

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
November 25, 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, 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, Lieutenant Kintzi, Assistant City Administrator Alicia Vickerman and City Attorney Mary Tietjen.

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 Schulz, seconded by Cook, to accept the Agenda as presented. The motion carried 4-0.

5. CONSENT AGENDA

- A. Approve November 12th City Council Minutes
- B. Receive November 18th Planning Commission Minutes
- C. Accept Fire Department Resignation – Ty Domben
- D. Receive Fire Report – Monthly
- E. Accept Osseo Lions Gambling Contribution
- F. Accept Osseo Maple Grove Hockey Gambling Contribution
- G. Accept American Legion Post 172 Gambling Contribution
- H. Accept Osseo Fire Relief Gambling Contribution

A motion was made by Schulz, seconded by Cook, to approve the Consent Agenda. The motion carried 4-0.

6. MATTERS FROM THE FLOOR

Martin Duffy, 337 Central Avenue, stated last time he spoke with the Council he discussed the birthday party over at Sipes Park. He indicated after this event he thought about showing support for the police and fire department. He explained he had signs made up that state "We Support all in Uniform". He reported if anyone would like to put a sign along Central Avenue, he had additional signs available at Duffy's Bar & Grill. He stated the new barber shop down on Highway 81 was a great place. He encouraged the public to check out this new business in the community. He commented on the alleyway project that would be completed behind his business and asked what this project would cost his business. He asked that the alleyway project be pushed off until he had paid off his Central Avenue assessment. He further discussed how there was a need for more parking in the downtown business district.

A resident from Osseo stated at the last meeting Item 10D – Accounts Payable on Page 66, it looked like there were three charges that were exactly the same for the MPCA. He asked that staff and the Council look into this. He commented on the cannabis retail sales might be pushed out to 2026. He asked that the proposed Ordinance be concise and that clear direction be provided to the police department. He recommended reviews for the City Administrator/Police Chief be conducted more often, given the fact he was under investigation. He discussed several concerns he had with how squads were parking in the community while on calls without any lights on. He recommended the all of the businesses in Osseo be celebrated next year during the 150th Anniversary Celebration.

Hall reported the three expenses under Accounts Payable at the last meeting were exactly same because it was payment for three public works employees to attend training with the MPCA.

7. SPECIAL BUSINESS – None

8. PUBLIC HEARINGS

A. PUBLIC HEARING ON 2025 ALLEY PROJECT – Alyson Fauske, WSB (Resolution)

Mikkelson stated the City Council accepted the feasibility report for this project on October 28, 2024 and called for the improvement hearing to be held on November 25, 2024. The 2025 Alley Reconstruction Project consists of alley improvements throughout the City. The alleys included in the project are:

- 2nd St NE, 6th Ave NE, 3rd St NE, and 7th Ave NE (Alley 1)
- 1st St NE, 6th Ave NE, 2nd St NE, and 7th Ave NE (Alley 2)
- Broadway St NE, 6th Ave NE, 1st St NE and 7th Ave NE (Alley 3)
- 3rd St NE, 5th Ave NE, 4th St NE, and 6th Ave NE (Alley 4)
- 2nd St NE, 5th Ave NE, 3rd St NE, and 6th Ave NE (Alley 5)
- Broadway St NE, 5th Ave NE, 1st St NE, and 6th Ave NE (Alley 6)
- 3rd St NE, 4th Ave NE, 4th St NE, and 5th Ave NE (Alley 7)
- 3rd St NW, 1st Ave NW, 4th St NW, and Central Ave (Alley 8)
- 2nd St NW, 1st Ave NW, 3rd St NW, and Central Ave (Alley 9)

Ms. Fauske reported alley improvements consist of replacing the existing bituminous or concrete pavement with concrete pavement. Staff commented further on the proposed

improvements for each alleyway. It was noted at the October 28, 2024 meeting there was discussion about replacing some of the panels in the commercial area instead of a full reconstruction of the alleys. Public Works indicated that the overall condition of these alleys is poor: cracks are being filled with asphalt, and snow plows are hitting the cracks and causing further damage. Proposed assessments for both the residential and commercial properties were reviewed with the Council. It was noted staff held a neighborhood open house on November 7 where five residents were in attendance and two comment cards were received. Staff commented on the project further and requested the Council hold a public hearing and order the improvements and direct staff to prepare plans and specifications.

Hall stated there was \$400,000 remaining in 2022 bond funding that would be used for this project. Rebecca Kurtz, Ehlers & Associates, reported this was the case. She explained there have been discussions on how this funding can be used. She explained there had been talk about using these funds to assist with reducing the impact of the 2025 levy.

Hall commented it was his understanding the funds would be used on this project because the bonds were for streets and alleyways. He supported at least 80% or more of the remaining bond funds being used for this project.

Schulz reported some of the unspent bond funds were used to off set the previous annual bond payments. He asked how much the City spent on bond payments each year. Ms. Kurtz estimated this to be \$130,000.

Schulz stated this meant the City had already spent a portion of the unspent bond funding. Mr. Kurtz explained some bond payments had to be made. She estimated the City had \$350,000 remaining in unspent bond funding.

Schulz stated the Council commented on the debt service the City was required to pay. He recalled the Council discussing the use of the unspent bond funding in order to keep the levy down. He indicated he could support the use of some of the unspent bonds to pay down the expense of the alleyway project, but he also did not want the Council to forget its other obligations.

Hall reported the City can only assess for the amount in which a property value increases. He stated he was concerned that property values may not increase \$7,000 to \$8,000 through the proposed alleyway improvements. He recommended the City Council use the remaining \$300,000 to assist with reducing the assessment amounts, noting this would directly benefit the property owners.

Cook stated he was somewhere in the middle for this project. He understood it was important to look at the long-term big picture. He did not want to see the City getting into difficult situations when it comes to finances, but he also understood the City was working to minimize the impact of both assessments and the tax levy on residents. He explained he would be interested in better understanding what it would mean if \$300,000 in City funding was put into the alleyway project and how this would look down the line.

Schulz explained he did not disagree some of the funding should be used, but he wanted to ensure that the Council understood what this cost would be long term.

Cook asked when the Central Avenue assessments would be paid off.

Poppe reported these assessments would be paid off in 2029.

Schulz indicated he was going to recommend pushing the commercial alley off until 2030.

Cook supported this recommendation.

Schulz commented he wanted to make sure the Council was considering how a precedent could be set, because there would be a next project. He indicated if the Council were to go through with the design phase, the Council would still have an opportunity to not go through with the project.

Hall agreed the commercial district alleyway should be held off until 2030.

Cook asked if it made sense to table action on this item given the fact one Councilmember was absent and the Council needed a super majority for this item to move forward.

Hall indicated he would like to have more numbers on the finances prior to moving this item forward.

Schulz stated at this time he could support this item moving forward, ordering the improvements, with the understanding more work was needed on the finances/assessments.

Ms. Fauske provided further information on the approvals and project timeline for clarifications purposes for the Council.

Cook inquired if removing the commercial alleyway would impact the pricing for the remaining alleys. Ms. Fauske stated she did not this would have a large impact on pricing.

Schulz explained the removal of the commercial alleyway would assist with reducing the design costs for the City.

A motion was made by Schulz, seconded by Cook, to open the Public Hearing at 8:02 p.m. The motion carried 4-0.

A resident from Osseo asked when the City would be planning to do any other project on the streets that were being torn up in order to tie the storm sewer together. He explained the Council was stating there were two more chances to review and deny the project, but stated the Council has not taken this action in the past.

Poppe clarified for the record, the Council had gotten bids on a project in the past, the bids came in too high and the project was canceled.

Hall reported the City Council listened to the residents with the 2023 street project and completed a mill and overlay instead of a full reconstruction project.

J. Todd, 8th Avenue, asked why the alleyway assessments were more than the cost to replace a residential street, curb and gutter. He was of the opinion alleyways did not have to be concrete.

Martin Duffy, Duffy's, questioned how long the concrete lasted before it had to be patched. He asked what the pricing difference was between concrete and asphalt.

A motion was made by Schulz, seconded by Hall, to close the Public Hearing at 8:08 p.m. The motion carried 4-0.

Ms. Fauske commented on how asphalt was not used to convey water and for this reason, this was the reason concrete was recommended for alleyways. In addition, she noted it was very difficult for contractors to lay asphalt that was less than 1% of a grade.

Hall asked if an alleyway had to be thicker than a roadway. Ms. Fauske reported she could research and report back to the Council on this matter.

Schulz recalled that the lifespan of an alleyway was 50+ years because it was concrete, which would be different if the City were to proceed with asphalt alleyways. She commented on how if asphalt were to proceed, additional costs for patching would be necessary.

A motion was made by Schulz, seconded by Cook, to adopt Resolution 2024-66, ordering improvements and preparation of plans and specifications for the proposed 2025 Alley Reconstruction Project without Alleyways 8 and 9 and directing staff to investigate how the bond funding would assist with reducing assessments. The motion carried 4-0.

B. TRUTH IN TAXATION HEARING

Mikkelson explained the City Council would be holding the Truth in Taxation hearing at this meeting for the City portion of taxes proposed for 2025. He discussed what determines the City portion of a residents property taxes. He reported the average homeowner in Osseo was valued \$285,000 and stated property values were set by the Hennepin County Tax Assessor. He indicated the preliminary tax levy shows an increase in the tax rate from 64.80% to 69.90% which was an increase of 5.16%. He explained staff has worked with the City Council to reduce the proposed budget since September and reductions have been made. He described how property tax dollars were split between the City, County, Met Council and the Osseo School District. He commented on how a median value homeowner would be impacted by the proposed tax levy. He reported City taxes would be increasing because the two police officers were being added, full time staff medical and dental insurance costs were increasing, a full time fire chief was added, public safety and fire expenditures increased by 18.72%, and public works costs increased by 14%.

A motion was made by Cook, seconded by Hall, to open the Truth in Taxation Public Hearing at 8:29 p.m. The motion carried 4-0.

A resident from Osseo stated the budget did not include any funding for the 150th Anniversary Celebration. He encouraged the Council to put funding aside for this event.

Poppe stated the City was currently taking donations for this event.

A resident from Osseo questioned what would happen if the City were to lose its City Administrator due to the internal investigation. He asked how this would impact the 2025 budget.

Poppe explained the Council would have to address this issue, if it were to occur.

A motion was made by Hall, seconded by Schulz, to continue the Truth in Taxation Public Hearing to the December 9, 2024 City Council meeting. The motion carried 4-0.

9. OLD BUSINESS

A. Second Reading and Adoption of Cannabis Registration Ordinance (Resolution)

Mikkelson stated the Council has discussed Cannabis and Hemp Registration Ordinance at the 09/30/2024 and 10/28/2024 work sessions. The Council gave direction to staff and have now applied that direction and created an Ordinance. The Council approved the first reading of the Cannabis and Hemp Registration Ordinance at the 11/12/2024 Council Meeting. We are asking the Council to approve the 2nd reading and adopt the Cannabis and Hemp Registration Ordinance.

City Attorney Tietjen reported the blank within the Ordinance would be replaced with a reference to Chapter 153 of the City's zoning code.

A motion was made by Cook, seconded by Schulz, to adopt the Second Reading of Ordinance No. 2024-04, adding a new Chapter 119, to Title XI of the City Code regarding registration of Cannabis and Hemp Businesses and related regulations with the correction noted by staff. The motion carried 4-0.

A motion was made by Schulz, seconded by Cook, to adopt Resolution 2024-67, approving the summary publication of Ordinance No. 2024-04. The motion carried 4-0.

10. NEW BUSINESS

A. APPROVE FIRST DUE AGREEMENT WITH OSSEO FIRE DEPARTMENT

Fire Fighter Blaine Anderson stated previous discussion with the City Administrator and the City Accountant on the need to replace our outdated "Image Trend" platform/system, which tracks all incidents, training, activities and time for the Osseo Fire Department. All input and tracking is currently done manually by the Administrative Assistant. This requires Hennepin County incident look up and recording. Under this new platform, data is automatically transferred from one system to First Due, eliminating 15

hours per month of manual entry. Additionally, there is no opportunity for error compared to manual entry. The cost associated with this implementation is in the 2025 budget.

Schulz questioned what the yearly subscription rate would be for the new system. Blaine reported the one time fee for the program would be \$2,100 and the rate next year would be \$6,400 for the entire package.

A motion was made by Cook, seconded by Schulz, to accept the agreement for the First Due platform. The motion carried 4-0.

B. APPROVE RATE CHANGE WITH ELEMENT TECHNOLOGY FOR IT COVERAGE

Mikkelson stated the City first partnered with Element Technologies beginning in October of 2017. Since then, Element has provided technology support and IT services to the City under the same contract. I was contacted by Brad Johnson with Element Technologies, and I was given an analysis of the cities' use of Element for IT work. This Analysis showed an increase is under contract work for 2024. Element has asked for a rate increase in the monthly amount paid to cover the increase in costs associated with our contract. The monthly amount will change from \$2,872 per month or \$89.77 per workstation to \$3,136.15 per month or \$98.00 per work station.

Hall asked if the proposed increase was included in the 2025 budget. Mikkelson reported this was the case.

Schulz explained the proposed cost was less than a full time IT individual, which was the reason the Risk Assessment Committee recommends the City contract these services. He stated he appreciated how attentive Brad with Element was to the City and the City's needs.

A motion was made by Schulz, seconded by Cook, to approve the increase in pricing for IT services with Element Technologies. The motion carried 4-0.

C. APPROVE PURCHASE OF 2025 DODGE DURANGO PURSUIT FOR THE POLICE DEPARTMENT

Kintzi stated on November 16th, squad 120, (2020 Ford Police Interceptor) was involved in a rear-end collision and was totaled by insurance. This vehicle would be a replacement for the squad we lost and would bring our fleet back up to 7 vehicles. When looking at available police vehicles on the market on the state contract, the Dodge Durango Pursuit was the most cost-effective option. This would also keep our fleet universal since we purchased Dodge Durango's last year. The 2025 Durango will be a fully marked patrol car and will be specked out the same as our 2024 fleet. Also, our intentions are to re-use as much of the equipment as possible such as radar, radio, camera system, and some emergency lighting from our totaled Ford to keep the upfitting cost down.

Hall asked if the City had received all monies from the insurance companies for the vehicle that was totaled out. Mikkelson explained the vehicle has been looked at, but the police equipment still has to be sorted out. He reported staff was coming forward

with this purchase because this vehicle was on the State bid and if the bid was not put through prior to the end of the year, the City may have to wait another year for this vehicle. He explained there was funding within the budget for the purchase of a new squad car and he was proposing to use this funding and pushing the purchase of his new squad car back. He stated he had been told it would cost over \$36,000 to fix the damaged squad car.

Hall indicated the City would not be spending any money on the new vehicle until the vehicle was delivered. Kintzi reported this was the case. He anticipated delivery would occur in May or June of next year.

Hall suggested the police department consider having loss of use insurance. Mikkelson stated in the last two months the departments squads have hit two deer and there was an incident with an alleged drunk driver.

A motion was made by Cook, seconded by Schulz, to approve the purchase of a 2025 Dodge Durango Pursuit police vehicle.

Schulz commented the CIP was created to assist with planning for future purchases. He appreciated the fact the City had funding in place for this squad car until insurance funds were received.

The motion carried 4-0.

D. APPROVE ACCOUNTS PAYABLE

Mikkelson reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT

Mikkelson reported the City received additional information on the winter coat drive. He explained coats were being collected at the Osseo Police Department through December 15.

Mikkelson explained he and Officer Zitzlsperger will be bringing the Toys for Tots donations down to Golden Valley on December 13.

Mikkelson stated the Osseo Police Department would be participating in Shop with a Cop with the Champlin Police Department this year. He reported donations would be used to fund this new event.

Vickerman thanked Administrator Mikkelson and the rest of the staff for welcoming her.

12. COUNCIL AND ATTORNEY REPORTS

City Attorney Tietjen reported the Office of Cannabis Management was on pause for this time which meant there would be delays in getting licenses out to cannabis retailers.

Hall stated the Park and Recreation Committee would be meeting on December 2 at 6:00 p.m. He recommended this committee consider putting bituminous down under the hockey rink at the old elementary school.

Hall encouraged residents to check in on their residents and the veterans in their life.

Cook thanked Ty Domben for his time with the Osseo Fire Department.

Cook reported the Cannabis Committee would be holding a meeting with the Red Pine Group on Tuesday, November 26.

Cook encouraged the public to get out and support local Osseo business on Small Business Saturday, which would be held on Saturday, November 30.

Cook thanked all of the officers within the Osseo Police Department for their dedicated service to the community.

Schulz wished everyone a Happy Thanksgiving.

Schulz thanked the Osseo police officers for all they do on behalf of the community and stated he was thankful all officers were able to go home after the recent accident.

13. ANNOUNCEMENTS

Poppe stated City offices would be closed on Thursday, November 28 and Friday, November 29 for the Thanksgiving holiday.

Poppe reiterated Small Business Saturday would be held on Osseo on Saturday, November 30.

Poppe encouraged residents to attend Osseo's Minidazzle on Friday, December 6 from 6:00 p.m. to 8:00 p.m. as well as Lunch with Santa on Saturday, December 7.

14. ADJOURNMENT

A motion was made by Schulz, seconded by Cook, to adjourn the City Council meeting at 9:02 p.m. The motion carried 4-0.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial