

**OSSEO CITY COUNCIL
WORK SESSION MINUTES
November 25, 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, November 25, 2024.

2. ROLL CALL

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

Members absent: Councilmember Juliana Hultstrom.

Staff present: City Administrator Shane Mikkelson, Financial Consultant Gary Groen, and City Attorney Mary Tietjen.

Others present.

3. AGENDA

Council agreed to discuss the work session items.

4. DISCUSSION ITEMS

A. DISCUSS 2025 CITY BUDGET AND TAX LEVY

Mikkelson stated the staff and the Budget Committee have been busy working on the 2025 City budget and tax levy since the Council Work Session on September 23rd 2024. At the September work session, the 2025 General Fund expenditure budget totaled \$4,446,600, an increase of \$433,491, or 10.80%, from 2024. There was a levy increase of 530,168 which was an increase of almost 22%. The current proposed budget is 4,193,780 which is a decrease of \$252,820 and that creates a 4.5% increase from 2024. The Tax Levy has been cut \$400,520 which causes a decrease in the levy from 22%, down to 5.32%.

Mikkelson reported the 2025 budget includes an Assistant City Administrator, and a full-time Fire Chief, and two additional police officers, with new officer positions starting July 1, 2025 and October 1, 2025, respectively. The new positions and related payroll taxes and benefits account for a significant increase in the proposed General Fund expenditures. Staff reviewed the changes that had been made to the budget and tax levy September 30th.

Groen explained this proposed budget does include several large expense increases for 2025, most notably in the Public Safety area. (increase in Police Department staff). These items have been discussed by the Council several times recently, and direction

was given to staff to include these costs in the draft 2025 budget. Staff met with the Council Budget and Finance Committee prior to this Council Work Session. It was noted later tonight the city will hold the 2025 Truth in Taxation public hearing. Based on any revisions tonight we will have the final budget and tax levy approved by the Council at the December 9th meeting. Staff commented further on the proposed budget and tax levy and asked for comments or questions from the Council.

Poppe requested staff speak to how employee benefits will be increased in the coming year, even though there was a reduction. Mikkelson stated the preliminary budget showed all employees at the max benefits. He explained currently there is only one person on family coverage and everyone else takes single. He proposed everyone be provided with \$1,475 to cover health and dental insurance, noting this would allow employees to opt in on the City's coverage, or to find their own insurance in the open market. He stated this would be a huge employee retention tool for the City.

B. DISCUSS CITY ADMINISTRATOR/POLICE CHIEF REVIEW PROCESS

Mikkelson stated in past years the City Council would have an annual review of the City Administrator at the last Council Meeting of the year. The written materials would be sent to the Council before that meeting and the written materials would be sent to the Human Resources Committee for totaling the points given to the Administrator. There would be a closed session where the Council would conduct the review. I was following this process when I sent out the forms to the entire Council on 11/19/2024. Since sending that email, I have received some questions about the current process and if that fits with my current role. Some of the questions include if the review should be pushed to 2025 and done after I work for a full year, does this process also cover the Police Chief Review and should the current process be changed to better fit the current roles I am filling. He asked for feedback on how the Council would like this process to move forward.

Cook was of the opinion reviews and feedback were always a good thing. However, he agreed the timing of the review was not right at this time.

Poppe stated the Council also had to consider how often to conduct reviews going forward.

Schulz commented he saw benefit in allowing more time to pass prior to conducting a review. He believed the City's merit based pay system was working well, but he understood the Police Chief/City Administrator was on a different pay system. He indicated he would support pushing the review out to 2025 and suggested the HR Committee make a recommendation on when the review should be held.

Cook supported the suggestion to have the HR Committee make a recommendation on when the review will be held for the City Administrator.

Council consensus was to have the HR Committee make a recommendation to the City Council on when the review should be held in 2025.

5. ADJOURNMENT

The Work Session adjourned at 6:29 p.m.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial