

**OSSEO CITY COUNCIL
REGULAR MEETING MINUTES
July 22, 2019**

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, July 22, 2019.

2. ROLL CALL

Members present: Councilmembers Juliana Hultstrom, Harold E. Johnson, Mark Schulz, Larry Stelmach, and Mayor Duane Poppe.

Staff present: City Administrator Riley Grams, City Planner Nancy Abts, Financial Consultant Gary Groen, and City Attorney Mary Tietjen.

Others present: Rebecca Kurtz-Ehlers & Associates.

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 Stelmach, to accept the Agenda as presented. The motion carried 5-0.

5. CONSENT AGENDA

City Administrator Riley Grams requested the addition of Item 5L which is a training request for City Accountant April Weller with Banyan Data Services in the amount of \$300.

- A. Receive EDA Minutes of July 8
- B. Approve City Council Minutes of July 8
- C. Approve Fee Wavier for Library Event in September
- D. Receive June American Legion Gambling Report
- E. Accept Resignation of Firefighter Deb Lambert
- F. Approve Exempt Permit for OMG Knights of Columbus Gambling Activities September 6-7
- G. Approve Municipal Advisor Client Disclosure with Ehlers & Associates for Bond Sale
- H. Receive June Lions Club Gambling Report
- I. Receive Heritage Preservation Meeting Recap
- J. Approve Renewal Application for Optional Liquor 2AM License for Duffy's Bar & Grill

- K. Receive June Hockey Association Gambling Report
- L. Approve Training Request for City Accountant April Weller

A motion was made by Hultstrom, seconded by Johnson, to approve the Consent Agenda as amended adding Item 5L. The motion carried 5-0.

6. MATTERS FROM THE FLOOR – None.

7. SPECIAL BUSINESS

- A. APPROVE CALLING FOR SALE OF BONDS FOR 2019 STREET AND ALLEY PROJECT/\$855,000 G.O. IMPROVEMENT BONDS, SERIES 2019A (Resolution) – Rebecca Kurtz, Ehlers & Associates

Rebecca Kurtz, Ehlers & Associates, requested the Council approve a bond sale in the amount of \$855,000. She reported these funds would be used for the City’s 2019 street and alley project. She noted the bonds would have a 15-year term. She reviewed the bond sale details further with the Council and recommended the City go through the rating process. She indicated the water meter project may have to be bonded in 2020. She explained if the Council moved forward with the sale she would be back before the Council on August 26 and funds would be available on September 12.

Johnson questioned how much the water meter project would cost. Ms. Kurtz explained staff was working to finalize the costs for this project. Grams estimated this project would cost \$300,000.

Johnson commented that two bond sales would cost more than one. Ms. Kurtz stated this was correct, but noting without final project costs she did not know how to proceed with the bonding for the water meter project.

Grams indicated the City knew it had to replace its water meters, meter reading equipment, and software. He indicated he was uncertain when this project would occur but anticipated it would take place in 2020. He stated he would like to learn more from the utility rate study prior to moving forward with this project.

A motion was made by Schulz, seconded by Hultstrom, to adopt Resolution No. 2019-41 providing for the sale of \$855,000 General Obligation Improvement Bonds, Series 2019A. The motion carried 5-0.

- B. ACCEPT DONATION TO MOVES IN THE PARK FUND (Resolution)

Grams stated the City has received the following donations:

Donor	Amount/Item	Designated Fund
Benedictine Health (Steeple Pointe)	\$ 500	Night to Unite
Realife Cooperative of Osseo	\$ 500	Night to Unite
Osseo Lions Club	\$1,500	Night to Unite
Realife Cooperative of Osseo	\$ 600	Beautification Fund
Tokle Inspections Inc.	\$ 20	Beautification Fund
Harold E. & Gayle Johnson	\$ 300	Beautification Fund

(in memory of Jerome Edling, Carol Neumann, & LaVonne Palm)

Osseo Lions Club

\$7,200

Music in the Park

Staff recommended the Council accept the donations.

A motion was made by Stelmach, seconded by Schulz, to adopt Resolution No. 2019-42 accepting donations from Benedictine Health, Realife Cooperative of Osseo, Osseo Lions Club, Tokle Inspections Inc., and Harold E. and Gayle Johnson. The motion carried 5-0.

