

**OSSEO CITY COUNCIL
WORK SESSION MINUTES
May 28, 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, May 28, 2024.

2. ROLL CALL

Members present: Councilmembers Juliana Hultstrom, Alicia Vickerman, and Mayor Duane Poppe.

Members absent: Councilmember Mark Schulz.

Staff present: Interim City Administrator Shane Mikkelson, Public Works Director Nick Waldbillig and City Attorney Mary Tietjen.

Other Speakers present: Dan Greuel, Oretel Architects.

3. AGENDA

Council agreed to discuss the work session items.

4. DISCUSSION ITEMS

A. DISCUSS CITY FACILITIES UPDATE

Mikkelson stated the Council held a work session on July 31, 2023 to discuss the current state of the City's aging City Hall and Public Safety building. At the meeting, staff discussed the myriad of issues surrounding the current facility, and the need to consider a rehabilitated or completely new facility in the very near future. The current building was originally constructed in the 1960s, and is outdated with aging utilities, inadequate ADA entrances and usable spaces, no windows in the staff office area, a host of water drainage issues and not enough space to house the increased Police Department. Additionally, the Fire Department space does not fit the current industry standards, and the entire facility does not currently meet the service needs of the community, nor will it meet the future service needs of the community.

Mikkelson reported the Council gave directions at that work session to bring forward a proposal to work with a local architecture firm to conduct a facility needs assessment. The Council approved a proposal from Oertel Architects, through local firm Rochon, to conduct the study at the August 14, 2023, Council meeting. Since then, Staff has met with representatives from Oertel Architects several times to begin the process of examining the current facilities, discuss with Department Heads the future requirements and service demands, and develop concept options for the City Council to consider.

Mikkelson explained on January 29, 2024, the Council held a work session to discuss the facilities needs and gave Staff feedback on the designs proposed. Staff and Oertel took the feedback and came back with new plans on April 29, 2024. Council discussed the plans for the Osseo Police Department at the Osseo Press site. During that meeting the Council expressed questions about the pricing of two different plans. Oertel has reexamined the plans that were first given to the council and the second set of plans presented to Council and came up with some better-informed number. They will explain the cost estimates at the meeting, and we will need to discuss the future of this project. The next steps will be outlined by Oertel Architects for this project if we chose to move forward. The recommendation is for the City Council to carefully explore the information presented in the work session and reach a general consensus about how the City should proceed with this project.

Dan Greuel, Oertel Architects, further discussed the options available to the Council for City Hall and the Osseo Police Department, noting the costs for each option. It was noted the single story option would cost about \$3.5 million, which may be more closely aligned with the City's budget for this project.

Vickerman requested further information regarding the square footage within the single story design and how it compared to the current City Hall square footage. Mr. Greuel stated City Hall currently had 3,200 square feet. He noted the foot print for the Press Building was 6,000 square feet.

Further discussion ensued regarding the proposed layout of the one story building.

Vickerman questioned if there were any sticking points with having a one story versus a two story building. Mikkelson discussed how the building may have to be flipped in order to accommodate a garage, noting he did not see how vehicles could exit onto 1st Avenue, but rather would have to exit into an alleyway.

Hultstrom stated she has not heard one positive comment from the public regarding splitting off the police department. She indicated she has had a lot of people come to her with concerns. She commented on how the Council was making decisions for all of Osseo. She explained she was having a hard time with this because if the City was going to spend \$3 to \$5 million, the project has to be done right. She wanted to be assured the City was meeting its needs. She reported she would not think about putting squad cars out onto an alley and if they were put onto 1st this would be an uncontrolled intersection. She stated there were a lot of things the Council still had to consider when it came to finances. She indicated the Council may have to consider a City-wide tax, but this would have to be considered in the future. She stated the City's best hope would be to get in on some bonding to assist with this project. She reported at this time she was not inclined to go further with this project given the fact she was conflicted and it may not work.

Vickerman agreed with some of these points, noting if the project were done, she wanted it done right. She wanted the community to get behind and be proud of the project without a huge price tag. She understood the Council had to spend taxpayers dollars wisely. She appreciated the fact Staff had brought forward viable options, but she was uncertain if the Council could make a decision about the one story versus the

two story option at this time, given the fact neither would work the way the City needed them to.

Poppe stated he was struggling with the layout and the site. He understood City Hall and the police department both needed room.

Vickerman commented on how a great deal of money would have to be spent, and she questioned if the existing building would properly meet the needs of the City after renovations were complete. She asked if the garage would become two stories. Mr. Greuel stated the garage would be one story with space over the garage.

Mikkelson stated more work could be done on the plans if this was requested from the Council. He indicated these were concept plans at this time.

Hultstrom reported she was hesitant to spend more money on plans given the fact the Council was struggling with getting the basics.

Mr. Greuel explained he was showing conceptual plans at this time to show how the space could be used. He reported more detailed schematics could be designed for the police space.

Hultstrom indicated she was struggling with moving this project forward given the fact the City did not have funding in place. She reported a State bonding request would have to be considered and the moratorium would have to be lifted on City-wide taxes before the City would have funding options in place. She commented this project would cost millions of dollars and she was not comfortable moving this project forward at this point.

