

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
February 26, 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 26, 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, Police Chief Shane Mikkelson, Alyson Fauske, WSB & Associates; Rebecca Kurtz, Ehlers & Associates; and City Attorney Mary Tietjen.

Others present: Scott Duimstra, Hennepin County Library Director; Amy McNally, Hennepin County Library Deputy Director; Ed Columbus, City Resident; Jason Butler, City Resident; John Hall, City Resident; Denise Polich, City Resident; Linda Nygard, City Resident; Megan Hoehen, City Resident; Lewis Owen, City Resident; Lisa Pelk, City Resident; Margaret Langston, City Resident; Mary Reistad, City Resident; Patti Hetrick, City Resident; Jason Alexander, City Resident; Bob Johnson, City Resident; Preston Kroska, 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 Vickerman, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

- A. Receive February 12 EDA Minutes
- B. Approve February 12 Council Minutes
- C. Accept Resignation of Administrative Assistant Karen Broden
- D. Receive January American Legion Gambling Report
- E. Receive January Osseo Lions Club Gambling Report
- F. Receive January Hockey Association Gambling Report

Hultstrom requested a change to the February 12 Council Minutes, noting her comment on Page 11 should say she did instead of she didn't.

A motion was made by Schulz, seconded by Vickerman, to approve the Consent Agenda as amended. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

John Hall, 808 Third Street NE, spoke to the Council regarding an email from Nicolas Torez. He explained Mr. Torez was taking his bar exam and was not able to attend this meeting. He provided a paper copy of the email to the City Administrator, City Attorney, Mayor and all Councilmembers. He then provided the City Administrator, City Attorney, Mayor and all Councilmembers with a print out from the League of Minnesota Cities regarding special assessments. He explained special assessments are to be set regarding added value. It was his hope that residents would contest their special assessments because he did not believe the City could raise property values \$11,000 to \$17,000 if the streets are improved. He noted he would be taking the City to court if the City were to move forward with the street improvement project. He explained he has already contacted an attorney. He anticipated a number of his neighbors would be doing the same thing. He commented on how this would cost the City a great deal of money in the long run. He encouraged the City to not pursue special assessments for the proposed street project. While he understood 8th, 9th, 3rd and 1st needed to be improved, he questioned if the City needed to reconstruct the entire roadway and curbing. He encouraged the Council to visit 3rd Street and 9th Avenue to see if the curbing needed to be replaced. He stated just because something was old did not mean it had to be replaced. He asked that the Council show him where 20% of the curbing was bad. He suggested the storm sewer taxing district funding be used to replace the curbs that were bad. He expressed concern with the fact the City would be mill and overlaying the Highway 81 service road versus a full reconstruction. He did not anticipate the City could wait to reconstruct the service road until 2050, which would align with the County's plans. He commented on how he had reviewed his deed and there was no record of City right of way. He recommended the City investigate this further. He discussed the number of water and sewer line breaks in the project area.

Mr. Hall commented on the improvement project that was proposed along Central Avenue. He explained the City was told that excessive salt use on pavers would deteriorate them. He stated it was apparent where excessive salt had been used along Central Avenue because the pavers had deteriorated. He reported when the pavers were approved, there were two members on the Council that were not 100% in support of the pavers. However, he was out voted and went along with the project. He explained the City would now have the best streets at 1st, 3rd, 8th and 9th and Central Avenue would be piecemealed. He commented on how Central Avenue should have been stamped concrete. He discussed how one Councilmember has been talking about past Council's financials. He noted the City has the same auditor, bond counsel and financial advisor. He noted the State Auditor and the City was not going bankrupt. He wanted the record to be corrected.

Mr. Hall reported the State does not do back pay when it comes to sewer funding. He anticipated the City would not receive \$1.6 million because the City's project had already been completed. He believed this was unfortunate because sewer rates would now have to increase for residents. He provided Staff with a handout and then reviewed the amount of sales tax the City collected in the previous year. He commented on how a 1% sales tax increase would impact the City. He noted the Council could not proceed

with a municipal sales tax increase due to the fact the State had a moratorium in place. He urged the Council to consider pursuing a municipal sales tax to assist with funding a public safety building in the future. He stated this may be a possible positive revenue stream for the City. He explained he would like to know more about the profits that could be made from municipal cannabis sales.

Mr. Hall then read a letter in full to the Council stating he would like to be notified of all meetings, special meetings, and committee meetings that concern the Council. He then read open meeting law requirements for the record.

Denise Polich, 825 Third Street NE, contested the special assessment proposed for her property. She explained she has been told her assessment could be as high as \$17,000 which she believed was too high for improving her street, given the current state of the economy. She encouraged the City to keep the existing curbs and consider pursuing a mill and overlay project. She urged the Council to consider how a \$17,000 assessment would impact residents in Osseo.

Bob Johnson, 201 Eighth Avenue NE, expressed concern with the fact the Council could throw out an arbitrary number of \$11,400 for a special assessment to replace the street. He noted there are other options available to the City versus a full reconstruction of the street. He explained Mr. Torez was his neighbor and he has spoken with him regarding this project. He indicated he was retired and he does not have \$11,400 to spend on a new street. He stated he has other needs much more important than a new street. He questioned how the Council could approve a project like this and expect the residents on the street to pay. He requested the Council to find another way to move this project forward.

Preston Kroska, 601 Second Avenue NE, stated in the past he has had public record requests and he has been denied. He explained he was going to make a public records request at this meeting. He questioned what was said in a closed meeting that the citizens do not know about the purchase of a \$725,000 building. He asked what the retrofit costs would be for this building. He stated before the Council votes to approve this purchase he wanted the Council to be transparent. He believed the City Administrator put this purchase on an agenda for a closed meeting and not the Council. He understood the City Administrator makes recommendations on behalf of the City Council. He believed the wording should be changed so the City was doing things properly.

Mr. Kroska indicated he did not know much about the 2024 street project, but he recommended sidewalks not be pursued. He then turned his discussion back to the public records request and asked for information regarding the water main break on 2nd Avenue NE, which was part of the 2020 Street Improvement Project. He wanted to know how much the cost was to fix the break, how much water was lost, and what caused the break. In addition, he requested information regarding the City Administrator's salary and benefits. He stated he had requested this information in the past and the request has been denied.

Kenny Nelson, 509 Third Avenue NE, stated he has attended these meetings for the past two months and he was tired of hearing about the complaints from residents urging the City to find another way, when it came to the street improvement project. He explained

he has watched every Council meeting since 2010 on the City's website. He stated in 2010 the City did not have the money to do street improvement projects which meant projects were assessed at over 70%. Since that time, the City put a financial plan in place that residents would pay 50% for streets and 70% for alleyways. He commented on how several Councilmembers have paid assessments under the current assessment policy. He reported he has paid close to \$13,000 in assessments since moving to the City four years ago. He stated everyday the City delays this project, the higher the bids will go. He discussed how when bids are put out early the bids come in more favorable for the City. He indicated he does not want the residents to pay more, but the longer residents drag this out, the more this project would cost in the end. He stated construction costs would not be getting cheaper. He explained he did not like to be the bearer of bad news, but he noted every resident in Osseo does not want to pay an assessment for their street, but this the rules that had to be followed for living in this community. He commented further on how the curbs were replaced on his street with a curb machine.

Mr. Nelson reported he was extremely disappointed with the worksession meeting. He indicated he has been told to come to the City with his concerns. He stated he first attended a Council meeting four years ago when his street was being redone and he had concerns regarding the sidewalks. He was told by the City that the sidewalks would pay for themselves because the street would be narrowed. He later learned that no money was saved by narrowing the street. He commented on how the residents pushed to learn more about the cost of the sidewalks and finally learned that the sidewalks would cost \$60,000 or \$500 per assessed unit within the street project.

Mr. Nelson discussed how the costs for the police department have increased over the past 10 years. He commented on how the police department had moved from an older home into City Hall. He explained the City spent \$1.5 million to renovate City Hall to include a police station. He indicated the City still owes \$600,000 on this bond and was now talking about building a new City Hall and Public Safety building. He questioned why the Council was considering the purchase of a \$725,000 building. He believed the City did not have a revenue problem, but rather the Council has a spending problem. He questioned why the police department now needed 13 full time officers and three officers on duty at all times, when the previous promise was to have two officers on duty at all times. He expressed concern with the fact the City was considering a municipal marijuana dispensary. He stated the proposed building was too large for municipal marijuana and indicated the public wanted more information regarding this purchase.

Mr. Nelson indicated he was now having trust issues with the police department. He questioned why the police department posted new signs on County Road 81. He believed this road should say County Road 81 and not CCCR 81. He provided a visual of a what a "No Trucks Allowed" sign should look like. He recommended the City post the universal sign on Central Avenue versus the new signs that have been posted. He encouraged the City to reconsider how it was addressing commercial vehicles. He stated another reason he can no longer trust the police chief was because he could not share a fridge with other City employees and his employees needed separate parking. He was of the opinion this was beyond ridiculous.

7. SPECIAL BUSINESS

A. HENNEPIN COUNTY LIBRARY PRESENTATION

Scott Dimestra, Library Director for Hennepin County Library, introduced himself to the Council. He thanked Amy McNally, Patty Hetrick and City staff for their efforts on the self-service library in Osseo. He provided the Council with further information from the Osseo Library evaluation report. He commented on the services available in Osseo, noting this library had become a self-service model. It was noted this model launched on September 11, 2023 and the hours of operation nearly doubled moving from 24 to 42 hours per week and the staff hours per week reduced from 48 hours to eight hours. He reported the goals for the change were to increase circulation and visit counts, along with access to technology. He reviewed the numbers in detail with the Council noting the number of visits, items borrowed and PC sessions had all dramatically increased. He commented on how the Osseo Library had been promoted on social media in order to make the public aware of the new hours of operation. He commented on the number of new families that were coming into the library space. He discussed why the new self-service model worked stating the factors that contributed were the change to staffing, the positive relationship Hennepin County had with City staff, inter-departmental collaboration and because the library was located inside City Hall. He thanked the City for their continued partnership and asked for comments or questions.

Hultstrom thanked Mr. Dimestra for the presentation. She was happy to see the success of the library under the new operating model. She was pleased to see visits and borrowing at the Osseo Library were increasing. Mr. Dimestra thanked Councilmember Hultstrom for the positive feedback and stated it was intention for this to be a permanent project.

Vickerman stated it was great to see this project turning out so positively. She thanked the Hennepin County Library for their efforts.

B. APPROVE FIRE DEPARTMENT EASTER EGG HUNT SPECIAL EVENT PERMIT

Grams stated the Osseo Fire Department would like to hold their annual Easter Egg Hunt in Boerboom Park on Saturday, March 23 from 11:30 a.m. to 12:30 p.m. Staff commented on the event further noting Central Avenue would be closed for approximately one hour, and recommend approval of the special event permit.

A motion was made by Hultstrom, seconded by Mueller, to approve the Fire Department Easter Egg Hunt Special Event Permit.

Poppe thanked the Osseo Fire Department for hosting this great community event.

The motion carried 5-0.

C. ACCEPT DONATIONS

Grams stated the City has received the following donations:

| <u>Donor</u> | <u>Amount/Item</u> | <u>Designated Fund</u> |
|------------------|--------------------|----------------------------|
| Osseo Lions Club | \$4,000 | Music & Movies in the Park |

Staff recommended the Council accept the donations.

A motion was made by Hultstrom, seconded by Mueller, to adopt Resolution No. 2024-17, accepting a donation from the Osseo Lions Club.

Hultstrom thanked the Lions Club for their generous donation.

The motion carried 5-0.

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

A. APPROVE HIRE OF FULL TIME POLICE OFFICER KEVIN PALOMATA

Police Chief Mikkelson stated Kevin Palomata comes to us with some experience from the Minneapolis Police Department. He has participated in interviews, background checks, psychological and medical exams and has been recommended for hire.

Hultstrom stated it was a pleasure to interview Kevin Palomata and she was excited to have Mr. Palomata on Staff.

A motion was made by Hultstrom, seconded by Schulz , to approve the hire of Kevin Palomata as Full Time Police Officer. The motion carried 5-0.

B. APPROVE FIRST READING, WAIVE SECOND READING AND ADOPT ORDINANCE AMENDING VEHICLE WEIGHT LIMITS

Police Chief Mikkelson stated City Code sets permanent limits on the weight of vehicles allowed on City streets that are not designated as truck routes. The current weight limit is three tons. The City has received feedback that three tons is too low. The proposed ordinance increases the allowed weight of vehicles on city streets that are not truck routes to five tons. The proposed limit would allow vehicles up to five tons to operate on City streets and park on City streets. It was noted the proposed amendment does not impact truck routes.