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. REVIEW YTD 2019 CITY BUDGET

Grams stated staff has started the annual budgeting process. He reviewed the year-to-date 2019 budget, including both the expenditures and revenue. He noted some of the items were more than 50% and some less than 50%. Many of the annual expenditures and revenues come in at different times during the year. Most come in during the second half of the calendar year. Others are paid semi-annually or quarterly, and those may not come to the City until well after the half-way point of the calendar year. Most of the departments have done a great job staying on budget halfway through this year. There are a few specific outliers, but again, those are because some payables do not come to the City until year-end, or the invoices have not been received by the City as of the end of June.

Grams reported this review is only meant to be informational for Councilmembers.

Schulz commented on the workers comp insurance expense and noted this was typically a quarterly expense. He asked staff to review this item and report back as to why the numbers were off. Groen explained this policy was paid annually and not quarterly.

Schulz discussed the Police Reserve Expense and indicated this item was already over budget for 2019. He requested staff investigate this further and report back to the Council.

Johnson discussed the amount budgeted for the Financial Consultant and noted this item was over budget. Groen indicated \$9,500 of the amount was for the KDV audit.

Johnson noted that all of the City's insurance rates were up for 2019 and requested staff investigate this further to ensure the budget for 2020 had better estimates. Groen stated he would take a closer look at these items.

Hultstrom commented she would like to see a better breakdown on the donations that were made to the City.

The Council thanked staff for the report on the 2019 year to date budget.

B. APPROVE UNPAID TIME OFF REQUEST FOR PUBLIC WORKS EMPLOYEE
SCHILLINGER

Grams stated Josh Schillinger is requesting an unpaid time off request. The current Personnel Policy does describe how employees can request and gain approval from the City Council for unpaid leave. The information is as follows:

Regular Leave Without Pay – The City Administrator, with the approval of the City Council, may authorize leave without pay for up to thirty (30) days. Leave without pay for greater periods may be granted by the City Council to a maximum of one (1) year.

Generally, employee benefits will not be earned by an employee while on leave without pay. However, the City's contribution toward health, dental and life insurance may be continued, if approved by the City Council, for leaves of up to ninety (90) days when the leave is for medical reasons and FMLA has been exhausted.

If an employee is on a regular leave without pay and is not working any hours, the employee will not accrue (or be paid for) holidays, sick leave, or vacation leave or annual leave. Employees who are working reduced hours while on this type of leave will receive holiday pay on a prorated basis and will accrue sick leave and vacation leave or annual leave based on actual hours worked. Leave without pay hours will not count toward seniority and all accrued vacation leave and compensatory time must normally be used before an unpaid leave of absence will be approved.

To qualify for leave without pay, an employee need not have used all sick leave earned unless the leave is for medical reasons. (An employee absent for Parenting Leave is not required to use sick leave.) Leave without pay for purposes other than medical leave or work-related injuries will be at the convenience of the City.

Employees returning from a leave without pay for a reason other than a qualified Parenting Leave or FMLA, will be guaranteed return to the original position only for absences of thirty (30) calendar days or less.

Except as otherwise provided by FMLA or other applicable laws, employees receiving leave without pay in excess of thirty (30) calendar days, for reasons other than qualified Parenting Leave or FMLA, are not guaranteed return to their original position. If their original position or a position of similar or lesser status is available, it may be offered at the discretion of the City Administrator subject to approval of the City Council.

Grams stated Josh's request is not medical in nature, and therefore he would not be eligible to receive any benefits during this period. This would include sick and vacation accrual, City paid health insurance benefits, and PERA benefits. The City Council must approve the request. He has already used all accrued vacation and comp time banks at

this point. Josh is asking to take unpaid leave from Tuesday, July 23, through Wednesday, July 31, a period of seven business days.

Grams explained he inquired with Public Works Director Nick Waldbillig about Public Works coverage and maintaining City services during this period, and Waldbillig explained that having the seasonal part-time position on staff will help cover the required duties to maintain City service levels.

Schulz asked if there was any way for Public Works employees to have a negative comp hour balance. Grams stated he did not believe this was possible because there was no language that addressed this topic in the Personnel Policy. He feared how the City would be paid back if an employee were to leave the City prior to creating a positive comp hour balance.

Schulz commented he would like to find some sort of wiggle room in order to assist Mr. Schillinger. Grams believed Schulz was asking if the Council could elect to deviate from the current Personnel Policy. He deferred this question to the City Attorney. City Attorney Mary Tietjen stated Mr. Schillinger would still remain an employee of the City and would have health benefits. She explained he would simply have one week of unpaid leave from the City. She reported the Council could always consider setting new policy within the Personnel Policy.

