

**OSSEO CITY COUNCIL  
WORK SESSION MINUTES  
November 27, 2023**

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 27, 2023.

2. ROLL CALL

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

Members absent: None.

Staff present: City Administrator Riley Grams and Financial Consultant Gary Groen.

3. AGENDA

Council agreed to discuss the work session items.

4. DISCUSSION ITEMS

A. DISCUSS 2024 CITY BUDGET AND TAX LEVY

Grams stated the City Council last reviewed the preliminary 2024 City budget at the August 28, 2023 work session meeting. The Council did approve the preliminary tax levy of \$2,611,824 at the September 11, 2023 Council meeting which was then sent to Hennepin County to generate preliminary property tax statements which should have now been received by property owners. Since then, Staff has been hard at work refining the budget which includes obtaining better expenditures and revenue numbers. The Budget and Finance Committee also met on November 21, 2023 to discuss the updated 2024 budget and made several recommendations which have been incorporated into this budget. Staff provided a summary of the important numbers when comparing the 2023 budget, the 2024 preliminary budget, as well as the updated final 2024 budget. It was noted the final tax levy shows a reduction of \$137,952 from the preliminary tax levy passed back in September. Staff commented further on the proposed expenditures and revenues for 2024.

Grams reported comparing the 2023 and 2024 budget shows an overall tax levy increase of \$518,874 (26.54% increase). If this budget is approved, this would mark the first year that the City would need to increase the tax capacity rate in ten years. The City tax capacity rate is expected to increase from 58.09% in 2023 to 65.07% in 2024. Also included in the packet is a number of sample property tax statements so that Council to compare properties with a range of valuations to see how the 2023 actual City portion taxes compared to the September 2024 preliminary tax statements, and then finally the current property tax statements factoring in the budget. Staff recommends the City Council discuss the item and direct staff accordingly. Any recommended changes to the

budget will be included in the final version of the budget, which should be approved by Council at the December 11, 2023 meeting.

Schulz discussed how snow removal funds could be used in different ways if the City does not receive large snowfalls this winter. He explained he supported the Council leaving the fire chief funding in the budget. He commented on the park funding that has been included in the budget for seniors for the past several years. He discussed how this was partially balanced out by offering youth sports programming. He stated he would like to see everybody benefiting by city sponsored parks programming, and not just seniors in the community. He described how the world has changed and noted he supported keeping the Osseo Police Department top notch in order to keep crime in the City low.

Hultstrom stated she was having a difficult time with the hourly rates for the firefighters. She requested the firefighters receive a 50 cent per hour raise in 2024. She estimated this would cost the City an additional \$4,000 in the coming year. She explained she wanted to see the City supporting this side of public safety as well.

Vickerman reported the parks department would work to keep youth programming at a net zero. She understood there was a need to provide program for all members in the community. She stated she supported keeping the full funding for the fire chief in the 2024 budget. Grams explained the budget before the Council only had funding for the fire chief for September through December.

Schulz suggested funding increases be considered within the pension fund because this may assist with firefighter longevity.

Vickerman commented on how the hourly rate for the volunteer firefighters was low when compared to neighboring communities. She indicated the City had a young department and she believed a 50 cent per hour raise would go a long way.

Schulz discussed how employee healthcare was funded by the City. He indicated he could support the 50 cent per hour raise for firefighters if it only had a \$4,000 impact on the budget.

Poppe supported the City keeping the funding in place for the new fire chief for September through December. He indicated the City has not posted for this position yet and would have to go through a hiring and interview process before bringing someone on board.

Hultstrom commented on the changes that have occurred within the fire department over the past year and she looked forward to the Council further evaluating what model would should move forward to best serve the community. She hoped the Council could support the 50 cent hourly raise for the volunteer firefighters.

Vickerman stated she could support the 50 cent hourly raise for the firefighters because it would have a positive impact on the fire department. In addition, she supported the funding remaining in the budget for the new fire chief to begin in September of 2024. She suggested the Council take a deeper look at the senior programming, how it was funded and if nominal fees should be collected for these classes.

Schulz supported this suggestion. He requested the Council also take a closer look at the gateway sign at a future worksession meeting.

Hultstrom stated this year the Council has gone through a great deal of growing and she appreciated how the Council and staff has come together to create the 2024 budget. She thanked the Council for supporting her request to increase the volunteer firefighter pay.

5. ADJOURNMENT

The Work Session adjourned at 6:48 p.m.

Respectfully submitted,

Heidi Guenther  
*Minute Maker Secretarial*