

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
February 12, 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, February 12, 2024.

2. ROLL CALL

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

Staff present: City Administrator Riley Grams, Alyson Fauske, WSB & Associates; and City Attorney Mary Tietjen.

Others present: Nick Torres, City Resident; John Hall, City Resident; Ed Columbus, City Resident; Mike Danelius, City Resident.

3. PLEDGE OF ALLEGIANCE

Poppe led the Pledge of Allegiance.

4. APPROVAL OF AGENDA [Additions - Deletions]

Poppe asked for additions or deletions to the Agenda.

A motion was made by Schulz, seconded by Mueller, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Approve January 22 Work Session Minutes
- B. Approve January 22 Council Minutes
- C. Approve January 29 Work Session Minutes
- D. ~~Approve Community Center Rental Waiver Request for 150th Celebration Committee 2024 Meetings~~
- E. ~~Approve Gateway Sign Fee Waiver Request for Osseo Lions Club 2024 Events~~
- F. Accept January Fire Activity Report
- G. Accept December Osseo Maple Grove Hockey Association Gambling Report

Mueller requested Items 5D and 5E be pulled for further discussion.

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

- D. Approve Community Center Rental Waiver Request for 150th Celebration Committee 2024 Meetings

Mueller stated in the past she has pulled items off the Consent Agenda when requesting rental waivers. She explained she would be supporting this request because this committee was meeting to plan a celebration for the residents of Osseo.

A motion was made by Mueller, seconded by Hultstrom, to approve the Community Center Rental Waiver Request for 150th Celebration Committee 2024 Meetings. The motion carried 5-0.

E. Approve Gateway Sign Fee Waiver Request for Osseo Lions Club 2024 Events

Mueller stated in the past she has addressed requests for the gateway sign fee waiver. She understood the Council would be addressing the gateway sign policy at a future worksession meeting. She appreciated the great partnership the City had with the Osseo Lions, but noted the City incurs expenses in order to maintain and operate the gateway sign. She suggested the Lions pay one-half of the gateway sign fee for 2024, versus the fee being waived.

A motion was made by Mueller, seconded by Schulz, to approve a 50% Gateway Sign Fee Waiver for Osseo Lions Club 2024 Events.

Vickerman stated she would be curious to learn how each of the events sponsored by the Lions benefits the residents of Osseo. She indicated she would support waiving the gateway sign fees for the Lions because each of the events they sponsor was for Osseo residents.

Hultstrom agreed with Councilmember Vickerman. She reported the events sponsored by the Lions were for the community. She stated she was more inclined to waive the fees in full for the Lions.

The motion failed 2-3 (Hultstrom, Vickerman and Poppe opposed).

A motion was made by Vickerman, seconded by Hultstrom, to approve the Gateway Sign Fee Waiver Request for Osseo Lions Club 2024 Events. The motion carried 4-1 (Mueller opposed).

6. MATTERS FROM THE FLOOR

Nick Torres, 133 8th Avenue NE, thanked the Council for taking the time to listen and hear comments regarding the 2024 Osseo street project. He stated while everyone may not agree, he appreciated the fact the Council could agree to disagree with mutual respect. He recognized the hard work the Council and Mayor puts in to run the City's government through effective leadership. He then provided the Council with a hard copy of an email he sent to the Councilmembers last week.

John Hall, 808 3rd Street NE, stated several years ago a rental housing inspection program was discussed by the Council. He indicated two or three homes in his neighborhood were now rentals. He encouraged the Council to revisit this topic as more and more homes in the community have been purchased and turned into rental properties. He then commented on how the City of Osseo was considering a municipal

cannabis facility. He understood this could be a nice revenue stream for the community, but asked that the public be allowed to serve on the cannabis committee as well. He stated he would be willing to serve on this committee.

Mr. Hall commented on the 2024 road reconstruction project. He explained because he was retired, he has had time to walk and drive down many of the streets in the community. He encouraged the Council to consider what other funding or bonding opportunities the City had available to assist with the storm sewer improvements. He questioned why the County Road 81 Service Road was a mill and overlay when his road (3rd Street) was a total reconstruction. He urged the Council to reconsider the plans for his street. He understood that his street needed to be repaired because it was 50 years old, but he suggested the Council reconsider how this project will be funded given the high level of assessments that would be passed onto residents. He commented another option would be to put this project off for several years. Lastly, he encouraged the City to pursue funding from the State to assist with the expense of the street improvement project. He believed the Council had to take a hard look at this project and who was going to pay for it.

Ed Columbus, 101 4th Street NW, thanked the Council for waiving the gateway sign fee. While he understood the City would be incurring fees, he stated the events being hosted by the Lions were for the community. He commented on the funding and assistance the Lions provide to the City for Movies and Music in the Park and encouraged the Council to participate in these events.

Mike Danelius, 108 7th Avenue NE, explained he has had some medical concerns over the past few years. He discussed how the cost for utilities and groceries was up over 20%. He stated taxes in Osseo have increased greatly and he was on a fixed income. He commented on how families were now spending \$11,000 more per year just to survive in their household. He encouraged the City Council to reconsider pursuing the street project and cannabis shop. He suggested the Council read the articles written regarding marijuana use in Colorado and California before jumping in and selling this substance in the community. He commented further on how rising taxes were going to make it difficult for residents living on a fixed income to remain in their homes.

7. SPECIAL BUSINESS

A. ACCEPT DONATIONS

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Osseo Fire Department Relief Assc	\$10,000	Police Equipment
Duffy's Bar & Grill	\$1,000	Police Equipment

Staff recommended the Council accept the donations.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2024-12, accepting a donation from the Osseo Fire Department Relief Association and Duffy's Bar & Grill. The motion carried 5-0.

8. PUBLIC HEARINGS – None
9. OLD BUSINESS – None
10. NEW BUSINESS

A. APPROVE NEW TOBACCO AND EDIBLE CANNABINOID LICENSES FOR OSSEO DOWNTOWN LLC DBA DOWNTOWN SMOKE SHOP

Grams stated Aysar Awawda, owner, applied for a new tobacco and edible cannabinoid products licenses for Osseo Downtown LLC dba Downtown Smoke Shop located at 529 Central Avenue. He indicated that he has smoke shops in two other cities, New Hope and Northfield. Staff contacted both cities and they indicated that the licenses are in good standing and that they have had no violations. Mr. Awawda indicated that his brother will be managing the daily store operations and there will also be an assistant manager. Zoning was approved by the Community Management Coordinator. The Police Department has conducted a background investigation for the owner, which was clear. Staff collected prorated fees per city code for the remainder of the license period, from January until June 30, 2024. The Council should allow for public comment to consider approval of the licenses for Osseo Downtown LLC.

A motion was made by Vickerman, seconded by Mueller, to approve a new tobacco and edible cannabinoid products license for Osseo Downtown LLC dba Downtown Smoke Shop. The motion carried 5-0.

B. DISCUSS 2024 STREET PROJECT

Alyson Fauske, WSB & Associates, discussed the history of this project and noted two council members requested that the Council consider rescinding the January 8, 2024 vote approving the plans and specifications and authorizing the advertisement for bids. She commented on how the bid date had been adjusted by Staff. She reported it is anticipated that the outcome of the meeting will be one of the following:

1. Motion to rescind passes. The entire project is put on hold and the advertisement for bids is withdrawn.
2. The council directs changes to the project scope. The bid date is adjusted so that plans and specifications can be updated accordingly and brought back to City Council for consideration to approve. If City Council approves the updated plans and specifications, they would be provided to contractors with sufficient time provided to review the documents and prepare a bid.
3. Motion to rescind fails. The project is bid as was approved on January 8, 2024 and the addenda as directed on January 23, 2024.

Vickerman stated she supported bringing this item back for reconsideration after having discussions with staff and members of the community. She explained she sent an email to staff regarding her thoughts. She read this email in full for the record stating she did not question the professionalism of WSB, but wished the Council had been given more options. She indicated she did not see the point in tearing out roads fully and suggested

a mill and overlay project be further considered. She understood contractors were not supposed to be limited in the project or the project could be adversely impacted. She explained she appreciated how the City has been working to improve the streets, noting she has seen a vast improvement since 2009 when she moved into the community. She suggested a more in depth conversation be held regarding the options for this project to see if 3rd, 8th and 9th could be done with a mill and overlay with a high crown.

Hultstrom indicated she was the other person who asked for this item to be reconsidered. She stated before this item could be tabled, it was brought to a vote. She explained she was not comfortable with that. She commented on the plans for 9th Avenue noting the curbs along this roadway were in very good condition. She believed the Council had the responsibility to look at the options available that were not at the highest end of spending. She was of the opinion these roads could be redone through a mill and overlay without having to be fully reconstructed. She encouraged the City Council to be good stewards of the City's and taxpayers money. She indicated these streets do not have to last 50 to 80 years. She explained this was her sixth year on the Council and she has not seen one street project completed smoothly. All projects have come with concerns and she questioned if all of the information coming from the engineers was truthful. She expressed frustration with how this had negatively impacted the City and its residents. She noted the City was still paying for sod improvements from a past project from the fall of 2022. She stated she was tired of the poor quality of projects. She indicated she was tired of having to hear complaints from residents. She feared that the City was building a freeway when all that was needed was a road. She commented on how the high assessments would adversely impact residents and could possibly put herself out of her house. She recommended the City find the proper method to move this project forward in a more economically friendly manner. Lastly, she questioned why the City was considering building a 50 year old roadway over 60 year old infrastructure.

Mueller asked if Councilmember Vickerman and Councilmember Hultstrom wanted more options from WSB.

Vickerman stated she would like to see if a mill and overlay project with a high crown could be completed. She indicated she would like to see the cost comparisons and how long a project like this would last. She understood the roads were bad and need to be redone, but she wondered if a full reconstruction was necessary given the fact the sewer and water lines were not being replaced.

Poppe asked if Ms. Fauske could address the questions that have been raised.

Ms. Fauske commented on the corings that were taken for the project area. She stated the corings show all but one of deterioration from the bottom up. She indicated the concern with a mill and overlay project would be if there was enough strength left in the remaining material to support the traffic on the roadway. She explained another concern from the cores was that some of the pavement was quite thin and would not support a mill and overlay project. She stated another option that has been presented to the Council was the reclamation with a stabilizer. She reported the pavement section she was proposing met City standards. She commented the City could reconsider their standards and she could help guide the Council through these options.

Vickerman asked Staff to speak to the letter the Council received and if any of the proposed options could be pursued. Ms. Fauske stated from the corings and because of the bottom up deterioration, she was not recommending a mill and overlay project.

Poppe questioned how long a mill and overlay project would last. Ms. Fauske stated a mill and overlay project was not proposed because the base could crumble when the top was milled away.

Hultstrom asked if cores were taken from the County Road 81 frontage road. Ms. Fauske reported cores were taken from this roadway. She reported the recommendation for this roadway was for a mill and overlay. Grams explained the City did not want to build this roadway to last 40 or 50 years given the fact the County may be coming in and making changes to County Road 81, which would change the alignment of the frontage road.

Vickerman inquired what the timeline would be to see a new report with a different paving method for this project. Ms. Fauske discussed the project timeline noting she could have new plans for the Council to consider on March 11. She indicated if the Council wanted to see more information in order to provide direction or if the scope were changed, she may need two more weeks to gather the information requested.

Vickerman stated this is what she would like to see. She wanted to compare the options side by side.

Hultstrom commented she did see an expert in the fields opinion that other things could be done. She reported this was a big disconnect for her. She stated she had a really hard time basing a decision on plans that may not be factually accurate, especially when a tree was included in the plans, that was not on the street. She expressed concern with the fact the only option that was being presented to the Council was the option that was the highest cost. She indicated she needed to see more options.

Ms. Fauske apologized for misspeaking at the January 8 meeting with respect to the tree. She understood the tree was no longer in place.