Mikkelson stated after conducting research, it was his understanding the City had to have detailed plans in place in order to receive State funding. He indicated he would like to have plans in place to be submitted to the State for consideration.

Vickerman asked what step the City was at in the planning process. Mr. Greuel indicated the Council would have to determine a budget for this project and then the State could determine what percentage they may be willing to fund. Once the budget was determined the plans could be further ironed out, along with the predesign documents. He commented on how sustainability requirements would have to be met in order to be considered for State funding.

Vickerman stated she was worried the City's up front investment could be for now. She expressed concern about moving forward at this time. While she appreciated seeing the plans, she was uncertain that this site would fully meet the City's needs.

Poppe agreed stating if the City moved forward with this project, he wanted it to be done right.

Mr. Greuel questioned if there was another site that should be investigated for the police department.

Poppe stated the City did not have another site.

Hultstrom explained parking would become an issue at the community center if this plan were to move forward. She asked if the cost for this project would be significantly impacted if the current building were demolished and the City started over.

Mr. Greuel reported this would greatly increase costs. He indicated the existing building was built quite solidly.

Poppe commented on how the one-story design would not quite meet the City's needs and the two story design was still a long way from where it needs to be.

Mikkelson reported the two-story design would work, but it comes with a higher price.

Hultstrom indicated she would feel much better if a City-wide tax could be considered to assist with funding this project.

Vickerman did not see a way forward at this time given the fact the City did not have funding available for this project.

Poppe asked what the options were for the City if this project did not move forward. Mikkelson indicated the police department would have to remain at City Hall.

Mikkelson questioned how the Council wanted Staff to proceed.

Vickerman stated she was at an impasse given the fact the City did not have funding for this project and the fact that the space may not properly meet the City's needs.

Hultstrom commented on how if the City were to go after funding, she wanted proper plans to be in place that fully meet the City's needs.

Vickerman suggested the project be put on pause until funding sources could be determined.

Poppe indicated this project wasn't working and should be canceled at this point.

Mikkelson questioned if the purchase of the building should be canceled.

Vickerman commented she would support rescinding the purchase as opposed to trying to come up with a different idea that the City does not have plans for.

Mr. Greuel asked if the Council would like him to take another stab at trying to make the use fit in the building.

Poppe stated this building may not meet the City's needs long term, but rather the City would just be making it work.

Council consensus was to table action on this item at this time.

B. DISCUSS INTERIM CITY ADMINISTRATOR POSITION

Mikkelson stated on April 22nd, he was appointed the Interim City Administrator. He requested the Council discuss the future of this position and thoughts on pay.

Vickerman stated there were possible deterrents for Police Chief Mikkelson to remaining the full time City Administrator. She questioned if Police Chief Mikkelson was interested in remaining in this position full time or should the Council consider posting for the position and going through the interview process.

Mikkelson explained the only way he would stay with the City would be if he continued to serve in both capacities.

Vickerman questioned if the HR Committee had discussed this matter.

Hultstrom stated it was her understanding this matter would be considered by the Risk Management Committee.

Poppe reported the Risk Management Committee met with the Police Chief and with everything that was going on, he questioned if it would be in the City's best interests to stabilize things for a bit before making any personnel changes.

Hultstrom commented she expected a recommendation would be coming from the Budget and Finance or Risk Management Committee. She stated she wanted to see a recommendation come forward and that the Council then have a full discussion based on this recommendation.

Poppe commented on the email that was sent to the Council that noted the discussions that were held with the Police Chief.

Vickerman stated she did not believe a dual role would be sustainable long term. She suggested goals be set for the City to get through and that fair compensation be paid to the Police Chief. She was of the opinion the Police Chief could not sustain the dual role long term.

Poppe recommended the City get through the end of the year and that a search begin in the next year.

Vickerman expressed concern with how the Police Chief would be burning the candle at both ends if he continued to serve as both the Police Chief and City Administrator for the next 10 years. She believed the City should compensate the Police Chief for doing both jobs with the understanding the jobs would be split at some point in the future. She suggested the City Council have a goal of having a new City Administrator in place by the end of the year.

Hultstrom indicated she would like to see the interim position remain in place through the end of the year. She did not want to bring a new Staff member in in the middle of the budget cycle. She appreciated the expertise Police Chief Mikkelson brought to the table when it came to the City pursuing a cannabis license and noted it would be difficult to bring someone new in to address this topic. She commented on how this

initiative could be a revenue stream for the City. She commented on how too much change within the City may become unmanageable. She stated she was comfortable compensating Police Chief Mikkelson for the dual role through the end of 2024.

Mikkelson stated he would be comfortable with continuing in the dual role through the end of the year.

Poppe asked if it would make sense to come forward with a recommendation to keep Police Chief Mikkelson in his role through the end of 2024 with the City Council posting for the City Administrator position at the end of the third quarter or beginning of the 4th quarter.

Vickerman and Hultstrom believed this was a fair plan.

5. ADJOURNMENT

The Work Session adjourned at 7:08 p.m.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial