                  |
| Msrs Dfc/Hcsp                                                                        | INV0000803     | DFC - MSRS                    | Deffered Comp                 | 101-21705      | 2,565.00         |
| Msrs Dfc/Hcsp                                                                        | INV0000804     | Employee HSA                  | Hcsp                          | 101-21712      | 987.43           |
| <b>Vendor Msrs Dfc/Hcsp Total:</b>                                                   |                |                               |                               |                | <b>3,552.43</b>  |

Pending Expense Approval Report

Packet: APPKT00332

| Vendor Name                                                         | Payable Number | Description (Item)             | Account Name                 | Account Number | Amount            |
|---------------------------------------------------------------------|----------------|--------------------------------|------------------------------|----------------|-------------------|
| <b>Vendor: NAPA - Cottens Osseo</b>                                 |                |                                |                              |                |                   |
| NAPA - Cottens Osseo                                                | 2488-482318    | PD Squad Oil Filers            | Vehicle Repairs/Maintenance  | 101-41900-217  | 10.62             |
| <b>Vendor NAPA - Cottens Osseo Total:</b>                           |                |                                |                              |                | <b>10.62</b>      |
| <b>Vendor: North Memorial</b>                                       |                |                                |                              |                |                   |
| North Memorial                                                      | 96667          | EMS & Professional Education   | Fire Training - Reimbursable | 101-41920-261  | 1,100.00          |
| <b>Vendor North Memorial Total:</b>                                 |                |                                |                              |                | <b>1,100.00</b>   |
| <b>Vendor: PERA - Public Employees Retirement Association</b>       |                |                                |                              |                |                   |
| PERA - Public Employees Retir                                       | INV0000809     | PEPFF                          | Pera                         | 101-21704      | 12,160.30         |
| PERA - Public Employees Retir                                       | INV0000809     | PERA                           | Pera                         | 101-21704      | 22,297.37         |
| <b>Vendor PERA - Public Employees Retirement Association Total:</b> |                |                                |                              |                | <b>34,457.67</b>  |
| <b>Vendor: Prime Advertising &amp; Design</b>                       |                |                                |                              |                |                   |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Library Expense Reimburseme  | 101-36003      | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Printing/Publishing Service  | 101-41110-351  | 586.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Printing/Publishing Service  | 101-41650-351  | 234.50            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Operations                   | 101-41920-211  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Recycle/Organics/Cleanupday  | 101-42000-384  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Programming                  | 101-42300-312  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Programming                  | 101-42301-312  | 117.24            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Printing/Publishing Service  | 130-42000-351  | 234.50            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Trolley Operations           | 204-42390-352  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Operations                   | 250-42350-211  | 469.00            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Operations                   | 257-42400-211  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Printing/Publishing Service  | 601-49400-351  | 117.25            |
| Prime Advertising & Design                                          | 90236          | Summer 2024 Newsletter         | Operations                   | 604-49400-211  | 351.75            |
| Prime Advertising & Design                                          | 90361          | June 2024 Monthly Website H    | Software                     | 101-41515-309  | 100.00            |
| <b>Vendor Prime Advertising &amp; Design Total:</b>                 |                |                                |                              |                | <b>2,913.99</b>   |
| <b>Vendor: Streicher's Inc.</b>                                     |                |                                |                              |                |                   |
| Streicher's Inc.                                                    | 11699807       | Ammo                           | Equipment                    | 115-41900-570  | 300.00            |
| <b>Vendor Streicher's Inc. Total:</b>                               |                |                                |                              |                | <b>300.00</b>     |
| <b>Vendor: Sun Life Assurance Co</b>                                |                |                                |                              |                |                   |
| Sun Life Assurance Co                                               | INV0000806     | LTD                            | Medical/Dental/Life/Ltd      | 101-21706      | 9.28              |
| <b>Vendor Sun Life Assurance Co Total:</b>                          |                |                                |                              |                | <b>9.28</b>       |
| <b>Vendor: Superior Background Investigations, LLC</b>              |                |                                |                              |                |                   |
| Superior Background Investig                                        | June 2024...   | Pre-Employment Background      | Personnel/Recruitment        | 101-41900-355  | 1,075.00          |
| Superior Background Investig                                        | June 2024..    | Pre-Employment Background      | Personnel/Recruitment        | 101-41900-355  | 675.00            |
| Superior Background Investig                                        | June 2024.     | Pre-Employment Background      | Personnel/Recruitment        | 101-41900-355  | 596.25            |
| Superior Background Investig                                        | June 2024      | Pre-Employment Background      | Personnel/Recruitment        | 101-41900-355  | 720.00            |
| <b>Vendor Superior Background Investigations, LLC Total:</b>        |                |                                |                              |                | <b>3,066.25</b>   |
| <b>Vendor: Transport Graphics</b>                                   |                |                                |                              |                |                   |
| Transport Graphics                                                  | 301612         | Graphics for Squad 324         | Capital Outlay               | 110-41900-520  | 290.50            |
| <b>Vendor Transport Graphics Total:</b>                             |                |                                |                              |                | <b>290.50</b>     |
| <b>Vendor: WSB &amp; Associates Inc</b>                             |                |                                |                              |                |                   |
| WSB & Associates Inc                                                | April 2024     | April 2024 City Engineering Sv | Engineering Service          | 130-42000-303  | 750.00            |
| WSB & Associates Inc                                                | April 2024     | April 2024 City Engineering Sv | Engineering Service          | 130-42000-303  | 237.00            |
| WSB & Associates Inc                                                | April 2024     | April 2024 City Engineering Sv | Engineering Service          | 130-42000-303  | 1,164.00          |
| WSB & Associates Inc                                                | April 2024     | April 2024 City Engineering Sv | Engineering Service          | 412-42000-303  | 8,111.50          |
| WSB & Associates Inc                                                | April 2024     | April 2024 City Engineering Sv | Engineering Service          | 604-49400-303  | 2,689.50          |
| <b>Vendor WSB &amp; Associates Inc Total:</b>                       |                |                                |                              |                | <b>12,952.00</b>  |
| <b>Grand Total:</b>                                                 |                |                                |                              |                | <b>255,560.33</b> |

# Report Summary

## Fund Summary

| Fund                                  | Expense Amount    |
|---------------------------------------|-------------------|
| 101 - GENERAL FUND                    | 218,626.80        |
| 110 - CIP EQUIPMENT                   | 290.50            |
| 115 - POLICE DONATIONS/EXPENSES       | 300.00            |
| 130 - PAVEMENT MANAGEMENT             | 2,385.50          |
| 204 - TROLLEY                         | 117.25            |
| 205 - PARK DEDICATION                 | 38.10             |
| 250 - COMMUNITY FUND                  | 469.00            |
| 257 - FARMERS MARKET                  | 117.25            |
| 412 - 2022-23 Alley & Street Projects | 8,111.50          |
| 601 - WATER FUND                      | 2,497.25          |
| 602 - SEWER FUND                      | 19,565.93         |
| 604 - STORM WATER FUND                | 3,041.25          |
| <b>Grand Total:</b>                   | <b>255,560.33</b> |

## Account Summary

| Account Number | Account Name              | Expense Amount |
|----------------|---------------------------|----------------|
| 101-21701      | Federal Withholding       | 78,947.47      |
| 101-21702      | State Withholding         | 23,249.48      |
| 101-21703      | Fica Withholding          | 25,548.90      |
| 101-21704      | Pera                      | 34,457.67      |
| 101-21705      | Deffered Comp             | 3,272.84       |
| 101-21706      | Medical/Dental/Life/Ltd   | 9.28           |
| 101-21708      | Union Dues                | 634.50         |
| 101-21710      | Misc Deductions/Benefit   | 1,652.87       |
| 101-21711      | Employee H.S.A Contrib    | 1,162.08       |
| 101-21712      | Hcsp                      | 987.43         |
| 101-36003      | Library Expense Reimbur   | 117.25         |
| 101-41000-260  | Education/Meetings/Tra    | 167.00         |
| 101-41000-307  | Recording Services        | 894.00         |
| 101-41110-130  | Med/Den/Life/Ltd/Std In   | 2,010.96       |
| 101-41110-201  | Office Operations         | 229.01         |
| 101-41110-308  | Assessing Service         | 29.00          |
| 101-41110-351  | Printing/Publishing Servi | 586.25         |
| 101-41110-410  | Leases/Rentals            | 13.00          |
| 101-41500-304  | Legal Service - Civil     | 8,635.06       |
| 101-41515-302  | It Service                | 6,458.48       |
| 101-41515-309  | Software                  | 100.00         |
| 101-41650-130  | Med/Den/Life/Ltd/Std In   | 1,005.48       |
| 101-41650-351  | Printing/Publishing Servi | 234.50         |
| 101-41700-211  | Operations                | 215.07         |
| 101-41700-321  | Telecommunications        | 1,314.97       |
| 101-41900-130  | Med/Den/Life/Ltd/Std In   | 9,671.57       |
| 101-41900-211  | Operations                | 59.95          |
| 101-41900-217  | Vehicle Repairs/Mainten   | 10.62          |
| 101-41900-307  | Recording Services        | 142.75         |
| 101-41900-316  | Incarceration Services    | 150.00         |
| 101-41900-355  | Personnel/Recruitment     | 3,066.25       |
| 101-41900-410  | Leases/Rentals            | 8.00           |
| 101-41920-211  | Operations                | 117.25         |
| 101-41920-218  | Uniforms/Gear             | 179.90         |
| 101-41920-261  | Fire Training - Reimburse | 1,750.00       |
| 101-41920-307  | Recording Services        | 142.75         |
| 101-41940-305  | Inspection Services       | 1,185.84       |
| 101-42000-130  | Med/Den/Life/Ltd/Std In   | 1,005.48       |
| 101-42000-216  | Fuel - Vehicle/Equipmen   | 355.23         |
| 101-42000-221  | Equip Repair/ Maintena    | 2,218.70       |
| 101-42000-384  | Recycle/Organics/Clean    | 117.25         |

**Account Summary**

| Account Number | Account Name              | Expense Amount    |
|----------------|---------------------------|-------------------|
| 101-42000-410  | Leases/Rentals            | 88.22             |
| 101-42300-312  | Programming               | 557.25            |
| 101-42301-312  | Programming               | 117.24            |
| 101-42350-215  | Central Avenue Beautific  | 5,750.00          |
| 110-41900-520  | Capital Outlay            | 290.50            |
| 115-41900-570  | Equipment                 | 300.00            |
| 130-42000-303  | Engineering Service       | 2,151.00          |
| 130-42000-351  | Printing/Publishing Servi | 234.50            |
| 204-42390-352  | Trolley Operations        | 117.25            |
| 205-42350-801  | Rental Property Expense   | 38.10             |
| 250-42350-211  | Operations                | 469.00            |
| 257-42400-211  | Operations                | 117.25            |
| 412-42000-303  | Engineering Service       | 8,111.50          |
| 601-21560      | Mn Water Connect Fee      | 2,012.00          |
| 601-49400-211  | Operations                | 368.00            |
| 601-49400-351  | Printing/Publishing Servi | 117.25            |
| 602-49400-386  | Sanitary Sewer Service    | 19,565.93         |
| 604-49400-211  | Operations                | 351.75            |
| 604-49400-303  | Engineering Service       | 2,689.50          |
|                | <b>Grand Total:</b>       | <b>255,560.33</b> |

**Project Account Summary**

| Project Account Key | Expense Amount    |
|---------------------|-------------------|
| **None**            | 255,560.33        |
| <b>Grand Total:</b> | <b>255,560.33</b> |

# First 2 weeks of Music & Movies in the Park – Gateway Signs

TUESDAY, JUNE 11-----

**Generation Rock** plays classic rock hits.

**Mighty Ducks** is a cult-classic hockey movie from 1992 that was shot mostly in Minnesota.

Osseo Music & Movies in the Park

TUESDAY, JUNE 11 | BOERBOOM PARK

Music 7pm - Generation Rock    Movie Dusk - Mighty Ducks

TUESDAY, JUNE 18-----

**U CAN JUG or NOTs** is a really fun band that plays old-timey, early country, blues, pop, and gospel of the 1920's and 1930's era.

**Elemental** was released in 2023 and became a huge hit. It's about the residents of Element City, where 4 elements – Fire, Water, Earth, and Air – live together in harmony.

Osseo Music & Movies in the Park

TUESDAY, JUNE 18 | BOERBOOM PARK

Music 7pm - U Can Jug or Nots    Movie Dusk - Elemental