Vickerman asked if this change was for residential streets. Police Chief Mikkelson reported this was the case. He noted neighboring cities have a five ton limit as well. He explained residents with 3500 trucks would now not be violating City Ordinance when coming to and from their home. He stated delivery vehicles that were over five ton would be allowed to make deliveries and then proceed out of the City.

Schulz explained he agreed with the resident concern that was raised regarding the new signage. He requested Staff look into posting universal signage in order to make it easier for truck drivers to understand where they can and cannot be in the City of Osseo.

Hultstrom and Poppe agreed with this recommendation.

A motion was made by Hultstrom, seconded by Vickerman, to approve the First Reading, Waiving the Second Reading and Adopting Ordinance 2024-02, Amending Vehicle Weight Limits. The motion carried 5-0.

A motion was made by Schulz, seconded by Hultstrom, to adopt Resolution No. 2024-18, approving the summary publication of Ordinance 2024-2, Amending Vehicle Weight Limits. The motion carried 5-0.

C. DECLARE SURPLUS PROPERTY

Police Chief Mikkelson stated the surplus property vehicles were seized during DWI arrests. All other property has been left behind in our property room. Staff has followed all procedures in the policy on evidence. Staff recommends the Council declare the items surplus property and authorizing its sale.

A motion was made by Mueller, seconded by Hultstrom, to adopt Resolution No. 2024-19, declaring City property as surplus and authorizing its sale. The motion carried 5-0.

D. APPROVE PLANS AND SPECIFICATIONS FOR CENTRAL AVENUE STREETScape PROJECT

Alyson Fauske, WSB & Associates, stated the condition of the pavers along Central Avenue between 1st and 4th Street have deteriorated. Public Works has replaced a couple panels and the condition is in a state that Council directed a more holistic approach to replace the damaged pavers and to provide an opportunity to address the boulevard trees. The 2024 Central Avenue Streetscape Rehabilitation Project includes areas that are in the worst condition: the east side between 1st and 2nd Street and the west side between 2nd and 4th Street. The project improvements primarily consist of replacing paver surfaces with concrete pavement. As directed by Council the sidewalk will not have the "window pane" finish along the edges which was done on the panels north of 4th St NW. The existing trees and planting beds in the project corridor are proposed to be removed and replaced. The irrigation system will be repaired and reconfigured as necessary in order to maintain the new landscaping. Pedestrian ramps in the project area will be replaced to comply with ADA standards and the existing light fixtures will be will remain in place. There are several business owners along the project corridor and five of the businesses may require special access measures during construction. The Council can consider authorizing additional scope for WSB to coordinate access with these businesses during the bidding process. She commented further on the proposed project and recommended approval of the plans and specifications for the Central Avenue Streetscape project.

Hultstrom stated she would like to see this project included in Item H. She indicated she wanted to see the City pursue bonding for this project. She recommended action on this item be tabled and that the project be reconsidered in 2025.

A motion was made by Hultstrom, seconded by Vickerman, to table action on the 2024 Central Avenue Streetscape Rehabilitation Project for future consideration.

Schulz stated the Council was not being asked to approve the project at this time, but rather was seeking bids to better understand the costs. He believed this was pertinent information if the City wanted to pursue bonding. He did not support tabling this project.

Hultstrom explained she was afraid that advertising for bids was moving forward too soon. She suggested the project not be bid for several months.

Grams asked if Councilmember Schulz wanted to approve the plans and specifications but not go out for bid.

Schulz stated he believed the Council needed the bid information in order to estimate how much the project would cost. He indicated the Council would not have to accept the bids and award the contract, but the City would at least have the numbers if the City wanted to pursue bonding.

Hultstrom indicated the City was proposing to bid two completely different sized projects. She did not believe this would lead to proper bids. She asked if this item could be revisited after Item H.

Poppe reported the Council had a motion and second on the floor.

Vickerman questioned if the tabling verbiage should be changed if the Council wanted to reconsider this matter later in the meeting. Grams explained if the Council voted to table action, the item would be tabled for this meeting and could be brought back at a future meeting. He stated he was concerned that if the Council were to move forward with bidding, bidders may shy away from it knowing the project would not be completed in 2024.

