

**OSSEO CITY COUNCIL
WORK SESSION MINUTES
August 28, 2023**

1. CALL TO ORDER

Mayor Duane Poppe called the work session of the Osseo City Council to order at 6:01 p.m. on Monday, August 28, 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, Police Chief Shane Mikkelson, Fire Chief Mike Phenow, Public Works Director Nick Waldbillig and Financial Consultant Gary Groen.

3. AGENDA

Council agreed to discuss the work session items.

4. DISCUSSION ITEMS

A. DISCUSS PRELIMINARY 2024 CITY BUDGET AND TAX LEVY

Grams stated Staff has been busy working on the preliminary 2024 City budget and tax levy. Staff met with Department Heads to generate budgetary needs for 2024. The proposed budget is the very first draft, and is subject to change many times before the final budget is approved in December. He reviewed the highlights of the draft 2024 preliminary budget in further detail with the Council.

Grams explained this draft budget does include several large expenses increases for 2024, most notably in the Public Safety area (increase in Police Department staff and including a new full time Fire Chief position). These items have been discussed by Council several times recently, and direction was given to Staff to include these costs in the draft 2024 budget. The overall projected expenditures budget will increase by \$831,444 (a 25.21% increase from 2023). The overall projected revenue budget will increase by \$125,857 (a 9.04% increase from 2023).

Grams reported the overall projected tax levy increase will increase \$656,826 (a 33.6% increase from 2023). Staff will meet with the Council Budget and Finance Committee prior to the Council reviewing and approving the preliminary budget and tax levy at the September 11 meeting. As a reminder, that is the budget number which is used by the County to formulate the proposed property tax statements, which are typically mailed out in October. The City will then hold the 2024 Truth in Taxation public hearing at the

November 27 Council meeting, before the final budget and tax levy is approved by Council at the December 11 meeting.

Hultstrom requested further information regarding the proposed pay increases for the Council. Grams reviewed the proposed increases with the Council.

Schulz stated due to the change in policing over the past three years, the City has had difficulty in retaining employees. He commented on how Chief Mikkelson and Lieutenant Kintzi have been working a great deal of extra hours to fill the gap. He commented on how officers have been hired in order to bring the department to full staffing levels in order to keep the community safe.

Hultstrom stated the City made Osseo competitive when it comes to public safety and took the extra steps to ensure officers are being taken care of. She appreciated the wellness policy that was approved by the City Council because this shows the Council values the police department and its officers.

Poppe commented on how the Public Safety Department was one of the cornerstones of the community. He spoke to how important it was for the City to not lose these services.

Schulz indicated Osseo's Police Department has always operated on the premise of having good mutual aid capabilities. He stated this could not be done anymore and he appreciated how the City was moving to increase safety for its officers by having multiple officers patrolling the City at the same time.

Hultstrom thanked Police Chief Mikkelson for bringing forward the recommended changes for the police department and for his dedicated service to the community. He believed the Council owed it to the community to take these measures to enhance to the police department.

Mueller requested further information on how the crime stats in the community have changed. Police Chief Mikkelson reviewed the crime stats from the past three years noting the number of pursuits and the calls for service have increased in recent years. He commented further on the burglaries that were occurring in the community. He discussed how he and Lieutenant Kintzi were making themselves available to respond and help with calls. He further reviewed the benefits of having the fence consortium in place.

Schulz commented on the snow challenges that occurred last winter. He asked that the Council look at putting a policy in place for snow management along Central Avenue to ensure the City's costs were being covered.

Mueller questioned how the proposed budget and tax levy would translate into real dollars for residents.

Schulz explained based on the value of his property he pays about \$100 to \$110 per month to have City services. He estimated this would increase to \$130 to \$140 per month based on the preliminary budget and tax levy for 2024. Grams stated for every \$1,000 that is paid to the City on an annual basis, this would be increased to \$1,333. He

commented further on how property values in Osseo have been increasing over the past several years.

Poppe discussed how the times have changed, pay levels have increased along with the cost for goods and services.

Mueller reminded the public that the Council were also residents of Osseo which meant the proposed budget and levy increase would also impact the Council.

Schulz discussed how fire departments were changing and evolving for many communities in the metro area and were moving to a consortium model. He stated he appreciated the manner in which this Council could listen to one another while providing different vantage points. He believed this led to better decisions for the community.

Poppe agreed and thanked the Council for being open to other viewpoints.

Schulz questioned if the Council should be budgeting to have 50% in budget reserves going forward. He stated he would be looking into this further when the Budget and Finance Committee reviews the budget. He wanted to be sure the City's needs were being met going forward. Groen commented on the importance of the fund balance noting the City received property tax payments twice a year.

Schulz supported the City having the spending authority at the beginning of 2024 to meet the new staffing needs of the police department.

Vickerman and Mueller supported the Staff being able to make these purchases when needed.

Hultstrom suggested Staff stagger when the new Staff members are brought on board. Police Chief Mikkelson stated the budget shows these individuals will be hired January 1. He indicated this can be further discussed, but noted he would still need equipment for three new employees. The Council supported the Chief in making these new purchases.

Schulz urged the public to understand Osseo is not in danger of going broke. He noted the City would be receiving \$678,000 in LGA in 2024.

Poppe commented on how the strength of the City's financials were improving due to the hard decisions the Council was making. He discussed how the City has put a capital improvement plan and financial management plan in place to assist with planning for future expenses.

Hultstrom explained she wanted to understand how the State infrastructure funding would be utilized by the City. Grams indicated these dollars would go directly into the sanitary sewer fund to pay for the bonding for the lift station improvements.

5. ADJOURNMENT

The Work Session adjourned at 6:58 p.m.

Respectfully submitted,

Heidi Guenther
Minute Maker Secretarial