Schulz indicated he was familiar with the reason Mr. Schillinger was requesting the time off because he served on the Personnel Committee. He explained the City had bent the policy in the past to offer another employee donated time off after a death in the family. He stated he was not in favor of bending the policy but noted it had been done in the past and was trying to see how the rest of the Council felt about this matter. City Attorney Tietjen commented there were unforeseen issues that arise that employees do have to plan for with respect to their paid time off and this should be considered if the Council was considering an amendment to the Personnel Policy.

Stelmach discussed the policy flexing that occurred in the past and noted other employees donated accrued time off to help another employee. He asked what the risk to the City would be for this instance. Grams explained the idea being proposed would be to give the employee hours that have not been accrued to be used for a current situation. He did not believe Mr. Schillinger would jump ship, but noted this was always a concern and noted the City could lose out on the number of hours at time and a half rate.

Hultstrom questioned what impact this would have on Mr. Schillinger's healthcare. Grams indicated he did not have this answer. City Attorney Tietjen stated as a practical matter, Mr. Schillinger would not lose healthcare because he is gone for seven days.

Hultstrom asked if the City could cover the health insurance so there is not an added expense for Mr. Schillinger. Grams stated Mr. Schillinger would not lose healthcare during the seven days. He explained the Personnel Policy states the City would not contribute towards his health insurance during his unpaid time off. City Attorney Tietjen stated, in her opinion, the Council would be going down the wrong path paying an employee for time that was not worked.

Schulz thanked City Attorney Tietjen for her comment.

Johnson asked if Mr. Schillinger had used up his vacation and comp time. Grams reported this was the case.

Johnson stated he did not support bending the Personnel Policy for the seven days of unpaid leave for Mr. Schillinger.

A motion was made by Hultstrom, seconded by Stelmach, to approve the unpaid time off request for Public Works Employee Josh Schillinger from July 23-31, 2019.

Stelmach requested staff explain to Mr. Schillinger what the unpaid leave request will cost him.

The motion carried 5-0.

C. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council. He commented on a damage deposit in the amount of \$250 and requested the Council make a decision on how much, if any, will be returned to Nunez. This is a matter involving damage by this renter at the Community Center.

Hultstrom stated she supported the City keeping the entire damage deposit.

Stelmach supported the Nunez family receiving \$10.55 from the City back from the deposit (to cover damages to the Community Center from an event rental).

A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable as amended, returning \$10.55 to the Nunez family. The motion carried 4-1 (Hultstrom opposed).

11. ADMINISTRATOR REPORT

Grams reported the City has received a tremendous amount of rain this spring and summer. He indicated the 2019 street improvement project would be completed, but noted contractors could not work when it is raining. He explained the City was working closely with the contractor to ensure the project was completed yet this year.

12. COUNCIL AND ATTORNEY REPORTS

City Planner Nancy Abts commented on the Basics of Economic Development Course she attended last week in Maple Grove. She thanked the Council for allowing her to attend this event.

Hultstrom stated on August 5 she and Johnson would be attending the Greater MSP Convention.

Hultstrom indicated she was looking forward to another great Night to Unite event in Osseo.

Johnson stated he was pleased the City's new accountant would be attending Banyan software training.

Schulz commented the food truck at last week's Event in the Park was highly successful, noting the food truck vendor felt welcome. He thanked staff for working so closely with these individuals.

Schulz discussed the streetscape improvements that were being made along Central Avenue, noting several concrete test areas had been completed. He requested the Council take a look at the areas that were done and to report back on how to proceed with this project.

13. ANNOUNCEMENTS

Poppe stated the Farmers Market was held every Tuesday from 3 - 7 p.m. at 416 Central Avenue.

Poppe reported Darlene and the Boys would be providing Music in the Park on Tuesday, July 23, at 7 p.m. He noted GI Joe's food truck would be in town.

Poppe explained Classic Big Band and the Nostalgics would be providing Music in the Park on Tuesday, July 30, at 7 p.m. After this concert, How to Train Your Dragon 3 would be screened.

Poppe invited all Osseo residents to attend Night to Unite on Tuesday, August 6, from 5 - 8 p.m. at Boerboom Park and City Hall.

14. ADJOURNMENT

A motion was made by Schulz, seconded by Hultstrom, to adjourn the City Council meeting at 8:01 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.