Ms. Fauske explained this may be a concern. She stated the City should only bid projects with the intent of awarding a contract. She indicated it may leave a bad taste in contractors mouths if the Council were to bid the project and then reject all the bids. She commented she had provided an engineers estimate within the feasibility report.

Schulz asked if not having the numbers would hinder the City if making this project a legislative priority. Ms. Fauske reported the City would have an estimate from the feasibility study that could be used as part of the bonding process.

Hultstrom stated if bonding were awarded it was her understanding there was a 90% chance that the City would go into a May bill, which would lead to time constraints. She indicated she did not like the idea of sending this project out for bids and recommending this process hold off for the time being.

Schulz recommended in preparation for State bonding that the project estimates be finetuned.

Hultstrom agreed with this recommendation.

The motion carried 5-0.

E. DISCUSS 2024 STREET PROJECT OPTIONS

Alyson Fauske, WSB & Associates, stated a mill and overlay consists of grinding off some of the pavement along the side of the road and paving a new layer on top. The existing pavement consists of two layers: the “base course” or bottom layer and the “wear course” or top layer. Typically 2” of pavement is removed to ensure that all of the wear course is removed. If a portion of the wear course remains there is a risk that it breaks away from the base course which causes issues with the new pavement.

Ms. Fauske explained partial curb and gutter replacement can take place with a mill and overlay project to eliminate curb that is damaged and/or holding water. The cost per linear foot of partial curb and gutter replacement is more expensive than removing and replacing all curb and gutter due to the amount of labor involved. Utility improvements such as extension of storm sewer and replacement of hydrants can be done and would increase the project cost due to additional curb and gutter replacement.

Ms. Fauske reported with a 2” mill and overlay there is a risk that the pavement thickness left after milling is unlikely to support the weight of construction equipment. Additionally, all but one pavement core in the single family residential area indicates that the pavement is decaying from the bottom up which may reduce the strength of the pavement that remains after milling. Another consideration with a mill and overlay is that cracks in the existing pavement will reflect through the new pavement within a year or two, requiring crack filling.

Ms. Fauske stated based on the condition of the bottom of the existing pavement and the pavement thickness it is not anticipated that another mill and overlay could be done in the future. A mill and overlay can last 8 to 15 years on a street with a thicker pavement section and coring data that indicates that mill and overlay could be considered. The estimated budget for a mill and overlay of the single family residential area is \$363,000. If the Council pursues this option, an opinion of probable cost will be calculated based on the plan quantities. A full depth reclamation grinds up the existing pavement and blends it with the gravel underneath. Based on the pavement cores an option would be to leave 5” of reclaim and install 3” of pavement on top. Partial curb and gutter replacement can be considered to eliminate curb and gutter that is damaged and/or holding water. Utility improvements such as extension of storm sewer and replacement of hydrants can be done and would increase the project cost due to additional curb and gutter replacement.

Ms. Fauske explained a full depth reclamation can last about 25 years. A mill and overlay could potentially be done in the future if the pavement cores at the time indicate so. The estimated budget for reclamation (5” of reclaim and 3” of pavement) of the single family residential area is \$855,000. If the Council pursues this option, an opinion of probable cost will be calculated based on the plan quantities. Following up on a question from the February 12, 2024 meeting, the watermain in the North Oaks area is shown in blue on the graphic to the right. This watermain was installed in 1968. The length of watermain under North Oaks is ~500 feet. The total length of North Oaks is ~1,200 feet. She commented further on the direction that was provided at the last Council meeting, discussed the options available for the 2024 Street Improvement Project and requested direction from the Council on how to proceed.

Hultstrom discussed the difference between the cores for the service road versus the City streets. She commented on how the levels of traffic differed between her street and the service road stating she anticipated the City streets would last a great deal longer given the fact they have very little traffic. She indicated the outside opinion who had reviewed the street cores offered a differing opinion on how this project should move forward. She questioned if additional gravel could be brought in prior to laying the asphalt. Ms. Fauske stated with a mill and overlay, a portion of the asphalt would remain in place so additional gravel could not be brought in.

Hultstrom stated she was having a hard time understanding why a mill and overlay would work for the service road but would not work for the City streets within the project area. Ms. Fauske commented on the thickness of the cores taken from the service road noting those cores had 4½" to 6" of pavement and the base had not deteriorated. She noted the pavement thickness on 8th, 9th and 3rd was only 2" to 3½". She explained the pavement thickness does play a part on roadways and it would remain different between the service road and the City streets.

Hulstrom questioned when the service road was last redone. Ms. Fauske stated she does not have records with this information. She understood the area surrounding 8th and 9th was platted in the 1970's which meant the surrounding streets were built 50 years ago.

Vickerman stated at this time the streets were proposed to have 5" of reclaimed material and 3" of new surface. She asked if this differed from the previous recommendations. Ms. Fauske reported she previously recommended 6" of gravel material and 5" of pavement. She stated the 5" of pavement gives more roadway strength. She indicated if the City were to pursue her original recommendation the roadway could be milled and overlaid in the future, where the new option would not. She commented further on the estimated costs and anticipated lifespan for a mill and overlay versus a full depth reclamation versus a total reconstruction of the roadways.

Schulz stated he was having a difficult time with this project because costs were continuing to rise due to the Council's inaction over the past two or three years. He indicated this was very concerning to him and noted costs would only continue to rise. While he appreciated the comments from the residents, he stated he was not interested in pushing this project further down the line. He asked if a full depth reclamation would jeopardize the bonding that was pursued for this project. He reported if the bonds would be jeopardized, then he would recommend the City pursue a full reconstruction.

Rebecca Kurtz, Ehlers & Associates, explained the bonds the City issues in 2022 in the amount of \$2.1 million was for the 2023 Street Project, which was now the project the Council was now discussing. She reported if the Council were to pursue a full depth reclamation at an expense of \$855,000 and 20% or more was assessed, the City could use bond proceeds for the project. However, because there would be over \$1 million remaining, the City would need to payback the remaining portion.

Poppe requested Ms. Kurtz speak to the payback process. Ms. Kurtz explained under IRS rules, the City cannot bond for more than what it would spend and then hold the funds indefinitely. She reported these bonds were closed on August 11, 2022 and the City would have until August 22, 2025 to spend these bond proceeds. She indicated the 2022

bonds have been spend and a majority of the \$3. 8 million was connected to this project. She stated if these funds are not spent, the City would go through a defeasance process, which means the \$2.1 million in unspent bonds would have to be put into escrow to pay off the bonds. She indicated this money would sit into an escrow account and the City would incur additional legal costs and in about eight years, when the bonds are called, the funds would be used to pay down the debt service.

Grams asked if the \$855,000 was for the entire project or only for the full depth reclamation of 8th and 9th. Ms. Fauske explained the \$855,000 was only for the full depth reclamation of 8th and 9th. She stated the total project costs were estimated to be \$2,112,842, which was close to the amount of bond funding remaining.

Grams stated if the Council switches from reconstruction to full depth reclamation it would be a difference of \$470,000, which would be the amount of bond funding that would go into defeasance.

Hultstrom questioned if the construction costs included contingencies and the storm sewer costs. Ms. Fauske reported she had included a 10% contingency within the \$2,112,842 estimate to cover unforeseen items. She noted the storm sewer costs would be slightly higher, but she did not have these numbers in front of her.

Hultstrom inquired if Ms. Fauske had experience with contested assessments. Ms. Fauske stated she did not.

Hultstrom asked if WSB had engineers on staff that had experience with this process. Ms. Fauske explained she was certain there were engineers that were familiar with this process and noted City Attorney Tietjen would have colleagues that were familiar with this process as well. She stated if the Council was concerned with the assessment amounts, the City can wait to award the project until after the assessment hearing was held. She indicated there was some level of flexibility with that process.

Hultstrom questioned if residents were to contest their assessments, would this delay the street project. Ms. Fauske explained this would not delay the project. City Attorney Tietjen advised the project would move forward and the contested assessment would be heard in court. Ms. Kurtz stated with everything that has been shared, she wanted the Council to keep in mind debt had been issued and promised to assess a minimum of 20% for the proposed street improvement project.

Vickerman inquired how the City could spend all of the bond funding on a full depth reclamation project while also assessing 20% of the project. Ms. Kurtz explained the City would need to assess 20% of the project, however the project was defined. She noted the sewer line was paid for with sewer revenues. Grams clarified the 2022 alleyway project was assessed according to the City's assessment policy, which meant 80% of the project was assessed.

Hultstrom stated she would like clarification on what portion of the project would have to be assessed for the street project. Ms. Kurtz indicated she would be happy to verify this with the City's bond counsel.

Hultstrom commented on how not all costs had gone up since 2022. She noted putting this project off until 2024 may actually lead to decreases since fuel costs have gone down. Ms. Fauske stated typically lower gas prices lead to lower bituminous prices, but she did not believe the overall bid prices would be lower due to labor shortages. She indicated she had a bid come in last week and bituminous prices came in at \$91 per ton, which was pretty high. She did not anticipate low prices would come in for all portions of the project.

Hultstrom commented on how a reclamation project would be less than a full reconstruction. Ms. Fauske reported a reconstruction project would cost slightly more than a full depth reclamation project because more material would have to be moved and brought to the site.

Hultstrom stated she did not support building any road to last over 50 years or more over 60 year old infrastructure. She hated to see a 50 year old surface dug up for a water or sewer line break. She anticipated the water and sewer lines would be adversely impacted by the proposed reconstruction project. She was of the opinion the full reconstruction project was a burden to the residents and the City. She believed the proposed assessments were too high. She commented the more the City bonds the lower the City's bonding capacity would be. She highly discouraged this Council from bonding ahead for projects in the future given the constraints it places on the City. She supported the City pursuing a full depth reclamation project with spot curb replacement. She believed the scope of this project could still be changed and a bid could still be pursued.

Poppe asked if a reclamation project included storm sewer work. Ms. Fauske stated the storm sewer work fees had not been included. She noted this work and the fire hydrant replacement could still be pursued, but noted the cost for this work would be higher for a full depth reclamation versus a reconstruction project. Ms. Fauske stated that the cost for storm sewer extension and hydrant replacement can be included if that is the direction that the Council gives.

Schulz stated his concern with continuing to tweak this project was that the bids would be pushed back further into the year. He indicated it was likely prices would go up the further this project got pushed back. He explained his inclination was still to support the full reconstruction and he wished this project had been completed a couple years ago. He did not see how pushing this project out further would reduce costs.

Hultstrom reported part of the reason the City went out early for bids was because the City didn't always bond for projects prior to pursuing a project.

Vickerman thanked Ms. Fauske for her detailed presentation. She understood the concerns that had been expressed and understood certain thresholds had to be met. She explained she supported this project moving forward with a full depth reclamation. She supported the curbs and hydrants being redone as part of this project.

Further discussion ensued regarding spot curb replacement.

Schulz questioned how long a full depth reclamation project would take to move forward. Ms. Fauske discussed the project schedule noting revised plans and

specifications could be brought forward on March 25. She explained the City could utilize the advertising that has already occurred for the project and the bid date would occur in early April.

Hultstrom inquired if the City could approve the areas of the project in order to move the bidding forward. Ms. Fauske reported the entire project would have to be bid as one project. She indicated it would take more time to split of portions of the project. She stated if the residential streets were removed the scope of the project would have substantially changed and the entire project would have to be rebid.

Hultstrom explained she supported the City moving forward with a reclamation project.

A motion was made by Vickerman, seconded by Hultstrom, to direct WSB to alter the scope of 8th, 9th, 1st, 3rd and Broadway with a full depth reclamation project within the 2024 Street Project and keeping the other streets within the project area as presented.

Mueller stated if this were approved, would the City be able to meet the bidding timelines and would the City have to pay back the unused bonds.

Poppe indicated the City should be able to meet the bonding requirements as they would be used by August of 2025. Ms. Kurtz explained the majority of the bonding proceeds would be spent prior to August of 2025 and the City should not need to repay the bonds.

City Attorney Tietjen indicated the City would still have to meet the 20% assessment requirement per the special assessment policy and bonding requirements. Ms. Kurtz reported this was the case.

Grams asked if this item was coming back for further Council action or would the item be sent out for bid. Ms. Fauske stated her intention would be to bring revised plans and specifications for the Council to consider on March 25.

Hulstrom requested a roll call vote for this item.

A roll call vote was taken. The motion carried 3-2 (Mueller and Schulz opposed).

F. APPOINT ELECTION JUDGES AND DEPUTY CLERKS FOR 2024 ELECTIONS

Grams stated election law states that election judges for cities shall be appointed before the election at which the election judges will serve. With the Presidential Nomination Primary on March 5, 2024, election judges that may serve at this election should be appointed. Election judges can also be part of the absentee ballot board that may be necessary for the processing of absentee ballots or serve at a healthcare facility to assist with healthcare facility voting. City staff are appointed as deputy clerks, assist with the absentee ballot board, and serve as alternates on election day if needed. If additional judges are needed, this resolution serves to appoint those people to fill any vacancies or to make substitutions even if not listed on this resolution.

A motion was made by Mueller, seconded by Vickerman, to adopt Resolution No. 2024-20, appointing Election Judges and Deputy Clerks for the 2024 Presidential Nomination Primary, State Primary and State General Elections. The motion carried 5-0.

G. APPROVE PURCHASE AGREEMENT FOR 33 2ND STREET NE

Grams stated recently the property located at 33 2nd Street NE (formally known as the Osseo Press building) went up for sale. The City Council met in a closed session on February 12 to discuss the details of the property purchase. Direction was given to Staff to negotiate a draft purchase agreement for the property, which the seller has indicated they accept. Staff has been working with Gaughan Companies as the selling agent for the property. The purchase price of the property has been agreed upon at \$725,000, which is under the appraised value of the property, which came in at \$750,000. The property purchase will be funded by the City's Capital Improvement Plan (CIP). The closing date will be negotiated upon approval of all property contingencies. This is a strategic property purchase for the City and will allow for future public use.

A motion was made by Hultstrom, seconded by Schulz, to approve a Purchase Agreement for 33 2nd Street NE. The motion carried 4-1 (Vickerman opposed).

H. APPROVE LEGISLATIVE FUNDING PRIORITIES

Grams stated staff recently met with State Senator Susan Pha to discuss upcoming Legislative funding opportunities for 2024. One project that the City is currently examining is the City Hall and Public Safety facilities needs study. The Council should consider approving the Resolution which will be sent to the State Legislature seeking approval of State Bonding for all pre-design and preliminary work, along with final design and construction plans, related to this project. The request also includes funding to purchase property for a potential future Police Department station. It was noted the property purchase has been removed and the 2024 Central Avenue Streetscape project has been added to the list of legislative priorities. Additional requests for 2024 State Bonding can be made in the near future.

Schulz requested Staff read the entire Resolution for the record. Grams read the Resolution in full for the record.

Vickerman asked if the inclusion of the Central Avenue Streetscape and Public Works Building changed the amount being requested. Grams stated this would not change the amount due to the fact the property purchase had been removed.

Hultstrom reported this request would be placed on the omnibus and she was informed by Senator Pha that would be best to keep the number of requests to two. She was informed the more projects that were added to the request, the more likely it would be that the request would be denied.

Schulz requested Staff read Senator Pha's statement into the record. Grams read Senator Pha's letter to the Council in full for the record.

Vickerman asked if Councilmember Hultstrom would like one of the items removed from the funding priority list.

Hultstrom explained Senator Pha stated because the City would go into the omnibus in May the City had a little bit of time to tweak the number of projects within the funding request. She noted the Council could always make an amendment to the Resolution if necessary.

A motion was made by Vickerman, seconded by Schulz, to adopt Resolution No. 2024-21, approving the City of Osseo 2024 Legislative Priorities/Bonding Requests as read. The motion carried 5-0.

I. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

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

11. ADMINISTRATOR REPORT

Grams welcomed Kevin Palomata to the Osseo Police Department.

Grams commented on the incident that occurred in Burnsville last week and discussed how valuable the work was that was conducted by police and fire personnel every day. He noted he spoke with the Burnsville City Manager last week and offered his deepest condolences to him and his community.

12. COUNCIL AND ATTORNEY REPORTS

Hultstrom thanked the Council and Staff for working hard at this meeting.

Vickerman offered her condolences to the City of Burnsville and their entire community.

Schulz offered his condolences to the City of Burnsville and all of their public safety personnel. He commented further on how public safety was the cornerstone to the community and stated he valued the services provided by the Osseo Police and Fire Departments more than he could ever express.

Schulz explained he would not be able to attend the EDA breakfast due to a prior commitment.

13. ANNOUNCEMENTS

Poppe stated the EDA would be hosting a business breakfast at the Community Center on Tuesday, February 27, 2024 at 7:30 a.m.

14. ADJOURNMENT

A motion was made by Hultstrom, seconded by Vickerman, to adjourn the City Council meeting at 9:46 p.m. The motion carried 4-1 (Schulz opposed).

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial