

**OSSEO ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING MINUTES
February 11, 2019**

1. ROLL CALL

President Juliana Hultstrom called the regular meeting of the Osseo Economic Development Authority to order at 6:00 p.m., Monday, February 11, 2019.

Members present: Teresa Aho, Juliana Hultstrom (excused herself from the meeting at 6:22 p.m.), Harold E. Johnson, Duane Poppe, Mark Schulz, and Larry Stelmach.

Members absent: None.

Staff present: Executive Director Riley Grams, City Planner Nancy Abts, and City Attorney Mary Tietjen.

Others present: Dave & Roseanna Garibaldi, Gary Groen, and Deanna Burke.

Hultstrom asked for the floor and requested the agenda be amended in consideration of Council Resolution No. 2019-1 (Affirming Council/Staff Responsibilities). She reported this resolution had the public's best interest in mind. She feared the EDA Board and the City Council had made decisions that were along the line of personal benefit and not in the public's best interest. She stated there have been disclosures that have come to light and according to the League of Minnesota Cities could be investigated for the perception of, if not an actual, conflict of interest. She explained there has been a release of information that was not included in the packet and the EDA followed experienced Councilmembers in a majority vote in actions that violate Council Resolution No. 2019-1. She stated she followed how she understood the chain of command to work and this chain of command was to come to the Executive Director with her concerns, followed by the League of Minnesota Cities and State Representative Kristin Bahner. She requested that agenda items 2 and 3 be removed until the EDA can hold a strategic planning session to discuss the City's goals and actions further. She commented that the Council and EDA actions and perceptions in the community make the City strong. She then yielded the floor to the EDA.

A motion was made by Hultstrom, seconded by Johnson, to remove items 2 and 3 from the agenda.

Stelmach stated he appreciated Hultstrom communicating her concerns but, without further information on this, he could not support the motion on the floor. He explained he would have appreciated further information from Hultstrom prior to the meeting.

Hultstrom reported it has come to her attention that Teresa Aho was the landlord for Councilmember Schulz, as well as a business operated by the wives of Stelmach and Schulz.

Schulz stated he was uncertain where Hultstrom received this information, but noted it was inaccurate.

Aho explained she owns no buildings in Osseo.

Stelmach reported Aho owns a business in town, in a building where she has rented space. He stated he appreciated Hultstrom bringing her concerns forward, but encouraged her to verify the facts and perhaps bring these types of issues to Executive Director Grams prior to bringing this information straight to the EDA.

Hultstrom questioned if this concern was brought to staff prior to the meeting. Grams reported Hultstrom expressed concerns both verbally and in writing but did not provide detail about the substance of the concerns. He explained he did not believe their discussion did not warrant an item on the agenda and told President Hultstrom she could request an amendment to the agenda.

Hultstrom reported her recommendation of Teresa Aho to the EDA was the first action she took on the City Council. She stated this recommendation was based on a simple letter submitted by Ms. Aho. She explained in the past the Council Human Resources Committee reached out to potential candidates. She noted the HR Committee had not reached out to other applicants Deanne Burke, Sherry Murdock, or any other member of this body. Therefore, based on Council Resolution No. 2019-1, the City has not met the proper obligations in resolution items 3 and 4 and she recommended EDA agenda items 2 and 3 be removed from the agenda.

Schulz requested the President call the question.

The motion failed 2-3 (Poppe, Schulz, and Stelmach opposed).

2. OATH OF OFFICE

City Attorney Mary Tietjen administered the Oath of Office to newly appointed EDA Commissioner Teresa Aho.

3. ELECTION OF EDA OFFICERS

Executive Director Riley Grams requested the EDA elect a President, Vice President, Treasurer, and Assistant Treasurer for 2019.

Stelmach stated he would like to see City Administrator Grams and LeAnn Larson retain their roles as the Executive Director and Secretary for the EDA. He explained he would be happy to retain his role in the EDA as Treasurer. He stated he supported Poppe serving as President of the EDA given his high level of experience with economic development. He commented he could support Schulz as EDA Vice President.

Johnson indicated he would support putting off the election of EDA officers for one month to allow the EDA to hold a strategic planning session. He noted the EDA has been lacking leadership since Kevin Rebman was on the EDA and would benefit from holding a strategic planning session.

Hultstrom commented she spoke with Grams several times regarding the election of officers for the EDA. She explained she supported the EDA officers remaining as is for another month until strategic planning could be done.

Schulz agreed with Johnson that the EDA has been lacking in leadership. He indicated he supported Stelmach's recommendation of Poppe for EDA President. He reported Poppe had

more economic experience than the sum total of the entire Board. Schulz stated he would be willing to continue his role as the Vice President.

Upon discussion of the slate of officers, Johnson stated he would like his name removed from consideration as the Assistant Treasurer.

A motion was made by Schulz, seconded by Stelmach, to elect the following slate of officers for 2019:

Duane Poppe - President
Mark Schulz - Vice President
Larry Stelmach - Treasurer
Teresa Aho – Assistant Treasurer
Riley Grams – Executive Director
LeAnn Larson - Secretary

The motion carried 4-2 (Hultstrom and Johnson opposed).

Hultstrom stated she would be resigning from the EDA based on personal health issues and explained she did not appreciate what had taken place. Hultstrom left the meeting at 6:22 p.m.

4. APPROVAL OF AGENDA

A motion was made by Schulz, seconded by Stelmach, to approve the agenda as presented. The motion carried 5-0.

5. APPROVAL OF MINUTES – JANUARY 14, 2019

A motion was made by Stelmach, seconded by Aho, to approve the minutes of January 14, 2019, as presented. The motion carried 5-0.

6. MATTERS FROM THE FLOOR

Dave Garibaldi, 12 6th Street NE, introduced himself to the EDA.

Roseanna Garibaldi, 12 6th Street NE, expressed concern with the lack of objectivity the City used in appointing members to the EDA. She stated at the January 14 meeting the EDA praised the performance of Ms. Murdock during her term and decided to replace her because she was not a business owner. It was noted the EDA preferred to have a local business owner on the EDA even though three Councilmembers who were business owners were already on the EDA. She encouraged the EDA to have diversity of members versus loading the EDA with business owners. She reported Hultstrom tried to advocate for Ms. Murdock and this information was totally disregarded. She questioned why Stelmach did not have enough respect to call Ms. Murdock to further discuss her service on the EDA. She stated she was really disappointed in what she witnessed this evening and encouraged the EDA to do better.

7. PUBLIC HEARINGS – None.

8. ACCOUNTS PAYABLE

Grams presented the EDA Accounts Payable listing.

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

9. OLD BUSINESS – None.

10. NEW BUSINESS

A. REVIEW EDA INVESTMENT SUMMARY

Grams stated the Osseo Economic Development Authority's investments are handled by Finance Consultant Gary Groen. Recently the EDA desired to conduct a review of all EDA investments and have a discussion about the overall investment strategy. He explained Mr. Groen was in attendance to talk about the process by which EDA investments are handled, and to take a quick look at the current state of EDA investments. Staff recommends the Economic Development Authority discuss their desired goals regarding EDA investments and direct Staff accordingly.

Gary Groen commented on the City's investment strategies and reviewed how these were governed by State Statute. He discussed the benefit of the EDA having its own investment policy separate from the City. He reported safety was his primary concern, along with liquidity and yield. He described the internal controls that were in place for reviewing financial documents. He reviewed the audit process that was followed on a yearly basis for the EDA financials. He provided the EDA with a preliminary example of the year-end financial numbers for 2018. He explained the City and the EDA combined had a total of \$8.3 million in investments.

Schulz thanked staff for the presentation and explained he appreciated receiving a summary on the EDA investments. He requested this type of presentation continue to be done on an annual basis. He recommended the EDA work to have a safe, secure, and balanced investment portfolio. He stated he would support staff drafting an investment policy, with several language changes and bringing this back to the EDA for review and further consideration.

Johnson commended Gary Groen and City Accountant Teri Portinen on their efforts on behalf of the City and EDA.

11. REPORTS OR COMMENTS: Executive Director, President, Members

Grams welcomed Teresa Aho to the EDA.

Johnson reported he attended a meeting today where affordable/workforce housing and trailer parks were discussed. He commented on how the City of Dayton was addressing this concern given the rising cost of housing. He encouraged the EDA to consider affordable housing as one of its strategic goals going forward.

Stelmach stated he felt targeted by dis-information and feared that the information presented had not been fact checked. He commented further on why he had supported Teresa Aho being appointed to the EDA. He discussed the benefit of the EDA having business owners appointed noting these individuals were subject matter experts. For this reason, he noted he

had supported the appointment of Charles Flynn in 2018, a resident, and Teresa Aho, a business owner. He explained Mr. Flynn has since resigned his position, along with Juliana Hultstrom. He noted these resignations would allow the Council to consider new appointments to the EDA Board. He welcomed Teresa Aho to the EDA.

12. ADJOURNMENT

A motion was made by Schulz, seconded by Aho, to adjourn at 7:00 p.m. The motion carried 5-0.

Respectfully submitted,

Heidi Guenther
TimeSaver Off Site Secretarial, Inc.