

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
September 23, 2024**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:00 p.m. on Monday, September 23, 2024.

2. ROLL CALL

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

Staff present: Police Chief/Interim City Administrator Shane Mikkelson, Financial Consultant Gary Groen and City Attorney Joe Sathe.

Others present.

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 Cook, to accept the Agenda as presented. The motion carried 5-0.**

5. CONSENT AGENDA

- A. Approve September 9th Council Minutes
- B. Accept Lawful Gambling Report from Maple Grove Hockey Association
- C. Accept Lawful Gambling Report from American Legion Post 172
- D. Resignation of Reserve Officer Munschik
- E. Set PSAC Meeting for October 7, 2024 at 6:00 p.m.
- F. General Election Upcoming Dates/Hours
- G. Declare Surplus Property in the Police Department

Hultstrom stated the PSAC meeting would be held on October 7 and not October 9 as previously planned, in order to accommodate its members.

**A motion was made by Hultstrom, seconded by Cook, to approve the Consent Agenda as amended.**

Hall stated on the September 9 City Council minutes, he would like the web address former Councilmember Mueller referred to for checking peoples backgrounds.

**The motion carried 5-0.**

6. MATTERS FROM THE FLOOR

A resident of Osseo expressed concern regarding moving forward with Police Chief Mikkelson as the City Administrator because he would then have control over the police department, the City and the press. He asked what the difference in the pay scale would be for an assistant city administrator versus a community development director.

Martin Duffy, with Duffy's Bar and Grill at 337 Central Avenue, thanked the Council for allowing him to speak. He explained he it came to his attention his dumpster was not behind an enclosure and it needed to be. He stated after driving through the alleyway recently, he questioned if the City was still concerned about dumpster enclosures and the beautification of Osseo. He commented on how a recent patron tripped on a City sidewalk outside of his establishment. He asked that the City look into this matter to provide a better fix on his sidewalk.

Mr. Duffy discussed the disturbance that occurred at Sipe Park last year and commented on the assistance Osseo Police received during this event, which led to five arrests and the confiscation of several handguns. He reported he fully supported the Osseo Police Department and he wanted to see the department fully funded. He commented on how he would be selling his bar to his son and he wanted this community to remain the same safe, small community that it currently was. He believed it was very important for the community to have a strong police presence in order to remain for the community to remain the gem that it was. He discussed how the entire community was sharing in the expense of property taxes that allowed for the City to provide essential services to the community.

Mr. Duffy commented on the kickball game that was held between the police/fire departments and Duffy's/Dick's Bar. He stated this was a great community event.

Kenny Nelson, 509 Third Avenue NE, expressed concern regarding how a former resident was allowed to campaign at the last City Council meeting. He recommended comments be addressed to the City Council and not people in the room. He commented on how the City used its cable fund to upgrade computers and technology at City Hall. He encouraged the City Council to consider further upgrades in the Council Chambers versus buying additional computers. He noted he attended the previous PSAC meetings and reported an investigator has never been discussed. He indicated he rewatched the meeting that was held this spring and the topic of an investigator was not discussed at this meeting either. He recalled the only time an investigator was discussed was during budget talks last year when it was noted the police department would be hiring two additional officers in 2025. He pointed out there has been a lot of talk about the number of officers the City of Osseo needs. He explained there has not been one study that shows low income housing leads to crime. He indicated there is a consensus that concentrating a large number of low income housing units without opportunities leads to crime. He reviewed the proposed rental rates for the proposed 350 unit apartment complex in Brooklyn Park. He stated 17 units would have rental rates at 30% AMI, 280 would be at 60% AMI and the remaining 52 would be 70% AMI. He indicated he was tired of the fearmongering that this apartment complex would lead to crime, rather this apartment complex would house teachers right out of college. He commented further

on how he did not believe the full time City Administrator position was included in the budget. He also expressed concern with the fact municipal cannabis had not been included in the budget.

Groen clarified 60% of the administrative positions at City Hall get charged to the general fund, 20% gets charged to water and 20% gets charged to sewer.

Joe Todd, 16 8<sup>th</sup> Avenue NE, stated he has been a resident of Osseo for 40+ years. He asked how important City ordinances were to the City Council. He commented on how people were parking vehicles in their yard and on grass. He believed City Code required vehicles to be parked on improved surfaces such as asphalt or concrete. He reported there were 25 to 30 properties that had vehicles or boats improperly parked on their property. He stated he has spent thousands of dollars in order to abide by City Ordinance to ensure his boat or trailer was not parked in grass. He requested the City ensure all properties in the community were doing the same. He indicated another concern for him was tall grass and brush. He asked that the City take the time to do proper enforcement on its ordinances.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS (Resolution)

Mikkelson stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Bob & Carl's Auto Body	\$200	Minidazzle
S.R. Hoskins Fine Jewelry	\$200	Minidazzle
Norman Lerbs	\$500	Police Department
Norman Lerbs	\$500	Fire Department
Osseo American Legion	20 Backpacks	Police Department
Lawinger Consulting	\$300	Minidazzle/Lunch w Santa
Otsego Heating & AC Inc	\$100	Minidazzle

Staff recommended the Council accept the donations.

**A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2024-58, accepting a donation from Bob & Carl's Auto Body, S.R. Hoskins Fine Jewelry, Norman Lerbs, Osseo American Legion, Lawinger Consulting and Otsego Heating & AC, Inc. The motion carried 5-0.**

B. KICKBALL GAME THANK YOU

Kintzi thanked everyone in the community for their tremendous show of support at the police/fire versus Dick's/Duffy's kickball game. He was pleased to announce the police/fire department won the kickball game. He thanked the fire department and Citywide Towing for sponsoring jerseys. He thanked Tabatha from Holiday for setting up a tent and grilling brats and hot dogs at this event. He stated he looked forward to making next year's kickball event bigger and better.

8. PUBLIC HEARINGS – None

9. OLD BUSINESS

A. APPROVE ASSISTANT CITY ADMINISTRATOR POSITION DESCRIPTION

Mikkelson stated at the June 24th meeting, the Council discussed possible ways to reorganize the administrative office. It was decided that the position of Assistant City Administrator should be brought forward. At the August 26th meeting, the position was tabled until the preliminary budget was finalized. The City previously had the position of Community Management Coordinator. The Assistant City Administrator position would incorporate all the Community Management Coordinator duties and other supervisory responsibilities. This would be a new position created in Administration that will be a full-time, salaried position.

Cook commented it was his understanding the City was not adding an additional position, but rather was restructuring a position that already existed at City Hall. He explained rather the City Council moved forward with a City Administrator or not, the Assistant City Administrator position was needed.

Hultstrom stated in the past, salaried positions at City Hall have no tracking of hours. She explained she was concerned with how many hours this individual would be working. She wanted to ensure this individual was working at least 40 hours per week. Mikkelson stated this individual would be working 40 hours per week.

Hall indicated he was concerned with the proposed pay grade. He did not believe this position warranted a \$100,000 salary to start. Mikkelson stated the proposed pay grade was in line with other Assistant City Administrator positions.

Schulz discussed the pay equity study that was completed by the City noting several positions required adjustments in order to remain equitable because the City was underpaying.

Hall supported the City taking a closer look at the pay being provided to City employees and where employees were starting out. He did not believe a starting pay should be at \$100,000 in the small town of Osseo. He wanted to see the City looking at cost reductions not cost increases.

Cook explained he supported the City Council looking at costs but noted with the restructuring, if the Council were to move forward with the dual position for the Police Chief/City Administrator, the City would be saving approximately \$127,000. He understood the City Council did not want to tax people out of the community and noted the new position would help rather than hurt the proposed budget for 2025.

**A motion was made by Schulz, seconded by Cook, to approve the job description of the Assistant City Administrator position. The motion carried 4-1 (Hall opposed).**

B. APPROVE POSTING FOR ASSISTANT CITY ADMINISTRATOR POSITION

Mikkelson stated with the job description approved, staff would like to post this job for hire. Our process will be like the search for the new City Clerk. I would expect to post this job on September 24th on the League of Minnesota Cities website with a connection to the Osseo website. We will take the first round of applications and set up interviews soon after that.

Hall questioned how staff would determine which candidates have proper work experience. Mikkelson stated this would be determined once interviews are held and previous work experience was considered. He indicated the best candidate for the job may not always be the best person on paper, but rather this would be the right fit for the community. He discussed how he would work to hire the right person in order to create a cohesive team at City Hall. He stated knowing the City was also very important to him.

Hall wanted to be ensured staff was going to review all resumes noting he was concerned about a comment that was made on cable TV.

Cook indicated the Council has to be careful when questioning the integrity of those serving on the City Council and on staff in this situation. He reported people were appointed to committees and he trusted these individuals were serving to make the best recommendations possible on behalf of the community. He understood there was a lot of talk going on in the community, but much of this talk was being taken out of context. He reported he had full faith in the Human Resources Committee and that they would make the best recommendation possible to the City Council for this position.

**A motion was made by Schulz, seconded by Cook, to approve the posting of the Assistant City Administrator position. The motion carried 4-1 (Hall opposed).**

10. NEW BUSINESS

A. APPROVE PRELIMINARY 2025 BUDGET

Mikkelson stated staff has been busy working on the preliminary 2025 City budget and tax levy. Staff met with Department Heads to generate budgetary needs for 2025. The budget is the very first draft and is subject to change many times before the final budget is approved in December. The 2025 General Fund expenditure budget totals \$4,446,600, an increase of \$433,491, or 10.80%, from 2024. The 2025 budget includes the addition of a City Administrator, an Assistant City Administrator, and a full-time fire chief (all starting January 1st, 2025) and two additional police officers, with new officer positions starting April 1st, 2025 and July 1st, 2025, respectively. It is anticipated that the Assistant City Administrator position will assume the responsibilities of the community coordinator position. The new positions and related payroll taxes and benefits account for a significant increase in the proposed General Fund expenditures. Staff summarized the highlights of the draft 2025 preliminary budget and recommended approval.

Schulz explained the City Council reviewed the budget in great detail during the worksession meeting prior to this meeting. He explained he supported the preliminary levy increase at 10.8% and noted there would be reductions between September and December.

Hall commented he asked staff to put out a document for this budget regarding how the median value home would be impacted by the proposed budget and tax levy. He explained a \$300,000 house would see a \$378.85 increase in their taxes and a \$400,000 house would see a \$549.41.

Poppe stated these were the numbers at this time, and noted every year the Council has worked to lower the preliminary tax levy.

Cook requested the Resolution be amended to state City Clerk at the end and not City Administrator.

**A motion was made by Schulz, seconded by Cook, to adopt Resolution No. 2024-59, approving the 2025 Preliminary Budget and Property Tax Levy as amended. The motion carried 4-1 (Hall opposed).**

**A motion was made by Cook, seconded by Schulz, to adopt Resolution No. 2024-60, reducing the Debt Service Tax Levies for 2025. The motion carried 4-1 (Hall opposed).**

B. APPROVE CONTRACT FOR DUAL ROLE CITY ADMINISTRATOR AND POLICE CHIEF

Mikkelson stated on September 9th, 2024 the Osseo City Council approved the permanent appointment of a dual role City Administrator and Police Chief. They directed the Human Resources Committee to meet with me to work out a contract for that position. Staff reviewed the amended employment agreement, signed copy of my Police Chief Employment Agreement and the resolution approved at the June 10th, 2024 Council Meeting. This agreement will keep the same pay and benefits as the original resolution. In the agreement, the following changes were made:

- Severance payment from 3 months to 6 months.
- 55% time spent as Police Chief with 45% time spent as City Administrator
- Flat rate increase of 4% with No Cola and No Merit based Pay raises
- Ability to go back to Police Chief if not for cause termination.

Hall reported only one other City has done this and that was the New Hope and they ended the contract. He explained he had concerns regarding conflict of interest.

Schulz indicated he understood Councilmember Hall's concern but discussed how the City Administrator reports to the City Council and was not the boss. He explained it would be the City Council's responsibility to continue to do their due diligence when making decisions. He believed the proposed agreement and the changes to the agreement were fair. He noted the severance package would only be activated if there was a negotiated departure from the City or a termination.

Hall stated he had questions about how the Police Chief's pension would be impacted. Mikkelson indicated he has had long discussions with PERA regarding this matter. He indicated as a full time City Administrator he would be losing money, but in the dual role his pension would remain as is. He explained he had spoken to the police chief's at New Hope and Corcoran who had both served in a dual role.

Schulz thanked Police Chief Mikkelson for doing his due diligence regarding this matter. He explained the HR Committee was focused on making sure the police chief would not be losing anything by taking on the dual role.

City Attorney Joe Sathe indicated he would like to make one amendment to the contract, noting the agreement should reflect there would be a severance payment from 3 months to 6 months.

**A motion was made by Cook, seconded by Schulz, to approve the Employment Agreement with Shane Mikkelson for the dual role City Administrator/Police Chief with the reflected change for severance payment from 3 months to 6 months and Section 12 added. The motion carried 4-1 (Hall opposed).**

C. AUTHORIZE ELEMENT TO PERFORM BCA COMPLIANCE UPGRADES

Mikkelson stated the BCA makes cities that are connected to state servers comply with their security measures. Element has been working with the BCA during an audit to make sure that Osseo is in compliance. The police servers are connected to the BCA for the ability to run criminal histories, drivers licenses and personal data. He reported the change was not brought to staff's attention by Element, but rather was a requirement from the BCA.

Schulz discussed how the City's cable fund was to be used on communication type expenditures. He indicated he was the president of the CCX Board of Directors and noted he was working to keep public transparency alive, stating the archival of City meetings was extremely important to him. He commented further on how previous IT upgrades have come out of the City's cable fund, noting this would also assist in reducing the impact on the General Fund.

Hall stated he had concerns with the fact this server would be moving to Crowd Strike. He indicated Crowd Strike was the server that had the airlines shut down. Mikkelson reiterated that the BCA was recommending this upgrade. He explained the BCA was not recommending Crowd Strike, rather this recommendation was made by Element. He indicated he was not aware of the previous issues Crowd Strike has had with the airlines. He reported the BCA supported the move to Crowd Strike.

Hall supported the City moving forward with this project, but suggested the City move away from Crowd Strike in the future.

**A motion was made by Hultstrom, seconded by Cook, to authorize Element to perform the BCA upgrades to the Police Server. The motion carried 5-0.**

D. APPROVE PEER SUPPORT APPLICATION

Mikkelson stated the Osseo Police Department has been working closely with Council in giving our Officers the resources to take care of their mental health. We have a Wellness Policy and now we have specially trained Officers in Peer Support. We have joined with the Champlin Police Department to assist both groups of officers with this peer-to-peer support process. We would like to add this phone app to help officers with connections to the resources we have for their mental wellbeing.

**A motion was made by Hultstrom, seconded by Cook, to approve the Three-Year Application to Peer Connect.**

Schulz requested the motion be amended to state the City Council would be approving a three year contract with Peer Connect.

**A motion was made by Hultstrom, seconded by Cook, to approve the Three-Year Contract with Peer Connect.**

**The motion carried 5-0.**

E. APPROVE ACCOUNTS PAYABLE

Mikkelson reviewed the Accounts Payable with the Council.

Hall discussed how CenterPoint Energy provided electric and not gas services in Osseo. He requested the payments made to Hennepin County be further clarified.

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

11. ADMINISTRATOR REPORT

Mikkelson reported he met with Ann Schneider and Dee Bonn to discuss senior programming and budgets. He reviewed the attendance at recent classes noting numbers were increasing over last year. He stated he was in negotiations with the Fire Chief and he would bring a contract forward when it was complete.

12. COUNCIL AND ATTORNEY REPORTS

Hultstrom thanked everyone who attended the kickball game.

Hultstrom thanked all of the candidates who were in attendance at the Candidate Forum last week.

Hultstrom stated she appreciated how the Council had come together on some issues at this meeting.

Hultstrom supported the City taking a closer look at the weed and tall grass issues in the community. Mikkelson reported he had a new officer, Officer Ryan Swanson addressing this matter and noted some clarification on the City Ordinance may be required.

Hall thanked all those who spoke during Matters from the Floor. He commented on the interesting information he found from the website that was discussed by former Councilmember Mueller.

Hall discussed the apartments being built in Brooklyn Park and noted people with low income have a right to have a place to live.



Hall stated he would like to receive an update on the cannabis contract.

Hall supported the City updating its weed ordinance.

Hall explained the school park equipment was finally finished and was being used by children.

Hall indicated the street improvement project was moving along nicely and noted the final coat should be done in a week or two.

Cook thanked the police and fire department for putting on the community kickball game. He stated this was a really fun for him to attend with his family.

Cook reported the Cannabis Committee met last week and received a presentation from the Red Pine Group.

13. ANNOUNCEMENTS

Poppe stated the Planning Commission has one open seat at this time. Those interested in serving should contact City Hall for further information.

Poppe reported City Hall would be closed on Monday, October 14 for Indigenous People Day.

14. ADJOURNMENT

**A motion was made by Hall, seconded by Cook, to adjourn the City Council meeting at 8:36 p.m. The motion carried 5-0.**

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*