

**OSSEO CITY COUNCIL  
REGULAR MEETING MINUTES  
August 26, 2019**

1. CALL TO ORDER

Mayor Duane Poppe called the regular meeting of the Osseo City Council to order at 7:09 p.m. on Monday, August 26, 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, and City Attorney Mary Tietjen.

Others present: Kersh Cooks, James Kelly, Jesse Dickinson, Jordan Dickinson, Zach Kinsey, Kristin Bahner, Rebecca Kurtz, Walter Cole, Lee Gustafson, and Emily Lueth.

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 Stelmach, seconded by Johnson, to accept the Agenda as presented. The motion carried 5-0.**

5. CONSENT AGENDA

- A. Approve Council Work Session Minutes of July 29
- B. Receive EDA Minutes of August 12
- C. Receive Council Minutes of August 12
- D. Approve Fee Increases for Tokle Inspection Services for 2020
- E. Accept Resignation of Interim Senior Center Coordinator Rebecca O'Brien
- F. Receive July Lions Club Gambling Report
- G. Receive July American Legion Gambling Report
- H. Receive July Fire Relief Association Gambling Report
- I. Approve Training for Police Officer Tony Mortinson
- J. Receive Planning Commission Minutes of August 19
- K. Approve Fee Waiver for Halloween Event in Community Center

**A motion was made by Johnson, seconded by Schulz, to approve the Consent Agenda. The motion carried 5-0.**

6. MATTERS FROM THE FLOOR

Representative Kristin Bahner encouraged Osseo residents to visit her and other local representatives at the Minnesota State Fair on Tuesday, August 27.

7. SPECIAL BUSINESS

A. SENIOR LINKAGE LINE PRESENTATION – Kersh Cooks, Metropolitan Area Agency on Aging

Kersh Cooks, Community Outreach Specialist with the Metropolitan Area Agency on Aging, provided the Council with a presentation on the Senior LinkAge Line. She reported her agency has a mission to assist individuals to age successfully and develop the capacity of communities to care for an aging population. She commented further on the social work and resources available to aging adults and asked if the Council had any comments or questions.

Stelmach thanked Ms. Cooks for her presentation. He encouraged her to forward additional information from SeniorLinkage Line to City staff in order to have it available at City Hall.

Johnson asked if Ms. Cooks would be available to speak to groups. Ms. Cooks explained she would be available to speak to seniors.

Johnson commented these were such important services for the elderly in the community. He questioned if Ms. Cooks offered follow up services. Ms. Cooks indicated follow up services were provided.

Poppe thanked Ms. Cooks for her presentation.

B. APPROVE AMERICAN LEGION 100<sup>TH</sup> ANNIVERSARY EVENT PERMIT – Walter Cole, Osseo American Legion

Walter Cole, Commander of the Osseo American Legion, discussed the history of the Osseo American Legion. He explained the Osseo American Legion was one of the largest in the State of Minnesota. He described the Legion’s four main pillars and commented on the donations the Legion gave to the community. He reported the Osseo American Legion has requested a special use permit for its 100<sup>th</sup> Anniversary event. He explained the event would be held on Saturday, October 5, from 8:00 a.m. to 12:00 a.m.

Johnson thanked the Osseo American Legion for its dedicated service to the community.

Schulz asked if the Anniversary Event would be fully contained within the Legion parking lot. Mr. Cole reported this was the case.

**A motion was made by Hultstrom, seconded by Johnson, to approve the Osseo American 100<sup>th</sup> Anniversary Event Permit. The motion carried 5-0.**

Mr. Cole invited the Council to attend the Osseo/Maple Grove American Legion Annual Car and Motorcycle Show on Thursday, August 29, from 4-8 p.m.

C. ACCEPT DONATIONS (Resolution)

Grams stated the City has received the following donations:

<u>Donor</u>	<u>Amount/Item</u>	<u>Designated Fund</u>
Randy’s Environmental Services	\$250	Beautification/Streetscape
Briggs & Morgan, PC	\$200	Beautification/Streetscape

Staff recommended the Council accept the donations.

**A motion was made by Johnson, seconded by Stelmach, to adopt Resolution No. 2019-45 accepting donations from Randy's Environmental Services and Briggs & Morgan. The motion carried 5-0.**

8. PUBLIC HEARINGS – None.

9. OLD BUSINESS

A. APPROVE CONDITIONAL USE PERMIT AMENDMENT FOR 616 CENTRAL AVENUE (Resolution)

City Planner Nancy Abts stated the Council held a public hearing on this Conditional Use Permit at its August 12 meeting. The Council reached an agreement with the property owner to amend the CUP to clarify condition 13. Staff was directed to prepare revised CUP language for consideration at tonight's meeting. City Attorney Mary Tietjen, in consultation with the business owner's attorney, has drafted the amended condition 13 to read:

*"No more than 24 vehicles may be on the property at any time. This condition applies at all times, every day of the year, regardless of business hours. The term "vehicle" includes any motorized vehicle, including but not limited to, cars, trucks, carts, motorcycles, recreational vehicles, boats, food trucks, and the like, whether or not the vehicle is currently for sale, operable or licensed. For purposes of this condition, the term "vehicle" shall also include trailers. The term "vehicle" also includes owner, customer, and employee vehicles. If there is any dispute about whether a thing is a "vehicle" for purposes of this condition, the City's reasonable determination shall govern. The City of Osseo may inspect the property for compliance with this condition at any time without prior notice to the property or business owner. If, at any time, the City determines, in its sole and reasonable discretion, that there are more than 24 vehicles on the property, the City Council may revoke the CUP at its earliest opportunity with notice and opportunity to be heard as required by law."*

**A motion was made by Johnson, seconded by Schulz, to adopt Resolution No. 2019-46 amending a Conditional Use Permit for used auto sales at 616 Central Avenue. The motion carried 5-0.**

B. REVOKE EXPIRED CONDITIONAL USE PERMITS FOR ADDRESSES 1010 CENTRAL AVENUE, 111 1<sup>ST</sup> STREET SE, 235 COUNTY ROAD 81, AND 504 3<sup>RD</sup> STREET SE (Resolution)

Abts stated the City Council held a public hearing on four expired Conditional Use Permits at its August 12 meeting. No one spoke against revoking the expired permits. Staff was directed to prepare resolutions revoking the expired CUPs for the City Council meeting on August 26.

Johnson questioned why the property at 111 1<sup>st</sup> Street SE no longer required a Conditional Use Permit (CUP). Abts explained the current use was not identified as a conditional use within City Ordinance.

**A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2019-47 approving the revocation of Conditional Use Permit 2000-36 for 111 1<sup>st</sup> Street SE.**

Johnson stated he would like the current business at 111 1<sup>st</sup> Street SE investigated further to see if this business required a CUP. Grams explained staff had reviewed this matter and noted a CUP was not required.

**The motion carried 5-0.**

**A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2019-48 approving the revocation of Conditional Use Permit 2008-32 for 235 County Road 81. The motion carried 5-0.**

**A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2019-49 approving the revocation of Conditional Use Permit 2012-85 for 504 3<sup>rd</sup> Street SE. The motion carried 5-0.**

**A motion was made by Hultstrom, seconded by Schulz, to adopt Resolution No. 2019-50 approving the revocation of Conditional Use Permit 2014-63 for 101 Central Avenue. The motion carried 5-0.**

10. NEW BUSINESS

A. APPROVE SALE OF BONDS FOR 2019 STREET AND ALLEY PROJECT – Rebecca Kurtz, Ehlers

Rebecca Kurtz, Ehlers, requested the Council adopt a resolution awarding the sale of the \$745,000 General Obligation Improvement Bonds, Series 2019A, for the 2019 street and alley project. She reviewed the bond sale results from the four bidders with the Council noting the City received an AA rating from Standard & Poor's. She commended the City on its great financial efforts. It was noted United Bankers Bank from Bloomington came in with the low bid with an interest rate of 2.0845%.

Johnson thanked Ms. Kurtz for her efforts on behalf of the City of Osseo. He asked if only four bids were received because this was a smaller bond bid. Mr. Kurtz reported this was the case.

**A motion was made by Johnson, seconded by Hultstrom, to adopt Resolution No. 2019-51 awarding the sale for the \$745,000 General Obligation Improvement Bonds, Series 2019A, for the Street and Alley Project to United Bankers Bank. The motion carried 5-0.**

B. APPROVE 2020 STREET PROJECT PROPOSAL – Lee Gustafson, WSB & Associates

Lee Gustafson, WSB & Associates, stated the 2020 street reconstruction project consists of reconstructing 2<sup>nd</sup> Avenue NE and 3<sup>rd</sup> Avenue NE, between 4<sup>th</sup> Street NE and 93<sup>rd</sup> Avenue North. The project also includes repairing or minimal reconstruction of the storm sewer, sanitary sewer, and watermain, replacement of the curb and gutter, and sidewalk repair and installation as determined by Council.

Mr. Gustafson explained the existing roadway width will be maintained to the greatest extent possible and minimal impacts will be made outside of the curb with the exception for impacts related to utility work, curb replacement, and sidewalk work. Geotechnical evaluation will also be performed as part of this project.

Mr. Gustafson indicated the reconstruction project will be funded in accordance with the street reconstruction special assessment policy. WSB will prepare a preliminary assessment roll at the feasibility stage of the project, based on preliminary costs and the City's assessment policy. The preliminary assessment roll will be updated based on the bids received for the project at the time of the assessment hearing, prior to beginning construction. On completion of the assessment public hearing, the City Council will determine whether or not to authorize the project. The not-to-exceed proposed fee is \$73,250 which includes geotechnical evaluation.

Schulz commented on a segment of road in the North Oaks area and stated this was desperately in need of repair. Mr. Gustafson explained he discussed this portion of roadway with staff and indicated this may be replaced in the future.

Schulz thanked WSB for being flexible and for doing a great job on the City's street and alley projects.

**A motion was made by Hultstrom, seconded by Stelmach, to approve the engineering proposal with WSB as recommended. The motion carried 5-0.**

- C. APPROVE CONDITIONAL USE PERMIT FOR BODY ART ESTABLISHMENT AT 340 CENTRAL AVENUE (Resolution)

Abts commented the property at 340 Central Avenue is located in the Central Business District. It is owned by Zephyr Investments, LLC. Also home to Union Speed and Style, the property currently holds a Conditional Use Permit (CUP) for Artisan Manufacturing. This application is a request to grant a second CUP for the property.

Abts reported the proposal is for a tenant business to occupy approximately 600 square feet in the northwest corner of the building. Because CUPs apply to an entire property, if the CUP is approved it would be possible for body art uses to occupy more of the property. She commented further on the proposed CUP and noted the Planning Commission recommended approval of the body art establishment as a permitted use under City Code. She suggested the Council consider if a conditional use permit was necessary for this use or not.

City Attorney Tietjen explained she has had conversations with Abts regarding how to interpret the language within City Code. She indicated conditional uses are typically businesses that have some sort of adverse land use impact and conditions were required for approval of the use. She reported this proposed use was regulated by the County.

Stelmach stated he did not see anything adverse to the proposed use and for this reason he did not believe a CUP was necessary.

Hultstrom commented the proposed use fits nicely with the artisan manufacturing CUP that was already in place for this property.

Schulz explained tattoo artists were licensed individuals and, for this reason, he saw these establishments as professional services and therefore a CUP was not necessary.

Johnson agreed stating he did not believe another CUP was necessary for this property.

Stelmach questioned how the Council should proceed. City Attorney Tietjen reported if there was Council consensus that the body art establishment was a permitted use, no further action was needed. She explained the Council could also make a motion to clarify a CUP was not needed.

**A motion was made by Schulz, seconded by Stelmach, to recommend the Tattoo and Body Art establishment is a permitted use under City Code and a CUP is not required.**

Johnson recommended the CUP fee paid to the City be refunded to the applicant.

Schulz asked if the applicant would like to receive a refund. Zach Kinsey stated this would not be a deal breaker for him, but he would appreciate receiving the refund.

**The motion carried 5-0.**

**A motion was made by Johnson, seconded by Hultstrom, to refund the applicant the \$500 fee for the CUP application. The motion carried 5-0.**

D. DISCUSS EMPLOYEE PERSONNEL POLICY

Grams stated late last year the City Council directed the City Administrator and staff to begin reviewing the City's Personnel Policy for updates. The Personnel Policy was last updated by the City Council in May 2014. Since then, several state and federal laws have changed that required updates in the policy. Additionally, the Council asked staff to review the City's compensation plan, moving from a grade-and-step system to a merit-based compensation system.

Grams reported an initial draft of the new policy was developed over several months, with assistance from City Clerk LeAnn Larson and City Attorney Mary Tietjen. He has met with the Council Human Resources Committee in July to discuss and review the most recent draft of the policy. Several recommendations were made and incorporated into the final draft of the policy.

Grams indicated the draft policy was then brought to the full City Council in a work session on July 29 for review and discussion. Several updates were recommended by the City Council at that session and have since been incorporated into the draft.

Additionally, Hultstrom suggested a change to the PTO accrual rate for employees within the first two years of employment with the City. The suggested change was conveyed to Grams, which was then forwarded to the full Council for consideration. Staff provided the Council with a breakdown of the two different PTO accrual rates. It was noted all other components of the Personnel Policy, including the merit-based compensation system, have remained in the draft policy from the recent Council work session. Staff requested feedback from the Council on how to proceed with this policy.

Stelmach stated he appreciated the language within the personnel policy and did not support Hultstrom's PTO accrual rate.

Hultstrom explained she reached out to a number of professionals in different fields and was told the City's accrual rate was overly generous and for this reason she was proposing a change to the accrual rate. She indicated the current accrual system closely reflected the police union's contract and noted the City staff members were non-union.

Stelmach appreciated Hultstrom's efforts but he believed it would benefit the City to keep the accrual rate as is noting this would assist the City in recruiting new employees.

Johnson commented he originally had the same feelings as Hultstrom but after further consideration did not support a change to a different accrual rate.

Schulz indicated he believed the City's current accrual rate could assist in attracting new employees to the City but stated he also believed Hultstrom's proposal made sense. He explained he did not support changing the accrual rate for current employees but noted all new employees could have a different accrual rate. He stated he could support the amended plan with an 840 cap.

Hultstrom agreed the plan should not be retroactive.

Stelmach explained it was his understanding that when someone was hired for the City it was not just for a single specific task but with the understanding this individual would grow on the job to take on more tasks.

Following discussion, Council consensus was to direct staff to amend the accrual rate per Hultstrom's recommendations.

E. SET UTILITY RATE STUDY WORK SESSION FOR MONDAY, NOVEMBER 4

Grams stated staff is currently working on the utility rate study, as directed by Council late last year. There is a scheduled work session on Monday, September 30, to discuss the utility rate study in order to get final direction on several important questions (the “why” of the study) regarding updating Osseo’s utility rates. Based on the Council direction from that meeting, staff will work with Ehlers to finalize a draft rate structure and draft utility rates. That information needs to be presented to Council in a second work session before going to Council for formal approval later in the year.

Grams reported staff would like to hold that second utility rate study work session on Monday, November 4, beginning at 6 pm. This would provide staff with the necessary overall direction needed to make final recommendations to the Council at a regular Council meeting later in November or at the final meeting of the year in December.

**A motion was made by Hultstrom, seconded by Stelmach, to set a second utility rate study work session for Monday, November 4, at 6 p.m. The motion carried 4-1 (Schulz opposed).**

F. APPROVE POSTING FOR SENIOR CENTER COORDINATOR POSITION

Grams explained with the recent resignation of Interim Senior Center Coordinator Rebecca O’Brien, the position is now vacant, and the Council should consider approving the posting for the open position. The position oversees the set up and take down of the weekly senior card and Bingo games in the Community Center, and generally assists the seniors group with whatever they may need. The position is under the direction of the City Administrator and requires approximately 10 hours per week of work.

Grams explained staff recommends the Council approve the posting, which will be placed on the City website as well as the League of MN Cities website and be open until filled. Staff understood there was already some interest in the position from some individuals who are actively involved with the seniors programming currently. The position is part-time in nature, pays \$14.26/hour, and does not include any benefits.

Johnson asked if Ms. O’Brien would be interested in continuing to serve as a volunteer with the program. Grams indicated this may be the case, but staff would have to speak with her further.

Hultstrom questioned if it would be beneficial to table action on this item to allow for staff and the Council to further consider how to manage senior activities. Grams commented discussions could be held but recommended the Council also approve the job posting.

**A motion was made by Hultstrom to approve the posting for the vacant Senior Center Coordinator position. The motion failed for lack of a second.**

Johnson stated he would like to see staff speak with Ms. O’Brien prior to posting for this position to see if she was interested in continuing in the coordinator role as a volunteer. Grams explained it was his understanding Ms. O’Brien did not wish to continue in the coordinator role as a volunteer but only wanted to assist with the program as other constraints allowed. Abts commented she believed it was in the City’s best interest to hire someone for this position.

**A motion was made by Hultstrom, seconded by Stelmach, to approve the posting for the vacant Senior Center Coordinator position. The motion carried 5-0.**

G. APPROVE ACCOUNTS PAYABLE

Grams reviewed the Accounts Payable with the Council.

**A motion was made by Johnson, seconded by Stelmach, to approve the Accounts Payable as presented. The motion carried 5-0.**

11. ADMINISTRATOR REPORT – None.

12. COUNCIL AND ATTORNEY REPORTS

Hultstrom reported on Wednesday, August 21, she went to the Lookout in Maple Grove for a luncheon where she met with area leaders.

Johnson encouraged the public to view the CCX presentation on Union Speed & Style. He stated he was proud to have this business in Osseo.

Schulz indicated he attended the luncheon at the Lookout as well and noted he was pleased by the attendance at this event. He thanked the mayors of Rogers and Dayton for organizing this luncheon.

13. ANNOUNCEMENTS

Poppe stated the last Movie in the Park would occur on Tuesday, August 27, where Bumblebee would be screened. He noted the Chomps Grill food truck would be available from 4:30 to 8:00 p.m.

Poppe stated the American Legion Car Show would be held on Thursday, August 29, from 4-8 p.m.

Poppe reported City Hall would be closed on Monday, September 2, for Labor Day.

Poppe invited everyone to attend Lions Roar on Friday, September 6, and Saturday, September 7.

Poppe stated the Osseo Farmers Market was held every Tuesday through the month of September.

Poppe reported the City was in need of a Planning Commission member and those interested in serving were encouraged to contact City Hall for further information.

14. ADJOURNMENT

**A motion was made by Schulz, seconded by Hultstrom, to adjourn the City Council meeting at 8:59 p.m. The motion carried 5-0.**

Respectfully submitted,

Heidi Guenther  
*TimeSaver Off Site Secretarial, Inc.*