Hultstrom stated she was in favor of rescinding the motion from the January 8 meeting and would like to direct Staff to provide the Council with more options and price comparison information that was economically and environmentally sound.

City Attorney Tietjen explained she had drafted a Resolution to this effect and advised it would take three affirmative votes in order to pass this Resolution.

Ms. Fauske asked if the motion to rescind were to pass, would she have to rebid the project in its entirety or could she make changes through an addendum. City Attorney Tietjen stated this would depend upon the direction provided by the Council.

A motion was made by Hultstrom, seconded by Vickerman, to adopt Resolution No. 2024-13, rescinding approval of the Plans and Specifications and Authorizing Advertisement for Bids for the proposed 2024 Street Reconstruction & Rehabilitation Project.

Mueller asked if Councilmember Hultstrom would like an outside engineering firm, other than WSB, to be brought in to provide the Council with an opinion on this project.

Hultstrom stated she did not believe this was necessary. She wanted to see specs that have other options than a total reconstruct.

The motion carried 3-2 (Schulz and Poppe opposed).

Poppe questioned how Staff should proceed.

Vickerman stated she would like to have Staff provide the Council with figures and specifications based on the contractors opinion in order to allow the Council to compare options.

Poppe indicated this would move the project to 2025. Grams cautioned the Council, noting bonds have already been taken out for this project and these need to be spent by August of 2025. He anticipated if the project were pushed to 2025, the project would not be substantially complete until October of 2025.

Ms. Fauske stated she would review the two letters the City received from contractors and would reconsider the street plans with a mill and overlay and a reclamation with a stabilizer.

C. APPROVE 2024 UTILITY RATES

Grams stated the City of Osseo annually sets rates for its water, sanitary sewer and storm water utilities. The proposed rates for 2024 are based on the utility rate study Ehlers completed in 2023 and the inflationary increases recommended in that study. She described the changes that were made in 2023 to advance water affordability and commented on the Council's policy goals for all utilities. He detailed the proposed water, sanitary sewer and storm sewer rates and recommended approval of the rates for 2024.

Hultstrom asked if any of these rates had taken into consideration the \$1.6 million the City received on December 26. Grams stated the utility study did not take this into consideration because the funds have not yet been received. He reported the next review of the City's utility rates would reflect this funding.

Hultstrom indicated she had a hard time raising utility rates when the City does not know the impact of this funding.

Vickerman questioned when the City would be receiving this funding. Grams stated he anticipated the City would receive this funding this year, but it was a timely process.

Poppe indicated these funds would only impact sanitary sewer funding.

Vickerman stated the City had to set its rates based on the funding it currently had and not what it may have in the future, in order to keep the sanitary sewer fund healthy. She explained she supported the utility rate increases as recommended by Staff.

A motion was made by Vickerman, seconded by Mueller, to adopt Resolution No. 2024-14, setting sanitary sewer user fees in 2024. The motion carried 4-1 (Hultstrom opposed).

A motion was made by Vickerman, seconded by Mueller, to adopt Resolution No. 2024-15, setting storm water utility fees in 2024. The motion carried 4-1 (Hultstrom opposed).

A motion was made by Vickerman, seconded by Mueller, to adopt Resolution No. 2024-16, setting water user fees in 2024. The motion carried 5-0.

D. CLOSED SESSION – DISCUSS PURCHASE AGREEMENT FOR 33 2ND STREET NE

Grams recommended the Council motion to move into closed session, pursuant to Minnesota Statutes, Section 13D.05, subd. 3(c)(3), to discuss offers for purchase of a property located at 33 2nd Street NE.

A motion was made by Hultstrom, seconded by Vickerman, to move into Closed Session pursuant to Minnesota Statutes, Section 13D. 05, subd. 3(c)(3), to discuss offers for purchase of a property located at 33 2nd Street NE. The motion carried 5-0.

The Council moved to a Closed Session meeting at 8:17 p.m.

The Council meeting reconvened at 8:48 p.m.

E. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

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

Poppe stated City Hall will be closed on Monday, February 19 for President's Day.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Mueller, to adjourn the City Council meeting at 8:49 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial